



Grupo Nutresa S. A.

Special Purpose Separate Financial Statements
as of July 31st, 2023 and 2022

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ENTRE TODOS





Statutory Auditor's Report on the Separate Special-Purpose Financial Statements (Free translation from the Original in Spanish)

To the Members of the General Shareholders' Meeting of Grupo Nutresa S. A.

Opinion

I have audited the accompanying separate special-purpose financial statements of Grupo Nutresa S. A., which comprise the separate special-purpose statement of financial position as of July 31, 2023, and the separate special-purpose statements of comprehensive income, changes in equity and cash flows for the seven-month period then ended, and notes to the separate special-purpose financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying separate special-purpose financial statements, truly taken from the books of account, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. as of July 31, 2023, and the results of its operations and its cash flows for the seven-month period then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia.

Basis for Opinion

I conducted my audit in accordance with Auditing Standards on Financial Reporting accepted in Colombia. My responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Separate Special-Purpose Financial Statements* section of my report.

I am independent of Grupo Nutresa S. A. in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) together with the ethical requirements applicable to my audit of the separate special-purpose financial statements in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code of Ethics.

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



To the Shareholders of
Grupo Nutresa S. A.

Emphasis of Matter

I draw attention to Note 1 to the separate special-purpose financial statements, which describes that these financial statements as of July 31, 2023, were prepared to comply with the requirements of the Colombian Superintendency of Finance in connection with the spin-off process. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Separate Special-Purpose Financial Statements

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

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Statutory Auditor's Responsibilities for the Audit of the Separate Special-Purpose Financial Statements

My objective is to obtain reasonable assurance about whether the separate special-purpose 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 is not a guarantee that an audit conducted in accordance with Auditing Standards on Financial Reporting 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 separate special-purpose financial statements.

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



To the Shareholders of

Grupo Nutresa S. A.

- Identify and assess the risks of material misstatement of the separate special-purpose 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 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.
 - a)
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt 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 separate special-purpose 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 separate special-purpose financial statements, including the disclosures, and whether the separate special-purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Management is also responsible for compliance with regulatory aspects in Colombia related to accounting document management, the timely and appropriate payment of contributions to the Colombian Comprehensive Social Security System, and the implementation of the Money Laundering and Financing of Terrorism Risk Prevention and Control System. My responsibility as statutory auditor for those matters is to perform review procedures to issue a conclusion on their appropriate fulfillment.



**To the Shareholders of
Grupo Nutresa S. A.**

Accordingly, I conclude that:

- b) The Company's accounting records during the seven-month period ended July 31, 2023, have been kept in conformity with legal regulations and accounting technique, and transactions recorded conform to the Company's bylaws and the decisions made by the General Shareholders' Meeting and the Board of Directors.
- c) The correspondence, account vouchers and minute book, and share register are duly kept and safeguarded.
- d)
- e) Information contained in self-assessment returns of contributions to the Colombian Comprehensive Social Security System, in particular that related to affiliates and their income base for calculation, has been taken from the accounting records and supports. As of July 31, 2023, the Company is not in arrears for contributions to the Colombian Comprehensive Social Security System.
- e) The Entity has implemented the Money Laundering and Financing of Terrorism Risk Prevention and Control System in accordance with the provisions of External Circular 062 of 2007 issued by the Colombian Superintendency of Finance.

(Original in Spanish duly signed by:)

Joaquín Molina Morales
Statutory Auditor
Colombian CPA Registration No. 47170-T
Appointed by PwC Contadores y Auditores S.A.S.
August 25, 2023

Certification of the Special Purpose Separate Financial Statements

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

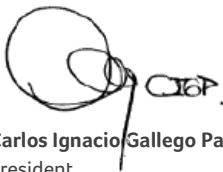
CERTIFY:

August 25th, 2023

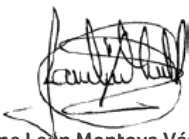
We have previously verified all claims, herewith contained, in the Financial Statements, at July 31, 2023 and December 2022, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

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 Financial Information Norms, applicable 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 Special Purpose Separate Financial Statements Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

The undersigned Legal Representative of Grupo Nutresa S.A.

CERTIFIES:

August 25th, 2023

That the Financial Statements, and the operations of the Parent Company, and its subsidiaries, at July 31, 2023 and December 2022, 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

Special Purpose Separate Statement of Financial Position

As of July 31st, 2023 and December 31st, 2022 (values expressed in millions of Colombian Pesos)

	Notes	July 2023	December 2022
ASSETS			
Current assets			
Cash and cash equivalents		\$ 499	\$ 75
Trade and other receivables	5	74.315	29.243
Other assets	6	2.046	120
Total current assets		\$ 76.860	\$ 29.438
Non-current assets			
Trade and other receivables	5	70	73
Investments in subsidiaries	7	6.677.795	7.460.947
Investments in associated	8	216.245	165.432
Equity investments at fair value	9	3.154.267	3.435.763
Right-of-use assets		60	70
Other assets	6	14	10
Total non-current assets		\$ 10.048.451	\$ 11.062.295
TOTAL ASSETS		\$ 10.125.311	\$ 11.091.733
LIABILITIES			
Current liabilities			
Trade and other payables	11	477.827	127.739
Tax charges	10.2	3.891	1.818
Right-of-use liabilities		21	21
Employee benefits liabilities	12	2.693	3.209
Total current liabilities		\$ 484.432	\$ 132.787
Non-current liabilities			
Employee benefits liabilities	12	3.257	3.260
Deferred tax liabilities	10.4	2.614	6.937
Other liabilities	7	186	-
Right-of-use liabilities		44	54
Total non-current liabilities		\$ 6.101	\$ 10.251
TOTAL LIABILITIES		\$ 490.533	\$ 143.038
SHAREHOLDER EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in-capital	13.1	546.832	546.832
Reserves	13.2	5.083.679	4.818.785
Retained earnings	13.2	3	3
Other comprehensive income, accumulated	14	3.516.641	4.697.745
Earnings for the period		485.322	883.029
TOTAL SHAREHOLDER EQUITY		\$ 9.634.778	\$ 10.948.695
TOTAL LIABILITIES AND EQUITY		\$ 10.125.311	\$ 11.091.733

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President



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



Joaquin Guillermo Molina Morales
External Auditor – Professional Card No. 47170-T
Designed by PwC Contadores y Auditores S.A.S.

Special Purpose Separate Comprehensive Income Statement

From January 1st, to July 31st, 2023 (values expressed in millions of Colombian Pesos)

	Notes	January-July 2023	January-July 2022 (Unaudited information)
Operating revenue		484.028	568.553
Portfolio dividends	9	\$ 126.963	\$ 90.192
Share of profit for the period of subsidiaries	7	363.617	471.105
Share of profit for the period of associates	8	(6.552)	7.256
Gross profit		\$ 484.028	\$ 568.553
Administrative expenses	15	(2.099)	(4.966)
Exchange differences on operating assets and liabilities		576	357
Other operating income, net		14	(10)
Operating profit		\$ 482.519	\$ 563.934
Financial income		3.671	86
Financial expenses		(1.964)	(1.063)
Exchange differences on non-operating assets and liabilities		(120)	323
Income before tax		\$ 484.106	\$ 563.280
Current income tax	10.3	(1.077)	(103)
Deferred income tax	10.3	2.293	(2.584)
Net profit for the period		\$ 485.322	\$ 560.593
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian pesos)		1.060,22	1.224,65
(*) Calculated on 457.755.869 shares			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Losses on actuarial defined benefit plans	12	(3.166)	(128)
Equity investments at fair value	9	(281.497)	494.340
Income tax from items that will not be reclassified		1.108	45
Total items that are not subsequently reclassified to profit and loss		\$ (283.555)	\$ 494.257
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	7	(895.837)	193.028
Share of other comprehensive income of associates	8	(2.634)	(4.185)
Income tax from items that will be reclassified		922	1.465
Total items that are or may be subsequently reclassified to profit and loss:		\$ (897.549)	\$ 190.308
Other comprehensive income, net taxes		\$ (1.181.104)	\$ 684.565
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ (695.782)	\$ 1.245.158

The notes are an integral part of the Separate Financial Statements



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Special Purpose Separate Exchange in Equity Statement

From January 1st to July 31st, 2023 and from January 1st to July 31st, 2022 (Unaudited information) (values expressed in millions of Colombian Pesos)

	Share capital issued	Paid-in-capital	Reserves	Retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total
Equity at December 31st of 2022	2.301	546.832	4.818.785	3	883.029	4.697.745	10.948.695
Profit for the period	-	-	-	-	485.322	-	485.322
Other comprehensive income for the period	-	-	-	-	-	(1.181.104)	(1.181.104)
Comprehensive income for the period	-	-	-	-	485.322	(1.181.104)	(695.782)
Transfer to accumulated results	-	-	-	883.029	(883.029)	-	-
Cash dividends (Note 13.3)	-	-	(618.135)	-	-	-	(618.135)
Appropriation of reserves	-	-	883.029	(883.029)	-	-	-
Equity at July 31st of 2023	2.301	546.832	5.083.679	3	485.322	3.516.641	9.634.778
Equity at December 31st of 2021	2.301	546.832	4.567.911	3	684.819	3.330.313	9.132.179
Profit for the period	-	-	-	-	560.593	-	560.593
Other comprehensive income for the period	-	-	-	-	-	684.565	684.565
Comprehensive income for the period	-	-	-	-	560.593	684.565	1.245.158
Transfer to accumulated results	-	-	-	684.819	(684.819)	-	-
Cash dividends (Note 13.3)	-	-	(433.952)	-	-	-	(433.952)
Appropriation of reserves	-	-	684.819	(684.819)	-	-	-
Equity at July 31st of 2022	2.301	546.832	4.818.778	3	560.593	4.014.878	9.943.385

The notes are an integral part of the Separate Financial Statements.



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Special Purpose Separate Cash-flow Statement

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

	January-July 2023	January-July 2022 (Unaudited information)
Cash flow from operating activities		
Dividends received (Note 7 y 9)	\$ 337.165	\$ 309.270
Dividends paid (Note 13.3)	(306.464)	(224.496)
Collection from sales of goods and services	4	-
Payments to suppliers for goods and services	(157)	(2.139)
Payments to and on behalf of employees	(8.914)	(5.918)
Income taxes and tax on wealth, paid	(5)	(25)
Other cash (outflows) inflows	(1.074)	5.516
Net cash flow from operating activities	\$ 20.555	\$ 82.208
Cash flow from investment activities		
Purchases of equity of associates and joint ventures (Note 8)	(20.000)	-
Purchase/sale of other equity instruments	-	(82.702)
Interest received	17	8
Net cash flow used in investment activities	\$ (19.983)	\$ (82.694)
Cash flow from financing activities		
Interest paid	(1)	(2)
Paid leases	(17)	(15)
Other cash outflows	(10)	(8)
Net cash flow used in financing activities	\$ (28)	\$ (25)
Increase (decrease) in cash and cash equivalent from activities	\$ 544	\$ (511)
Net foreign exchange differences	(120)	324
Net increase (decrease) in cash and cash equivalents	424	(187)
Cash and cash equivalents at the beginning of the period	75	352
Cash and cash equivalents at the end of the period	\$ 499	\$ 165

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President



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



Joaquin Guillermo Molina Morales
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Notes for the Special Purpose Separate Financial Statements

For the period between January 1st and July 31st 2023 and 2022 (*Unaudited information*), except for the Separate Statement of Financial Position, that is presented, for comparability purposes at July 31st 2023 and December 31st, 2022.

(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.

Special Purpose Financial Statements

The purpose of the separate special purpose financial statements as of July 31, 2023 is to comply with the requirements of the Superintendency of Finance, which establishes the obligation to prepare duly audited extraordinary financial statements, to be submitted to the General Shareholders Meeting for approval of the required spin-off project, according to the agreement entered into by the shareholders, as detailed below:

Conclusion of material agreements between shareholders

On 16 June 2023, a Framework Agreement and a contract for transactions in judicial proceedings were signed. The purpose of the Framework Agreement is: (i) for IHC, JGDB, and Nugil to hold a stake of not less than 87% of the shares of Grupo Nutresa S.A., once it has been split and excluded from investments in Sura and Argos (hereinafter "Nutresa Alimentos"; (ii) that Nutresa Alimentos ceases to be a shareholder in Sura and Argos; (iii) that IHC, JGDB, and Nugil cease to be shareholders in Sura; and (iv) that Sura and Argos cease to be shareholders in Nutresa Alimentos.

In order to fulfil the purpose of the Framework Agreement, it was agreed to carry out the following steps, which are subject to certain conditions:

a. The symmetrical split of the Company without dissolving, to separate the investments that the Company has in Sura and in Argos, so that both in Nutresa Alimentos and in the spin-off (the "Investment Company") there is total agreement of all current shareholders

of the Company in equal proportion to its share in the Company.

b. The registration of the Investment Company and its shares in the National Register of Securities and Issuers (RNVE) of the Financial Superintendence of Colombia (SFC) and the Colombian Stock Exchange (BVC).

c. Once the decisions have been taken by the assembly, the Company shall request the authorization of the SFC to carry out the Company and registration of the Investment Company and its shares in the RNVE and the BVC.

d. Once approved by the assembly the division and registration of the Investor Society and its shares in the RNVE and the BVC, IHC, JGDB, Nugil, Argos and Sura will sign a fiducia contract in order to contribute the actions that each has in Nutresa and Sura, according to corresponds to an autonomous heritage with compartments.

e. After the Division has been completed, Argos and Sura will launch a Takeover Offer (IPO) on the shares of Nutresa Alimentos, as follows:

- i. The offer will be for minimum 1 share and maximum for the number of shares equivalent to 23.1% of the total shares of the Nutresa Food;
- ii. The price will be a price equivalent to USD\$12 per share;
- iii. The price shall be payable in cash or, at the discretion of each of the accepting shareholders, in kind; and
- iv. The payment in kind would consist of a combination of shares of Sura and the Investor Society as follows: 0,74 shares Sura ordinaries and 0,56 shares of the Investor Society for each share of Nutresa Alimentos.

f. Upon fulfilment of certain conditions, contributions received under the trust contract shall be returned to the parties, as appropriate.

g. The parties shall settle ongoing disputes and administrative proceedings.

Note 2. BASIS OF PREPARATION

The Separate Financial Statements of Grupo Nutresa, for the period from January 1st to July 31st, 2023, 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) and other legal provisions, defined by the Financial Superintendence of Colombia and including the exception to IAS 12 on Income Tax defined by the Ministry of Commerce, Industry and Tourism of Colombia in Decree 2617 of

Special Purpose Separate Financial Statements

2022, to recognize the effects on deferred taxes of the change in the income tax rate of Law 2277 of 2022 against accumulated earnings in equity.

2.1 Basis of measurement

The Separate 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 Separate 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.

When 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

Special Purpose Separate Financial Statements

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.

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(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.

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(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 and equity investments measured at fair values, 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.

The deferred tax is recognized in profit and loss, except that one related to items recognized outside profit and loss and calculated under Decree 2617 of 2022 of the Ministry of Commerce, Industry and Tourism of Colombia, in these cases it will be presented directly in reserves and retained earnings 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.

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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 5 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.

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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 July 31st, 2023 is 457.755.869.

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 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.

3.14 Changes in accounting policies

3.14.1 New regulations incorporated into the accounting framework accepted in Colombia whose application is mandatory as of January 1, 2023

Decree 938 of 2021 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia, mainly incorporating amendments to the standards that had already been compiled by Decrees 2270 of 2019 and 1438 of 2020, which complied with the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2019.

3.14.1.1 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. The group has not identified significant impacts from this modification.

3.14.1.2 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. The group has not identified significant impacts from this modification.

3.14.1.3 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. The group has not identified significant impacts from this modification.

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3.14.1.4 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, the entity must recognize impairment losses on the assets used to fulfill the contract. The group has not identified significant impacts from this modification.

3.14.1.5 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.

The group has not identified significant impacts from this modification.

3.14.1.6 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, 2021. These entities must consider whether its accounting policies are still appropriate under the revised Framework. The group has not identified significant impacts from this modification.

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

3.14.2.1 Sale or contribution of assets between an investor and its associate or joint venture Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalized its research project on the equity method.

The Group expects no impacts from this standard, considering that it has not identified that it performs insurance contracts; at any rate, detailed analyses are being carried out.

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3.14.3 New standards incorporated to the accounting framework accepted in Colombia whose application is mandatory as of January 1, 2024.

Decree 1611 of 2022 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia mainly incorporating amendments to the standards that had already been compiled by Decrees 938 of 2021, 2270 of 2019, and 1432 of 2020, which considered the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017, and 2483 of 2019.

3.14.3.1 Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their *material* rather than their *significant* accounting policies. The amendments define what is “material accounting policy information” and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

3.14.3.2 Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the “settlement” of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least January 1, 2024.

3.14.3.3 Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

3.4.3.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 *Income Taxes* require companies recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration, and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

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

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- 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.
- Variable lease payments.
- Lease extension and termination options.
- Terms of the leases.
- Discount rate.

Note 5. TRADE AND OTHER ACCOUNTS RECEIVABLES

The balance of trade receivables and other accounts receivable comprised the following items:

	Notes	July 2023	December 2022
Accounts receivable from employees		35	51
Dividends receivable from third parties	9	63.362	22.446
Other accounts receivable, related parties		6.047	5.956
Other accounts receivable		4.941	863
Total trade and accounts receivable		74.385	29.316
Current portion		74.315	29.243
Non-current portion		70	73

Table 1

Note 6. OTHER ASSETS

Other assets are comprised of the following:

	Notes	July 2023	December 2022
Taxes	10.2	1.845	12
Prepaid expenses (*)		201	108
Total other current assets		2.046	120
Others		14	10
Total other non-current assets		14	10
Total other assets		2.060	130

Table 2

(*) The prepaid expenses relate mainly to services and insurance.

Note 7. 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:

	% participation	Book value	
		July 2023	December 2022
Compañía de Galletas Noel S. A. S.	100%	1.950.830	2.182.319
Compañía Nacional de Chocolates S. A. S.	100%	1.203.031	1.409.702
Alimentos Cárnicos S. A. S.	100%	1.122.894	1.389.799
Industria Colombiana de Café S. A. S.	100%	729.333	806.015
Gestión Cargo Zona Franca S. A. S.	83%	305.557	291.980
Meals Mercadeo de Alimentos de Colombia S. A. S.	100%	273.225	264.743
Industria de Alimentos Zenú S. A. S.	100%	200.381	203.661
Novaventa S. A. S.	93%	194.027	190.834
Atlantic F. S. S. A. S.	70%	154.421	151.655
Productos Alimenticios Doria S. A. S.	100%	125.207	131.765
Molinos Santa Marta S. A. S.	100%	102.785	87.944
Industrias Aliadas S. A. S.	83%	95.083	81.983
Comercial Nutresa S. A. S.	100%	82.249	118.626
Setas Colombianas S. A.	94%	50.913	51.953
Inverlogy S. A. S.	100%	24.205	28.122
Tropical CoffeeCompany S. A. S.	100%	23.099	21.981
Pastas Comarrico S. A. S.	100%	18.033	27.433
Servicios Nutresa S. A. S.	100%	14.930	10.432
Productos Naturela S. A. S.	60%	3.711	3.701
Opperar Colombia S. A. S.	100%	3.056	2.854
La Recetta Soluciones Gastronómicas Integradas S. A. S.	70%	813	891
Compañía Nacional de Chocolates Perú S. A.	0,003%	12	13
C.I. Nutrading S. A. S.	100%	-	2.541
Subtotal		6.677.795	7.460.947
C.I. Nutrading S. A. S. (*)	100%	(186)	-
Total		6.677.609	7.460.947

Table 3

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:

	Accumulated to July					
	2023			2022		
	Dividend Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Dividend Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Compañía de Galletas Noel S. A. S.	(48.314)	130.764	(313.939)	(59.857)	89.497	84.684
Compañía Nacional de Chocolates S. A. S.	(57.694)	66.227	(215.203)	(115.777)	79.842	59.412
Tropical CoffeeCompany S. A. S.	-	1.188	(70)	-	1.537	-
Industria Colombiana de Café S. A. S.	-	(21.718)	(54.964)	-	1.665	12.745
Industria de Alimentos Zenú S. A. S.	(11.337)	16.201	(8.144)	(13.729)	12.575	2.696
Inverlogy S. A. S.	(4.000)	82	-	-	294	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	(4.087)	21.722	(9.153)	-	22.251	1.780
Molinos Santa Marta S. A. S.	-	15.266	(425)	-	7.952	1
Novaventa S. A. S.	(32.553)	37.127	(1.380)	-	40.317	(5)
Pastas Comarrico S. A. S.	(9.000)	(400)	-	-	1.240	-
Productos Alimenticios Doria S. A. S.	-	14.102	(20.660)	(4.461)	16.435	2.670
Alimentos Cárnicos S. A. S.	(37.899)	34.848	(263.855)	(59.217)	93.576	29.250
Setas Colombianas S. A.	(6.236)	5.195	-	(1.701)	3.525	-
Compañía Nacional de Chocolates Perú S. A.	(1)	1	(2)	-	-	1
La Recetta Soluciones Gastronómicas Integradas S. A. S.	-	(78)	-	-	(293)	-
Gestión Cargo Zona Franca S. A. S.	-	13.577	-	-	16.159	(353)
Comercial Nutresa S. A. S.	(39.997)	3.924	(303)	-	58.608	55
Industrias Aliadas S. A. S.	-	13.106	(5)	-	17.464	3
Opperar Colombia S. A. S.	-	202	-	-	665	-
Servicios Nutresa S. A. S.	-	5.428	(931)	-	1.993	83
Productos Naturela S. A. S.	-	11	-	(226)	18	-
Atlantic F. S. S. A. S.	-	7.898	(5.132)	-	6.152	-
C.I. Nutrading S. A. S.	-	(1.056)	(1.671)	-	(367)	(8)
Total	(251.118)	363.617	(895.837)	(254.968)	471.105	193.014

Table 4

During of the year 2022, capitalizations was made to C.I Nutrading S.A.S \$1.800 and the purchase of 19% of Atlantic F.S. S.A.S for \$79.354.

In January 2022, the other comprehensive income of Fideicomiso Grupo Nutresa was made for \$14.

There are no changes in shareholdings between December 2022 and July 2023.

The dividends received in subsidiaries are recognized as the lesser value of the investment, as part of the application of the equity method.

Dividends received from subsidiaries generate an impact on cash flow for \$251.118 (2022 \$254.968).

Note 8. INVESTMENTS IN ASSOCIATES

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

	Country	% participation	Book Value		Accumulated to July			
			July 2023	December 2022	2023		2022	
					Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40,0%	191.093	139.861	(7.030)	(1.738)	6.002	(4.634)
Estrella Andina S.A.S.	Colombia	30,0%	20.419	20.800	(381)	-	926	-
Wellness Food Company S.A.S.	Colombia	23,3%	741	787	(45)	-	(33)	-
Internacional Ejecutiva de Aviación S.A.S.	Colombia	25,0%	3.992	3.984	904	(896)	361	449
Total associates			216.245	165.432	(6.552)	(2.634)	7.256	(4.185)

Table 5

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 23,33% participation.

Internacional Ejecutiva de Aviación S. A. S.

It is a simplified joint stock company, domiciled in Medellín dedicated to national passenger air transport, in which Nutresa obtains a 25% stake.

The movements of investments in associates, are as follows:

	2023	2022
Opening balance at January 1st	165.431	164.050
Increase of contributions (*)	60.000	-
Participation in profit and loss, for the period	(6.552)	7.256
Participation in other comprehensive income	(2.634)	(4.185)
Balance at July 31st	216.245	167.121

Table 6

Increase in contributions in associates and joint ventures

(*) On May 31, 2023, Grupo Nutresa accepted the subscription offer of 3.200 ordinary shares of Bimbo de Colombia S.A. worth of \$60.000, which will be paid in three installments during the second half of 2023. As of July 31, 2023, \$40.000 is due.

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.

Below, is the summarized financial information regarding the associated entities:

	July 2023					December 2022				
	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.	833.114	475.445	357.669	(17.574)	(4.346)	812.211	462.559	349.652	13.833	(18.818)
Estrella Andina S.A.S.	136.927	68.692	68.235	(1.268)	-	127.287	57.783	69.504	8.599	-
Wellness Food Company S.A.S.	1.025	537	488	(194)	-	1.172	490	682	(297)	-
Internacional Ejecutiva de Aviación S.A.S.	142.804	139.898	2.906	(3.617)	3.584	172.606	169.733	2.873	(3.516)	6.976

Table 7

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Note 9. EQUITY INVESTMENTS AT FAIR VALUE

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	2023	2022
Grupo de Inversiones Suramericana S. A.(*)	62.032.220	13,29%	2.307.598	2.605.353
Grupo Argos S. A.(*)	82.300.360	12,54%	795.433	781.030
Other societies			51.236	49.380
			3.154.267	3.435.763

Table 8

	2023		2022	
	Dividend Income	Profit (losses) on Fair Value Measurement	Dividend Income	Losses on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.(*)	79.401	(297.755)	48.633	613.675
Grupo Argos S. A.(*)	47.323	14.403	41.150	(119.335)
Other societies	239	1.855	409	-
	126.963	(281.497)	90.192	494.340

Table 9

(*) This corresponds to the investments to be covered by the division referred to in Note 1.

The value of the dividend per share declared for 2023 by Grupo from Inversiones Suramericana S. A. was \$1.280 pesos per share, payable quarterly in the amount of \$320 pesos. Grupo Argos S. A. declared a dividend of \$575 pesos per share, payable quarterly in the amount of \$143,75.

For 2022, The value of the dividend per share declared for 2023 by Grupo from Inversiones Suramericana S. A. was \$784 pesos per share, payable quarterly in the amount of \$196 pesos. Grupo Argos S. A. declared a dividend of \$500 pesos per share, payable quarterly in the amount of \$125.

Income from dividends, recognized as of July 2023 for portfolio investments corresponds primarily to the total annual dividend declared by the issuers.

As of July 31st, 2023 there is receivable for dividends from financial instruments \$63.362 (December 2022: \$22.446).

Dividends received generated an effect on cash flow as of July 31st, 2023 of \$86.047 (2022: \$54.301).

9.1 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 as of July 31st, 2023 generated loss of \$283.352 (December 2022: profits of \$403.601 and July 2022: profits of \$494.340), 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)	July 2023	July 2022	December 2022
Grupo de Inversiones Suramericana S.A.	37.200	40.000	42.000
Grupo Argos S.A.	9.665	12.100	9.490

Table 10

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.

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9.2 Liens

As of July 31st, 2023 and December 31st, 2022, there were pledges of 20.786.846 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.

At the end of the period, the Administration of the Group is carrying out the processing to realize the despignoration of the actions against Deceval.

Note 10. INCOME TAXES AND TAXES PAYABLE

10.1 Applicable Norms

The current tax provisions applicable to the Company establish a nominal income tax rate of 35% and an occasional profit rate of 15%.

Similarly, as of 2023, a minimum tax rate of 15% is in effect, which is calculated as a tax and a purified profit, and is carried out on a consolidated basis for companies belonging to business groups.

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.

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

The firmness of tax returns is generally 3 years, however, for companies' subject to the transfer pricing regime, the firmness is 5 years and the returns that originate or offset tax losses will be firm in 5 years. Additionally, for the years 2023 and 2022, the returns that present an increase in net income tax by a minimum percentage of 35% or 25% compared to the previous year, will be final in 6 months or 12 months, respectively.

10.2 Tax assets and liabilities

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

	July 2023	December 2022
Income tax and complementaries	40	-
Other taxes	1.805	12
Total current tax assets	1.845	12

Table 11

The current taxes payable balances include:

	July 2023	December 2022
Income tax	1.077	-
Withholding taxes, payable	897	698
Other taxes	1.917	1.120
Total	3.891	1.818

Table 12

The Company applies the laws with professional judgment, to determine and recognize the provision for current tax and deferred income, on its Separate 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 Company 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.

Additionally, based on the criteria and judgments in the determination and recognition of those taxes, as of July 31, 2023, no situations have been identified that generate tax uncertainty and that should be recognized in the accounting according to the framework defined by IFRIC 23.

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10.3 Income tax expenses

Current income tax expenses and deferred tax are as follows:

	Accumulated to July	
	2023	2022
Income tax	1.077	103
Total	1.077	103
Deferred taxes *	(2.293)	2.584
Total income tax expenses	(1.216)	2.687

Table 13

(*) The composition of the deferred income tax arises primarily from the recognition of investment.

10.4 Deferred income tax

	July	December
	2023	2022
Deferred tax liabilities		
Investments	4.446	7.660
Employee benefits	(1.809)	(701)
Other liabilities	(23)	(22)
Total income tax liabilities	2.614	6.937

Table 14

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

	2023	2022
Opening balance, net liabilities	6.937	7.163
Deferred tax expenses, recognized in income for the period	(2.293)	2.584
Deferred taxes associated with components of other comprehensive income ^(*)	(2.030)	(1.510)
Final balance, net liabilities	2.614	8.237

Table 15

(*) The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of \$-1.108 (2022: \$-45), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of \$-922 (2022: \$-1.465).

10.5 Effective tax rates

The effective rate is significantly below the theoretical rate, due mainly to untaxed income. Income received by Grupo Nutresa, corresponds primarily to dividends of non-taxed portfolios and the recognition of the profits obtained by the subsidiary companies, and are recognized, in the Company's Separate Financial Statements, through the equity method.

Additionally, the Company has the limitation of some deductions, which increase the effective rate, such as: financial movement tax, permanent provisions, costs and expenses of previous years, fines and penalties, among others.

In the case in question, a tax to be added is not determined by the effect of the minimum rate of taxation of 15% established in paragraph 6 of article 240 of the National Tax Statute, this calculation must be made taking into account the procedure established for the companies whose financial statements are consolidated in Colombia, which is above the minimum rate.

Below is reconciliation, of both the applicable tax rate and the effective tax rates:

	Notes	2023		2022	
		Value	%	Value	%
Accounting profit, before income taxes		484.106		563.280	
Applicable tax rate expenses		169.437	35,00%	197.148	35,00%
Untaxed portfolio dividends		(44.436)	-9,18%	(31.567)	-5,60%
Untaxed income from the Equity Method		(127.266)	-26,29%	(164.882)	-29,27%
Other tax impact		1.049	0,22%	1.988	0,35%
Total tax expenses	10.3	(1.216)	-0,25%	2.687	0,48%

Table 16

10.6 Information on current legal proceedings

The Company 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 11. TRADE AND OTHER ACCOUNT PAYABLES

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

	Notes	July 2023	December 2022
Cost and expenses payable		5.441	6.097
Purchase of shares payable		40.000	-
Dividends payable	13.3	431.947	120.276
Payroll deductions and withholdings		432	446
Loans and accounts payable to related parties		7	920
Total		477.827	127.739

Table 17

Note 12. EMPLOYEE BENEFITS

Employee benefits, correspond to all considerations, arising from formal plans or agreements, legal requirements, granted by the Company, in exchange for services rendered by employees, or for severance indemnities. Benefits include all remuneration, realized directly to employees, or their beneficiaries or dependents of employees, (spouse, children and others), and/or third parties, whose settlement can be made through cash payments, and/or supply of goods and services (non-monetary profit).

The balance of liabilities for employee benefits is as follows:

	Notes	July 2023	December 2022
Short-term benefits		1.618	1.205
Post-Employment benefits		6	12
Other long-term benefits	12.2	4.326	5.252
Total liabilities for employee benefits		5.950	6.469
Current portion		2.693	3.209
Non-current portion		3.257	3.260

Table 18

12.1 Post-employment benefits - Defined benefits plans

The liability for post-employment benefits is estimated using the current technique of the projected credit unit, which requires the use of financial and demographic assumptions, including but not limited to: discount rate, inflation index, wage increase expectation, life expectancy, and employee turnover rate. The estimation of the liability, as well as the determination of the values of the assumptions, used in the valuation, is performed by an independent external actuary. Given the long-term horizon of these benefit plans, the estimates are subject to a significant degree of uncertainty, any change in actuarial assumptions directly impacts the value of the pension obligation, and other post-employment benefits.

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

	Plan Asset		Plan Liability		Net benefit	
	2023	2022	2023	2022	2023	2022
Present value of obligations at January 1st	21.480	16.685	21.480	16.685	-	-
(+) Cost of services	604	-	-	856	604	856
(+) Interest expenses	1.569	-	-	1.937	1.569	1.937
(-) Plan performances	-	(999)	3.654	-	(3.654)	999
(+/-) Actuarial gains and/or losses	3.166	-	-	2.002	3.166	2.002
(-) Contributions to plan fund	-	5.794	1.685	-	(1.685)	(5.794)
Present value of obligations	26.819	21.480	26.819	21.480	-	-

Table 19

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

The Company estimates that the time for the termination of the benefit is 14 years (2022: 15 years).

12.2 Long-term benefits

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

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Seniority premiums is paid to the employee for every five years of service. The liability is recognized gradually, as the employee renders the services, that will make it 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 income for the period in which they arise.

The Company does not have specific assets to support the long-term benefits. The liability from long-term benefits, 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 cost, past service cost, interest cost, actuarial gains and losses, as well as, any liquidation or reduction of the plan is recognized in the profit and loss.

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

	2023	2022
Present value of obligations at January 1st	5.252	3.317
(+) Cost of services	1.421	3.312
(+/-) Interest expenses	234	185
(+/-) Actuarial losses and/or gains	(203)	(39)
(-) Payments	(2.375)	(1.704)
(+/-) Others	(3)	181
Present value of obligations at July 31st	4.326	5.252

Table 20

12.3 Expenses for employee benefits

Amounts recognized as expenses for employee benefits, are as follows:

	Accumulated to July	
	2023	2022
Short-term benefits	5.233	4.665
Post-Employment benefits	739	651
Defined contribution plans	135	120
Defined benefit plans	604	531
Other long-term benefits	1.072	857
Sub Total	7.044	6.173
Reimbursement for contracts of mandate (*)	(6.819)	(5.824)
Total	225	349

Table 21

(*) According with the mandated agreement, Grupo Nutresa S.A. transfers to the subsidiary companies, the cost for employee benefits, corresponding to the corporate services provided to each of them.

12.4 Actuarial Assumptions

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

	2023	2022
Discount rates	11,20%	13,80%
Salary increase rates	6,30%	7,40%
Employee turn-over rates	1,00%	1,00%

Table 22

According to the guidelines prescribed by the current regulation, for discount purposes, the rate of high quality corporate bonds, whose maturity is in accordance with the established benefits, is used. However, the Colombian market does not have sufficient liquidity and depth in these types of bonds. Grupo Nutresa establishes its hypothesis of the discount rate, based on the assumptions of the performance of the sovereign debt bonds, of the committed 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.

The table used is mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes.

The turnover rate of employees is estimated, based on historical data of the Company.

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12.5 Sensitivity analysis

A quantitative analysis of sensitivity to a change in a significant key assumption, as of July 31st, 2023, would generate the following impact on the obligation for other long-term benefits, as well as, senior premium:

	Seniority Premiums	Others defined benefits
Discount rate + 1%	(37)	(1.227)
Discount rate -1%	40	1.304
Salary increase rate + 1%	41	1.513
Salary increase rate -1%	(39)	(1.150)

Table 23

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations were the same method, as for the actuarial calculation, at December 31st, 2022: Projected Credit Unit. Sensitivity has no limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

Note 13. EQUITY

13.1 Issued share capital

As of July 31st, 2023 and December 31st, 2022, the balance of capital of the Parent Company was \$2.301, representing a total of 457.755.869 fully paid and subscribed shares. There were no changes to the make-up of the capital during neither to 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 Company's shares are listed on the Colombian Stock Exchange as of July 31st, 2023, and its market value was \$51.000 per share (2022: \$44.500).

The corporate structure of the company, as of as July 31st, 2023 and December 31st, 2022, is as follows:

Investors group	July 2023		December 2022	
	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	163.005.625	35,6%	163.327.395	35,7%
Nugil S.A.S	143.776.090	31,4%	143.551.638	31,4%
Grupo Argos S.A.	45.243.781	9,9%	45.243.781	9,9%
Colombian Funds	3.381.019	0,7%	3.600.866	0,8%
International Funds	9.221.842	2,0%	916.311	0,2%
Other investors	93.127.512	20,3%	101.115.878	22,1%
Total outstanding shares	457.755.869	100,0%	457.755.869	100,0%

Table 24

According to the register of shareholders, at July 31st, 2023, there are 9.374 shareholders (December 2022: 9.711).

13.2 Reserves and retained earnings

Of the accounts that make up the equity, reserves are as follows:

	July 2023	December 2022
Legal reserves	3.787	3.787
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves for the Shares Buyback	3.521.295	3.256.401
Total	5.083.679	4.818.785
Retained earnings	3	3
Total Reserves and retained earnings	5.083.682	4.818.788

Table 25

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-distributed reserves: corresponds to the voluntary reserve, approved by the Shareholder's Assembly at a Meeting on March 18, 2016, in reference to accumulated profits, generated in the process of First-time Adoption of IFRS.

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Other reserves: corresponds to voluntary reserves, substantially freely available by the Shareholders' Meeting.

Other reserves for the shares buyback: At the meeting held on March 24, 2020, a reserve of \$300.000 was approved to formulate one or several offers for the shares buyback, charged to the Reserve for the Shares Buyback, provided that the shares to be acquired they are fully released and the applicable regulations on the trading of shares in the stock market are observed. In 2021, 2.367.589 shares are repurchased, the balance of this reserve at July 2023 is \$247.964 (2022: \$247.964).

Other reserves Deferred tax recognition: On December 29, 2022, Decree 2617 was issued by the Ministry of Commerce, Industry and Tourism of Colombia, which allows the recognition and presentation of the deferred tax arising from the increase in the occasional profit rate from 10% to 15% and the increase in the income tax rate as from 2026 for companies located in free trade zones approved by Law 2277 - Tax Reform for Equality and Social Justice, to be recorded in equity under accumulated results of previous years and Decree 1311/2021 the 20 October 2021: Law 410 of 1971 and establishes an accounting alternative to mitigate the effects of the change in the income tax rate for the taxable period 2021.

Retained earnings: corresponds mainly to the realization of financial instruments of liquidation of the Livestock Fund of Antioquia, in the amount of \$3.

13.3 Distribution of dividends

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 21, 2023, declared ordinary share dividends of \$96,45^(*) per-share and per-month, and extraordinary share dividends quarterly of \$48,24^(*) per-share equivalent to \$1.350,36^(*) annually per share (2022: \$948^(*) annually per share), over 457.755.869 outstanding shares (2022: 457.755.869), which will be paid during the months from April 2023 to March 2024, inclusive, for a total of \$618.135 (2022: \$433.953).

This dividend was decreed from the net income of the year 2022 for the amount of \$577.454 is allocated on an untaxed basis for payment of ordinary dividends and \$40.682 is allocated from the occasional reserve available to the Shareholders' Meeting, on an untaxed basis for the payments extraordinary dividend.

As of July 31st, 2023, dividends payable is up to \$306.464 (2022: \$224.496)

As of July 31st, 2023 are pending payment \$431.947 (December 2022: \$120.276) for dividends payable.

Appropriations authorized by the General Assembly of Shareholders are recorded as reserves, charged to the results of the year for compliance with legal provisions or to cover expansion plans or financing needs. The Company takes the profits for the year to retained earnings and these to reserves. The appropriation value is \$264.894 (2022: \$250.866).

(*) In Colombian Pesos.

Note 14. OTHER COMPREHENSIVE INCOME, ACCUMULATED

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

	Actuarial Results (14.1)	Equity Instruments (14.2)	Associates and Joint Ventures (14.3)	Subsidiaries (14.4)	Total Accumulated Other Comprehensive Income
Balance at January 1st, 2023	(7.629)	3.094.109	888	1.610.377	4.697.745
Losses from new measurements	(3.166)	(281.497)	(2.634)	(895.837)	(1.183.134)
Income tax associated	1.108	-	922	-	2.030
Balance at July 31st, 2023	(9.687)	2.812.612	(824)	714.540	3.516.641
	Actuarial Results (14.1)	Equity Instruments (14.2)	Associates and Joint Ventures (14.3)	Subsidiaries (14.4)	Total Accumulated Other Comprehensive Income
Balance at January 1st, 2022	(6.328)	2.688.896	4.647	643.098	3.330.313
Gains /losses from new measurements	(128)	494.340	(4.185)	193.028	683.055
Income tax associated	45	-	1.465	-	1.510
Balance at July 31st, 2022	(6.411)	3.183.236	1.927	836.126	4.014.878

Table 26

During the period, no reclassification of gains/losses previously recognized in other comprehensive income to profit and loss, was realized.

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14.1 (Losses) gains on 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, primarily from "Other defined employee benefits". The net value of the new measurements is transferred to retained earnings and not reclassified to the Income Statement:

See Note 12, for detailed information about defined benefits plans.

14.2 Valuation of financial instruments - Equity investments measured at fair value through equity

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

See Note 9, for detailed information on these investments.

14.3 Investments in associates - Interest in other comprehensive income, accumulated

The component of other comprehensive income from investments in associates and joint ventures, represents the accumulated value of gains or losses, from the participation in other comprehensive income of the investee. These accumulated profits may be transferred to profit or loss for the period in the cases provided by accounting standards.

See Note 8, for detailed information on investments in associates.

14.4 Subsidiaries – Interest in other comprehensive income, accumulated

The component of other comprehensive income of investments of subsidiaries measured to the Equity Method, through profit or loss, represents the accumulated value of gains or losses of valuation from the Equity Method, minus the values transferred to retained earnings, when these investments have been sold. Changes in fair value can be reclassified to profit and loss for the period.

See Note 7, for more detailed information, regarding investments in subsidiaries and the application of the Equity Method of the other comprehensive income.

Note 15. EXPENDITURE BY NATURE

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

	Notes	Accumulated to July	
		2023	2022
Employee benefits	12.3	225	349
Other services		33	85
Other expenses		67	264
Taxes other than income tax		1.693	2.393
Fees		10	-
Insurance		71	1.875
Total		2.099	4.966

Table 27

Grupo Nutresa S.A. operates under the modality of commercial offer of services of mandate without representation, offering shared services to the other companies of the Group, for integral management. Under this contract, the expenses, associated with the services provided to each of them, are transferred to the subsidiary companies.

Note 16. 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:

	July 2023	July 2022
Net income attributable to holders of ordinary equity of the Parent	485.322	560.593
Outstanding shares	457.755.869	457.755.869
Earnings per share attributable to controlling interest	1.060,22	1.224,65

Table 28

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

In accordance with current corporate regulations in Colombia, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized on Separate Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S.A.

Note 17. DISCLOSURE OF RELATED PARTIES

The following table represents the values of transactions between related parties:

July 2023						
Company	Purchases of goods and services	Sales of goods and services	Receivables Balance	Payables Balance	Dividends received	Dividends paid
Subsidiaries						
Alimentos Cárnicos S. A. S.	-	-	-	-	37.899	-
Compañía de Galletas Noel S. A. S.	-	-	-	-	48.314	-
Comercial Nutresa	-	-	-	-	39.997	-
Compañía Nacional de Chocolates S. A. S.	-	-	-	-	57.694	-
Compañía Nacional de Chocolates del Perú S. A.	-	-	-	-	1	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	-	-	971	-	-	-
Inverlogy S. A. S.	-	-	-	-	4.000	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	-	-	-	4.087	-
Pastas Comarrico S.A.S.	-	-	-	-	9.000	-
Servicios Nutresa S. A. S.	-	-	5.076	7	-	-
Setas Colombianas S. A.	-	-	-	-	6.236	-
Novaventa S. A. S	-	-	-	-	32.553	-
Industria de Alimentos Zenú S. A. S	-	-	-	-	11.337	-
Total subsidiaries	-	-	6.047	7	251.118	-
Associates and joint ventures						
Bimbo de Colombia S.A.	60.000	-	-	40.000	-	-
Internacional Ejecutiva de Aviación S.A.S.	23	-	-	-	-	-
Entities with significant influence over the entity						
Grupo de Inversiones Suramericana S.A.	71	-	39.701	25	79.401	51.112
Nugil S.A.S	-	-	-	-	-	82.410
Members, Board of Directors	653	-	-	62	-	-

Special Purpose Separate Financial Statements

December 2022						
Company	Purchases of goods and services	Sales of goods and services	Receivables Balance	Payables Balance	Dividends received	Dividends paid
Subsidiaries						
Alimentos Cárnicos S. A. S.	-	-	-	221	104.696	-
Compañía de Galletas Noel S. A. S.	-	-	-	230	65.926	-
Compañía Nacional de Chocolates S. A. S.	-	-	-	178	162.304	-
Industria Colombiana de Café S. A. S.	-	-	-	170	-	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	15	-	569	24	-	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	-	-	52	6.130	-
Productos Alimenticios Doria S. A. S.	-	-	-	45	17.502	-
Pastas Comarrico S.A.S.	-	-	-	-	9.000	-
Servicios Nutresa S. A. S.	2	-	5.387	-	-	-
Setas Colombianas S. A.	-	-	-	-	1.701	-
Novaventa S. A. S.	-	-	-	-	84.787	-
Industrias Aliadas S. A. S.	-	-	-	-	34.501	-
Productos Naturela S. A. S.	-	-	-	-	226	-
Industria de Alimentos Zenú S. A. S.	-	-	-	-	13.729	-
Total subsidiaries	17	-	5.956	920	500.502	-
Associates and joint ventures						
Internacional Ejecutiva de Aviación S.A.S.	282	-	-	4	-	-
Entities with significant influence over the entity						
Grupo de Inversiones Suramericana S.A.	2.416	-	12.158	13	48.633	87.950
Nugil S.A.S	-	-	-	-	-	109.324
Members, Board of Directors	1.474	-	-	217	-	-

Table 29

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.

Note 18. EVENTS AT THE END OF THE QUARTER AND SUBSEQUENT EVENTS

These Separate Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on August 25, 2023. 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 Financial Statements.