



Grupo Nutresa S. A.

Consolidated Financial Statements
As of December 31st, 2020 and 2019

UN FUTURO
ENTRE TODOS





Statutory auditor's report on the consolidated financial statements (Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

Opinion

I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A. and its subsidiaries, which include the consolidated statement of financial position at December 31, 2020, and the consolidated statements of comprehensive income, equity changes and cash flows for the year then ended, and the summary of the main accounting policies and other explanatory notes.

In my opinion, the accompanying consolidated financial statements, faithfully taken from the consolidation records, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. and its subsidiaries at December 31, 2020, and the results of its operations and cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia.

Basis for the opinion

I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. My responsibility under such standards is further described in the section concerning the "statutory auditor's responsibility for the audit of the consolidated financial statements" of this report.

I am independent of Grupo Nutresa S. A. and its subsidiaries in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and the ethical requirements relevant to my audit of the consolidated financial statements in Colombia. I have fulfilled my other ethical responsibilities in accordance with the IESBA code and other ethical requirements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those that, in my professional judgment, have been the most significant throughout my audit of the period's consolidated financial statements. Such matters have been addressed in the context of my audit of the consolidated financial statements as a whole, and in the preparation of my opinion on such financial statements; as such, I do not express a separate opinion on these matters.

PwC Contadores y Auditores S.A.S., Calle 7 Sur No. 42-70, Torre 2, Piso 11, Edificio Forum, Medellín, Colombia
Tel: (57-4) 325 4320, Fax: (57-4) 325 4322, www.pwc.com/co



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

Key audit matter	Treatment of the key matter throughout the audit
<p>Goodwill</p> <p>Goodwill generated as a result of the various business combinations that the Group has completed in the countries in which it operates are an important part of the total assets of Grupo Nutresa S. A. At December 31, 2020, as detailed in Note 20, goodwill amounts up to \$2,4 billion.</p> <p>To determine whether impairment exists, management of Grupo Nutresa S. A. performs an annual assessment, or they perform the assessment whenever there are changes in circumstances or events that would indicate the accounting value might not be fully recoverable.</p> <p>As described in Notes 3.3.1 and 3.3.11, the determination of the recoverable value is achieved by calculating fair value less disposal costs for cash generating units associated to goodwill, based on the strategic plans approved by the Group's Board of Directors. Said determination is a key audit matter, because it corresponds to a complex calculation that requires the use of a high degree of judgment to estimate the key hypothesis, such as revenue growth, expenses, costs, the evolution of the operating margin, capex investment, discount rate, among others. Such hypotheses may be affected significantly by the future evolution of the macroeconomic, competitive and regulatory environments in each of the countries where Grupo Nutresa S. A. operates.</p>	<p>I have performed audit procedures in cooperation with valuation experts on the process carried out by management of Grupo Nutresa S. A. to determine the recoverable value of cash generating units associated to goodwill. The performed procedures include:</p> <ul style="list-style-type: none"> - Understanding meetings concerning the financial model used by management of Grupo Nutresa S. A. to determine the recoverable value of the cash generating units. - Verification of consistency of the data used to calculate fair value less disposal costs based on the strategic plans approved by the Board of Directors of Grupo Nutresa S. A. - Analysis of compliance with the strategic plans approved for the previous period. - Evaluation of the key hypotheses used to determine the recoverable value, questioning their reasonability and coherence by carrying out tests to verify those hypotheses against market information. - Review of the mathematical integrity of the calculation and sensitivity tests on the relevant variables.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

Responsibilities of management and those charged with the governance in the Entity for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease its operations, or has no realistic alternative but to do so.

Those charged with the governance in the Entity are responsible for overseeing its financial reporting process.

Statutory auditor's responsibility for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the Financial Reporting Audit Standards Accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Financial Reporting Audit Standards Accepted in Colombia, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my statutory auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with the governance in the Entity regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during my audit.

I have also provided those charged with the governance in the Entity with a statement indicating that I have complied with the applicable ethical requirements in relation to independence, and I have informed them about all relations that could reasonably be expected to affect my independence and, in case any arise, the corresponding safeguards.

Among the matters that have been communicated to those charged with the governance in the Entity, I have established the most significant during my audit of the consolidated financial statements for the current period as key audit matters. Such matters are described in my audit opinion, except for those that are legally or regulatorily non-disclosable or, in very rare instances, those that I determine should not be disclosed in my opinion, because it is reasonably expectable that the negative effects of doing so would outweigh the public interest benefits resulting from disclosure.

(Original in Spanish signed by:)

Juber Ernesto Carrión
Statutory Auditor
Professional Card No. 86122-T
Appointed by PwC Contadores y Auditores S. A. S.
February 26, 2021

Certification of the Financial Statements

The undersigned Legal Representative and the General Counsel of Grupo Nutresa S. A.

CERTIFY:

26 of February of 2021

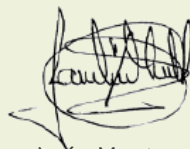
We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31st, 2020 and 2019, according to, the regulations, and the that same have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

In accordance with the above stated, in relationship to the Financial Statements, herewith mentioned, we declare the following:

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.
2. All realized economic transactions, have been recognized.
3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.
4. All elements have been recognized, in the appropriate amounts, and in accordance with the accounting norms and the financial information accepted in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third-party users, of such.



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vásquez
General Accountant

T.P. 45056-T

Certification of the Financial Statements Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

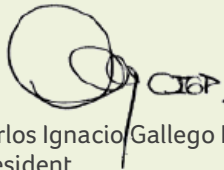
The undersigned Legal Representative of Grupo Nutresa S.A.

CERTIFIES:

26 of February of 2021

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2020 and 2019, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005.



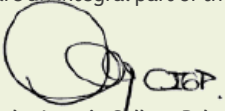
Carlos Ignacio Gallego Palacio
President

Consolidated Statement of Financial Position

As of December 31st (values expressed in millions of Colombian Pesos)

	Notes	December 2020	December 2019 (Restated)
ASSETS			
Current assets			
Cash and cash equivalents	9	\$ 933.564	\$ 497.947
Trade and other receivables, net	10	1.191.711	1.166.248
Inventories	11	1.379.984	1.248.128
Biological assets	12	127.614	96.632
Other assets	13	228.087	251.397
Non-current assets held for sale	14	177	2.610
Total current assets		\$ 3.861.137	\$ 3.262.962
Non-current assets			
Trade and other receivables, net	10	26.548	25.409
Investments in associated and joint ventures	15	196.498	193.360
Other financial non-current assets	16	2.678.991	3.511.768
Property, plant and equipment, net	17	3.434.206	3.417.424
Right-of-use assets	18	829.563	878.552
Investment properties	19	9.056	79.489
Goodwill	20	2.369.706	2.266.852
Other intangible assets	21	1.303.838	1.274.709
Deferred tax assets	22.4	740.891	668.578
Other assets	13	87.447	80.436
Total non-current assets		\$ 11.676.744	\$ 12.396.577
TOTAL ASSETS		\$ 15.537.881	\$ 15.659.539
LIABILITIES			
Current liabilities			
Financial obligations	23	486.736	527.196
Right-of-use liabilities	24	126.727	147.242
Trade and other payables	25	1.283.494	1.235.133
Tax charges	22.2	240.011	214.542
Employee benefits liabilities	26	217.033	191.864
Provisions	27	3.450	1.948
Other liabilities	28	83.209	29.912
Total current liabilities		\$ 2.440.660	\$ 2.347.837
Non-current liabilities			
Financial obligations	23	2.865.638	2.680.014
Right-of-use liabilities	24	747.296	745.313
Trade and other payables	25	-	3.032
Employee benefits liabilities	26	196.244	189.295
Deferred tax liabilities	22.4	1.020.416	998.236
Provisions	27	5.909	13.238
Other liabilities	28	4.576	487
Total non-current liabilities		\$ 4.840.079	\$ 4.629.615
TOTAL LIABILITIES		\$ 7.280.739	\$ 6.977.452
SHAREHOLDER EQUITY			
Share capital issued	30.1	2.301	2.301
Paid-in-capital	30.1	546.832	546.832
Reserves and retained earnings	30.2	4.003.255	3.801.830
Other comprehensive income, accumulated	31	3.070.019	3.770.120
Earnings for the period		575.441	503.518
Equity attributable to the controlling interest		\$ 8.197.848	\$ 8.624.601
Non-controlling interest	30.4	59.294	57.486
TOTAL SHAREHOLDER EQUITY		\$ 8.257.142	\$ 8.682.087
TOTAL LIABILITIES AND EQUITY		\$ 15.537.881	\$ 15.659.539

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vásquez
General Accountant
Professional Card No. 45056-T


Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S.
(See attached opinion)

Consolidated Comprehensive Income Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	Notes	2020	2.019 (Restated)
Continuing operations			
Operating revenue	7.1	\$ 11.127.541	\$ 9.958.851
Cost of goods sold	32	(6.465.128)	(5.565.589)
Gross profit		\$ 4.662.413	\$ 4.393.262
Administrative expenses	32	(483.735)	(467.332)
Sales expenses	32	(2.962.563)	(2.832.494)
Production expenses	32	(208.969)	(162.851)
Exchange differences on operating assets and liabilities	34	11.532	23.661
Other operating expenses, net	33	910	2.505
Operating profit		\$ 1.019.588	\$ 956.751
Financial income	35.1	24.022	22.294
Financial expenses	35.2	(282.878)	(302.303)
Dividends	16	69.271	61.516
Exchange differences on non-operating assets and liabilities	34	(10.779)	(4.460)
Share of profit of associates and joint ventures	15	(4.472)	(2.268)
Other income		581	714
Income before tax and non-controlling interest		\$ 815.333	\$ 732.244
Current income tax	22.3	(261.210)	(207.877)
Deferred income tax	22.3	30.274	2.656
Profit after taxes from continuous operations		\$ 584.397	\$ 527.023
Discontinued operations, after income tax	36	(553)	(16.452)
Net profit for the period		\$ 583.844	\$ 510.571
Profit for the period attributable to:			
Controlling interest		\$ 575.441	\$ 503.518
Non-controlling interest		8.403	7.053
Net profit for the period		\$ 583.844	\$ 510.571
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian pesos)		1.250,62	1.094,31
(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Gains (Losses) on actuarial defined benefit plans	26-31	\$ 2.545	\$ (19.195)
Equity instruments, measured at fair value	16-31	(843.345)	186.697
Income tax from items that will not be reclassified	31	(1.808)	6.576
Total items that are not subsequently reclassified to profit and loss		\$ (842.608)	\$ 174.078
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associate and joint ventures	15-31	3.227	746
Exchange differences on translation of foreign operations	31	164.673	(56.106)
Cash flow hedges		(31.911)	(9.096)
Income tax from items that will be reclassified	31	6.070	1.651
Total items that are or may be subsequently reclassified to profit and loss:		\$ 142.059	\$ (62.805)
Other comprehensive income, net taxes		\$ (700.549)	\$ 111.273
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ (116.705)	\$ 621.844
Total comprehensive income attributable to:			
Controlling interest		(127.989)	617.216
Non-controlling interest		11.284	4.628
Total comprehensive income		\$ (116.705)	\$ 621.844

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vasquez
General Accountant
Professional Card No. 45056-T

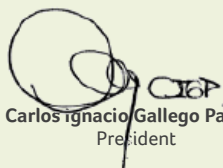
Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
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(See attached opinion)

Consolidated Exchange in Equity Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	Share capital issued (Note 30.1)	Paid-in-capital (Note 30.1)	Reserves and retained earnings (Note 30.2)	Earnings for the period	Other comprehensive income, accumulated (Note 31)	Total equity attributable to the controlling interest	Non-controlling interest (Note 30.4)	Total
Equity at December 31st of 2020	2.301	546.832	3.801.830	503.518	3.770.120	8.624.601	57.486	8.682.087
Profit for the period	-	-	-	575.441	-	575.441	8.403	583.844
Other comprehensive income for the period	-	-	-	-	(703.430)	(703.430)	2.881	(700.549)
Comprehensive income for the period	-	-	-	575.441	(703.430)	(127.989)	11.284	(116.705)
Transfer to accumulated results	-	-	503.518	(503.518)	-	-	-	-
Cash dividends (Note 30.3 – 30.4)	-	-	(298.712)	-	-	(298.712)	(4.552)	(303.264)
Acquisition of subsidiaries	-	-	(39)	-	-	(39)	(4.986)	(5.025)
Realization of other comprehensive income	-	-	(3.329)	-	3.329	-	-	-
Other equity movements	-	-	(13)	-	-	(13)	62	49
Equity at December 31st of 2020	2.301	546.832	4.003.255	575.441	3.070.019	8.197.848	59.294	8.257.142
Equity at December 31st of 2019	2.301	546.832	3.552.827	505.308	3.683.175	8.290.443	44.288	8.334.731
Profit for the period	-	-	-	503.518	-	503.518	7.053	510.571
Other comprehensive income for the period	-	-	-	-	113.698	113.698	(2.425)	111.273
Comprehensive income for the period	-	-	-	503.518	113.698	617.216	4.628	621.844
Transfer to accumulated results	-	-	505.308	(505.308)	-	-	-	-
Cash dividends (Note 30.3)	-	-	(281.596)	-	-	(281.596)	(4.031)	(285.627)
Acquisition of subsidiaries	-	-	(572)	-	-	(572)	12.633	12.061
Reclassifications	-	-	26.748	-	(26.748)	-	-	-
Other equity movements	-	-	(885)	-	(5)	(890)	(32)	(922)
Equity at December 31st of 2019	2.301	546.832	3.801.830	503.518	3.770.120	8.624.601	57.486	8.682.087

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vásquez
General Accountant
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Juber Ernesto Carrión
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Designed by PwC Contadores y Auditores S. A. S.
(See attached opinion)

Consolidated Cash-flow Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	2020	2.019
Cash flow from operating activities		
Collection from sales of goods and services	\$ 11.136.912	\$ 9.807.576
Payments to suppliers for goods and services	(7.921.426)	(6.868.916)
Payments to and on behalf of employees	(1.823.893)	(1.660.668)
Income taxes and tax on wealth, paid	(180.939)	(199.044)
Other cash outflows	(25.217)	(46.565)
Net cash flow from operating activities	\$ 1.185.437	\$ 1.032.383
Cash flow from investment activities		
Cash and cash equivalents received from acquisitions	-	839
Purchase/sale of other equity instruments	(9.889)	(2.425)
Purchases of equity of associates and joint ventures (Note 15)	(4.900)	(2.730)
Purchases of property, plant and equipment (Note 17)	(271.041)	(254.495)
Amounts from the sale of productive assets	31.353	11.576
Purchase of Intangibles and other productive assets	(27.557)	(37.918)
Investment / divestment in assets held for sale, net	2.438	-
Dividends received (Note 15 - 16)	68.784	61.284
Interest received	16.033	11.270
Payments to third parties, to obtain control of subsidiaries	(12.883)	(423.507)
Other cash inflows (outflows)	5	(117)
Net cash flow used in investment activities	\$ (207.657)	\$ (636.223)
Cash flow from financing activities		
Proceeds from loans	113.102	407.278
Dividends paid (Note 30.3)	(298.063)	(279.660)
Interest paid	(175.515)	(179.349)
Paid leases (Note 24)	(144.175)	(151.099)
Fees and other financial expenses	(36.490)	(37.590)
Other cash inflows	6.897	5.752
Net cash flow used in financing activities	\$ (534.244)	\$ (234.668)
Increase in cash and cash equivalent from activities	\$ 443.536	\$ 161.492
Cash flow from discontinued operations	151	(8.776)
Net foreign exchange differences	(8.070)	(2.289)
Net increase in cash and cash equivalents	435.617	150.427
Cash and cash equivalents at the beginning of the period	497.947	347.520
Cash and cash equivalents at the end of the period	\$ 933.564	\$ 497.947

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vásquez
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Designed by PwC Contadores y Auditores S. A. S.
(See attached opinion)

Notes for the Consolidated Financial Statements

For the period between January 1st and December 31st of 2020 and 2019

(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares.)

Note 1. CORPORATE INFORMATION

1.1 Entity and corporate purpose of the Parent Company and subsidiaries

Grupo Nutresa S.A. and its subsidiaries, (hereinafter referred to as: Grupo Nutresa, the Company, the Group, or Nutresa), constitute an integrated and diversified food industry group, that operates mainly in Colombia and Latin America.

The Parent Company is Grupo Nutresa S.A., an anonymous corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellín, Colombia, and whose terms expire, on April 12, 2050. The Corporate Business Purpose consists of the investment, or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

Below is information of subsidiaries: Name, Main Activity, Principle Domicile, Functional Currency, and Percentage of Shares held by Grupo Nutresa:

Entity	Main Activity	Functional Currency ⁽¹⁾	% Participation	
			2020	2019
Colombia				
Industria Colombiana de Café S. A. S.	Production of coffee and coffee related products	COP	100,00%	100,00%
Compañía Nacional de Chocolates S. A. S.	Production of chocolates, its derivatives, and related products	COP	100,00%	100,00%
Compañía de Galletas Noel S. A. S.	Production of biscuits, cereals, et al,	COP	100,00%	100,00%
Industria de Alimentos Zenú S. A. S.	Production and sales of meats and its derivatives	COP	100,00%	100,00%
Productos Alimenticios Doria S. A. S.	Production of pasta, flour, and cereals	COP	100,00%	100,00%
Molinos Santa Marta S. A. S.	Milling of grains	COP	100,00%	100,00%
Alimentos Cárnicos S. A. S.	Production of meats and its derivatives	COP	100,00%	100,00%
Tropical Coffee Company S. A. S.	Assembly and production of coffee products	COP	100,00%	100,00%
Inverlogy S. A. S. ⁽²⁾	Production or manufacturing of packaging material	COP	100,00%	100,00%
Pastas Comarrico S. A. S.	Production of pasta, flour, and cereals	COP	100,00%	100,00%
Novaventa S. A. S.	Sales of foods and other items, via direct sales channels	COP	100,00%	100,00%
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Distribution of foods, via institutional channels	COP	70,00%	70,00%
Meals Mercadeo de Alimentos de Colombia S. A. S.	Production and sales of ice cream, dairy beverages, et al,	COP	100,00%	100,00%
Servicios Nutresa S. A. S.	Provision of specialized business services	COP	100,00%	100,00%
Setas Colombianas S. A.	Production, processing and sales of mushrooms	COP	99,50%	99,50%
Gestión Cargo Zona Franca S. A. S.	Provision of logistics services	COP	100,00%	100,00%
Comercial Nutresa S. A. S.	Sales of food products	COP	100,00%	100,00%
Industrias Aliadas S. A. S.	Provision of services related to coffee	COP	100,00%	100,00%
Operar Colombia S. A. S.	Provision of transportation services	COP	100,00%	100,00%
Fideicomiso Grupo Nutresa	Management of financial resources	COP	100,00%	100,00%
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Investment in cocoa production	COP	100,00%	83,41%
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
LYC S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
PJ COL S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
New Brands S. A.	Production of dairy and ice cream	COP	100,00%	100,00%
Schadel Ltda. Schalin Del Vecchio Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99,88%	99,88%
Tabelco S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
Productos Naturela S. A. S.	Production and marketing of healthy and functional foods	COP	60,00%	60,00%
Atlantic FS S. A. S.	Sales of food products	COP	51,00%	51,00%
Procesos VA S. A. S.	Processing of meat products	COP	100,00%	100,00%
Chile				
Tresmontes Lucchetti S. A.	Provision of specialized business services	CLP	100,00%	100,00%
Nutresa Chile S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes Lucchetti Agroindustrial S. A.	Agricultural and industrial production	CLP	100,00%	100,00%
Tresmontes Lucchetti Servicios S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes S. A.	Production and sales of foods	CLP	100,00%	100,00%
Lucchetti Chile S. A.	Production of pasta, flour, and cereals	CLP	100,00%	100,00%
Novaceites S. A.	Production and sales of vegetable oils	CLP	50,00%	50,00%
Tresmontes Lucchetti Inversiones S. A.	Management of financial and investment services	USD	100,00%	100,00%
Costa Rica				
Compañía Nacional de Chocolates DCR S.A.	Production of chocolates and its derivatives	CRC	100,00%	100,00%
Compañía de Galletas Pozuelo DCR S.A.	Production of biscuits, et al,	CRC	100,00%	100,00%
Compañía Americana de Helados S.A.	Production and sales of ice cream	CRC	100,00%	100,00%

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Entity	Main Activity	Functional Currency ⁽¹⁾	% Participation		
			2020	2019	
Servicios Nutresa CR. S.A.	Specialized business services provider	CRC	100,00%	100,00%	
Guatemala					
Comercial Pozuelo Guatemala S.A.	Distribution and sales of food products	QTZ	100,00%	100,00%	
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100,00%	100,00%	
Mexico					
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100,00%	100,00%	
Serer S.A. de C.V.	Personnel services	MXN	100,00%	100,00%	
Servicios Tresmontes Lucchetti S. A. de C.V.	Sales of food products	MXN	100,00%	100,00%	
Servicios Tresmontes Lucchetti S.A. de C.V.	Specialized business services provider	MXN	100,00%	100,00%	
Tresmontes Lucchetti México S.A. de C.V.	Production and sales of foods	MXN	100,00%	100,00%	
TMLUC Servicios Industriales. S.A. de CV	Specialized business services provider	MXN	100,00%	100,00%	
Panama					
Promociones y Publicidad Las Américas S. A.	Management of financial and investment services	PAB	100,00%	100,00%	
Alimentos Cárnicos de Panamá S. A.	Production of meats and its derivatives	PAB	100,00%	100,00%	
Comercial Pozuelo Panamá S. A	Production of biscuits, et al,	PAB	0%	100,00%	
American Franchising Corp. (AFC)	Management of financial and investment services	USD	100,00%	100,00%	
Aldage, Inc.	Management of financial and investment services	USD	0%	100,00%	
LYC Bay Enterprise INC.	Management of financial and investment services	USD	100,00%	100,00%	
Sun Bay Enterprise INC.	Management of financial and investment services	USD	100,00%	100,00%	
El Corral Capital INC.	Management of financial resources and franchises	USD	0%	100,00%	
The United States of America					
Abimar Foods Inc.	Production and sales of food products	USD	100,00%	100,00%	
Cordialsa Usa, Inc.	Sales of food products	USD	100,00%	100,00%	
Kibo Foods LLC	Production and sales of food products	USD	100,00%	100,00%	
Cameron's Coffee & Distribution Company	Production of coffee and coffee related products	USD	100,00%	100,00%	
CCDC OPCO Holding Corporation	Management of financial and investment services	USD	100,00%	100,00%	
Other Countries					
Entity	Main Activity	Country	Functional Currency	2020	2019
TMLUC Argentina S. A.	Production and sales of food products	Argentina	ARS	100,00%	100,00%
Corporación Distribuidora de Alimentos S. A. (Cordialsa)	Sales of food products	Ecuador	USD	100,00%	100,00%
Comercial Pozuelo El Salvador S. A. de C.V.	Distribution and sales of food products	El Salvador	USD	100,00%	100,00%
Americana de Alimentos S. A. de C.V.	Sales of food products	El Salvador	USD	100,00%	100,00%
Comercial Pozuelo Nicaragua S. A.	Sales of food products	Nicaragua	NIO	100,00%	100,00%
Industrias Lácteas Nicaragua S. A.	Sales and logistics management	Nicaragua	NIO	100,00%	100,00%
Compañía Nacional de Chocolates del Perú S. A.	Production of foods and beverages	Perú	PEN	100,00%	100,00%
Helados Bon S. A.	Production and sales of ice cream, beverages, and dairy, et al,	República Dominicana	DOP	81,18%	81,18%
Compañía de Galletas Pozuelo de República Dominicana S.R.L.	Management of financial and investment services	República Dominicana	DOP	100,00%	100,00%
Gabon Capital LTD.	Management of financial and investment services	BVI	USD	0%	100,00%
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	0%	100,00%

Table 1

(*) See Note 31.4, the descriptions of abbreviations, for each currency, and the primary impact on Grupo Nutresa's Financial Statements.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

2020: On July 1st Compañía de Galletas Noel S. A. acquired 16,59% of the "Fondo del capital privado BTG Pactual Cacao - Compartimento A", corresponding to 300.000 shares for \$4.421.

Gabon Capital LTD. was liquidated on October 28, 2020.

On November 11, 2020, a merger by absorption agreement was signed between American Franchising Corp. (AFC), Aldage, Inc., Perlita Investments LTD. and El Corral Capital INC., through which Aldage, Inc., Perlita Investments LTD., El Corral Capital INC, are merged with American Franchising.

On December 1, 2020, a merger agreement was made by absorption between Alimentos Cárnicos de Panamá S. A. and Comercial Pozuelo Panamá S. A., through which Comercial Pozuelo Panamá S. A is absorbed by Alimentos Cárnicos de Panamá S. A

2019: In December, the liquidation of the company, Comercializadora Tresmontes Lucchetti S. A. de C.V. was realized, and in February, the liquidation, of Sociedad Colectiva Civil Inmobiliaria y Rentas Tresmontes Luchetti. In August, through Abimar Foods, Inc, was constituted the company Kibo Foods LLC, which will have the purpose to produce products by request of third parties and to market products of the Group in the United States. In September, was acquired 100% of sharing, via acquisition of shares, in the amount of USD \$117 million (of which USD 4 million correspond to working capital) of CCDC OPCO Holding Corporation, owner of the 100% of Cameron's Coffee incorporating in the consolidated of Grupo Nutresa the assets and liabilities of the acquired companies on August 31st of 2019 and the results from September 1st of 2019. In October, was acquired 51% of sharing, via acquisition of shares, in the amount of \$47.124, owner of the 100% of Procesos VA S.A.S. incorporating in the consolidated of Grupo Nutresa the assets and liabilities of the acquired companies on October 31st and the results from November 1st of 2019.

Note 2. BASIS OF PREPARATION

The Consolidated Financial Statements of Grupo Nutresa, for the period from January 1st to December 31st, 2020, have been prepared in accordance with the Accounting and Financial Information Standards, accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued, by the International Accounting Standards Board (IASB), until 2018 (IFRS 17 not included), and other legal provisions, defined by the Financial Superintendence of Colombia.

Some of the figures and disclosures in 2019 presented in the consolidated financial statements, show variations compared to the information published as of December 31, 2019, due to adjustments made to the provisional amounts that had been recognized in the acquisition of CCDC OPCO Holding Corporation and Atlantic FS SAS, made in 2019. These adjustments are made in accordance with the provisions of paragraph 49 of NIIF 3- Business Combination.

Changes presented in the consolidated statement of financial position are presented below:

Consolidated Statement of Financial Position

As of December 31st (values expressed in millions of Colombian Pesos)

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S.	December 2019 Restated
ASSETS					
Current assets					
Cash and cash equivalents		\$ 497.947			497.947
Trade and other receivables, net		1.166.248			1.166.248
Inventories		1.248.128			1.248.128
Biological assets		96.632			96.632
Other assets		251.397			251.397
Non-current assets held for sale		2.610			2.610
Total current assets		\$ 3.262.962			3.262.962
Non-current assets					
Trade and other receivables, net		25.409			25.409
Investments in associated and joint ventures		193.360			193.360
Other financial non-current assets		3.511.768			3.511.768
Property, plant and equipment, net	a	3.400.057	17.367		3.417.424
Right-of-use assets		878.552			878.552
Investment properties		79.489			79.489
Goodwill	b	2.309.739	(41.721)	(1.166)	2.266.852
Other intangible assets	c	1.248.973	24.570	1.166	1.274.709
Deferred tax assets	d	654.496	14.082		668.578
Other assets		80.436			80.436
Total non-current assets		\$ 12.382.279	14.298	-	12.396.577
TOTAL ASSETS		\$ 15.645.241	14.298	-	15.659.539
LIABILITIES					
Current liabilities					
Financial obligations		527.196			527.196
Right-of-use liabilities		147.242			147.242
Trade and other payables		1.235.133			1.235.133
Tax charges		214.542			214.542
Employee benefits liabilities		191.864			191.864
Provisions		1.948			1.948
Other liabilities		29.912			29.912
Total current liabilities		\$ 2.347.837			2.347.837
Non-current liabilities					
Financial obligations		2.680.014			2.680.014
Right-of-use liabilities		745.313			745.313
Trade and other payables	e	158	2.874		3.032
Employee benefits liabilities		189.295			189.295
Deferred tax liabilities	d	984.035	14.201		998.236
Provisions		13.238			13.238
Other liabilities		487			487
Total non-current liabilities		\$ 4.612.540	17.075		4.629.615
TOTAL LIABILITIES		\$ 6.960.377	17.075		6.977.452
SHAREHOLDER EQUITY					

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S.	December 2019 Restated
Share capital issued		2.301			2.301
Paid-in-capital		546.832			546.832
Reserves and retained earnings		3.802.402		(572)	3.801.830
Other comprehensive income, accumulated		3.770.027	93		3.770.120
Earnings for the period		506.388	(2.870)		503.518
Equity attributable to the controlling interest		\$ 8.627.950	(2.777)	(572)	8.624.601
Non-controlling interest		56.914	-	572	57.486
TOTAL SHAREHOLDER EQUITY		\$ 8.684.864	(2.777)	-	8.682.087
TOTAL LIABILITIES AND EQUITY		\$ 15.645.241	14.298	-	15.659.539

Consolidated Comprehensive Income Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	December 2019 Restated
Continuing operations				
Operating revenue		9.958.851		9.958.851
Cost of goods sold	g	(5.565.300)	(289)	(5.565.589)
Gross profit		4.393.551	(289)	4.393.262
Administrative expenses	g	(467.302)	(30)	(467.332)
Sales expenses	g	(2.829.943)	(2.551)	(2.832.494)
Production expenses		(162.851)		(162.851)
Exchange differences on operating assets and liabilities		23.661		23.661
Other operating expenses, net		2.505		2.505
Operating profit		959.621	(2.870)	956.751
Financial income		22.294		22.294
Financial expenses		(302.303)		(302.303)
Dividends		61.516		61.516
Exchange differences on non-operating assets and liabilities		(4.460)		(4.460)
Share of profit of associates and joint ventures		(2.268)		(2.268)
Other income		714		714
Income before tax and non-controlling interest		735.114	(2.870)	732.244
Current income tax		(207.877)		(207.877)
Deferred income tax		2.656		2.656
Profit after taxes from continuous operations		529.893	(2.870)	527.023
Discontinued operations, after income tax		(16.452)		(16.452)
Net profit for the period		513.441	(2.870)	510.571
Profit for the period attributable to:				
Controlling interest		506.388		503.518
Non-controlling interest		7.053		7.053
Net profit for the period		513.441		510.571
Earnings per share (*)				
Basic, attributable to controlling interest (in Colombian pesos)		1.100,55		1.094,31
(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.				
OTHER COMPREHENSIVE INCOME				
Items that are not subsequently reclassified to profit and loss:				
(Losses) Gains on actuarial defined benefit plans		(19.195)		(19.195)
Equity instruments, measured at fair value		186.697		186.697
Income tax from items that will not be reclassified		6.576		6.576
Total items that are not subsequently reclassified to profit and loss		174.078		174.078
Items that are or may be subsequently reclassified to profit and loss:				
Share of other comprehensive income of associate and joint ventures		746		746
Exchange differences on translation of foreign operations		(56.199)	93	(56.106)
Cash flow hedges		(9.096)		(9.096)
Income tax from items that will be reclassified		1.651		1.651
Total items that are or may be subsequently reclassified to profit and loss:		(62.898)	93	(62.805)

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	December 2019 Restated
Other comprehensive income, net taxes		111.180	93	111.273
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		624.621	93	621.844
Total comprehensive income attributable to:				
Controlling interest		619.993		617.216
Non-controlling interest		4.628		4.628
Total comprehensive income		624.621		621.844

a) Property, plant and equipment, net

The appraisal made at the acquisition date of CCDC OPCO Holding Corporation generated an increase of \$ 17,692 and a depreciation as of December 31, 2019 of \$ 325.

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development (*)	Total
Cost	783.133	930.254	2.861.144	30.989	48.272	56.996	167.413	172.865	12.872	5.063.938
Depreciation and/or impairment	(340)	(243.616)	(1.258.026)	(21.047)	(32.482)	(38.361)	(70.009)	-	-	(1.663.881)
Balance at January 1st, 2019	782.793	686.638	1.603.118	9.942	15.790	18.635	97.404	172.865	12.872	3.400.057
Depreciation	-	-	(282)	-	(29)	(2)	(12)	-	-	(325)
Capitalization and consumption	-	-	16.401	-	250	101	940	-	-	17.692
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)
Balance at December 31st, 2019 restated	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	12.872	3.417.424

b) Goodwill

The provisionally established goodwill of Atlantic FS S. A. S., presented a decrease of \$ 1.166, due to in the assigning of the purchase price was determined the existence of the following brands:

- Atlantic: \$664
- Matsumoto: \$128
- Chophouse: \$374

The provisionally established goodwill of CCDC OPCO Holding Corporation, presented a decrease of \$ 41,721, due to the reallocation of the purchase price. See notes a), c), d) and e).

Reportable Segment	CGU	Balance at January 31 st , 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S.	December 31 st , 2019 Restated
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	249.333	(41.721)	-	207.612
	Industrias Aliadas S.A.S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	-	906
Chocolate	Nutresa de México	188.012	-	-	188.012
	Abimar Foods Inc.	96.546	-	-	96.546
Biscuits	Galletas Pozuelo	36.291	-	-	36.291
	Productos Naturela S.A.S.	1.248	-	-	1.248
Others	Atlantic FS S.A.S. ⁽¹⁾	34.830	-	(1.166)	33.664
TMLUC	Grupo TMLUC	941.425	-	-	941.425
		2.309.739	(41.721)	(1.166)	2.266.852

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c) Other intangible assets

In the process of assigning the purchase price of Atlantic FS S.A.S. was identified the brands related in in note b)

In the process of assigning the purchase price of CCDC OPCO Holding Corporation, the following intangibles were identified:

- 1) Cameron's Brand: \$48.829
- 2) Contracts: \$8.848
- 3) Customer relationships: \$39.326

Intangibles as "Contracts" and "customer relationships" as of December 31, 2019, generated an amortization expense of \$ 2,551. Intangibles that were no longer able to generate future benefits of \$ 77,389 were written off.

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	1.152.948	58.371	53.708	173.187	1.438.214
Amortization and impairment	(70.008)	(39.447)	(18.123)	(61.663)	(189.241)
Balance at January 1st, 2019	1.082.940	18.924	35.585	111.524	1.248.973
Amortization and disposals CCDC OPCO Holding Corporation				55.681	55.681
Fair value and disposals adjustments CCDC OPCO Holding Corporation	48.829			(79.940)	(31.111)
Fair value adjustments Atlantic	1.166				1.166
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at December 31st, 2019 restated	1.132.935	18.924	35.585	87.265	1.274.709

d) Deferred income tax

The intangibles determined by assigning the purchase price of CCDC OPCO Holding Corporation generated a deferred tax credit of \$ 13.006, the property, plant and equipment a deferred tax credit of \$ 4.778.

Adjustments were made to the deferred tax debit on provisions for \$ 3,583 and tax losses for \$ 14,082.

	2019	Fair value adjustments CCDC OPCO Holding Corporation	2019 Restated
Deferred tax assets			
Goodwill tax, TMLUC	89.605		89.605
Employee benefits	46.245		46.245
Accounts payable	9.357		9.357
Tax losses	185.716		185.716
Tax credits	6.197		6.197
Debtors	20.671		20.671
Right-of-use assets	254.961		254.961
Other assets	41.744	14.082	55.826
Total deferred tax assets	654.496	14.082	668.578
Deferred tax liabilities			
Property, plant and equipment	356.985	4.778	361.763
Intangibles	345.796	13.006	358.802
Investments	7.039		7.039
Inventories	4.341		4.341
Right-of-use liabilities	251.047		251.047
Other liabilities	18.827	(3.583)	15.244
Total income tax liabilities	984.035	14.201	998.236
Net deferred tax liabilities	329.539	119	329.658

At the end of the period, the price paid in the acquisition of Cameron was assigned, incorporating deferred tax associated to contracts with customers and the deferred tax was withdrawn from the disposals of intangibles that have no value.

e) A contingent liability for \$ 2,874 was identified.

f) Corresponds to the non-controlling interest share of the fair value of Atlantic FS S. A. S. brands.

g) It includes the depreciation and amortization expense originated by the intangibles identified, the adjustment to the fair value of the properties, plant and equipment and the Impact of differences of currency translation that generates the differences between the exchange rates used in the translation of the accounts of the Consolidated Comprehensive Income Statement and Consolidated Statement of Financial Position.

2.1. Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the accounting policies, herewith. The book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and which would otherwise be accounted for at amortized cost and are adjusted to record changes in the fair values, attributable to those risks that are covered under “Effective hedges”.

2.2 Functional and presentation currency

The Consolidated Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa. These figures are expressed in millions of Colombian Pesos, except for basic earnings per share and the representative market exchange rates, which are expressed in Colombian Pesos, as well as, other currencies (E.g. USD, Euros, Pounds Sterling, et al.), and which are expressed as monetary units.

2.3 Classification of items in current and non-current

Grupo Nutresa presents assets and liabilities, in the Statement of Financial Position, classified as current and non-current. An asset is classified as current, when the entity: expects to realize the asset, or intends to sell or consume it, within its normal operating cycle, holds the asset primarily, for negotiating purposes, expects to realize the asset within twelve months, after the reporting period is reported, or the asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months, after the close of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability, within its normal operating cycle, or holds the liability primarily for negotiating purposes.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

3.1.1 Investments in subsidiaries

The Consolidated Financial Statements, include Grupo Nutresa financial information, as well as, its subsidiaries, at December 31, 2020, as well as its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa. Control exists, when any of the Group companies, has the power to direct the relevant activities of the subsidiary, which are generally: the operating and financing activities, to obtain benefits from them, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied homogeneously, by the Parent Company, and its subsidiary companies. In cases of subsidiaries, located abroad, the practices do not differ significantly from the accounting practices used in the countries of origin, and/or have been homologized to those that have a significant impact on the Consolidated Financial Statements.

All balances and transactions between subsidiaries, as well as, the unrealized profits or losses, were eliminated in the consolidation process.

The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements, from the date of acquisition, until the date that Grupo Nutresa loses its control. Any residual interest that is retained is measured at fair value. The gains or losses arising from this measurement are recognized in the other comprehensive income.

The Annual Separate Financial Statements are the basis for the distribution of dividends and other appropriations by the Shareholders. The Consolidated Financial Statements at year, are presented at the Shareholders' Meeting, for informational purposes only.

Consolidation of companies in which Grupo Nutresa owns less than the majority of voting rights:

The Group considers exercising control of the relevant activities of Novaceites S.A., despite that their actual controlling shares are 50%, which does not give the majority of the voting rights. This conclusion is based on the composition of the Directive of Novaceites S.A., the Administration of TMLUC, as well as, the General Management of the Company, and the level of involvement of TMLUC, in its accounting and commercial processes.

Companies in which Grupo Nutresa holds the majority of the voting rights, but does not have the control:

The Group considers that it does not exercise control over the relevant activities of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A., despite having a 100% interest. The changing conditions of the Venezuelan market, including regulation of the foreign exchange market and limited access to the purchase of foreign exchange, through official systems, combined with other governmental controls, such as price controls and profitability, importation, and labor laws, among others, limits the ability to maintain a normal level of production, reduces the ability of the Administration to make and execute operational decisions, restricts the possibility of access to the liquidity, resulting from these operations, and the realization of these benefits to its investors, in other Countries, through dividend payments. The Management, of Grupo Nutresa, considers that this situation will be maintained, in the foreseeable future, and therefore, a loss of control is established on said investment, according to the postulates established in IFRS 10, reasons that served to support, that as of October 1, 2016, these investments were classified as financial instruments measured at fair value with changes in other comprehensive income.

This accounting classification does not compromise the productive and commercial operation of Grupo Nutresa, in Venezuela, its team of collaborators, nor its relationships, with customers and suppliers.

3.1.2 Non-controlling interest

Non-controlling interest, in net assets of the consolidated subsidiaries, are presented separately, within Grupo Nutresa's equity. Profit and loss, and “other comprehensive income”, is also attributed to non-controlling and controlling interest.

Subsidiaries' purchases or sales, involving non-controlling ownership, that do not involve a loss of control, are recognized directly in equity.

Grupo Nutresa considers non-controlling interest transactions, as transactions with Shareholders of the Company. When realizing acquisitions of minority interest transactions, the difference between the consideration paid, and the interest acquired, over the book value of the subsidiary's net assets, is recognized as an equity transaction, and therefore, goodwill for those acquisitions is not recognized.

3.2 Investments in associates and joint ventures

An associate is an entity over which Grupo Nutresa has significant influence, over its financial and operating policies, without having control or joint control. A joint venture is an entity that Grupo Nutresa controls jointly with other participants, where, together, they maintain a contractual agreement, that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities, assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

The results, assets, and liabilities of the associate, or joint venture, are incorporated in the Consolidated Financial Statements, using *the Equity Method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa, over the net assets of the associate or joint venture, after the date of acquisition, less any impairment loss on the investment. The losses of the associate or joint venture, that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there will be an outflow of economic benefit, and there is a legal or implicit obligation.

Where *the Equity Method* is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa. The portion that corresponds to Grupo Nutresa, of gains and losses, obtained from the measurement at fair value, at the date of acquisition, is incorporated into the Financial Statements, and unrealized gains and losses from transactions between Grupo Nutresa and the associate or joint venture are eliminated, to the extent of Grupo Nutresa's participation in the associate or joint venture. *The Equity Method* is applied from the date of the acquisition, to the date that significant influence or joint control over the entity is lost.

The participation of profit and loss, of an associate or joint venture, is presented in the Comprehensive Income Statement, for the period, net of taxes, and non-controlling interest, of the subsidiaries of the associate or joint venture. The participation of changes recognized, directly in equity and "other comprehensive income" of the associate or joint venture, is presented in the Statement of Changes in Equity, and other consolidated comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized, by reducing the book value of the investment.

Grupo Nutresa analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment, in the profit and loss.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes, any retained residual investment at fair value. The difference between the book value of the associate or joint venture (taking into account, the relevant items of "other comprehensive income"), and the fair value of the retained residual investment, at its value from sale, is recognized in profit and loss, in that period.

3.3 Significant accounting policies

Grupo Nutresa, and its subsidiaries, apply the accounting policies and procedures of the Parent Company. An overview of the significant accounting policies, that Grupo Nutresa applies in the preparation of its Consolidated Financial Statements, is as follows:

3.3.1 Business combinations and goodwill

Operations, whereby the joining of two or more entities or economic units into one single entity, or group of entities, occurs, are considered business combinations.

Business combinations are accounted for using *the Acquisition Method*. Identifiable assets acquired, liabilities, and contingent liabilities, assumed from the acquired, are recognized at fair value, at the date of acquisition. Acquisition expenses are recognized in profit and loss and goodwill, as an asset, in the Consolidated Statement of Financial Position.

The consideration, transferred in the acquisition, is measured as the fair value of assets transferred, liabilities incurred or assumed, and equity instruments, issued by Grupo Nutresa, including any contingent consideration, to obtain control of the acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and when applicable, the fair value of any previously held equity interest, over the net value of the assets acquired, liabilities, and contingent liabilities assumed at the date of acquisition. The resulting gain or loss, from the measurement of previously held interest, can be recognized in profit and loss or "other comprehensive income", accordingly. In the previous periods for which it is reported, the acquirer may have recognized, in "other comprehensive income", changes in the value of its equity interest in the acquired. If so, the amount, that was recognized, in "other comprehensive income", shall be recognized, on the same basis as it would be required if the acquirer had disposed directly of the previously held equity interest. When the consideration transferred is less than the fair value of the net assets acquired, the corresponding gain is recognized in profit and loss, on the date of acquisition.

For each business combination, at the date of acquisition, Grupo Nutresa chooses to measure non-controlling interest at the proportionate share of the identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquired, or at fair value.

Any contingent consideration, in a business combination, is classified as liability or equity, and is recognized at fair value, at the date of acquisition. Subsequent changes in fair value of a contingent consideration, classified as financial liability, are recognized in profit and losses, in that period, or in “other comprehensive income”. When it is classified as equity, it is not re-measured, and its subsequent settlement is recognized in equity. If the consideration is not classified as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired in a business combination is allocated at the date of acquisition, to cash-generating units of Grupo Nutresa, that are expected to be benefitted by the combination, irrespective of whether other assets or liabilities of the acquired are assigned to these units.

When goodwill is part of a cash-generating unit, and part of the operation within that unit is sold, the goodwill associated with the operation disposed is included in the book value of the operation, when the gain or loss of the disposal of the operation is determined. Goodwill written-off is determined, based upon the percentage of the operation sold, which is the difference between the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 Translation of balances and transactions, in foreign currencies

Transactions made in a currency other than the functional currency of the Group are translated using the exchange rate, at the date of the transaction. Subsequently, monetary assets and liabilities, denominated in foreign currencies are translated, using the exchange rates, at the closing of the Financial Statements, and taken from the information published by the official entity responsible for certifying this information; non-monetary items, that are measured at fair value, are translated using the exchange rates on the date when its fair value is determined and non-monetary items that are measured at historical cost, are translated using the official exchange rates, from the date of the original transaction.

All exchange differences, arising from operating assets and liabilities, are recognized in the Income Statement, as part of operating income or expenses; exchange differences, in other assets and liabilities, are recognized as financial income or expense, except for, monetary items that provide an effective hedge for a net investment, in a foreign operation, and from investments in shares classified as fair value, through equity. These items and their tax impact, are recognized in “other comprehensive income”, until the disposal of the net investment, at which time they are recognized in profit and loss.

Foreign subsidiaries

For the presentation of Grupo Nutresa’s Consolidated Financial Statements, the financial situation, and results of the subsidiaries, whose functional currency is different from the presentation currency of the Group, and whose economy is not classified as hyperinflationary, are translated, as follows:

- Assets and liabilities, including goodwill, and any adjustment to the fair value of assets and liabilities, arising from the acquisition, are translated, at end of period exchange rates.
- Income and expenses are translated at the monthly average exchange rate.

Exchange differences, arising from translation of foreign subsidiaries, are recognized in “other comprehensive income”, on a separate account ledger named “Exchange differences on translation of foreign operations”, as well as, exchange differences, in long-term receivable or payable accounts, which are part of the net investment abroad. In the disposal of foreign operations, the amount of “Other comprehensive income”, that relates to the foreign subsidiaries, is recognized in the results of the period.

Main currencies and exchange rates

Below, is the evolution of the closing exchange rates to Colombian Pesos, of the foreign currencies, that correspond to the functional currency of the subsidiaries, of Grupo Nutresa, and that have a significant impact on the Consolidated Financial Statements:

		December 2020	December 2019
Panamanian Balboa	PAB	3.432,50	3.277,14
Costa Rican Colon	CRC	5,56	5,68
Nicaraguan Cordoba	NIO	98,57	96,85
Peruvian Sol	PEN	947,94	987,39
U,S, Dollar	USD	3.432,50	3.277,14
Mexican Peso	MXN	172,18	173,64
Guatemalan Quetzal	GTQ	440,41	425,67
Dominican Peso	DOP	58,85	61,88
Chilean Peso	CLP	4,83	4,38
Argentine Peso	ARS	40,79	54,71

Table 2

3.3.3 Cash and cash equivalents

Cash and cash equivalents, in the Statement of Financial Position and Statement of Cash Flows, include cash on hand and banks, highly liquid investments easily convertible to a determined amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less, from the date of purchase. These items are initially recognized at historical cost, and are restated, to be recognized at its fair value, at the date of each annual accounting period.

3.3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value, plus (minus) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa classifies its financial assets for subsequent measurement, at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets, and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments, in an effective hedge, accordingly.

(i) *Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) *Financial assets measured at fair value with changes in other comprehensive income*

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) *Financial assets measured at fair value*

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) *Impairment of financial assets at amortized cost*

The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) *Derecognition*

A financial asset, or a part of it, is derecognized, from the Statement of Financial Position, when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the Statement of Financial Position, when the contractual obligation has been settled, or has expired. When an existing financial liability is replaced by another, from the same counterparty, on substantially different terms, or the terms of an existing liability are substantially

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modified, such an exchange or modification is treated as a derecognition of the original liability, and the recognition of a new liability, and the difference, in the respective book value, is recognized in the Comprehensive Income Statement.

(vi) Modification

In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments, taken by the Group, that are not designated as hedging instruments, in effective hedging.

Financial obligations are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) Off-setting financial instruments

Financial assets and financial liabilities are offset, so that the net value is reported on the Statement of Financial Position of the Consolidated, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

(ix) Derivative instruments and hedge accounts

A financial derivative is a financial instrument, whose value changes, in response to changes in an observable market variable, (such as an interest rate, foreign exchange, the price of a financial instrument, or a market index, including credit ratings), and whose initial investment is very small compared to other financial instruments with similar changes, in response to market conditions, and are generally settled at a future date.

In the normal course of business, companies engage in transactions with derivative financial instruments, with the sole purpose of reducing its exposure to fluctuations in exchange rates, and interest rates on foreign currency obligations. These instruments include, among others, swaps, forwards, options, and futures over commodities traded for own-use.

Derivatives are classified, under the category of financial assets or liabilities, according to, the nature of the derivative, and are measured at fair value on the Income Statement, except those that are designated as hedging instruments.

Commodities contracts, with the purpose of receipt or delivery a non-financial item, in accordance with the purchase, sale, or usage requirements, expected by the entity, are considered "derivatives for own-use", and the impact is recognized as part of cost of the inventory.

Grupo Nutresa designates and documents certain derivatives as hedging instruments, to cover:

- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges); and
- Hedges of net investments in foreign operations

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group continuously evaluates the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

3.3.5 Inventories

Assets, held for sale in the ordinary course of business, or in the process of production for such a sale, or in the form of materials or supplies to be consumed in the production process, or services provided, are classified as inventory.

Inventories are valued at the lesser of, acquisition or manufacturing cost, or the net realizable value. Cost is determined using *the Average Cost Method*. The net realizable value is the estimated selling price of inventory. In the ordinary course of operations, less the applicable variable sales expenses. When the net realizable value is below the book value, the value of the impairment is recognized, as an adjustment in the Income Statement, decreasing the value of the inventory.

Inventories are valued using *the weighted average method* and the cost includes the costs directly related to the acquisition and those incurred to give them their current condition and location. The cost of finished goods and work in progress is comprised of: raw materials, direct labor, other direct costs, and indirect manufacturing expenses.

Trade discounts, rebates, and other similar items, are deducted from the acquisition cost of inventory.

In the case of commodities, the cost of the inventory includes any gain or loss, on the hedging of raw material procurement.

3.3.6 Biological assets

Biological assets held by Grupo Nutresa are measured from initial recognition at the fair value, less expenses to realize the sale. The changes are recognized in the Income Statement, for the period. Agricultural products, coming from biological assets, are measured at fair value less costs to sell at the time of collection or harvest when they are transferred to inventory.

When fair value cannot be reliably measured, it is measured at cost, and the existence of impairment indicators permanently assessed.

3.3.7 Property, plant and equipment

Property, plant and equipment includes the value of land, buildings, furniture, vehicles, machinery and equipment, computer hardware, and other facilities owned by the consolidated entities, which are used in the normal operation of the segment's Group.

Property, plant and equipment are measured at cost, net of accumulated depreciation, and accumulated impairment losses, if any. The cost includes: the acquisition price, costs directly related to the location of assets in place, and the necessary conditions to operate in the manner intended by Grupo Nutresa, the cost, from loans, for construction projects, that take a period of a year or more to be completed, if the conditions for approval are met, and the present value of the expected cost for the decommissioning of the asset after its use, if the recognition criteria for a provision, are met.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of the asset.

For significant components of property, plant and equipment, that must be replaced periodically, the Group derecognizes the replaced component and recognizes the new component as an asset, with a corresponding specific useful life, and depreciates it, accordingly. Likewise, when major maintenance is performed, its cost is recognized as a replacement of the book value of the asset, to the extent that the requirements for recognition are met. All other routine repair and maintenance expenses are recognized in results, as they are incurred.

Substantial improvements on properties of third parties are recognized as part of Grupo Nutresa's fixed assets, and are depreciated for the shortest period, between the useful life of the improvements made or the lease term.

Depreciation begins when the asset is available for use, and is calculated on a straight-line basis over the estimated asset life, as follows:

Buildings	20 to 60 years
Machinery (*)	10 to 40 years
Transport equipment	3 to 10 years
Computer equipment	3 to 10 years
Office equipment	5 to 10 years

Table 3

(*) Some of the machinery, related to production, is depreciated using *the Hours Produced Method*, according to the most appropriate manner, in which the consumption of the economic benefits of the asset, is reflected.

The residual values, useful lives, and depreciation methods, are reviewed at each year-end, and are adjusted prospectively, if required. The factors that can influence the adjustment are: changes in the use of the asset, unexpected significant wear, technological advances, changes in market prices, et al.

A component of property, plant and equipment, or any substantial part of it, initially recognized, is derecognized upon sale or when no future economic benefit from its use or its sale is expected. Any gain or loss, at the time of derecognizing the asset, (calculated as the difference between the net income from the sale and the book value of the asset), is included in the Income Statement, for the period.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions of its recoverable values. If there is evidence of impairment, property, plant and equipment is tested, to assess whether their book values are fully recoverable. In accordance with IAS 36 "Impairment of Assets", losses due to a reduction in the recoverable value are recognized for the amount at which the book value of the asset, (or group of assets), exceeds its recoverable value (the greater between its fair value minus the disposal costs and their value in use), and is recognized in the Income Statement for the period, as impairment of other assets.

When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying the future depreciation, in accordance with its new remaining useful life.

Plantations in development: are live Plants that: are used in the elaboration or supply of agricultural products, are expected to produce for more than one period, and have a remote probability of being sold as agricultural products, except for incidental sales of thinning and pruning.

3.3.8 Right-of-use assets and liabilities

A lease is an agreement whereby a lessor assigns to a lessee, in return for a payment or series of payments, the right to use an asset for a specified period of time.

The Group is the lessor and lessee of various properties, equipment and vehicles. Leases are generally for fixed periods of 1 to 15 years, but may have options to extend. The lease terms are negotiated individually and contain a wide range of different terms and conditions.

The extension and termination options included in the Group's leases are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercisable simultaneously by the Group and the respective counterparty.

Tenant accounting

Leases are recognized as a right of use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-to-use asset is depreciated over the shorter of the asset's useful life and the straight-line lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including substantial fixed payments), less any incentive to lease receivables,
- Variable lease payment based on an index or rate,
- Amounts expected to be paid by the tenant under residual value guarantees,
- The exercise price of a call option if the lessee is reasonably sure of exercising that option, and
- Penalty payments for terminating the lease, if the condition of the lease reflects that the tenant exercised that option.

Lease payments are discounted using a discount rate, which is calculated using the interest rate of each country, taking into account the duration of the contract and the type of asset.

Rights-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of the lease liability,
- Any lease payment made on or before the start date,
- Any direct initial costs, and
- Dismantling and restoration costs

Payments associated with short-term leases and low-value asset leases are recognized on a straight-line basis as an expense in the statement of income. Short-term leases have a term of 12 months or less. Low value assets include computer equipment and small office furniture items.

The average periods of amortization for right-of-use assets are, as follows:

Buildings	7 to 15 years
Machinery and production equipment	3 to 4 years
Transportation equipment	5 to 10 years

Table 4

The effects of the implementation of the standard should be seen in notes 18, 24 and 27.

Lessor's Accounting

When assets are leased under a finance lease, the present value of future lease payments is recognized as an account receivable. The difference between the gross amount receivable and the present value of the account receivable is recognized as finance income.

The account receivable is amortized by allocating each royalty between finance income and capital amortization in each accounting period so that the recognition of finance income reflects a constant rate of return on the lessor's net investment in the finance lease in each period.

When assets are leased out under operating leases, the asset is included in the statement of financial position according to the nature of the asset. Income from operating leases is recognized over the term of the lease on a straight-line basis.

3.3.9 Investment properties

Land and buildings, owned by Grupo Nutresa, are recognized as investment properties, in order to obtain an income or goodwill, rather being maintained for use or sale, in the ordinary course of operations.

Investment properties are initially measured at cost. The acquisition cost of an investment property includes its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are measured at net cost of accumulated depreciation and loss accumulated impairment losses, if any.

Depreciation is calculated linearly over the asset's useful lives, estimated between 20 and 60 years. Residual values and useful lives are reviewed and adjusted prospectively, at year-end, or when required.

Investment properties are written-off, either at the time of disposal, or when it is removed permanently from use and no future economic benefit is expected. The difference between the net disposal and the book value of the assets is recognized in income for the period in which it was derecognized.

Transfers to or from investment properties are made only when there is a change in use. In the case of a transfer from investment property, to property, plant and equipment, the cost, taken into account in subsequent accounting, is the book value at the date of change of use.

3.3.10 Intangible assets

An intangible asset is an identifiable asset, non-monetary, and without physical substance. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets, acquired in business combinations, is its fair value, at the date of acquisition. After initial recognition, intangible assets are accounted for at cost less any accumulated amortization and any accumulated impairment losses in value.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their useful life, linearly, and are assessed to determine whether they had any impairment, whenever there are indications that the intangible asset might have suffered such impairment. The amortization period and *the Amortization Method*, for an intangible asset with a finite useful life, is reviewed at least at the close of each period. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits of the asset, are accounted for at the change of the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expenses of intangible assets, with finite useful lives, are recognized in the Comprehensive Income Statement for the period. The useful life of an intangible asset with a finite life is between 3 and 99 years.

Intangible assets, with indefinite useful lives, are not amortized, but are tested annually to determine if they have suffered impairment, either individually, or at the level of the cash-generating unit. The assessment of indefinite life is reviewed annually, to determine whether the assessment remains valid. If not, the change in useful life from indefinite to finite is made prospectively against the results for the period.

Gains or losses, that arise when an intangible asset is written-off, are measured as the difference between the value obtained in the disposal, and the book value of the asset, and is recognized in profit and loss.

Research and development costs

Research costs are expensed as they are incurred. The expenditures, directly related to the development, in an individual project, are recognized as intangible assets, when the Grupo Nutresa can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the asset and its capacity to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure the expenditure during development.

In the Statement of Financial Position, assets, arising from development expenditures, are stated at cost less accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is subject to annual impairment tests, to determine if loss of value exists.

Research costs and development costs, not eligible for capitalization, are accounted as expenses, in profit and loss, for the period.

3.3.11 Impairment of non-financial assets, cash-generating units, and goodwill

Grupo Nutresa assesses if there is any indication that an asset, or cash-generating unit may be impaired in value, and estimates the recoverable amount of the asset or cash-generating unit, at the moment that an indication of impairment is detected, or annually (at December 31st), for goodwill, intangible assets with indefinite useful lives, and those not yet in use.

Grupo Nutresa uses its judgment, in the determination of the Cash-Generating Units (CGUs), for the purposes of impairment testing, and has defined as CGUs, those legally constituted entities, dedicated to production, assigning each one of those net assets of the legally constituted entities, dedicated to the provision of services to the producing units (in a transversal or individual way). The assessment of the impairment is realized, at the level of the CGU, or Group of CGUs, that contains the asset to be assessed.

The recoverable value of an asset is the greater of the fair value, less costs to sell, either an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of other assets or groups of assets. In this case, the asset must be grouped to a cash-generating unit. When the book value of an asset or cash-generating unit, exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount.

In calculating the value in use, or the fair value, the estimated future cash flows, whether of an asset or a cash-generating unit, are discounted to their present value, using a discount rate, which reflects market considerations of the value of money over time, as well as, the specific risks of the asset. For the application of fair value, disposal costs will be discounted.

The impairment losses of continuing operations are recognized in the Comprehensive Income Statement, for the period, in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and, once exhausted, the impairment losses are proportionally attributed to other non-current assets of the cash-generating unit, based upon the book value of each asset.

The impairment for goodwill is determined by assessing the recoverable amount of each CGU (or group of cash-generating units) related to the goodwill. The impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, at each reporting date (at the close of each period), an assessment of whether there is any indication that impairment losses previously recognized value no longer exists or have decreased, is performed. If any such indication exists, Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit. An impairment loss, previously recognized, is reversed only if there was a change in the assumptions used to determine the recoverable value of an asset, since the last time that the last impairment loss

was recognized. The reversal is limited, so that the book value of the asset does not exceed its recoverable amount, nor does it exceed the book value that would have been determined, net of depreciation, if it had not recognized impairment loss, for the asset in previous years. Such a reversal is recognized in the Comprehensive Income Statement, for the period.

3.3.12 Taxes

This includes the value of mandatory general-nature taxation in favor of the State, by way of private closeouts, that are based on the taxes of the fiscal year and responsibility of each company, according to the tax norms of national and territorial governing entities, in each of the countries where Grupo Nutresa's subsidiaries operate.

a) Income tax

(i) Current

Assets and liabilities for income tax, for the period, are measured by the values expected to be recovered or paid to the taxation authorities. The expense for income tax is recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, and is impacted by the rate of income tax in the current year, in accordance with the provisions of the tax rules of each country. Taxes and tax norms or laws used to compute these values are those that are approved at the end of the reporting period, in the countries where Grupo Nutresa operates and generates taxable income. The current assets and liabilities, for income tax, are also offset, if related to the same taxation authority, and are intended to be settled at net value, or the asset realized, and liability settled, simultaneously.

(ii) Deferred

Deferred income tax is recognized, using *the liability method*, and is calculated on temporary differences between the taxable bases of assets and liabilities, and the book value. Deferred tax liabilities are generally recognized for all temporary tax differences imposed, and all of the deferred tax assets are recognized for all temporary deductible differences, future compensation of tax credits, and unused tax losses, to the extent that it is likely there will be availability of future tax profit, against which, they can be attributed. Deferred taxes are not subject to financial discount.

Deferred asset and liability taxes are not recognized, if a temporary difference arises from the initial recognition of an asset or liability, in a transaction that is not a business combination, and at the time of the transaction, it impacted neither the accounting profit nor taxable profit and loss; and in the case of deferred tax liability, arising from the initial recognition of goodwill.

Deferred tax liabilities, related to investments in associates, and interests in joint ventures, are not recognized when the timing of the reversal of temporary differences can be controlled, and it is probable that such differences will not reverse in the near future, and the deferred tax assets related to investments in associates, and interests in joint ventures, are recognized only to the extent that it is probable that the temporary differences will reverse in the near future and it is likely the availability of future tax profit, against which these deductible differences, will be charged. Deferred tax liabilities, related to goodwill, are recognized only to the extent that it is probable that the temporary differences will be reversed in the future.

The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available for use, in part or in totality, or a part of the asset, from said tax. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable profit income is likely to allow for their recovery.

Assets and liabilities from deferred taxes are measured at the tax rates, that are expected to be applicable, in the period when the asset is realized, or the liability is settled, based on income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

Deferred tax is recognized in profit and loss, except when relating to items not recognized in profit and loss, in which case will be presented in "other comprehensive income", or directly in equity.

3.3.13 Employee benefits

a) Short-terms benefits

These are, (other than termination benefits), benefits expected to be settled in its totality, before the end of the following twelve months, at the end of the annual period of which the services provided by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, for the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (that differ from post-employment benefits and termination benefits), that do not expire within twelve months after the end of the annual period in which the employee renders services, are remunerated, such as long-term benefits, the variable compensation system, and retroactive severance interest. The cost of long-term benefits is distributed over the time measured between the employee starting date, and the expected date of when the benefit is received. These benefits are projected to the payment date and are discounted with *the projected unit credit method*.

c) Pensions and other post-employment benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognized as expenses, in the Comprehensive Income Statement, for the period, on an accrual basis.

(ii) Defined benefit plans

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa has a legal or implicit obligation, of the payment of benefits. Subsidiary companies domiciled in Colombia, Ecuador, Mexico, and Peru, have actuarial liabilities, as required by law.

The cost of this benefit is determined by *the projected unit credit method*. The liability is measured annually, for the present value of expected future payments required to settle the obligations arising from services rendered by employees, in the current period and prior periods.

Updates of the liability, for actuarial gains and losses, are recognized in the Statement of Financial Position, against retained earnings through "other comprehensive income". These items will not be reclassified to profit and loss, in subsequent periods. The cost of past and present services, and net interest on the liability, is recognized in profit and loss, distributed among cost of sales and administrative expenses, sales and distribution, likewise as are gains and losses by reductions, in benefits and non-routine settlements.

Interest on the liability is calculated by applying the discount rate, on said liability.

Payments made to retirees are deducted from the amounts provisioned for this benefit.

d) Termination benefits

Termination benefits are provided for the period of employment termination, as a result of the Company's decision to terminate a contract of employment, before the normal retirement date; or the employee's decision to accept an offer of benefits in exchange for termination of an employment contract. Termination benefits are measured, in accordance with the provisions of the laws and the agreements, between Grupo Nutresa and the employee, at the time the decision to terminate the employment relationship with the employee, is officially released.

3.3.14 Provisions, contingent liabilities and assets

a) Provisions

Provisions are recognized when, as a result of, a past event, Grupo Nutresa has a present legal or implicit obligation to a settlement, and requires an outflow of resources, that are considered probable, and can be estimated with certainty.

In cases where Grupo Nutresa expects the provision to be reimbursed in whole, or in part, the reimbursement is recognized as a separate asset, only in cases where such reimbursement is virtually certain.

Provisions are measured at best estimate of the disbursement of the expenditure required to settle the present obligation. The expense relating to any provision is presented in the Comprehensive Income Statement, for the period, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as financial expense.

b) Contingent liabilities

Possible obligations, arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, that are not likely, but there exists a possibility that an outflow of resources including economic benefits is required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the Statement of Financial Position and are instead, revealed as contingent liabilities.

c) Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non-occurrence of one or more uncertain future events, which are not entirely under the control Grupo Nutresa, are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets, when it is a probable occurrence. When the said contingent is certain, the asset and the associated income, are recognized for that period.

3.3.15 Revenue

Contract assets

A contract asset is the Group's right to receive a payment in exchange for goods or services that the Group has transferred to a customer, when that right is contingent upon something other than the passage of time (for example, billing or delivery of other elements, part of the contract). The Group perceives the contract assets, as current assets, since they are expected to be realized within the normal operating cycle.

The costs of contracts eligible for capitalization, as incremental costs, when obtaining a contract, are recognized as a contract asset. Contract subscription costs are capitalized when incurred, if the Group expects to recover said costs. The costs of signing contracts constitute non-current assets, to the extent that it is expected to receive the economic benefits of said assets, in a period greater than twelve months. The contracts are amortized systematically and consistently, with the transfer to the customer of the services, once the corresponding income has been recognized. The contract subscription costs capitalized are impaired, if the client withdraws, or if the book value of the asset exceeds the projection of the discounted cash flows that are related to the contract.

Contract liabilities

Contract liabilities constitute the Group's obligation to transfer goods or services to a customer, for which the Group has received a payment, from the end customer, or if the amount is past due.

Grupo Nutresa recognizes income from contracts with customers, based on the provisions established in IFRS 15:

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- Identification of contracts with customers: a contract is defined as an agreement between two or more parties, which creates rights, and obligations, required, and establishes criteria that must be met for each contract.
- Identification of performance obligations in the contract: a performance obligation is a promise in a contract with a customer, for the transfer of a good or service.
- Determination of the price of the transaction: the transaction price is the amount of the consideration to which the Group expects to be entitled, in exchange for the transfer of the goods or services promised to a client, excluding amounts received, on behalf of third parties.
- Distribute the transaction price between the performance obligations of the contract: in a contract that has more than one performance obligation, Grupo Nutresa distributes the price of the transaction between the performance obligations in amounts that represent the amount of consideration that the Group expects to have the right to change to meet each performance obligation.
- Recognition of income, when (or as) Grupo Nutresa fulfills a performance obligation.

Grupo Nutresa meets its performance obligations at a specific point in time.

The income is measured based on the consideration specified in the contract, with the customer, and excludes the amounts received on behalf of third parties. The Group recognizes income when it transfers control over an asset. The income is presented net of value added tax (VAT), reimbursements, discounts, and after eliminating sales, within the Group.

The Group evaluates its income plans, based on specific criteria, in order to determine whether it acts as principal or agent.

Income is recognized, to the extent that the economic benefits are likely to flow to the Group, and if it is possible to reliably measure revenues and costs, if any.

The specific recognition criteria, listed below, must also be met for revenue to be recognized:

a) Sale of goods

Revenue, from the sale of goods, is recognized when the control over the products has been transferred.

b) Services rendered

Revenue from providing services is recognized when these services are rendered, or according to the degree of completion (or percentage of completion) of contracts.

c) Customer loyalty

The Group awards points to its customers for purchases, under the loyalty plan program, which can be redeemed in the future, for prizes such as household products, travel, snacks, home decoration, and discounts, among others. The points are measured, at their fair value, which corresponds to the value of the point perceived by the client, considering the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation to provide these points is recorded in liabilities, as a deferred income, and corresponds to the portion of benefits pending redemption, valued at their fair value.

3.3.16 Production expenses

Indirect production costs that do not contribute to move inventories to their present location and condition, and that are not necessary for the production process, are recorded as production expenses.

3.3.17 Government grants

Government grants are recognized when there is reasonable assurance that they will be received and all conditions linked to them will be safely met. When the grant relates to an expense item, it is recognized as income on a systematic basis, over the periods in which related costs that are intended for compensation, are recognized as expense. When the grant relates to an asset, it is recorded as deferred income and is recognized as profit or loss, on a systematic basis, over the estimated useful life of the corresponding asset.

3.3.18 Fair Value

Fair value is the price that would be received in selling an asset, or paid to transfer a liability, in an orderly transaction, between independent market participants, at the measurement date.

Grupo Nutresa uses valuation techniques, which are appropriate under circumstances for which sufficient information is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1)
- Based on valuation techniques commonly used by market participants, using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2)
- Based on internal discount cash flow techniques or other valuation models, using estimated variables by Grupo Nutresa for the unobservable asset or liability, in the absence of variables observed in the market (Level 3)

Judgments include data such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could impact the reported fair value of financial instruments.

3.3.19 Operating segments

An operating segment is a component of Grupo Nutresa that: engages in business activities from which it may earn income from ordinary activities and incur costs and expenses, from which it has financial information, and whose operating results are regularly reviewed by the maximum authority in making operating decisions for Grupo Nutresa, The Board of Grupo Nutresa, to decide about the allocation of resources to segments, as well as, assess performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the Consolidated Financial Statements of Grupo Nutresa.

For those operational segments that overreach the quantitative threshold of 10% of income, EBITDA, and operational income, as well as, the informational segments that are considered relevant for decision making by the Board of Directors. The other segments are grouped in categories called “other segments”.

3.3.20 Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss, for the period that is attributable to holders of ordinary shares, by the weighted average number of ordinary shares, outstanding.

The average number of shares outstanding, for the periods ended December 31st of 2020 and 2019, is 460.123.458.

To calculate diluted earnings per share, profit for the period, attributable to holders of ordinary shares, and the weighted average number of shares outstanding, for all the inherent dilutive potential ordinary shares, is adjusted.

3.3.21 Relative importance or materiality

Information is material if its omission, inaccuracies or hiding can reasonably influence the economic decisions taken by primary users of general purpose financial statements, based on these, which provide financial information about a specific reporting entity. Materiality or relative importance depends on nature or magnitude of the information. The entity assesses whether the information individually or collectively is material or has relative importance in the context of its financial statements taken as a whole.

3.4 Changes in accounting policies

IFRIC 23 was issued in May 2017 and compiled in Decree 2270 of December 13, 2019. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12, when there is uncertainty regarding the treatment of income tax. In this circumstance, an entity recognizes and measures its asset or liability, for deferred or current taxes, by applying the requirements of IAS 12, on the basis of taxable profit (tax loss), tax bases, unused fiscal losses, unused tax credits, and tax rates determined by applying this interpretation.

Based on these criteria and judgements for determination and recognition, there are currently no uncertainties in the treatment of income taxes that would result in the recognition of uncertain tax positions in accordance with IFRIC 23.

3.4.1 Amendment to IFRS 16 Leases - Rent Reductions related to Covid-19

As respond to COVID-19 pandemic, rental concessions have been granted to tenants. Such concessions can take a variety of forms, including grace periods and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases that gives lessees the option to treat rental concessions the same way they would if they were not lease modifications. In many cases, this will lead to the accounting of the concessions as variable lease payments in the period in which they are granted. In Colombia, Decree 1432 of 2020 incorporated this amendment with the possibility of applying it immediately.

Grupo Nutresa did not have significant adjustments to its lease contracts, however, in the cases in which it was considered necessary, it was applied to all the qualified rental concessions, recognizing in the results profits for \$13.661 from the concessions received.

3.4.2 Other regulatory changes that did not have an impact on the Grupo Nutresa’s accounting policies

3.4.2.1 IFRIC 23 Uncertainty over income tax treatments

Regarding to the criteria and judgments in the determination and recognition of taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that must be recognized in the accounting, in accordance with the framework defined by IFRIC 23.

3.4.2.2 Prepayment features with negative compensation (Amendments to IFRS 9)

Financial assets with prepayment features with a reasonable possibility of negative compensation for early termination of the contract - are eligible to be measured at amortized cost or fair value in the other comprehensive income, rather than at fair value in the comprehensive income.

3.4.2.3 Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

It is clarified that entities will account for long-term interests in an associate or joint venture - to which the equity method is not applied - using IFRS 9 before accounting for losses or losses due to impairment, applying IAS 28 Investments in Associates and Joint Ventures.

3.4.2.4 Amendment to IFRS 3 Business Combinations

In October 2018 was published an amendment to IFRS 3, which modifies the definition about what constitutes a business. This new definition requires that an acquisition includes an input and a process applied to itself, that together, contributes significantly to the ability to create products. The definition of the term "products" is restricted to focus on goods and services that are provided to customers, generating investment income and other income, and excludes returns in the form of reduced costs and other economic benefits.

3.4.2.5 Amendments to IAS 19 employee benefits - plan amendment, curtailment or settlement

In February 2018, the IASB issued amendments to IAS 19 regarding to the accounting for plan amendments, curtailment or settlements. The changes require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan modification, curtailment, or liquidation; and that it recognizes in results as part of the cost of past service, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized due to the impact of the asset limit.

3.4.2.6 Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of material or with relative importance.

The amendments published by the IASB in October 2018 clarify the definition of "material".

3.4.2.7 Annual improvements to IFRS standards 2015 to 2017 cycle

- Contains amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Tax and IAS 23 Borrowing Costs.
- The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it will measure again the stake held in that business.
- The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, it will measure again the interest held in that business.
- The amendments to IAS 12 clarify that an entity will account for all the consequences of dividends in income tax in the same way regardless of how the tax arises.
- The amendments to IAS 23 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats outstanding loans made to obtain that qualifying asset as part of general loans.

3.4.3 New IFRS Practice Statement - Making materiality judgments

IFRS Practice Statement No. 2 - Making materiality judgments, provides companies with guidance on how to make materiality judgements when preparing their general purpose financial statements, so that those financial statements focus on information which is useful to investors. The IFRS Practice Statements meets all the materiality requirements in IFRS Standards and adds practical guidance and examples that entities may find useful when deciding whether the information is material or material. The Practice Statement is a non-mandatory document. It does not change or introduce any requirements in IFRS Standards.

3.5 New regulations issued by the International Accounting Standards Board (IASB) that have not yet been incorporated into the accounting framework accepted in Colombia

3.5.1 Amendment to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current or non-current

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The classification is not affected by the expectations of the entity or the events after the date of the report. The changes also clarify what the "settlement" of a liability refers to in terms of the standard. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.2 Amendment to IAS 16 - Property, Plant and Equipment – Proceeds before intended use

The amendment published in May 2020 prohibits the deduction of the cost of an item of property, plant and equipment from any amount arising from the sale of items produced while taking that asset to the place and conditions necessary for it to operate in the manner provided by the management. Instead, an entity would recognize the amounts of those sales in comprehensive income statement. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.3 Amendments to IFRS 3 Business Combination

The amendment issued in May 2020 approach 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 - Levies; and confirm that contingent assets should not be recognized on the acquisition date.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.4 Amendment to IAS 37- Provisions, Contingent Liabilities and Contingent Assets - Cost of fulfilling a contract

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes when determining the "Compliance cost" of a contract for the purpose of assessing whether that contract is onerous; clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs that are directly related to the fulfillment of the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.5 Interest Rate Benchmark Reform

After the financial crisis, the reform and replacement of benchmark interest rates, such as GBP LIBOR and other interbank rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise moment and nature of these changes. In order to do the transition from existing contracts and agreements that reference LIBOR, it is possible to be necessary to apply adjustments for term differences and credit differences to allow the two benchmark rates to be economically equivalent in transition.

The amendments made to IFRS 9 - Financial instruments, IAS 39 - Financial instruments: recognition and measurement and IFRS 7 - Financial instruments: disclosures provide certain alternatives in relation to the reform of the benchmark interest rate. The alternatives are related to hedge accounting and have the effect that the reforms generally should not bring hedge accounting to an end. However, any hedging ineffectiveness must continue to be recorded in the comprehensive income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBOR), the alternatives will affect companies in all industries.

The accounting policies related to hedge accounting should be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between levels of the fair value hierarchy as markets become more or less liquid.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.6 Annual Improvements to IFRSs 2018-2020 Cycle

The following improvements were finished in May 2020:

- IFRS 9 - Financial instruments: clarifies which commissions should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 - Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 – First time adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book value recorded in their parent's accounting, also measure accumulated translation exchange differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures with some conditions.
- IAS 41 - Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.7 Conceptual framework

The IASB has issued a revised Conceptual Framework that will be used in decisions to set standards with immediate effect. The key changes include:

- Increase the importance of management in the objective of financial information;
- Restore prudence as a component of neutrality;
- Define a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Eliminate the probability threshold for recognition and add guidelines on derecognition;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the main performance indicator and that normally, income and expenses in other comprehensive income should be recycled when this improves the relevance or accurate representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that are based on the Framework to determine their accounting policies for transactions, events, or conditions that are not otherwise addressed in the accounting standards must apply the revised Framework effective January 1, 2020. These entities must consider whether its accounting policies are still appropriate under the revised Framework.

3.5.8 IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It also requires similar principles to apply to reinsurance contracts held and investment contracts with discretionary participation components. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts to assess the effect that contracts have on an entity's financial position, financial performance and cash flows, within the scope of IFRS 17.

IFRS 17 was initially applicable to annual periods beginning on January 1, 2021, however, the application date was extended for annual periods beginning on January 1, 2023, through an amendment issued by the IASB in June 2020. Early application is allowed.

IFRS 17 repeals IFRS 4 - Insurance Contracts which was an interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations from those requirements. Some previous insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

IFRS 17 requires a current measurement model where estimates are measured again in each reporting period. Contracts are measured using the components of:

- Discounted probability weighted cash flows;
- An explicit risk adjustment, and
- A contractual service margin (CSM) that represents the unearned profit from the contract which is recognized as income during the coverage period.

The standard allows choosing between recognizing changes in discount rates in the comprehensive income statement or directly in other comprehensive income. The choice is likely to reflect how insurers record their financial assets under IFRS 9.

An optional simplified premium allocation approach is allowed for the remaining coverage liability for short-term contracts, which are often offered by insurers that do not provide life insurance.

There is a modification to the general measurement model called "variable commission method" for certain life insurance contracts in which the insured share the returns of the underlying elements. When applying the variable commission method, the entity's participation in the changes in the fair value of the underlying items is included in the contractual service margin. Therefore, the results of insurers using this model are likely to be less volatile than in the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

Note 4. JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Consolidated Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of income and expenses, assets, and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities, at the close of the reporting period. The Group bases its assumptions and estimates, considering all parameters available, at the time of preparation of these Consolidated Financial Statements. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the book amounts of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these Consolidated Financial Statements:

- Choose, appropriately, the models, and assumptions, for the measurement of the expected credit loss.
- Establish groups of similar financial assets, in order to measure the expected credit loss.
- Determination of the compliance time of performance obligations.
- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial assets)
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees
- Useful life and residual values of property, plant and equipment and intangibles
- Suppositions used to calculate the fair value of financial instruments
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control over an investment

In the process of applying IFRS 16, the Group considered the following relevant judgements:

The Group's leasing activities and how they are accounted: for The Group leases various properties, equipment and vehicles. Leases are normally for periods of between 1 and 15 years. The lease conditions are negotiated individually and contain a wide range of different terms and conditions. The leases do not impose any covenants, but the leased assets cannot be used as collateral for loan purposes.

Variable lease payments: Some asset leases contain variable payment terms related to the income generated by the premises. Variable lease payments that depend on revenue are recognized in the income statement in the period in which the condition that triggers such payments occurs.

Lease extension and termination options: Extension and termination options are included in the Group's lease contracts. These conditions are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercised by the Group and the lessor.

Lease terms: In determining the term of the lease, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event or significant change in circumstances occurs that affects this assessment.

Discount rate: The Group determined the discount rate based on the rate of its incremental indebtedness. The determination process considered the duration of the leases, the nature and quality of the collateral and the economic environments in which the Group operates. This rate is reviewed annually and adjusted when there are significant changes.

Dismantling provision: The provision is established taking into account the interventions that the Group must make on the real estate to leave it in the condition in which it was delivered and the contractual obligations with the lessor. The provision is reviewed and adjusted annually.

Acquisition of subsidiaries

Note 5. ACQUISITION OF SUBSIDIARIES

CCDC OPCO Holding Corporation

On September 18, 2019, a share purchase agreement was formalized for \$384,762 in which Grupo Nutresa acquires 100% of the outstanding shares of CCDC OPCO Holding Corporation, which owns 100% of Cameron's Coffee & Distribution Company, located in the United States. The operation was financed with international bank loans for USD 105 million and USD 12 million with its own resources.

Cameron's Coffee & Distribution Company is a company dedicated to the production and distribution of value-added roasted and ground coffee, based in Shakopee, Minnesota. The company has nearly 40 years of experience in the production and marketing of roasted and ground coffee in different presentations in bags and capsules. Through the Cameron's brand, the company offers its consumers an innovative value proposal, which integrates a high quality product with convenience attributes and sustainability vision. Cameron's stands out for its relevant presence and growth in the American Midwest market where it has a distribution that has allowed it to position itself as one of the fastest growing brands in the channels it serves in that region. Likewise, it has begun its expansion to other regions of the United States with excellent results.

With this acquisition, the Group expects to capture important synergies in the United States, where Cameron's has arrived at modern retail through various commercial relationships in Premium coffee, which will be promoted and deepened, and which complement the distribution network and the portfolio that Grupo Nutresa currently has in that country. The transaction is expected to generate new opportunities for profitable growth for the Group, by connecting the commercial network, production capacities and the Cameron's brand with the scale, support and platform of Grupo Nutresa in the United States.

The recognized goodwill of \$207.612 is assigned to the Coffee segment and will not be deductible from income tax.

Atlantic FS S. A. S.

On October 25, 2019, the Superintendence of Industry and Commerce authorized Grupo Nutresa to acquire 51% of the shares of Atlantic FS S. A. S., owner of 100% of the shares of Procesos V.A. S. located in Colombia. The negotiation was for a value of \$47,207, which was paid with own resources.

The company is a leader in the food service sector and has positioned itself in Colombia in the commercialization of food, with presence in the main cities of the country.

Accounting policy option for non-controlling interest

The Group recognizes the non-controlling interest in an acquired entity either at its fair value or at the proportional participation of the non-controlling shareholders in the identifiable net assets of the acquired entity. This decision is made on the basis of each separate acquisition. For the non-controlling interest in Atlantic, the Group elected to recognize the non-controlling interest in its proportionate interest in the identifiable net assets acquired.

The recognized goodwill of \$ 33,747 is assigned to the "others" segment and will not be deductible from income tax in accordance with the current tax regulations in Colombia.

The detail of the net assets incorporated as part of the business combination and goodwill is as follows:

	2019		
	CCDC OPCO Holding Corporation	Atlantic FS S. A. S.	Total
Cash and cash equivalents	-	839	839
Trade and other receivables	18.491	22.304	40.795
Inventories	33.019	28.440	61.459
Other assets	3.509	903	4.412
Tax assets	-	3.106	3.106
Property, plant and equipment, net	30.093	5.608	35.701
Other intangible assets	69.980	326	70.306
Deferred tax assets	-	1.151	1.151
Right-of-use assets	20.109	6.282	26.391
Financial obligations	(791)	(6.928)	(7.719)
Trade and other payables	(12.230)	(24.481)	(36.711)
Tax charges	(2)	(4.614)	(4.616)
Employee benefits	(2.836)	(841)	(3.677)
Other non-financial liabilities	-	(145)	(145)
Right-of-use liabilities	(20.331)	(6.691)	(27.022)
Deferred tax liabilities	(3.583)	(1.154)	(4.737)
Net identifiable assets	135.428	24.105	159.533
(-) non-controlling interest	-	(11.811)	(11.811)
(+) other intangible assets - brands (Note 2)	48.829	1.166	49.995
(+) other intangible assets contractual relationships with clients (Note 2)	48.174	-	48.174
(-) disposals of intangibles (Note 2)	(69.980)	-	(69.980)
(+) adjustment to the fair value of property, plant and equipment (Note 2)	17.692	-	17.692
(-) net effect on deferred tax (Note 2)	(119)	-	(119)
(-) contingent liability (Note 2)	(2.874)	-	(2.874)
(+) goodwill (nota 20)*	207.612	33.747	241.359
Negotiation value	384.762	47.207	431.969

Table 5

(*) In 2020 there is an increase in goodwill of Atlantic for the price paid in 2019.

Income from ordinary activities

The income from ordinary activities and results included in the financial statements of Grupo Nutresa as of 31st of December, 2019 is, as follows:

	2019	
	CCDC OPCO Holding Corporation	Atlantic FS S. A. S.
	Sep-Dec	Nov-Dec
Income from ordinary activities	87.972	43.833
Net income	9.673	1.554

Table 6

Accounts receivable acquired companies

The fair value of the acquired accounts receivable and their respective impairment, is as follows:

	CCDC OPCO Holding Corporation	Atlantic FS S. A. S.
	1 st September, 2019	31 st October, de 2019
Accounts receivable	18.747	22.419
Impairment	(256)	(136)
Net accounts receivable	18.491	22.283

Acquisition-related costs

Costs related to the acquisition that were not directly attributable to the issue of shares are included in administrative expenses in the income statement and in operating cash flows in the statement of cash flows.

Contingent liability

A contingent liability was recognized on the acquisition date of CCDC OPCO Holding Corporation for \$ 2,874 arising from a legal dispute.

Note 6. INCOME STATEMENT FOR THE FOURTH QUARTER

The following is the Income Statement and an analysis of its line items for the period between October 1st and December 31st.

	Notes	October-December 2020	October-December 2019
Continuing operations			
Operating revenue	a	\$ 2.949.271	\$ 2.758.815
Cost of goods sold	e	(1.722.629)	(1.555.832)
Gross profit		\$ 1.226.642	\$ 1.202.983
Administrative expenses	e	(125.259)	(142.506)
Sales expenses	e	(842.727)	(787.995)
Production expenses	e	(61.069)	(49.240)
Exchange differences on operating assets and liabilities		9.818	20.358
Other operating expenses, net	f	12.264	4.077
Operating profit		\$ 219.669	\$ 247.677
Financial income		8.677	6.443
Financial expenses	d	(62.754)	(78.525)
Dividends		2	-
Exchange differences on non-operating assets and liabilities		(16.732)	(11.203)
Share of profit of associates and joint ventures		1.551	(598)
Other expenses		-	625
Income before tax and non-controlling interest		\$ 150.413	\$ 164.419
Current income tax	c	(43.766)	(64.408)
Deferred income tax	c	3.787	(3.766)
Profit after taxes from continuous operations		\$ 110.434	\$ 96.245
Discontinued operations, after income tax		(174)	(1.902)
Net profit for the period		\$ 110.260	\$ 94.343
Profit for the period attributable to:			
Controlling interest		\$ 105.974	\$ 91.145
Non-controlling interest		4.286	3.198
EBITDA	b	\$ 326.723	\$ 354.777

Table 7

a) Income from ordinary activities

- Income from ordinary activities, by segments

	Fourt Quarter					
	External clients		Inter-segments		Total	
	2020	2019	2020	2019	2020	2019
Biscuits	544.446	546.970	3.086	2.532	547.532	549.502
Cold Cuts	590.055	552.052	12.698	12.197	602.753	564.249
Chocolate	483.275	461.758	11.658	8.225	494.933	469.983
Coffee	397.996	356.193	1.777	2.213	399.773	358.406
TMLUC	248.980	246.989	1.150	367	250.130	247.356
Retail Food	217.527	222.669	12	196	217.539	222.865
Ice Cream	134.786	126.593	573	623	135.359	127.216
Pastas	98.025	89.941	215	141	98.240	90.082
Others	234.181	155.650	-	-	234.181	155.650
Total segments	2.949.271	2.758.815	31.169	26.494	2.980.440	2.785.309
Adjustments and eliminations					(31.169)	(26.494)
Consolidated					2.949.271	2.758.815

Table 8

Consolidated Financial Statements

- Income from ordinary activities, by geographical locations

	Four Quarter	
	2020	2019
Colombia	1.831.744	1.722.297
United States	302.620	280.593
Central America	295.156	270.714
Chile	187.498	191.806
Mexico	74.227	75.416
Dominican Republic and the Caribbean	50.657	48.232
Peru	80.693	75.703
Ecuador	40.778	39.284
Others	85.898	54.770
Total	2.949.271	2.758.815

Table 9

- Income from ordinary activities, by type of product

	Four Quarter	
	2020	2019
Foods	1.703.088	1.457.584
Beverages	671.146	555.833
Candy y snacks	465.532	452.350
Others	109.505	293.048
Total	2.949.271	2.758.815

Table 10

b) EBITDA

	Four Quarter	
	2020	2019
Operating profit	219.669	247.677
Depreciation and amortization	85.045	80.340
Right-of-use depreciation	28.758	31.365
Unrealized exchange differences from operating assets and liabilities	(6.749)	(4.605)
EBITDA	326.723	354.777

Table 11

- EBITDA, by operation segments

	Four Quarter							
	Operating Profit		Depreciation and Amortization		Unrealized Exchange Differences from Operating Assets and Liabilities		EBITDA	
	2020	2019	2020	2019	2020	2019	2020	2019
Biscuits	46.989	48.860	15.442	15.336	(2.122)	(1.244)	60.309	62.952
Cold Cuts	49.949	66.469	16.431	16.183	(635)	(2.090)	65.745	80.562
Chocolate	38.283	37.020	13.330	13.785	(842)	(1.155)	50.771	49.650
Coffee	9.284	20.035	19.166	14.135	2.544	1.658	30.994	35.828
TMLUC	13.980	16.974	11.568	12.368	216	(483)	25.764	28.859
Retail Food	25.957	33.287	21.529	22.560	(69)	(93)	47.417	55.754
Ice Cream	13.752	9.502	6.984	9.233	(229)	(218)	20.507	18.517
Pastas	10.666	11.061	3.051	3.066	(1.143)	(423)	12.574	13.704
Others	10.809	4.469	6.302	5.039	(4.469)	(557)	12.642	8.951
Total segments	219.669	247.677	113.803	111.705	(6.749)	(4.605)	326.723	354.777

Table 12

c) Income tax expenses

	Four Quarter	
	2020	2019
Income tax	43.766	64.408
Total	43.766	64.408
Deferred taxes	(3.787)	3.766
Total income tax expenses	39.979	68.174

Table 13

Current tax decreases mainly due to the decrease in profits in the last quarter of 2020.

Consolidated Financial Statements

The variation in deferred tax is mainly due to the recognition of higher tax losses and amortization of intangibles during the fourth quarter of 2020.

d) Financial expenses

	Fourt Quarter	
	2020	2019
Loans interest	30.225	44.812
Bonds interest	2.491	3.224
Interest from financial leases	21	28
Total interest expenses	32.737	48.064
Employee benefits	6.038	5.631
Right-of-use financial expenses	14.127	15.166
Other financial expenses	9.852	9.664
Total financial expenses	62.754	78.525

Table 14

e) Expenditure by nature

	Fourt Quarter	
	2020	2019
Inventory consumption and other costs	1.305.408	1.153.366
Employee benefits	471.636	444.451
Other services (1)	291.520	264.953
Other expenses (2)	140.354	148.349
Transport services	116.315	109.489
Depreciation and amortization	85.045	80.340
Right-of-use depreciation	28.758	31.365
Manufacturing services	24.451	57.238
Seasonal services	66.839	50.082
Energy and gas	46.412	44.474
Advertising material	35.137	35.260
Maintenance	35.123	33.120
Taxes other than income tax	24.257	10.075
Leases	28.037	17.389
Fees	30.896	38.341
Insurance	13.224	12.383
Impairment of assets	8.273	4.898
Total	2.751.684	2.535.573

Table 15

- (1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.
- (2) The other expenses include spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, supplies and buildings, stationery and office supplies, cleaning and laboratory supplies, legal expenses and licenses and prizes.

f) Other operating income (expenses), net

	Fourt Quarter	
	2020	2019
Indemnities and recuperations	2.840	3.944
Disposal and removal of property, plant and equipment and intangibles (*)	(1.620)	481
Fines, penalties, litigation, and legal processes	(545)	(612)
Other income and expenses	1.427	3.343
Government subsidies	1.060	1.015
Donations	(4.966)	(4.671)
Disposal and removal of right-of-use assets	407	577
Leases forgiveness income	13.661	-
Total	12.264	4.077

Table 16

Note 7. OPERATING SEGMENTS

Grupo Nutresa's operating segments reflect its structure and how Management, in particular, the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are assessed by combining geographic areas and types of products. The segments for which financial information are presented, as follows:

- **Cold Cuts:** Production and sale of processed meats (sausage, pepperoni, ham, bologna and burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms
- **Biscuits:** the production and commercialization of sweet flavored cookies lines, with cr me and wafers, salty crackers, and snacks, and healthy and functional foods
- **Chocolate:** Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, snacks, cereal bars, and nuts
- **TMLUC:** Stands for Tresmontes Lucchetti, a business unit that produces and sells: instant cold drinks, pasta, coffee, snacks, edible oil, juices, soups, desserts, and teas
- **Coffee:** Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried), and coffee extracts.
- **Retail Foods:** Formats established for direct sale to consumers, like restaurants and ice cream parlors, hamburger products, prepared meats, pizza, ice cream, and yogurt are offered.
- **Ice Cream:** This segment includes desserts, water and milk-based ice cream pops, cones, Ice cream by the liter, as well as, ice cream cups and biscuits with ice cream
- **Pasta:** Produced and sold in Colombia, as short, long, egg, with vegetables, with butter, and instant pasta.

The Board of Directors monitors the operating results of the Business Units separately, for the purposes, of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of operating revenues and EBITDA generated, which are measured uniformly with the Consolidated Financial Statements. Financing operations, investment, and tax management are managed centrally, and are therefore, not allocated to operating segments.

The Management Reports, and the ones generated by accountancy of the Group, use the same policies, as described in the note of accounting criteria, and there are no differences, in totality, between the total measurements of results, with respect to the accounting policies applied.

Transactions between segments correspond mainly to sales of finished products, raw materials, and services. The sales price between segments corresponds to the cost of the product, plus a profit margin. These transactions are eliminated in the Consolidated Financial Statements.

Assets and liabilities are managed by the administration of each of the subsidiaries of Grupo Nutresa; no segment allocation is assigned.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa's income.

7.1 Operating income from contracts with clients:

Revenues are recognized once control has been transferred to the customer. Some goods are sold with discounts that are recognized at the moment when the income is invoiced, and others with the fulfillment of goals by the client. Revenue is recognized, net of these discounts. The Group's experience is used, to estimate and provide discounts, using the expected value method, and revenues are only recognized to the extent that it is very likely that a significant reversal will not occur. A reimbursement liability (included in commercial accounts and other accounts payable) is recognized for the expected volume discounts, payable to customers in relationship to the sales realized, to the end of the reporting period. No element of financing is considered present, since sales are realized with a credit term that in some cases, can reach up to 90 days, which is consistent with the practice of the market. Grupo Nutresa does not recognize any guarantee, on the products it sells. During 2020 and 2019, the Group did not incur incremental costs, to obtain contracts with its customers, nor other costs associated with the execution of the contract.

a) Income from ordinary activities, by segments

	External clients		Inter-segments		Total	
	2020	2019	2020	2019	2020	2019
Biscuits	2.223.679	2.029.125	11.415	11.002	2.235.094	2.040.127
Cold Cuts	2.145.265	1.912.022	30.692	43.062	2.175.957	1.955.084
Chocolate	1.737.201	1.676.711	38.656	34.529	1.775.857	1.711.240
Coffee	1.591.087	1.210.085	9.406	11.168	1.600.493	1.221.253
TMLUC	1.117.290	1.041.956	4.734	2.584	1.122.024	1.044.540
Retail Food	660.356	814.636	103	196	660.459	814.832
Ice Cream	482.535	475.583	2.735	1.224	485.270	476.807
Pastas	404.555	343.012	728	1.630	405.283	344.642
Others	765.573	455.721	-	-	765.573	455.721
Total segments	11.127.541	9.958.851	98.469	105.395	11.226.010	10.064.246
Adjustments and eliminations					(98.469)	(105.395)
Consolidated	11.127.541	9.958.851				

Table 17

Consolidated Financial Statements

b) Information by geographical locations

The breakdown of sales to external customers is herewith detailed, by primary geographical locations, where the Group operates, and is as follows:

	2020	2019
Colombia	6.691.219	6.203.824
United States	1.310.335	918.285
Central America	1.131.776	978.337
Chile	801.535	750.211
Mexico	306.948	343.573
Dominican Republic and the Caribbean	188.297	186.563
Peru	241.306	227.141
Ecuador	155.771	144.295
Others	300.354	206.622
Total	11.127.541	9.958.851

Table 18

Sales information is realized with consideration of the geographical location of the end-user customer.

c) Information by type of product

As some segments are also categorized by geographical location, sales to external customers are presented by product category, as follows:

	2020	2019
Foods	5.854.414	5.212.575
Beverages	2.774.328	2.244.602
Candy y snacks	1.657.337	1.721.324
Others	841.462	780.350
Total	11.127.541	9.958.851

Table 19

d) Calendar of recognition of revenue from ordinary activities:

Grupo Nutresa transfers the goods it sells, at a specific moment in time. It does not have performance obligations that are satisfied over time. The contracts that the Group has with its customers are short-term.

7.2 EBITDA

	Operating Profit		Depreciation and Amortization (Note 32)		Unrealized Exchange Differences from Operating Assets and Liabilities (Note 34)		EBITDA	
	2020	2019	2020	2019	2020	2019	2020	2019
Biscuits	240.624	222.800	60.882	55.093	(264)	(1.311)	301.242	276.582
Cold Cuts	224.162	181.925	61.924	58.732	(2.006)	(3.075)	284.080	237.582
Chocolate	181.818	182.872	49.902	50.000	647	(884)	232.367	231.988
Coffee	164.359	103.067	53.433	37.431	(209)	879	217.583	141.377
TMLUC	100.027	92.994	44.575	49.555	331	(946)	144.933	141.603
Retail Food	(5.313)	100.534	87.961	83.510	45	(47)	82.693	183.997
Ice Cream	50.013	34.222	27.874	33.727	(129)	(247)	77.758	67.702
Pastas	49.425	32.046	12.623	11.530	559	(300)	62.607	43.276
Others	14.473	6.291	22.210	16.766	3.630	65	40.313	23.122
Total segments	1.019.588	956.751	421.384	396.344	2.604	(5.866)	1.443.576	1.347.229

Table 20

Note 8. INVESTMENTS IN SUBSIDIARIES

The following details financial information of the major subsidiaries that represent 94% of the gross equity of Grupo Nutresa. This information was taken from the Individual Financial Statements of the subsidiaries at December 31st, certified and audited, subject to prescribed legal norms, in each country, where they operate, which are homologized, in order to, apply, in a uniform manner, the accounting policies and practices of the Parent and translated to the Colombian peso for the purposes of consolidation.

	2020					2019				
	ASSETS	LIABILITIES	SHAREHOLDER EQUITY	Profit for the Period	Other comprehensive income for the period	ASSETS	LIABILITIES	SHAREHOLDER EQUITY	Profit for the period	Other comprehensive income for the period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S. A.	8.425.618	102.819	8.322.799	583.241	-	8.843.438	100.357	8.743.081	513.898	-
Compañía de Galletas Noel S. A. S.	2.319.187	821.764	1.497.423	121.850	-	2.196.980	819.679	1.377.301	106.129	-
Alimentos Cárnicos S. A. S.	2.283.594	1.246.470	1.037.124	108.951	-	2.170.520	1.265.276	905.244	70.714	-
Compañía Nacional de Chocolates S. A. S.	1.923.634	759.992	1.163.642	106.579	-	1.797.136	634.166	1.162.970	104.592	-
Nutresa Chile S. A.	1.648.868	323	1.648.545	19.777	374	1.476.445	222	1.476.223	93.003	(5.097)
Industria Colombiana de Café S. A. S.	1.441.518	794.864	646.654	29.897	-	1.342.560	756.455	586.105	25.790	-
Tresmontes S. A.	1.327.080	337.052	990.028	12.506	(1.370)	1.285.528	317.429	968.099	(7.955)	96
Servicios Nutresa S. A. S.	1.166.531	1.166.141	390	1.544	-	771.637	771.395	242	1.207	-
American Franchising Corp. (AFC)	1.151.726	1	1.151.725	(87)	2	1.104.157	-	1.104.157	(9)	(633)
Compañía de Galletas Pozuelo DCR S. A.	944.292	180.001	764.291	57.132	(6.641)	850.712	120.976	729.736	32.702	111
Abimar Foods Inc.	764.209	439.242	324.967	(1.705)	412	722.826	411.057	311.769	4.787	(1.990)
Meals Mercadeo de Alimentos de Colombia S. A. S.	751.211	518.862	232.349	11.756	-	749.855	528.465	221.390	37.313	-
Lucchetti Chile S. A.	664.865	70.536	594.329	20.376	584	586.833	67.247	519.586	10.396	(568)
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S.	530.769	540.151	(9.382)	(37.623)	-	589.541	560.822	28.719	7.980	-
Comercial Nutresa S. A. S.	448.660	404.066	44.594	18.753	-	457.773	432.036	25.737	(2.316)	-
Compañía Nacional de Chocolates del Perú S. A.	433.915	73.356	360.559	13.401	(1.371)	443.734	80.698	363.036	15.377	460
Novaventa S. A. S.	427.206	190.135	237.071	45.179	-	371.652	179.663	191.989	45.567	-
Tresmontes Lucchetti S. A.	393.026	194.394	198.632	19.230	552	355.599	195.655	159.944	16.722	(1.038)
Productos Alimenticios Doria S. A. S.	346.784	224.315	122.469	23.309	-	296.941	184.087	112.854	19.084	-
Gestión Cargo Zona Franca S. A. S.	332.307	174.415	157.892	21.978	-	283.575	191.475	92.100	15.205	-
Otras sociedades (*)	3.066.346	1.276.513	1.789.833	71.114	13.125	2.812.084	1.079.253	1.732.831	122.630	(270)
Subsidiaries with non-controlling interest										
La Recetta Soluciones Gastronómicas Integradas S. A. S.	81.611	80.081	1.530	291	-	84.843	83.605	1.238	(174)	-
Helados Bon S. A.	77.980	44.241	33.739	8.002	1.375	83.775	43.774	40.001	17.463	(464)
Atlantic FS S. A. S.	83.882	49.775	34.107	6.476	-	70.876	43.245	27.631	3.016	-
Setas Colombianas S. A.	68.559	19.445	49.114	4.821	-	70.740	20.416	50.324	7.017	-
Fondo de capital privado BTG PACTUAL	68.618	38.283	30.335	268	-	62.211	32.144	30.067	610	-
Novaceites S. A.	74.043	7.498	66.545	6.525	13	62.162	4.443	57.719	4.014	14
Schadel Ltda. Schalin Del Vecchio Ltda.	19.994	13.399	6.595	(1.223)	-	18.307	10.253	8.054	526	-
Productos Naturela S. A. S.	5.018	799	4.219	786	-	4.165	506	3.659	456	-

Table 21

(*) Other subsidiaries include equity of \$1.789.833 (2019: \$1.616.507) for the following companies: Industria de Alimentos Zenú S. A. S., Alimentos Cárnicos de Panamá S. A., Compañía Nacional de Chocolates DCR. S. A., Nutresa S. A. de C. V., Serer S. A. de C. V., Pastas Comarrico S. A. S., Industrias Aliadas S. A. S., Tropical Coffee Company S. A. S., Molinos Santa Marta S. A. S., Comercial Pozuelo Nicaragua S. A., Cía. Americana de Helados S. A., Distribuidora POPS S. A., Corp. Distrib. de Alimentos S. A (Cordialsa), Comercial Pozuelo Guatemala S. A., Industrias Lácteas Nicaragua S. A., Comercial Pozuelo El Salvador S. A. de C. V., Cordialsa Usa, Inc., TMLUC Argentina S. A., Tresmontes Lucchetti México S. A. De C. V., Tresmontes Lucchetti Inversiones S.A., Inversiones Tresmontes S.A., Tresmontes Lucchetti Servicios S. A., Fideicomiso Grupo Nutresa, Opperar Colombia S. A. S., Promociones y Publicidad Las Américas S. A., TMLUC Servicios Industriales, S. A. de C. V., Servicios Tresmontes Lucchetti S. A. de C. V., Inverlogy S. A. S., Servicios Nutresa Costa Rica S. A., Tresmontes Lucchetti Agroindustrial S. A., PJ COL S. A. S., LYC S. A. S., New Brands S. A., Tabelco S. A. S., LYC Bay Enterprise INC., Sun Bay Enterprise INC., Cameron's Coffee & Distribution Company, CCDC OpCo Holding Corporation, KIBO FOODS LLC, Procesos VA S. A. S.

Note 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31st includes the following:

	2020	2019
Cash and banks	717.765	362.940
Short-term investments	215.799	135.007
Total	933.564	497.947

Table 22

Short-term collocations are realized for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and accrue interest at market rates of the respective short-term collocations. Balances with banks accrue interest

at variable rates based on the return daily bank deposit rates. The average returns on cash and cash equivalents, in all currencies, is 1,7% (2019: 2,9%).

At the close of December, \$6.600 (2019: \$9.780) was allocated as deposits, to support derivative contracts, as collateral or adjustments for margin call. On all other values, there are no restrictions for availability.

At December 31st, 2020, the Group had \$3.569.679 (2019: \$3.095.475) available in committed unused credit lines.

Note 10. TRADE AND OTHER ACCOUNTS RECEIVABLES, NET

Trade and other accounts receivables, are as follows:

	2020	2019
Clients	1.123.665	1.134.929
Accounts receivable from employees	37.930	35.219
Accounts receivable from related parties	15.108	16.548
Loans to third-parties	992	573
Dividends receivable (Note 16)	16.376	15.373
Other accounts receivable	53.386	10.868
Impairment	(29.198)	(21.853)
Total trade and accounts receivable	1.218.259	1.191.657
Current portion	1.191.711	1.166.248
Non-current portion	26.548	25.409

Table 23

As of December 31st, accounts receivable from customers have the following stratifications:

	2020	2019
Not overdue	786.983	749.947
Up to 90 days	282.242	336.281
Between 91 and 180 days	27.678	25.841
Between 181 and 365 days	17.667	18.624
More than 365 days	9.095	4.236
Total	1.123.665	1.134.929

Table 24

To ensure recovery of trade debts and other accounts receivable, “blank promissory notes” are constituted with letters of instruction, advances are solicited, bank guarantees, and, in some cases, collateral is requested. For loans to employees, mortgages, and pledges are constituted, and promissory notes are signed.

According to the Company's assessment of historical information and the portfolio el analysis at December 31st of 2020, there is no objective evidence that overdue balances receivable, present material risks of impairment, that imply adjustments to the impairment recorded in the Financial Statements on those dates.

The reconciliation of recognized impairment on accounts receivable, is as follows:

	2020	2019
Book value at January 1st	21.853	18.794
Impairment losses recognized during the period	29.989	18.604
Use during the period	(22.199)	(15.828)
Reversal of impairment losses for the period	(212)	(235)
Exchange differences	(177)	14
Increase from acquisition	-	392
Other changes	(56)	112
Book value at December 31st	29.198	21.853

Table 25

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2020	2019
Colombian Pesos	513.492	564.692
US Dollars	277.044	236.826
Other currencies	333.129	333.411
Total	1.123.665	1.134.929

Table 26

Note 11. INVENTORIES

The balance of inventories, at December 31st, includes the following:

	2020	2019
Raw materials	404.601	367.079
Works-in-progress	89.694	78.878
Finished products	536.896	454.612
Packing materials	117.986	112.270
Consumable materials and spare parts	98.761	91.465
Inventories in transit	136.095	146.158
Adjustments to the net realizable values	(4.049)	(2.334)
Total	1.379.984	1.248.128

Table 27

The cost of the inventories, recognized as cost of the merchandise sold, during the period with respect to the continuous operations of the Consolidated Income Statement, corresponds to \$6.072.405 (2019: \$5.287.158).

Write-off inventories are recognized as expenses, in the amount of \$65.917, during the period 2020 (2019: \$57.814); these penalties are within the normal range expected by the Group, according to, the production process, and associated with factors of the type of product, such as expiration dates, rotation, and handling of food.

The impairment of inventories is determined based on an analysis of the conditions and the rotation of inventories. The estimate is recorded, against the results of the year, in the amount of \$943; (2019: \$416).

As of December 31st of 2020 and 2019, there are no inventories committed as collateral for liabilities. The Group expects to realize its inventories, in less than 12 months.

Note 12. BIOLOGICAL ASSETS

The following is a breakdown of biological assets:

	2020	2019
Biological assets - Cattle	46.127	44.554
Biological assets - Pig	77.145	48.378
Crops	4.342	3.700
Total	127.614	96.632

Table 28

The following are the amounts and principal locations of the biological assets:

	Quantities		Location
	2020	2019	
Biological assets - Cattle	26.148 Uds.	27.971 Uds.	Antioquia, Córdoba, Cesar, Santander, Sucre y Caldas - Colombia
	116.290 Uds	95.319 Uds.	Antioquia y Caldas - Colombia
Biological assets - Pig	12.523 Uds	11.008 Uds.	Provincia de Oeste - Panamá
Forest plantations			
Mushroom crops	41.080 mts ²	41.080 m ²	Yarumal - Colombia

Table 29

- (1) Pork livestock farming, in Colombia, is realized through owned-farms, farms in participation, and leased farms; its production is used as raw material for the development of business products of the Cold Cuts Business.

Pigs and cattle, in Colombia, are measured at fair value, using as a reference, the market values, published by the National Association of Pig Farmers and livestock auctions at fairs, in each location; this measurement is at the Level 2 of the fair value hierarchy, of IFRS 13. At December 31st, 2020, the price per average kilo of the pig livestock used in the valuation was \$7.305* (2019: \$5.894*); for cattle a price per average kilo of \$4.840* (2019: \$4.243*) was used.

The value of pigs that are produced in Panama, in December 2020, is \$8.791⁽¹⁾ (2019: \$5.386), are measured upon initial recognition under the cost model, taking into account that there is no active market, in said country.

(*) In Colombian Pesos.

- (2) Mushroom crops are used by Setas Colombianas S.A., in its production processes, located in Yarumal, Colombia. It is measured under the cost model, taking into account that there is no active market for these crops, and that the productive cycle is short-term, close to 90 days.

Profit for the period, due to changes in fair value, minus the costs to sell of biological assets at December 31st, 2020 were \$13.131 (2019: \$4.834), and is included in the profit and loss, in operating income.

At the end of the reporting period, and the comparative period, there are no restrictions on the ownership of the Group's biological assets, nor significant contractual commitments, for its development or acquisition, and have not been pledged, as collateral for debt compliance.

Note 13. OTHER ASSETS

Other assets are comprised of the following:

	2020	2019
Current taxes (Note 22.2)	170.607	202.585
Prepaid expenses (1)	41.686	32.174
Financial derivative instruments (Note 23.6)	15.794	16.638
Total other current assets	228.087	251.397
Non-current taxes (Note 22.2)	11.282	11.054
Prepaid expenses	7.971	7.250
Other financial instruments measured at fair value (2)	68.194	62.132
Total other non-current assets	87.447	80.436
Total other assets	315.534	331.833

Table 30

- (1) The expenses paid in advance, correspond mainly to insurance in the amount of \$16.185 (2019: \$17.456), leases in the amount of \$112 (2019: \$192) and contractors in the amount of \$10 (2019: \$809).
- (2) Other financial instruments, measured at fair value, correspond to the rights held by the private equity "Cacao para el futuro" - Compartment A, in cocoa plantations.

Note 14. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale, are as follows:

	2020	2019
Land	80	80
Constructions in progress	97	2.530
	177	2.610

Table 31

Note 15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures, are as follows:

	Country	% Participation	Book value	
			2020	2019
Associates				
Bimbo de Colombia S.A.	Colombia	40%	137.489	139.121
Dan Kaffe Sdn. Bhd	Malasia	44%	33.948	31.291
Estrella Andina S.A.S.	Colombia	30%	10.615	10.924
Wellness Food Company S.A.S.	Colombia	20%	610	613
Joint ventures				
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	11.455	11.411
Oriental Coffe Alliance Inc.	Filipinas	50%	2.381	-
Total associates and joint ventures			196.498	193.360

	Country	% Participation	2020			2019		
			Dividends received	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Dividends received	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40%	-	(2.845)	1.214	-	(692)	(105)
Dan Kaffe Sdn. Bhd	Malasia	44%	(516)	1.650	1.523	(643)	1.226	640
Estrella Andina S.A.S.	Colombia	30%	-	(2.602)	-	-	(1.864)	-
Wellness Food Company S.A.S.	Colombia	20%	-	(3)	-	-	(17)	-
Joint ventures								
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	-	(550)	594	-	(921)	211
Oriental Coffe Alliance Inc.	Filipinas	50%	-	(122)	(104)	-	-	-
Total associates and joint ventures			(516)	(4.472)	3.227	(643)	(2.268)	746

Table 32

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Dan Kaffe Sdn. Bhd. is a company domiciled in Johor Bahru, Malaysia, dedicated to the production of frozen coffee extract and dry instant coffee. It is a strategic partner for the coffee business, due to their high production standards, ideal location, and growth potential, as it allows for combination of the world-class Colcafé, soluble coffee experience, and with deep knowledge of the Japanese partner of the Asian market, the flavor, ingredients, and advanced technologies, provisioning capabilities of pending raw materials, and widespread commercial network, throughout the region.

Estrella Andina S.A.S. is a simplified joint stock company domiciled in Bogota, Colombia, engaged in the marketing of ready-made meals in coffee shops.

Wellness Food Company S.A.S. is a simplified joint stock company domiciled in Itagui, Colombia, dedicated mainly to the elaboration of dairy products and other types of prepared foods

Oriental Coffee Alliance Sdn. Bhd. is a company domiciled in Kuala Lumpur, Malaysia, dedicated to the sale of Dan Kaffe Malaysia (DKM) products, as well as, some Colcafé products and also part of the Group, in Asia. This partnership with the Mitsubishi Corporation, allows Grupo Nutresa to advance their initially set objectives, with the acquisition of DKM, to expand its role in the global coffee industry, diversify production, and the origin of its soluble coffee, and break into the rapid growth market of coffee in Asia.

Oriental Coffee Alliance, Inc is a Company domiciled in Taguig – Philippines, conformed with the objective of participating, conducting and developing the business of purchase, sale, distribution, marketing, enter into all types of export, import, purchase, acquisition, sale and other provisions agreements by itself as principal or representative as manufacturing representatives, , merchandise broker, indenter, commission merchant, factors or agents in the shipment of coffee-related products, including but not limited to instant coffee, ready-to-drink products, coffee extract, and roast and ground coffee, but excluding green grains to provide direction, supervision and support, including but not limited to marketing and sales, to affiliates and / or incorporated subsidiaries, including future affiliates and / or subsidiaries that may be incorporated, that will conduct the manufacturing and marketing business; and developing business opportunities related to coffee and other food products in Asian countries and elsewhere. This Company is part of Grupo Nutresa's strategy of association with Mitsubishi Corporation, which allows it to advance in the objectives initially set with the acquisition of DKM to enter to the fast-growing coffee market in Asia.

The movements of the book value of the investments in associates and joint ventures, are as follows:

	January - December 2020	January - December 2019
Opening balance at January 1st, 2020	193.360	192.795
Increase of contributions (1)	4.900	2.730
Dividends received	(516)	(643)
Participation in profit and loss, for the period	(4.472)	(2.268)
Participation in other comprehensive income	3.226	746
Balance at December 31st, 2020	196.498	193.360

Table 33

(1) In July 2020, Industria Colombiana de Café S.A.S. invested \$2.607 in Oriental Coffee Alliance Inc. in Philippines with a participation of 50% and in June 2020, Estrella Andina S. A. S.'s capital was increased in which Grupo Nutresa invested \$2.293, without generating changes in the percentage of participation, which was paid in full.

In June 2019, Grupo Nutresa invested \$630 in Wellness Food Company S.A.S. In February 2019, Estrella Andina S. A. S.'s capital was increased, in which Grupo Nutresa invested \$2,100, without generating changes in the percentage of participation, which was paid in full.

(2) As of December, 2020 was received \$516 (\$643) as dividends from the associated Dan Kaffe Sdn. Bhd.

The following is a summary of financial information of associates and joint ventures:

	2020					2019				
	Assets	Liabilities	Equity	Profit and Loss	Total Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit and Loss	Total Comprehensive Income for the Period
Associates										
Bimbo de Colombia S.A.	684.582	340.859	343.723	3.568	1.577	686.195	338.393	347.802	(1.732)	(262)
Dan Kaffe Sdn. Bhd	103.082	23.866	79.216	3.738	-	90.984	18.958	72.026	2.777	-
Estrella Andina S.A.S.	77.965	42.409	35.556	(8.672)	-	41.694	5.110	36.584	(6.214)	-
Wellness Food Company S A S	1.000	398	602	9	-	889	269	620	(83)	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	21.252	342	20.910	(1.101)	-	21.648	825	20.823	(1.841)	-
Oriental Coffee Alliance Inc.	5.095	334	4.761	(243)	-	-	-	-	-	-

Table 34

None of the associates and joint ventures, held by the Group, are listed on a stock market, and consequently, there are no quoted market prices, for the investment.

Note 16. OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classifies portfolio investments that are not held for trading, as equity investments measured at fair value, through “other comprehensive income”.

The results for the period include income from dividends on said instruments, and are recognized, by Nutresa, on the date that the right to receive future payments is established, which is the date of declaration of dividends by the issuing Company. The “other comprehensive income” includes changes in the fair value of these financial instruments.

The breakdown of financial instruments, is as follows:

Book Value	Number of Shares Held	Participation as % in Total Ordinary Shares	2020	2019
Grupo de Inversiones Suramericana S. A.	61.021.436	13,01%	1.542.622	2.074.729
Grupo Argos S. A.	79.804.628	12,36%	1.109.284	1.420.522
Other companies ^(*)			27.085	16.517
Total:			2.678.991	3.511.768

Table 35

	2020		2019	
	Dividend Income	Loss on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	38.687	(532.107)	33.562	114.873
Grupo Argos S. A.	30.007	(311.238)	27.931	71.824
Other companies ^(*)	577	-	23	-
	69.271	(843.345)	61.516	186.697

Table 36

The value of the dividend per share, declared for 2020, by Grupo de Inversiones Suramericana S. A. was \$583 (pesos), yearly per share. These paid quarterly, in the amount of \$145,75 and an extraordinary payable dividend paid in cash for \$51 pesos each share in a single installment on July 1, 2020. Whilst, Grupo Argos S. A. declared, dividends, in the amount of \$376 (pesos), yearly, per share, to be paid quarterly, in the amount of \$94.

For 2019 the annual value per share was \$350 pesos (\$87.50 pesos quarterly) for Grupo Argos S. A. and \$550 pesos (\$137.50 pesos quarterly) for Grupo de Inversiones Suramericana S. A.

The dividend income recognized as of September 2020 for portfolio investments corresponds primarily to the total annual dividend declared by the issuers, and therefore similar income is expected for the remainder of the year.

As of December 31, 2020 there is receivable for dividends from financial instruments \$16.376 (December 2019 - \$15.373).

The dividends received generated an impact in cash flows of \$68.268 (2019: \$60.641).

In January of 2019, 365,114 shares of equity instruments, of Grupo de Inversiones Suramericana S.A., were sold for \$11,880.

At December 31, 2019, there were pledges of 20.786.846 (2019: 26.686.846) shares of Grupo de Inversiones Suramericana S. A., in favor of financial entities in Colombia, as collateral for obligations, contracted by Grupo Nutresa and its subsidiaries.

Measurement at fair value

The fair value of shares traded and that are classified as high trading volume is determined based on the price quoted on the Colombian Stock Exchange; this measurement is in the hierarchy 1, established by IFRS 13 for measuring fair value. This category includes investments held by Grupo Nutresa in Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. This measurement is realized monthly and as of December

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31th, 2020 generated losses of \$843.345 (December 2019: gain of \$186,697), recognized in the other comprehensive income. In the case of other investments, when their book value is material, the measurement is made annually using valuation techniques recognized and accepted under IFRS 13.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in pesos)	December 2020	December 2019
Grupo de Inversiones Suramericana S. A.	25.280	34.000
Grupo Argos S. A.	13.900	17.800

Investments in other companies classified in this category are measured at fair value on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial for the presentation of Grupo Nutresa's Financial Statements. Investments in other companies classified in this category are measured at fair value, on a non-recurring basis, only when a market value is available. The Company considers this omission of the recurrent measurement of these investments to be immaterial for the presentation of the financial statements of Grupo Nutresa.

There have been no changes in the fair value hierarchy for the measurement of these investments, nor have there been changes in the valuation techniques used.

Note 17. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment occurring during the period, is as follows:

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development ^(*)	Plantations in development ^(*)	Total
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	-	12.872	5.081.630
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	-	(1.664.206)
Balance at January 1st, 2020	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	-	12.872	3.417.424
Acquisitions	-	920	15.388	395	2.700	726	13.156	236.438	-	-	269.723
Disposals	(473)	-	(3.180)	(142)	(41)	(179)	(164)	-	-	-	(4.179)
Depreciations	-	(35.318)	(198.827)	(4.122)	(6.120)	(5.588)	(20.409)	-	(287)	-	(270.671)
Impairment	-	-	-	-	-	-	-	-	-	-	-
Transfers	35.108	6.603	116.013	172	136	1.744	1.394	(168.319)	6.323	(6.323)	(7.149)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Exchange translation impact	951	5.414	16.909	525	290	780	452	2.419	-	-	27.740
Capitalization and consumption	-	-	-	-	-	-	-	-	-	1.318	1.318
Cost	818.735	946.687	3.029.852	31.440	52.225	60.597	176.378	243.403	6.323	7.867	5.373.507
Depreciation and/or impairment	(356)	(282.430)	(1.464.312)	(24.670)	(39.249)	(44.380)	(83.617)	-	(287)	-	(1.939.301)
Balance at December 31st, 2020	818.379	664.257	1.565.540	6.770	12.976	16.217	92.761	243.403	6.036	7.867	3.434.206
Cost reconciliation											
Cost balance at January 1st, 2020	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	-	12.872	5.081.630
Acquisitions	-	920	15.388	395	2.700	725	13.156	236.438	-	-	269.722
Disposals	(473)	(2)	(24.080)	(1.174)	(384)	(945)	(6.950)	-	-	-	(34.008)
Transfers	35.107	6.086	115.211	356	(342)	1.767	1.392	(168.319)	6.323	(6.323)	(8.742)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Exchange translation impact	968	9.428	45.788	875	1.729	1.953	427	2.419	-	-	63.587
Capitalization and consumption	-	-	-	-	-	-	-	-	-	1.318	1.318
Cost balance at December 31st, 2020	818.735	946.686	3.029.852	31.441	52.225	60.597	176.378	243.403	6.323	7.867	5.373.507
Depreciation and/or impairment reconciliation											
Depreciation and/or impairment balance at January 1st, 2020	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	-	(1.664.206)
Disposals	-	-	20.900	1.033	344	766	6.786	-	-	-	29.829
Transfers	-	518	801	(183)	477	(22)	-	-	-	-	1.591
Depreciations	-	(35.318)	(198.544)	(4.122)	(6.091)	(5.586)	(20.397)	-	(287)	-	(270.345)

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development (*)	Plantations in development (*)	Total
Exchange translation impact	(16)	(4.014)	(29.161)	(351)	(1.468)	(1.175)	15	-	-	-	(36.170)
Depreciation and/or impairment balance at December 31st, 2020	(356)	(282.430)	(1.464.312)	(24.670)	(39.249)	(44.380)	(83.617)	-	(287)	-	(1.939.301)

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development (*)	Total
Cost	786.484	929.129	2.634.946	26.697	43.347	61.115	145.627	134.808	11.943	4.774.096
Depreciation and/or impairment	(337)	(211.256)	(1.048.388)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	(1.397.732)
Balance at January 1st, 2019	786.147	717.873	1.586.558	9.082	15.769	21.153	93.031	134.808	11.943	3.376.364
Acquisitions	-	1.865	22.779	3.486	3.943	694	16.681	204.118	-	253.566
Disposals	(3.370)	(2.959)	(9.288)	(163)	(34)	(40)	(1)	(10)	-	(15.865)
Depreciations	-	(33.741)	(191.151)	(3.984)	(5.355)	(6.150)	(17.596)	-	-	(257.977)
Impairment	-	-	-	-	-	-	-	-	-	-
Transfers	(546)	1.833	164.470	1.276	(122)	2.905	1.897	(170.113)	-	1.600
Acquisition of subsidiaries	-	89	42.522	220	1.909	280	4.076	4.298	-	53.394
Exchange translation impact	562	1.678	3.347	25	(99)	(108)	244	(236)	-	5.413
Capitalization and consumption	-	-	-	-	-	-	-	-	929	929
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)
Balance at December 31st, 2019	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	12.872	3.417.424
Cost reconciliation										
Cost balance at January 1st, 2019	786.484	929.129	2.634.946	26.697	43.347	61.115	145.627	134.808	11.943	4.774.096
Acquisitions	-	1.865	22.779	3.486	3.943	694	16.681	204.118	-	253.566
Disposals	(3.370)	(4.537)	(31.573)	(1.372)	(567)	(8.690)	(1.892)	(10)	-	(52.011)
Transfers	(546)	2.604	170.419	1.839	(101)	3.390	1.981	(170.113)	-	9.473
Acquisition of subsidiaries	-	102	89.818	221	2.897	874	5.590	4.298	-	103.800
Exchange translation impact	565	1.091	(8.844)	118	(997)	(286)	366	(236)	-	(8.223)
Capitalization and consumption	-	-	-	-	-	-	-	-	929	929
Cost balance at December 31st, 2019	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630
Depreciation and/or impairment reconciliation										
Depreciation and/or impairment balance at January 1st, 2019	(337)	(211.256)	(1.048.388)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	(1.397.732)
Disposals	-	1.578	22.285	1.210	534	8.650	1.891	-	-	36.148
Transfers	-	(771)	(5.949)	(563)	(21)	(484)	(84)	-	-	(7.872)
Acquisition of subsidiaries	-	(13)	(47.578)	-	(1.016)	(599)	(1.523)	-	-	(50.729)
Depreciations	-	(33.741)	(190.869)	(3.984)	(5.326)	(6.148)	(17.584)	-	-	(257.652)
Exchange translation impact	(3)	587	12.191	(95)	896	180	(125)	-	-	13.631
Depreciation and/or impairment balance at December 31st, 2019	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)

Table 37

(*) Our own cocoa plantations are experimental and aim to promote the development of cocoa crops, through agroforestry systems (cocoa - timber), with the Country's farmers.

Currently, there is a sowed area about of 170 hectares, of a project that will reach approximately 200 cultivated hectares by 2022. The plant achieves its maximum production at approximately 7 years, with two crops per year, and an expected useful life of 25 years. The Group's Management established that the project has not reached its optimum level of operation and fine-tuning, with which, in

December 2017, the Company applied the amendment to IAS 41 Agriculture and IAS 16 Property, plant and equipment, which gives the production plants the treatment of property, plant and equipment. As part of this change in accounting policies, the value of Property, Plant and Equipment, corresponding to the historical costs of the plantations, at the time of reclassification, was transferred.

At December 31st, 2020 and 2019, there was not collateral of property, plant and equipment.

Note 18. RIGHT-OF-USE ASSETS

The movement of right-of-use assets is as follows (see accounting policy 3.3.8):

	Buildings	Machinery and Production Equipment	Transportation Equipment	Communication and computer equipment	Total
Balance at January 1st, 2020	814.955	46.556	17.041	-	878.552
New contracts	62.796	10.896	4.152	377	78.221
Disposals	(21.962)	(946)	(438)	-	(23.346)
Depreciation	(95.760)	(17.909)	(7.166)	(76)	(120.911)
Transfers	6.876	183	-	-	7.059
Exchange translation impact	6.878	1.104	2.018	(12)	9.988
Balance at December 31st, 2020	773.783	39.884	15.607	289	829.563

	Buildings	Machinery and Production Equipment	Transportation Equipment	Total
First-time Adoption	873.984	56.468	19.979	950.431
Balance at January 1st, 2020	873.984	56.468	19.979	950.431
New contracts	30.573	8.808	4.142	43.523
Acquisition of subsidiaries	25.533	(31)	890	26.392
Disposals	(22.030)	(1.030)	(917)	(23.977)
Depreciation	(93.577)	(17.650)	(7.296)	(118.523)
Exchange translation impact	472	(9)	243	706
Balance at December 31st, 2020	814.955	46.556	17.041	878.552

Table 38

*Includes updating of variable lease fees based on an index or rate.

Note 19. INVESTMENT PROPERTIES

The movement of investment properties during 2020 and 2019, is as follows:

	Land	Buildings	Total
Cost	74.327	6.592	80.919
Depreciation and/or impairment	-	(1.430)	(1.430)
Balance at January 1st, 2020	74.327	5.162	79.489
Depreciation	-	(352)	(352)
Transfers	(1.014)	(471)	(1.485)
Sales	(68.596)	-	(68.596)
Cost	4.717	5.814	10.531
Depreciation and/or impairment	-	(1.475)	(1.475)
Balance at December 31, 2020	4.717	4.339	9.056
Cost	72.283	6.591	78.874
Depreciation and/or impairment	-	(1.812)	(1.812)
Balance at January 1, 2019	72.283	4.779	77.062
Depreciation	-	(351)	(351)
Transfers	2.044	734	2.778
Cost	74.327	6.592	80.919
Depreciation and/or impairment	-	(1.430)	(1.430)
Balance at December 31, 2019	74.327	5.162	79.489

Table 39

At December 31st of 2020 and 2019, there were no materials commitments for acquisition or construction of the investment properties.

Income included in the Income Statement, derived from income from investment properties, amounted to \$68.600 (2019: \$3.179).

The fair value, of the most significant investment properties, amounted to \$28.153 (2019: \$87.520). Note 39.

Note 20. GOODWILL

The movement of book values of goodwill, assigned to each one of the segments of the Group, is as follows:

Reportable Segment	CGU	Balance at January 1 st , 2020	Additions	Exchange Differences	Balance at December 31 st , 2020
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	207.612	-	9.841	217.453
	Industrias Aliadas S.A.S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	-	906
Chocolate	Nutresa de México	188.012	-	(3.321)	184.691
	Abimar Foods Inc.	96.546	-	-	96.546
Biscuits	Galletas Pozuelo	36.289	-	(792)	35.497
	Productos Naturela S.A.S.	1.248	-	-	1.248
	Atlantic FS S.A.S. ⁽⁹⁾	33.664	83	-	33.747
TMLUC	Grupo TMLUC	941.427	-	97.043	1.038.470
		2.266.852	83	102.771	2.369.706

Reportable Segment	CGU	Balance at January 1 st , 2019	Additions	Exchange Differences	Balance at December 31 st , 2019
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	-	207.612	-	207.612
	Industrias Aliadas S. A. S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S. A.	906	-	-	906
Chocolate	Nutresa de México	186.070	-	1.942	188.012
	Abimar Foods Inc.	96.546	-	-	96.546
Biscuits	Galletas Pozuelo	33.914	-	2.377	36.291
	Productos Naturela S.A.S.	1.248	-	-	1.248
	Atlantic FS S.A.S	-	33.664	-	33.664
TMLUC	Grupo TMLUC	1.006.076	-	(64.651)	941.425
		2.085.908	241.276	(60.332)	2.266.852

Table 40

Evaluation of the impairment of the value of goodwill

Goodwill is not subject to amortization. The Group annually reviews the existence of impairment, by comparing the book value of the net assets, assigned to the Cash Generating Unit (CGU), to its recoverable value. During the current and prior period, no impairment losses were recognized from goodwill. For each CGU or group of CGUs subject to evaluation, the recoverable value is greater than its book value.

The recoverable amount for CGUs, associated to all segments, was estimated based on fair value less disposal cost (FVLCS), applying the discounted cash flow methodology, minus the disposal cost. To apply this methodology, we use the weighted average cost of capital (WACC), as the discounted rate, which weights the cost of the shareholders with the cost of the debt. The estimation of the variables, for both for the cost of capital and the debt, is based on market information available at the valuation date. All flows have been discounted, according to the specific rate, for the relevant region, and incorporating the determining variables of each CGU, in the WACC estimate. The average discount rate used, is in a range established, between 6,2% and 10,73% (2019: between 8,5% and 10,2%).

Cash flows have been projected for a period of 10 years, which includes 5 years of explicit plans and 5 additional years, where a stabilization period is projected, with a decreasing convergence equivalent to the expected nominal economic performance and long-term growth in perpetuity, giving more consistency to the normal evolution of business and its projections. These flows have been established based upon the Group's experience and using the best estimates by the Administration and adjusting them, based on historical results. These projections include those projects that are currently authorized.

The operating income included in the future flows corresponds to the revenues of the businesses that make up the CGU or Group of CGUs, and the projected component takes into account, the expected evolution of the market and the growth strategies approved by the Management, for the period of projection, and determined at the moment of defining the evolution of the gross margin, which includes a study of cost factors based on the projected efficiencies.

Grupo Nutresa uses a specific growth rate that is lower than the average long-term growth rate for the industry and is within a range between 0% and 1.5%, depending on the economic development of the country in which the CGU is located, and is indexed to the corresponding inflation.

Grupo Nutresa considers that there are no foreseeable situations that could impact the key assumptions used in the impairment assessment, in such a way that the book value of a CGU exceeds its recoverable value.

Note 21. OTHER INTANGIBLE ASSETS

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at January 1, 2020	1.132.935	18.924	35.585	87.265	1.274.709
Acquisitions	-	12.696	103	11.913	24.712
Amortization	(3.876)	(14.043)	(148)	(12.696)	(30.763)
Transfers	-	17.105	-	(15.531)	1.574
Exchange translation impact	30.761	253	81	4.785	35.880
Sales and disposals	-	(26)	-	-	(26)
Others	-	(2.248)	-	-	(2.248)
Cost	1.236.235	69.234	53.867	91.866	1.451.202
Amortization and impairment	(76.415)	(36.573)	(18.246)	(16.130)	(147.364)
Balance at December 31, 2020	1.159.820	32.661	35.621	75.736	1.303.838
Cost	1.162.138	43.469	53.641	23.811	1.283.059
Amortization and impairment	(66.333)	(29.053)	(18.058)	(2.079)	(115.523)
Balance at January 1, 2019	1.095.805	14.416	35.583	21.732	1.167.536
Acquisitions	-	12.634	115	21.577	34.326
Amortization	(3.853)	(10.362)	(127)	(1.428)	(15.770)
Transfers	-	(347)	-	(335)	(682)
Exchange translation impact	(9.012)	(140)	14	(2)	(9.140)
Acquisition of subsidiaries	49.995	2.723	-	45.721	98.439
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at December 31, 2019	1.132.935	18.924	35.585	87.265	1.274.709

Table 41

Brands

This corresponds to the brands acquired through business combinations or transactions with third parties.

The following table shows the allocation of brands to each business segment and the classification by useful life at December 31:

2020			
Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Food	-	265.803	265.803
Coffee	-	51.144	51.144
Cold Cuts	1.037	-	1.037
Chocolate	-	17.889	17.889
Biscuits	-	190.816	190.816
Ice Cream	274.531	-	274.531
Others	-	1.166	1.166
TMLUC	-	357.434	357.434
Total	275.568	884.252	1.159.820
2019			
Segmento reportable	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Food	-	266.498	266.498
Coffee	-	48.829	48.829
Cold Cuts	990	-	990
Chocolate	-	18.629	18.629
Biscuits	-	195.076	195.076
Ice Cream	277.715	-	277.715
Others	-	324.032	324.032
TMLUC	-	1.166	1.166
Total	278.705	854.230	1.132.935

Table 42

The brands with finite useful lives have useful life residuals of 89 years.

The brands are considered to have indefinite useful lives, due to the fact that a consistent basis it is not determined, in reference to the flows that are expected to generate each one of the brands; these assets are not amortized and are assessed for impairment, annually. These brands have a net book value of \$884.252 (2019: \$804.235).

Impairment of the value of brands with indefinite useful lives

The brands that have indefinite useful lives are subject, annually, to an assessment of impairment, using the projection of future cash flows, to determine its fair value; in this assessment, such variables, as: the discounted rate, the increased rate of long-term, among other variables, similar to those used in the impairment assessment of goodwill (See Note 20), are taken into account.

During 2020 and 2019, no losses from impairment of brands were not recognized.

Regarding to intangible assets with finite useful lives, Grupo Nutresa considers that there are no situations that can impact the projections of expected results, in the remainder of the useful life, and in whose opinion, to December 31st of 2020 and 2019, there exists no indications of impairment of intangible assets with a finite useful life.

Note 22. INCOME TAXES AND TAXES PAYABLE

22.1 Applicable Norms

The effective and applicable tax norms, state that nominal rates of income tax, for Grupo Nutresa, are as follows:

Income tax %	2019	2020	2021	2022	2023
Colombia (*)	33,0	32,0	31,0	30,0	30,0
Chile	27,0	27,0	27,0	27,0	27,0
Costa Rica	30,0	30,0	30,0	30,0	30,0
Ecuador	25,0	25,0	25,0	25,0	25,0
El Salvador	30,0	30,0	30,0	30,0	30,0
Estados Unidos	21,0	21,0	21,0	21,0	21,0
Guatemala	25,0	25,0	25,0	25,0	25,0
México	30,0	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0	30,0
Panamá	25,0	25,0	25,0	25,0	25,0
Perú	29,5	29,5	29,5	29,5	29,5
República Dominicana	27,0	27,0	27,0	27,0	27,0

Table 43

(*) For the 2019 taxable year, all of the Nutresa Group's Colombian companies are taxed at the 33% rate, including the companies that have signed legal stability contracts.

a) Colombia:

The basis for the tax treatment is the recognition of income and expenses accrued for accounting purposes, except for those expressly provided for in the regulations, such as: the time of realization for certain income, non-deductibility of the difference not realized, limitation of the deduction for employee, customer and supplier services, ceilings on annual depreciation rates, changes in realization for tax recognition of the customer loyalty plan and the option to take the value paid for industry and commerce tax as a 100% deduction or as a 50% tax discount.

On the other hand, donations made to entities belonging to the special tax regime are not deductible, but a tax discount of 25% on the value donated is allowed, which cannot exceed 25% of the income tax payable in the respective taxable year.

The presumptive income applicable to the year 2020 is 0.5% (2019: 1.5%)

The firmness of the tax returns is 3 years, however, for companies' subject to the transfer pricing regime, the firmness is 5 years and the declarations that originate or offset tax losses will be firm in 5 years. Additionally, for the years 2020 and 2021, the returns that present an increase in net income tax by a minimum percentage of 30% or 20% compared to the previous year, will be final in 6 months or 12 months, respectively.

b) Chile

In Chile, income tax law includes separate "capital income" and "earned income" systems. The first are taxed with tax class act, which mainly impacts businesses. This tax has a fixed rate 27% on the tax base, which is calculated effecting aggregates or decreases mandated by law. The tax paid in this way, is imputable against the Global Complementary, which taxes the entire income of natural persons residing in the country; or additional, levies on income generated in Chile, to natural and legal persons, residing outside the country, according to, the case. The tax losses are carried forward to the next period as part of the deductions.

c) Mexico:

Income tax (ISR) is levied on net income obtained by both resident and non-resident companies, with specific rules for each. The Mexican income tax rate is 30%, which is applied to the taxable income of the year, resulting from subtracting from the income earned in the period (including capital gains), the expenses incurred for their generation (which are justified through invoices or other legally accepted documents) and the tax loss carryforwards of the last 10 years.

d) Costa Rica

Income tax is calculated on the net income for the year, which is the result of gross income less costs and expenses useful and necessary to generate the profit. The provision for income taxes charged to income includes current taxable income for the year and deferred tax applicable to temporary differences between accounting and taxable items. The deduction of non-bank interest is limited to 20% of income before interest, taxes, depreciation and amortization (UAIIDA).

The income tax rate is 30% and the rate for income and capital gains is 15%. Tax losses can be offset within 3 years of their generation.

e) Panamá

Current income tax is subject to a 25% rate on net taxable income based on the greater of the following amounts:

- The net taxable income resulting from deducting from the taxable income of the taxpayer the rebates granted under promotion or production regimes and the legally authorized loss carry-forwards, this calculation will be known as the traditional method.
- The net taxable income resulting from applying 4.67% to the total taxable income (this calculation will be known as the CAIR - Alternate Calculation).

Income tax returns are subject to review by the Tax Authorities for the last 3 years.

According to Panamanian Tax Legislation in force, companies are exempt from paying income tax on foreign source earnings. Also exempt from income tax are interest earned on time deposits in local banks, interest earned on Panamanian government securities and investments in securities issued through the Panama Stock Exchange.

Tax losses may be deducted from the taxable income of the following five years, 20% each year, but limited to 50% of the taxable income of each year.

f) Ecuador

Income tax is subject to a rate of 25% applicable to the taxable income, which includes all taxable income reduced by returns, discounts, costs, expenses and deductions attributable to such income and which have been taken for the purpose of obtaining, improving or maintaining income subject to income tax.

Tax losses may be offset against taxable profits within the following five years, not exceeding 25% of the profits obtained in each year.

g) United States

The current income tax is subject to a rate of 21% on the taxable income of the year. Additionally, the special tax on profits held abroad is 15% if held in cash and 8% if invested in assets.

h) Peru

Income tax is calculated at a rate of 29.5%, on the tax profits of the period, purified in accordance with current regulations.

The Tax Authority of the country has the power to control and, if applicable, correct the tax on the corresponding earnings calculated by the company, during the 4 years following the year in which the affidavit is presented.

Tax regulations approved in 2020 applicable from the year 2021

Colombia

Through Law 2068 of 2020, some decisions were adopted regarding income tax, sales tax and consumption tax:

- Special deduction of wages and social benefits for business establishments located in San Andrés, Providencia and Santa Catalina.
- Incentive for donations made in favor of INNpulsa.
- Some goods and services went from being VAT excluded to being exempt.
- Transitory exemption (until December 31, 2021) of 0% in the consumption tax for the service of restaurants, bars and similar.

Additionally, in terms of tax procedure, virtual means of proof were permanently incorporated for the purposes of inspections, visits, surveillance and control by the tax authority.

Mexico

On November 5, 2020, various changes were approved by the Congreso de la Unión that reform, add and repeal regulatory provisions of the Income Tax Law, the Value Added Tax Law and the Tax Code of the Federation, whose changes are aimed at strengthening the mechanisms in the inspection process and reducing tax evasion and avoidance. Some changes are:

- Company divisions will always have the effect of a disposal when concepts that did not exist before the division are generated.
- Residents in Mexico who carry out operations with related parties residing abroad will be jointly and severally liable when those related parties generate a permanent establishment in Mexico.
- When increases or decreases in capital, mergers or divisions of companies, distribution of dividends, declarations of provisional payments and of the fiscal year and federal contributions, the corresponding documentation must be kept for as long as the company exists.
- The income of the grantees cannot exceed 50% for activities not related to their corporate purpose.

- Changes in withholding rates at source for services provided through digital platforms.

22.2 Tax assets and liabilities

Tax assets are presented in the Statement of Financial Position, under "other current assets" and "other non-current assets". The balance, includes:

	2020	2019
Income tax and complementaries (1)	126.925	154.840
Equity tax	4.373	6.407
Sales tax	37.079	39.609
Claims in process (2)	420	-
Other taxes	1.810	1.729
Total current tax assets	170.607	202.585
Claims in process (2)	11.282	11.054
Total non-current tax assets	11.282	11.054
Total tax assets	181.889	213.639

Table 44

- (1) Income tax assets and complementary, include auto-withholdings of \$13.577 (2019 - \$15.474), credit balances of \$53.491 (2019 - \$78.413), tax advances of \$23.794 (2019 - \$33.148), tax rebates for \$31.316 (2019 - \$23.819), and income tax withheld for \$4.747 (2019 - \$3.986).
- (2) Grupo Nutresa has four (4) subsidiaries (2019 six (6) subsidiaries with current contract) that signed legal stability contracts in 2009, with the Colombian government. One of the stabilized taxes was the equity tax, which, due to the tax authority's disposition, had to be declared and paid. However, there is a legal right to request a refund for the payment of the un-owed, in the amount of \$49.486. Protected by Article 594-2 of the Tax Statute, which indicates that the tax obligations presented by those not obliged to declare, do not produce legal effects. The claims for the payment of the not owed are advanced, remain to be resolved the value of \$9.866, value classified as non-current assets, as it is expected to be resolved in a term superior to twelve months following the date of this report.
- (3) Refers to current interest derived from this payment of what is not due in the amount of \$6.407. During 2020, the tax administration has recognized in favor of Grupo Nutresa an amount of \$2.034, leaving an outstanding balance of \$ 4,373.

The current taxes payable balances include:

	2020	2019
Income tax and complementary ^(*)	99.776	69.810
Sales tax payable	94.483	91.297
Withholding taxes, payable	35.499	33.152
Other taxes	10.253	20.283
Total	240.011	214.542

Table 45

The Group applies the laws with professional judgment, to determine and recognize the provision for current tax and deferred income, on its Consolidated Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of fiscal benefits, as the treatment of untaxed income, and special deductions, according to the current regulations and applicable, and the analysis of favorability probability of expert opinions. The Group recognizes liabilities, for anticipated tax audits, observed based on estimates, if correspondent to payment of additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, the differences are charged to tax on current and deferred assets and liabilities, in the period in which this is determined.

Considering the criteria and judgments in the determination and recognition of the mentioned taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that must be recognized in the accounting according to the framework defined by IFRIC 23.

(*) Includes reduction of income tax payable, realized, through Works Taxes. In 2020, four companies of Grupo Nutresa are linked with a total investment of \$19.955. The projects aim to improve the conditions for the academic education and development of educational skills of 80.353 students from various municipalities in the Department of Antioquia. Currently the schedule is 80% complete. The project in which Compañía Nacional de Chocolates S. A. S. participated in 2019 for a value of \$ 1.197, to date it is fully liquidated.

22.3 Income tax expenses

Current income tax expenses are as follows:

	2020	2019
Income tax	261.210	207.877
Total	261.210	207.877
Deferred taxes ^(*) (Note 22.4)	(30.274)	(2.656)
Total income tax expenses	230.936	205.221

Table 46

(*) The change in deferred tax is mainly due to the recognition of accelerated amortization of intangible assets in 2019, tax losses and property, plant and equipment. In 2020 it is due to the recognition of deferred tax on movements generated in the items of tax losses, foreign exchange differences, property, plant and equipment and commercial provisions.

22.4 Deferred income tax

The breakdown of the deferred tax assets and liabilities, are as follows:

	2020	2019
Deferred tax assets		
Goodwill tax, TMLUC	76.289	89.605
Employee benefits	46.906	46.245
Accounts payable	13.628	9.357
Tax losses	228.120	185.716
Tax credits	14.345	6.197
Debtors	23.015	20.671
Right-of-use assets	280.746	254.961
Other assets	57.842	55.826
Total deferred tax assets (1)	740.891	668.578
Deferred tax liabilities		
Property, plant and equipment	342.372	361.763
Intangibles (2)	368.831	358.802
Investments	14.097	7.039
Inventories	8.039	4.341
Right-of-use liabilities	267.605	251.047
Other liabilities	19.472	15.244
Total income tax liabilities	1.020.416	998.236
Net deferred tax liabilities	279.525	329.658

Table 47

- (1) The deferred tax asset is recognized and supported, on the basis that the Group has generating positive taxable income, and it is projected to generate future income sufficient to compensate tax credits and tax losses, from previous periods, prior to maturity, and obtain future tax benefits, for goodwill tax in Chile, employee benefits, as well as, items recognized in the deferred tax assets. Projections of annual taxable income and actual data are reviewed to determine the impact and adjustments, on asset values, and their recoverability in future periods.
- (2) The deferred tax liability, for intangibles, corresponds mainly to the difference in the amortized accounting and tax depreciation of the brands, and to the deferred tax, recognized in the Consolidated Financial Statement, in relationship to the goodwill from business combinations realized before 2013 and the recognition for the difference between accounting and tax due to the entry into force in 2019 of the accounting standard for financial leases IFRS 16.

The movement of deferred tax, during the period, was as follows:

	2020	2019
Opening balance, net liabilities	329.658	325.010
Deferred tax expenses, recognized in income for the period	(30.274)	(2.656)
Income tax relating to components, of other comprehensive income, net (Note 31)	(4.262)	(8.227)
Increase due to business combination	-	3.629
Impact of variation in rates of foreign exchange	(15.120)	11.483
Other impacts	(477)	419
Final balance, net liabilities	279.525	329.658

Table 48

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of \$1.809 (2019: -\$6.574), the participation in associates and joint ventures, accounted for by using the *Equity Method*, in the amount of \$968 (2019: \$224), by the financial assets measured at fair value, in the amount of -\$1 (2019: -\$2) and cash-flow hedges of -\$7.038 (2019: -\$1.875)

22.5 Effective tax rates

The theoretical tax rate is calculated using the weighted average of the tax rates established in the tax regulations of each of the countries where the Nutresa Group companies operate. To calculate the effective rate at December 2020 and 2019, the amount of discontinued operations was included in income before taxes, since these operations are part of the income tax purification.

The recognition of deferred tax at a lower rate than the current income tax rate, in accordance with the future income tax rate established in current Colombian regulations, impacts the effective rate for temporary differences in the determination of the tax.

The effective tax rate is below the theoretical rate, mainly due to permanent differences as income from untaxed portfolio dividends and the application of stabilized rules in Colombia such as the special deduction in real productive fixed assets, whose impact on the effective rate is 3.54% (2019: 4.44%). This effect is counterbalanced in 2020 by the tax discount of 50% of that paid for industry and commerce tax and 25% of the duly certified donated value, expenses that are not tax deductible; by the higher payment of income tax paid by Colombian companies

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abroad and by other non-deductible expenses as 50% of the tax on financial movements and costs and expenses of previous years. These items have an effect of 1.37% (2019: 2.17%) on the effective rate.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2020		2019	
	Valor	%	Valor	%
Accounting profit, before income taxes	814.780	-	715.792	-
Applicable tax rate expenses	248.589	30,51%	221.575	30,96%
Untaxed portfolio dividends	(24.743)	-3,04%	(20.459)	-2,86%
Special deductions for real productive fixed assets	(3.884)	-0,48%	(11.403)	-1,59%
ICA and non-deductible donations	7.608	0,93%	7.640	1,07%
Income tax paid abroad	(1.238)	-0,15%	4.177	0,58%
Other tax impact	4.604	0,57%	3.691	0,52%
Total tax expenses (Note 13.3)	230.936	28,34%	205.221	28,67%

Table 49

22.6 Presumptive income tax excess and losses

At December 31, 2020, the tax losses of the Group amounted to \$663.597 (2019: \$498.225). As of the expedition of Law 1819 of 2016, the compensation of tax losses in Colombia is limited to 12 taxable periods, following the year that they were generated. Tax losses are recognized in deferred tax assets, corresponding to Chile, they do not expire. Likewise, the tax losses recognized in the deferred tax asset corresponding to Chile and the United States do not expire. In Mexico, tax losses can be offset in the 10 years following their generation date.

The excess presumptive tax on ordinary income of the Group, outstanding amount of \$187 (2019 - \$20.657). According to current tax regulations in Colombia, excesses of presumptive tax on ordinary income, can be offset with ordinary liquid income tax within the five following years, fiscally readjusted.

Expiration date	Tax Loss	Excess presumptive income tax
2024	2.812	-
2025	-	187
2030	40.158	-
2031	-	-
2032	45.720	-
No expiration date	781.165	-
Total	869.855	187

Table 50

22.7 Information on current legal proceedings

- Industria de Alimentos Zenú S.A.S. and Alimentos Cárnicos S.A.S., Colombian subsidiaries of Grupo Nutresa, are in the process of discussions with the Directorate of National Tax and Customs (DIAN), for the unrecognized deduction for amortization of goodwill, generated in the acquisition of shares, of income of the taxable year 2011 in Industria de Alimentos Zenú S.A.S and year 2011 and 2015 in Alimentos Cárnicos S.A.S. The process in the Administrative Chamber has already been done, therefore, the respective lawsuits were brought before the contentious administrative courts of Antioquia, and del Valle, respectively. The requests for monies in favor of the tax returns for the taxable year 2011, of these two companies, on the occasion of this discussion, were considered undue, by the DIAN, which generated a process for Industria de Alimentos Zenú S.A.S., in discussion in the administrative chamber, as well as for, Alimentos Cárnicos S.A.S., in judicial proceedings.
- Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses, in tax returns for the taxable years 2008, 2009 and 2014. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

Note 23. FINANCIAL OBLIGATIONS

23.1 Financial liabilities at amortized cost

Financial obligations, held by Grupo Nutresa, are classified as measured, by using *the amortized cost method*, and are based on the Group's Business Model. Book values, at the end of the reporting period, are as follows:

	2020	2019
Loans	3.211.594	3.061.465
Bonds	135.246	135.585
Leases	5.534	10.160
Total	3.352.374	3.207.210
Current	486.736	527.196
Non-current	2.865.638	2.680.014

Table 51

The financial obligations, mainly loans, taken out by Colombian companies, in dollars, incorporates adjustments, that increase the amortized cost, in the amount of \$9.674, increasing the value of the financial obligation (December: \$9.674 decreasing the value of the financial obligation), as a result of the measurement at fair value of hedging exchange rates, as described in Note 23.6, henceforth.

23.2 Bonds

Grupo Nutresa generated issuance of two bonds:

In August 2009, an issue of corporate bonds took place in Colombia, through Fideicomiso Grupo Nutresa, which is managed by Alianza Fiduciaria S.A., the issuance was realized in the amount of \$500,000, maturing in four tranches at 5, 7, 10, and 12 years, with interest payable quarterly, in arrears, and amortized to maturity of each coupon. At December 2020, interest expenses were incurred in the amount of \$11.381 (December 2019 - \$19.261). The emission has a balance at December 2020, including accrued interest in the amount of \$135.246 (December 2019: \$135.585), and has the following characteristics:

Maturity	Interest rate	2020	2019
2021	CPI + 5,75%	135.246	135.585
Total		135.246	135.585

Table 52

23.3 Maturity

Period	2020	2019
1 year (*)	486.736	527.196
2 to 5 years	2.311.643	1.989.351
More than 5 years	553.995	690.663
Total	3.352.374	3.207.210

Table 53

(*) Includes payable interest

23.4 Balance by currency

Currency	2020		2019	
	Original currency	COP	Original currency	COP
COP	2.848.451	2.848.451	2.709.556	2.709.556
CLP	23.613.795.679	114.009	33.851.554.561	148.164
USD	107.145.520	367.777	106.644.672	349.490
CRC	3.981.120.954	22.137	-	-
Total		3.352.374		3.207.210

Table 54

Currency balances are presented, after currency hedging.

To evaluate the sensitivity of financial obligation balances, in relationship to variations in exchange rates, all of the obligations, as of December 31, 2020, that are in currencies other than each company's functional currency and that do not have cash flow hedges, are taken. A 10% increase in exchange rates, in reference to the dollar (COP/USD), would generate an increase of \$160 (2019: \$408), in the final balance.

23.5 Interest rates

Changes in interest rates may impact the interest expense, for financial liabilities that are tied to a variable interest rate. For the Group, the interest rate risk is primarily attributable to operational debt, which includes debt securities, the issuance of bank loans, and leases. These are susceptible to changes in base rates, (CPI - IBR - DTF - TAB [Chile] - LIBOR), that are used to determine the applicable rates on bonds and loans.

The following table shows the structure of the financial risk due to exchange rates:

Rate	2020	2019
Variable interest rate debt	3.072.950	3.160.436
Fixed interest rate debt	279.424	46.774
Total	3.352.374	3.207.210
Average rate	3,59%	5,93%

Table 55

Rate	2020	2019
IBR indexed debt	1.582.791	1.197.093
DTF indexed debt	1.061.781	1.119.859
CPI indexed debt	135.246	345.427
TAB (Chile) indexed debt	113.882	146.904
LIBOR indexed debt	157.109	351.153
BCCR (Costa Rica)	22.141	-
Total debt at variable interest rate	3.072.950	3.160.436

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Rate	2020	2019
Debt at a fixed interest rate	279.424	46.774
Total debt	3.352.374	3.207.210
Average rate	3,59%	5,93%

Table 56

To provide an idea of the sensitivity of financial expenses to interest rates, an increase of +100bp has been supposed, a scenario in which the annual interest expense, of the Group, would increase in \$30.560 (2019: \$31.821).

Following is information on the main reference rates, at the close of the period:

Close Rate	2020	2019
CPI	1,61%	3,80%
IBR (3 Months)	1,69%	4,13%
DTF EA (3 Months)	1,89%	4,48%
DTF TA (3 Months)	1,87%	4,36%
TAB (3 Months)	0,25%	2,28%
LIBOR (3 Months)	0,24%	1,91%
BCCR (Costa Rica)	3,50%	5,75%

Table 57

23.6 Derivatives and financial hedging instruments

Grupo Nutresa, at certain times, resorts to borrowing in dollars, in order to secure more competitive interest rates, in the market, and uses derivatives to mitigate the risk of the exchange rate, in these operations. These derivatives are designated as accounting hedges, which implies that the fair value measurement of the derivative instrument is recognized as an adjustment, to the amortized cost of the financial obligation, designated as a hedged item. At December 31, 2020, hedged debt amounted to USD\$12.500.000 (2019: USD\$11.341.542) and the debt with interest rate hedge is up to USD 60.000.000 (December 2019 - USD 0).

Finally, Grupo Nutresa uses financial derivatives to manage and cover the cash flow positions against the US Dollar, in the different geographies, where it operates. These derivatives are not designated as hedge accounting, and are measured at fair value, and are included in the Statement of Financial Position, under the category of "other current assets" and "other current liabilities", respectively.

The Group does not use derivative financial instruments for speculative purposes.

The following is a breakdown of the assets and liabilities from financial derivative instruments:

	2020		2019	
	Activo	Pasivo	Activo	Pasivo
Hedges				
Fair value of exchange rates on financial obligations	-	(9.674)	-	1.637
Fair value of interest rate hedge	-	(386)	-	-
Fair value of exchange rates on suppliers	-	(3.419)	-	(368)
Fair value of exchange rates on cash flows	13.954	(42.437)	10.750	(11.140)
Total hedges derivatives	13.954	(55.916)	10.750	(9.871)
Non-designated derivatives				
Forwards and options on currency	-	(23)	-	(50)
Forwards and options on interest rates	-	-	-	(44)
Forwards and options on commodities	1.840	(1)	5.888	(1.075)
Total non-designated derivatives	1.840	(24)	5.888	(1.169)
Net value of financial derivatives		(40.146)		5.598

Table 58

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement, in the amount of \$600 (2019: \$1.023).

All non-designated derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2 of the hierarchy of fair value, established in IFRS 13.

Note 24. RIGHT-OF-USE LIABILITIES

The balances of right-of-use liabilities, are as follows (see accounting policy 3.3.8):

	2020	2019
First-time adoption	-	927.493
Balance at January 1st, 2020	892.555	927.493
New contracts	85.355	52.815
Acquisition of subsidiaries	-	26.842
Disposals	(24.976)	(24.154)
Interests	59.060	61.511

	2020	2019
Exchange translation impact	9.982	660
Exchange differences	3.892	(1.513)
Transfers	5.991	-
Leases forgiveness income	(13.661)	-
Payments	(144.175)	(151.099)
Balance at December 31st, 2019	874.023	892.555
Current portion	126.727	147.242
Non-current portion	747.296	745.313

Table 59

* Includes updating of variable lease fees based on an index or a rate.

Note 25. TRADE AND OTHER ACCOUNTS PAYABLE

The balances of trade and other accounts payable, are as follows:

	2020	2019
Suppliers	723.010	665.309
Cost and expenses payable	444.176	440.848
Purchase of shares to be paid	-	8.379
Dividends payable (Note 30.3)	84.766	79.565
Payroll deductions and contributions	31.542	44.064
Total	1.283.494	1.238.165
Current	1.283.494	1.235.133
Non-current	-	3.032

Table 60

Note 26. EMPLOYEE BENEFITS

The balance of liabilities, due to employee benefits, is as follows:

	2020	2019
Short-term benefits	120.666	108.917
Post-Employment benefits	129.621	127.862
Defined benefit plans	41.723	39.057
Defined contribution plans (Note 26.2)	87.898	88.805
Other long-term benefits (Note 26.3)	162.990	144.380
Total liabilities for employee benefits	413.277	381.159
Current portion	217.033	191.864
Non-current portion	196.244	189.295

Table 61

26.1 Applicable regulations

Colombia:

Defined Contributions:

Severance: assistance equivalent to one month's salary for each year of service and proportionally per fraction of the year. The severance of all workers who entered into employment contracts after the effective date of Law 50 of 1990, and the former workers, who benefited this system, are deposited in a severance fund, and are accounted for as a defined contribution plan.

The Colombian Government allowed companies, subject to the approval of their employees, to transfer their severance assistance obligation to private pension funds. The layoffs of all workers who entered into labor contracts after Law 50 of 1990 and former workers who availed themselves of this system are accounted for as a defined contribution plan.

Contributions to pension funds: the pension system, grants the worker, the possibility of receiving a life annuity, at the end of the work cycle, so that fixed resources can be count on and which allow for economic stability in old age. The contribution to the pension fund is 16% of the employee's base contribution rate. This is divided into 12%, contributed by the employer, and 4% by the worker. Currently, Colombia has two modalities under which you can contribute for retirement: Individual Savings Solidarity System (RAIS) and Average Premium System (APS). The first is managed by private funds and the second by Colpensiones, a public entity.

Defined benefits:

Pensions: Grupo Nutresa have for the year 2020, with 199 beneficiaries (2019: 222) from the defined pension plan benefits, according to legal regulations (Former Model of Regime for defined pension payouts). The plan consists that it is legally established that the employee at retirement will receive a monthly amount from the pension, pension adjustments according to the legal norms, survivor' benefits, funeral assistance, and additional allowances, in June and December. These values depend on factors such as: employee's age, years of service, and salary. There are no current employees, who can access this benefit.

Retroactive Severance: According to Colombian labor laws, employees hired before the entry into force of Law 50 of 1990, are entitled to receive one month's salary, in effect for each year or services, and proportionally, a fraction of year or as aid of severance, for any reason the end of employment, including: retirement, disability, death, el al. The benefit is liquidated, at the time of retirement of an employee, based on the last salary earned. There may be distributions before the date of retirement, at the request of the worker, which are not compulsory distributable. Severance is retroactive settled for of 371 workers belonging to the labor force, before the Law 50 of 1990 (2019: 445 beneficiaries).

Ecuador:

Employer retirement: In accordance with provisions of the Labor Code, employees, who for twenty-five years or more and have provided their services on a continuous or interrupted basis, shall be entitled retirement by their employers, without prejudice to the corresponding retirement benefits, as members of the Ecuadorian Institute of Social Security - IESS. The calculation consists of the sum equivalent to 5% of the average annual remuneration received, for the last five years. This item is multiplied by the years of service, and the result is divided by the age coefficient, established in the Labor Code.

Termination bonus: is the written notice with which a worker informs the employer that his/her will is to terminate the employment contract. Payment of the benefit is mandatory, even in cases where the employment relationship ends by agreement between the parties, in accordance with Numeral 2 of Article 169 of the Labor Code. The employer will give the worker twenty-five percent of the equivalent to the last monthly remuneration, for each one of the years of service rendered.

Chile:

Compensation: corresponds to the obligation established in contracts or collective labor agreements for compensation for years of service of workers. Employees will be entitled to one month of remuneration for each year worked.

26.2 Pensions and other post-employment benefits

The reconciliation of the movements, of the defined benefit plans, is as follows:

	Pensions		Retroactive severance		Other defined benefit plans		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Present value of obligations at January 1st	19.427	19.138	12.898	14.507	56.480	53.741	88.805	87.386
(+) Cost of services	175	227	358	413	8.150	6.709	8.683	7.349
(+) Interest expenses	994	1.113	598	858	6.301	6.243	7.893	8.214
(-) Plan performances	-	-	-	-	(3.651)	(5.971)	(3.651)	(5.971)
(+/-) Actuarial losses and/or gains	2.274	1.166	832	2.873	(5.651)	15.156	(2.545)	19.195
(-) Contributions to the fund	-	-	-	-	(2.254)	(12.882)	(2.254)	(12.882)
(+/-) Other movements	(2.274)	(2.248)	974	(5.753)	1.104	(4.213)	(196)	(12.214)
(-) Payments	(2.067)	1	(4.775)	-	(4.547)	(355)	(11.389)	(354)
(+/-) Difference in exchange rate	41	30	-	-	2.511	(1.948)	2.552	(1.918)
Present value of obligations at December 31st	18.570	19.427	10.885	12.898	58.443	56.480	87.898	88.805

Table 62

Actuarial gains and losses are recognized in the Income Statement.

The undiscounted estimated for payments for defined benefits, over the next five years, are as follows, for the Group:

Year of expiration	Without discount
2021	10.304
2022	6.260
2023	9.092
2024	9.290
2025	7.796
Following years	180.981
Total	223.723

Table 63

The estimated time for termination of benefits is 43 years. (2019: 41 years).

In accordance with the tax regulations applicable in Colombia, the pension liability is calculated using variables established by the regulator. The difference between the calculations of the pension liabilities, in accordance with the accounting and financial information standards accepted in Colombia, and the tax regulations is detailed below:

	IFRS Liability	Fiscal Liability
Calculated actuary pension liability	17.562	14.524
Discount rate	4,37%	4,80%
Salary adjustment rate	3,00%	3,64%

Table 64

Post-employment benefits in defined contribution plans

With regard to defined contribution plans, the Group fulfills its legal obligation, making contributions of a predetermined nature to a public or private entity. In these plans, the Group has no legal or implicit obligation to make additional contributions, in the event that the fund does not have sufficient assets to cover the benefits related to the services that the employees have rendered, in the current period and in the previous ones.

The Group recorded expenses, from employer contributions to defined contribution plans for pensions during the period, in the amount of \$88.738 (2019: \$82.435); and expenses for contributions to severance from Law 50, during the period, in the amount of \$48.227 (2019: \$45.426).

26.3 Other long-term benefits

The long-term benefits include mainly seniority premiums and variable remuneration systems.

The seniority premiums are paid to the employee for every five years of service. The liability is recognized, gradually, as the employee provides the services that will make it a creditor. Its measurement is realized annually, through the use of actuarial techniques. Current gains and losses, arising from experience and changes, in actuarial assumptions, are charged or credited to the result of the period in which they arise.

The Company does not have specific assets intended to support long-term benefits. The long-term benefit liability is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions, as of the date of the reporting period. The current service costs, past service costs, interest costs, actuarial gains and losses, as well as any liquidation or reduction of the plan, are recognized immediately in results.

The following is the reconciliation of movements of other long-term employee benefits:

	Seniority Premium		Other Long-term Benefits		Total	
	2020	2019	2020	2019	2020	2019
Present value of obligations at January 1st	83.373	74.305	61.007	40.271	144.380	114.576
(+) Cost of services	7.697	7.614	63.364	57.048	71.061	64.662
(+) Interest expense	5.295	5.189	1.630	2.062	6.925	7.251
(+/-) Actuarial gains or losses	1.203	4.617	(8.814)	(2.947)	(7.611)	1.670
(+/-) Others	(8)	(1)	(12)	-	(20)	(1)
(-) Payments	(8.269)	(8.373)	(43.243)	(34.867)	(51.512)	(43.240)
(+/-) Exchange rate differences	(81)	22	(152)	(560)	(233)	(538)
Present value of obligation at December 31st	89.210	83.373	73.780	61.007	162.990	144.380

Table 65

26.4 Expenses for employee benefits

The amounts recognized, as expenses for employee benefits, were:

	2020	2019
Short-term benefits	1.602.072	1.448.674
Post-employment benefits	145.648	135.210
Defined contribution plans	136.965	127.861
Defined benefit plans	8.683	7.349
Other long-term employee benefits	61.136	60.551
Termination benefits	16.245	26.474
TOTAL	1.825.101	1.670.909

Table 66

26.5 Actuarial Assumptions

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2020	2019
Discount rates	1,75%-9,5%	4,8%-10,5%
Salary increase rates	1,3% -5%	1,5% - 6,3%
Employee turn-over rates	1%-18%	1%-24%

Table 67

The discount rate is estimated with the assumptions of the performance of the sovereign debt bonds of the commitment country, denominated in percentages, according to the terms of the obligation. The rates of the real yield curve are obtained from the information published daily, by the market; this hypothesis is based on the fact that the Colombian market does not have sufficient liquidity and depth, in high quality corporate bonds.

The table used is the mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia. Ecuador uses the TM IESS 2002 and the Dominican Republic uses the GAM-83 table.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes, in each of the countries that the Group operates.

The turnover rate of employees is estimated, based on market studies and historical data of each of the companies. For example, the table 2003 SOA Pension Plan Turnover Study is used in Colombia and Panama.

26.6 Sensitivity analysis

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31st, 2020, would generate the following impact on the obligation for defined benefits, as well as, long-term:

	Pensions	Retroactive Severance	Seniority Premiums	Retirement Bonus
Discount rate + 1%	(1.271)	(440)	(6.126)	(8.521)
Discount rate -1%	1.290	474	6.985	6.135
Salary increase rate + 1%	1.395	1.543	7.070	6.207
Salary increase rate -1%	(1.379)	(1.468)	(6.303)	(7.572)

Table 68

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations did not change compared to the method of the Projected Credit Unit (PUC), used the previous year.

Note 27. PROVISIONS

At December 31st, current provisions are as follows:

	2020	2019
Restauración and dismantling	5.909	13.238
Legal contingencies	3.234	1.731
Prizes and incentives	216	217
Total	9.359	15.186
Current portion	3.450	1.948
Non-current portion	5.909	13.238

Table 69

(*) Corresponds to the provision originated by the adoption of IFRS 16.

Legal contingencies: Provisions for legal proceedings are recognized to cover probable estimated losses against Grupo Nutresa for labor, civil, administrative, and regulatory disputes, which are calculated on the basis of the best estimate of the disbursement required, to cancel the obligation at the reporting date of preparation of the Financial Statements. Taking into account that the reports of the Legal Counsel, the Management considers said litigations will not significantly impact the financial condition or solvency of the Group, inclusive, in the event of an adverse outcome of any litigation. There are no such relevant judicial proceedings that should be disclosed in the Financial Statements, at December 31st of 2020 and 2019.

Bonuses and incentives: corresponds to the recognition plans for the management and innovation of employees and the sales force.

Contingent assets and liabilities

No contingent assets and liabilities are identified that are quantitatively or qualitatively material, and should be disclosed in the Financial Statements to December 31st of 2020 and 2019.

Note 28. OTHER LIABILITIES

	2020	2019
Derivative financial instruments	42.847	12.309
Pre-payments and advances received	13.660	9.986
Liabilities from customer loyalty programs ^(*)	28.284	6.710
Return of goods	884	-
Other	2.110	1.394
Total other liabilities	87.785	30.399
Current	83.209	29.912
Non-current	4.576	487

Table 70

(*) Corresponds to liabilities, from contracts with clients. During 2020, there were no significant variations with respect to 2019.

Note 29. LEASES

29.1 Grupo Nutresa as lessee

The Group has recognized as leases those contracts that do not meet the conditions for recognition as rights of use in accordance with IFRS 16.

The lease expense during 2020 is composed as follows:

	Low-value leases	Short-term leases	Variable fee leases	Total
Buildings	2.007	8.140	5.511	15.658
Computer equipment	21.020	899	-	21.919
Office equipment	378	4	56	438
Transportation equipment	912	1.469	830	3.211
Machinery and production equipment	4.224	5.572	201	9.997
Others	2.717	3.524	-	6.241
Total lease expense	31.258	19.608	6.598	57.464

The lease expense during 2019 is composed as follows:

	Low-value leases	Short-term leases	Variable fee leases	Total
Buildings	1.928	12.809	8.017	22.754
Computer equipment	18.075	1.984	1	20.060
Office equipment	315	134	27	476
Transportation equipment	348	1.753	543	2.644
Machinery and production equipment	3.518	2.921	67	6.506
Others	1.554	6.526	-	8.080
Total lease expense	25.738	26.127	8.655	60.520

Table 71

29.2 Grupo Nutresa as lessor

Grupo Nutresa has properties under operating leases, (mainly buildings) with a book value of \$2.266 (2019: \$11.548) at December 31st, 2020, upon which income of \$3.659 (2019: \$3.624), with a term period between 1 to 10 years.

Note 30. EQUITY

30.1 Subscribed and paid shares

As of December 31st, of 2020 and 2019, the balance of capital of the Parent Company was \$2.301, representing a total of 460.123.458 shares, fully paid and subscribed shares. There were no changes to the make-up of the capital, during neither the period, nor the comparative period.

There is a paid-in capital of shares for \$546.832, from the issuance of shares made in previous periods.

The shares of the company are listed on the Stock Exchange of Colombia to December 31, 2020, and its value was \$24.000, per share (2019: \$25.400).

At December 31, 2019, the common shares are held by 11.537 (2019: 11.037 Shareholders). The Corporate Structure, of the Grupo Nutresa, at December 31, 2020 and 2019, is as follows:

Group of Investors	2020		2019	
	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	162.758.405	35,4%	162.246.520	35,3%
Grupo Argos S.A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	93.712.571	20,4%	90.797.456	19,7%
International Funds	33.982.986	7,4%	37.045.213	8,1%
Other investors	124.425.715	27,0%	124.790.488	27,1%
Total outstanding shares	460.123.458	100,0%	460.123.458	100,0%

Table 72

30.2 Reserves and retained earnings

Of the accounts that make up the equity reserves at December 31st of 2020 and 2019, are as follows:

	2020	2019
Legal reserves	87.201	81.149
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves	2.395.967	2.180.025
Total Reserves	4.041.765	3.819.771
Retained earnings	(38.510)	(17.941)
Total	4.003.255	3.801.830

Table 73

Legal reserves: In accordance with Colombian Commercial Law, 10% of the net income each year should be appropriated as a legal reserve, until the balance is equivalent to at least 50% of the subscribed capital. The reserve is not distributable before the liquidation of the Company, but must be used to absorb losses. The excess over the minimum required by law is freely available to the Shareholders.

Occasional non-distributable reserves: corresponds to the voluntary reserve approved by the Shareholders in a meeting on March 18, 2016, about the retained earnings, generated in the process of First-time adoption of IFRS.

Other reserves: corresponds to voluntary reserves, substantially unrestricted by the Shareholders.

Retained earnings: the movement in 2020 corresponds mainly to the realization of other comprehensive results for employee benefits due to pension gap \$ 3.329 Servicios Nutresa SA S, transfer of profits from foreign companies \$ 6.031, acquisition of the controlling interest of the Pactual Private Capital Fund \$ 808 and effect for the allocation of the purchase price of Cameron’s Coffee & distribution Company \$ 2.892.

The movement in 2019 corresponds to the effect of the liquidation of Sociedad Colectiva Civil Inmobiliaria and Rentas Tresmontes Lucchetti - \$6,283, effect of the acquisition of Atlantic FS S. A. S. -\$3,385, and Procesos V.A. S. \$70, effect of the merger and liquidation of Inmobiliaria Tresmontes Lucchetti S. A. \$575, liquidation of Comercializadora TMLUC S. A. de C. V. \$ 147, record of deferred tax from previous years of New Brands S. A \$ 421, restatement of equity of TMLUC Argentina \$ 395, earnings before acquisition of Cameron’s Coffee & distribution Company \$ 222.

30.3 Distribution of dividends

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 24, 2020, declared ordinary share dividends of \$54,10(*) per share and per-month, equivalent to \$649,20(*) annually per share (2019: \$612(*) annually per share), over 460.123.458 outstanding shares, during the months from April 2020 to March 2021, inclusive, for a total of \$298.712 (2019: \$281.596). In addition, dividends were issued to non-controlling interest in the amount of \$4.552 (2019: \$4.031). See Note 30.4.

This dividend was declared by taking untaxed earnings from 2019, in the amount of \$298.712.

During 2020, dividends were paid in the amount of \$298.063 (2019: \$279.660), which include dividends paid to non-controlling interest owners, in the amount of \$4.553 (2019: \$4.031).

As of December 31, 2020, dividends payable are up to \$84.766 (2019: \$79.565).

(*) In Colombian Pesos.

30.4 Non-controlling interest

Participation of non-controlling interest at December 31st, 2020 and 2019 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest		2020		2019	
		2020	2019	Non-controlling Interest in Equity	Gains or (Losses) Attributable to Non-controlling Interest	Non-controlling Interest in Equity	Gains or (Losses) Attributable to Non-controlling Interest
Novaceites S. A.	Chile	50,00%	50,00%	33.192	3.262	28.645	2.007
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Colombia	30,00%	30,00%	501	87	414	(52)
Setas Colombianas S. A.	Colombia	0,50%	0,50%	244	24	250	35
Helados Bon	Dominican Republic	18,82%	18,82%	6.357	1.506	7.606	3.286
Fondo de Capital Privado “Cacao para el Futuro” – Compartimento A	Colombia	-	16,59%	-	32	4.971	101
Schadel Ltda. Schalin del Vecchio Ltda.	Colombia	0,12%	0,12%	9	(1)	11	1
Productos Naturela S. A. S	Colombia	40,00%	40,00%	1.687	315	1.463	182
Atlantic FS S.A.S.	Colombia	49,00%	49,00%	17.304	3.178	14.126	1.493
Total				59.294	8.403	57.486	7.053

Table 74

During 2020, Setas Colombianas S.A. distributed dividends in the amount of \$6.031 (2019 - \$11.338), of which \$30 (2019-\$57) was paid to non-controlling interests. Helados Bon S.A. distributed dividends in the amount of \$13.814 (2019 - \$12.338), of which \$2.600 (2019- \$2.322) were paid to the non-controlling interest. Novaceites distributed dividends of \$3,661 (2019: 3.304), of which \$1.831 (2019: 1.652) were paid to non-controlling interests, Shadel Ltda Shalin del Vecchio Ltda. distributed dividends in the amount of \$237 (2019- \$487), of which \$1(2019: \$1) were paid to the non-controlling interest and Productos Naturela S. A. S distributed dividends in the amount of \$228, of which \$91 were paid to the non-controlling interest

Note 31. OTHER COMPREHENSIVE INCOME

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Consolidated Financial Statements:

	Actuarial Results (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1st, 2020	(35.946)	3.213.293	7.068	589.525	(836)	3.773.104	(2.984)	3.770.120
Losses/gains from new measurements	2.545	(843.345)	3.227		(31.911)	(869.484)	-	(869.484)
Impact of exchange translation for the period	-	-	-	164.673		164.673	-	164.673
income tax associated	(1.809)	1	(968)	-	7.038	4.262	-	4.262
Realization of the OCI to accumulated profits	3.329	-	-	-	-	3.329	-	3.329
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	(2.881)	(2.881)
Balance at December 31st, 2020	(31.881)	2.369.949	9.327	754.198	(25.709)	3.075.884	(5.865)	3.070.019

	Actuarial Results (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1st, 2019	(23.325)	3.026.599	6.546	672.379	6.385	3.688.584	(5.409)	3.683.175
Losses/gains from new measurements	(19.195)	186.697	746	-	(9.096)	159.152	-	159.152
Impact of exchange translation for the period	-	-	-	(56.106)	-	(56.106)	-	(56.106)
income tax associated	6.574	2	(224)	-	1.875	8.227	-	8.227
Reclassifications	-	-	-	(26.748)	-	(26.748)	-	(26.748)
Realization of the OCI to accumulated profits	-	(5)	-	-	-	(5)	-	(5)
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	2.425	2.425
Balance at December 31st, 2019	(35.946)	3.213.293	7.068	589.525	(836)	3.773.104	(2.984)	3.770.120

Table 75

31.1 Actuarial gains (losses) on the re-measurement of defined benefit plans

The component of new measurements of defined benefit plans represents the accumulative value of the actuarial gains and losses, mainly due to pensions, retroactive severance, and other retirement benefits in Colombia and Chile. The net value of the new measurements is transferred to retained earnings and not reclassified to the Income Statement.

See Note 26.2, for detailed information about the post-employment defined benefit plans, that result in these actuarial gains and losses.

31.2 Financial Instruments - Equity investments measured at fair value through other comprehensive income

The component of other comprehensive income from equity investments measured at fair value through other comprehensive income represents the accumulated values of the gains or losses valuation to fair value minus the amounts transferred to retained earnings when these investments are sold. Changes of fair value are not reclassified to the Income Statement.

See Note 16 for detailed information on these investments.

31.3 Associates and joint ventures - Interest in other accumulated comprehensive income

The component of other comprehensive income of investments in associates and joint ventures represents the accumulated value of gains or losses from participation in other comprehensive income of the investee. These retained earnings will be transferred to profit and loss in the cases dictated by the accounting standards.

See note 15, for detailed information on investments in associates and joint ventures.

31.4 Reserves for translation of foreign operations

Grupo Nutresa's Consolidated Financial Statements include foreign subsidiaries, located mainly in Chile, Costa Rica, the United States, Mexico, Peru, Panama, and other Latin American countries that represent 33,3% and 30,30% of total consolidated assets in December 2020 and 2019, respectively; the Financial Statements of these subsidiaries are translated into Colombian pesos, in accordance with the accounting policies of Grupo Nutresa.

The impact of exchange rates on the translation of assets, liabilities, and results of foreign subsidiaries in other comprehensive income is as follows:

		2020	2019
Chile	CLP	179.610	(117.783)
Costa Rica	CRC	(18.199)	40.253
United States	USD	13.928	410
Mexico	MXN	(1.953)	13.167
Peru	PEN	(14.391)	7.783
Panamá	PAB	5.460	855
Others		218	(791)
Impact of exchange translation for the period		164.673	(56.106)
Equity reclassifications		-	(26.748)
Reserves for exchange translation, at the beginning of the period		589.525	672.378
Reserves for exchange translation at the end of the period		754.198	589.524

Table 76

The translation of Financial Statements in the preparation of the Consolidated Financial Statements does not generate a tax impact.

The accumulated translation differences are reclassified to current earnings, partially or totally, when the operation is available abroad.

See Note 3.3.2 for information on the main exchange rates used in the translation of the Financial Statements of foreign companies.

31.5 Cash flow hedge

The component of other comprehensive income hedging cash flow represents the value of financial instruments used to hedge the effect of exposure to risk associated with the exchange rate. These accumulated profits may be transferred to income for the period in the cases provided by accounting standards.

Note 32. EXPENDITURE BY NATURE

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	2020	2019
Inventory consumption and other costs	4.853.295	4.057.615
Employee benefits (Note 26.4)	1.825.101	1.670.909
Other services (1)	943.996	879.586
Other expenses (2)	556.486	540.197
Transport services	429.165	381.463
Depreciation and amortization (*)	300.473	277.821
Right-of-use depreciation (*)	120.911	118.523
Manufacturing services	171.969	210.726
Seasonal services	193.890	181.229
Energy and gas	178.123	164.672
Advertising material	119.810	132.600
Maintenance	117.275	119.671
Taxes other than income tax	80.510	77.720
Leases	57.464	60.520
Fees	92.324	94.903
Insurance	48.691	41.094
Impairment of assets	30.912	19.017
Total	10.120.395	9.028.266

Table 77

- (1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.
- (2) Other expenses include: spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, building supplies, stationery and office supplies, cleaning and laboratory supplies and legal expenses.

(*) Expenses for depreciation and amortization, impacted profit and loss, for the period, is as follows:

	2020	2019
Cost of sales	175.679	167.587
Sales expenses	213.169	200.825
Administration expenses	25.370	24.301
Production expenses	7.166	3.631
Total	421.384	396.344

Table 78

Note 33. OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses), net:

	2020	2019
Indemnities and recuperations	9.823	8.693
Disposal and removal of property, plant and equipment and intangibles (1)	(2.794)	3.345
Fines, penalties, litigation, and legal processes	(4.929)	(1.842)
Other income and expenses	2.618	1.630
Government subsidies	1.116	1.015
Donations (2)	(20.107)	(10.923)
Disposal and removal of right-of-use assets	1.522	587
Leases forgiveness income	13.661	-
Total	910	2.505

Table 79

(1) In 2019 it mainly corresponds to profit on the sale of assets for \$ 5.571 (building and land) and withdrawals of machinery and equipment for \$ 1.344 and transportation equipment for \$ 117.

In 2020 it corresponds mainly to machinery and equipment retirement

(2) The worldwide pandemic throughout 2020, have left millions of families without an employ, without business, lowering the level of incomes significantly, for that reason Grupo Nutresa contributes to the fight against this pandemic, by donating products and money to the low income families in each of the geographies in which it operates.

Note 34. EXCHANGE RATE VARIATION IMPACT

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	2020	2019
Realized	14.136	17.795
Unrealized	(2.604)	5.866
Operating exchange differences (*)	11.532	23.661
Non-operating exchange differences	(10.779)	(4.460)
Total income (expenses) from exchange differences	753	19.201

Table 80

(*) The difference in operating exchange rate is distributed among customers \$5.333 (2019: \$3.453), suppliers \$-7.982 (2019: \$4.145), raw materials \$-1.243 (2019: \$1.134) and cash flow hedges of \$15.424 (2019: \$14.929).

Note 23.6 discloses information related to hedging transactions that have an impact on profits/losses, due to exchange differences.

Note 35. FINANCIAL INCOME AND EXPENSES

35.1 Financial income

The financial income recognized in the Income Statement, are as follows:

	2020	2019
Interest	19.453	17.207
Valuation of other financial instruments (*)	3.224	4.008
Others	1.345	1.079
Total	24.022	22.294

Table 81

(*) Income from the assessment of other financial instruments corresponds to the valuation of the rights held by the private equity "Cacao para el Futuro". See Note 39 for information on the methodology and variables used in the valuation.

35.2 Financial expenses

The financial expenses recognized in the Income Statement, are as follows:

	2020	2019
Loans interest	158.854	162.534
Bonds interest	11.381	19.261
Interest from financial leases	125	230
Total interest expenses	170.360	182.025
Employee benefits	17.132	21.246
Right-of-use financial expenses	59.060	61.511
Other financial expenses	36.326	37.521
Total financial expenses	282.878	302.303

Table 82

The decrease, in interest expensed, reflects the decrease in reference rates during the year, thus decreasing the average cost of the debt and allowing the attainment of loans, with lower associated rates. See Note 23.5.

Note 36. DISCONTINUED OPERATIONS

2020: Liquidation of the company TMLUC Argentina.

2019: Alimentos Cárnicos S. A. S. in its strategy for the consolidation of the highest standards of productivity and efficiency, moved its operations and the productive assets of the Barranquilla plant to those located in Bogotá and Caloto and defined not to continue with the concessions for the assisted sale of fresh meat in large chains. Additionally, expenses generated in the closing of the franchise Krispy Kreme and Taco Bell, in the subsidiaries IRCC S. A. S. and Tabelco S. A. S. respectively. Finally, machinery and equipment discontinued with the closing of the Marrieta plant at Abimar Foods Inc.

The following, is a breakdown of the principal income and expenses, incurred in this project:

	2020	2019
Income	97	487
Costs	-	(288)
Expenses	(652)	(16.648)
Operational losses	(555)	(16.449)
Financial expenses	3	-
Financial expenses	(1)	(3)
Loss before taxes	(553)	(16.452)
Net loss	(553)	(16.452)

Table 83

Note 37. EARNINGS PER SHARE

The amount of basic earnings per share is calculated by dividing net profit for the year attributable to holders of ordinary equity of the Parent, by the weighted average number of ordinary outstanding shares during the year.

Below is the information about earnings and number of shares used in the computations of basic earnings per share:

	2020	2019
Net income attributable to holders of ordinary instruments of the Parent	575.441	503.518
Continuing operations	575.994	519.970
Discontinued operations	(553)	(16.452)
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	1.250,62	1.094,31

Table 84

(*) In Colombian Pesos.

There are no equity instruments with potential dilutive impact on earnings per share.

In accordance with the current corporate regulations in Colombia, applicable to the Parent Company of Grupo Nutresa, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized in Consolidated Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S. A. The following represents the net income and earnings per share of Grupo Nutresa S. A., presented in its Financial Statements for the annual period ended December 31, 2020 and 2019.

	2020	2019
Net profit	583.241	513.898
Earnings per share	1.267,58	1.116,87

Table 85

Note 38. FINANCIAL RISKS: OBJECTIVE AND POLICIES

The activities of the Parent Company and its subsidiaries are exposed to various financial risks: market risk (including foreign exchange risk, interest rate risk and commodities price risk), counterparty credit risk, and liquidity risk. The Risk Management Policy of the Company is focused on the risks that impede or jeopardize the achievement of its financial objectives seeking to minimize potential adverse effects on financial profitability.

The Company uses financial derivatives to hedge some of the risks described above likewise has a risk committee that defines and controls the policies relating to market risks (raw material prices, exchange rate, interest rate), and counterparty credit.

38.1 Exchange rate risk

The Company operates internationally and therefore is exposed to the risk of exchange rate operations with foreign currencies, especially the U.S. dollar. The exchange rate risk arises mainly from commercial operations and liabilities, where in some cases, derivatives are used to mitigate it. The existing basic standards allow free negotiation of foreign currency through banks and other financial institutions at freely determined exchange rates. However, most foreign currency transactions still require official approval.

The impact of the translation of the Financial Statements of subsidiaries, whose functional currency is different from the Colombian peso, is presented in Note 31.4. The Company and its subsidiaries held the following assets and liabilities in foreign currencies accounted for the equivalent in Colombian pesos to December 31st.

Currency	2020		2019	
	USD	COP	USD	COP
Current assets	467.774.404	1.605.636	401.123.253	1.314.537
Non-current assets	1.041.177.870	3.573.843	1.045.201.557	3.425.272
Total assets	1.508.952.274	5.179.479	1.446.324.810	4.739.809
Current liabilities	(175.558.384)	(602.604)	(158.559.216)	(519.621)
Non-current liabilities	(256.062.725)	(878.935)	(248.917.904)	(815.739)
Total liabilities	(431.621.109)	(1.481.539)	(407.477.120)	(1.335.360)
Net assets	1.077.331.165	3.697.940	1.038.847.690	3.404.449

Table 86

The Group also maintains obligations in foreign currencies which are exposed to exchange rate risks (the balances of financial obligations in other currencies are detailed in Note 23.4).

To evaluate the sensitivity of balances of financial obligations related to exchange rates, all of the obligations, to December 31, 2020, in currencies other than the Colombian pesos and that do not have cash flow hedges, are evaluated. A 10% increase in exchange rates, in reference to the dollars (COP/USD), generates an increase of \$160 over the book value.

38.2 Interest rate risk

Changes in interest rates affect the interest expense on financial liabilities tied to a variable interest rate; like they can modify the fair value of financial liabilities that have a fixed interest rate. For the Company, the interest rate risk comes mainly from debt operations, including debt securities, bank lending, and leasing. These financings are exposed to the risk of interest rate, mainly due to changes in base rates (mostly IPC - IBR - DTF - TAB [Chile] and to a lesser extent, LIBOR - TIIE [Mexico]) that are used to determine the applicable interest rates on bonds and loans. The Group uses derivative financial instruments to cover part of the debt service. Information on the structure of financial risk tied to fixed interest rate and variable interest rate, and the corresponding hedging transactions are detailed in Note 23.5.

To provide an idea of the sensitivity of financial expenditure to interest rates, an assumption of a variation of + 100bp, has been made in the reference market interest rates, while maintaining the rest of the variables constant; in this scenario, the financial expense of the Group, and in turn, net income, would change by \$30.560, by the end of 2020, other components of net equity would not have been impacted.

38.3 Risk of supply prices

The Company is exposed to the price risk of the goods and services that it acquires for the development of its operations, for which it negotiates purchase contracts, to ensure a continued supply and in some cases, at fixed prices. It also uses derivative financial instruments on commodities to cover this risk.

Among the main raw materials, which are at risk of fluctuation in prices, is coffee, which accounts for 11,8% of the total production cost, wheat which is 6,5%, beef and pork which are 9,7%, and cocoa which is 6,0%.

The Company has equity instruments (shares), in the amount of \$2.651.906 (2019: \$3.495.251), that are exposed to the risk of fluctuations in prices, and which are classified in the Statement of Financial Position, as financial assets at fair value, through the other comprehensive income.

38.4 Counterparty credit risk

Liquid assets are invested mainly in savings accounts, collective portfolios, and short-term fixed-income instruments, which comply with the Company's risk policy, both by amount and by issuer. Additionally, the Company evaluates the counterparty credit risk to the financial entities with which it has a relationship. As of December 31, 2019, the Group holds \$933.564 (2019: \$497.947) in cash and investments classified as

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cash equivalents, in entities of the financial sector with AA- risk rating. None of these investments present a delay in the payment of cash flows, nor have they been subject to impairment.

With regard to the credit risk in sales to third parties, the Company carries out procedures for the evaluation of customers, which include the allocation of credit quotas and the credit assessment of the third party, among others. Note 10 discloses information on impairment losses and portfolio maturity.

38.5 Liquidity risk

Grupo Nutresa is able to finance their liquidity requirements and capital resources, through various sources, including:

- Cash generated from operations
- Lines of short and long-term credits
- Debt emissions for medium and long-term
- Issuance of treasury shares

The Administration supervises the Company's liquidity projections, based on the expected cash flows. The Group's liquidity management contemplates, among others: i) the projections of the cash flows and assessment of the level of liquid assets necessary to comply with these projections; ii) the monitoring of the composition of working capital in the statement of financial position; and iii) the maintenance of debt financing plans.

The following table presents the summary of free cash flow:

	2020	2019
EBITDA	1.443.576	1.347.229
(-) Leases paid	144.175	151.099
Ajusted EBITDA	1.299.401	1.196.130
(+) (-) items that do not generate cash movement	9.538	(2.325)
Investment in working capital	(86.733)	(113.520)
CAPEX	(267.245)	(280.837)
Discontinued operations	151	(8.776)
Cash tax coverage	(180.939)	(199.044)
Operating cash flows	774.173	591.628

Table 87

(*) Investments in CAPEX are presented as net and include: purchases of property, plant and equipment, amounts from the sale of productive assets, and the acquisition of intangibles and other productive assets.

Note 39. FAIR VALUE MEASUREMENT

The following table shows the fair value hierarchy measurement of assets and liabilities of the Group:

2020				
Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is revealed in the Notes of the Financial Statements	-	28.153	-	28.153
Investment properties (Note 19)	-	28.153	-	28.153
Assets/Liabilities measured at fair value	2.651.906	155.662	27.085	2.834.653
* Recurrent	2.651.906	155.662	27.085	2.807.568
Investments in quoted shares (Note 16)	2.651.906	-	-	2.651.906
Other financial instruments (Note 13)	-	68.194	-	68.194
Financial derivatives, net (Note 23.6)	-	(40.146)	-	(40.146)
Biological assets (Note 12)	-	127.614	-	127.614
* Non-recurrent	-	-	27.085	27.085
Investments in non-quoted shares (Note 16)	-	-	27.085	27.085
Total	2.651.906	183.815	27.085	2.862.806

2019				
Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is revealed in the Notes of the Financial Statements	-	87.520	-	87.520
Investment properties (Note 19)	-	87.520	-	87.520
Assets/Liabilities measured at fair value	3.495.251	155.276	16.517	3.667.044
* Recurrent	3.495.251	155.276	-	3.650.527
Investments in quoted shares (Note 16)	3.495.251	-	-	3.495.251
Other financial instruments (Note 13)	-	62.132	-	62.132
Financial derivatives, net (Note 23.6)	-	5.598	-	5.598
Biological assets (Note 12)	-	87.546	-	87.546

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*Non-recurrent	-	-	16.517	16.517
Investments in non-quoted shares (Note 16)	-	-	16.517	16.517
Total	3.495.251	242.796	16.517	3.754.564

Table 88

Investments in listed shares. The fair value of shares traded and that are classified as high trading volume is determined based on the price quoted on the Colombian Stock Exchange; this measurement is in the Hierarchy 1, established by IFRS 13 for measuring fair value. This category includes investments held by Grupo Nutresa in Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. This measurement is realized monthly and generated losses of \$843.345 (2019: profit \$186.697), recognized in the other comprehensive income.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in Colombian Pesos)	2020	2019
Grupo de Inversiones Suramericana S.A.	25.280	34.000
Grupo Argos S.A.	13.900	17.800

Table 89

Investments in other companies classified in this category are measured at fair value on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial for the presentation of Grupo Nutresa's Financial Statements.

There have been no changes in the fair value hierarchy for the measurement of these investments, nor have there been changes in the valuation techniques used.

Other financial instruments. Corresponds to the rights held for "Fondo de Capital Privado – Cacao para el futuro", valued according to the regulations of the fund, using the methodology approved by the Financial Superintendence of Colombia. The valuation uses variables like the price of cocoa at \$6/ton (2019: \$6/ton), an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of 9,2% (2019: 9,72%), and an expected redemption term of 25 years.

The Fund uses an expected forecast model of project flows at 35 years, which corresponds to the expected useful life of a cocoa crop. This Projection Model takes into account all the variables that will affect the expected flows of cocoa crops. Among those are:

- Productivity and market prices of cocoa, plantains, other temporary and timber crops
- Costs of establishment, maintenance, collection and commercialization of cocoa, banana and timber
- Costs associated with technical assistance, land use, commissions, and other expenses admissible to the Fund, in accordance with this regulation
- Working capital necessary for the operation

The result of the valuation generated financial income of \$3.224 (2019: \$4.008).

Financial derivatives. All financial derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2, of the fair value hierarchy.

The primary variables, using the valuation methodology, are the following:

- Spot exchange rate
- Future exchange rate agreed upon
- Expiration date
- Risk-free rate in COP and USD
- Volatilities of the exchange rate

The valuation of non-designated derivative financial instruments generated a loss in the Income Statement of \$600,13 (2019: 1.023), recorded as part of the exchange difference of non-financial assets and liabilities.

Biological assets. Corresponds to the inventory of pigs and cattle in Colombia, which are measured at fair value, using as a reference the market value published by the National Association of Pig Farmers and livestock auctions at fairs, in each location. At December 31, 2019, the price per average kilo of the pig livestock used in the valuation was \$7.305* (2019: \$5.894*); for cattle a price per average kilo of \$4.840* (2019: \$4.243) was used.

The gain for the period, due to changes in fair value, less the cost of sale of biological assets in 2019, was \$13.131 (2019: \$4.834), and is included in the Income Statement, as operating income.

(* In Colombian Pesos.

Investments in unquoted shares. These investments correspond primarily to the investments that Grupo Nutresa had until 2017 in Venezuela, in Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A.

Note 40. DISCLOSURE OF RELATED PARTIES

The following table shows related parties' transactions, at the year-end:

2020								
Company	Receivables Balance ⁽¹⁾	Payables Balance	Purchases of goods and services	Sales of goods and services	Dividends income	Dividends paid	Interests income	Interests expenses
Associates and joint ventures								
Bimbo de Colombia S.A.	3.289	1.067	6.374	53.033	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	195	-	3.232	572	516	-	-	-
Oriental Coffee Alliance (OCA)	-	-	2.611	140	-	-	-	-
Estrella Andina S.A.S.	4	-	-	18	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	17.878	14.539	79.218	36.090	38.688	103.729	-	-
Other related parties								
Grupo Bancolombia	920	1.381.748	43.057	4.024	-	-	37	67.184
Grupo Argos	7.510	-	-	88	30.007	28.951	-	-
Fundación Nutresa	36	1.179	5.628	30	-	-	-	-
Corporación Vidarium	177	57	3.101	-	-	-	-	-
Alpina Productos Alimenticios S.A.	1.475	18.635	23.959	3.159	-	-	-	-
Members, Board of Directors	-	28	1.139	-	-	-	-	-
2019								
Company	Receivables Balance ⁽¹⁾	Payables Balance	Purchases of goods and services	Sales of goods and services	Dividends income	Dividends paid	Interests income	Interests expenses
Associates and joint ventures								
Bimbo de Colombia S.A.	3.043	4.142	7.700	53.342	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	128	923	6.291	25	643	-	-	-
Oriental Coffee Alliance (OCA)	-	1	109	-	-	-	-	-
Estrella Andia S.A.S	14	-	-	7	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	18.588	15.299	77.480	32.015	33.562	97.181	-	-
Other related parties								
Grupo Bancolombia	902	1.244.712	52.397	3.921	-	-	110	73.522
Grupo Argos	7.051	-	3	285	27.932	27.173	-	-
Fundación Nutresa	15	460	5.386	-	-	-	-	-
Corporación Vidarium	352	-	3.057	-	-	-	-	-
Alpina Productos Alimenticios S.A.	1.827	20.047	28.121	3.913	-	-	-	-
Members, Board of Directors	-	89	1.029	-	-	-	-	-

Table 90

Purchases and sales were executed in equivalent conditions than those of the market. Outstanding balances are expected to be settled under normal conditions; these balances have not been granted, nor received guarantees. No expense has been recognized in the current or prior periods, regarding uncollectable debts or doubtful accounts related amounts, owed by related parties.

During the period, payments in the amount of \$131.443 (2019: 125.451) for 148 (2019: 145) key personnel were realized.

Note 41. EVENTS AT THE END OF THE PERIOD

For Grupo Nutresa, sustainability is the main framework for corporate action from which actions are derived to generate long-term value for all related groups and to manage risks in a responsible and proactive manner.

The business model of the Business Group is diversified in geographies, products, and in the way of reaching clients, buyers and consumers; which allows us to have a solid and flexible position to manage the risks and changes in the environment resulting from this situation.

The action of the Nutresa Group in these circumstances is supported by a multidisciplinary Management Committee created on March 5 of this year, and which has the objective of implementing quick and effective daily measures. This action framework is summarized in 4 key matters:

1. Taking care of the health and well-being of our people and our communities: We take all necessary measures to ensure the well-being of our employees who are at homeworking, as well as additional hygiene, disinfection and prevention measures in the places where their physical presence is required.
2. Ensure food supply: Aware of our responsibility to ensure the food supply for daily consumption, we work permanently to ensure continuity in the value chain which involves the proper flow of raw materials, and the production and delivery of products through the various available channels.
Also, we have implemented additional cleaning and disinfection protocols in production plants and logistics operations, and developed alternative ways of taking and delivering orders, reaching consumers directly at home when required.
3. Responsible management of resources: We focus on responsibly managing of the financial available resources, prioritizing liquidity, and business continuity for all the agents in the value chain involved in our operation.
4. Contribute to the solution: We are leading initiatives and cooperating on different fronts to contribute to the solution. In this way, we participate in public-private alliances for the protection of vulnerable populations, we donate resources, food, and hospital equipment, and we work with trade-unions to accompany and suggest alternatives actions to national and local governments.

Regarding the Company's commercial dynamics, it should be noted that a large part of Grupo Nutresa's portfolio is made up of foods for daily consumption at home, which have been favored by consumers in the current environment. Some businesses, such as restaurants and the institutional channel, have shown less dynamics, mainly due to the preventive measures of social distancing established by the different governments.

Although sensitive businesses in this situation do not exceed 15% of the Group's annual income, we have implemented mitigating measures to give continuity to the operation and to serve our clients and consumers. These measures include a quick adaptation of our operation to reach households directly through e-commerce, direct deliveries, and alliances with digital home platforms, among others.

In the consolidated result, we report that the commercial dynamics of Grupo Nutresa has been positive, with the categories of greater frequency of consumption in the home contributing significantly in the mitigation of sensitive businesses.

Finally, we reiterate that Grupo Nutresa has a diversified business model, a good liquidity position, and the financial and operational solvency required to continue managing in a timely and effective manner the emerging risks derived from the present situation.

These Consolidated Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on February 26, 2021. There are no significant events after the closing of the Financial Statements, and up until the date of its approval, that might significantly impact Grupo Nutresa's Financial Position, reflected in these Consolidated Financial Statements at closing, December 31, 2020.