Grupo Nutresa S. A.

Condensed Separate Interim Financial Statements at March 31st, 2020 and 2019 (Unaudited information)

Grupo nutresa

UN FUTURO ENTRE TODOS

Separate Financial Position Statement

At March 31st of 2020 and December 31st of 2019 (values expressed in millions of Colombian Pesos)
(Unaudited information)

	Notes	March 2020	December 2019
ASSETS			
Current assets			
Cash and cash equivalents		$ 60	$ 54
Trade and other accounts receivables		65.925	25.733
Other assets		935	150
Total current assets		**$ 66.920**	**$ 25.937**
Non-current assets			
Trade and other accounts receivables		567	565
Investments in subsidiaries	5	5.723.165	5.167.033
Investments in associated	6	145.381	150.658
Other financial non-current assets	7	2.206.878	3.497.287
Deferred tax assets		2.223	1.847
Right-of-use assets		81	104
Other assets		7	6
Total non-current assets		**$ 8.078.302**	**$ 8.817.500**
TOTAL ASSETS		**$ 8.145.222**	**$ 8.843.437**
LIABILITIES			
Current liabilities			
Trade and other account payables	8	309.704	89.014
Income tax and other taxes, payable		2.012	877
Employee benefits liabilities		1.591	1.880
Right-of-use liabilities		85	98
Total current liabilities		**$ 313.392**	**$ 91.869**
Non-current liabilities			
Trade and other accounts payables	8	158	158
Employee benefits liabilities		2.109	1.737
Deferred tax liabilities		5.245	6.582
Right-of-use liabilities		-	10
Total non-current liabilities		**$ 7.512**	**$ 8.487**
TOTAL LIABILITIES		**$ 320.904**	**$ 100.356**
EQUITY			
Share capital issued		2.301	2.301
Paid-in-capital		546.832	546.832
Reserves		4.359.436	4.144.250
Retained earnings		3	3
Other comprehensive income, accumulated		2.723.581	3.535.797
Earnings for the period		192.165	513.898
TOTAL EQUITY		**$ 7.824.318**	**$ 8.743.081**
TOTAL LIABILITIES AND EQUITY		**$ 8.145.222**	**$ 8.843.437**

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

Carlos Ignacio Gallego Palacio
President

Jaime León Montoya Vásquez
General Accountant
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Designed by PwC Contadores y Auditores Ltda.

Separate Comprehensive Income Statement

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

(Unaudited information)

	Notes	January-March 2020	January- March 2019
Operating Income		$ 191.230	$ 176.948
Portfolio dividends	7	65.582	61.493
Share of profit, for the period of subsidiaries	5	131.886	115.868
Share of profit, for the period of associates	6	(6.238)	(413)
Gross profit		$ 191.230	$ 176.948
Administrative expenses		(1.428)	(1.130)
Exchange differences on operating assets and liabilities		(23)	-
Other operating income, net		773	524
Operating profit		$ 190.552	$ 176.342
Financial income		1	4
Financial expenses		(347)	(330)
Exchange differences on non-operating assets and liabilities		7	17
Income before tax		$ 190.213	$ 176.033
Current income tax		140	(1)
Deferred income tax		1.812	298
Net profit for the period		$ 192.165	$ 176.330
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	**417,64**	**383,22**
(*) 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 or loss:			
Equity investments measured at fair value	7	(1.290.409)	371.735
Total items that are not subsequently reclassified to profit or loss		$ (1.290.409)	$ 371.735
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	5	477.520	(24.802)
Share of other comprehensive income of associates	6	961	168
Income tax from items that will be reclassified		(288)	(51)
Total items that are or may be subsequently reclassified to profit and loss:		$ 478.193	$ (24.685)
Other comprehensive income, net taxes		$ (812.216)	$ 347.050
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ (620.051)	$ 523.380

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Separate Change in Equity Statement

From January 1st to March 31st (values expressed in millions of Colombian Pesos)
(Información no auditada)

	Share capital issued	Paid-in-capital	Reserves	Retained earnings	Profit for the period	Other comprehensive income, accumulated	Total
Balance at December 31st, 2019	**2.301**	**546.832**	**4.144.250**	**3**	**513.898**	**3.535.797**	**8.743.081**
Profit for the period	-	-	-	-	192.165	-	192.165
Other comprehensive income for the period	-	-	-	-	-	(812.216)	(812.216)
Comprehensive income for the period	-	-	-	-	**192.165**	**(812.216)**	**(620.051)**
Transfer to income, in prior years	-	-	-	513.898	(513.898)	-	.
Cash dividends (Note 8)	-	-	(298.712)	-	-	-	(298.712)
Appropriation of reserves	-	-	513.898	(513.898)	-	-	-
Balance at March 31st, 2020	**2.301**	**546.832**	**4.359.436**	**3**	**192.165**	**2.723.581**	**7.824.318**
Balance at December 31st, 2018	**2.301**	**546.832**	**3.915.685**	**3**	**510.161**	**3.422.608**	**8.397.590**
Profit for the period	-	-	-	-	176.330	-	176.330
Other comprehensive income for the period	-	-	-	-	-	347.050	347.050
Comprehensive income for the period	**-**	**-**	**-**	**-**	**176.330**	**347.050**	**523.380**
Transfer to accumulated results	-	-	-	510.161	(510.161)	-	-
Cash dividends (Note 8)	-	-	(281.596)	-	-	-	(281.596)
Appropriation of reserves	-	-	510.161	(510.161)	-	-	-
Balance at March 31st, 2019	**2.301**	**546.832**	**4.144.250**	**3**	**176.330**	**3.769.658**	**8.639.374**

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Separate Cash-flow Statement

From January 1st to March 31st (values expressed in millions of Colombian Pesos)
(Información no auditada)

	January- March 2020	January- March 2019
Cash flow from operating activities		
Dividends received (Note 5-7)	$ 77.032	$ 55.779
Dividends paid (Note 8)	(70.107)	(64.676)
Collection from goods and services	773	522
Payments to suppliers for goods and services	(736)	(467)
Payments to and on behalf of employees	(499)	(2.079)
Income taxes on reimbursed (paid) gains	(114)	(62)
Other cash inflows	2.055	188
Net cash flow from operating activities	**$ 8.404**	**$ (10.795)**
Cash flows from investing activities		
Purchases of equity of associates and joint ventures (Note 6)	-	(2.100)
Payments to third parties, to obtain control of subsidiaries	(8.379)	-
Purchases and sales of other equity instruments (Note 7)	-	11.880
Other cash inflows	1	4
Net cash flows used in investment activities	**$ (8.378)**	**$ 9.784**
Cash flow from financing activities		
Leases paid	(25)	(11)
Other cash outflows	(2)	(41)
Net cash flow used in financing activities	**$ (27)**	**$ (52)**
Increase in cash and cash equivalents from activities	**$ (1)**	**$ (1.063)**
Net foreign exchange differences	7	17
Net increase (dismunitions) in cash and cash equivalents	**6**	**(1.046)**
Cash and cash equivalents, at the beginning of the period	54	1.086
Cash and cash equivalents at the end of the period	**$ 60**	**$ 40**

The Notes are an integral part of the Consolidated Separate Interim Financial Statements

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Notes for the Separate Financial Statements

For the three-month period between January 1st and March 31st of 2020 and 2019, except for the Consolidated Statement of Financial Position, that is presented, for comparability purposes at March 31st, 2020 and December 31st, 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

Grupo Nutresa S.A., (hereinafter referred to as: Grupo Nutresa, the Company, or Nutresa, indistinctly), is a corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia; its 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.

The Company is the Parent of Grupo Nutresa, constitutes an integrated and diversified food industry group that operates mainly in Colombia and Latin America.

Note 2. BASIS OF PREPARATION

The Condensed Separate Interim Financial Statements of Grupo Nutresa, for the period from January 1st to March 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 2017 (IFRIC 23 and IFRS 17 not included), and other legal provisions, defined by the Financial Superintendence of Colombia.

2.1 Basis of measurement

The Condensed Separate Interim 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 Condensed Separate Interim 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

Grupo Nutresa applies the following significant accounting policies in preparing its Financial Statements:

3.1 Investments in subsidiaries

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 activities and the financing to obtain benefits from its activities, and is exposed, or has rights, to those variable yields.

Investments in subsidiaries are measured in the Separate Condensed Financial Statements of Grupo Nutresa, using the equity method, according to the established regulations in Colombia, under which the investment is initially recorded at cost, and is adjusted with the changes in participation of Grupo Nutresa, over the net assets of the subsidiary, after the date of acquisition, minus any impairment loss of the investment. The losses of the subsidiary, that exceed Grupo Nutresa's participation in the investment, are recognized as provisions, only when it is probable that there will be an outflow of economic benefits and there is a legal or implicit obligation.

3.2 Investments in associates and joint ventures

An associate is an entity over which Grupo Nutresa has significant influence over 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.

Investments in associates or joint ventures are measured in the Separate 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 minus 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 corresponding to Grupo Nutresa of profit and loss, obtained from the measurement of at fair value, at the date of acquisition, is incorporated into the Financial Statements, and gains and losses from transactions between Grupo Nutresa and the associate or joint venture, 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 portion of profit and loss, of an associate or joint venture, is presented in the Statement of Comprehensive Income, for the period, net of taxes and non-controlling interest in the subsidiaries of the associate or joint venture. The portion 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 comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the book value of the investment.

Grupo Nutresa periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit and loss and are calculated as the difference between the recoverable amount of the associate or joint venture, (which is the higher of the two values, between the value in use and its fair value minus cost to sell), and the book value.

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 amount 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, for the period.

3.3 Foreign currency

Transactions made in a currency other than the functional currency of the Company 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 body 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 exchange rates determined on the date of the original transaction.

All exchange differences, arising from operating assets and liabilities, are recognized on the Income Statement, as part of income and operating expenses. Exchange differences in other assets and liabilities are recognized as 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 disposal of the net investment, at which time are recognized in profit and loss.

3.4 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 readily convertible to a known 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 recognize its fair value at the date of each accounting year.

3.5 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.

(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 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 Separate, 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.

3.6 Taxes

This heading 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 the countries where Grupo Nutresa operate.

a) Income tax

(i) Current

Current assets and liabilities, generated from the income tax, for the period, are measured by the values expected to be recovered or paid to the taxation authorities. Expenses for income tax is recognized under current tax, in accordance with the tax clearance, between taxable incomes and accounting profit and loss, impacted by the rate of income tax in the current year, in accordance with the effective tax rules in each country. Taxes rates and tax norms or laws used to compute these values are those that are approved at the end of the reporting period, over which it is reported. Current assets and liabilities, from income tax are compensated for, if related to the same Fiscal Authority, and whose intention is to settle for a net value or realize the asset, and settle the liability, 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 in and 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.

The 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 said 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.

3.7 Employee benefits

a) Short-term benefits

They are, (other than termination benefits), benefits expected to be settled in its totality, before the end of the following twelve months (12), at the end of the annual period, of which the services rendered, by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, to 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 (12) 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 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.

The cost of this benefit is determined by the projected unit credit method. The liability is measured annually, by 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.

3.8 Provisions, contingent liabilities and assets

a) Provisions

Provisions are recognized when, as a result of a past event, the Company has a present legal or implicit obligation to a settlement, and requires an outflow of resources, 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 Statement of Comprehensive Income, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as interest 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 more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, are not likely, but are possible 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.}

3.9 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:

- Variable lease payment based on an index or rate,
- 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

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, transportation equipment are between 5 and 10 years:

3.10 Revenue

a) Dividend income

This is recognized when Grupo Nutresa’s right to receive payment is established, which is generally when the Shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Dividend income is not recognized, when payment is made to all Shareholders, in the same proportion in shares of the issuer.

b) The Equity Method

Under this method, the investment is initially recorded at cost, and is adjusted for changes in Grupo Nutresa's shares of the net assets in subsidiaries and associates, after the acquisition date, and minus any impairment loss on the investment.

c) Interest

For all financial instruments measured at amortized cost, interest income, or expense, is recognized with the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments, or those received through the expected life of the financial instrument, or in a shorter period, in the net book value of the financial asset or financial liability.

3.11 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date. The fair value of all financial assets and liabilities is determined at the date of presentation of the Financial Statements, for recognition or disclosure in the Notes to the Financial Statements.

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 Company 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 affect the reported fair value of financial instruments.

3.12 Earnings per share

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the period.

The average number of shares outstanding, for the periods ended December 31, 2019 and 2018, is 460,123,458.

Diluted earnings per share are calculated by adjusting, profit and loss attributable to ordinary equity holders, and the weighted average number of shares of dilutive potential ordinary shares.

3.13 Relative importance or materiality

Information is material or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the Financial Statements. Materiality depends on the size and nature of error or inaccuracy and is prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

3.14 Changes in accounting policies

IFRIC 23 Uncertainty in the Treatment of Income Tax

IFRIC 23 was issued in May 2017 and compiled in Decree 2270 of December 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.

Note 4. JUDGMENTS, ESTIMATES AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities, at the close of the reporting period. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the carrying amounts recorded in books 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 Separate Financial Statements:

- Assessment of the existence of impairment indicators for assets
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees
- Assumptions used to calculate the fair value of financial instruments
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control of an investment
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets
- Determination of lease terms.

Judgments and estimates made by the Administration of Nutresa Group, in the preparation of the Separated Financial Statements, at December 31, 2020, do not differ significantly from those realized at the year-end close, of the previous period, that is, December 31, 2019.

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

The Companie's leasing activities and how they are accounted: The Company leases vehicles. Leases are normally for periods of between 1 and 5 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.

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.

Note 5. INVESTMENTS IN SUBSIDIARIES

The following represents the book values of the subsidiaries, of Grupo Nutresa, to the date of the period, over which is reported:

		Book Value	
	% participation	March 2020	December 2019
Compañía de Galletas Noel S. A. S.	100%	1.628.082	1.403.658
Compañía Nacional de Chocolates S. A. S.	100%	1.276.216	1.136.705
Tropical Coffee Company S. A. S.	100%	17.934	18.174
Industria Colombiana de Café S. A. S.	100%	634.064	581.541
Industria de Alimentos Zenú S. A. S.	100%	194.869	207.012
Inverlogy S. A. S	100%	27.307	27.184
Meals Mercadeo de Alimentos de Colombia S. A. S.	100%	201.583	192.316
Molino Santa Marta S. A. S.	100%	80.182	78.144
Novaventa S. A. S.	93%	187.429	177.942
Pastas Comarrico S. A. S.	100%	32.356	32.052
Productos Alimenticios Doria S. A. S.	100%	120.519	112.671
Alimentos Cárnicos S. A. S.	100%	1.022.756	905.267
Setas Colombianas S. A.	94%	48.292	47.078
Compañía Nacional de Chocolates Perú S. A.	0,0%	13	11
La Recetta Soluciones Gastronómicas Integradas S. A. S.	70%	337	789
Gestión Cargo Zona Franca S. A. S.	100%	91.212	95.896
Comercial Nutresa S. A. S.	100%	30.709	26.037
Industrias Aliadas S. A. S.	83%	73.291	70.087
Opperar Colombia S. A. S.	100%	1.584	1.561
Servicios Nutresa S. A. S.	100%	1.894	514
Fideicomiso Grupo Nutresa	100%	305	288
Productos Naturela S. A. S.	60%	3.524	3.444
Atlantic FS S. A. S.	51%	48.707	48.662
Total		**5.723.165**	**5.167.033**

Table 1

A detailed breakdown of the dividends received, and the result of the application of the Equity Method, on investments in subsidiaries, during the reporting periods, is as follows:

	January- March 2020			January- March 2019		
	Dividends received	Share of Income for the Period	Share of Other Comprehensive Income	Dividends received	Share of Income for The Period	Share of Other Comprehensive Income
Compañía de Galletas Noel S. A. S.	-	26.667	197.757	-	27.537	(12.105)
Compañía Nacional de Chocolates S. A. S.	(23.602)	19.186	143.927	(20.670)	33.175	(6.761)
Tropical Coffee Company S. A. S.	-	(240)	-	-	(495)	-
Industria Colombiana de Café S. A. S.	-	23.383	29.140	-	4.610	(1.458)
Industria de Alimentos Zenú S. A. S.	(22.565)	3.376	7.046	-	1.086	(615)
Inverlogy S. A. S.	-	123	-	-	157	(2)
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	4.848	4.419	-	(3.873)	(640)
Molino Santa Marta S. A. S.	-	2.038	-	-	2.649	-
Novaventa S. A. S.	-	8.874	613	-	8.931	(84)
Pastas Comarrico S. A. S.	-	304	-	-	351	-
Productos Alimenticios Doria S. A. S.	-	4.045	3.803	-	4.998	(405)
Alimentos Cárnicos S. A. S.	(7.107)	33.783	90.813	(20.611)	29.632	(2.712)
Setas Colombianas S. A.	-	1.214	-	(10.658)	1.649	-
Compañía Nacional de Chocolates Perú S. A.	-	-	2	-	-	-
La Recetta Soluciones Gastronómicas Integradas S. A. S.	-	(452)	-	-	(88)	-
Gestión Cargo Zona Franca S. A. S.	-	(4.684)	-	-	5.123	-
Comercial Nutresa S. A. S.	-	4.672	-	-	(1.285)	1
Industrias Aliadas S. A. S.	-	3.204	-	-	980	-
Opperar Colombia S. A. S.	-	23	-	-	305	-
Servicios Nutresa S. A. S.	-	1.380	-	-	421	(21)
Fideicomiso Grupo Nutresa	-	17	-	-	12	-
Productos Naturela S. A. S.	-	80	-	-	(7)	-
Atlantic FS S. A. S. (*)	-	45	-	-	-	-
Total	**(53.274)**	**131.886**	**477.520**	**(51.939)**	**115.868**	**(24.802)**

Table 2

(*) In November 2019, Grupo Nutresa acquired 51% of the shares of Atlantic FS S. A. S., a company dedicated to food distribution in the institutional channel, for $47,124. Atlantic FS S. A. S. is a leading company in the institutional or food service channel in Colombia, providing superior service to its customers through a diversified product portfolio focused on the "center of the plate". At December 31 there was a balance payable of $8,379 for the purchase of this investment.

There are no variations in the participation of Shareholders between December 2019 and March 2020. The dividends received in subsidiaries, are recognizes as the lessor value of the investment, as part of the application of the equity method. As of March 31, 2020, dividend receivables were $0 (2019 - $8.384).

Dividends received, from subsidiaries, generate an impact on cash flow in the amount of $61.658 (2019- $41.281).

Note 6. INVESTMENTS IN ASSOCIATES

The following is a breakdown of the investments over which Grupo Nutresa has significant influence, and which are classified as associates:

			Book Value		January- March 2020		January- March 2019	
	Country	% participation	March 2020	December 2019	Share of Income for the Period	Share of Other Comprehensive Income	Share of Income for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S. A.	Colombia	40%	134.958	139.121	(5.124)	961	(39)	168
Estrella Andina S. A. S.	Colombia	30%	9.822	10.924	(1.102)	-	(374)	-
Wellness Food Company S. A. S.	Colombia	20%	601	613	(12)	-	-	-
Total associates			**145.381**	**150.658**	**(6.238)**	**961**	**(413)**	**168**

Table 3

Bimbo de Colombia S.A.

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

Estrella Andina S.A.S.

Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in the cafeterias, in which Nutresa has a 30% stake, having as its majority Shareholder, Grupo Alsea, with an interest of 70%.

Wellness Food Company S. A. S.
It is a simplified joint-stock company dedicated to the production of dairy products and other types of prepared foods n.c.p. in which Nutresa has a 20% participation.

The movements of investments in associates, are as follows:

	2020	2019
Opening balance	**150.658**	**150.606**
Increased of contributions (*)	-	2.100
Participation in profit and loss	(6.238)	(413)
Participation comprehensive income	961	168
Ending balance	**145.381**	**152.461**

Table 4

Increase in contributions in associates and joint ventures

(*) In February 2019, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $2,100, without generating changes

During the period covered by these Financial Statements, no dividends were received from these investments.

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 7. OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classifies portfolio investments that are not held for trading, as financial instruments, measured at fair value through "Other comprehensive income".

The results for the period include income from dividends on these instruments, and which 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. "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	March 2020	December 2019
Grupo de Inversiones Suramericana S. A.	61.021.436	13,01%	1.221.649	2.074.729
Grupo Argos S. A.	79.804.628	12,36%	983.193	1.420.522
Other companies	-	-	2.036	2.036
			2.206.878	**3.497.287**

Table 5

	January-March 2020		January- March 2019	
	Dividend income	Losses of Fair Value Measurement	Dividend income	Profit of Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	35.575	(853.080)	33.562	275.969
Grupo Argos S. A.	30.007	(437.329)	27.931	95.766
	65.582	**(1.290.409)**	**61.493**	**371.735**

Table 6

The value of the dividend per share, declared for 2020, by Grupo de Inversiones Suramericana S. A. was $583 (pesos), yearly per share. These will be paid quarterly, in the amount of $145,75. For its part, Grupo Argos S. A. declared a dividend of $376 pesos per share, payable quarterly in the amount of $94.

For 2019, the annual value, per share, was $350 Pesos, ($87,50 Pesos per quarter), for Grupo Argos S. A., and $550 Pesos, (received in $137,50 preference shares) for Grupo de Inversiones Suramericana S. A.

Income from dividends, recognized for the first quarer of 2020, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers, and no similar income for the remainder of the year is expected.

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

At March 31, 2020, accounts receivable from dividends of financial instruments, are $65,582 (December 2019 - $15,374).

The dividends received generated an impact in cashflows of $15.374 (2019: 14.498), which corresponds to those received in cash as of December 2019.

7.1 Fair value measurement of financial instruments

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 $1.290.409 (December 2019: Profit $186.697; March 2019: Profit $371.735), 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)	March 2020	December 2019
Grupo de Inversiones Suramericana S.A.	20.020	34.000
Grupo Argos S.A.	12.320	17.800

Table 7

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.

7.2 Liens

At March 31st 2020 and at December 31st, 2019, there were pledges of 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.

Note 8. TRADE AND OTHER ACCOUNT PAYABLES

The General Shareholders' Meeting of Grupo Nutresa in its ordinary meeting on March 24, 2020, declared an ordinary dividend of $54.10 per share and per month, equivalent to $649.2 per year, per share (2019 - $612 per year, per share) on 460,123,458 outstanding shares during the months of April 2020 to March 2021, inclusive, for a total of $298,712 (2019 - $281,596).

This dividend was declared, from the untaxed earnings generated on 2019, in the amount of $298,712. In 2019, the dividend was declared, by taking the untaxed earnings from 2018, in the amount of $281,596.

At March 31, 2020, dividends were paid in the amount of $70,107 (2019 - $64,676).

Accounts payable, at March 31, 2019, of $309,862 (December 2019 - 89,172) include primary dividends payable in the amount of $308,078 (December 2019 - $79,473), for this concept.

Note 9. EVENTS AT THE END OF THE QUARTER AND SUBSEQUENT EVENTS

At 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 in recent weeks, 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 Grupo'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 in the last weeks 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.