

# Grupo Nutresa's Regular Quarterly Report

---

**First Quarter 2023**

External circular letter 012 of 2022





# Contents

Glossary\_\_\_\_\_ 4

Description of the currently valid securities issues\_\_\_\_\_ 6

## **PART I: FINANCIAL POSITION**

- 1. Separate and consolidated quarterly financial statements\_\_\_\_\_ 7
- 2. Material changes made to the issuer’s financial statements\_\_\_\_\_ 7
- 3. Chapter focused on the comments and analysis of the Senior Management regarding the results of the operation and the financial position of the issuer in relation to the results reported in the quarterly financial statements\_\_\_\_\_ 8
  - 3.1 Material variations in the financial position of the issuer compared to the same quarter reported for the pervious term\_\_\_\_\_ 8
  - 3.2 Material variations in the results of the issuer’s operations compared to the same quarter reported for the pervious term\_\_\_\_\_ 9
- 4. A chapter focused on the quantitative and/or qualitative analysis of the market risk facing the issuer as a consequence of their market

variation-sensitive activities and investments, provided such risk is material for the quarter reported\_\_\_\_\_ **10**

## **PART 2: ADDITIONAL INFORMATION**

- 1.** A chapter focused on a description of the material variations that have occurred in the risks facing the issuer, other than the market risk, and the mechanisms implemented to mitigate them\_\_\_\_\_ **12**
- 2.** A chapter focused on any material changes to the practices, processes, policies and indicators implemented by the issuer in relation to the environmental, social and governance criteria\_\_\_\_\_ **12**

## Glossary

**Shares, stock.** Parts into which the share capital is divided within a partnership, representing the portion of the ownership of the company the owner or holder owns (hence the term shareholder).

**Shareholders Assembly.** Highest governance and administrative body formed by the Company's shareholders.

**Financial statements.** Report that portrays Grupo Nutresa's financial situation at a certain point in time.

**Consolidated Financial Statements.** Financial statements where the assets, liabilities, net assets, equity, revenues, expenses and cash flows of Grupo Nutresa and its controlled entities are presented as if it was one single economic entity.

**Separate Financial Statements.** Financial statements presented by a controlling entity (that is, an investor that controls a subsidiary entity) or by an investor with joint control over a company where the investor holds an interest or share, or upon which the investor has significant influence. In such financial statements, the investments are accounted for at cost or according to IFRS 9 Financial Instruments.

**The Company, the Organization or the Business Group.** All these terms refer to Grupo Nutresa S. A.

**Grupo Nutresa.** Group of organizations which include Grupo Nutresa S. A. (holding company) and its subsidiary companies.



**Parent Company.** A company that controls others through the participation in shares, which grants it decision-making powers, whether it is directly or through other companies. Grupo Nutresa S. A. is the parent company of Grupo Nutresa.

**Subordinate companies.** Companies controlled by Grupo Nutresa S. A.

**Affiliate companies.** Subordinate companies under direct control of the holding company.

**Subsidiary companies.** Subordinate company under the control of the holding company but exercised through other companies.

**Organization.** Business structure adopted by Grupo Nutresa.

**Corporate governance.** Ensemble of the corporate policies and guidelines that comprise the institutional and ethical behavior framework of the Organization. The framework aims at achieving transparency and integrity throughout all processes of the Organization.

**Board of Directors.** Organizational body of Grupo Nutresa S. A. tasked with following-up on the work performed by the Company CEO. It is comprised of seven members appointed by the Shareholders Assembly for two-year terms.

**Business Units.** Units or production activities according to which Grupo Nutresa is structurally organized. They are the following: Biscuits, Coffee, Cold Cuts, Chocolates, Tresmontes Lucchetti, Retail Food, Ice Cream and Pastas.

## Identification data



Corporate name: Grupo Nutresa S. A.

City: Medellín, Colombia.

Registered address: Carrera 43 A # 1 A SUR 143.

## Description of the currently valid securities issues

Grupo Nutresa shares are registered under the Colombian Stock Exchange (Bolsa de Valores de Colombia, BVC) under the “Nutresa” name. As of the closing of the first term of 2023, there are 457.755.869 outstanding common shares of Grupo Nutresa, and their marketability has been classified as high.

Valid issuance:

- a) Common shares.
- b) Listed on the Colombian Stock Exchange.

Ipo  
**Mar 21/ 1961**

Clase de acción  
**Ordinaria**

Número de acciones en circulación  
**457.755.869**

Número de acciones en reserva  
**539.876.542**





## Part 1

### Financial position

#### 1. Separate and consolidated quarterly financial statements.

Grupo Nutresa's interim Financial Statements for the first quarter of 2023, both separate and consolidated, are part of this report as appendices and can be found on the Organization's website, following the links below:

[Click here to check the](#)

[\*\*Condensed consolidated interim financial statements\*\*](#)



[Click here to check the](#)

[\*\*Condensed separate interim financial statements\*\*](#)



#### 2. Material changes made to the issuer's financial statements

No material changes were made to the issuer's financial statements over the quarter. However, it is worth noting the following variations:

##### **Condensed consolidated interim financial statements.**

In the Statement of Financial Position, Grupo Nutresa reports assets for COP 20,8 trillion, with an increase of 0,2% compared to December 2022, which can be explained mainly by the growth of the working capital accounts.

The consolidated amount recorded for total liabilities was COP 10,3 trillion, which represents a 3,4% increase that resulted, to a large extent, from the rising working capital and a growing debt, required to support the Organization's

growth.

### **Condensed separate interim financial statements.**

In the Statement of Financial Position, the Company reports assets for COP 11,3 trillion, with an increase of 1,8% compared to December 2022, which can be explained mainly by the growing investment in subsidiary companies.

Total liabilities amounted to COP 649.569 million, rising by 354,1% due to the increased dividends payable, which were decreed in March 2023 and will be paid between April 2023 and March 2024.

## **3. Comments and analysis of the Senior Management regarding the results of the operation and the financial position of the issuer in relation to the results reported in the quarterly financial statements.**

### **3.1. Material variations in the financial position of the issuer compared to the same quarter reported for the previous term.**

No material changes were made to the Company's financial position over the quarter. However, it is worth considering the following variations:

#### **Condensed Consolidated Interim Statement of Financial Position**

In the Statement of Financial Position for the first quarter of 2023, assets for COP 20,8 trillion were reported, with an increase of 19,8% compared to the equivalent quarter in 2022. Such increase can be explained mainly by the growth of the working capital accounts, due to the higher value of the capital gains and other intangible assets. This is chiefly caused by the effect of currency conversion.

The consolidated total liabilities amount was COP 10,3 trillion, which represents a 25,7% increase compared to the equivalent quarter of 2022. This increase resulted, to a large extent, from the rising working capital and a growing debt, required to support the Organization's growth.



## Condensed Separate Interim Statement of Financial Position

In the Separate Statement of Financial Position as of March 31, 2023, the Company reports assets for COP 11,3 trillion, with an increase of 16,2% compared to March 2022, which can be explained mainly by the growing investment in subsidiary companies.

Total liabilities amounted to COP 649.569 million, rising by 38,2% due to the increased dividends payable.

### 3.2. Material variations in the results of the issuer's operations compared to the same quarter reported for the previous term.

No material changes were made to the results of Grupo Nutresa's operations over the quarter. However, it is worth noting the following variations:

As of the closing of this year's first quarter, Grupo Nutresa's sales show a positive growth trend by amounting to COP 4,9 trillion, which is 35,7% higher than the equivalent sales in 2022. All geographies where the Organization operates, as well as all its Business Units, achieved two-digit growth rates.

In Colombia, revenues grow by 27,2% and amount to COP 2,8 trillion, which are equivalent to 57,5% of the consolidated sales. International sales totaled COP 2,1 trillion, with a 49,1% growth, representing 42,5% of the Organization's total sales. In American dollars, these revenues amount to USD 435,6 million, that is 22,6% higher than the equivalent revenues of the first quarter of 2022.

Grupo Nutresa continues managing its value chain with the aim of ensuring the affordability and availability of its products, while preserving profitability. Thus, the Company reports COP 1,8 trillion in gross profits, achieving a 33,7% growth rate.

Moreover, its productivity and operational efficiency have enabled the Organization to maintain the growth of its expenses item below the sales growth

rate, which boosts the results of both operating profit and EBITDA. Over the period, the operating profit totaled COP 537.166 million, 44,2% higher than the profit in 1Q 2022, along with an EBITDA of COP 647.058 million, which grew 38,2%, and a 13,3% margin on sales.

As for the post-operative items, financial expenses amounted to COP 204.341 million and grew 179,3% as a result of the increasing interest rates.

Moreover, net profit stood at COP 343.452 million, rising 16,2% in relation to last year's equivalent period.

Lastly, Grupo Nutresa's Separate Financial Statements report COP 343.444 million in operating revenues, from which COP 216.481 million correspond to the profit obtained through the equity method of the investments in food companies and COP 126.963 million correspond to dividends from the investment portfolio. Furthermore, the net profit totaled COP 343.643 million.

#### **4. Quantitative and/or qualitative analysis of the market risk facing the issuer as a consequence of their market variation-sensitive activities and investments, provided such risk is material for the quarter reported.**

##### **Quantitative analysis of the market risk.**

No material changes were made over the first quarter of 2023 in comparison with the 2022 Fiscal Year End Report.

##### **Qualitative analysis of the market risk.**

Grupo Nutresa made progress in consolidating its integrated risk management model, as well as in integrating it in the multiple instances of the Organization.

The following are the main risks identified by the Organization:

- Commodity price and exchange rate volatility.



- Negative impact of a highly competitive environment on the Businesses.
- Regulatory environment with a negative impact on the business.

As previously mentioned, a 179,3% increase in financial expenses was observed over the quarter in relation to the previous year's equivalent term, mainly due to higher interest rates. This increase does not produce a material impact on the Company's financial and operating flexibility, which reports a 1,8x net-debt/EBITDA indicator for the term.

Find out more about Grupo Nutresa's integrated risk management ecosystem by following the link below.

[Click here to check the](#)

[\*\*Report on the integrated risk ecosystem\*\*](#)



## Part 2

### Additional information

#### 1. Description of the material variations that have occurred in the risks facing the issuer, other than the market risk, and the mechanisms implemented to mitigate them.

No material variations were recorded over the first quarter of 2023 in comparison with the 2022 Fiscal Year End Report. The treatment measures and monitoring actions informed for the closing of 2022 are maintained in place for all risks.

#### 2. Any material changes to the practices, processes, policies and indicators implemented by the issuer in relation to the environmental, social and governance criteria.

##### **Environmental and social topics.**

No changes were made in terms of practices, processes, policies and indicators related to social and environmental criteria, including climate aspects (Memorandum 031 of 2021), over the first quarter of 2023 with respect to the 2022 Fiscal Year End Report.

##### **Corporate governance.**

The changes stated below were made in terms of corporate governance over the first months of 2023:

- On March 21, 2023, the Organization's Shareholders Assembly decided to partially amend the Articles 63 and 82 of the Company's Bylaws with the aim of extending, from one year to two years, the appointment period of the Board of Directors members and the Tax Auditor.



- Upon the request made by several shareholders who represent more than 25% of the Company's outstanding shares, the Tax Auditor of the Organization convened an extraordinary meeting of the Shareholders Assembly that was held on April 11, 2023. During this meeting, the election of the Company's Board of Directors members was submitted for consideration by the shareholders.

In such meeting, the Shareholders Assembly elected the following people to form the Company's Board of Directors for the remaining statutory term, that is from April 11, 2023, to March 31, 2024:

**Independent Members**

Jaime Alberto Palacio Botero

Andrés Felipe Arango Botero

Christian Murrle Rojas

**Non-independent members**

Juan Constantino Martínez Bravo

Luis Felipe Hoyos Vieira

Jesús Vallejo Mejía

Gabriel Gilinski Kardonski