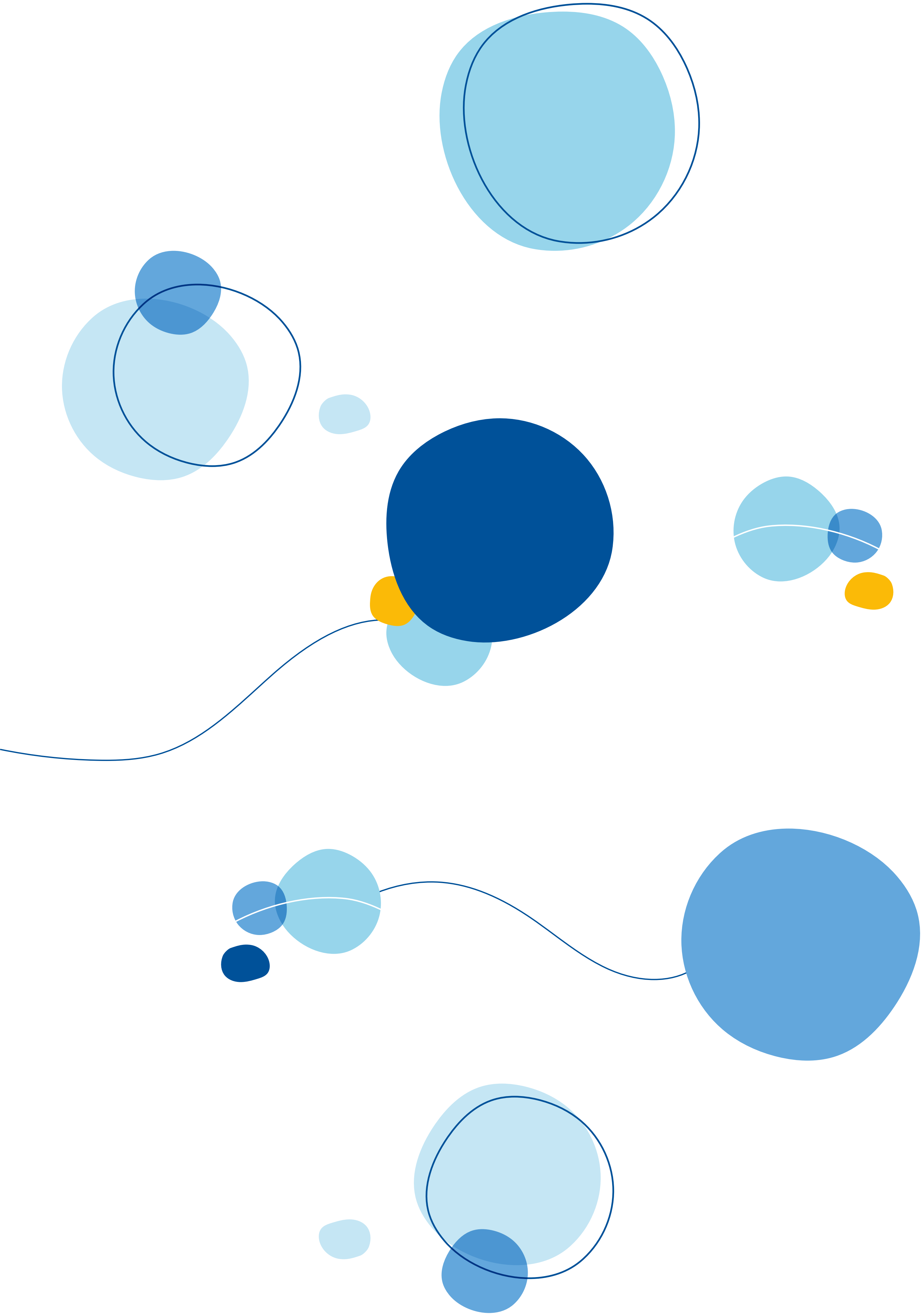
Annual report and Financial statements

61st Fiscal Year



Annual report and Financial statements

61st Fiscal Year

Message from our President

The year 2021 was marked by economic activity rebound after the disruption brought about by the outbreak of the Coronavirus (COVID-19) pandemic in 2020. According to the IMF's projections contained in the "*World Economic Outlook Update,*"[1] the global growth rate was 5.9% in 2021. However, there was uncertainty about the recovery during the year primarily caused by the outbreak of COVID-19 variants, which led to new restrictions on circulation and volatility in financial markets.

Concerning the United States and China—the main drivers of the global economy—the IMF estimates that in 2021 economic activity will grow by 5.6% and 8.1% of GDP, respectively. However, in the United States and in some emerging markets' economies, inflation rates have been rising. Among other factors, such higher inflation was attributable to monetary policy measures and the historical fiscal stimulus packages adopted by governments to mitigate the pandemic effects, raising uncertainty about economies' future growth.

1 Source: International Monetary Fund, *"World Economic Outlook Update,"* January 2022.
2 Source: Economic Commission for Latin America and the Caribbean (ECLAC), *"Balance Preliminar de las Economías de América Latina y el Caribe 2021"* (Preliminary Overview of the Economies of Latin America and the Caribbean 2021), (LC/PUB.2022/1-P), Santiago, 2022.

On the other hand, according to ECLAC's preliminary overview,[2] the annual growth rate in Latin America will reach 6.2% in 2021. In terms of growth dynamics, the gradual easing of the pandemic coping measures, combined with favorable external conditions, resulted in an increase in economic activity, which rebounded strongly during the first semester, followed by a slowdown in the second semester.

Locally, the Argentine economy has been experiencing stagflation in these last years which, coupled with the pandemic outbreak, made things substantially worse. Inflation remained persistently high in 2021, up by 50.9% year-on-year, based on the CPI compiled by INDEC. Against this backdrop, according to the latest "Monthly Economic Activity Indicator" also released by INDEC, in 2021 local economic activity grew approximately 9.3%, recovering most of the ground lost the previous year.

As regards Arcor Group´s performance in 2021, sales to Argentina-based customers accounted for 67.4% of the Group's consolidated sales, while sales to foreign customers, including exports to third parties, accounted for 32.6% of consolidated sales. Relative to the previous year, total sales rose 12.7% in pesos. In this regard, during the year, our consumer food product businesses (Confectionery, Chocolates, Ice-Creams, Cookies & Crackers, and Functional Products) experienced an increase in terms of volumes sold, primarily among on-the-go or impulsive consumption product categories. Similarly, household consumption habits persisted during the year, causing sales of certain product categories to remain at the same levels as in the previous year, such as family packs of chocolates and crackers and cookies, among others.

On the other hand, the volumes of the Group's industrial business increased, primarily in Agribusiness, thanks to the completion of a strategic alliance with Ingredion—a leading global company in ingredient solutions. Such partnership led to a strong increase in sales volume of syrups, starches, specialties and by-products, as a result of the incorporation of the industrial plants based in Chacabuco and Baradero, Province of Buenos Aires. Concerning the Packaging business' sales, there was an increase in most segments, primarily, in corrugated cardboard, due to an enhanced offering of cases, offset printing, and e-commerce-specific packages. At the commercial level, we continued pursuing the established guidelines in order to speed up digitization and boost the strategic *e-commerce* channel to keep offering our products in a convenient and agile manner. In this vein, during the year we upgraded the Tokin platform and re-launched **arcorencasa.com** 2.0—a fully redesigned portal customized to the user experience and built upon our consumers' feedback.

The actions taken in 2021 reflect Arcor Group's commitment to ongoing innovation, entrepreneurial spirit, and capacity to build alliances. In July, we celebrated our 70th anniversary looking into the future through the lens of sustainable management, fostering people prosperity, and preserving the planet.

Luis. A. Pagani
Arcor Group's President

Looking to the Future Ever Since 1951

We believe in entrepreneurship and innovation to make dreams come true. At Arcor Group, we started producing candies 70 years ago. Today, we have expanded into more than 100 countries through our 3 business divisions: Consumer Food Products, Agribusiness and Packaging.

We strive to make nutrition trends accessible so that everyone can live a better life. Therefore, since our inception, we have remained firmly committed to quality at every step, while looking into the future through the lens of sustainable management, fostering people prosperity and preserving the planet.

Consumer Food Products

We believe eating means nourishing, gratifying and bonding. We seek to inspire healthier habits through a varied, sufficient and pleasant diet, capable of providing the nutritional balance required by each person.

We make quality products, offering the best alternatives to accompany people from all over the world at every moment of the day, according to their preferences and needs.

We are committed to using the best technologies and practices to take care of the environment, making sustainable and responsibly manufactured food products, without waste.

Food Products

Cookies & Crackers, Snacks and Cereals

Chocolates

Confectionery

Ice-creams

Functional Businesses

Main food company in Argentina

1st World producer of hard candies

3 million kg of products manufactured daily

Leading cookie, alfajor and cereal company in Latin America

(through Bagley Latinoamérica S.A., a partnership with Danone Group for the cookies, crackers, *alfajores* and cereals businesses in Latin America)

Agribusiness

Arcor Group's Agribusiness Division seeks to add value to agro-industrial processes from different industries driven by a commitment to quality across its products. We deliver ingredient solutions for several industries, such as food and beverages, paper and corrugated cardboard, personal and household care, and animal nutrition products.

In 2021, as a result of a strategic alliance with Ingredion, we created Ingrear—a company that seeks to design innovative ingredient production and agribusiness solutions in Argentina, Chile and Uruguay.

We have seven production units and seven industrial dairy farms. At La Providencia sugar mill, we have the capacity to produce 150,000 tons of sugar, and we generate 11 MW of renewable energy from sugar cane bagasse. Besides, it is the first Argentine sugar mill in achieving the Bonsucro certification—a global platform that promotes economic, social and environmental sustainability in the sugarcane sector.

Products: **Common and muscovado sugar; milk; ethyl alcohol from cereals; fructose, maltose, glucose and mixture syrups; flours and native and modified starches from different sources; semolina; corn oil; caramel coloring and a broad variety of ingredients used in the food and beverage, paper and corrugated cardboard, animal nutrition, and personal and household care industries.**

1.55 million tons of milled sugarcane per year

760,000 tons of ground corn per year

84,000 liters of alcohol produced per day

50,000 liters of milk produced per day

Packaging

Arcor Group's Packaging Division leads the corrugated cardboard, paper and flexible packaging markets in Argentina. We are one of the largest packaging solution companies in the Southern Cone, with industrial plants in Argentina, Chile and Peru. We stand out for the quality of the products marketed under several brands, such as Cartocor, Converflex, Zucamor, Puntapel and Papel Misionero, offering customers from several industries innovative and sustainable packaging solutions.

We are particularly oriented to customer service, ongoing innovation, productivity, quality, and environment conservation.

Products: **Corrugated cardboard packaging, cardboard packaging, paper bags, flexible packaging using several printing technologies, recycled paper, Kraft Liner Board and Sack Kraftplastics, plastics and bioplastics extrusion, forestry.**

260,000 tons of paper per year

900 million m² of corrugated cardboard per year

12,000 tons of flexible material per year

230 million units of industrial bags per year

23,000 own hectares for forestry development

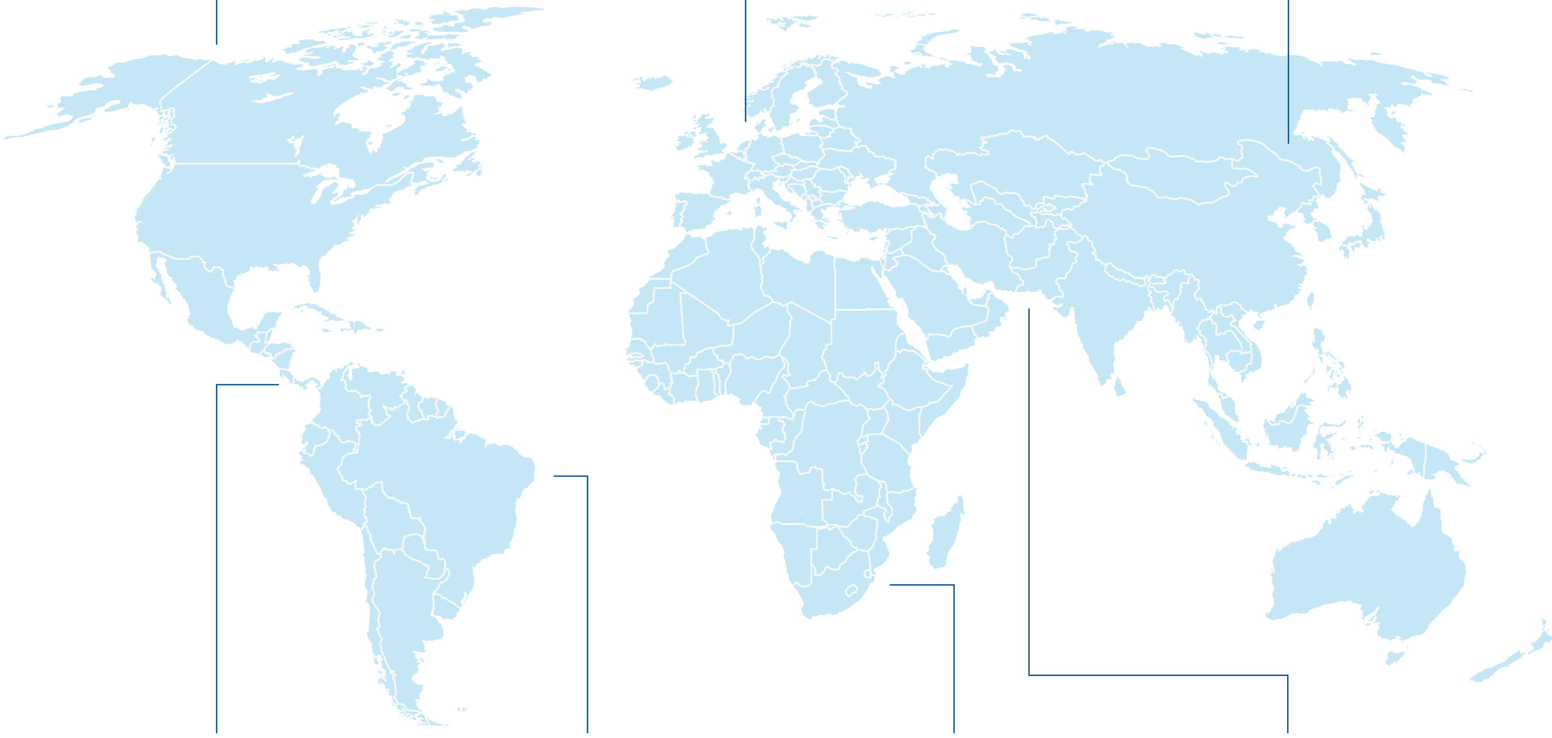
Arcor around the World

Presence in More than 100 Countries*

North America
United States • Canada

Europe
Spain • Bulgaria • Macedonia • Albania • Estonia • Georgia • The Netherlands • United Kingdom • Croatia • Belgium • Azerbaijan • Czech Republic • Slovakia • Germany • Hungary • Portugal • Andorra • France • Italy • Uzbekistan • Mauritania

Asia
Australia • China • Bahrain • India • Japan • Kuwait • Mongolia • Oman • Philippines • Saudi Arabia • South Korea • Thailand • United Arab Emirates • Vietnam • Taiwan • Hong Kong • Yemen • Pakistan • Nepal



Central America
Honduras • El Salvador • Costa Rica • Guatemala • Panama • Ecuador • Mexico

Caribbean
Barbados • Haiti • Jamaica • Dominican Republic • Puerto Rico • Trinidad and Tobago • Cuba • Surinam • Curacao • Saint Vincent • Saint Lucia • Guyana • Venezuela • Granada • Netherlands Antilles • Antigua and Barbuda

South America
Argentina • Brazil • Chile • Peru

Southern Subsidiaries
Uruguay • Paraguay • Bolivia

Africa
Cape Verde • Senegal • Gambia • Guinea-Bissau • Liberia • Sierra Leone • Ghana • Nigeria • Angola • Democratic Republic of the Congo • South Africa • Mozambique • Sudan • Egypt • Libya • Algeria • Gabon • Madagascar • Maurice Island

Mediterranean
Israel • Lebanon • Jordan • Iraq

* Main countries listed only.

Commercial Offices

SOUTH AMERICA

- **Arcor S.A.I.C.**
  Buenos Aires, Argentina (Headquarters)
- **Arcor S.A.I.C.**
  Córdoba, Argentina (Headquarters)
- **Unidal Ecuador S.A.**
  Guayaquil, Ecuador (1998)
- **Arcor Alimentos Bolivia S.A.**
  Santa Cruz de la Sierra, Bolivia (2004)
- **Arcorpar S.A.**
  Asunción, Paraguay (1976)
- **Van Dam S.A.**
  Montevideo, Uruguay (1979)
- **Gap Regional Services S.A.**
  Montevideo, Uruguay (2008)

EUROPE

- **Arcor A.G. (S.A. LTD.)**
  Barcelona, Spain (2002)

ASIA

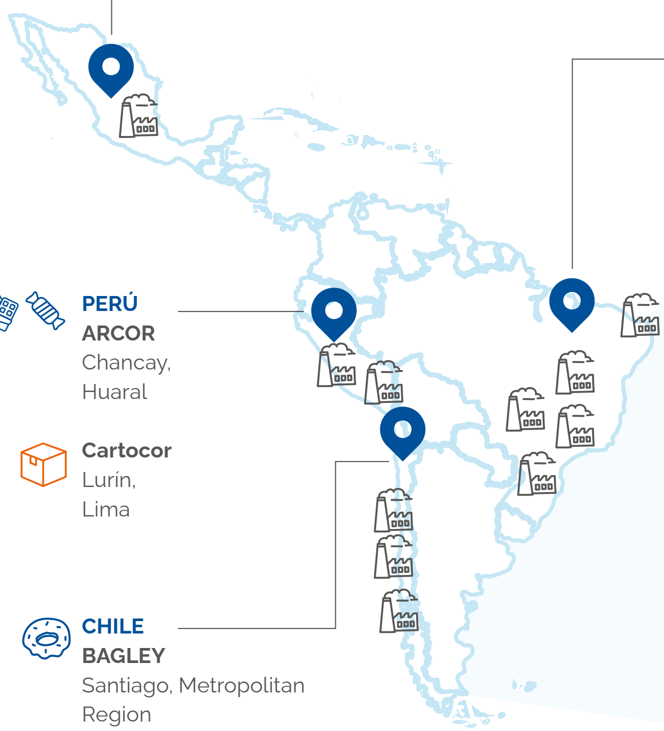
- **Arcor Trading**
  (Shanghái) CO., LTD.
  Shanghai, China (2006)

NORTH AMERICA

- **Arcor USA Inc.**
  Miami, USA (1993)
- **Unidal México S.A. de C.V.**
  Mexico City, Mexico (2000)

More than 45 Industrial Plants in Latin America

MEXICO
MUNDO DULCE
Toluca, State of Mexico



PERÚ
ARCOR
Chancay, Huaral

Cartocor
Lurín, Lima

CHILE
BAGLEY
Santiago, Metropolitan Region

ARCOR
Santiago, Metropolitan Region

CARTOCOR
San Francisco de Mostazal, VI Región

BRASIL
ARCOR
Recife, Ipojuca, Pernambuco

BAGLEY
Campinas, San Pablo

BAGLEY
Contagem, Minas Gerais

ARCOR
Bragança Paulista, San Pablo

ARCOR
Rio das Pedras, San Pablo

CATAMARCA
ARCOR
Recreo 3

SAN JUAN
ARCOR
Villa Krause

CARTOCOR
San Juan

SAN LUIS
PAPEL MISIONERO
San Luis

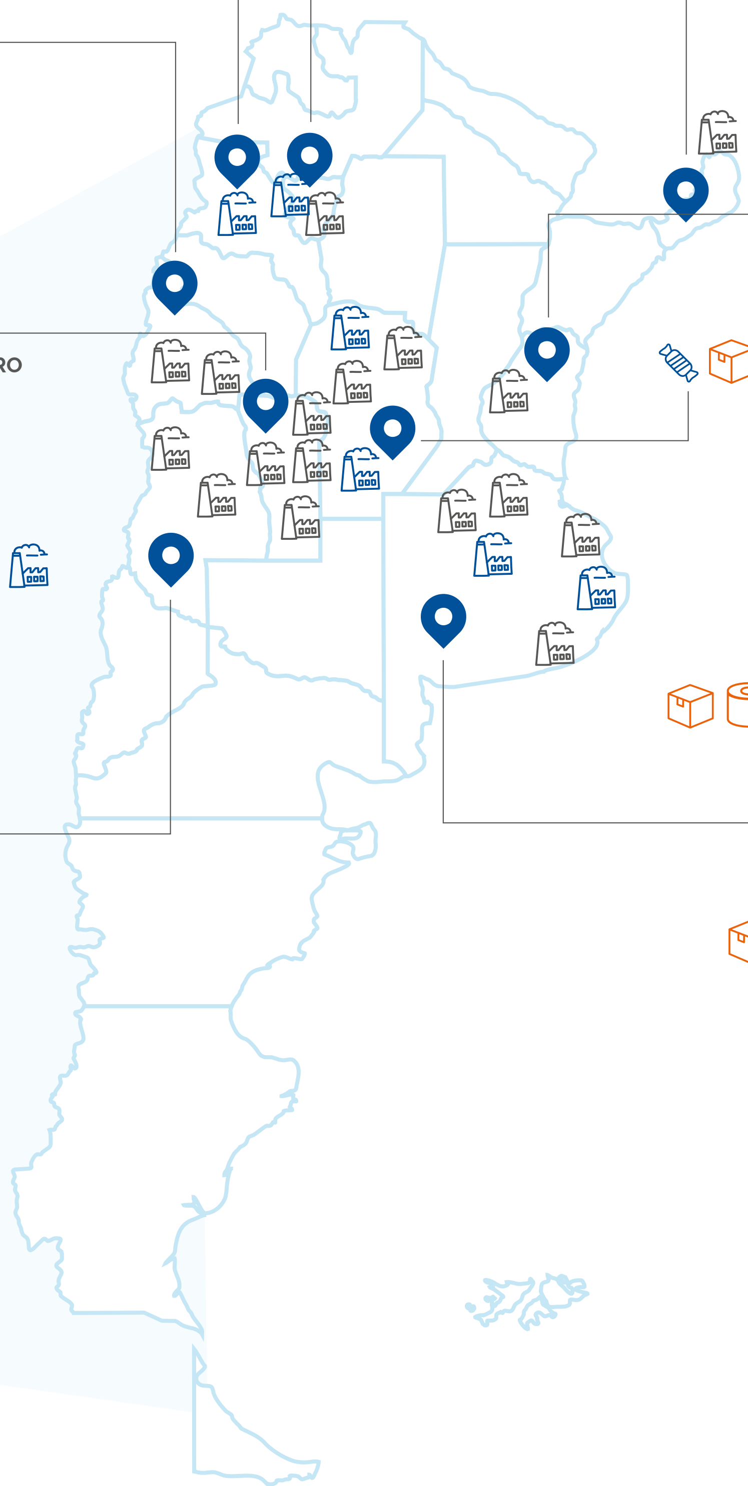
ARCOR
San Luis

ARCOR
Villa Mercedes 2

BAGLEY
Villa Mercedes

MENDOZA
ARCOR
San Rafael

CARTOCOR
Mendoza



MISIONES
PAPEL MISIONERO
Puerto Mineral

TUCUMÁN
ARCOR
La Reducción 2

ARCOR
Río Seco

ENTRE RÍOS
CARTOCOR
Paraná

CÓRDOBA
ARCOR
CARTOCOR
JV INGRECOR
Arroyito 5

ARCOR
Colonia Caroya

BAGLEY
Córdoba

CARTOCOR
BAGLEY
Villa del Totoral 2

BUENOS AIRES
ARCOR
San Pedro

CARTOCOR
Luján 3

BAGLEY
Salto

ARCOR
Mar del Plata

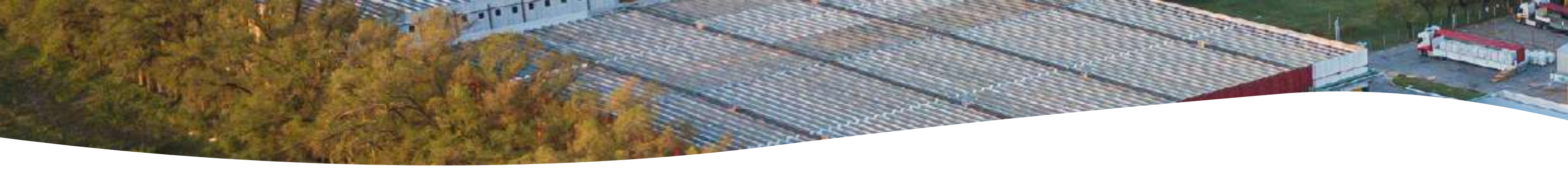
CARTOCOR
Quilmes

CARTOCOR
Ranelagh 2

JV ARDION
Baradero

JV ARDION
Chacabuco

Food | **Chocolates** | **Cookies and crackers** | **Confectionery** | **Agribusiness** | **Energy** | **Cardboard/ paper** | **Flexible packaging** | **Industrial plant** | **Complexes with more than one industrial plant**



Our Philosophy

Mission

To provide people all over the world with the opportunity to enjoy quality, delicious and healthy food and confectionery products that will turn their everyday life into magical moments for gatherings and celebrations.

Vision

To be a leading food and confectionery company in Latin America, as well as in the international market, and to be recognized for our sustainable practices and our ability to venture into new businesses.

Purpose

To make nutrition trends accessible so that everyone can live a better life.

Our Values

Diversity

We are convinced that diversity enriches our knowledge of the world. That is why we promote a diverse internal culture in which the fusion of different views, opinions and perspectives is an opportunity for growth.

Integrity

We obtain results through transparent, coherent and responsible behavior.

Entrepreneurial Spirit

Our pioneers' entrepreneurial spirit, passion and commitment is still our source of inspiration. That is why we promote a diverse internal culture that encourages the initiative for our continuous growth.

Human Relations

We believe that the possibility to grow lies in building up trustworthy human relationships. Therefore, we foster a collaborative and closeness work environment, both within the company and towards the community where our employees carry on their daily activities.

Proximity to the Consumer and Commitment Throughout the Value Chain

We are a closely committed company, attentive to our suppliers, employees, shareholders, clients, consumers and the community in general. Our work is based on the strong belief that sustainable growth encompasses the whole value chain.

Quality

We are devoted to meet high-quality standards, by listening to what our customers and consumers have to say at each of the stages of the value chain, so as to provide them with the best experience they can expect from our products.

Results Oriented

Our actions are results oriented to ensure the sustainable growth of our business.

Innovation

We integrate science, research and creativity to favor our products and services' continuous innovation.

Sustainability

A BETTER *life*

To us, sustainability is a comprehensive approach that allows to manage risks and maximize opportunities arising from our business activity and from the relationship with our stakeholders, seeking to create economic, social and environmental value in the long term.

In 2021, as a result of a strategic planning process, we developed a new 2030 Sustainability Policy and Strategy for our company:

To make nutrition trends accessible so that everyone can live a better life. Committed to the 2030 Sustainable Development Agenda, we conceive a world in which everyone has the chance of enjoying quality food and tiny moments of pleasure, within a healthy environment.

Driven by our entrepreneurial spirit, we remain as passionate and committed as the very first day. We make sustainable food, fostering people prosperity, and preserving the planet. This is our contribution to a better life.

Making Sustainable Food

We make sustainable and responsibly manufactured products, without waste, offering our customers quality, affordable and safe options to contribute to their well-being, whilst providing them with moments of pleasure.

Healthy and Affordable Nutrition

Quality at Every Step

Regenerative Agriculture

Fostering People Prosperity

We foster people prosperity, based on inclusion, diversity and equality to establish bonds of trust, ensuring our employees' well-being at the workplace, and strengthening the progress of the communities we are part of, together with our broad value chain, to contribute to the economic and social growth of our environment.

Inclusion, Diversity and Equality

Community and Value Chain Development

Workplace Well-being

Preserving the Planet

We preserve the planet by taking care of water, taking actions that benefit the climate and biodiversity, and encouraging a circular business model of supplies and waste to help enhance ecosystems.

Water Care

Climate and Biodiversity Action

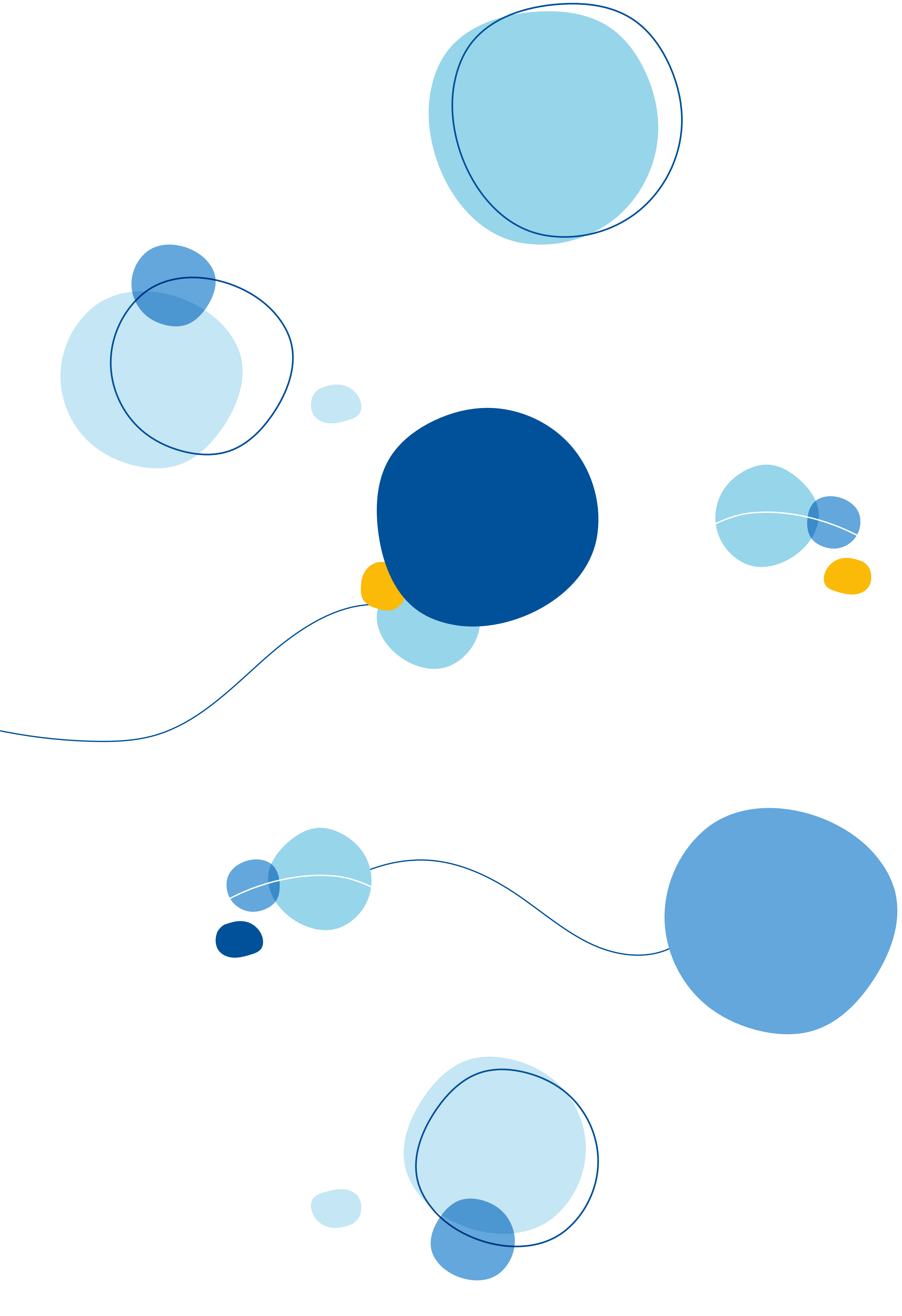
Circular Material Flow

Integrity, Human Rights and Innovation at the Core of Our Actions.

Integrity is the value that guides all our decisions. We endeavor to do always the right thing and encourage responsible, consistent and transparent business conduct. We also expect all people we work with to display conducts based on corporate ethics.

Respecting human rights is a core condition to all our relationships. It is our responsibility to enforce such rights both at the workplace and at our broader areas of influence.

Innovation in our products, services and processes is the key to our forward-looking approach, in that it will allow us to work on creative solutions and to find new opportunities to address the challenges ahead.



Annual report and Financial statements

61st Fiscal Year

To Our Shareholders

The Board of Directors is pleased to submit for your consideration the Annual Report, Inventory Book, Separate Financial Statements, Consolidated Financial Statements, Auditor's Report, Statutory Audit Committee Report, and the proposed allocation of Net Income for Fiscal Year No. 61 beginning on January 1 and ended December 31, 2021.

Overview

In 2021, the economic activity rebound that had begun by the end of 2020 continued at a global level, after an unprecedented decline during that year caused by the outbreak of the Coronavirus pandemic (COVID-19). According to the IMF's projections contained in the "*World Economic Outlook Update,*"[1] the global growth rate in 2021 was 5.9%. However, the report points out that growth gaps have widened, being larger in countries with broad access to COVID-19 vaccines, and more limited in many emerging and developing countries with less access to vaccines.

During the year, there was uncertainty about the recovery due to the emergence of several Coronavirus variants, leading to new mobility restrictions and volatility in financial markets.

In addition, inflation rates rose rapidly in 2021 in the United States and in some emerging economies. Such accelerating inflation— attributable, among other factors, to monetary policy measures and the historical fiscal stimulus packages adopted by governments to mitigate the pandemic effects— became a relevant issue and is raising uncertainty about economies' future growth, primarily due to the adverse effects that potential interest rate hikes (the tool central banks rely on to curb inflation) may have on economic development.

Against this backdrop, the IMF estimates that in 2021 economic activity in the main engines of the global economy, i.e., United States and China, will grow by 5.6% and 8.1% of GDP, respectively.

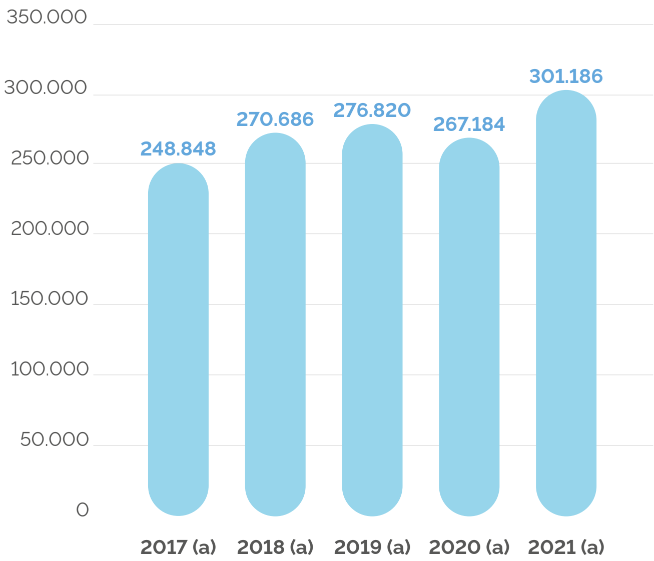
On the other hand, according to ECLAC's preliminary overview,[2] the annual growth rate in Latin America will reach 6.2% in 2021. In terms of growth dynamics, the gradual easing of the pandemic coping measures, combined with favorable external conditions, resulted in an increase in economic activity, which experienced a noticeable rebound during the first semester, followed by certain slowdown in the second semester. Growth dynamics in 2021 was led by internal demand. Private consumption was a key driver and economic activity growth was marked by the recovery of the sectors most badly affected by the pandemic.

As estimated by ECLAC, in the region's major economies— Brazil and Mexico—GDP will grow by 4.7% and 5.8%, respectively. In Chile, for instance, GDP is expected to grow by around 11.8%.

Locally, the Argentine economy was already experiencing stagflation which, coupled with the pandemic outbreak, made things substantially worse. Inflation remained persistently high in 2021, up by 50.9% year-on-year, according to the CPI compiled by INDEC. Against this backdrop, based on the latest "Monthly Economic Activity Indicator" also compiled by INDEC and published on February 23, 2022, in 2021 local economic activity grew approximately 9.8%, recovering most of the ground lost the previous year.

1 Source: International Monetary Fund, *"World Economic Outlook Update,"* January 2022.
2 Source: Economic Commission for Latin America and the Caribbean (ECLAC), *"Balance Preliminar de las Economias de América Latina y el Caribe 2021"* (Preliminary Overview of the Economies of Latin America and the Caribbean 2021), (LC/PUB.2022/1-P), Santiago, 2022.

Evolution of Sales



(a) In constant currency of December 2021

The Economy and the Company

On July 5, 2021, Arcor celebrated a new anniversary. Under the motto "70 Years Looking to the Future," which summarizes the approach of a company that, since inception, has had a medium- and long-term perspective, this year the Group was again able to cope with the drawbacks inherent to the pandemic. On occasion of its anniversary, the Group presented a new purpose: "To make nutrition trends accessible so that everyone can live a better life." Besides, the Group incorporated 3 new institutional values: Innovation, Quality, and Results-oriented Actions. Amidst a challenging year, we carried out strategic association projects in core businesses, launched new categories and products, such as dried pasta, and continued with our investments in industrial facilities, such as the plants in Angola and Misiones. All these examples reveal Arcor Group's entrepreneurial spirit and commitment as growth drivers looking forward.

As it concerns the Group's performance in 2021, sales to Argentina-based customers accounted for 67.4% of its consolidated sales, while sales to foreign customers, including exports to third parties from Argentina, accounted for 32.6% of consolidated sales. Compared to the previous year, the Group's total sales rose 12.7% in pesos, primarily as a result of the recovery of our businesses' sales and the incorporation of the effects of the Joint Venture with Ingredion since August. The year was marked by the continuity of the COVID-19 pandemic. Against this backdrop, the effects of the gradual easing of the coping measures adopted by the several countries where the Group operates, and the favorable external conditions, resulted in an increase in economic activity in most countries, after the abrupt collapse in 2020. The above-mentioned measures allowed to resume certain consumer habits, which have a positive impact on the Group's business.

In this regard, during the year, our consumer food product businesses (Confectionery, Chocolates, Ice-Creams, Cookies & Crackers, and Functional Products) experienced an increase in terms of volumes sold, primarily among on-the-go or impulsive consumption product categories. Similarly, household consumption habits persisted during the year, causing sales of certain product categories to remain at the same levels as in 2020, such as chocolates and crackers and cookies family packs, among others.

On the other hand, the volumes of the Group's industrial businesses increased, primarily in Agribusiness, thanks to the completion of the above-mentioned strategic alliance with Ingredion. Such partnership led to a strong increase in sales volume of syrups, starches, specialties and by-products, as a result of the incorporation of the industrial plants based in Chacabuco and Baradero, Province of Buenos Aires. Concerning the Packaging business' sales, there was an increase in most segments, primarily, in corrugated cardboard, due to an enhanced offering of cases, offset printing, and e-commerce-specific packages. In addition, the industrial bags segment also experienced significant growth during the year, taking advantage of the upturn in construction-related sectors, while the volume increase in the flexible packaging sector was attributable to new customers gained.

Concerning the performance of the other Latin-American businesses, there was a widespread recovery in activity levels in 2021 vis-a-vis the previous year. For instance, in Mexico, revenues from exports and also from sales in the domestic market rose, with sustained growth across all lines and channels, ending the year with historical turnover and production records at the industrial plant in Toluca. Similarly, in the Andean Region, there were significant increases in volume in the Confectionery and Chocolates businesses in Chile and Peru, as well as in the Cookies and Crackers business in Chile. In both cases, the increase in sales in the impulsive consumption categories was even above each country's growth level.

At the commercial level, we continued pursuing the established guidelines in order to speed up digitization and boost the strategic e-commerce channel to keep offering our products to consumers in a convenient and agile manner. In this vein, during the year we upgraded the Tokin platform and re-launched **arcorencasa.com** 2.0—a fully redesigned portal customized to the user experience and built upon our consumers' feedback.

Furthermore, during some months of the year, Argentina—the primary setting where the Group conducts businesses—was affected by the price freeze mandated by the Argentine government, the local currency devaluation, and persistently high inflation leading to a loss of purchasing power.

Against this backdrop, the business' overall performance was affected by the deterioration of operating income, with a 19.6% decrease compared to the previous year, primarily due to an increase in our cost structure, caused by persistent inflation in Argentina and an increase in raw material prices at the international level, to a higher extent than the increase in sales prices.

However, despite the impairment of our operating performance, net income was benefitted by a reduced financial expense, primarily resulting from the appreciation of the Argentine currency in real terms. The rise in inflation above the currency devaluation pace resulted in the recognition of an exchange gain, compared to an exchange loss recorded the previous year.

Outlook

According to the IMF's[3] estimates, in 2022 the global economy will grow at an annual pace of 4.4%. Such estimate is weaker than expected in previous publications of the IMF, and is affected by macroeconomic conditions associated with more expensive energy prices at a global level, logistics issues in international trade and their impact on the supply chain, and widespread higher-than expected inflation levels, primarily in the United States and other advanced economies.

In addition, downward risks in projections are still significant and include, for instance, the potential effects of the emergence of new variants of COVID-19 and their impacts on the economy. In addition, as monetary policy rates increase in advanced economies as a tool to curb inflation, emerging economies' financial and exchange stability might be exposed to risks, considering those economies' rising indebtedness levels in recent years.

Besides, the future outlook might be substantially affected by the global macroeconomic impacts the war conflict that broke out in late February 2022 between Russia and Ukraine might have. Since the beginning of the conflict, prices for raw materials and commodities have climbed, which could have an impact on inflation levels globally. At the same time, if the conflict persists for a long time, financial markets could be adversely affected.

In the United States, growth is expected to reach 4.0% in 2022 and then 2.6% in 2023. In the meantime, the Chinese economy is expected to grow by 4.8% in 2022 and by 5.2% in 2023.

Concerning Latin American countries, according to ECLAC's[4] preliminary overview, the GDP growth pace is expected to slow down to 2.1% in annual terms, after having grown by 6.2% in 2021. Such projection is attributable to the existing substantial asymmetries among developed, emerging and developing countries concerning the ability to adopt fiscal, social, monetary and health policies leading to a sustainable recovery from the crisis unleashed by the COVID-19 pandemic.

3 Source: International Monetary Fund, *"World Economic Outlook Update,"* January 2022.
4 Source: Economic Commission for Latin America and the Caribbean (ECLAC), *"Balance Preliminar de las Economías de América Latina y el Caribe 2021"* (Preliminary Overview of the Economies of Latin America and the Caribbean 2021), (LC/PUB.2022/1-P), Santiago, 2022.

At the local level, based on the Market Expectations Survey (REM, as per its initials in Spanish) published by the Argentine Central Bank in early February 2022, overall inflation is expected to hit an annual rate of 55.0%. On the other hand, concerning other macroeconomic variables relevant to our businesses, those who participate in such survey estimate that Gross Domestic Product (GDP) will grow 3.0% during the coming year. Moreover, the economic, fiscal and tariff adjustment policies adopted by the Argentine government as a result of the deal agreed upon with the IMF will be crucial for the country.

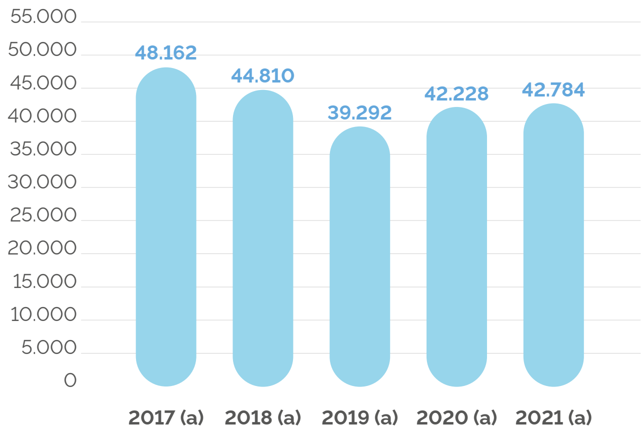
In light of the international, regional and domestic outlook, our actions are primarily driven by our vision for the coming years: To be the leading food and confectionery company in Latin America, renowned in the international market, and be recognized for our sustainable practices and our ability to venture into new businesses and strategic association projects, such as our Joint Venture with Ingredion completed in August 2021.

In this respect, we will continue with the strategy we have pursued in recent years, focusing on our main businesses, Packaging, Agribusiness and, particularly, Consumer Food Products (Confectionery, Chocolates, Ice-Creams, Cookies & Crackers, Food and Functional Products) to keep up with the momentum all these categories may gain upon a potential economic upturn. In 2022, we envisage that certain Consumer Food Product segments will grow in terms of volume to pre-pandemic levels.

As another pillar, we will focus on placing liquidity and a healthy financing structure at the core in order to ensure the fulfilment of our obligations and commitments, as well as sound working capital management and contention of fixed costs, in order to secure the funding required to carry on our operations and investment projects.

Regarding our ongoing projects, the start-up of our industrial plant in Angola is scheduled to take place in 2022, which will allow us to supply our products to that and other African countries. In Argentina, the multiwall paper sack manufacturing plant currently under construction in the Province of Misiones will start operations, allowing us to increase our offer of bags to the market.

Changes in Equity Attributable to the Company´s Shareholders



(a) In constant currency of December 2021

Analysis of Business Units

Below is a brief description of the most significant events in Arcor Group's several businesses for the fiscal year ended December 31, 2021.

Argentina - Confectionary and Chocolates

In 2021, the Confectionery and Chocolates business recorded sales to third parties in the amount of ARS 52,788.6 million, while in the previous year sales amounted to ARS 47,071.4 million, both figures stated in constant currency.

Within a year of partial economic recovery after an abrupt collapse in 2020 due to the pandemic outbreak, as the flow of consumers increased and the restrictions in place were eased, the Confectionary business could recover part of the volume lost the previous year, and is expected to continue on the path to recover its sales volumes, thanks to the rebound of impulsive and on-the-go consumption categories. At year-end, the business had grown in terms of volume across all commercial channels.

Some of the business' featured actions during the year include innovations in the Mogul portfolio, with the first pack of assorted gummy candies for bulk sale and the launch of yogurt gummies. Mogul is one of the brands that allow to leverage the segment's growth. On the other hand, product launches within the Candies segment were focused on candy and gift boxes, seeking to take advantage of the opportunities posed by growing household consumption. One of the highlights of the year is the special edition for our 70th anniversary, with exclusive designs for the event.

The most relevant advertising campaigns were focused on *Mundo Mogul Extreme* (Extreme Mogul World) with the "La caída del meteorito" (The Fallen Meteorite), Nougat Candy with *"El Hit de las 11 am"* (The 11 a.m. Hit), and "The New Natural Break Mixes," to communicate the segment news.

Arcor Group's strategic alliance with Laboratorios Bagó is ongoing, with both companies sharing their experiences and long track records in the food and health care sectors through the brand "Simple,"—a line of dietary supplements that help conveniently incorporate the nutrients required for an adequate daily diet. Some relevant product launches in 2021 include milk candies under the Simple Vitacal brand, diet shakes that foster the feeling of fullness, such as premixes and the new diet control bars.

Similarly, and despite the overall conditions related to the continuity of the pandemic, the Chocolates business ended the year with an increase in sales volumes, while maintaining its leadership position in several segments. Such performance was accomplished due to the business prompt adaptability which has allowed it to grasp opportunities in such channels where consumers were channeling their purchases, such as, supermarkets, self-service stores, grocery stores, and e-commerce, as strategic channel to encourage purchases for household consumption.

Some of the segments that most contributed to the increase in sales volume include Tablets, which displayed ongoing volume growth leading the business, with outstanding sales, primarily supported by its core brands such as Cofler Block and Aerated Cofler; the Chocolate-coated Wafers segment, with Graffiti displaying very good performance, and Bon o Bon wafers. The Children segment experienced strong growth through the new Arcor Milk line of products—an innovative offer with La Serenísima milk. On the other hand, Sugar-coated Products increased their presence in kiosks, as impulsive consumption products which are regaining their share in business volumes.

Another relevant launch is Block whipped peanut spread, which displayed a very good performance and has significant future growth potential in the category.

The main industrial investments in the Confectionery and Chocolates business were focused on the implementation of enhancements in connectivity and digitization of the manufacturing processes at our plant in Arroyito, and on continuing with the automation process at our plants in Colonia Caroya and San Luis initiated last year as part of the Industria 4.0 project. We also expanded our line of sugar-coated products at the Colonia Caroya plant and installed a new Flow Pack wrapper and a pick-and-place system in San Luis. All other investments were targeted at enhancing infrastructure at the several business plants.

In line with food quality and safety best practices, the business maintained the certifications under ISO 45001, ISO 14001, ISO 9001 and BRC standards at the plants in Arroyito and Colonia Caroya. We also completed the certification process under ISO 45001 and maintained the BRC certification at our plants in San Luis, La Reducción and Recreo.La Reducción y Recreo.

Argentina - Agribusiness

Sales to third parties for the Agribusiness segment in 2021 amounted to ARS 31,431.6 million, while in the previous year sales amounted to ARS 17,756.9 million, both figures stated in constant currency.

The business adds value to its processes by leveraging the local conditions for agro-industrial development, while focusing its strategy on the competitive advantages that vertical integration brings to Arcor Group's consumer food product businesses in Argentina, thus boosting sales to third parties.

In 2021, the business carried out a strategic alliance with the Ingredion Group, one of the ingredient sector's most relevant global players. Such partnership led to a strong increase in sales volume of syrups, starches, specialties and by-products, underpinned by the strong diversification of industrial products, as a result of the incorporation of the industrial plants in Chacabuco and Baradero, Province of Buenos Aires. The new plants allowed us to incorporate core products and specialties to our portfolio; the latter of them generating a differential in terms of functionality and business contribution.

Despite a challenging context marked by the pandemic continuity, the overall local conditions, and the corn price volatility, since the consummation of the alliance, we have strived to generate efficiencies that yielded very good performance.

Some of the main business investments include infrastructure enhancements at the plant in Arroyito leading to achieve energy efficiency, and reduce water and steam consumption. At the plant in Lules, we made investments in equipment to control the process, and installed new cooling towers to reduce water consumption. At our plant in Chacabuco, the investments were targeted at achieving energy efficiency and ensuring safety on site. At our plant in Baradero, we invested in a new facility to obtain dried mixes, new sieves, and overall enhancements at the facilities.

At La Providencia sugar mill, during the sugar cane harvest, there was an increase in tons of milled sugarcane vis-a-vis the previous year, hitting a record high since its inception. In spite of this, the region's weather conditions affected yields, resulting in a decline in total sugar production compared to the previous year.

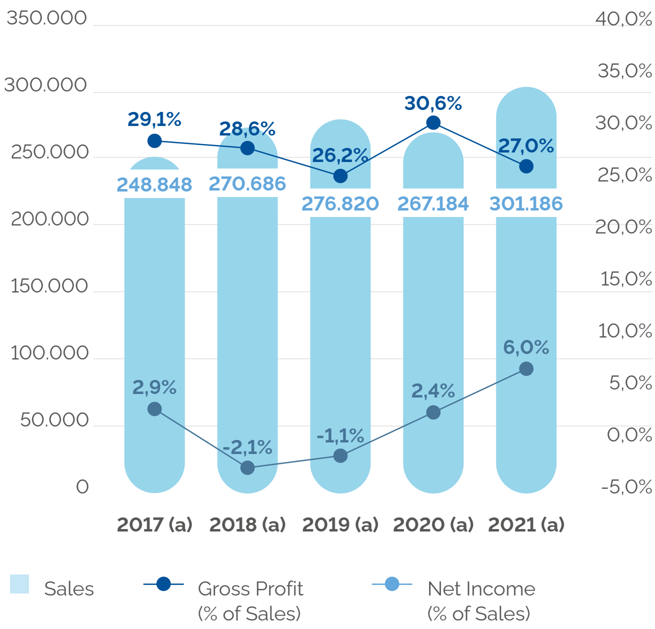
As to sales, there was an increase in exports, primarily to the United States through the American export quota, with higher raw sugar volumes in bulk. We also continued with the production and marketing of organic sugar in the international market, tapping into new markets abroad.

Industrial investments in the sugar mill were focused on infrastructure and on the adjustments required in facilities and equipment. The sugar mill maintained its certification under the Bonsucro standards, which foster economic, social and environmental sustainability in the sugarcane sector, and the certification under the FSSC 22000 standard, which is required to market products in the United States.

The business also maintained the certification under the ISO 45001, ISO 14001, ISO 9001, BRC and HACCP standards at the plants in Arroyito, Lules and San Pedro, in order to continue with the standards required to be eligible as certified suppliers to our main customers.

The plants in Baradero and Chacabuco also maintained their certifications under ISO 9001, ISO 14001, ISO 45001, Kosher, Halal and FSSC 22000 standards.

Evolution of Sales (in Millions of AR$) and Gross Profit and Net Income as a % of Sales



(a) In constant currency of December 2021

Argentina - Packaging

In 2021, sales to third parties in the Packaging business in Argentina amounted to ARS 54,537.1 million, compared to ARS 48,816.4 million in 2020, both figures stated in constant currency.

The Packaging business offers comprehensive solutions to the packaging market in Argentina which are at the forefront of global trends, through a broad range of products including corrugated cardboard, paper, flexible packaging, and industrial bags. It stands out for its special emphasis on customer service, ongoing innovation, quality, and environment conservation.

During a year in which the manufacturing industry's activity experienced certain recovery, the Packaging business grew in terms of volume and in monetary terms across all business lines, other than corrugating paper, in that the focus was placed on integration within the business, rather than on sales to third parties, in light of the drawbacks with paper supply at a global level and incremental costs. During the year, we continued focusing on the service level to our customers, taking care of and strengthening our relationship and supporting them through an adequate supply of our entire product portfolio.

Within the corrugated cardboard segment, we worked on the development of new products in order to enhance our offering of cases, offset printing, and e-commerce specific package to address the growing demand due to the prevailing context, and also of special packages due to their use, sustainability or development of new applications. The Industrial Bags business experienced significant growth during the year, took advantage of the development of the construction-related sectors, and was leveraged by the integration to the Sack Kraft paper production, making the plant in San Luis operate at maximum capacity. During the year, the Flexible Packaging business experienced growth in terms of volume as it gained new customers, by focusing efforts on expanding the portfolio with a mix of more diversified products, enhanced service level, and development of sustainable products.

Industrial investments were focused on achieving productivity gains and enhancing the business quality by improving manufacturing processes and upgrading the existing equipment in order to increase volumes, along with investments in the construction of a new effluent plant at the plant in Ranelagh.

Also relevant is the development of a USD 20 million investment in the start-up of a new packaging plant in the Province of Misiones, which will have an annual production capacity of 80 million multiwall paper sacks, in response to the new requirements and changes in the construction, food, chemical and seed markets. The business will increase the offering of bags to the market by 70% and will supplement the installed capacity of the plant in San Luis. Activities are scheduled to begin during the first quarter of the coming year and will have a positive impact on the region in terms of direct and indirect job creation.

During 2021, we maintained the ISO 45001, ISO 14001 and ISO 9001certifications at the plants in Luján, Paraná, San Luis, San Juan, Quilmes and Villa del Totoral. At the plant in Arroyito, we maintained the certifications under ISO 14001 and ISO 9001 standards and were also certified under the new ISO 45001 standard. At the plant in Ranelagh, we maintained the ISO 9001 certification and achieved the certification under the new ISO 14001 standards. At the plant in Misiones, we maintained our certifications under the ISO 14001 and ISO 9001 standards. At our Flexible Packaging plants in Luján and Villa del Totoral and the Bags plant in San Luis, we maintained the FSSC 22000 certification.

Argentina - Food

In 2021, sales to third parties within the Food business amounted to ARS 24,888.8 million, compared to ARS 27,077.7 million in 2020, both figures stated in constant currency.

Amidst the difficult local conditions, the Food business was faced with multiple challenges during the year. Yet, at year-end, sales volumes increased as we tapped into the dried pasta category—one of the largest food markets in Argentina—underpinned by the Arcor and La Campagnola brands.

The other categories within the Food business displayed uneven performance. The best-performing categories include Tomatoes, which hit a historical sales record, driven by new presentations within the purée portfolio customized to each and every household and meal (210 mL and 1 L purée packs); canned fish, with launches of salads with La Campagnola tuna (100% tuna loin), seeking to provide an enhanced on-the-go consumption offering. The Dressings and Oil categories also displayed good performance. On the other hand, sales of Powder Juices and Polenta declined.

La Campagnola's new "Selection" line of marmalades—made up of fruit, sugar and lemon juice only—was another featured product launch of the year. This superior flavor offer allowed us to participate in the market of hand-made products on the shelves. Concerning solid sweets, new offers were launched, including sachets and jars, with significant sales volumes.

The communication actions were focused on one of the Group's largest promotional actions. On occasion of Arcor's 70th anniversary, we carried out a cross-business campaign with record users, which included the participation of celebrities and the distribution of products that filled thousands of pantries for one year. We also carried out promotional actions with BC to demonstrate that people can follow a tasty and low-calorie diet with the brand products. Besides, in line with the emerging trends, we developed the BC profile on digital media.

Some of the most relevant industrial investments in the business include the installation of a new boiler at our plant in San Juan to increase steam generation capacity, supporting the growth of tomato paste production capacity. We also made the investments required for the can format transition to necking in order to comply with canned tomato export requirements. By the end of the year, we began a project to install a new high-speed tomato purée line, which start-up is expected to take place by mid-2022. All other relevant investments were focused on upgrading the existing equipment at the several business facilities.

In 2021, we were certified under the ISO 45001 standard, while maintaining the certifications under the ISO 14001, ISO 9001 and BRC standards at the plants in San Juan, Villa Mercedes and Recreo. We also achieved the certifications under the ISO 45001, ISO 14001, ISO 9001 and BRC standards at the plant in Mar del Plata. At the San Rafael plant, we maintained the certifications under ISO 9001 and BCR standards, while also maintaining the certification under Global GAP at our four own farms in the Province of Mendoza.

Argentina - Cookies & Crackers

In 2021, sales to third parties in the Cookies & Crackers business amounted to ARS 49,645.6 million, compared to ARS 48,588.3 million in 2020, both figures stated in constant currency.

The cookies & crackers market in general experienced a slight decline in sales volume relative to the previous year. The negative impact on demand caused by people's loss of purchasing power was offset by the increase associated with the gradual return to school and by the growing flow of people, primarily as from the second semester. Besides, sales of secondary brands continued to be relevant, supplemented by sustained sales at the Supermarket channel.

The strategic goal of this business is strengthening its market leader position, by making its core brands grow through strong commercial actions aimed at achieving effective communication and targeted at consumers of our products at different points of sale.

Against this backdrop, at year-end, sales volumes were slightly higher than the previous year. The business continued engaging efforts on strategic segments and brands, accommodating to the new market conditions. As restrictions were eased, sales in the impulsive consumption segments recovered, such as snacks and baked snacks, cereal bars, and *alfajores*. Also relevant was the investment in the development of core brands, such as Bagley filled cookies, Chocolinas, Saladix, Cereal Mix and the launch of new presentations for the Supermarket channel.

The advertising campaigns were focused on the brands Chocolinas, Saladix, Bagley filled cookies, cereal bars, and breakfast cereals. The featured product launches during the year were the new Saladix crackers, Cereal Mix bars, and Mini Aguila *alfajores*.

As to industrial investments, during the year the business continued deploying automation technology at the plant in Salto, as part of the enhancements in connectivity and digitization in manufacturing processes under the Industria 4.0 project. At the Córdoba plant, we also made improvements to the packaging process at one of the lines, leading to increase capacity. With these investments, we seek to enhance manufacturing and logistics efficiency in our operations in order to maintain business sustainability.

In 2021, our plants in Salto, Villa del Totoral, Villa Mercedes and Córdoba achieved were certified under the new ISO 45001 standard, while maintaining the certifications under the ISO 14001, ISO 9001 and BRC standards.

Brazil - Confectionary and Chocolates

During 2021, sales to third parties in the Confectionery and Chocolates business amounted to ARS 12,619.2 million, compared to ARS 12,249.7 million in 2020, both figures stated in constant currency.

The business performance was better than the previous year, as the market recovered from the negative impacts caused by the pandemic outbreak in 2020. In particular, the Confectionery segments displayed growth driven by the opening of points of sale and the growing flow of people. The Wholesale and Cash & Carry channels had an outstanding performance.

The main product launches within the Confectionary business were focused on the ongoing development of products, primarily within the Chewing Gum segment, particularly under the Poosh brand. We also carried out several campaigns on business brands during seasonal periods, and launched products under the Amor, Butter Toffees and Plutonita brands, in addition to digital communication campaigns and actions.

Within the Chocolates business, there was a significant increase in sales of Tortuguitas, tablets, assorted chocolate boxes and Bon o Bon, driven by significant launches within these categories. The special tablet line was expanded with Arcor Crunchy 70% Dark Chocolate and Arcor Strawberry tablet, Bon o Bon assorted boxes with new gift packages, and a new flow pack Bon o Bon bag.

Some of the most relevant industrial investments include adjustments to some lines for product launches, such as the flow pack wrapper and loading machine, adjustments to chewing gum and lollipop lines, and other investments in industrial services and facilities.

At the plants in Rio das Pedras and Bragança Paulista, we were certified under the ISO 45001 standard, while maintaining the certifications under ISO 14001, ISO 9001 and under BRC standards for food safety.

Brazil - Crackers & Cookies

Sales to third parties within the Cookies and Crackers business in 2021 amounted to ARS 11,377.6 million, compared to ARS 11,278.4 million in 2020, both figures stated in constant currency.

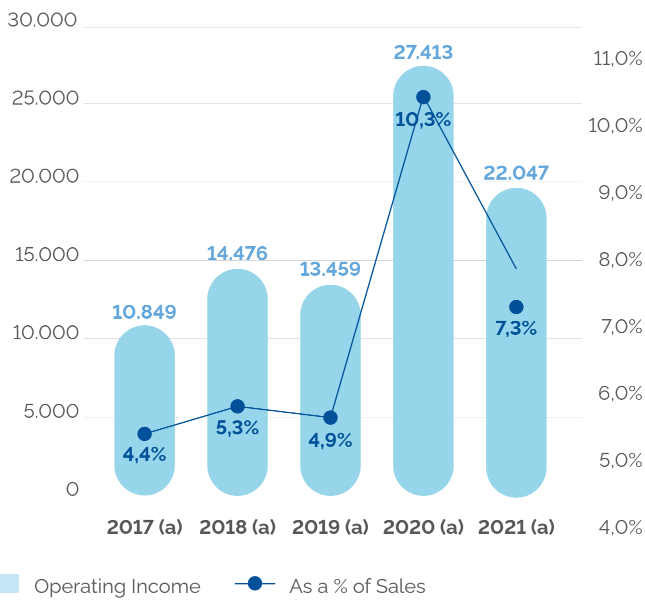
In 2021, the market for crackers and cookies in Brazil experienced a substantial decline, hand in hand with the incremental costs of its main inputs, such as flour and fat. Against this backdrop, the business had a very good performance, considering the slight decrease in sales volume at the local level, to a substantially lesser extent than the average market decline, with outstanding growth within products marketed under the Tortuguita brand, which is the main driver of the Crackers and Cookies business.

During the year, we tapped into the segment of square-shaped filled cookies with our Tortuguita brand. These cookies have children formats and compete against major market brands. In addition, we engaged special efforts on the Aymoré brand, which is a market leader in the State of Minas Gerais, focusing on maintaining the substantial recovery achieved in recent years.

Some of the most relevant industrial investments include the installation of a new line of maizena biscuits at the plant in Campinas, which allowed to increase production capacity, a flour storage warehouse, enhancements in cooling and heating and automation systems in the crackers line at the plant in Contagem. We also made infrastructure adjustments and improvements at both plants.

In 2021, the plant in Contagem was certified under the ISO 45001 standard, while maintaining the certifications under the ISO 14001, ISO 9001 and BRC standards. Besides, at the plant in Campinas we maintained the certifications under the ISO 45001, ISO 14001, ISO 9001 and BRC standards.

Evolution of Operating Income (in Millions of AR$)



(a) In constant currency of December 2021

Andean Region - Confectionery and Chocolates

Sales to third parties in 2021 amounted to ARS 16,387.1 million, compared to ARS 13,887.3 million in 2020, both figures stated in constant currency.

The countries in this region improved their performance, with an overall increase in sales within impulsive consumption categories, due to lesser restrictions than in 2020 to cope with the pandemic. Economic activity and, hence, consumption grew unevenly across the region's countries. GDP grew to 11.8% in Chile, 13.5% in Peru, and 3.1% in Ecuador, according to ECLAC.

In Chile, sales grew strongly due to an increase in activity after the strict lockdowns implemented the previous year as a consequence of the pandemic, and the economic activity rebound at the local level, as a result of the stimulus measures adopted by the government. In addition, there was a change in consumers' behavior, which resulted in an increase in sales of family packs and at the Supermarket and Wholesale sales channels.

In spite of this context, during the year, several launches were carried out with the aim of strengthening the core brands. The gummy portfolio was entirely redesigned, with special focus on the Mogul brand, with great acceptance among consumers. Within the Chocolates category, there was an increase in sales driven by family packs and impulsive-consumption formats of Bon o Bon, which maintains its market leader position with strong seasonal development. In an effort to support the brand positioning, we launched Bon o Bon *Dulce de Leche* (Caramel Spread) and Bon o Bon Whipped Peanut Spread, tapping into a new segment with the brand, supported by digital communication campaigns.

As for the chewing gum segment, there was a strong trade plan which allowed Bigtime to improve its positioning and return to pre-pandemic levels.

As part of the major investments, we commissioned capacity expansions at lines of sugar- and chocolate-coated products.

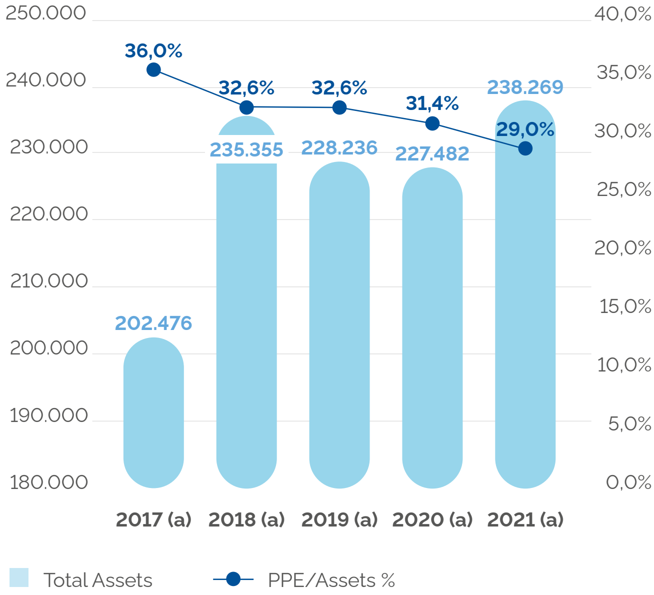
Also during the year, we maintained the certifications under the ISO 45001, ISO 14001 and ISO 9001 standards, and managed to keep applicable food safety standards in compliance with the BRC certification.

Within the region, Peru was one of the most badly affected countries by the COVID-19 pandemic, with substantial impact on the market. However, in 2021 Peru managed to recover the ground lost almost entirely. Against this backdrop, our subsidiary stuck to its portfolio strategy, focused on confectionary and chocolates, while it also continued with the development of food products, crackers and cookies and dairy products, leading to a significant recovery in local sales and exports, and to enhanced business performance.

Ecuador, another country badly affected by the COVID-19 pandemic, experienced a strong rebound in sales. The growing flow of people and effective sales and marketing actions paved the way for a prompt recovery and growth across almost all Confectionery and Chocolates categories. Sales during the Christmas' season increased strongly as well.

The main product launches were white Rocklets, new Bon o Bon gift boxes, tablets, and new Mogul flavors. In October, we also launched the Simple line of vitamin supplements, as part of a strategic alliance with Laboratorios Bagó.

Evolution of Total Assets (in Millions of AR$) and Property, Plant and Equipment-to-Total Assets Ratio



(a) In constant currency of December 2021

Andean Region - Crackers and Cookies

During 2021, sales to third parties amounted to ARS 6,160.6 million, compared to ARS 5,766.2 million in 2019, both figures stated in constant currency.

In Chile, our sales growth was above the local growth level. Sales were primarily driven by the launch of family packs and more indulgent products, and also by the recovery towards the end of the year of the segments that had been affected by the pandemic.

Trade efforts were remarkable, including the implementation of new cookie containers to display family products, in line with the growing consumption of this type of format. One relevant product launch was the individual presentation of the Cereal Mix rice cake with a layer of chocolate, in order to keep fostering indulgence within the healthy segment.

Besides, product launches of family products for sharing consolidated—a segment in which we boast a market leader position, in particular, "Recetas de la Abuela Delicias," a distinct more indulgent cookie, and "Conquista Familiar," a classic mini cookie launched in family pack.

The main industrial investments include capacity expansions at the plant's existing lines.

Furthermore, once again, Bagley Chile's industrial plant maintained its certifications under ISO 45001, ISO 14001, ISO 9001 and BRC standards.

Andean Region - Packaging

In 2021, sales to third parties amounted to ARS 12,213.7 million, compared to ARS 10,538.3 million in 2020, both figures stated in constant currency.

In 2021, commercial actions were strongly affected by paper supply issues at a global level, leading to logistics and manufacturing hassles. Volumes increased, primarily within the industrial market, consolidating the share among large customers and the opening of new sizable accounts.

Further with the defined strategy, we endeavored to increase the share of high added value products in the fruit market (preprint, offset, high quality print ads for cherries and pits).

The new industrial plant in Lurín, Peru, which was opened up in late 2021 to manufacture corrugated cardboard boxes, allowed us to increase local sales, despite the complex context associated with the pandemic. In 2022, sales growth is expected to continue and the subsidiary's performance is expected to improve further.

At the industrial area, we continued with the deployment of automatic assembling machines which allowed to increase the automatic assembling offering, and a rolling mill machine which enhances the finishing of offset packages, along with other investments in the plant's general services area.

At our industrial complex in Chile, we maintained the certifications under ISO 14001 and ISO 9001 on environmental management systems and quality standards, the FSSC 22000 standards on food safety, and ISO 45001 standard on occupational health and safety. We also maintained the PEFC certification to ensure that the raw materials and manufactured products come from sustainable sources.

Southern Subsidiaries

In 2021, sales to third parties within the Southern Subsidiaries segment amounted to ARS 12,798.4 million compared to ARS 12,581.8 million in 2020, both figures stated in constant currency.

The countries in this region improved their performance, with an overall increase in sales within the impulsive consumption categories, due to lesser restrictions than in 2020 to cope with the pandemic. Economic activity and, hence, consumption grew unevenly across the region's countries. GDP grew to 5.2% in Bolivia, 3.9% in Uruguay, and 4.6% in Paraguay, according to ECLAC.

In 2021, our subsidiary in Paraguay experienced a strong recovery in sales across the impulsive consumption categories, due to the increased flow of people and lesser restrictions. The above scenario, coupled with retail coverage actions carried out by the distributors' network, allowed us to leverage the increase in consumption and the emerging opportunities.

The Confectionery, Chocolates, Cookies and Crackers, and Ice-creams businesses were the best-performing ones. The expected product launches were consummated, particularly, Bon o Bon Dulce de Leche (Caramel Spread), Chocolate-milk Flavored Nougat Candy, Cofler Block, White Graffiti, Tortuguitas Wafer, new ice-cream flavors, and new dairy products.

The main commercial actions were focused on key special dates, the ice-cream season, Saint Valentine's Day, Mother's Day, Children's Day, and the Sweetness Month, among others.

Our subsidiary in Bolivia ended the year with levels similar to those recorded in 2020. The country is still under a dynamic lockdown as part of the measures adopted by the government to cope with the COVID-19 pandemic, including restrictions on the flow of people which, despite having been eased enabling the recovery of impulsive consumption product sales, still have a commercial impact. During the year, sales of scheduled purchase products increased in response to the pandemic-related health emergency, achieving a new business balance that enhanced performance. The

main commercial actions were focused on strategic brands, such as Bon o Bon on occasion of the Mother's Day and Saint Valentine's Day and new events, such as national holidays, Top Line and the Arcor brand, with presence in networks and points of sale.

Our subsidiary in Uruguay also managed to increase sales compared to the previous year to a greater extent than the increase in consumption and GDP, and to enhance the business' global performance. We also remained focused on core brands, such as Bon o Bon, Aguila, BC Topline, Cofler, Rocklets and Mogul, and managed to maintain our leading position in the confectionary and chocolates market. Our main commercial actions were focused on the ongoing development of the Grocery Store and Pharmacy channels, with certain recovery among those that were most badly affected by the pandemic, such as Kiosks. Product launches were focused on several segments, such as bite-size chocolates and bonbons, gummy candies, assorted cookies, crackers, canned tomatoes, and the Simple nutritional product line.

Other International Markets

Arcor Group continues pursuing its international participation strategy in mass consumption businesses. This has allowed it to consistently maintain its position as leading multinational group that offers food for each moment of the day and for each consumption occasion, reaching more than 100 countries.

The markets in which we operate were affected by the pandemic impact since its outbreak. However, in 2021 all regions managed to recover, in many cases, returning to 2019's pre-pandemic levels, and laying the groundwork for sustained growth in the coming years.

Importantly, the Wholesale channel—which is key to relevant markets such as Africa and Central America and the Caribbean—returned to normal, recovering traffic levels and regularizing supply. On the other hand, the main distributors resumed their activity levels and sales grew as a result of increased coverage and new customers gained in several regions. During the year, prices for raw materials and logistics costs (sea and land freights) experienced substantial hikes, coupled with regulatory issues that affected profitability levels at the markets in which we operate.

The operation in the United States has consolidated the sales growth achieved in recent years. Private label operations with customers from the Dollar channel were significant. On the other hand, sales of Arcor-branded products are growing, aimed at increasing coverage and developing new customers.

In 2021, the operation in Mexico recovered, in the wake of the pandemic impacts, with an increase in revenues from exports and also from sales in the domestic market, and sustained growth across all lines and channels, ending the year with historical turnover and production records at the industrial plant in Toluca. Some of the main investments in this plant include, without limitation, the deployment of two lines of popsicles that started operations in 2022, and investments in the line of wafers and other automations.

At the commercial level, we strived to recover volumes and market share, strengthening the core brands Bon o Bon, Nikolo and Butter Toffees, accommodating products and formats. Some featured product launches include Butter Toffees Milk and Pocket, as a new brand under the Butter Toffees umbrella, which is focused on children, with fruit and light flavors. In addition, we completed a successful launch of chocolate tablets under the Bon o Bon brand and Rocklets.

In 2021, the factory maintained the certifications under ISO 14001, ISO 9001 and BCR standards.

As part of the agreement entered into by and between Arcor Group and Webcor Group in connection with an investment project aimed at establishing an industrial plant in the Republic of Angola to manufacture confectionery, bonbons and cookies, during the year substantial progress was made in the construction of the factory, the manufacturing lines were assembled, and industrial tests were commenced leading to the upcoming start-up scheduled to take place during the first semester of 2022.

Once production is up and running, certain semi-finished products and raw materials will be exported from Arcor Group's plants in Argentina to supply such operation.

Agreements with Mastellone Hermanos S.A. and its Shareholders

By the end of 2015, Arcor Group subscribed a landmark agreement with Mastellone Hermanos S.A., a leading company in the production and marketing of dairy products, becoming one of its shareholders. The deal meant a significant step forward in terms of new businesses and consolidates us as one of Argentina's largest mass consumption groups.

Since then, certain shareholders of Mastellone Hermanos S.A., in exercise of their pre-emptive rights under the master agreement entered into in 2015, sold a portion of their capital stock during the time elapsed. All acquisitions were completed in equal parts by Arcor S.A.I.C. and its subsidiary Bagley Argentina S.A., which, jointly, own a 48.6767% interest in Mastellone Hermanos S.A.'s capital stock. Since the alliance with Mastellone was conceived, several co-branded products have been launched to boost both companies' valuable brands. Furthermore, leveraging Arcor Group's regional presence, commercial models were developed in some countries that are part of the Southern Subsidiaries' business in Peru, and operations were commenced in Chile and the Unites States.

Kamay Ventures - Investment Alliance with Coca-Cola Argentina

As part of the business innovation and entrepreneurial spirit inherent to the Group, *Kamay Ventures* was launched in 2019, in alliance with Coca-Cola Argentina.

Both big companies, which boast market leader positions in several food and beverage segments, launched this fund which seeks to finance and give advice to start-ups with innovative projects in seven areas: Digital Commerce, Digital Banking (*Fintech*), Digital S&OP (Consumer Intelligence), Internet of the Things (Distribution, Packaging and Logistics), *Ag-Tech* (Primary Production, Trading and Sustainability), Applied Biotechnology, and Environment.

It is the first open corporate venture capital fund created in Argentina for these kinds of projects, and is independently managed by *Overboost,* a recognized accelerator with experience in these ventures. Since its creation, *Kamay Ventures* has injected capital into five start-ups, including:´

- **Aqrlite,** which transforms plastic waste into construction material;
- **Auravant,** a digital precision agriculture platform;
- **Wiagro** which mission is contributing to mitigate food waste;
- **Retrypay,** a fintech that offers e-commerce sites the possibility of optimizing payment acceptance rates;
- **AltScore,** an Ecuadorian fintech which applies machine learning and artificial intelligence for customers to be able to offer consumer loans.

Functional Areas

Finance

Arcor Group's financial policy is primarily based on generating the necessary funds for the conduction of its local and international operations, the investment plan and new businesses.

The year 2021 was marked by the continuity of the COVID-19 pandemic and ongoing social distancing measures, though to a lesser extent and with more operability than the previous year. However, we maintained a strict control over the use of our generated funds, with the main goal of maintaining liquidity levels and making the disbursements associated with the payment of bank obligations.

On the foreign exchange front, we were able to honor our foreign commitments, amidst the incremental regulation and strong restrictions on the access to foreign currency in local financial markets.

As a consequence of the rising liquidity levels, financing offers increased in the local financial system. Therefore, we were able to borrow bank loans in pesos, with extended maturities. On the other hand, in order to keep strengthening the local capital market, we issued two new series of notes, for an aggregate amount equal to four billion pesos, under the program authorized by the CNV.

Concerning our foreign operations, we made capital contributions into our subsidiaries Bagley do Brasil and Angola to finance their investment projects.

Focused on process sustainability and in order to provide more financing alternatives to our suppliers, we strengthened the use of e-checks as form of payment which, along with the implementation of electronic credit invoices, provided increased liquidity to our payment workflow.

Concerning Investors Relations, we maintained a smooth flow of information with both local and international investors, who participated in remote meetings.

Further with our actions in recent years, our main financial goals in 2022 are preserving our liquidity structure, by accurately handling debt maturities and keeping collection and payment mechanisms updated.

Administration and Systems

Further with our defined strategy, speeding up digitization was the driver of the initiatives and projects carried out in 2021. The competitive edge arises from empowering digital capabilities and technologies, together with agile development.

Against this backdrop, and placing the consumer at the core, we re-launched **arcorencasa.com** 2.0—a renewed portal customized to the user experience and built upon our consumers' feedback, maintaining the site position as a benchmark within the e-commerce segment for consumer food products.

Tokin—the app that enables the interaction with points of sale—was subject to revision and reengineering. We enhanced the functionalities of the survey tool and its use through dashboards containing the resulting information.

In addition, we made progress with the implementation of a mobile solution for promoters and shelf stockers in order to streamline point of sale management and service. We also boosted the ArcorNet customer portal across the region and made available a new release for distributors in Argentina, with enhanced functionalities and focus on automations.

We completed advanced analytics, artificial intelligence, and automatic learning projects, including dynamic micro segmentation and suggested PoS orders, a project implemented with the participation and collaboration of some distributors. In order to enhance decision-making across all of the Group's areas based on data from the systems processed by the company, we developed multiple Business Intelligence projects.

We continued with the Industria 4.0 project, which envisages the implementation of new networks and software (Siemens Simatic IT/Siemens Comos), and achieved plant floor digitization, transforming the use of information across all input, raw material, finished product, maintenance and quality management processes. In addition, we implemented a new "Radius" tool to support the industrial operation of the Flexible Packaging business at the plant in Luján.

In 2021, we made progress with the integration of certain companies to Arcor Group's process models and technological standards, in particular, Papel Misionero S.A.I.F.C., within the Packaging business, and Dulcería Nacional S.A. in Angola as part of the Joint Venture with Webcor Group.

In addition, as part of the Joint Venture with Ingredion, we set up the Oracle tools to support the operations of the three wet milling plants contributed by Arcor Group under the name Ingrecor S.A. In 2022, we plan to integrate the plants contributed by Ingredion which are managed by Ardion S.A.

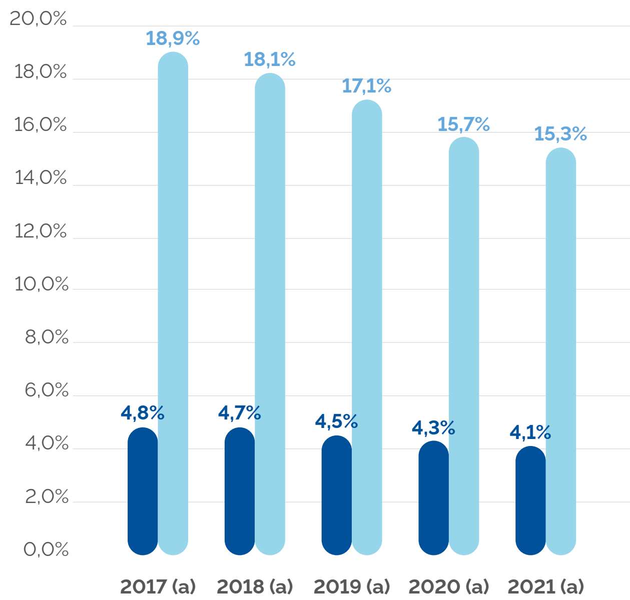
We continued with the automation of internal management processes using RPA (Robotic Process Automation), managing to optimize and streamline administrative, supply and payment processes. In 2022, we will continue making progress with the implementation, encompassing and integrating processes from other areas of the group.

In an effort to comply with the tax and regulatory requirements from the several countries in which we operate, we executed several projects, such as the electronic consignment note (*carta de porte*) for cereals, the electronic invoice in Bolivia, and the new electronic invoice version in Peru. In the logistics area, we moved forward with the project to integrate warehouse technologies into our management systems, while streamlining transportation processes and inventory management, both in Argentina and abroad. Some relevant achievements include the automation of our Bolivian and Uruguayan subsidiaries' warehouse operations and the implementation of the Oracle OTM software for Consumer Food Products sales processes in Argentina.

As to technologies, we continued upgrading and automating our cloud-based platforms OCI (Oracle) and Azure (Microsoft), which enabled a more efficient and flexible use of resources, while maintaining quality, support and performance standards. As for connectivity, we completed the migration to SDWAN network technologies in order to optimize communication costs and performance across all sites, supporting our unified communication strategy.

Concerning Information Security, we continued with the processes to secure workstations and mobile devices, the clouds, and the entire corporate infrastructure, in addition to ongoing threat monitoring.

Evolution of Administrative and Marketing Expenses (As % of Sales)



In constant currency of December 2021

Administrative Expenses   Marketing Expenses

Human Resources

At a global level, we implemented actions and processes to continue training our employees and improving the organizational work climate and commitment. In this respect, the prevailing context led us to try new ways of meeting and getting connected and we managed to tailor our training offering to online formats and to our employees' current needs.

Driven by value creation and equality, we resumed internship programs and opportunities at early stages of the working life, which had been suspended due to the pandemic. In this respect, we re-launched the internship program and the young entrepreneurs program focused on the IT area.

Further with our commitment to creating equal opportunities and convinced that diversity is a value, we proposed strategies to encourage collective and close leadership that fosters the expected organizational change. In consultation with the Diversity Committee, we executed the defined action plan based, among other things, on the communication pillar, the launch of an inclusive communication manual, and training by raising awareness across all managerial levels, in order to work on a change of mindset among our teams for them to generate more diverse work environments, along with the development of new practices, benefits and habits, embracing gender perspective in our HR processes.

We also launched the first mentoring program for women with potential. This program seeks to create spaces for dialogue to gain more visibility across the organization and develop networks that speed up women's career path in senior leadership roles.

In this vein, in Brazil we created a Diversity Committee and organized meetings and training focused on speeding up the career path of women identified as having high potential for professional development. In Chile, we also carried out gender equality initiatives, attaining high participation levels in the corporate mentorship program.

Concerning our team training, with the support of Universidad Torcuato Di Tella, we began a new edition of the managerial development program, which provides access to superior postgraduate education. In addition, in order to instill a self-development culture and build the new skills required to be able to respond to current and future settings, as part of Arcor University's customary offering, we included open courses on current issues, such as Digitization and Digital Transformation, Diversity, Leadership, Data Analytics, User Experience (UX), Innovation and Creativity, and e-Commerce. In total, 12,256 employees participated in online training and e-learning activities, considering the businesses' and Arcor University's offering, adding up to 175,171 hours of training.

As part of the inclusion program, in 2021 we hired new employees with disabilities at the operations of several businesses in Argentina, Brazil, Mexico and Chile, adding up to a total of 306 active employees with disabilities at the Group's level.

As a result of the Joint Venture process with the Ingredion Group, we began an analysis to recognize the strengths that may potentially result in the integration of the know-how and experience of each company's talent, and the ensuing integration of the organizational cultures.

Further with our focus on the direct communication with all our employees, during the year we deployed RedCom in Brazil—the new internal communication app—which was already available in Argentina. It is a direct contact tool for all our employees, plants and commercial areas, which allows us to provide updated and interesting data at any time.

Concerning the support process area, in Argentina we deployed the group's HR administrative model at Papel Misionero S.A.I.F.C., together with an upgrade of current processes, leading to the integration and digitization of the same. Similarly, in Chile we completed the implementation of the centralized payroll management system.

The COVID-19 Central Committee continued working to keep health protocols active across all plants, corporate buildings, and commercial offices, together with infrastructure enhancements to achieve zero close contacts and to monitor and ensure traceability of each case (close contacts, isolated and/or positive cases), to mitigate the impact on the other employees.

Quality

The continuity of the COVID-19 pandemic during the year involved the challenge of keeping activities up and running, while maintaining our quality and safety accomplishments and standards.

The Quality Management Division and its management areas were actively engaged, together with the COVID-19 Crisis Committee, in defining the several protocols and preventive measures to minimize the possibility of spreading the virus among employees and ensure business continuity in a safe manner.

During 2021, we continued with the management system certification plan at the several sites comprising the Group, which are detailed in the evolution of the different businesses.

We also continued with the implementation of the Quality pillar under the 2020-2025 Strategic Plan, defining 5 Strategic Initiatives: Quality at Suppliers, Quality at Operations, Quality at the Marketing Chain, Quality Experience at Consumers and Customers, and Quality Culture across the Organization. We planned for and made progress with the activities defined for the year.

As part of the processes related to Consumer Service, we made available a communication channel for consumers and customers to support Arcor Group in its regional development, offering a service based on addressing consumer's emotional and technical needs.

With the development of the **arcorencasa.com** platform, Consumer Service now has a new communication channel–through a web-based service form–which enhances our support, which has accelerated as a result of the changes in paradigms associated with the pandemic.

Sustainability

To Arcor Group, sustainability is a strategy and a business approach that allows to manage risks and maximize opportunities arising from our business activity and from the relationship with our stakeholders, seeking to create economic, social and environmental value in the long term.

Our commitment to sustainability is enshrined in our Mission, Vision, Values, Code of Ethics and Conduct and all the related policies and procedures.

During the last two years, the Corporate Sustainability Management Division carried out several activities leading to systematize our achievements against Arcor Group's 2020 Sustainability Strategy, consolidate the progress made in terms of sustainability, and develop a new strategy for the coming years in order to continue embracing sustainability as a central element of our business model. We prepared a management report to systematize sustainability milestones, achievements and challenges since the launch of the Sustainability Policy and Strategy in 2010 until the end of that year. The report included a number of recommendations for the development of a new Sustainability Strategy, such as including and considering the new challenges posed by the global agenda looking forward; developing business strategies that incorporate sustainability as an innovation and value-creation factor; and establishing structures, processes and relationships that make sustainability an essential element of our company's decision-making and operations.

In 2021, based on the conclusions drawn, the Sustainability Committee developed and approved a new 2030 Sustainability Policy and Strategy. The goal pursued under the 2030 Strategy is making sustainable food, fostering people prosperity, and preserving sustainability for everyone to enhance their quality of life. Pursuant to this goal, the company assumed nine new commitments based on three pillars: Making sustainable food (Healthy and Affordable Nutrition, Food Safety, and Regenerative Agriculture); Fostering people prosperity (Inclusion, Diversity and Equality; Workplace Well-being, and Development of the Communities and the Value Chain); Preserving the planet (Water Care; Climate and Biodiversity Action, and Circular Material Flow).

In order to make progress with the implementation of our 2030 Sustainability Strategy, the Sustainability Committee developed a plan for 2022-23 to deliver against the newly assumed commitments on three action lines: Sustainable Businesses, Sustainable Brands and Products, and Sustainable Leadership. We will also continue promoting a governance system and sustainability management across all businesses and corporate areas.

In 2021, 20 programs, projects and initiatives were driven by the Corporate Sustainability Committee, as well as 817 initiatives through 14 Operational Sustainability Plans for the several business units and countries where Arcor Group is present.

Besides, in order to highlight the accomplishments attained in the 2010-2020 period, and as launch pad for the new period, in 2021 our Sustainability Management Division developed a book entitled "*Arcor, una empresa sustentable. Aprendizajes del camino recorrido*" (Arcor, a Sustainable Company: Lessons Learned on the Journey), together with University of San Andrés' Center for Social Innovation (CIS, as per its initials in Spanish). The book gathers each stage of our sustainability consolidation process as a way of being and doing, describing our major milestones and accomplishments, as well as the challenges ahead.

Community Relations

Arcor Group assumes joint responsibility for the overall development of the communities of which it is part.

In doing this, we have designed a strategy focused on recognizing and managing the impacts of our business operation on the community to timely and efficiently manage the actions and relationships developed by the company in each territory.

In 2021, we consolidated our community impact management model and strategy which is integrated to our industrial management system, by working directly with 28 Community Relations Committees based in Argentina, Chile, Brazil and Mexico. We also enhanced the methodological tools to have a particular diagnosis of the business-community relationship within each territory.

We also continued with the implementation of the Corporate Programs, embracing innovations suitable to the pandemic context; particularly, as part of the "Ser Parte" (Being Part) Environmental Training Program, we designed and developed an Environmental Training Program which involved the participation of 377 teachers related to educational institutions nearby our industrial facilities.

Under the Relationship with Technical Schools Program, we implemented the Mentoring Project, together with the Argentine Business Association (*Asociación Empresaria Argentina* or AEA). The project is targeted at high-school students from the Province of San Luis and the City of Luján, Province of Buenos Aires.

A new process was included in the Responsible Inclusive Purchases (CIR, as per its initials in Spanish) program involving the purchase of honey for the gift boxes that we deliver to all our employees in Argentina, in addition to continuing with the project to purchase working clothing, adding up to a total of 30,000 garments in 2021, as well as with the delivery of gifts and ancillary materials to CIR suppliers nearby our industrial facilities.

As part of our Product Donation Program, during the year we donated a total of 994,912 kg in Argentina and 156,513 kg in other countries for the benefit of organizations that consistently advocate for food access by the most vulnerable sectors.

As part of our 70^{th} anniversary, we strengthened our alliance with the Food Bank Network in Argentina, as well as with Food Banks from Chile, Brazil, Paraguay, Uruguay, and Bolivia, by contributing funds to purchase equipment and management systems that streamline the Food Banks' activities and mission of rescuing and distributing food, to avoid waste.

We supported more than 621 local organizations, and continued working at a corporate level with the Food Bank Network and several Cáritas diocesan offices.

In turn, we implemented the "Special End-of-Year Action" initiative to support organizations that provide direct food assistance to vulnerable urban sectors. In December, we donated non-perishable and Christmas products to cover 30,000 meals (lunches, dinners and afternoon snacks) in the City of Córdoba and in the District of Tigre, Province of Buenos Aires.

Regional Social Investment in Childhood

At Arcor Group, we are committed to the respect and promotion of children's rights. Based on such commitment, our social investment strategy in the region is led by Arcor Foundation in Argentina (1991), Arcor Institute in Brazil (2004), and Arcor Foundation in Chile (2015), which, in turn, develop initiatives of Latin American scope, in order to contribute to making education a tool for equal opportunities for boys and girls.

Arcor Group's regional social investment is based on two action pillars:

- *Childhood and Comprehensive Development in Early Years*: It helps strengthen early childhood services, care settings and education through the development and training of adult role models and support to the material conditions of institutions working with children.
- *Childhood and Healthy Life*: It contributes to the promotion of healthy lifestyle habits in childhood, through education and creation of knowledge on the subject.

In turn, we encourage discussion and reflection on the situation of children in Latin America across all our actions, in order to communicate and make the topic more visible in the public agenda.

In 2021, we supported and conducted 148 initiatives in Argentina, Brazil, Chile and other countries of the region, involving the participation of 115,851 boys and girls and delivering training to 61,539 individuals related to childhood.

Resources Allocated to Social Investment and Management of Community Impacts[1]

In 2021, the amount allocated to social investment and management of community impacts totaled ARS 380,970,076; ARS 221,469,497 of which in the form of product donations. We made contributions in cash and in kind to implement several community outreach initiatives in the amount of ARS 94,815,320.

The amount of ARS 64,685,258 was allocated to the actions performed by Arcor Foundation in Argentina and Chile and the Arcor Institute in Brazil.

[1] These figures do not include the investments made in the HR area or in environmental projects. Customer and supplier development actions are not included either.

Proposal for the Allocation of Unappropriated Retained Earnings and Distribution of Dividends

The item Unappropriated Retained Earnings in the Separate Statement of Changes in Shareholders' Equity for the year ended December 31, 2021 shows a positive balance of ARS 18,309,492 including, among other things, net income for the year in the amount of ARS 18,156,923 thousand.

Taking into account the Company's liquidity level, financial commitments and evolution of its investments, the Board of Directors deems it appropriate to submit the following motion for the allocation of Unappropriated Retained Earnings for consideration at the Shareholders' Meeting:

1. Not setting up the Legal Reserve due to the fulfillment of the percentage required by the General Companies Law;
2. Allocating ARS 9,300,000 thousand to increase the Special Reserve for Future Investments;
3. Allocating ARS 7,000,000 thousand for the distribution of cash dividends;
4. Allocating the remaining balance to increase the Special Reserve for Future Dividends.

The shareholders are kindly reminded that, pursuant to the terms of General Resolution 777/18 of the National Securities Commission, the distribution of profits will be considered in the currency of the date on which the Shareholders' Meeting will be held, by reference to the price index prevailing on the month prior to the meeting.

Directors' Fees and Management's Compensation Policy

The Board of Directors' fees are approved at the Shareholders' Meeting, taking into account the provisions set forth in Section 261 of the General Companies Law, and applicable regulations of the National Securities Commission at the time of approval of the annual financial statements.

Regarding Management's Compensation Policy, the Company has established a compensation arrangement made up of a fixed portion and a variable portion. The fixed compensation is related to the responsibility level required for the position and market competitiveness. The variable compensation is related to the goals set at the beginning of the fiscal year and the degree of compliance therewith during performance throughout the fiscal year. The Company has also established and communicated a pension plan (defined benefits), which include management, among others. The Company does not have stock option plans in place for its staff.

Decision-making and Internal Control

a) Governance: Shareholders' Meeting

The Company's governance body is the Shareholders' Meeting where each Class A common share is entitled to five votes and each Class B common share is entitled to one vote. In all cases, common shares, including those entitled to multiple votes, will only be entitled to one vote each for the appointment of regular and alternate statutory auditors, and for the assumptions set forth in the last paragraph of Section 244 of General Companies Law.

b) Management and Administration

The Board of Directors

The Company is run and managed by a Board of Directors made up of five to twelve regular members and the same or lesser number of alternates, as resolved by the Shareholders' Meeting. Directors hold office for three fiscal years and may be reelected indefinitely. The directors' term of office is understood to be extended until their successors are appointed by the Shareholders' Meeting, even when the term of office for which they were appointed has expired and until the new members take over.

Pursuant to Corporate Bylaws, the Board of Directors has broad powers to manage the Company's business. The Board of Directors will hold a meeting, called by the Chairman as often as the Company's interests so require and, at least, once every three months. The decisions will be entered into a book of minutes stamped as provided in the Civil and Commercial Code.

Below is a detail of the members of the Company's Board of Directors whose terms of office expire on December 31, 2022.

- **Presidente**
  Mr. Luis Alejandro PAGANI
- **Vice-Chairman**
  Mr. Alfredo Gustavo PAGANI
- **Regular Directors**
  Mr. José Enrique MARTIN
  Mr. Alejandro Fabián FERNÁNDEZ
  Mr. Víctor Daniel MARTIN
  Mr. Fernán Osvaldo MARTÍNEZ
  Mr. Alejandro ASRIN
- **Alternate Directors**
  Mrs. Lilia María PAGANI
  Mrs. Karina Ana Mercedes PAGANI
  Mrs. Marcela Carolina GIA

c) Audit Committee

An Audit Committee was created in 2010, entrusted with the following duties: (a) monitor the operation of internal control systems and the administrative accounting system, as well as the reliability of the latter and all the financial information and other significant events; (b) oversee the application of the Company's risk management reporting policies; (c) review the internal and external auditors' plans and assess their performance; (d) consider the internal and external audit budget; and (e) evaluate the different services provided by the external auditors and their relationship with their independence, as established by audit standards in force.

This Committee does not apply the regulations established by the National Securities Commission since the Company is not required to create it under such terms.

d) Statutory Audit Committee

The Company's Statutory Audit Committee is made up of three regular statutory auditors and three alternate statutory auditors, appointed by the Shareholders' Meeting for a three fiscal-year term of office. They may be indefinitely reelected, according to the Corporate Bylaws. The statutory auditors' terms of office expire on December 31, 2022.

- **Regular Statutory Auditors**
  Mr. Víctor Jorge ARAMBURU
  Mr. Gabriel Horacio GROSSO
  Mr. Carlos Gabriel GAIDO
- **Alternate Statutory Auditors**
  Mr. Alcides Marcelo Francisco TESTA
  Mr. Daniel Alberto BERGESE
  Mr. Hugo Pedro GIANOTTI

e) External Auditors

The Shareholders' Meeting annually appoints independent external auditors in charge of auditing and certifying the Company's accounting documentation. Law No. 26,831, Decree No. 1,023/2013 and National Securities Commission's Regulations (text as revised in 2013), as approved by General Resolution No. 622/2013 issued by such agency, provide the requirements to be met by those who act as external auditors of companies that publicly offer marketable securities and the companies which appoint them to ensure their independence and professional qualification.

f) Internal Control

Arcor Group has internal systems and procedures devised in accordance with basic internal control criteria. An effective budgetary control is in place to monitor the course of business, which allows preventing and detecting deviations.

The Information Security area of the Corporate IT Management Division, as part of an ongoing improvement and update program, has centralized duties and maintains stringent controls based on world-class methodologies, formalizing and aligning the initiatives and procedures related to the access to the Group's IT assets, being also responsible for compliance with data privacy and protection regulations.

The Internal Audit area is in charge of a director of Arcor S.A.I.C. and functionally reports to the Audit Committee. Its purpose is to contribute to mitigating the potential impact operational risks may have on the Group's ability to achieve its stated goals, supporting the different areas by implementing and optimizing controls and procedures.

g) Corporate Governance

The Report on Compliance with the Code of Corporate Governance for fiscal year 2021 is enclosed as Annex I, pursuant to the provisions set out in Title IV, "Periodic Reporting System" of the National Securities Commission's Regulations (text as revised in 2013), approved by General Resolution 622/2013, as amended, issued by such agency.

h) Human Resources Committee

The Board created a Human Resources Committee in 2015. Some of the responsibilities entrusted to such committee include ensuring that the structure of key personnel compensation is related to their performance, risks taken and long-term performance, proposing selection criteria and applying training, retention and succession policies for the Board of Directors' and senior management members.

i) Finance, Investments and Strategies Committee

In 2010, a Finance, Investments and Strategies Committee was set up. Among its responsibilities, the most relevant ones include reviewing the annual budget, and assessing alternative financing sources, investment plans and new businesses.

j) Ethics and Conduct Committee

The Company has an Ethics and Conduct Committee, whose main function is to monitor compliance with the Code of Ethics and Conduct. It contributes to the ongoing improvement of the Company's ethical climate, by promoting awareness, communication and training actions for all employees and stakeholders specific to each value chain.

k) Comité de Sustentabilidad

Among other functions, the Company's Sustainability Committee is in charge of:

- Giving advice to Management in all aspects related to sustainability, supporting the identification and analysis of risks and opportunities with relevant impact for the Group.

- Setting priorities and implementing policies, strategies and corporate actions, related to the sustainability of Arcor Group's business.
- Evaluating the Company's performance in connection with its business sustainability, and monitoring and minimizing the environmental and social impacts of its operations.
- Assessing and making recommendations on sustainability with respect to the Company's relationship strategy with its different audiences.
- Following-up and evaluating the implementation of Arcor's Sustainability Plan.
- Ensuring that adequate communication policies are in place and that they are effective in building and protecting Arcor's reputation as a sustainable company, internally and externally.

l) Procurement Committee

In 2015, the Board of Directors set up a Procurement Committee, primarily tasked with managing and mitigating the risks related to Arcor Group's supply chain.

Arcor S.A.I.C.'s Individual Financial Statements Data

Furthermore, in connection with the individual financial statements, the Board of Directors reports below the Investments and Relationships with Parent, Subsidiaries and Associates of Arcor S.A.I.C.

Arcor S.A.I.C.'s Individual Financial Statements

With respect to the fiscal year under consideration of Arcor S.A.I.C., the Board of Directors highlights the following:

1. Comparative Balance Sheet Data - Adjusted Values

	2021 %	2020 %	2019 %
Current Assets / Total Assets	24.11	22.43	24.66
Non-current Assets / Total Assets	75.89	77.57	75.34
Current Liabilities / Total Liabilities + Shareholders' Equity	27.05	23.47	21.02
Shareholders' Equity / Total Liabilities + Shareholders' Equity	27.42	27.15	26.63

2. Comparative Expenses and Revenues Data Relative to Sales

	2021 %	2020 %
Gross Income	29.01	34.09
Marketing Expenses	(16.91)	(16.45)
Administrative Expenses	(6.43)	(6.07)
Other Income / Expenses, Net	(0.45)	0.02
Income from Investments in Companies	7.07	4.21
Net Financial Income (Expense)	9.19	(7.26)
Income Tax	(5.76)	(2.80)
Net Income / (Loss) for the Fiscal Year	15.72	5.72

Arcor S.A.I.C.'s Investments

The main investments of Arcor S.A.I.C. recognized during the fiscal year ended December 31, 2021 were as follows:

Item	Amount in thousands of ARS
Land and Constructions	50,006
Machinery and Facilities	28,064
Furniture, Tools, Vehicles and Other Equipment	299,078
Construction Works and Equipment in Transit	1,123,643

Relationships with Parent, Subsidiaries, Associates and Joint Control

COMPANIES		LOANS GRANTED
		In thousands of ARS
ARCOR A.G. (S.A. Ltd.) Paid-in Shares: CHF	27,584,000.00	-
ARCOR ALIMENTOS BOLIVIA S.A. Acciones Integradas: BOB	-	-
ARCOR ALIMENTOS INTERNACIONAL S.L., Sociedad Unipersonal Paid-in Shares: EUR	228,614.00	-
ARCOR DE PERÚ S.A. Paid-in Shares: PEN	-	-
ARCOR DO BRASIL LTDA. Paid-in Shares: BRL	2,449.00	-
ARCOR U.S.A., INC. Paid-in Shares: USD	-	-
ARCORPAR S.A. Paid-in Shares: PYG	-	-
ARDION S.A. Paid-in Shares: ARS	-	-
BAG ARGENTINA S.A. Paid-in Shares: ARS	9,279.00	-
BAGLEY CHILE S.A. Paid-in Shares: CLP	-	-
BAGLEY LATINOAMÉRICA S.A. Paid-in Shares: EUR	49,700,611.00	-
CARTOCOR CHILE S.A. Paid-in Shares: CLP	-	-
CARTOCOR PERÚ S.A. Paid-in Shares: PEN	-	-
CARTOCOR S.A. Paid-in Shares: ARS	13,684,528.00	-
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I. Paid-in Shares: ARS	18,338,411.12	2,849
DULCERÍA NACIONAL, LDA. Paid-in Shares: AOA	-	-
GAP INVERSORA S.A. Paid-in Shares: ARS	40,073.00	105
GAP REGIONAL SERVICES S.A. Paid-in Shares: UYU	-	-

LOANS RECEIVED	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	OTHER RECEIVABLES	OTHER LIABILITIES
In thousands of ARS				
-	59,250	35,232	929,396	42,709
-	8,409	-	-	-
-	-	-	-	-
-	117,564	-	-	-
-	287,394	20,520	-	-
-	302,649	3,712	-	-
-	373,193	-	-	-
-	145,375	9,309	-	-
12,912	981,846	79,623	-	30,431
-	7,705	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,136,220	300,932	374,542	-	-
-	3,090	2,100	-	4,500
-	43,218	4,019	57,075	-
-	-	-	-	-
-	-	121,256	-	-

Relationships with Parent, Subsidiaries, Associates and Joint Control (Continued)

COMPANIES		LOANS GRANTED
		In thousands of ARS
GAP INTERNATIONAL HOLDING S.A. Paid-in Shares: USD	-	-
GRUPO ARCOR S.A. Paid-in Shares: ARS	-	-
INDUSTRIA DE ALIMENTOS DOS EN UNO S.A. Paid-in Shares: CLP	-	-
INDUSTRIA DOS EN UNO DE COLOMBIA LTDA. Paid-in Shares: COP	82,418,737.00	-
INGREAR HOLDING S.A. Paid-in Shares: ARS	4,080,000,000.00	-
INGRECOR S.A. Paid-in Shares: ARS	-	1,654,591
INGREDION URUGUAY S.A. Paid-in Shares: ARS		
MASTELLONE HERMANOS S.A. Paid-in Shares: ARS	159,165,436.00	-
MUNDO DULCE S.A. DE C.V. Paid-in Shares: MXN	-	-
PAPEL MISIONERO S.A.I.F.C. Paid-in Shares: ARS	-	-
TUCOR DMCC	25,000	-
UNIDAL ECUADOR S.A. Paid-in Shares: USD	-	-
UNIDAL MÉXICO S.A. DE C.V. Paid-in Shares: MXN	-	-
VAN DAM S.A. Paid-in Shares: UYU	-	-

LOANS RECEIVED	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	OTHER RECEIVABLES	OTHER LIABILITIES
		In thousands of ARS		
-	-	-	-	-
-	-	-	-	-
-	638,564	-	-	-
-	3,952	-	-	-
-	644	-	-	-
-	671,039	547,516	-	-
			198	
-	1,152	33,595	-	-
-	1,853	-	-	-
474,702	23,999	-	-	-
-	-	-	-	-
-	87,225	-	-	-
-	1,798	45,502	44,071	-
-	5,731	-	-	-

Relationships with Parent, Subsidiaries, Associates and Joint Control (Continued)

COMPANIES	SALES OF GOODS AND SERVICES	RECOVERY OF EXPENSES
	In thousands of ARS	
ARCOR A.G. (S.A. Ltd.)	155,325	-
ARCOR ALIMENTOS BOLIVIA S.A.	1,089,088	4,653
ARCOR DE PERÚ S.A.	215,779	-
ARCOR DO BRASIL LTDA.	250,778	-
ARCOR U.S.A., INC.	1,506,759	-
ARCORPAR S.A.	1,695,759	4,499
ARDION S.A.	281,725	-
BAGLEY ARGENTINA S.A.	9,751,053	118,070
BAGLEY CHILE S.A.	33,254	-
CARTOCOR CHILE S.A.	-	-
CARTOCOR S.A.	1,836,009	119,047
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I.	416	642
DULCERÍA NACIONAL, LDA.	104,020	-
GAP INVERSORA S.A.	-	-
GAP REGIONAL SERVICES S.A.	-	-
GRUPO ARCOR S.A.	347	-
INDUSTRIA DE ALIMENTOS DOS EN UNO S.A.	1,974,542	-
INDUSTRIA DOS EN UNO DE COLOMBIA LTDA.	9,081	-
INGRECOR S.A.	3,823,578	181,721
MASTELLONE HERMANOS S.A.	79,658	-
MUNDO DULCE S.A. DE C.V.	4,192	-
PAPEL MISIONERO S.A.I.F.C.	128,260	14,360
UNIDAL ECUADOR S.A.	245,393	-
UNIDAL MÉXICO S.A. DE C.V.	8,155	-
VAN DAM S.A.	1,151,855	4,701

We submit for the consideration of the Shareholders the Annual Report and related documentation. The notes referred to above relate to the Separate Financial Statements for the fiscal year ended December 31, 2021. We kindly request your approval of the Board of Directors' conduct of business.

The Board of Directors wishes to thank the shareholders, customers, suppliers and employees for their ongoing cooperation during the year.

City of Córdoba, March 11, 2022.

PURCHASE OF GOODS	PURCHASE OF SERVICES	OTHER INCOME	OTHER EXPENSES	INTEREST INCOME	INTEREST EXPENSE
In thousands of ARS					
-	115,325	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
152,794	-	-	-	-	-
-	-	-	3,042	-	-
-	-	-	8,903	-	-
28,349	-	-	-	-	-
210,536	125,447	-	-	(172)	(1,723)
-	-	3,167	-	-	-
-	-	-	-	-	-
5,637,202	15,098	-	-	-	(30,022)
-	21,493	177	-	(716)	-
-	990	40,499	-	-	-
-	-	-	-	(80)	-
-	84,867	-	-	-	-
-	-	1,242	-	-	-
-	-	-	-	-	6,299
-	-	-	-	-	-
1,466,304	-	-	-	20,606	-
243,998	411	-	-	-	-
-	-	-	-	-	-
44,222	-	-	-	(12,238)	(4,802)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

THE BOARD OF DIRECTORS

ANNEX I to ARCOR S.A.I.C. Annual Report,
REPORT ON THE CODE OF CORPORATE GOVERNANCE

for the fiscal year ended on December 31, 2021

A) FUNCTION OF THE BOARD OF DIRECTORS

Principles

I. The company must be led by a professional and trained Board of Directors that will be in charge of laying the necessary foundations to ensure the sustainable success of the company. The Board of Directors is the guardian of the company and the rights of all its Shareholders.

II. The Board of Directors must be in charge of defining and promoting corporate culture and values. In its function, the Board of Directors must guarantee the compliance with the highest standards of ethics and integrity according to the best interest of the company.

III. The Board of Directors must be in charge of ensuring a strategy inspired in the vision and mission of the company, which is aligned with its values and culture. The Board must work constructively together with management to ensure the right development, implementation, monitoring, and modification of the company's strategy.

IV. The Board of Directors will permanently control and supervise the company's management, ensuring that it takes actions aimed at implementing the strategy and the business plan approved by the board.

V. The Board of Directors must have mechanisms and policies necessary to carry out its function and that of each of its members efficiently and effectively.

1. The Board of Directors establishes the ethical work culture and the vision, mission and values of the company.

APPLICABLE.

When considering the Mission, Vision and Values developed as a result of the joint work carried out with the different General Managements of the Company, during 2015, the Board of Directors ("The Board") of Arcor Sociedad Anónima Industrial y Comercial ("ARCOR SAIC", the "Company") approved the following Corporate Philosophy, that was updated and added a Goal in 2021:

(1) Vision: to be a leading food and confectionery company in Latin America, well-known in the international market, and to be recognized for our sustainable practices and our ability to venture into new businesses;

(2) Mission: to provide people all over the world with the opportunity to enjoy delicious, healthy and high quality food and confectionery products, that will turn their everyday life into magical moments for gatherings and celebrations;

(3) Goal: to make food trends accessible so people can have a better lifestyle;

(4) Values: (i) Integrity: We obtain results through transparent, coherent and responsible behavior. (ii) Entrepreneurial Spirit: our pioneers' entrepreneurship, passion and commitment continue being our inspiration source. For that reason, we foster an internal culture that encourages continuous growth. (iii) Closeness to consumers and commitment to the value chain: we are a company closely committed to suppliers, employees and shareholders as well as customers, consumers and the general community. We are convinced that sustainable growth includes the entire value chain. (iv) Human Bonding: We believe that growth in only possible through confidence bonds. That is why we promote a collaborative environment of fraternity in the company, as well as in the community where we develop our daily life. (v) Diversity: We are convinced that diversity enriches our understanding of the world. That is why we promote a diverse internal culture in which the fusion of different views is an opportunity to grow;

(vi) Quality: We take on the commitment of producing top quality products, and listening to our clients and consumers in each stage of the value chain in order to achieve offering them the products that they wish; (vii) Results orientation: Our actions are oriented to achieve results that ensure sustainable growth of the business; (viii) Innovation: we integrate science, research and creativity to continuously innovate in our products and services.

Our Corporate Philosophy is publicly disclosed and can be accessed in the Company's website.

On the other hand and taking into account the characteristics of the Packaging business unit, the following Vision and Mission were approved for said business unit, sharing the values of Arcor Group:

(1) Vision: to be the leading packaging materials company in Latin America, recognized for the quality of its products and services, its permanent innovation and its excellence in customer service.

(2) Mission: to provide our customers with innovative and sustainable solutions in packaging materials, being at the forefront of global market trends.

Taking into account our Corporate Philosophy, Arcor Manifesto was approved:

"We believe in entrepreneurship, going after dreams, and making them come true. We think that there are no impossible goals; our history is an example of it. We started producing candies in Arroyito, a small city in Argentina, 70 years ago. Today, we offer food for every moment of the day in more than one hundred countries. We produce the essential raw material of our products to ensure the best quality and safety, from the farm to the table. Our DNA always encourages us to go onwards. We imagine a future where every person can live in a better way. For that reason, we are committed to make food trends accessible, producing high-quality products, promoting shared joy and little moments of pleasure, in a safe environment. Our work is based on information backed up by science, sustainable production, and a collaborative relationship with our value chain. We are devoted to boost initiatives that contribute to the communities' well-being. Through our Foundation, we promote education as a key tool for inclusion in order to create opportunities and foster local initiatives. Looking to the future, passion, entrepreneurial spirit and commitment will continue being our key driver for the development of Arcor Group in the next 70 years."

In relation to the Company's ethics and integrity policies, the Board boosts the development of ethical culture and exemplary conduct through the entire value chain. It is recommended to read the contents developed in relation to Practices 22, 23 and 24.

2. The Board sets the general strategy of the company and approves the strategic plan developed by management. In doing so, the Board of Directors takes into account environmental, social and corporate governance factors. The Board of Directors supervises its implementation using key performance indicators and taking into account the best interests of the company and all its shareholders.

APPLICABLE.

Aligned to the Mission, Vision, Goal and Values mentioned above, it has been established as a general strategy for ARCOR S.A.I.C., the focus on the main businesses: Packaging, Agribusiness and, especially, Mass Consumption food (Confectionary, Chocolates, Ice cream, Cookies, Food and Functional Products), with the goal of facing the dynamics that the categories will have in a potential scenario of economic activity recovery.

Additionally, another pillar will be focused on prioritizing liquidity and a healthy financing structure in order to ensure the compliance with our obligations, as well as a proper management of working capital and fixed costs containment, with the purpose of obtaining the required funds to carry out the operations and investments projects.

In 2021, Arcor Group's Sustainability Committee approved the Sustainability Policy and Strategy 2030. The objective of this Sustainability Strategy 2030 is producing sustainable food, promoting people's prosperity and preserving the sustainability of the planet so that people can have a better lifestyle. Regarding this objective, the company sets nine new commitments, organized into three pillars:

i) Produce sustainable food. Sustainable products are produced in a responsible way, without waste, offering to our consumers safe, accessible and high quality options in order to contribute to their well-being and pleasure. So, we are committed to:

1. **Healthy and accessible food.** Providing with the best alternatives to people who want to have access to a healthy and balanced diet according to their needs, preferences and culture. Through this commitment, the company aims at offering options that follow the new consumption trends, satisfying the needs of a pleasuring nutrition and inspiring consumers with healthier habits.

2. **Food safety.** Ensuring security, innocuousness and traceability of all the food that we offer, considering the characteristics of each product, providing with transparent information and certifying in each stage the highest quality standards. Through this commitment, we wish that consumers enjoy our products to the fullest, so that they can satisfy their dietary expectations in a safe way.

3. **Regenerative agriculture.** Implementing, for raw materials production, conservationist models that contribute to the regeneration of ecosystems, encouraging the best farming practices and including precision technologies. Thus, the company takes part in the ecosystems resilience and climatic stability, favoring a positive interaction between the productive systems and the natural environments.

ii) Promote people's prosperity: Promote people's prosperity, based on inclusion, diversity, and equity to establish confidence relationships, ensuring every worker's well-being. We also seek to reinforce the progress of all the communities, of which it is a part along with its extensive value chain, contributing to the economic and social growth of our environment. So, we are committed to:

4. **Inclusion, diversity and equity.** Foster a respectful and tolerant labor environment, encouraging a culture, in which every person is valued in its individuality. Through this commitment, the company ensures equality of opportunities for every collaborator.

5. **Well-being at work.** Favor safe working and healthy spaces to guarantee the well-being of every person in the company, thus, boosting their creativity, initiative, and development, as well as a proper balance between their personal and work life. Through this commitment, the company promotes the creation of suitable, flexible and up-to-date working environments for all the collaborators, adapting itself to the challenges of the future.

6. **Development of the communities and the value chain.** Promote the development of the communities, creating collaboration spaces, boosting the entrepreneurial spirit and favoring local roots. We seek to ensure a responsible value chain, encouraging quality at work, continual improvement, and the compliance with environmental, social and health standards. In that way, we raise prospects of progress and living standards for all the people that interact with the company.

iii) Preserve the planet's sustainability: Preserve the sustainability of the planet taking care of the water, taking measures in favor of climate and biodiversity, and promoting a circular business model for our raw materials and wastes in order to make a contribution to the improvement of ecosystems. Thus, the company commits to:

7. **Water care.** Use water in a more efficient way each time, return water to the environment in a safe way and preserve the water sources used for all the value chain. In this way, the company follows productive practices respectful to the environment.

8. **Action for the environment and biodiversity.** Carry out actions in favor of climate, promoting a positive carbon balance in its activities. The company also seeks to preserve biodiversity, favoring a beneficial interaction between production areas and natural ecosystems. Complying with these commitments, the company protects and regenerates the productive landscapes in which it is set.

9. **Circular use of materials.** Promote the circular use of raw materials used throughout the value chain, rethinking their life cycle. Through this commitment, the company proposes circular economy as the best business model to achieve an economic development considering the planet's limitations.

Such commitments are based on Integrity, Human Rights and Innovation as the basis for all the actions that the company carries out.

In order to move forward with the implementation of the Sustainability Strategy 2030, Arcor Group Sustainability Committee also designed the 2022-23 Plan, which is aimed at advancing in new commitments defined in three axes of action:

- **Sustainable business.** Boost strategies to generate economic, social and environmental value in all Arcor Group business units through a sustainable management and innovation.

- **Sustainable brands and products.** Create sustainable value for our consumers, the company and the society, through or brands and products.

- **Sustainable leadership.** Develop structures, processes and relationships that make sustainability an essential component on the company's decision-making.

The Board of Directors and senior management prepare the Operating Plan (PO) and the Budget (Pe) for each year, taking into account: (i) the general strategy; (ii) the Sustainability Strategy; and (iii) the Sustainability Policy; and (iv) the associated risks.

The process of preparing the PO and Pe (by its initials in Spanish) is as follows: based on the guidelines established by the Board of Directors, the different business units and areas of Arcor Group, led by the Chairman, collect and summarize the pertinent information in order to submit a preliminary proposal to the Board. Subsequently, an iterative process of revision, discussion and adjustment is carried out in a series of meetings in which all those managers and directors involved in the preparation of PO and Pe participate. Once this process is finished, there is a call for a meeting of the Board of Directors to submit the PO and Pe for consideration. At said meeting, the main variables, guidelines and risks considered are ratified, and the PO and Pe for the following year are approved, along with the objectives of the Board and senior management. In case that during a fiscal year a significant change occurs in the variables and assumptions considered when preparing the aforementioned documents, they are reviewed and, if necessary, PO and Pe are modified.

Moreover, periodically, the Board of Directors requests specific reports to specialized consultants and the senior management, who regularly carry out presentations to the Board about business evolution and the degree of compliance with the plans. The board also controls budget compliance, and monitors strategic objectives and the evolution of key variables.

What is more, the Company has an Ethics and Conduct Committee, an Audit Committee, a Finance, Investment and Strategy Committee, a Human Resources Committee, a Purchase Committee, and a Sustainability Committee. All of them evaluate and report to the Board of Directors on several issues of their competence, linked to risk management, internal control and fraud prevention.

3. The Board of Directors supervises management and ensures that it develops, implements and maintains an adequate internal control system with clear reporting lines.

APPLICABLE

The Board of Directors is responsible for designing and monitoring the framework for risk management, internal control, and fraud prevention. Therefore, it evaluates and approves the reporting structures, functions, and responsibilities of senior management.

Also, the Board of Directors has established a series of Committees, of which more information can be found in point 4. Such committees evaluate and report to the Board on several issues of their interest.

The Board of Directors also approved the organizational structure of the Company, defining the management charts, as well as the corresponding functions and competencies for each position, along with the reporting lines.

Moreover, the Audit Committee, as one of its functions, is responsible for supervising the functioning of the internal control systems and the accounting administrative systems.

Meanwhile, the Company's senior management supports decisions on corporate risk management through interdisciplinary work and reports from specialized sources.

The specific risks of each area of responsibility are managed by its corresponding management.

The Company's Management Control Policy consists of:

(I) A monthly issuance and communication of a results report to the members of senior management. It compares the results obtained by each business, and by the Company on a consolidated basis, with the budgeted levels and performance in the previous year, detailing the reasons for the main deviations presented. This report is periodically presented to the Board of Directors

(II) Regularly, the managers report to the Board of Directors on the evolution of the different businesses, areas and aspects of the Company. It allows monitoring and verifying the level of achievement of the objectives, which encompass both quantitative and qualitative goals and, in the framework of the strategies stated in point 1, are set to the short, medium and long term.

4. The Board of Directors defines the corporate governance structure and practices, appoints the person responsible for their implementation, monitors their effectiveness and suggests changes if necessary

APPLICABLE.

ANNEX I to ARCOR S.A.I.C. Annual Report,
REPORT ON THE CODE OF CORPORATE GOVERNANCE

for the fiscal year ended on December 31, 2021

Based on the development and evaluation of its strategies and plans, ARCOR S.A.I.C. Board of Directors periodically reviews that its Corporate Governance policies are in line with the evolution of the economic group. As a result, the Board defines the relevant management charts, as well as the corresponding functions and competencies for each position, along with the reporting lines.

Among the measures adopted by the Company, we can highlight the approval of the Code of Ethics and Conduct, the Corporate Philosophy, and the Sustainability Policy and Strategy, as well as the formation of different committees detailed below:

1. - Ethics and Conduct Committee. Since 2009, the Company has had an Ethics and Conduct Committee. Its main function is to ensure compliance with the Code of Ethics and Conduct. It also contributes to the permanent improvement of the company's ethical atmosphere, promoting training, communication and awareness for all the staff, as well as specific stakeholders in the value chain.

2. - Audit Committee. The Audit Committee was created in 2010. Some of its functions are detailed as follows:
(a) supervise the operation of the internal control systems and the accounting administrative system, as well as the reliability of the latter and of all financial information and other significant events, (b) supervise the implementation of the policies regarding information on the Company's risk management, (c) review the plans of internal and external auditors and assess their performance, (d) consider the internal and external audit budget, and (e) evaluate the quality and independence of the different services provided by external auditors according to the provisions of auditing regulations in force. This Committee does not apply the rules established by the National Securities Commission, since the Company is not obliged to set it up in said terms.

3. - Finance, Investments and Strategies Committee. This Committee was established in 2010. Some of its functions are the revision of the annual budget, the evaluation of alternative sources of financing, investment plans, and new businesses.

4. - Human Resources Committee. The Human Resources Committee was established in 2015. Among its functions, we can highlight: monitoring that the remuneration structure of the members of the Board and key personnel is in line with their performance, risks management and long-term performance; and proposing selection criteria, as well as the implementation of training, retention and succession policies for members of the Board of Directors and senior management. Applying the criteria approved by the Board of Directors, on a non-binding basis, the committee proposes candidates for the positions of Directors, members of the Committees and Senior Management, which, when appropriate, are submitted to the Board's consideration, so that it may raise them to the Shareholders' Meeting.

5. - Purchase Committee. It was established in 2015 by the Board of Directors. Its main function is to evaluate, manage and mitigate Arcor Group supply chain risks on products and services.

6. - Sustainability Committee. Established in 2015, the Sustainability Committee is responsible for the following functions, among others: - Advising the Board on all aspects related to sustainability and supporting the identification and treatment of critical issues that can become risks and opportunities of significant impact. - Establishing priorities and implementing corporate policies, strategies and actions related to the sustainability of Arcor Group business units. - Evaluating the performance of the company regarding the sustainability of its business units, and controlling and minimizing the environmental and social impacts that emerge from its operations. - Evaluating and making recommendations about sustainability based on the company's strategy of relationship with different audiences. - Following up and assessing the implementation of Arcor Sustainability Plan (Corporate initiatives lead by Arcor Sustainability Committee, initiatives of the Business and corporate areas Operating Plans; and initiatives, projects and programs proposed by the Sustainability Committee). Annually, reviewing, reordering and prioritizing corporate initiatives that are part of the Sustainability Plan. - Ensuring that adequate communication policies exist and are effective on building and protecting Arcor status as a sustainable company.

5. The members of the Board of Directors have enough time to fulfill their duties in a professional and efficient manner. The Board and its committees follow clear and formalized rules for its performance and organization, which are disclosed in the company's website.

NOT fully APPLICABLE.

All Board meetings, as stipulated in the By-laws of Arcor SAIC, and of the different committees, are convened with due anticipation. Moreover, the agenda to be discussed, together with the information that will be considered, is made available in advance.

The Company's Board of Directors is composed of businessmen and professionals with a recognized professional career and reputation, committed to fostering value through constructive communication and sustainable development.

The operating rules of the Board of Directors are defined in the Fourth Title of the By-laws.

It has been established in the Code of Ethics and Conduct and the Conflict of Interest Procedure that directors who carry out work activities apart from this economic group must ensure that they do not generate conflicts that affect the interests of Arcor Group. On their behalf, the members of the Company's Audit Committee have adhered to the Code of Ethics and Conduct and the Conflict of Interest Procedure.

At www.arcor.com there is a direct link to the website of the National Securities Commission (C.N.V.), in which the Company discloses its By-laws, and the composition and functions of the different Committees, along with other information.

B) THE PRESIDENCY IN THE BOARD OF DIRECTORS AND THE CORPORATE SECRETARY

Principles

VI. The Chairman of the Board of Directors is responsible for ensuring the effective fulfillment of the Board's functions and leading its members. He should foster a positive work dynamic and promote the constructive participation of its members, as well as guarantee that all the members have access to the elements and information necessary for decision-making. This also applies to the Chairs of each committee of the Board of Directors regarding their due tasks.

VII. The Chairman of the Board must lead processes and establish structures seeking the commitment, objectivity and competence of the members of the Board, as well as the best functioning of the body as a whole and its evolution according to the needs of the company.

VIII. The Chairman of the Board must ensure that the Board as a whole is involved in and is responsible for the succession of the general manager.

6. The Chairman of the Board is responsible for well-organized Board meetings. He prepares the agenda, making sure that the other members collaborate. He also ensures that they receive the necessary materials in advance so that they can participate in the meetings efficiently and in a well-informed manner. The Committee Chairs have the same responsibilities for their meetings.

APPLICABLE.

In the Arcor S.A.I.C. By-laws, it is established that the Chairman must call meetings of the Board of Directors, submitting to the consideration of said body all the Company's issues or businesses, with the background or information necessary for their due consideration and resolution. Within the framework of this responsibility, the Chairman calls in advance the meetings of directors, and clearly states the topics to be discussed.

With regard to the Committees, it is important to highlight that the Chairman of the Board is one of its member, and that he leads the Audit Committee, as well as the Finance, Investments and Strategies Committee, the Human Resources Committee, and the Sustainability Committee.

The Ethics and Conduct Committee, in accordance with its regulations, has the participation of a director as its chairman, whose functions are leading meetings and ensuring compliance with the agreements.

Moreover, as explained in point 9, the Company has a specific management whose responsibility lies in coordinating the corporate aspects of Arcor Group.

7. The Chairman of the Board of Directors ensures the proper internal functioning of the Board through the implementation of formal annual assessment processes.

NOT APPLICABLE.

The Chairman ensures the proper internal functioning of the Board of Directors since he is in charge of enforcing the By-laws and the decisions made by the Shareholders' Meeting and the Board of Directors. Although the Board does not carry out formal evaluations of its members or of the administrative body as a whole, said body makes the information and documentation available in the terms provided by legal regulations in force. Based on such information and documentation, shareholders can carry out an adequate evaluation of the management and the Chairman's performance as a good businessman in the Shareholders' Meeting. The aforementioned documents include the Annual Report, the Financial Statements, the Informative Review and the Sustainability Report, in which both financial and non-financial data are disclosed, and the description of the global objectives for the following year, as well as the strategy to be used and the degree and means of achievement of the established goals.

8. The Chairman creates a positive and constructive workspace for all the members of the Board of Directors and ensures that they receive continuous training to stay up-to-date and to correctly perform their functions.

APPLICABLE.

In order to make well-informed decisions, as explained in point 3, the Board of Directors meets regularly with management and external consultants, so that they are informed with regard to the evolution of the different businesses, markets, regulations and areas of knowledge, as a way of promoting an interdisciplinary communication.

The leadership and prestige that characterizes Arcor Group has been built based on maintaining the imprint of its founders. Therefore, the members of the Board of Directors attend different forums, conferences, fairs and participate in several chambers, with the aim of staying updated regarding the technologies, products, regulations and contexts involved in their areas of concern, which leads to constant training. Besides, the Human Resources Committee has as a function elaborating, updating and controlling the compliance with the Training and Development programs for the members of the Board and senior management.

The entrepreneurial and innovative attitude of ARCOR S.A.I.C., causes a constant interest on the Board and senior management to meet the most demanding standards. As a result, Arcor Group shows an on-going growth, business integration and product, and market diversification.

9. The Corporate Secretary supports the Chairman of the Board of Directors in its effective administration and collaborates in the communication between the shareholders, the Board of Directors and the management.

APPLICABLE.

Within the organization, there is a specific management that is independent from the legal affairs management and reports to a member of the Board of Directors. This management works in the coordination of all corporate aspects of Arcor Group, such as planning meetings of the Board of Directors and Assemblies, making available the relevant reports and documents with due anticipation, and paying dividends, among others. It also maintains a fluid dialogue with members of the Board of Directors, the Audit Committee, members of the different managements and the shareholders of ARCOR S.A.I.C.

Apart from the aforementioned management, there is a General Management of Finance and Administration, in charge of the relationship with investors.

In addition, the organization has a General Management of Institutional Communication and Public Affairs, and a Sustainability Corporate Management, both reporting to the Chairman. They are mainly in charge of establishing and ensuring dialogue and communication with the different stakeholders of the company: suppliers, community, customers, consumers, shareholders, government, press, opinion leaders and public opinion, among others.

10. The Chairman of the Board ensures the participation of all its members in the development and approval of a succession plan for the general manager of the company.

APPLICABLE.

Arcor Group manages succession plans for all management levels through the Strategic Resources Planning Process (PRE, by its initials in Spanish). In addition, the Board of Directors has created a Human Resources Committee, which must verify the existence of a succession plan for members of the Board and senior management, keeping the Board informed about this topic.

PRE is a key process that helps manage the future of the organization. This process seeks to ensure the promotion, development and retention of our talents for the sustainability of our business.

Periodically, the General Management of Human Resources reports to the Company's Board of Directors on the relevant indicators of the PRE, such as the rate of internal coverage of managerial positions, positions mapped with internal replacement charts, training and development of high potential personnel.

Additionally, the Human Resources Committee develops the criteria that must be considered when proposing, nominating and / or selecting candidates or new members to join the Board or the Committees, as well as senior management positions in Arcor S.A.I.C. Besides, the Board of Directors has approved criteria for selection and nomination of Directors in ARCOR S.A.I.C., and it has established that: in order to select members of the different committees, their capabilities and knowledge are taken into account in relation to the objectives of each committee.

Among its functions, applying the criteria approved by the Board of Directors, on a non-binding basis, the Human Resources Committee is in charge of proposing candidates for the positions of Directors, members of the Committees and Senior Management, which, when appropriate, are submitted to the Board's consideration, so that it may raise them to the Shareholders' Meeting.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

IX. The Board of Directors should have appropriate levels of independence and diversity to allow it to make decisions for the best interests of the company, avoiding group-thinking and decision-making by individuals or dominant groups within the Board.

X. The Board of Directors shall ensure that the company follows formal procedures for the proposal and nomination of candidates to hold positions on the Board, within the framework of a succession plan.

11. The Board of Directors has at least two independent members in accordance with the current criteria established by the National Securities Commission.

APPLICABLE.

Currently, there are two directors who are independent according to the criteria in force established by the National Securities Commission. One of them was appointed for three fiscal years at the Meeting held on April 25th, 2015 and he accepted his position on April 29th, 2020. This Director has performed steadily in the Board of Directors of the Company since November 2017. The other one, who is also independent, was appointed in the Meeting held on August 20th, 2021 and he accepted his position on August 26th, 2021. This position will be in force up to December 31st, 2022. Such date coincides with the expiration of the mandates of all the members of the Board.

12. The company has a Nominations Committee that is made up of at least three (3) members and is chaired by an independent director. If the Chairman of the Board chairs the Nominations Committee, he will abstain from participating in the treatment and appointment of his own successor.

NOT APPLICABLE.

The Board of Directors has formed a Human Resources Committee, whose functions are detailed all throughout this document. It is made up of the Chairman of the Board (who is also the Executive Director "CEO" of the Company), a tenured director (both directors are Non-Independent in accordance with the current criteria established by the National Securities Commission) and the General Manager of Human Resources. All of them have extensive experience in business management and practices related to human capital.

13. The Board of Directors, through the Nominations Committee, develops a succession plan for its members that guides the pre-selection process for candidates to fill vacancies and takes into account the non-binding recommendations made by its members, the General Manager and the Shareholders.

APPLICABLE.

The Board of Directors of Arcor S.A.I.C. has established the criteria for selecting and nominating ARCOR S.A.I.C. Directors. Such criteria are considered when proposing to the Shareholders' Meeting a candidate to integrate the Company's Board of Directors.

Based on such criteria and considering the recommendation made by the Human Resources Committee, a proposal is presented to the Shareholders' Meeting for its analysis. The appointment of the members of the Board of Directors is an exclusive faculty of the Shareholders Meeting, so the proposal made by the Board will always maintain the non-binding character.

The Human Resources Committee must verify the existence of a succession plan for the members of the Board of Directors and senior management. It also proposes candidates for the positions of Directors, members of Committees and senior management.

14. The Board implements a guidance program for its newly elected members.

APPLICABLE.

Once a new director accepts the position, a process is initiated through which he is provided with relevant company information, visits to plants and offices, and meetings with key organization personnel.

D) REMUNERATION

Principles

XI. The Board of Directors must provide incentives through remuneration to align management - led by the general manager - and the Board itself with the long-term interests of the company, so that all directors meet their obligations towards all shareholders equitably.

15. The company has a Remuneration Committee that is made up of at least three (3) members. The members are entirely independent or non-executive.

NOT APPLICABLE.

The Board of Directors has formed a Human Resources Committee made up of the Chairman of the Board (who is also the Executive Director "CEO" of the Company), a tenured director (both directors are Non-Independent in accordance with the current criteria established by the National Securities Commission) and the General Manager of Human Resources. All of them have extensive experience in business management and practices related to human capital.

The Human Resources Committee is in charge, among other matters, of:

(a) monitoring that the remuneration structure of the members of the Board of Directors and key personnel is adequately related to their performance and risk management;

(b) supervising that the variable portion of the remuneration of the members of the Board of Directors and senior management is linked to their performance in the medium and / or long term;

(c) reviewing Arcor Group's policies and practices regarding remuneration and benefits of the members of the Board of Directors and personnel, in order to adjust them to market uses, recommending changes if necessary;

(d) reviewing and proposing updates to the retention, promotion, dismissal and suspension policies for key personnel;

(e) reviewing, reporting, and submitting to the Board's consideration the guidelines for retirement plans that affect members of senior management.

16. The Board of Directors, through the Compensation Committee, establishes a remuneration policy for the general manager and members of the Board of Directors.

NOT APPLICABLE.

The remuneration policy for management positions is based on a remuneration scheme made up of a fixed part and a variable part. The fixed remuneration is related to the level of responsibility required for the position and its competitiveness in the market. The variable remuneration is associated with the objectives set at the beginning of the fiscal year and their degree of fulfillment throughout such year. The variable remuneration is affected by at least 10% according to the Sustainability objectives accomplishment, which are linked to the medium and long term, since they are aligned with the Sustainability Policy and the group's strategies. Additionally, it is periodically reviewed if the position that each manager holds has an annual compensation (remuneration and benefits) according to what the local market establishes. This comparison is based on the HAY Parameter (parameter used in the salary and structure administration that arises from the HAY job evaluation method implemented for the entire company) of each position, supported by file cards and descriptions of positions made with the HAY Remuneration System at global level. Moreover, the Company has established and disclosed a retirement plan.

The Board of Directors reports to the shareholders on the topics discussed in this recommendation, through the information made available in the Annual Report, the Sustainability Report and the annual financial statements.

The members of the Board of Directors are at the disposal of the shareholders in the Meetings, in order to clarify any doubt that may arise with respect to the policies of the company.

With regard to the remuneration of the members of the Board of Directors, it is defined in the Shareholders' Meeting considering directors' responsibilities, the time devoted to their functions, their competence, professional reputation and the value of their services in the market.

E) CONTROL ENVIRONMENT

Principles

XII. The Board of Directors must ensure the existence of a control environment, made up by internal controls developed by management, internal audit, risk management, regulatory compliance and external audit. The control environment establishes the necessary lines of defense to ensure integrity in the company's operations and its financial reports.

XIII. The Board of Directors must ensure the existence of a comprehensive risk management system, which allows to the management and the Board of Directors, to efficiently manage the company towards its strategic goals.

XIV. The Board of Directors must ensure the existence of a person or department (depending on the size and business complexity, the nature of its operations and the risks it faces) responsible for the company's internal audit. In order to evaluate and audit internal controls, corporate governance processes and company risk management, this audit must be independent and objective and have its reporting lines clearly established.

XV. The Audit Committee will be composed of qualified and experienced members, and they must carry out their tasks in a transparent and independent way.

XVI. The Board of Directors shall establish appropriate procedures to ensure the independent and effective intervention of the External Auditors.

17. The Board of Directors establishes the risk appetite of the company and also supervises and ensures the existence of a comprehensive risk management system that identifies, assesses, and decides the course of action, and monitors the risks that the company faces including- among others- environmental and social risks, and those inherent to the business in the short and long term.

APPLICABLE.

The Board of Directors approves Arcor S.A.I.C. strategy, which implies a conceptual framework to establish the amount of risk that the company will take. Based on the strategy and reports of the managers and Committees of Arcor Group, the PO and the PE are prepared, as discussed in point 2 of this Report. PO and PE set the Company short term objectives and associated risks.

The Company has the Ethics and Conduct; Audit; Finance, Investment and Strategies; Human Resources; Purchase; and Sustainability Committees, which evaluate and report to the Board of Directors with respect to different aspects of its competence, related to risk management, internal control and fraud prevention. These Committees have been structured in such a way that both members of the administrative body and senior management can participate, thus achieving an adequate interaction on risk management.

The Audit Committee must supervise the functioning of the internal control system and the administrative accounting system, as well as the application of policies on the Company's risk management. The Committee of Ethics and Conduct is in charge of assessing and resolving situations that appear in relation to the compliance with the Code of Ethics and Conduct. The Finance, Investment and Strategy Committee is responsible for evaluating alternative sources of financing, investment plans and new businesses, mitigating financial risks. The Human Resources Committee seeks to ensure the continuity of Arcor Group as a leading employing company with the ability to attract, develop and retain talents, reducing risk of losing key personnel. The Purchase Committee aims to manage and mitigate the risks related to the Group's supply chain. Finally, some of the functions of the Sustainability Committee, are: (i) Advising the Board on all aspects related to sustainability and supporting the identification and analysis of risks and opportunities of impact relevant to the group and (ii) evaluating the performance of the company regarding the sustainability of its business units, and controlling and minimizing the environmental and social impacts that emerge from its operations.

The topics submitted to the Board for consideration are previously analyzed by the areas with the corresponding technical expertise, and then introduced to the Board by members of senior management with competence on the topic discussed. In such presentation, if appropriate, risks related to the decisions to be made are detailed.

In addition, the Board of Directors requests specific reports to senior management and specialized consultants, periodically controls budget compliance, and monitors strategic objectives and the evolution of key variables. The specific risks of each area of responsibility are managed by its corresponding management. The Company's senior management supports its decisions on corporate risk management through interdisciplinary work and reports from specialized sources. On the other hand, the Internal Audit management, within its functions, prepares risk matrices for the audited processes.

Besides, complying with International Financial Information Regulations, Financial Statements approved by the Board of Directors include a specific note on Financial Risks Administration, that specifies the market risks (exchange rate risk, raw material price risk and interest rate risk on cash flows and fair value), credit risk, liquidity risk, and capital risk management.

Arcor Group manages its industrial operations according to documented guidelines through a software system Loyal ISO, which has wide access from staff, meets the requirements established for this issue in international standards, and has been evaluated on multiple occasions during external audits of standards such as ISO 9001, ISO 14001, ISO 45001, FSSC, and BRC. The defined methodology for document control ensures the preparation of documents by staff with deep knowledge of the process associated to each document and authorization by corresponding hierarchical staff in each case.

Arcor Group has developed the Comprehensive Management System (SGI, by its initials in Spanish). The SGI is a tool developed by and for the management of Arcor Group industrial and logistics operations taking into account the culture and the concepts of the company, and world-class improvement requirements and tools. The SGI integrates the Vision, Mission, Values and Ethical Principles, the Code of Ethics and Conduct and the Sustainability Policy of Arcor Group, international standards that include Safety Management and Occupational Health Systems (ISO 45001), Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001), Good Manufacturing Practices (BPM, by its initials in Spanish), Global Food Safety Standard British Retail Consortium (BRC) and Good Agricultural Practices (BPA, by its initials in Spanish), as well as improvement tools such as total productive maintenance, Japanese philosophy focused on self-management of people and loss reduction (TPM), the management philosophy centered on reducing losses and adding value throughout the chain, Lean Manufacturing, Six Sigma methodology, based on continuous improvement of the capacity of processes working for zero defect, the Japanese methodology for order, cleanliness and standardization called 5S, the theory of constraints (TOC) and the methodology to achieve quick product changes in manufacturing processes (Single Minute Exchange of Die, SMED). The SGI is supported by six components that are the main axis on which the system is structured: (I) Management Commitment and Leadership, (II) Orientation to Clients, Consumers and Community, (III) Management of Key Processes, (IV) Management of Support Processes, (V) People Management and (VI) Continuous Improvement. The SGI is applicable to activities, products and services developed within the scope of Operations and Supply Chain of Arcor Group; and it is aimed to satisfy our *Stakeholders'* needs. The guidelines designed within the framework of the SGI include, among others, those related to customers and community relations management, products design, supply chain comprehensive management, manufacturing processes, good manufacturing practices, identification and evaluation of environmental impacts, identification and evaluation of safety and hygiene risks, evaluation and selection of suppliers, and verification of the implementation of SGI requisites in Arcor Group processes.

Customers are subject to the policies, procedures and controls established by the group, which are detailed in a Credit Manual. Also, a large extent of Arcor Group's administrative tasks is standardized in procedure manuals.

Furthermore, Agro Sustainable Program was developed. It has been encouraged since 2012, and aims to ensure the quantity, quality, healthiness and environmental and social responsibility of the main raw materials that the company produces and acquires. With this aim, each Business analyzes and characterizes the supply of its main inputs to develop practices and implement standards of purchase and agricultural production that allow them ensure long-term sustainability: sugar, corn, wheat, fruit and vegetables, palm oil, cocoa, eggs, milk and forest material.

Moreover, REconocer program is a tool that allows obtaining an extended and specific vision of suppliers through a rating system that considers not only technical aspects of quality, but also commercial and sustainability practices. This program, not only allows a better understanding of the Supply chain, but also promotes a sustainable management in the company's value chain, minimizing risks when evaluating the management of financial, legal, capability, service standard, social, safety and hygiene, and environmental aspects.

Regarding protection and access to company data, the Company bases its standards on the international Standard ISO/IEC 27001.

As regards Sustainability, Arcor Group has identified the main risks for the business, derived from economic, social and environmental development, and has extended this methodology to each of its businesses, which have its own sustainability matrices and opportunities that relate the Sustainability Policy to the value chain links in a medium-term scenario. Likewise, in terms of community management, Arcor Group has a matrix of economic, environmental and social impacts in order to facilitate the compilation and recording of homogeneous and comparable information that allows managing the potential impacts of Arcor on the local development of the communities in which it operates. The matrix encompasses the influence area of the company's own operations and addresses those effects generated directly or indirectly by the presence of Arcor Group in each location through 100 quantitative-qualitative economic, social and environmental indicators. In turn, a goals system and a sustainability control panel have been implemented to measure and report, systematically and at a corporate level, the progress of Arcor Group in the compliance with its Sustainability Strategy.

18. The Board of Directors monitors and supervises the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.

APPLICABLE.

The Company has an Audit Committee created by voluntary decision of The Board of Directors, since the Company does not make a public offer of its shares.

The Internal Audit area depends on a Director of Arcor S.A.I.C., reports functionally to the Audit Committee and aims to contribute to minimizing the potential impact that the risks of the operation could cause in the achievement of Arcor Group's goals, supporting the different areas through the implementation and optimization of controls and procedures.

The Audit Committee carries out evaluations of the independence of internal auditors. Those evaluations are documented in the corresponding minutes of the Audit Committee, and its results are reported to the Company's Board of Directors.

The professionals in charge of the functioning of the Internal Audit are independent of the remaining operational areas of the company.

The Internal Audit Area carries out its tasks following the guidelines established in the international standards for the professional exercise of internal auditing issued by The Institute of Internal Auditors "IIA".

The Audit Committee approves the internal audit plan every year, which takes into account resources, budget and training plan for the current year and those projected for the next fiscal year. The Internal Audit Management presents the main works to the Audit Committee, according to the plan approved annually.

19. The internal auditor or members of the internal audit department are independent and highly trained.

APPLICABLE.

The Audit Committee carries out an evaluation of achievement, training and independence of the internal auditors. Those evaluations are documented in the corresponding minutes of the Audit Committee, and its results are reported to the Company's Board of Directors. The professionals in charge of the functioning of the Internal Audit are independent of the remaining operational areas of the company.

A training plan for the members of the Internal Audit Management is reviewed and approved annually.

20. The Board of Directors has an Audit Committee that works based on regulations. The committee is mainly composed of and headed by independent directors and does not include the general manager. Most of its members have professional experience in financial and accounting areas.

NOT APPLICABLE.

The Company has an Audit Committee constituted by the voluntary decision of the Board of Directors, since the company does not make a public offer of its shares.

The Audit Committee is composed of four members of the Board of Directors, one of whom is independent, according to the National Securities Commission regulations. Moreover, one of the directors that make up the committee is the Executive Director "CEO" of Arcor SAIC. The Internal Audit Corporate Manager and the Administration, Dairy Business General Manager also participate in the Audit Committee.

All participants of the Committee are professionals of recognized integrity and career in accounting and financial areas.

The main functions of the Audit Committee have been described in point 4 of this report.

21. The Board of Directors, with the Audit Committee's opinion, approves a policy for selection and monitoring of external auditors, which determines the indicators that must be considered when making a recommendation to the Shareholders' meeting about the retention or replacement of the external auditor.

APPLICABLE.

The functions of the Audit Committee are, among others, to examine the external auditors' plans, to evaluate the different services provided, their performance and maintenance of their independence condition as stipulated by current auditing standards, as well as to make recommendations to the Board of Directors about the proposal to be presented to the Shareholders' Meeting on external auditors selection, which will have a non-binding character.

In this sense, annual evaluations are stated in the corresponding minutes of the Audit Committee, and its results are reported to the Company's Board of Directors.

The relevant aspects of the procedures used by the Audit Committee to carry out the evaluation are mainly as follows: - corroborate that the audit plan is executed in accordance with the conditions duly contracted, - evaluate the external auditors performance, and - consider their independence having in mind the fees invoiced by the firm PRICE WATERHOUSE & CO. S.R.L. to Arcor Group, and the presence of the audit firm in the market. In turn, and according to what the National Securities Commission establishes, the shareholder in charge of external audit tasks has to change every seven years.

In accordance with the current regulations, the Shareholders' Meeting appoints to the Company's external auditors to execute their tasks for one fiscal year.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

XVII. The Board of Directors must design and establish appropriate structures and practices to promote a culture of ethics, integrity and compliance with regulations to prevent, detect and address corporate or personal serious misconduct.

XVIII. The Board of Directors will ensure the establishment of formal mechanisms to prevent and deal with conflicts of interest that may appear in the administration and management of the company. It must have formal procedures that seek to ensure that the transactions between related parties are carried out in view of the best interest of the company and equal treatment of all its shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct that states the values and ethical principles and integrity, as well as the culture of the company. The Code of Ethics and Conduct is communicated and applicable to all directors, managers and employees of the company.

APPLICABLE.

Based on the Corporate Philosophy and Values of the Group, the Board of Directors approved a Code of Ethics and Conduct, a Code of Ethics and Conduct Administration Procedure, and a Conflict of Interest Procedure, which are applied and communicated both to the members of the administration body and to all Arcor Group's employees, and to which the members of the Syndic's Committee have adhered. The Code of Ethics and Conduct of Arcor Group formally establishes the set of values, principles and standards that guide the responsible behavior of the Company and it is available in the website mentioned in page 26.

Said Code of Ethics and Conduct is based on ethical principles, which include, among others, acting with transparency and respecting the established agreements with the different audiences with which the company is related, promoting long-lasting and reliable relationships; promoting a communication based on the reliability of the information and facts and the right to have access to information, freedom of expression and non-discrimination; and respecting national and international laws and conventions, integrating our value chain in this commitment and promoting a sustainable and competitive commercial context.

23. The Board of Directors periodically establishes and examines an Ethics and Integrity Program, based on the risks, size and economic capacity of the company. The plan is undoubtedly supported by management, who appoints an internal responsible. This person periodically develops, coordinates, supervises and evaluates the efficacy of the program. The program establishes: (i) periodic training to directors, managers and employees about ethics, integrity and compliance; (ii) internal channels to complaint for irregularities, open to third parties and properly disseminated; (iii) a policy to protect complainants against retaliations; and an internal investigation system that respects the investigators' rights and imposes effective sanctions to infringements of the Code of Ethics and Conduct; (iv) integrity policies in leasing procedures; (v) mechanisms for periodic analysis of risks, monitoring and evaluation of the Program; and (vi) procedures that verify the integrity and experience of third parties or business partners (including due diligence for verification of irregularities, illegal acts or the existence of violations during the company transformation and acquisition processes), including suppliers, distributors, service providers, agents and intermediaries.

APPLICABLE.

The Board of Directors constituted the Committee of Ethics and Conduct to ensure compliance and resolve situations that appear in relation to the Code of Ethics and Conduct. Additionally, a Code of Ethics and Conduct Administration Procedure and a Conflict of Interests Procedure were developed, and an Ethics Line was established.

The Ethics Line is a tool to facilitate the presentation, in an anonymous and confidential way, of enquiries or facts that may expose a violation to the Code of Ethics and Conduct.

The service of receiving and analyzing complaints is internal, and is in charge of the Internal Audit Management, which is made up of independent professionals with respect to the remaining operational areas of the Company.

The Internal Audit Area reports to the Ethics and Conduct Committee and, in case of relevant denunciations related to internal control issues and fraud, to the Audit Committee.

Every year, several activities are carried out in order to make known the Ethics Line and to promote the compliance with the ethical standards established by the Company.

The Ethics Committee annually reports to the Board of Directors on the amount of queries and complaints analyzed. Such queries and complaints are classified according to the nature of each one: i) Environmental and Community Relations, ii) Social-occupational Relations, iii) Relations with Suppliers and Clients, iv) Theft, steal or inappropriate use of company properties, v) Financial fraud and vi) Violations to the Availability, Integrity and Confidentiality of Data.

In turn, Arcor Group's suppliers are required to sign a letter of adherence to basic principles of responsible management, at the moment of starting a business relationship with the company.

Besides, on February 2018, under the framework of Law 27.401 (Corporate Criminal Liability) the Board of Directors of the Company has assigned a *Chief Compliance Officer*, who is in charge of developing, co-coordinating and supervising Arcor Group Integrity Program.

During 2019, the Code of Ethics and Conduct was updated considering what is prescribed by the "Corporate Criminal Liability" law and taking into account the Integrity Guidelines to comply with what is established in the articles 22 and 23 of Law No. 27.401. In that update, other issues were also taken into account such as diversity, discrimination and harassment, digital communication platforms and social networks, and the work experience of the Ethics and Conduct Committee and the *benchmark* with other companies.

Arcor Group encourages the ethical and integrity practices not only through its customs, principles and policies, but also through the procedure manual, standards and regulations.

24. The Board of Directors ensures the existence of formal mechanisms to prevent and deal with conflicts of interest. In case of transactions between related parts, the Board of Directors approves a policy that establishes the role of each company, and defines how those transactions that are detrimental to the company or some investors are identified, managed and disclosed.

APPLICABLE.

The Code of Ethics and Conduct Administration Procedure and the Conflict of Interests Procedure, establish that in situations of potential conflicts of interests in business relationships, there should always be a resolution issued by the Ethics and Conduct Committee as the body with the highest faculty on this topic.

For Arcor Group, a conflict of interests occurs when the behavior, participation or interests of a member of the Board of Directors, the Syndic's Committee, or a collaborator interferes or appears to interfere in any way with the company's interests, either obtaining inappropriate personal benefits as a result of the position held in the company, or participating in whole or in part in businesses or relationships with suppliers, customers or partners of Arcor Group in a personal capacity and not as a representative of the Company, or developing external work activities, of confidential nature, that could cause conflicts in relation to Arcor Group's interests, being responsible all the collaborators of Arcor Group of ensuring compliance of the Code of Ethics and Conduct. It has been established that no employee could represent Arcor Group in business relationships if they could have any personal interest, since all decisions must be impartial, objective and based on professional judgment. Collaborators must disclose and communicate to their direct superior, or in case of impossibility, to the Ethics and Conduct Committee, every possible situation that may create a potential conflict of interests with the company, in order to find the resolution of said conflict. In those situations referred to possible conflicts of interests in business relationships, collaborators must always adopt the resolution of the Ethics and Conduct Committee as the highest faculty body on this issue

Periodically, employees of this Company, or of the companies belonging to Arcor Group, reaching to those who perform the general management and those who carry out sensitive tasks of the Company, must complete, with sworn declaration character, a personal statement about the potential conflicts of interests that may appear in their tasks.

Notwithstanding the compliance with the current standards about the use of privileged information, the Company, through the Code of Ethics and Conduct, has a mechanism that considers the prevention of inappropriate use of privileged information by the members of the Board of Directors, the Syndic's Committee of the Company and Arcor Group's employees. In this sense, the conduct standards establish that (i) Arcor Group ensures that data of its actions are communicated in an open, transparent, reliable and qualified manner to the press and society in general; and (ii) all those data that are considered confidential must be treated by the group and its collaborators with integrity, ensuring its use only to issues related to the business management. In addition, there are data security policies with regard to data protection.

The Company has certified the international Standard ISO/IEC 27001, the standard for data security regarding to protection and treatment of Arcor Group data. Additionally, it is highlighted that, several suppliers of the company must sign confidentiality commitments.

G) SHAREHOLDERS AND STAKEHOLDERS PARTICIPATION

Principles

XIX. The company must treat all Shareholders equally. It must guarantee equal access to non-confidential and relevant information for the company decisions to be made in the Meetings.

XX. The company must promote the active participation with appropriate information of all the Shareholders, especially in the conformation of the Board of Directors.

XXI. The company must have a transparent Dividend Distribution Policy that is aligned with the strategy.

XXII. The company must take into account the interests of its stakeholders.

25. The company's website discloses financial and non-financial information, providing convenient and equal access to all Investors. The website has a specialized area for dealing with Investors inquiries.

NOT fully APPLICABLE.

The Company uses its website (www.arcor.com) and that of the National Securities Commission as communication mechanisms with investors. In addition, in case of issuance of negotiable securities, presentations are made to investors and potential investors, and Shareholders' Meetings are held annually or on the occasion established by the Board of Directors.

In turn, the Company has an institutional website www.arcor.com (available in Spanish, English and Portuguese), in which users can access to Arcor's institutional information, financial and non-financial information (mainly, Financial Statements with their Annual Report and Sustainability Reports), as well as the latest news and novelties of products launch. In such domain there is a direct access to the National Securities Commission in which the Society discloses its By-laws, relevant information, composition of its audit and administrative body, proposals by the Board of Directors, information on marketable securities, among other reports and documents.

As stated in point 9 of this document, within the organization there is a specific management (Associations Management) that works in the coordination of all corporate aspects of Arcor Group, such as planning matters for Board meetings and Assemblies, as well as making available the relevant reports and documents with due anticipation and dividend payments. Said management has a constant communication with the members of the Board of Directors, the Syndics' Committee, Managers and shareholders of Arcor S.A.I.C.

In turn, the Administration and Finance, Public Affairs and Press, Institutional Communication and Marketing Services, Sustainability, and Associations Management work in coordination, in order to provide information and answer questions to stakeholders, such as are investors, analysts and shareholders.

26. The Board of Directors must ensure that there is a procedure for identifying and classifying its stakeholders and a communication channel for them.

APPLICABLE.

From its beginnings, Arcor Group expressed the conviction of being a relevant and responsible member of the community. It has always been a distinctive feature of our company: promoting our businesses through responsible management that considers economic growth, social development and environmental protection, being guided by a long-term strategy that manages risks and maximizes the opportunities derived from the activity of the company and the relationship with its stakeholders.

To achieve this, the company promotes procedures to identify and classify its stakeholders, as well as different instances and channels of dialogue and communication with them.

Regarding the identification and classification of stakeholders, the company has a procedure for the construction of Risk and Sustainability Opportunity Matrices for each of its businesses. Such process is made up of five different steps. The first two consist of a comprehensive understanding of the organization and its context, and an understanding of the needs and expectations of stakeholders. The interest groups that are commonly listed as stakeholders are: Shareholders; Chambers / producers associations; Government; regulatory and audit organizations; opinion leaders; Unions; Civil society organizations; Community; Consumer associations; Press and opinion leaders; Collaborators; Suppliers; Outsourced Suppliers; External clients: distributors, supermarkets, wholesalers, specials; Consumers; Points of sale; and Waste Pickers and Recyclers, among others.

Arcor promotes different instances and channels of dialogue to engage with stakeholders, among which we can mention: market research addressed to current and potential consumers; consumer satisfaction surveys; the Consumer Service Channel (SAC, by its initials in Spanish); the promotion of impact perception studies in local communities in order to find out the perception that the communities and various Arcor stakeholders have of the company-community relationship; Local Committees and Community Relations Teams that participate in various spaces of dialogue with communities close to the company; the Work Environment Surveys; and supplier surveys through audits and programs, just to name a few.

The Company also has several channels to answer to the concerns of *stakeholders*, such as:

- Institutional website (www.arcor.com): here you can find the contact data of each of the Company's subsidiaries: email and telephone, among others.

- Websites: www.arcor.com, www.arcor.com.ar, www.arcor.com.br and www.arcor.com.cl

- Corporate Social Network (Facebook, Instagram, Twitter, YouTube, LinkedIn).

- Consumer Service.

- Website arcorencasa.com, for contact with clients and sales.

- ArcorBuy Portal, for contact with Suppliers.

- Portal ArcorNet, ArcorNet 2.0 and Tokin, for contact with Distributors.

- Ethical Line.

- Mail arcor@arcor.com

On the other hand, it should be noted that the company has decided to form the Local Community Relations Committees, led by the Management of each of the Plants, and composed of those responsible for the main areas related to industrial operation. The Committees are responsible for implementing, at the local level, the community relations strategy that includes 3 axes of work:

• Recognize the company-community relationship impacts as a result of diagnoses. It includes the survey of quantitative and qualitative information: information and characterization of the local territory where the Company is located; information and characterization of the company through a Community Impact Matrix for the collection of economic, environmental and social indicators; and information to find out how the community and the different interest groups perceive the company-community relationship, the perceived impacts, the assessment of these impacts and opportunities for improvement through perception studies.

• Strategically manage risks and opportunities. In order to proactively work on that, the Company implements several programs and projects oriented to the comprehensive development of communities, in which different areas participate, according to the issues addressed.

• Promote and manage comprehensive community development actions.

Finally, when preparing the Company's Sustainability Report, the topics considered material are those regarded as the most relevant and significant ones according to the company's business strategy and the needs of our different stakeholders. In this framework, we define the contents of the Sustainability Report considering the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) international standards of inclusion of stakeholders, context of sustainability, materiality and exhaustiveness. The Sustainability Report undergoes an external verification process carried out by the auditing firm Crowe Argentina, based on the International Standard on Assurance Engagement 3000 (ISAE -3000) of the International Auditing and Assurance Standard Board (IAASB), together with the Accountability 1000 Assurance Standard (AA1000AS) regulation, that ensures the compliance with these principles.

27. Prior to holding the Meeting, the Board of Directors sends to the Shareholders a "provisional information package" that allows Shareholders - through a formal communication channel, to make non-binding comments and share dissenting opinions with the recommendations made by the Board of Directors. When sending the final package of information, the Board of Directors has to expressly refer to the comments received if it considers necessary.

NOT APPLICABLE.

The Company complies with the legal regulations in force regarding the provision of information and documentation necessary for shareholders' decision-making. That is why, prior to holding the Shareholders' Meetings required by legal regulations in force, the information and documentation necessary for decision-making, such as, Financial Statements, Annual Report, Sustainability Report, Proposals for the implementation of results and remuneration to the Board of Directors, among others are made available to shareholders. The company also discloses every relevant fact or situation that substantially affects the placement of the company's negotiable securities or the course of its negotiation.

The Board of Directors must ensure compliance with the rules applicable to the Company; and, in this sense, shareholders have the possibility of making comments and sharing dissenting opinions from the recommendations made by the Board, as well as proposing matters to the Board of Directors to be discussed at the Meetings.

28. The company By-laws considers that the Shareholders can receive the information packages for the Shareholders' Meeting through virtual means and participate in the Meetings through electronic means of communication that allow the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment of the participants.

NOT APPLICABLE.

The Company makes the Shareholders' Meetings information available to shareholders, with the anticipation required by legal regulations, at the headquarters (in physical or digital format) and on the National Securities Commission website. The Company By-laws foresee the anticipation with which the information must be provided to shareholders, not specifying the form of delivery of said information.

The By-laws does not establish the use of electronic means of communication that allow the simultaneous transmission of sound, images and words to hold meetings.

The Company considers that provisions of current regulations and By-laws are sufficient to regulate the functioning of the Meetings. It also guarantees that documentation and relevant information are available to the shareholders and their participation in the Meetings.

29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which the distribution of dividends will be carried out.

NOT APPLICABLE.

Although the Board of Directors has not approved an explicit Dividend Policy, the general strategy of Arcor Group establishes the focus on the main businesses (Mass Consumption, Packaging and Agribusiness) and the development of strategic partnership projects in the markets where it participates, prioritizing liquidity and a healthy financing structure in order to ensure compliance with its obligations and commitments, as well as the management of working capital and fixed costs containment, with the purpose of obtaining the required funds to carry out the operations and investments projects.

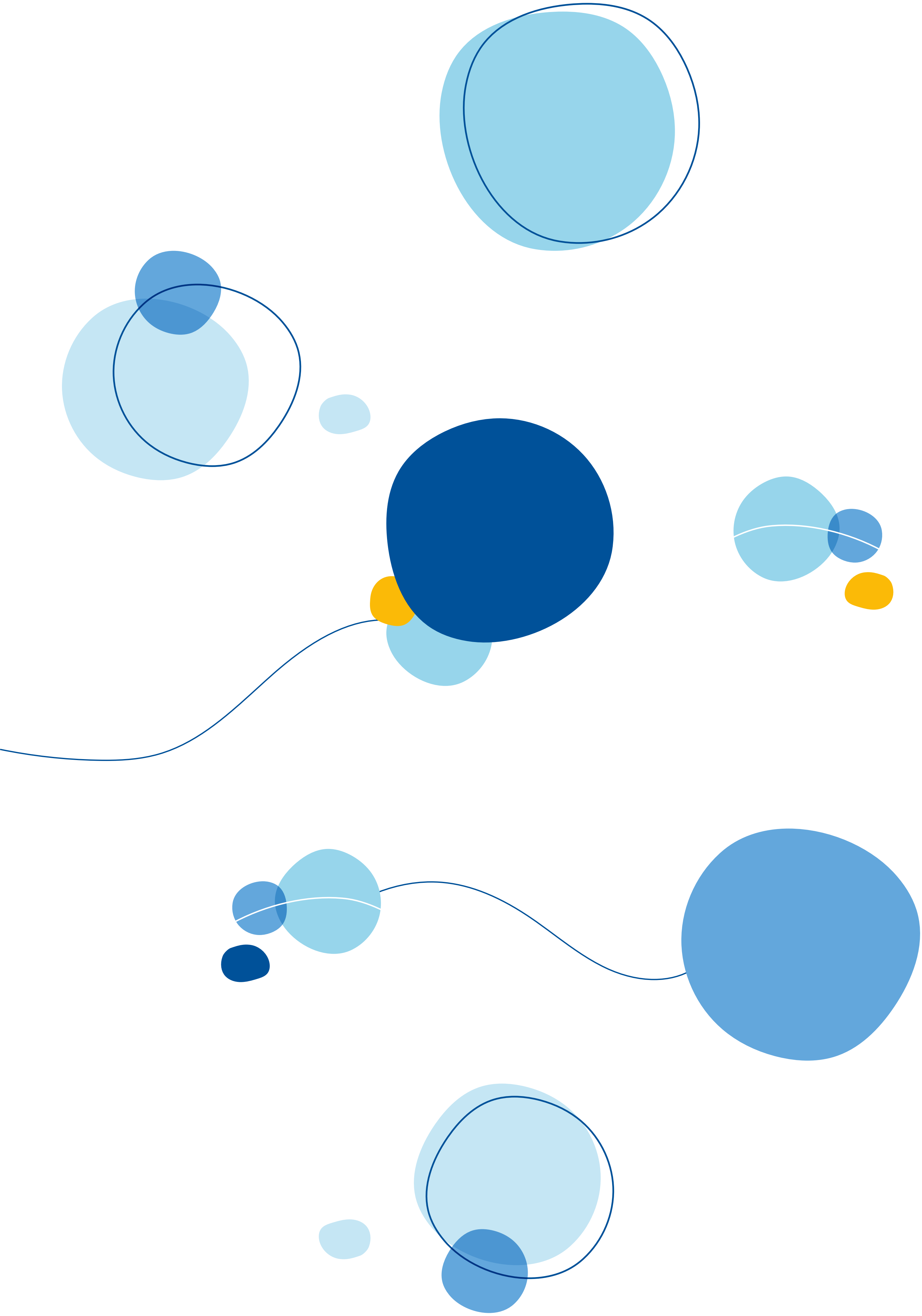
Annually, the Board of Directors submits the destination of the results of the fiscal year and of the Company's reserves for consideration of the Shareholders' Meeting. The board also states in the Annual Report and other relevant documents its proposal for the distribution of dividends and the limitations that the Meeting must consider regarding the destination of the aforementioned funds, which is aligned with what is mentioned in the previous paragraph.

The proposed destination of dividends is based on the approved strategies, budget, investment plans, operating plans, and reports prepared by senior management on some issues like distributable results, the Company's financial situation and economic prospects.

THE BOARD OF DIRECTORS

ARCOR S.A.I.C.

Luis Alejandro Pagani
Chairman



Consolidated Financial Statements

For the fiscal years ended
December 31, 2021 and 2020

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

CONTENTS

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

(Partner)
C.P.C.E.Cba. N° 21.00004.3
Andrés Suárez
Public Accountant (UBA)
Professional License 10.11421.4 - C.P.C.E.Cba.

GLOSSARY OF TERMS

TERM	DEFINITION
AFIP	The Spanish acronym for *Administración Federal de Ingresos Públicos*, i.e., the Argentine tax authorities.
AOA	Angolan Kwanza.
ARG GAAP	Technical Pronouncements (TPs) issued by the FACPCE, except for TP No. 26 (as amended) which adopts the IFRS. These TPs contain general and specific valuation and disclosure standards in force in Argentina, for companies that are not required or have not opted to adopt IFRS.
ARS	Argentine Pesos.
Associates	Companies over which Arcor S.A.I.C. has significant influence as established in IAS 28.
BADLAR	Reference variable interest rate released by the BCRA, for transactions in excess of 1 million pesos. Its acronym stands for Buenos Aires Deposits of Large Amount Rate.
BCRA	Argentine Central Bank.
BOB	Bolivian.
BRL	Brazilian Real.
ECLAC	Economic Commission for Latin America and the Caribbean.
IFRIC	International Financial Reporting Interpretations Committee.
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
COP	Colombian Peso.
EUR	Euro.
FACPCE	Argentine Federation of Professional Councils in Economic Sciences.
FASB	Financial Accounting Standards Board.
IMF	International Monetary Fund.
Arcor Group / Group	Economic group comprised by Arcor S.A.I.C. and its subsidiaries.
Zucamor Group	Economic group acquired by the Company on July 4, 2017 comprised by Zucamor S.A. and its subsidiaries Zucamor Cuyo S.A., Papel Misionero S.A.I.F.C. and BI S.A. Then, Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. were merged into the subsidiary Cartocor S.A. effective since July 1, 2020.
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Interpretations Committee.
IFRS	International Financial Reporting Standards.
INDEC	The Spanish acronym for *Instituto Nacional de Estadística y Censos* (National Institute of Statistics and Census).
CPI	Consumer Price Index.
Joint Venture	Alliance between Arcor S.A.I.C. and Ingredion Argentina S.R.L., resulting from an agreement subscribed by both parties on February 12, 2021. (Note 42).
The Company / Arcor S.A.I.C.	Indistinctively, Arcor Sociedad Anónima, Industrial y Comercial.
GCL	Argentine General Companies Law (Law No. 19,550, as amended).
MXN	Mexican Peso.
Joint Venture	An agreement whereby the Group is entitled to the net assets of the same, together with the other participants with whom it shares the joint control of the agreement, pursuant to the terms of IFRS 11.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
GDP	Gross Domestic Product.
PEN	Peruvian Sol.
PYG	Paraguayan Guarani.
RG / CNV	General Resolutions issued by the CNV.
RMB	Renminbi.
FACPCE TP	Technical Pronouncements issued by the FACPCE.
Subsidiaries	Companies controlled by the Arcor S.A.I.C. Arcor S.A.I.C. controls other companies when it is exposed or entitled to variable returns and has the capacity to exert influence on the amount of such returns through its power over the subsidiaries, as set forth by IFRS 10.
TO / CNV	Revised text of the National Securities Commission's regulations.
UVA	The Spanish acronym for *Unidad de Valor Adquisitivo*, a unit indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) – Law No. 25,827.
USD	U.S. dollars.
UYU	Uruguayan peso.

INTRODUCTION

Considering the requirements of the CNV, the Company has inverted the order to present its consolidated and separate financial statements, disclosing in first place the consolidated information of the Company and its subsidiaries, followed by its separate financial statements. In accordance with applicable laws and regulations, the consolidated financial statements are supplementary information to the separate financial statements. The Company's management recommends that users read the consolidated and the separate financial statements jointly.

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED	
		12.31.2021	12.31.2020
Sales of Goods and Services	28	301,186,064	267,184,010
Costs of Goods Sold and Services Rendered	29	(220,445,821)	(186,145,109)
SUBTOTAL		**80,740,243**	**81,038,901**
Income (Loss) from Biological Assets	32	620,671	667,255
GROSS PROFIT		**81,360,914**	**81,706,156**
Selling Expenses	30	(45,940,995)	(41,971,464)
Administrative Expenses	30	(12,460,691)	(11,490,252)
Other Income / (Expenses), Net	33	(911,860)	(831,000)
OPERATING INCOME		**22,047,368**	**27,413,440**
Financial Income	34	10,878,841	(2,130,049)
Financial Expenses	34	(2,559,124)	(10,594,515)
Gain on Net Monetary Position	34	4,918,674	2,923,543
NET FINANCIAL INCOME (EXPENSE), NET		**13,238,391**	**(9,801,021)**
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	(915,616)	(1,300,248)
INCOME BEFORE INCOME TAX		**34,370,143**	**16,312,171**
Income Tax	35	(14,451,744)	(8,098,182)
NET INCOME FOR THE FISCAL YEAR		**19,918,399**	**8,213,989**
Income Attributable to:			
Company's Shareholders		18,156,923	6,284,538
Non-controlling Interest		1,761,476	1,929,451
TOTAL		**19,918,399**	**8,213,989**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	36	0.25938	0.08978

The accompanying notes are an integral part of these consolidated financial statements.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.Cba. Nº 21.00004.3
Andrés Suárez
Public Accountant (UBA)
Professional License 10.11421.4 - C.P.C.E.Cba.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2021	12.31.2020
NET INCOME FOR THE FISCAL YEAR		**19,918,399**	**8,213,989**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that May Be Subsequently Reclassified to Income / (Loss)			
Cash Flow Hedges [1]	20	-	(3,090)
Tax Effect	20 and 35	-	926
SUBTOTAL		**-**	**(2,164)**
Currency Translation Differences of Companies	20	(13,003,822)	(343,588)
Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences	20 and 34	129,016	-
Tax Effect	20 and 35	69,200	(57,779)
SUBTOTAL		**(12,805,606)**	**(401,367)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**(12,805,606)**	**(403,531)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	9	1,864	4,086
Actuarial (Loss) / Income from Defined Benefit Plans	24	(89,153)	148,154
Tax Effect	35	71,123	(53,004)
SUBTOTAL		**(16,166)**	**99,236**
Income (Loss) from Acquisition	42	198,246	-
SUBTOTAL		**198,246**	**-**
Total Items that Will Not Be Reclassified to Income / (Loss)		**182,080**	**99,236**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(12,623,526)**	**(304,295)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,294,873**	**7,909,694**
Other Comprehensive Income (Loss) for the Year Attributable to:			
Company's Shareholders		(10,731,504)	(151,227)
Non-controlling Interest		(1,892,022)	(153,068)
TOTAL		**(12,623,526)**	**(304,295)**
Total Comprehensive Income (Loss) for the Year Attributable to:			
Company's Shareholders		7,425,419	6,133,311
Non-controlling Interest		(130,546)	1,776,383
TOTAL		**7,294,873**	**7,909,694**

[1] Includes the gain (loss) on transactions to hedge the risk of fluctuations in commodity prices (futures and options).

The accompanying notes are an integral part of these consolidated financial statements.

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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Statutory Audit Committee

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Chairman

(Partner)
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CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2021	12.31.2020
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	69,068,934	71,458,719
Right-of-use Assets	6	2,157,532	2,274,535
Investment Properties	7	349,517	453,703
Intangible Assets	8	12,120,352	12,147,708
Investments in Associates and Joint Ventures	9	14,247,522	14,505,206
Biological Assets	10	1,951,225	1,646,509
Deferred Tax Assets	11	1,371,077	2,183,843
Other Investments	12	2,869	2,635
Other Receivables	13	5,308,379	4,651,275
TOTAL NON-CURRENT ASSETS		**106,577,407**	**109,324,133**
CURRENT ASSETS			
Biological Assets	10	1,293,131	1,090,713
Inventories	14	55,408,397	47,335,693
Derivative Financial Instruments	15	544,078	407,542
Other Receivables	13	13,108,577	11,297,128
Trade Receivables	13	41,423,961	36,071,606
Other Investments	12	505,179	8
Cash and Cash Equivalents	16	19,408,214	21,955,666
TOTAL CURRENT ASSETS		**131,691,537**	**118,158,356**
TOTAL ASSETS		**238,268,944**	**227,482,489**

The accompanying notes are an integral part of these consolidated financial statements.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

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CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2021	12.31.2020
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	18	700,000	700,000
Capital Adjustment		10,506,199	10,506,199
Parent Company's Treasury Shares		(2,466)	(2,466)
Legal Reserve	17	2,241,240	2,241,240
Optional Reserve for Future Investments		17,439,301	15,778,943
Special Reserve for Future Dividends		1,664,140	3,817,972
Special Reserve for IFRS Adoption	17	1,183,883	1,183,883
Unappropriated Retained Earnings	19	18,309,492	6,375,420
Other Equity Components	20	(9,257,332)	1,626,714
SUBTOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		**42,784,457**	**42,227,905**
Non-controlling Interest	21	30,070,780	23,743,633
TOTAL EQUITY		**72,855,237**	**65,971,538**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	22	58,067,092	70,799,726
Lease Liabilities	23	1,311,898	1,331,157
Derivative Financial Instruments	15	1,373,656	2,753,856
Deferred Tax Liabilities	11	13,499,595	5,231,135
Employee Retirement Benefits Obligations	24	4,773,145	4,028,752
Provisions	25	659,845	828,745
Trade Payables and Other Liabilities	26	840,815	591,500
TOTAL NON-CURRENT LIABILITIES		**80,526,046**	**85,564,871**
CURRENT LIABILITIES			
Loans	22	25,014,779	22,972,748
Lease Liabilities	23	958,160	1,126,665
Derivative Financial Instruments	15	6,944	297
Income Tax Payable		1,647,414	1,034,125
Employee Retirement Benefits Obligations	24	778,498	548,455
Provisions	25	231,861	299,443
Advances from Customers		1,280,992	1,194,701
Trade Payables and Other Liabilities	26	54,969,013	48,769,646
TOTAL CURRENT LIABILITIES		**84,887,661**	**75,946,080**
TOTAL LIABILITIES		**165,413,707**	**161,510,951**
TOTAL EQUITY AND LIABILITIES		**238,268,944**	**227,482,489**

The accompanying notes are an integral part of these consolidated financial statements.

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

Victor Jorge Aramburu
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Statutory Audit
Committee

Luis Alejandro Pagani
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(Partner)
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	UNAPPROPRIATED RETAINED EARNINGS		
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT[1]		LEGAL RESERVE (NOTE 17)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS	SPECIAL RESERVE FOR FUTURE DIVIDENDS
Balances as of January 1, 2021	700,000	10,506,199	(2,466)	2,241,240	15,778,943	3,817,972
Net Income for the Year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	-	-	-	-	-	-
Setting-up of Reserves [2]	-	-	-	-	1,660,358	1,003,444
Cash Dividends [2]	-	-	-	-	-	(3,157,276)
Forfeited Dividends [3]	-	-	-	-	-	-
Capital Contributions from Non-controlling Interest [4]	-	-	-	-	-	-
Transactions with the Non-controlling Interest	-	-	-	-	-	-
Increase due to Acquisition [5]	-	-	-	-	-	-
Balances as of December 31, 2021	700,000	10,506,199	(2,466)	2,241,240	17,439,301	1,664,140

[1] Reflects the difference between the adjusted value and the historical value of capital, according to the requirements of the GCL.

[2] As per the Ordinary and Extraordinary General Shareholder's Meetings held on April 6, 2021 and August 20, 2021. The non-controlling interest primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 175,218, Arcor Alimentos Bolivia S.A. in the amount of ARS 857, Papel Misionero S.A.I.F.C. in the amount of ARS 15,232, and Mundo Dulce S.A. de C.V. in the amount of ARS 44,750.

[3] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

[4] From the associate GAP Inversora S.A. as part of the transaction described in Note 42.

[5] See Note 42.

The accompanying notes are an integral part of these consolidated financial statements.

Unappropriated retained earnings		Other equity components			
Special reserve for IFRS adoption (Note 17)	Unappropriated retained earnings (Note 19)	Translation reserve (Note 20)	Subtotal attributable to the Company's shareholders	Non-controlling interest (Note 21)	Total equity
1,183,883	**6,375,420**	**1,626,714**	**42,227,905**	**23,743,633**	**65,971,538**
-	18,156,923	-	18,156,923	1,761,476	19,918,399
-	152,542	(10,884,046)	(10,731,504)	(1,892,022)	(12,623,526)
-	**18,309,465**	**(10,884,046)**	**7,425,419**	**(130,546)**	**7,294,873**
-	(2,663,802)	-	-	-	-
-	(3,711,620)	-	(6,868,896)	(236,090)	(7,104,986)
-	29	-	29	-	29
-	-	-	-	6	6
-	-	-	-	(410)	(410)
-	-	-	-	6,694,187	6,694,187
1,183,883	**18,309,492**	**(9,257,332)**	**42,784,457**	**30,070,780**	**72,855,237**

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

See our report dated March 11, 2022
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(Partner)
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	UNAPPROPRIATED RETAINED EARNINGS		
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT[1]		LEGAL RESERVE (NOTE 17)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS	SPECIAL RESERVE FOR FUTURE DIVIDENDS
Balances as of January 1, 2020	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**20,893,233**	**5,384,005**
Net Income for the Year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**	**-**
Absorption of Losses [2]	-	-	-	-	-	(3,483,295)
Setting-up of Reserves [2]	-	-	-	-	(4,765,624)	4,765,624
Cash Dividends [2]	-	-	-	-	(348,666)	(2,848,362)
Forfeited Dividends [3]	-	-	-	-	-	-
Transactions with the Non-controlling Interest	-	-	-	-	-	-
Balances as of December 31, 2020	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**15,778,943**	**3,817,972**

[1] Reflects the difference between the adjusted value and the historical value of capital, according to the requirements of the GCL.

[2] As per the Ordinary and Extraordinary General Shareholder's Meetings held on April 25, 2020 and August 15, 2020. The non-controlling interest primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 184,420, and Bagley Argentina S.A. in the amount of ARS 19,322.

[3] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

The accompanying notes are an integral part of these consolidated financial statements.

UNAPPROPRIATED RETAINED EARNINGS		OTHER EQUITY COMPONENTS				
SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 17)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 19)	TRANSLATION RESERVE (NOTE 20)	RESERVE FOR CASH FLOW HEDGE (NOTE 20)	SUBTOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	NON-CONTROLLING INTEREST (NOTE 21)	TOTAL EQUITY
1,183,883	**(3,483,295)**	**1,866,587**	**2,164**	**39,291,550**	**22,172,297**	**61,463,847**
-	6,284,538	-	-	6,284,538	1,929,451	8,213,989
-	90,810	(239,873)	(2,164)	(151,227)	(153,068)	(304,295)
-	**6,375,348**	**(239,873)**	**(2,164)**	**6,133,311**	**1,776,383**	**7,909,694**
-	3,483,295	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(3,197,028)	(204,617)	(3,401,645)
-	72	-	-	72	-	72
-	-	-	-	-	(430)	(430)
1,183,883	**6,375,420**	**1,626,714**	**-**	**42,227,905**	**23,743,633**	**65,971,538**

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2021	12.31.2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		**19,918,399**	**8,213,989**
Income Tax	35	14,451,744	8,098,182
Adjustments for:			
Depreciation of Property, Plant and Equipment and Investment Properties	30	6,802,360	6,314,569
Depreciation of Right-of-use Assets	30	1,140,464	1,164,963
Amortization of Intangible Assets	30	170,682	157,640
Provisions Deducted from Assets and Included in Liabilities, Net		1,049,673	1,154,040
Net Financial Income (Expense)	34	(13,238,391)	9,801,021
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	915,616	1,300,248
Gain (Loss) on Disposal of Property, Plant and Equipment and Investment Properties	33	(55,805)	(889,125)
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	10	(800,269)	(635,800)
Derecognition of Bearer Plants	5	20,616	2,731
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	6 and 23	(834)	11,582
Adjustments Subtotal:		**(3,995,888)**	**18,381,869**
Net Receipts / (Payments) from Derivative Financial Instruments Related to Operating Activities	15	129,375	(27,781)
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(1,171,160)	(1,079,471)
Income Tax Payments		(5,853,357)	(4,693,385)
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**23,479,113**	**28,893,403**
Net Changes in Operating Assets and Liabilities		(6,104,067)	3,864,125
Net Cash Flow Provided by Operating Activities		**17,375,046**	**32,757,528**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchases and Advances of Property, Plant and Equipment, Intangible Assets and Others		(5,344,376)	(4,122,096)
Cash Inflows from Disposal of Property, Plant and Equipment and Investment Properties		123,101	108,044
Capital Contributions in Joint Venture	41	(283,168)	-
Payments for Acquisition of Mastellone Hermanos S.A.'s Shares	43	-	(458,700)
Net Cash Acquired from Joint Venture Agreement (1)	42	32,044	-
Payments for Transactions with the Non-controlling Interest		**(410)**	**(750)**
Receipts from Transactions with the Non-controlling Interest		-	320
Payments for Acquisitions of Financial Investments		(566,615)	-
Net Cash Flows (Used In) Investing Activities	16	**(6,039,424)**	**(4,473,183)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows from Bank Loans	22	10,227,662	3,122,163
Repayment of Bank Loans	22	(4,625,674)	(10,372,634)
Inflows from Notes Issued	22	4,288,336	9,405,048
Debt Repayment in respect of Notes	22	(6,217,504)	(4,785,639)
Net Changes in Short-term Loans	22	7,989,572	(6,550,887)
Payments of Principal on Lease Liabilities	23	(1,163,932)	(1,207,870)
Payments of Interest on Lease Liabilities	23	(119,127)	(145,779)
Payment of Interest and Other Financial Expenses	22	(11,854,266)	(12,865,578)
Net Payments from Derivative Financial Instruments Related to Financing Activities		(1,575,232)	(335,561)
Distribution of Dividends		(6,574,755)	(3,223,447)
Contributions from the Non-controlling Interest		6	-
Net Cash Flows (Used In) Financing Activities	16	**(9,624,914)**	**(26,960,184)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,710,708**	**1,324,161**
Cash and Cash Equivalents at the Beginning of the Year	16	**21,955,666**	**20,481,663**
Exchange Differences and Currency Translation Effect on Cash and Cash Equivalents		(4,063,000)	343,920
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(195,160)	(194,078)
Net Increase in Cash and Cash Equivalents		1,710,708	1,324,161
Cash and Cash Equivalents at Year-end	16	**19,408,214**	**21,955,666**

[1] It includes the price agreed upon for the acquisition of shares of Ingrear Holding S.A.'s capital stock for ARS 549,930, net of cash and cash equivalents acquired as of the acquisition date as an identifiable asset of the acquired business in the amount of ARS 581,974, pursuant to the transaction described in Note 42.

The accompanying notes are an integral part of these consolidated financial statements.

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

(Partner)
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Andrés Suárez
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 1. GENERAL INFORMATION

1.1 Company's background

Arcor Sociedad Anónima, Industrial y Comercial is a company organized and existing under the laws of the Argentine Republic (Law No. 19,550, as amended). The Company's registered office is located at Av. Fulvio Salvador Pagani 487, Arroyito, Province of Córdoba.

The Company and its subsidiaries constitute a multinational corporation producing a wide variety of consumer food products (candies, chocolates, cookies & crackers, food, etc.) and industrial products (virgin and recycled paper, corrugated cardboard, printing of flexible films, corn syrup, industrial ingredients, and plant sweeteners, etc.) in Argentina, Brazil, Chile, Mexico and Peru, which are marketed in many countries worldwide.

The Company's Bylaws were registered with the Public Registry of Commerce on January 19, 1962. The last amendment thereto was resolved at the Extraordinary General Shareholders' Meeting held on December 11, 2019, and was registered with the Public Registry – Protocol of Contracts and Dissolutions – under Registration No. 76 – A41, in Córdoba, on January 9, 2020. The Company's term will expire on January 19, 2061.

On February 27, 2010, the Ordinary General Shareholders' Meeting approved the creation of the Global Simple Non-convertible Notes Program, in accordance with the terms of Law No. 23,576, as amended by Law No. 23,962. On October 15, 2010, the Bureau of Legal Entities of the Province of Córdoba, by means of Resolution 1931/2010-B, registered the program with the Public Registry of Commerce. On October 25, 2010, the CNV, through Resolution No. 16,439, authorized the Company to create a Simple Non-convertible Notes Program.

On November 28, 2014, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the amount and extend the term of the program. On October 30, 2015, the CNV, by means of Resolution No. 17,849, authorized the Company to increase the maximum principal amount of such program (from an aggregate principal amount of USD 500 million to an aggregate principal amount of up to USD 800 million, or its equivalent in other currencies) for a new five-year period, counted as from the end of the original maturity in October 2020. On March 2, 2016, the Bureau of Legal Entities of the Province of Córdoba, by means of Resolution 260/2016-B, registered the increase in the program amount and extension of its term with the Public Registry of Commerce.

Finally, on April 25, 2020, the Ordinary and Extraordinary General Shareholders' Meeting resolved to approve an extension of the Program term for additional five years. On November 5, 2020, the CNV, by means of Directive DI-2020-52-APN- GE#CNV, authorized the Company to extend the term of the program for additional 5 years, counted as from the end of the extended term, i.e., October 30, 2025, and to amend certain terms and conditions of said Program in order for the instruments to be denominated in units known as "Unidades de Valor Adquisitivo" or UVAs indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) as per Law No. 25,827, or otherwise in "Unidades de Vivienda" or UVIs indexable by the Construction Cost Index ("ICC", for its Spanish acronym), pursuant to Law No. 27,271.

These consolidated financial statements were approved by Minutes of Board of Directors' Meeting No. 2388 dated March 11, 2022.

1.2 Parent Company's Data

The Company is controlled by Grupo Arcor S.A., which owns 99.686534% and 99.679719% interests in capital stock and votes, respectively. The parent company's core business is making financial transactions and investments.

Grupo Arcor S.A. is a company organized and existing under the laws of the Argentine Republic (Law No. 19,550, as amended). As of December 31, 2021, its registered office is located at Maipú No. 1210, 6th Floor, Suite "A," Autonomous City of Buenos Aires. Effective since January 1, 2022, the Company's registered office will be located in Maipú No. 1210, 8th Floor, Suite 817, C1006ACT, Autonomous City of Buenos Aires.

1.3 Economic Context in Argentina: Impacts of COVID-19

The Group operates amidst a challenging economic environment whose main variables have experienced strong volatility, both locally and internationally.

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NOTE 1. GENERAL INFORMATION

1.3 Economic Context in Argentina: Impacts of COVID-19

The outbreak of the COVID-19 pandemic in 2020 brought about substantial implications at a global level. The several health-related restrictions took their toll—to a greater or lesser extent— almost immediately on economies, with abrupt declines in their production and activity indicators. In response, most governments implemented fiscal aid packages to support people's income and minimize a potential disruption in the payment chain and prevent economic and financial crises and business bankruptcies. Argentina was no exception, and the National Government took action as soon as the pandemic was declared.

The Argentine economy was already experiencing stagflation which, coupled with the pandemic outbreak in March 2020, made things substantially worse.

In turn, the National Government maintained several measures imposed since late 2019 affecting the economic context, such as price controls and certain exchange restrictions, including the requirement of securing the Central Bank's prior consent to access the local FX market (known as "MULC"). Accordingly, the Company and its Argentine subsidiaries carried out exchange transactions within the MULC's applicable regulatory framework.

As concerns the impacts of the COVID-19 pandemic in Argentina, the measures adopted by the National Government to contain the virus spread, including, without limitation, border closures, mandatory social distancing, and interruption of non-essential business activities for a long period of time. In this respect, in spite of the challenges inherent to the prevailing context that slowed down or complicated the conduction of activities, as the Group is engaged in the production and marketing of consumer food products and key supplies to other essential industries, its business activity was considered essential and, as such, its operations were not disrupted.

The governments of the other countries where the Group carries out operations also adopted similar measures which resulted among other things, in restrictions on business activity. The Group's subsidiaries primarily engaged in the import and marketing of consumer food products, primarily those within the confectionery and chocolates segment, experienced a decline in demand resulting in a decrease in profits during the first months of the pandemic, though with certain signs of recovery since the third quarter the year 2020. Such positive trend was maintained in 2021, though at uneven levels, based on the country and the business at issue.

The final extent of the COVID-19 outbreak and its impact on the global and local economies of the countries where the Group operates are still unknown. As of the date of these consolidated financial statements, the pandemic has not had a substantial impact on the Group's results of operations.

The above-described volatile and uncertain scenario still remains as of the date of these consolidated financial statements. The Group is closely monitoring the situation and defining suitable courses of action, following the directives and recommendations from the pertinent international agencies and/or Departments of Health of the countries where it operates.

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

Below is a detail of the most relevant accounting standards used by the Group to prepare these consolidated financial statements.

2.1 Basis for Preparation

These consolidated financial statements were prepared in accordance with the IFRS issued by the IASB and represent the full, explicit and unreserved adoption of such international standards.

The figures disclosed in the consolidated financial statements and in their respective notes are stated in thousands of pesos, except for earnings per share, changes in capital stock, and dividends per share. Certain figures in foreign currency and in UVAs are also stated in thousands, except as otherwise indicated.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.1 Basis for Preparation

The accounting policies applied are based on the IFRS issued by the IASB and on the applicable interpretations issued by the IFRIC as of the date of these consolidated financial statement. The preparation of these consolidated financial statements in accordance with IFRS requires that the Company make estimates and assessments that affect the reported amounts of assets and liabilities, and of contingent assets and liabilities disclosed as of the date of these consolidated financial statements as well as recorded income and expenses.

The Group makes estimates to calculate, for example, depreciation and amortization, the fair value of biological assets, the value of right-of-use assets, and certain derivative instruments, the recoverable value of non-current assets, the income tax expense, certain labor costs, lease liabilities, the provisions for contingencies, provisions for labor, civil and commercial lawsuits, allowances for bad debts, and provisions for commercial discounts and rebates. Future actual results may differ from the estimates and assessments made as of the date of these consolidated financial statements.

The figures as of December 31, 2020 disclosed in these consolidated financial statements for comparative purposes arise from adjusting for inflation the amounts disclosed in the financial statements then ended, as described in Note 2.5 to these consolidated financial statements. Where applicable, certain reclassifications were made for comparative purposes.

Going Concern

As of the date of these consolidated financial statements, there are no uncertainties as to developments or circumstances that may call into question the likelihood that the Group will continue operating normally as a going concern.

2.2 Changes to Accounting Policies New Accounting Standards

(a) New Standards, Amendments and Interpretations Effective for the Fiscal Year Beginning on January 1, 2021:

Amendments to IFRS 7, IAS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2: These changes address issues arising during the interest rate benchmark reform, including the replacement of a benchmark rate with an alternative one. The adoption of these amendments did not have a material impact on these consolidated financial statements.

Amendments to IFRS 16, "Leases" - COVID-19-related Rent Concessions: In response to requests from interested parties and due to the fact that the COVID-19 pandemic is still ongoing, the IASB has extended for one year the exemption term for the adoption of the practical expedient set out in IFRS 16 - "Leases" to cover lease concessions that only reduce lease payments due on or before June 30, 2022. The adoption of these amendments did not have a material impact on these consolidated financial statements.

b) New Standards, Amendments and Interpretations Published that Have Not Become Effective Yet for the Fiscal Years Beginning on or after January 1, 2021 and that Have Not Been Adopted Earlier:

Amendments to IAS 1, "Presentation of Financial Statements" on Classification of Liabilities: These amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by the entity's expectations or by events subsequent to the date of these financial statements. The amendment makes clear the meaning of "settlement" of a liability. This standard was published in January 2020 and will come into force on or after January 1, 2023.

Amendments to IFRS 3 "Business Combinations: The amendment revises a reference to Conceptual Framework for Financial Reporting contained in IFRS 3, without altering the accounting requirements for business combinations.
The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.2 Changes to Accounting Policies New Accounting Standards

Amendments to IAS 16, "Property, Plant and Equipment": The amendment prohibits deducting from the cost of an asset any proceeds from sales while bringing that asset to the condition for its intended use. Instead, an entity is required to recognize such proceeds in profit or loss for the period. The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

Amendments to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets": These amendments specify the costs that an entity should include in assessing whether such contract will be onerous. The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

Amendments to IAS 1, "Presentation of Financial Statements": The amendment seeks to enhance accounting policy disclosures, requiring that companies disclose material accounting policies, instead of significant accounting policies. The amendment was published in February 2021 and will come into force for fiscal years commencing on or after January 1, 2023. Early adoption is allowed.

Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors": The amendment seeks to help users of these consolidated financial statements distinguish between changes in accounting policies and changes in accounting estimates, depending on whether they will be applied on a retrospective or prospective basis. The amendment was published in February 2021 and will come into force for fiscal years commencing on or after January 1, 2023. Early adoption is allowed.

Amendments to IAS 12, "Deferred Tax Related to Assets and Liabilities arising from a Single Transaction": The amendments require that companies recognize the deferred tax on transactions that, upon initial recognition, give rise to equal taxable and deductible temporary differences. The amendments were published in May 2021 and will come into force for fiscal years commencing on or after January 1, 2023.

There are no other IFRS or IFRIC interpretations which have not come effective yet and which are expected to have a material impact on the Group.

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(Figures stated in thousands of Argentine pesos)

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.3 Equity Interests in Subsidiaries, Associates and Joint Ventures

(a) Subsidiaries

Subsidiaries are all such entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights in, variable returns by reason of its involvement with the investee, and has the ability to use its power to direct the entity's operating and financial policies to affect such returns. Subsidiaries are consolidated as from the time on which control is transferred to the Company, and are excluded from consolidation on the date such control ceases. The following table shows the subsidiaries included in the consolidation:

COMPANIES	COUNTRY	LOCAL CURRENCY	FUNCTIONAL CURRENCY	CLOSING DATE	PERCENTAGE OF INTEREST*			
					12.31.2021		12.31.2020	
					DIRECT	DIRECT AND INDIRECT	DIRECT	DIRECT AND INDIRECT
Arcor A.G. (S.A., Ltd.) [1]	Switzerland	EUR	EUR	12.31.2021	100.00000	100.00000	100.00000	100.00000
Arcor Alimentos Bolivia S.A.	Bolivia	BOB	BOB	12.31.2021	-	99.00000	-	99.00000
Arcor Alimentos Internacional S.L., Sociedad Unipersonal [2]	Spain	EUR	EUR	12.31.2021	100.00000	100.00000	-	-
Arcor de Perú S.A.	Peru	PEN	PEN	12.31.2021	-	99.97123	-	99.97222
Arcor do Brasil Ltda.	Brazil	BRL	BRL	12.31.2021	0.00046	100.00000	89.89600	99.99990
Arcor Trading (Shanghai) Co. Ltd.	China	RMB	RMB	12.31.2021	-	100.00000	-	100.00000
Arcor U.S.A., Inc.	USA	USD	USD	12.31.2021	-	100.00000	99.95284	99.95520
Arcorpar S.A.	Paraguay	PYG	PYG	12.31.2021	-	50.00000	50.00000	50.00000
Ardion S.A.	Argentina	ARS	ARS	12.31.2021	-	51.00000	-	-
Bagley Argentina S.A.	Argentina	ARS	ARS	12.31.2021	0.00401	50.64327	0.00401	50.64327
Bagley Chile S.A.	Chile	CLP	CLP	12.31.2021	-	50.84330	-	50.84330
Bagley do Brasil Alimentos Ltda.	Brazil	BRL	BRL	12.31.2021	-	51.00000	-	51.00000
Bagley Latinoamérica S.A. [3]	Spain	EUR	EUR	12.31.2021	51.00000	51.00000	51.00000	51.00000
Cartocor Chile S.A. [4]	Chile	CLP	CLP	12.31.2021	28.07196	99.99763	28.07196	99.99771
Cartocor de Perú S.A.	Peru	PEN	PEN	12.31.2021	-	99.99751	-	99.99759
Cartocor S.A. [5]	Argentina	ARS	ARS	12.31.2021	99.99678	99.99683	99.99678	99.99694
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2021	99.99597	99.99604	99.99100	99.99145
GAP International Holding S.A. [6]	Chile	CLP	USD	09.30.2021	-	-	99.99901	99.99906
GAP Regional Services S.A.	Uruguay	UYU	USD	12.31.2021	-	100.00000	-	99.99906
Industria de Alimentos Dos en Uno S.A. [7]	Chile	CLP	CLP	12.31.2021	-	100.00000	100.00000	100.00000
Industria Dos en Uno de Colombia Ltda.	Colombia	COP	COP	12.31.2021	4.37353	100.00000	4.37353	100.00000
Ingrear Holding S.A. [8]	Argentina	ARS	ARS	12.31.2021	51.00000	51.00000	-	-
Ingrecor S.A.	Argentina	ARS	ARS	12.31.2021	-	51.00000	-	-
Ingredion Chile S.A.	Chile	CLP	CLP	12.31.2021	-	51.00000	-	-
Ingredion Uruguay S.A.	Uruguay	CLP	USD	12.31.2021	-	51.00000	-	-
Mundo Dulce S.A. de C.V.	Mexico	MXN	MXN	12.31.2021	-	49.99992	-	49.99993
Papel Misionero S.A.I.F.C.	Argentina	ARS	ARS	12.31.2021	-	96.06842	-	96.06852
Unidal Ecuador S.A.	Ecuador	USD	USD	12.31.2021	-	99.98159	-	99.98223
Unidal México S.A. de C.V. [9]	Mexico	MXN	MXN	12.31.2021	-	99.99984	99.99985	99.99985
Van Dam S.A.	Uruguay	UYU	UYU	12.31.2021	-	100.00000	100.00000	100.00000

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.3 Equity Interests in Subsidiaries, Associates and Joint Ventures

(a) Subsidiaries

* Percentage of interest in capital stock and voting rights.

[1] It consolidates the accounts of Arcor Alimentos Bolivia S.A. and Arcor Trading (Shanghai) Co. Ltd. and includes a branch in Spain.
[2] Effective since October 2021, it consolidates the accounts of GAP Regional Services S.A. On December 29, 2021, and as described in Note 40, it received an equity interest sufficient to exert control over the following subsidiaries: Industria de Alimentos Dos en Uno S.A., Van Dam S.A, Arcor U.S.A., Inc., S.A. Arcorpar S.A., Unidal México S.A. de C.V., and Arcor do Brasil Ltda.
[3] It consolidates the accounts of Bagley Chile S.A., Bagley do Brasil Alimentos Ltda., and Bagley Argentina S.A.
[4] It consolidates the accounts of Cartocor de Perú S.A.
[5] It consolidates the accounts of Cartocor Chile S.A and Papel Misionero S.A.I.F.C.
[6] The company was dissolved on December 13, 2021. See Note 40.
[7] It consolidates the accounts of Arcor de Perú S.A., Unidal Ecuador S.A. and Industria Dos en Uno de Colombia Ltda.
[8] It consolidates the accounts of Ingrecor S.A., Ardion S.A., Ingredion Chile S.A., and Ingredion Uruguay S.A.
[9] It consolidates the accounts of Mundo Dulce S.A. de C.V.

The Group applies the acquisition method to account for the acquisition of subsidiaries. The acquisition cost is determined as the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed as of the date of exchange. The agreed-upon price includes, where applicable, the fair value of any asset or liability resulting from an agreed-upon contingent consideration. The acquisition related costs are considered expenses when incurred. Identifiable net assets acquired and contingent liabilities assumed in a business combination are initially measured at fair value as of the acquisition date. The excess of the acquisition cost over the fair value of the Group's interest in the net identifiable assets acquired is recorded as goodwill. If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income.

Transactions, balances, income and expenses originated from operations between group companies are eliminated. Intercompany profits and losses included in the closing balance of assets resulting from these transactions are also eliminated.

The financial statements used in the consolidation process were prepared as of a closing date consistent with that of the consolidated financial statements, encompassing equal periods. They were also prepared using valuation and disclosure criteria consistent with those used by the Company.

(b) Transactions with the Non-controlling Interest

It is the Group's policy to consider transactions with the non-controlling interest as if they were transactions with the Group's shareholders. When acquiring a non-controlling interest, the difference between the price paid and the respective interest in the carrying amount of the subsidiary's net assets acquired is recognized in equity. Gains and losses on the disposal of equity interests, to the extent control is held, are also recognized in equity.

(c) Associates

Associates are entities over which the Group has significant influence, that is, the power to interfere with the decisions made as to the investee's financial and operating policies, without exerting control. Investments in associates are accounted for using the equity method and are initially recognized at cost. The identifiable net assets and contingent liabilities acquired in the initial investment in an associate are originally recognized at fair value as of the investment date. The Group's investment in associates includes, if applicable, the goodwill identified upon acquisition, net of any cumulative impairment loss.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.3 Equity Interests in Subsidiaries, Associates and Joint Ventures

(c) Associates

The Group's share in post-acquisition profits or losses is recognized in the statement of income, while its share in other comprehensive income post-acquisition is recognized in other comprehensive income. Post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of loss in an associate is equal to or higher than its interest in such associate, including any other unsecured account receivable, the Group does not recognize additional losses, except when it has assumed obligations or has made payments on behalf of the associate. Unrealized profits from transactions between the Group and its associates, if any, are eliminated based on the Company's percentage of interest in such associates. Where applicable, unrealized losses are also eliminated, except to the extent the transaction provides evidence of an impairment loss associated with the asset being transferred. Dilution gains or losses arising from investments in associates are recognized in the consolidated statement of income.

Likewise, the criteria stated in Note 2.10 (a) are also applicable to goodwill generated by the acquisition of equity interests in associates.

(d) Joint Ventures

A joint venture is a joint agreement whereby the Group maintains the common control of such joint venture with the other party and is entitled to the net assets associated with the agreement. Investments in joint ventures are accounted for using the equity method and are initially recognized at cost. The identifiable net assets and contingent liabilities acquired in the initial investment are originally recognized at fair value as of the investment date. The Group's investment in joint ventures includes goodwill identified upon acquisition, net of any cumulative impairment loss, where applicable.

The Group's share in profit or loss subsequent to the acquisition of its share in the joint venture is recognized in the statement of income, and its share in other comprehensive income post-acquisition is recognized in other comprehensive income. Any movement subsequent to the acquisition of the initial share is adjusted against the carrying amount of the investment. When the Group's share of loss in a joint venture is equal to or higher than its interest in such joint venture, including any other unsecured account receivable, the Group does not recognize additional losses, except when it has assumed obligations or has made payments on behalf of the joint venture. Unrealized profits from transactions between the Group and its joint ventures, if any, are eliminated based on the Company's percentage of interest in such joint ventures. Where applicable, unrealized losses are also eliminated, except to the extent the transaction provides evidence of an impairment loss associated with the asset being transferred.

2.4 Segment Reporting

Segment information is presented in a consistent manner with the internal reporting provided to:

(i) Senior management, as the utmost operating decision-making authority and responsible for allocating resources and assessing the performance of operating segments, and
(ii) The Board of Directors, as the body in charge of making the Group's strategic decisions.

2.5 Financial Reporting in Hyperinflationary Economies

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that an entity's financial statements whose functional currency is the currency of a hyperinflationary economy, regardless of whether they are based on the historical cost method or on the current cost method, be stated in terms of the measuring unit current at the end of the reporting period. For such purpose, in general, inflation from the acquisition date or the revaluation date, as the case may be, should be reflected in non-monetary items. Such requirements are also applicable to the comparative information disclosed in the financial statements.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.5 Financial Reporting in Hyperinflationary Economies

To conclude on the existence of a hyperinflationary economy pursuant to the provisions set forth in IAS 29, the standard details a series of factors to be considered, including an accumulated three-year inflation rate that approximates to or exceeds 100%. Accordingly, pursuant to the requirements of IAS 29, effective since July 1, 2018, the Argentine economy should be regarded as hyperinflationary.

In turn, Law No. 27,468 (published in the Official Gazette on December 4, 2018) amended the terms of Section 10 of Law No. 23,928, as amended, establishing that the repeal of all such legal and regulatory standards which establish or authorize price indexation mechanisms, monetary adjustments, changes in costs or any other form of restatement of indebtedness, taxes, prices or rates for goods, works or services, is not applicable to financial statements, which should continue to be subject to the provisions of Section 62 *in fine* of the GCL. In addition, Law No. 27468 repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and entrusted the National Executive Branch, through its regulatory agencies, with the duty of setting the date as from which the foregoing provisions would come into force in respect of financial statements filed with them. Accordingly, by way of RG 777/2018, published in the Official Gazette on December 28, 2018, the CNV provided that issuers subject to its oversight were required to restate their annual, interim and special financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29. Therefore, these consolidated financial statements as of December 31, 2021 were restated.

In accordance with IAS 29, the financial statements of an entity reporting in the currency of a hyperinflationary economy should be presented in the current unit of measurement as of the end of the reporting period. All balances disclosed in the entity's balance sheet, other than those stated in the current unit of measurement as of the date of these consolidated financial statements, should be adjusted by reference to a general price index.

All profit & loss items should be reported in terms of a unit of measurement adjusted as of the date of these consolidated financial statements by reference to the changes in the general price index occurring since the date on which revenues and expenses have been originally recognized in the financial statements.

The inflation adjustment on opening balances was calculated by reference to the indexes established by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), which are based on the price indexes released by the Argentine Institute of Statistics and Census ("INDEC"). The changes in the index used for the restatement of these consolidated financial statements was 50.94% as of December 31, 2021, and 36.14% as of December 31, 2020.

Below is a detail of the main guidelines for the application of the inflation adjustment:

- Monetary assets and liabilities recognized in the measuring unit current at the end of the reporting period should not be restated, for they are already stated in current currency as of the date of the financial statements.
- Non-monetary assets and liabilities carried at cost at the end of the reporting period and equity items should be restated by reference to the respective adjustment ratios.
- All profit & loss items are restated by reference to the pertinent restatement factors.
- Financial income (expense) was restated in real terms, eliminating the respective inflationary hedges.
- The effects of inflation on the Group's net monetary position are disclosed in the statement of income within "Net Financial Income (Expense)", under "Gain (Loss) on Net Monetary Position."
- Comparative figures were adjusted for inflation, following the same guidelines described in the preceding paragraphs.

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(Figures stated in thousands of Argentine pesos)

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.5 Financial Reporting in Hyperinflationary Economies

Upon the first-time adoption of the inflation adjustment (i.e., January 1, 2017), equity accounts were restated as follows:

- Capital stock was restated since the later of the subscription date, or the date of the last inflation adjustment for accounting purposes. The resulting amount was accounted for in "Capital Adjustment."
- The translation reserve and the reserve for cash flow hedges were stated in real terms.
- Other comprehensive income items were restated as from each accounting reporting date.
- Other reserves were not restated upon initial application.

2.6 Foreign Currency Translation

(a) Functional Currency and Reporting Currency

The figures disclosed in the financial statement of each of the Group's entities are stated in their functional currency. In general, for the Group's companies and joint ventures abroad, the currency of each country has been defined as functional currency since it is the currency of the primary economic environment where those entities operate. The consolidated financial statements are stated in Argentine pesos (ARS), which is the Company's functional currency and the Group's reporting currency.

The closing exchange rates used for currency translation purposes are as follows:

	LOCAL CURRENCY PER EACH ARS	
CURRENCY	12.31.2021	12.31.2020
AOA	0.1847	0.1265
BOB	0.0679	0.0829
BRL	0.0544	0.0619
CLP	8.2393	8.4687
RMB	0.0621	0.0779
COP	38.8330	40.8874
USD	0.0098	0.0119
EUR	0.0086	0.0097
USD	0.0098	0.0119
MXN	0.2001	0.2375
PYG	67.1051	82.6879
PEN	0.0389	0.0431
UYU	0.4360	0.5042

The functional currencies of the acquired business described in Note 42 are ARS for the operations in Argentina, and CLP and USD for the operations abroad.

(b) Transactions and Balances

Transactions in foreign currency are translated to functional currency at the exchange rates prevailing on the transaction or valuation dates when items are measured at closing. Gains and losses in functional currency on the settlement of these transactions and on the translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at closing are recognized in the consolidated income statement under "Net Financial Income (Expense)," except when deferred in equity as a result of transactions qualifying as cash flow hedges, where applicable.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.6 Foreign Currency Translation

(c) Translation of Financial Statements of Companies whose Functional Currency is Not the Currency of a Hyperinflationary Economy

The results of operations and financial position of the Group's entities whose functional currency differs from the reporting currency and is not the currency of a hyperinflationary economy are translated as follows:

(i) Assets and liabilities are translated at the exchange rate prevailing at closing.
(ii) Income and expenses are translated at each month's average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing on the date of each transaction, in which case income and expenses are translated at the exchange rates prevailing on the date of each transaction).
(iii) The resulting translation differences are recognized as other comprehensive income.
(iv) For purposes of the valuation of the item Investments in Associates and/or the preparation of the consolidated financial statements in the currency of a hyperinflationary economy, income and expenses are restated into the measuring unit current at the reporting period end and translated at the exchange rate prevailing at year-end; translation differences are restated and disclosed in real term

Goodwill and fair value adjustments arising from the acquisition of investments are recognized as assets and liabilities of the investee and are translated into the reporting currency at the exchange rate prevailing at closing. The resulting translation differences are recognized as other comprehensive income. When an investment is sold or disposed of, cumulative translation differences are recognized in the statement of income as part of the gain or loss on the sale or disposal.

(d) Translation of Financial Statements of Companies whose Functional Currency is the Currency of a Hyperinflationary Economy

The results of operations and financial position of the Group´s entities whose functional currency is different from the reporting currency and is that of a hyperinflationary economy are restated, first, in accordance with IAS 29 "Financial reporting in hyperinflationary economies" (Note 2.5 to these consolidated financial statements). Then, all assets, liabilities, equity items and profit and loss accounts are translated at the exchange rate prevailing at year-end.

2.7 Property, Plant and Equipment

The items of Property, Plant and Equipment are measured at acquisition or construction cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes such expenses that are directly attributable to the acquisition or construction of the assets.

The items of Property, Plant and Equipment acquired in business combinations were initially measured at their estimated fair value at the time of the acquisition. Subsequent costs are included in the value of the asset and are recognized as a separate asset, as the case may be, if and only if future economic benefits are expected to flow into the Group and its cost can be measured reliably. The carrying amount of the asset being replaced is derecognized.

Also, bearer plants are recorded separately from the biological assets produced therein, and are disclosed as items of Property, Plant and Equipment. The measurement criteria for those assets are described in Note 2.12.

Repair and maintenance expenses are recognized in the consolidated income statement for the year in which they were incurred.

Increased maintenance costs are recognized as part of the cost of the asset as long as general recognition criteria for assets are met, and are depreciated during the estimated period until the subsequent major maintenance. Any residual value resulting from previous maintenance is charged to income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.7 Property, Plant and Equipment

The Group has capitalized interest on generic loans for the construction of plant and equipment which necessarily require a substantial period before they are ready for use. The capitalized amount in real terms (net of the respective inflationary hedges) totals ARS 37,696 and ARS 30,226 for the years ended December 31, 2021 and 2020, respectively.

Depreciation is calculated on a straight-line basis, using annual rates sufficient to extinguish the value of the assets at the end of their estimated useful life. Where an asset includes significant components with different useful lives, they are recognized and depreciated as separate items.

The following table describes the useful life for each item of Property, Plant and Equipment, used by the Group as a reference upon recognition:

ITEM	USEFUL LIFE
Land	Without depreciation
Buildings	30 – 50 years
Machinery and Facilities	10 years
Bearer Plants	5 – 30 years
Furniture, Tools, Vehicles and Other Equipment	3 – 10 years
Works in Progress and Equipment in Transit	Without depreciation

The residual values, useful lives and depreciation methods of the items comprising Property, Plant and Equipment are reviewed and adjusted, as needed, as of each year-end.

The carrying amount of the items comprising Property, Plant and Equipment is immediately written down to its recoverable value when the carrying amount exceeds the estimated recoverable value.

Gains and losses on the disposal of Property, Plant and Equipment items are calculated by comparing the proceeds from the disposal to the carrying amount of the respective asset and are charged to "Other Income / (Expenses), Net" in the consolidated statement of income.

2.8 Leases

2.8.1 Lease Activities

The Group leases offices, warehouses, vehicles and land. Leases are generally entered into for fixed terms ranging from 6 months to 5 years, but may contain options to extend their term, as described in this Note 2.8.4. The contracts may contain or not lease components. The Group assigns the lease and non-lease components in each contract, based on their separate relative prices. However, for real property lease contracts where the Group is the lessee, it has opted not to separate the lease and non-lease components; instead, it recognizes them as a single lease component. Lease contracts are individually negotiated and contain a wide range of different terms and conditions.

2.8.2 Right-of-use Assets

Right-of-use assets are measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payment made on or before the commencement date, net of any lease incentive and restoration costs.

Right-of-use assets are depreciated on a straight-line basis during the shorter of the asset useful life and the lease term. The resulting carrying amount does not exceed the recoverable value of the assets.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.8 Leases

2.8.2 Right-of-use Assets

For variable lease payments contractually linked to indexes or adjustment rates, such lease liabilities are re-measured upon a change in those indexes or rates, which are recognized in real terms, through adjustments to the respective right-of-use assets.

Payments associated with short-term leases (with terms of less than 12 months) of equipment and vehicles and leases of low-value assets are expensed on a straight-line basis under "Leases / Operating Leases," in profit or loss for the year in which they are incurred.

2.8.3 Lease Liabilities

Lease liabilities are initially measured at present value. Lease liabilities mainly include the net present value of fixed lease payments (including the in-substance fixed payments) less any lease incentive receivable; and variable lease payments based on an index or rate. Lease payments made under reasonably certain options to extend are also included in the liability measurement.

Lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Such rate is the one the lessee would have to pay to obtain the necessary funds to acquire an asset of similar value to the right-of-use asset, within an economic environment with similar terms and conditions.

In determining the incremental interest rate, the Group relies, to the extent possible, on a recent external financing rate as a starting point. In the absence of recent third parties' financing, the Group uses a rate determination approach, starting from a risk-free interest rate adjusted for credit risk for its existing leases, and then making adjustments specific to the lease, such as term, currency and guarantee.

The Group is exposed to potential future increases in variable lease payments that depend on an index or a rate, which are included as they become effective. At that time, the lease liability is reassessed and adjusted against the right-of-use asset.

Financial charges generated by lease liabilities (interest and exchange differences) are disclosed in real terms, as described in Note 2.5.

2.8.4 Options to Extend or Terminate a Lease

The options to extend or terminate a lease are included in several property and equipment lease contracts. These options are used to maximize operating flexibility in terms of management of the assets used in the operations. Most options to extend or terminate leases maintained are exercisable by the Group only, but not by the respective lessor.

2.9 Investment Properties

Investment properties comprise real property (land and/or buildings) held by the Group to obtain a rent and/or for capital appreciation purposes, rather than for use in the production of goods and services or for administrative purposes.

Investment properties are measured at acquisition or construction cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes such expenses that are directly attributable to the acquisition or construction of the assets.

Land is not depreciated. The estimated useful life of buildings ranges from 30 to 50 years.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.9 Investment Properties

The residual values, useful lives and depreciation methods of investment properties are reviewed and adjusted, as needed, as of each year-end.

The carrying amount of investment properties is immediately written down to its recoverable value when the carrying amount exceeds the estimated recoverable value.

Gains and losses on the disposal of items of investment properties are calculated by comparing the proceeds from the disposal to the carrying amount of the respective asset and are charged to "Other Income / (Expenses), Net" in the consolidated statement of income.

Management and maintenance expenses are recognized under the caption "Other Income / (Expenses), Net" in the consolidated statement of income for the year in which they are incurred

2.10 Intangible Assets

Intangible assets are those non-financial assets, without physical substance, that are identifiable either because of being separable or because of deriving from legal or contractual rights. They are recorded when they may be reliably measured and are expected to generate benefits for the Group.

As of the date of these consolidated financial statements, intangible assets with definite useful life are disclosed net of accumulated amortization and/or impairment losses, if any. These assets are tested for impairment upon the occurrence of events or circumstances that indicate that their carrying amount may not be recoverable.

Intangible assets with indefinite useful life are those arising from contracts or other legal rights renewable at no significant cost and for which, on the basis of an analysis of all relevant factors, there is no foreseeable time limit during which the asset is expected to generate net cash flows for the entity. These intangible assets are not amortized, but are rather tested for impairment on an annual basis, either individually or at the cash-generating unit level. The useful life of an intangible asset is annually reviewed to determine whether circumstances continue to support an indefinite useful life assessment for that asset.

(a) Goodwill

Goodwill arising from the acquisition of subsidiaries and/or associates represents the excess of:

(i) the cost of an acquisition, which is measured as the consideration transferred, measured at fair value at the date of acquisition, plus the amount of the non-controlling interest; and
(ii) the fair value of the identifiable assets acquired, the liabilities assumed and contingent liabilities of the acquiree as of that date.

Goodwill generated from the acquisition of subsidiaries is included in the caption "Intangible Assets" in the consolidated balance sheet.

On the other hand, goodwill resulting from investments in associates is disclosed in the caption "Investments in Associates and Joint Ventures" in the consolidated balance sheet.

Goodwill is not amortized. The Group assesses, at least annually, goodwill recoverability based on the future discounted cash flows, together with other information available at the date of preparation of the consolidated financial statements. Once recorded, impairment losses are not reversed. Gains and losses from the sale of an entity include the remaining goodwill related to the entity sold.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.10 Intangible Assets

(a) Goodwill

Goodwill arising from the acquisition of subsidiaries is allocated to cash generating units in order to perform recoverability tests. Such allocation is made between those cash generating units (or group of units), identified on the basis of the operating segment which benefits from the business combination that gave rise to the goodwill.

(b) Brands

Brands individually acquired are initially measured at cost, while those acquired as part of business combinations are measured at their estimated fair value on the acquisition date.

Brands acquired by the Group are classified as intangible assets with indefinite useful lives and, therefore, are not amortized. The main factors considered for this classification include the number of years during which they have been in service and their recognition in the sector. In turn, the Group believes that brand value is maintained by means of marketing investments and commercial actions.

The value of these assets does not exceed their estimated recoverable value.

(c) Software and Related Licenses

Development, acquisition and implementation costs that are directly attributable to unique and identifiable software design and tests which are controlled by the Group are recognized as intangible assets. Costs associated with software maintenance are expensed when incurred.

Development, acquisition or implementation costs initially recognized as expenses for any given year are not subsequently recognized as costs of the intangible asset. Costs incurred in software development, acquisition and implementation recognized as intangible assets are amortized on a straight-line basis during the estimated useful life of the assets, within a term not to exceed 5 years.

Licenses acquired by the Group were classified as intangible assets with definite useful life and are amortized on a straight-line basis within a term not to exceed 5 years.

2.11 Impairment of Non-financial Assets

Assets with indefinite useful life are not amortized, but are rather tested for impairment on an annual basis. Amortizable assets and investments in associates and joint ventures are tested for impairment upon the occurrence of events or circumstances that indicate that their carrying amount may not be recoverable.

Impairment losses are recognized when the carrying amount of an asset exceeds its recoverable value. The recoverable value of an asset is equal to the higher of the net amount that would be obtained from its disposal or its value in use. For the purposes of the impairment test, assets are grouped at the lowest level in which they generate identifiable cash flows (cash generating units). For investments in associates and joint ventures, the impairment test is performed, if applicable, for each investment separately.

The carrying amount of non-financial assets, other than goodwill, which have been impaired is reviewed at each reporting date to see to the potential reversal of the impairment.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.12 Biological Assets

The account primarily comprises dairy cattle and beef cattle, tree plantations, grain sown land, sugar cane sown land and fruit crops. In general, these assets are measured at fair value less direct costs to sell, considering the particular characteristics of each specific asset as described in the following paragraphs.

Gains or losses from the initial recognition of a biological asset at fair value, net of estimated direct costs to sell/transfer and those related to subsequent changes in fair value, are disclosed as gains or losses in the consolidated statement of income for the year in which they are generated, under the item "Income (Loss) from Biological Assets" of the consolidated statement of income.

(a) Dairy Cattle

These biological assets are used by the Group for the production of milk (biological product), which is mainly used to manufacture milk powder and is then consumed in the manufacturing process of other products such as confectionery, chocolates, cookies and crackers.

Cattle is recorded at fair value estimated on the basis of the price of transactions close to the date of the consolidated financial statements, for animals with similar features, net of estimated direct costs of sale.

These biological assets are expected to be used for production during five lactation periods (representing approximately five years), until they reach dry cow status, when they are destined for slaughter. As a result, they are classified as non-current assets.

Changes in the fair value of these biological assets and the difference between the fair values of the biological products (milk) gathered during the year and the respective production costs are booked in "Income (Loss) from Biological Assets," in the consolidated statement of income.

(b) Beef Cattle

This category basically comprises calves and yearlings to be sold as cattle for slaughter, and also dry cows that exhausted their dairy production and were transferred to this category. Since these biological assets are expected to be sold within twelve months after year-end, they are classified as current assets.

Cattle is measured at fair value less direct costs to sell, estimated in accordance with quoted prices at the closing date, per kilogram of live weight at Liniers Cattle Market (*Mercado de Liniers*).

Changes in the fair value of these biological assets and the difference between the selling prices and the respective marketing and maintenance costs are carried in "Income (Loss) from Biological Assets" in the consolidated statement of income.

(c) Sugar Cane Sown Land

Sugar cane sown land is a biological asset growing in sugar cane plantations (bearer plants). These biological assets are used by the Group to obtain sugar cane (biological product), for subsequent use in its own production of sugar.

Sugar cane plantations are bearer plants and, therefore, are recorded and disclosed as items of "Property, Plant and Equipment" (Note 2.7). Sugar cane sown land biologically developed in sugar cane plantations is accounted for as "Biological Assets" until harvest. Sugar cane, which is the biological product resulting from those sown land plots, is then transferred to "Inventories" (Note 2.15) at fair value, after harvest.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.12 Biological Assets

(c) Sugar Cane Sown Land

At the initial phase of biological development, i.e. until the sugar cane sown land reaches a phenological stage from which yields can be reasonably estimated, these assets are valued at cost which mainly includes the costs of labor and related inputs. Once this stage is completed, they are measured at fair value at the point of harvest. Fair value is estimated separately from that of the bearer plants on which they develop and of the land on which they are planted, which are measured in accordance with the criteria applicable to "Property, Plant and Equipment" (Note 2.7). Since there is no active market for this type of biological assets (sugar cane sown land not yet harvested) in their location and condition prior to harvest, the fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using an appropriate rate under the circumstances. For purposes of such estimate, other factors are considered as the phenological stage of crops, expected yield, sugar cane price and estimated costs of farm work and inputs up to the harvest date.

Given that, at year-end, the land plots sown with sugar cane are at the initial stage of development, they are valued at cost. Also, as these biological assets are harvested within the following twelve months, they are classified as current assets. The difference between the fair values of the biological products (sugar cane) harvested during the year and the respective production costs are booked in "Income (Loss) from Biological Assets," in the consolidated statement of income.

(d) Fruit Crops

This item primarily comprises peach crops, which are biological assets growing on fruit-bearing trees (bearer plants). These biological assets are mainly used by the Group to obtain fruit (biological products), for subsequent use in the manufacturing process of other food products such as pulp, marmalades, etc.

Fruit trees are bearer plants and, therefore, are recorded and disclosed as items of "Property, Plant and Equipment" (Note 2.7). Fruit crops biologically developed on fruit trees are accounted for as "Biological Assets" until harvest. The harvested fruit, which is the biological product resulting from the crops, is then classified in "Inventories" (Note 2.15) at fair value, after harvest.

At the initial phase of biological development, i.e., until the fruit crops reach the phenological stage at which yields can be reasonably estimated, they are valued at cost, which mainly includes the costs of farming, farm work and related inputs. Once this stage is completed, they are measured at fair value net of harvest costs. Fair value is estimated separately from that of the bearer plants on which they develop and of the land on which they are based, which are measured in accordance with the criteria applicable to "Property, Plant and Equipment" (Note 2.7).

Given that, at year-end, fruit crops are at an advanced stage of biological development, they are measured at fair value. Since there is no active market for this type of biological assets (unharvested fruit crops) in their location and condition as of the date of these consolidated financial statements, the fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using a rate appropriate to the circumstances. For purposes of such estimate, other factors are considered such as the phenological stage of the crops, expected yield per hectare, the fruit price and estimated costs of farm work and inputs up to the harvest date.

Also, as these biological assets are harvested within the following twelve months, they are classified as current assets.

The difference between the fair value of the biological products (fruit) harvested during the year and the respective production costs, as well as the difference between the fair value of unharvested biological assets at year-end and their respective cost, are carried in "Income (Loss) from Biological Assets," in the consolidated statement of income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.12 Biological Assets

(e) Grain Sown Land

Primarily consists of land sown with corn and soybean. Biological products from corn sown land are primarily meant to be transformed into fodder to feed daily cattle, or otherwise to be transferred to industrial activities as production inputs primarily for the manufacturing of glucose, maltose and fructose syrups and starches. Instead, soybean (biological product) is destined for sale.

These corn and soybean sown land plots do not qualify as "bearer plants" as defined in IAS 41 "Agriculture," because they are not expected to produce for more than one year. For this reason, considering that the aforementioned biological products are harvested within the following twelve months and are then used in other industrial processes or sold, these biological assets are classified as current assets.

At the initial stage of their biological development, i.e., until the sown land reaches a phenological stage at which yields can be reasonably estimated, they are valued at cost. Once this stage is completed, they are measured at fair value net of harvest costs. Since there is no active market for this type of biological assets in their location and condition prior to harvest, their fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using a rate appropriate to the circumstances. For purposes of such estimate, other factors are considered such as the phenological stage of the crops, expected yield per hectare, the grain price and estimated costs of farm work and inputs up to the harvest date. Also, the fair value of these biological assets is determined separately from the land in which they are planted, which is measured in accordance with the criteria applicable to "Property, Plant and Equipment" (Note 2.7).

Given that, at year-end, the land plots sown with corn and soybean are at the initial stage of development, they are valued at cost.

The difference between the fair value of the biological products (corn, fodder and soybean) harvested during the year, their subsequent selling price, if applicable, and the respective production costs are carried in "Income (Loss) from Biological Assets," in the consolidated statement of income.

(f) Tree plantations

It primarily comprises plantations of Taeda and Ellioti pines. These biological assets are primarily used by the Group for wood production (biological products), for subsequent use in the manufacturing process of virgin paper.

Tree plantations are accounted for as "Biological Assets" until harvest. The harvested wood, which is the biological product resulting from such plantations, is then classified in "Inventories" (Note 2.15) at fair value, after harvest.

At the initial stage of biological development (from 0 to 3 years from plantation), i.e., until the plantations reach a phenological stage at which yields can be reasonably estimated, they are valued at cost, which mainly includes the costs of farming, farm work and related inputs. Once this stage is completed, they are measured at fair value net of harvest costs. Fair value is estimated separately from that of the land in which they are based, which is measured in accordance with the criteria applicable to "Property, Plant and Equipment" (Note 2.7).

Since there is no active market for this type of biological assets (standing wood crops) in their location and condition as of the date of these consolidated financial statements, the fair value is estimated on the basis of the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), based on sustainable forest management plans considering the growth potential of forests, and discounted using a rate appropriate to the circumstances. For the purposes of such estimate, other factors are considered such as the phenological stage of crops and plantation variety, expected yield per hectare according to natural soil conditions, wood price and estimated costs of farm work and inputs up to the logging date.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.12 Biological Assets

(f) Tree plantations

Also, such biological assets expected to be harvested within the following twelve months are classified as current assets.
The difference between the fair values of the biological products harvested during the year and the respective production costs, as well as the difference between the fair values of unharvested biological assets at year-end and their respective costs, and the changes in fair values of biological assets during the year, are carried in "Income (Loss) from Biological Assets," in the consolidated statement of income.

2.13 Financial Assets

2.13.1 Classification

The Group classifies its financial assets into the following categories:

(i) Financial assets at amortized cost, and
(ii) Financial assets at fair value.

This classification depends on the business model the Group applies to manage its financial assets and the characteristics of the asset's contractual cash flows.

(i) Financial assets at amortized cost:

Financial assets are measured at amortized cost if both of the following conditions are met:

(a) the asset is held within a business model aimed at maintaining the assets to obtain contractual cash flows; and
(b) the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are principal and interest payments only in respect of the outstanding principal amount.

In addition, and for such assets that meet the above-mentioned conditions, IFRS 9 includes an option to designate a financial asset at fair value at initial recognition, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing their respective gains and losses on a different basis. The Group has not designated any financial asset at fair value in reliance of this option.

(ii) Financial assets at fair value

Financial assets at fair value are those that are not measured at amortized cost.

2.13.2 Recognition and Measurement

Ordinary purchases and sales of financial assets are recognized on the trade date, which is when the Group undertakes to purchase or sell the asset.

Financial assets classified "at amortized cost" are initially recognized at fair value, plus the transaction costs. These assets accrue interest based on the effective interest rate method.

Financial assets classified "at fair value" through profit or loss are initially recognized at fair value, and the transaction costs are recognized as an expense in the consolidated statement of income. Subsequently, they are measured at fair value.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.13 Financial Assets

2.13.2 Recognition and Measurement

Financial assets are derecognized when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and benefits inherent to ownership.

Gains and losses from changes in fair value are included in the consolidated statement of income, under the item "Net Financial Income (Expense)," in the period in which such changes in fair value occur.

At each reporting period end, the Group assesses where there is objective evidence of impairment of a financial asset, or a group of financial assets, measured at amortized cost.

A financial asset or a group of financial assets is impaired and an impairment loss is recognized if there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset, and such event or events have an impact on the estimated future cash flows from the financial asset or group of financial assets.

The resulting loss, determined as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, is recognized in the consolidated statement of income. If, in a subsequent period, the amount of the impairment loss decreases and such decrease can be associated with an event occurred after the measurement, the reversal of the impairment loss is recognized in the consolidated statement of income.

Impairment tests on accounts receivable are described in Note 2.16.

2.14 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognized at fair value on the date when the derivative instrument contract is entered into, and are subsequently measured at fair value at the reporting period end. The method for recognizing the gain or loss from changes in the fair value of derivatives depends on whether they are designated as hedging instruments and, if so, on the nature of the item hedged.

In 2020, the Group applied hedge accounting to cocoa derivatives, designated as "Cash Flow Hedge" in order to obtain a hedge in respect of the purchase price of raw materials derived from cocoa.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedge is recognized in other comprehensive income. Where applicable, the ineffective portion of the gain or loss is reported in the consolidated statement of income immediately under the caption "Costs of Goods Sold and Services Rendered" for the hedge on prices for cocoa derivatives.

The accumulated amounts in other comprehensive income are reclassified to the consolidated statement of income in the period in which the hedged item affects earnings.

At the inception of the transaction, the Group documents the relationship between the hedging instruments and the items hedged, and also its risk management goals and the strategy to carry out hedging transactions. In addition, the Group evaluates, both at the beginning and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective to compensate changes in the fair value or in the cash flows of the items being hedged.

When a hedging instrument expires or is sold, or when it ceases to meet the criteria to be recognized through hedge accounting, any accumulated gain or loss in other comprehensive income as of that date will remain there, and will be recognized when the transaction originally intended to be hedged affects the consolidated statement of income. When a projected transaction is no longer expected to occur, the accumulated gain or loss in other comprehensive income is immediately charged to the consolidated statement of income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.14 Derivative Financial Instruments and Hedging Activities

Total fair value of the derivatives used as cash flow hedge is classified into non-current assets or liabilities when the maturity date of the remaining balance of the hedged item is beyond twelve months. Otherwise, it is classified as current assets or liabilities.

Changes in the reserve for cash flow hedges are disclosed in Note 20.

The gains or losses for changes in the fair value of derivatives not designated as hedges are recognized in the consolidated statement of income, under the item "Net Financial Income (Expense)" (Note 34).

Further, Mastellone Hermanos S.A.'s call and put options resulting from the transaction described in Note 43 are measured at estimated fair value, and the changes in measurement are recognized in the consolidated statement of income, under the item "Net Financial Income (Expense)" (Note 34).

2.15 Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost is determined applying the weighted average price method. The cost of finished products and work in process includes the costs of raw material, direct labor, other direct costs and manufacturing overheads, based on normal operating capacity, and excludes financing costs. Net realizable value is the estimated sale price in the ordinary course of business, less direct costs of sales.

A provision for impairment and obsolescence of inventories is calculated for goods whose net realizable value at period-end is lower than their restated cost (if applicable), and in order to write down certain slow-moving or obsolete inventories to their probable realizable value or value in use, at the respective dates.

Inventories include the agricultural produce that the Group has harvested or picked from its biological assets, such as milk, sugarcane, fruits, wood, crops, etc. For initial recognition, they are measured at market value at that date, less direct costs of sales or transfer estimated at the time of harvest, milking or picking.

2.16 Trade and Other Receivables

Trade and other receivables are initially recognized at fair value and subsequently valued at amortized cost, applying the effective interest rate method, less the allowance for bad debts.

The Group recognizes an allowance for bad debts for an amount equal to the expected credit losses over the receivable lifetime. The expected loss to be recognized is determined based on the percentage of uncollectibility by ranges of due dates for each receivable. Such historical percentage must reflect the expectations of collecting the receivable in the future and, therefore, estimated changes in performance.

The carrying amount of trade receivables is written down by means of an allowance and the amount of the loss is recognized in the consolidated statement of income under the item "Selling Expenses." When an account receivable is considered uncollectible, it is recorded against the corresponding allowance for bad debts. Subsequent recovery of amounts previously recognized as losses is recorded as a credit against "Selling Expenses" in the consolidated statement of income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.17 Cash and Cash Equivalents

Cash and cash equivalents include available cash, unrestricted bank deposits and other highly liquid short-term investments originally falling due within three months or less and with low exposure to significant changes in value.

Assets recorded under cash and cash equivalent are measured at fair value or at amortized cost that approximates their fair value.

2.18 Equity - Capital Stock

Common shares are recognized in equity and carried at nominal value. When company's shares (treasury shares) are acquired, the payment made, including all costs directly attributable to the transaction (net of taxes), is deducted from equity until the shares are canceled or sold.

2.19 Loans

Loans are initially recognized at fair value, net of the transaction costs incurred. These loans are subsequently recorded at amortized cost. Any difference between the funds received (net of transaction costs) and the repayment value is recognized in the consolidated statement of income over the term of the loan, using the effective interest rate method.

2.20 Trade Payables and Other Liabilities

Trade payables are initially recognized at fair value and subsequently measured at amortized cost, applying the effective interest rate method.

2.21 Income Tax and Minimum Presumed Income Tax

(a) Income Tax

The income tax expense for the year includes current and deferred tax. Taxes are recognized in the consolidated statement of income, except for such items that must be recognized directly in other comprehensive income. In this case, the income tax related to these items is also recognized in that statement.

- Current Income Tax

The consolidated current income tax expense is equal to the addition of the charges related to the several Group companies, which were assessed, in each case, by applying the tax rate on taxable income, in accordance with the Income Tax Law, or equivalent law, of the countries in which each company operates.

The Group periodically assesses the position assumed in tax returns in such circumstances in which the tax laws are subject to interpretation. If applicable, the Group establishes provisions based on the amounts expected to be paid to the tax authorities.

- Income Tax – Deferred Tax Method

The Company and each of its subsidiaries applied the deferred tax method to account for income tax. This methodology implies recognizing the future estimated tax effect generated by the temporary differences between the accounting and tax valuation of assets and liabilities.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.21 Income Tax and Minimum Presumed Income Tax

It also considers the effect of the future utilization of accumulated tax loss carryforwards, based on the probability of future utilization.

In order to determine deferred tax assets and liabilities, the tax rate expected to be effective at the time of their reversal or utilization, considering the applicable tax laws in each country as of the date of these consolidated financial statements has been applied on identified temporary differences and tax loss carryforwards, if applicable.

Deferred tax assets are recognized only to the extent future tax benefits are likely to arise against which the temporary differences might be offset.

The Company recognizes a deferred tax liability for taxable temporary differences related to investments in subsidiaries and associates, unless both the following conditions are met:

(i) The Group controls the timing on which temporary differences will be reversed; and
(ii) Such temporary differences are not likely to be reversed in the foreseeable future.

The balances of deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to the same tax authority for the Company or the different subsidiaries where there is an intention and possibility to settle the tax balances on a net basis.

(b) Minimum Presumed Income Tax

Up to the year ended December 31, 2018, the Company and its subsidiaries in Argentina assessed the minimum presumed income tax by applying the current 1% rate on computable assets at each period end. This tax was supplementary to income tax. However, if the minimum presumed income tax was to exceed income tax in a given fiscal year, such excess could be creditable as a payment on account of the income tax that could be generated in any of the following ten fiscal years.

The minimum presumed income tax credit disclosed under "Other Non-current Receivables" is the portion that the Company and its Argentine subsidiaries expect to offset against income tax to be generated within the following ten fiscal years from the date of generation.

With the enactment of Law No. 27,260 in 2016, this tax was repealed in Argentina for the fiscal years beginning on or after January 1, 2019. Therefore, no estimates of this tax were recorded for fiscal years 2021 and 2020 in these consolidated financial statements.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.22 Employee Benefits

(a) Pension Plans

The Group offers post-employment benefits to certain senior-level individuals, who are specifically designated as beneficiaries, under a pension plan. The right to obtain these benefits is subject to employee's permanence with the Company until he/she meets certain conditions subsequent under the plan, such as retirement, death, total and permanent disability, etc., and during a minimum number of years. These obligations assumed by the Group qualify as "Defined Benefit Plans" according to the classification of IAS 19 “Employee Benefits.” The Group does not have a specific fund to provide for the payment of these benefits. Expected costs of these benefits are accrued over the working life of the respective beneficiaries. The liability recognized in the consolidated balance sheet is equal to the present value of the obligation at the closing date. The obligation related to defined benefits is calculated annually in accordance with the projected unit credit method. The current value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates on high-quality corporate bonds, denominated in the same currency as that in which the benefits will be paid, and with similar maturities as those of the relevant obligations. In countries where there is no developed market for those bonds, interest rates on government securities are used. Actuarial gains and losses arising from adjustments due to the experience and changes on actuarial assumptions are recognized in “Other Comprehensive Income” in the period when they occur. Costs of past services are immediately charged to profit or loss.

(b) Retirement Bonuses

This account represents accrued but not yet due and payable benefits established under collective bargaining agreements in favor of employees that retire at the required age or before, in case of disability. These benefits comprise the payment of a certain sum, equal to three wages, at the time of retirement or upon disability. Collective bargaining agreements do not provide for other benefits, such as life insurance, health care plan or otherwise. These obligations assumed by the Company qualify as "Defined Benefit Plans" according to the classification of IAS 19. The Group does not have a specific fund to provide for the payment of these benefits. Expected costs of these benefits are accrued over employees' working lifetime using the same accounting method that is used for pension plans. Actuarial gains and losses arising from adjustments due to experience and changes in actuarial assumptions are recognized in “Other Comprehensive Income” in the period when they occur. Costs of past services are immediately charged to profit or loss.

(c) Early Retirement Benefits

Early retirement benefits are recognized when employment is terminated before the ordinary retirement date, or when the beneficiary agrees to a voluntary termination arrangement in exchange for these benefits. These benefits are paid during a period of time that is generally extended until one year after the expected retirement date. The Group recognizes early termination benefits when it is demonstrably committed to either: i) terminating employment according to a detailed formal plan without possibility of withdrawal; or ii) providing early termination benefits as a result of an offer made to encourage voluntary retirement. These benefits are recognized at the present value of the cash flows expected to be disbursed by the Group.

(d) Employee Bonuses

The Group recognizes a liability and an expense for bonuses at the time the benefit is accrued. The Group recognizes a provision when it is under a legal or contractual obligation, or when a past practice has created a constructive obligation.

(e) Social Security Contributions

Social security laws in force in Argentina grant pension benefits payable to retirees out of the government pension funds. According to applicable laws, the Company and its subsidiaries in Argentina make monthly contributions calculated based on each employee's salary to finance these plans.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.22 Employee Benefits

Besides, in most countries where the Group operates, its subsidiaries make similar contributions to their respective social security systems, in accordance with each country's applicable laws and regulations.

These amounts are expensed as incurred and are disclosed under the item "Salaries, Wages, Social Security Contributions and Other Benefits," in Note 30.

2.23 Provisions

The Group will recognize a provision when it has a present obligation, whether legal or constructive as a result of past events, and it is likely that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation, using an interest rate that reflects prevailing market conditions on the value of money and the risks specific to such obligation. The increase in the provision as a result of the passage of time is recognized under "Net Financial Income (Expense)," in the consolidated statement of income. The Group recognizes the following types of provisions:

For Labor, Civil and Commercial Lawsuits: These provisions are calculated on the basis of our legal advisors' reports about the status of lawsuits and the estimate about the potential losses the Group may sustain, as well as on the basis of past experience in proceedings of this nature.

Other Miscellaneous Provisions: These provisions are set up to address contingencies that may trigger obligations for the Group. In estimating the provision amount, the Group evaluates the likelihood of occurrence taking into consideration the opinion of its legal advisors.

As of the date of these consolidated financial statements, the Company's and its subsidiaries' management believes there are no elements leading to determine the existence of other probable contingencies that could be materialized and have a negative impact on these consolidated financial statements.

2.24 Leases / Operating Leases

Lease payments on which no right-of-use assets or lease liabilities were recognized (Note 2.8), net of any incentive received from the lessor, are charged to the consolidated statement of income on a straight-line basis over the lease term.

2.25 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements in the year in which such dividends are approved by the Shareholders' Meeting.

2.26 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

Revenues encompass the fair value of the consideration received or receivable for the sale of goods and services provided by the Group in the ordinary course of business. Revenues from sales are reported net of discounts.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.26 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

The Group recognizes revenues when amounts can be measured reliably, when the control over the products has been transferred or the services have been delivered, and when economic benefits are likely to flow into the entity in the future. The Group considers that the amount of revenues cannot be measured reliably until such time as all contingencies related to the sale or provision of the service have been addressed.

Regarding sales of services, revenue is recognized in the period in which the service is rendered, based on degree of completion.

In the case of products, the transfer of control takes place upon delivery. Products are not considered to have been delivered until such time as they have been shipped to the place specified by the buyer and the risks of obsolescence and loss have been transferred to such buyer, and accepted in accordance with the sales contracts, the acceptance provisions have expired, or the Group has objective evidence that all acceptance criteria have been satisfied.

The Group recognizes provisions for product returns based on historical information and past experience, so that provisions are recorded in the same period as the original sale.

(a.1) Local Market Sales

The Group derives revenues primarily from the sale of consumer food and industrial products. Consumer food products include the confectionery and chocolates, cookies & crackers, and food businesses, which are primarily marketed and food businesses, which are primarily marketed through three channels—distributors, wholesalers and supermarkets.

Industrial products mainly comprise sales of corrugated cardboard, film, bags, virgin paper fiber, industrial chocolate, sugar, and corn by-products.

Sales revenues, net of value added tax, returns and commercial discounts, are recognized after the Group has transferred the risks and benefits inherent to ownership of the goods to the buyer and does not retain the right to dispose of them, which generally occurs upon delivery and receipt of the products at the buyer's warehouse.

(a.2) Exports

Revenue recognition is based on Incoterms 2010, which are the official rules for the interpretation of commercial terms, issued by the International Chamber of Commerce.

In case of discrepancies between the commercial agreements and the Incoterms defined for the transaction, the contractual terms shall prevail.

(a.3) Commercial Agreements with Distributors, Wholesalers and Supermarket Chains

The Group enters into commercial agreements with its customers, distributors, wholesalers and supermarkets establishing discounts, rebates and other considerations in exchange for advertising and publicity, etc.

Payments for services and granted considerations, as well as contributions for shared advertising, are recognized when the advertising activities agreed with the customer are performed, and are recorded as advertisement and publicity, under selling expenses in the consolidated statement of income. Items that do not imply a consideration are recognized as a reduction of the sales price of the products sold.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.26 Recognition of Revenues from Sales

(b) Interest

Interest income is recognized based on the percentage of time elapsed, using the effective interest rate method.

(c) Rental Income

Rental income is recognized in the consolidated statement of income on a straight-line basis over the lease term.

NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

The preparation of these consolidated financial statements requires that the Group make estimates and assessments on future events, apply critical judgments, and make assumptions that have an impact on the application of its accounting policies and on the balances of reported assets and liabilities and revenues and expenses.

The Company permanently assesses such estimates and judgments, which are based on past experience and on factors deemed reasonable under the prevailing circumstances. Future actual results may differ from the estimates and assessments made as of the date of these consolidated financial statements.

Below is a detail of the accounting estimates and policies that pose a substantial risk of resulting in adjustments to the amount of assets and liabilities reported in these consolidated financial statements:

(a) Recoverability of Property, Plant and Equipment Items

The Group assesses the recoverability of property, plant and equipment items when events or changes in the prevailing circumstances indicate that the carrying amount of an asset may not be recoverable. The Group considers that the carrying amount of an item of property, plant and equipment is impaired when the value-in-use, calculated on the basis of the estimated cash flows expected from the asset, discounted and separately identifiable, or its net realizable value is lower than its carrying amount.

A previously recognized impairment loss is reversed when there is a subsequent change in the estimates used in computing the recoverable value of the asset. In that case, the new amount may not exceed the amount it would have had at the new measurement date if the impairment had not been recognized. Both the impairment charge and its reversal are recognized in income.

The value-in-use calculation requires the use of estimates (Note 2.11) and is based on cash flow projections prepared on the basis of financial budgets that cover a period of up to five years. Cash flows beyond the five-year period are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of each of the businesses involved.

The main key assumptions are related to gross margins which are determined on the basis of past performance, other external sources of information and market development expectations.

The discount rates used are the respective weighted average cost of capital ("WACC"), which is considered a good indicator of the cost of capital. Each WACC used is estimated considering the industry, country and size of the business.

The calculation of net realizable values, where necessary, is made based on valuations prepared by independent appraisers, according to the criteria defined by the International Valuation Standards (IVS).

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NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(b) Recoverability of Intangible Assets

Intangible assets with an indefinite useful life (including goodwill) are not subject to amortization. The Group annually assesses the recoverable value of those assets. To determine the recoverable amount of goodwill, the Group relies on the cash generating unit's future cash flow projections, which have the same characteristics as those detailed for property, plant and equipment.

The Group considers that the estimates are consistent with the assumptions that market players would use in their recoverable value estimates.

(c) Allowances for Bad Debts

The Group applies a methodology for impairment of receivables pursuant to the expected credit loss model set forth in IFRS 9. For trade receivables, the Company has applied a simplified approach to estimate expected credit losses, pursuant to which a loss allowance is recognized throughout the lifetime of the trade receivables. The expected loss recognized is determined based on the percentage of uncollectibility by ranges of due dates for each trade receivable. In measuring expected credit losses, trade receivables are grouped by credit risk and aging.

(d) Provisions

The Group recognizes provisions for certain probable civil, commercial, labor and tax contingencies arising from time to time in the ordinary course of business. In determining the sufficiency of the provisions for these contingencies, we have considered, based on the opinions of our internal and external legal advisors, the probability of adverse judgments or resolutions regarding these matters, as well as the range of probable losses that could result from potential resolutions. When applicable, the amount of the provisions required for these contingencies is determined after a careful analysis of each particular case.

(e) Income Tax

The Group is required to estimate income taxes in each of the jurisdictions where it operates. This process includes an estimate of the final tax exposure and the assessment of temporary differences arising from the deferred treatment of certain items, such as accruals and amortization, for accounting and tax purposes. These differences may give rise to deferred tax assets and liabilities, which are included in the consolidated balance sheet. As part of its tax planning procedures, the Group is required to determine the fiscal year of reversal of its deferred tax assets and liabilities and whether there will be future taxable profits in those periods. A detailed analysis from management is required to determine the Group's provisions for income tax and its deferred tax assets and liabilities positions. In this respect, the deferred tax asset is reviewed at reporting date and is reduced based on the probability that sufficient taxable base is available to recover these assets in whole or in part. In assessing the recoverability of deferred tax assets, the Group considers whether it is likely that any or all deferred tax assets may not be realized. The realization of deferred tax assets depends on the generation of future taxable income during the years in which these temporary differences are deductible. For purposes of this assessment, the Group considers the scheduled reversal of deferred tax liabilities, future projected taxable income and tax planning strategies. The generation of taxable income in the future could differ from the estimates, thereby affecting the deductibility of deferred tax assets.

On the other hand, the Group periodically assesses the positions taken in tax returns concerning situations in which applicable tax laws and regulations are subject to interpretation, considering how likely it is for the tax authorities to accept each treatment and, if applicable, accounts for tax provisions to reflect the effect of the uncertainty for each treatment, based on the amount estimated to be payable to the tax authorities. If the final tax determination in respect of the uncertain treatment differs from the amounts so recognized, such differences will have an impact on income tax and on the provisions for deferred taxes during the year in which such determination is made.

NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(f) Revenue Recognition - Discounts and Rebates

At each year-end, the Group is required to assess the degree to which its customers accomplish volume targets and other agreed-upon commercial actions that entitle them to discounts and rebates. In some cases, the Company needs to assess the fulfilment of sales volumes in future periods for targets encompassing multiple months

(g) Biological Assets

In order to measure the fair value of the asset, the Group estimates the present value of the expected net cash flows discounted using a rate applicable to the asset in question. In this regard, other factors are considered such as the phenological stage of crops and plantations, expected yield per hectare subject to climate changes, or based on natural soil conditions, the price for grain, sugarcane, wood, fruit or production, and the estimated costs of farm work and inputs up to the harvest or picking date.

(h) Investment in Associates - Allocation of Transaction Costs and Measurement of Call and Put Options

The initial recognition of the investment in Mastellone Hermanos S.A. (Note 43) requires determining the fair value of various assets and liabilities of that associate at the time of acquisition. The Group relies on all the information available (including information supplied by such associate) to make such determination, and in the case of certain identifiable assets and liabilities in the transaction, the Group may hire independent specialists to help it prepare fair value estimates. In some cases, assumptions related to the timing and amount of future income and expenses associated with an asset are used to determine its fair value. These assumptions may significantly vary over time from initial estimates, and if the time spent is longer, or if net cash flows decrease significantly, the results of those estimates could differ from those actually recognized by the Group.

The initial recognition of the call and put options contemplated in such transaction (Note 43) and their subsequent measurement are subject to similar considerations as the foregoing.

(i) Recoverability of the Investment in Mastellone Hermanos S.A.

The Group assesses the recoverability of its investment in Mastellone Hermanos S.A. when events or changes in the prevailing circumstances indicate that, subsequent to initial recognition of each investment, the estimated future cash flows of the associate could be significantly and adversely affected. The Company considers that the carrying amount of the investment in that associate is impaired when its recoverable value, calculated as the difference between the present value of the estimated cash flows expected to be generated by the associate and its net financial indebtedness, is lower than its carrying amount.

Since goodwill and other assets with indefinite useful life identified at the time of each acquired interest that comprise the carrying amount of the investment in Mastellone Hermanos S.A. are not separately recognized (Note 43), the Group does not test them for impairment separately, but rather analyzes the potential impairment of the total carrying amount of the investment. In this respect, a recognized impairment loss will not be allocated to any asset, including goodwill, comprising Mastellone Hermanos S.A.'s carrying amount; therefore, any reversal of such impairment loss will be recognized to the extent there is a subsequent increase in the recoverable amount of the net investment. Both the impairment loss and its reversal are recognized as a gain (loss) from the investment in the associate.

The assessment of the recoverable value requires the use of estimates (Note 2.11) and is based on projected cash flows prepared on the basis of Mastellone Hermanos S.A.'s financial budget for the following year and on the basis of the associate's projections for the following years covering a ten-year period. Cash flows in excess of the ten-year period are extrapolated using estimated growth rates.

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(Partner)
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NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(i) Recoverability of the Investment in Mastellone Hermanos S.A.

The discount rate used is the respective weighted average cost of capital ("WACC"), which is estimated considering the industry, the country and the business size of Mastellone Hermanos S.A.

The Group also estimates how sensitive the recoverable value is to certain key assumptions (Note 43).

(j) Business Combination resulting from the Joint Venture Agreement with Ingredion Argentina S.R.L. - Allocation of Transaction Costs

The initial recognition of the Joint Venture agreement with Ingredion Argentina S.R.L. (Note 42) involved the assessment of the fair value of several assets and liabilities of the acquired business and of the non-controlling business recognized. In making such assessment, the Group relied on all the information available, and for certain assets and liabilities identifiable in the transaction, it hired independent appraisers to assist in preparing fair value estimates. In some cases, assumptions related to the timing and amount of future income and expenses associated with an asset were used to determine its fair value. These assumptions may significantly vary over time from initial estimates, and if the time spent is longer, or if net cash flows decrease significantly, the results of those estimates could differ from those actually recognized by the Group.

NOTE 4. SEGMENT REPORTING

The operating segments are determined on the basis of management reports that are reviewed by the Board of Directors and senior management and updated as they experience changes.

The Group considers the business from a geographic approach and also from a perspective based on types of products. Geographically, management considers the performance of the following segments: (i) Argentina, (ii) Brazil, (iii) Andean Region (including Chile, Peru, Ecuador and Colombia), (iv) Northern, Center and Overseas (including Mexico, USA, Spain, China and Angola), (v) Southern Subsidiaries (including Uruguay, Paraguay and Bolivia), (vi) Agribusiness Overseas (including Uruguay and Chile, as a result of the business acquired described in Note 42), and (vii) the Other Countries and Businesses. The Group's industrial plants and commercial units are based in these locations. Further, in some geographic segments, the Group is organized according to the following types of products: (i) Confectionery and Chocolates; (ii) Cookies and Crackers; (iii) Food; (iv) Packaging; (v) Agribusiness; and (vi) Other Industrial Products.

Within the Other Countries and Businesses segment, the Group recognizes under the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" its share of profit or loss in the dairy business from its investment in the associate Mastellone Hermanos S.A.

The revenues from the confectionery and chocolates, cookies and crackers, and food segments derive from sales to distributors, wholesalers, supermarkets, and others. In the countries where the Group has commercial offices, sales are made in the currencies of those countries. Exports are generally denominated in USD. The main costs related to the confectionery and chocolates, cookies and crackers, and food segments are those incurred in raw materials, packaging, labor and freight. The main raw materials for the products of those segments are sugar, corn (and its by-products), cocoa (and its by-products), flour, corrugated cardboard, flexible packaging, milk and fruit.

The packaging segment revenues primarily derive from sales of flexible packaging, virgin paper, cardboard bags, and corrugated cardboard to fruit and vegetables producers and industrial customers in Argentina and Chile.

The agribusiness, packaging and other industrial products segments are part of the Group's vertical integration. The products from these business segments are sold to third parties, or otherwise used primarily as raw materials for the confectionery and chocolates, cookies and crackers, and food businesses.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 4. SEGMENT REPORTING

The Board of Directors and senior management assess the performance of the operating segments by measuring: (i) sales; and (ii) operating income. For purposes of such measurement, the Group considered the following aspects:s:

- Pricing of inter-segment sales is determined at an arm's length.
- Reported revenues from sales of goods and services to third parties are measured in the same manner as to prepare the consolidated statement of income (Note 2.26).
- Eliminations are made to exclude the effects of the Group's inter-segment transactions affecting operating income, considering inter-company profits and losses resulting from such transactions.
- Income (loss) from discontinued operations, if any, is not included in the measurement of operating income.

The following table shows the reconciliation of operating income (loss) by reportable segments to income before income tax:

	12.31.2021	12.31.2020
Operating Income (Loss) by Reportable Segments	**23,696,229**	**28,900,596**
Commercial Implicit Interest	(1,648,861)	(1,487,156)
Operating Income	**22,047,368**	**27,413,440**
Financial Income	10,878,841	(2,130,049)
Financial Expenses	(2,559,124)	(10,594,515)
Gain on Net Monetary Position	4,918,674	2,923,543
Income (Loss) from Investments in Associates, Joint Ventures and Others	(915,616)	(1,300,248)
INCOME BEFORE INCOME TAX	**34,370,143**	**16,312,171**

Importantly, the effects of the recognition of the acquired business described in Note 42 should be considered in the comparative analysis of the income (loss) from the Group's operating segments.

Information on Geographic Areas

Information on certain non-current assets located in Argentina (where the Company's registered office is located) and in the main foreign countries is disclosed in the following tables:

12.31.2020	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, Plant and Equipment [1]	52,455,247	4,150,030	11,561,382	2,874,439	417,621	-	-	71,458,719
Right-of-use Assets	1,222,212	441,762	442,934	75,628	75,673	-	16,326	2,274,535
Investment Properties	228,575	72,746	134,889	-	17,493	-	-	453,703
Intangible Assets	11,462,692	554,866	46,499	4,626	79,025	-	-	12,147,708
Investments in Associates and Joint Ventures [2]	14,505,206	-	-	-	-	-	-	14,505,206
Biological Assets	1,646,509	-	-	-	-	-	-	1,646,509
Deferred Tax Assets	126,386	-	908,254	1,007,667	141,536	-	-	2,183,843
Other Investments	939	-	-	-	1,696	-	-	2,635
Other Receivables [3]	3,687,957	309,100	246,706	404,102	3,410	-	-	4,651,275
TOTAL NON-CURRENT ASSETS	**85,335,723**	**5,528,504**	**13,340,664**	**4,366,462**	**736,454**	**-**	**16,326**	**109,324,133**

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NOTE 4. SEGMENT REPORTING

	12.31.2020							
	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, Plant and Equipment [1]	52,455,247	4,150,030	11,561,382	2,874,439	417,621	-	-	71,458,719
Right-of-use Assets	1,222,212	441,762	442,934	75,628	75,673	-	16,326	2,274,535
Investment Properties	228,575	72,746	134,889	-	17,493	-	-	453,703
Intangible Assets	11,462,692	554,866	46,499	4,626	79,025	-	-	12,147,708
Investments in Associates and Joint Ventures [2]	14,505,206	-	-	-	-	-	-	14,505,206
Biological Assets	1,646,509	-	-	-	-	-	-	1,646,509
Deferred Tax Assets	126,386	-	908,254	1,007,667	141,536	-	-	2,183,843
Other Investments	939	-	-	-	1,696	-	-	2,635
Other Receivables [3]	3,687,957	309,100	246,706	404,102	3,410	-	-	4,651,275
TOTAL NON-CURRENT ASSETS	**85,335,723**	**5,528,504**	**13,340,664**	**4,366,462**	**736,454**	**-**	**16,326**	**109,324,133**

[1] Inter-company profit or loss was eliminated in the acquirer.

[2] Mastellone Hermanos S.A., one of the Group's associates (Note 9), even though it owns non-current assets based in foreign countries, such assets are primarily concentrated in Argentina.

[3] For geographic distribution purposes, we considered the domicile of the Group's company that owns the asset.

The following table shows information on consolidated sales to customers located in Argentina (where the Company's registered office is located) and abroad:

	12.31.2021			12.31.2020		
	ARGENTINA	ABROAD	TOTAL	ARGENTINA	ABROAD	TOTAL
Sales	202,935,102	98,250,962	**301,186,064**	182,113,716	85,070,294	**267,184,010**

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NOTE 4. SEGMENT REPORTING

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS [3]	OTHER INDUSTRIAL PRODUCTS	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties [1]	52,788,652	49,645,631	24,888,808	54,537,150	31,431,616	106,279	12,619,262	11,377,560
Inter-segment Sales	17,496,209	2,952,300	1,099,289	11,300,550	11,479,855	3,174,206	1,227,108	578,094
TOTAL SALES	**70,284,861**	**52,597,931**	**25,988,097**	**65,837,700**	**42,911,471**	**3,280,485**	**13,846,370**	**11,955,654**
Operating Income (Loss) [2]	**6,934,917**	**2,965,512**	**(1,150,150)**	**9,316,812**	**823,261**	**513,112**	**515,148**	**(408,938)**
Depreciation and Amortization	(1,511,141)	(967,078)	(410,094)	(2,126,748)	(1,116,522)	(134,065)	(250,821)	(292,439)
Income Tax	(6,371,815)	(1,311,982)	(498,878)	(4,813,241)	(64,689)	(243,856)	-	-
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS [3]	OTHER INDUSTRIAL PRODUCTS	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties [1]	47,071,390	48,588,251	27,077,685	48,816,370	17,756,935	121,238	12,249,714	11,278,410
Inter-segment Sales	14,045,244	2,938,480	1,083,608	8,550,761	10,467,171	2,980,747	907,162	514,332
TOTAL SALES	**61,116,634**	**51,526,731**	**28,161,293**	**57,367,131**	**28,224,106**	**3,101,985**	**13,156,876**	**11,792,742**
Operating Income (Loss) [2]	**7,086,315**	**7,944,245**	**1,854,967**	**7,122,234**	**3,674,596**	**644,637**	**(151,544)**	**(61,693)**
Depreciation and Amortization	(1,415,536)	(770,166)	(430,431)	(2,117,731)	(840,829)	(134,463)	(307,901)	(314,434)
Income Tax	(1,809,020)	(2,841,562)	(492,760)	(2,012,718)	(708,446)	(169,592)	(14,356)	(3,020)
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

[1] It includes sales of goods and services to associates.

[2] It includes commercial implicit interest.

[3] The effects of the business combination agreed upon with Ingredion Argentina S.R.L. on segment reporting are disclosed in Note 42.

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	ANDEAN REGION			NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS [3]	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2021
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING						
	16,387,087	6,160,540	12,213,746	14,744,456	12,798,397	1,485,974	906	-	**301,186,064**
	1,960,797	580,622	225,794	190,319	12,249	23,695	122,657	(52,423,744)	**-**
	18,347,884	**6,741,162**	**12,439,540**	**14,934,775**	**12,810,646**	**1,509,669**	**123,563**	**(52,423,744)**	**301,186,064**
	913,776	**434,094**	**1,102,512**	**318,650**	**1,362,757**	**182,972**	**(128,206)**	**-**	**23,696,229**
	(485,309)	(129,355)	(178,701)	(353,514)	(121,789)	(22,755)	(13,175)	-	**(8,113,506)**
	(306,248)	(64,909)	(342,390)	(98,513)	(136,798)	(23,963)	(174,462)	-	**(14,451,744)**
	-	-	-	78,998	-	-	(994,614)	-	**(915,616)**

	ANDEAN REGION			NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS [3]	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2020
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING						
	13,887,294	5,766,174	10,538,342	11,446,380	12,581,755	-	4,072	-	**267,184,010**
	1,840,827	484,049	184,057	228,603	18,098	-	219,931	(44,463,070)	**-**
	15,728,121	**6,250,223**	**10,722,399**	**11,674,983**	**12,599,853**	**-**	**224,003**	**(44,463,070)**	**267,184,010**
	(923,588)	**2,875**	**812,905**	**(85,991)**	**1,108,244**	**-**	**(127,606)**	**-**	**28,900,596**
	(516,524)	(118,768)	(128,106)	(403,499)	(112,536)	-	(26,248)	-	**(7,637,172)**
	421,533	19,156	(151,423)	(134,638)	(87,994)	-	(113,342)	-	**(8,098,182)**
	-	-	-	(354,650)	-	-	(945,598)	-	**(1,300,248)**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

The following tables detail the breakdown of and changes to this item:

	LAND	BUILDINGS	BEARER PLANTS	MACHINERY AND FACILITIES	FURNITURE, TOOLS, VEHICLES AND OTHER EQUIPMENT	WORKS IN PROGRESS AND EQUIPMENT IN TRANSIT	TOTAL
Cost							
Original Value at the Beginning of the Year	**5,661,277**	**56,612,112**	**828,665**	**123,837,394**	**13,773,574**	**5,884,292**	**206,597,314**
Additions	44,080	63,890	-	235,517	1,318,968	4,686,472	6,348,927
Increase due to Acquisition (Note 42) [1]	367,450	636,918	-	2,025,400	237,425	303,210	3,570,403
Transfers [2]	74,799	1,056,796	82,375	4,100,479	275,740	(5,515,390)	74,799
Deletions [3]	-	(176,503)	(174,320)	(872,820)	(324,997)	-	(1,548,640)
Currency Translation Effect	(455,656)	(4,227,217)	-	(8,764,342)	(989,352)	(267,055)	(14,703,622)
Original Value at Year-end	**5,691,950**	**53,965,996**	**736,720**	**120,561,628**	**14,291,358**	**5,091,529**	**200,339,181**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(31,849,851)**	**(496,570)**	**(91,905,365)**	**(10,886,809)**	-	**(135,138,595)**
Increase due to Acquisition (Note 42) [1]	-	(48,468)	-	(117,844)	(23,921)	-	(190,233)
Deletions [3]	-	160,218	153,704	852,673	293,342	-	1,459,937
Currency Translation Effect	-	2,043,098	-	6,570,083	794,308	-	9,407,489
Depreciation for the Year [4]	-	(1,799,529)	(141,148)	(4,009,598)	(858,570)	-	(6,808,845)
Accumulated Depreciation at Year-end	-	**(31,494,532)**	**(484,014)**	**(88,610,051)**	**(10,681,650)**	-	**(131,270,247)**
TOTAL AS OF 12.31.2021	**5,691,950**	**22,471,464**	**252,706**	**31,951,577**	**3,609,708**	**5,091,529**	**69,068,934**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	BEARER PLANTS	MACHINERY AND FACILITIES	FURNITURE, TOOLS, VEHICLES AND OTHER EQUIPMENT	WORKS IN PROGRESS AND EQUIPMENT IN TRANSIT	TOTAL
Cost							
Original Value at the Beginning of the Year	**5,703,250**	**56,699,495**	**807,861**	**123,871,849**	**13,122,488**	**6,620,507**	**206,825,450**
Additions	-	71,346	-	122,669	981,284	2,969,614	4,144,913
Transfers [2]	-	585,362	128,190	2,528,982	178,854	(3,421,388)	-
Deletions [3]	(1,985)	(164,289)	(107,386)	(1,059,782)	(284,889)	-	(1,618,331)
Currency Translation Effect	(39,988)	(579,802)	-	(1,626,324)	(224,163)	(284,441)	(2,754,718)
Original Value at Year-end	**5,661,277**	**56,612,112**	**828,665**	**123,837,394**	**13,773,574**	**5,884,292**	**206,597,314**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(30,772,405)**	**(448,714)**	**(91,036,200)**	**(10,275,118)**	**-**	**(132,532,437)**
Deletions [3]	-	114,168	104,655	878,111	188,179	-	1,285,113
Currency Translation Effect	-	645,602	-	1,639,764	191,012	-	2,476,378
Depreciation for the Year [4]	-	(1,837,216)	(152,511)	(3,387,040)	(990,882)	-	(6,367,649)
Accumulated Depreciation at Year-end	-	**(31,849,851)**	**(496,570)**	**(91,905,365)**	**(10,886,809)**	**-**	**(135,138,595)**
TOTAL AS OF 12.31.2020	**5,661,277**	**24,762,261**	**332,095**	**31,932,029**	**2,886,765**	**5,884,292**	**71,458,719**

[1] The breakdown by "cost" and "accumulated depreciation" associated with increases due to acquisition is included for information purposes. Such increases were measured at fair value on the acquisition date, as stated in Note 42.
[2] In the case of land, it corresponds to transfers from Investment Properties (Note 7).
[3] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the consolidated statement of income, except for "Bearer Plants," which are carried in "Income (Loss) from Biological Assets" in the consolidated statement of income.
[4] The accounting allocation of depreciation for the year is reported in Note 30.

The useful life of the components of this item is disclosed in Note 2.7.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
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NOTE 6. RIGHT-OF-USE ASSETS

The following tables detail the breakdown of and changes to this item:

	LAND	BUILDINGS AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**675,642**	**3,025,780**	**326,025**	**4,027,447**
Additions	25,194	1,033,920	307,214	1,366,328
Increase due to Acquisition (Note 42) [1]	-	70,630	-	70,630
Adjustments to Variable Leases	(60,800)	(58,430)	(7,636)	(126,866)
Deletions [2]	(31,124)	(808,484)	(46,835)	(886,443)
Currency Translation Effect	-	(374,589)	(53,737)	(428,326)
Original Value at Year-end	**608,912**	**2,888,827**	**525,031**	**4,022,770**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(225,881)**	**(1,438,202)**	**(88,829)**	**(1,752,912)**
Increase due to Acquisition (Note 42) [1]	-	(30,412)	-	(30,412)
Deletions [2]	31,124	795,739	24,840	851,703
Currency Translation Effect	-	151,457	21,834	173,291
Depreciation for the Year [3]	(126,436)	(845,369)	(135,103)	(1,106,908)
Accumulated Depreciation at Year-end	**(321,193)**	**(1,366,787)**	**(177,258)**	**(1,865,238)**
TOTAL AS OF 12.31.2021	**287,719**	**1,522,040**	**347,773**	**2,157,532**

	LAND	BUILDINGS AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**423,660**	**3,073,822**	**47,581**	**3,545,063**
Additions	231,546	563,714	330,600	1,125,860
Adjustments to Variable Leases	59,494	(27,123)	-	32,371
Deletions [2]	(39,058)	(461,539)	(49,675)	(550,272)
Currency Translation Effect	-	(123,094)	(2,481)	(125,575)
Original Value at Year-end	**675,642**	**3,025,780**	**326,025**	**4,027,447**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(118,061)**	**(871,135)**	**(17,562)**	**(1,006,758)**
Deletions [2]	39,058	327,377	17,648	384,083
Currency Translation Effect	-	38,899	(1,282)	37,617
Depreciation for the Year [3]	(146,878)	(933,343)	(87,633)	(1,167,854)
Accumulated Depreciation at Year-end	**(225,881)**	**(1,438,202)**	**(88,829)**	**(1,752,912)**
TOTAL AS OF 12.31.2020	**449,761**	**1,587,578**	**237,196**	**2,274,535**

[1] The breakdown by "cost" and "accumulated depreciation" associated with increases due to acquisition is included for information purposes. Such increases were considered as new leases as of the acquisition date, as stated in Note 42.

[2] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the consolidated statement of income.

[3] The accounting allocation of depreciation for the year is reported in Note 30.

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(Figures stated in thousands of Argentine pesos)

NOTE 7. INVESTMENT PROPERTIES

The following table shows the breakdown of and changes to this item:

	12.31.2021	12.31.2020
	LAND AND CONSTRUCTIONS	
Cost		
Original Value at the Beginning of the Year	**784,012**	**796,320**
Additions	15,620	-
Transfers [1]	(74,799)	-
Deletions [2]	-	(7,885)
Currency Translation Effect	(106,459)	(4,423)
Original Value at Year-end	**618,374**	**784,012**
Depreciation		
Accumulated Depreciation at the Beginning of the Year	**(330,309)**	**(325,133)**
Currency Translation Effect	61,626	(4,987)
Depreciation for the Year [3]	(174)	(189)
Accumulated Depreciation at Year-end	**(268,857)**	**(330,309)**
TOTAL	**349,517**	**453,703**

[1] Transfer to Property, Plant and Equipment (Note 5).

[2] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the consolidated statement of income.

[3] The accounting allocation of the amount charged to income is reported in Note 30.

The useful life of the components of this item is disclosed in Note 2.9.

Investment properties are carried at depreciated cost. As of December 31, 2021 and 2020, the fair value of these assets amounted to ARS 10,547,749 and ARS 12,769,661, respectively. Such values were taken from reports prepared by independent appraisers, based on a comparison of the sales price for geographically nearby comparable properties (Level 2 fair value).

Gains (losses) on investment properties as of December 31, 2021 and 2020 are recognized in "Other Income / (Expenses), Net" in the consolidated statement of income (Note 33).

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NOTE 8. INTANGIBLE ASSETS

The following tables show the breakdown of and changes to this item:

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost				
Original Value at the Beginning of the Year	**2,881,424**	**8,695,255**	**1,538,340**	**13,115,019**
Additions [1]	62,975	-	264,385	327,360
Currency Translation Effect	(130,999)	(29,724)	(87,734)	(248,457)
Original Value at Year-end	**2,813,400**	**8,665,531**	**1,714,991**	**13,193,922**
Amortization				
Accumulated Amortization at the Beginning of the Year	-	-	**(967,311)**	**(967,311)**
Currency Translation Effect	-	-	64,423	64,423
Amortization for the Year [2]	-	-	(170,682)	(170,682)
Accumulated Amortization at Year-end	-	-	**(1,073,570)**	**(1,073,570)**
TOTAL AS OF 12.31.2021	**2,813,400**	**8,665,531**	**641,421**	**12,120,352**

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost				
Original Value at the Beginning of the Year	**3,011,841**	**8,701,524**	**1,498,760**	**13,212,125**
Additions	-	-	96,257	96,257
Deletions	-	-	(10,228)	(10,228)
Currency Translation Effect	(130,417)	(6,269)	(46,449)	(183,135)
Original Value at Year-end	**2,881,424**	**8,695,255**	**1,538,340**	**13,115,019**
Amortization				
Accumulated Amortization at the Beginning of the Year	-	-	**(856,635)**	**(856,635)**
Deletions	-	-	10,228	10,228
Currency Translation Effect	-	-	36,736	36,736
Amortization for the Year [2]	-	-	(157,640)	(157,640)
Accumulated Amortization at Year-end	-	-	**(967,311)**	**(967,311)**
TOTAL AS OF 12.31.2020	**2,881,424**	**8,695,255**	**571,029**	**12,147,708**

[1] Under Brands, it corresponds to the acquisition of a trademark for the "Confectionery and Chocolates" operating segment in Argentina.

[2] The accounting allocation of the amortization expense is reported in Note 30.

The useful life of the components of this item is disclosed in Note 2.10.

Research and development expenses which do not qualify for capitalization are charged to income for the year. As of December 31, 2021 and 2020, such expenses totaled ARS 1,074,032 and ARS 885,635, respectively.

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NOTE 8. INTANGIBLE ASSETS

Recoverability Test for Goodwill and Intangibles with Indefinite Useful Life

Goodwill and intangible assets with indefinite useful life (primarily brands) are allocated to the Group's cash generating units on the basis of the operating segments.

The table below shows the allocation of goodwill at the segment level:

	12.31.2021	12.31.2020
Cookies and Crackers Argentina	4,422,929	4,422,929
Confectionery and Chocolates Argentina	3,630,232	3,630,232
Packaging Argentina	531,891	531,891
Subtotal	**8,585,052**	**8,585,052**
Southern Subsidiaries	60,568	79,025
Confectionery and Chocolates Andean Region	19,911	31,178
TOTAL	**8,665,531**	**8,695,255**

The following table shows the allocation of brands (intangible assets with indefinite useful life) at the segment level:

	12.31.2021	12.31.2020
Cookies and Crackers Argentina	1,222,676	1,222,676
Confectionery and Chocolates Argentina	62,975	-
Packaging Argentina	1,127,496	1,127,496
Subtotal	**2,413,147**	**2,350,172**
Confectionery and Chocolates Brazil	265,621	352,559
Cookies and Crackers Brazil	134,632	178,693
TOTAL	**2,813,400**	**2,881,424**

The recoverable value of a cash generating unit is determined by means of value-in-use calculations. These calculations use cash flow projections based on the financial budget for the following fiscal year and other projections prepared on the basis of such budget, covering a five-year period in total. Cash flows exceeding the five-year period are extrapolated using an estimated growth rate, which does not exceed the long-term average growth rate of each of the businesses involved.

The main key assumptions are related to gross margins which are determined on the basis of past performance, other external sources of information and market development expectations.

The discount rates used are the respective weighted average cost of capital ("WACC"), which is considered a good indicator of the cost of capital. A specific WACC was determined for each cash generating unit where assets are allocated, considering the industry, the country and the size of the business.

The real discount rates used, depending on the geographic location of the cash generating unit, approximately ranged from:

- Argentina: 11.5% and 13.5%;
- Brazil: 6% and 7.5%;
- Andean Region: 4.5% and 6%;
- Southern Subsidiaries: 4.5% and 6.5%.

Long-term growth rates used to extrapolate cash flows beyond the period covered by the budget were equal to 0.9% for cash generating units based in Argentina and 1.0% for the others, both in real terms.

No impairment was recognized as a result of these analyses.

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NOTE 9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Below is a breakdown of this item:

COMPANY	TYPE	COUNTRY	CORE BUSINESS	EQUITY INTEREST IN %	CARRYING AMOUNT AS OF 12.31.2021	CARRYING AMOUNT AS OF 12.31.2020
GAP Inversora S.A.	Associate	Argentina	Financial and investment activities	1.60000	34	75
Mastellone Hermanos S.A.	Associate	Argentina	Industrialization and commercialization of milk products, by-products and derivatives	[1] 48.67670	13,075,222	14,505,131
Tucor DMCC	Joint Venture	United Arab Emirates	Financial and investment activities	[2] 50.00000	1,172,266	(358,911)
SUBTOTAL					**14,247,522**	**14,146,295**
Balance disclosed in Trade Payables and Other Liabilities (Note 26)					-	358,911
TOTAL					**14,247,522**	**14,505,206**

[1] Addition of direct investments of Arcor S.A.I.C. and Bagley Argentina S.A.

[2] See Note 41.

The following table shows the changes in this item:

	INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2021
Balances at the Beginning of the Year	**14,505,206**	**(358,911)**	**14,146,295**
Capital Contribution	1,464,206	-	1,464,206
Income (Loss) from Investments in Associates, Joint Ventures and Others	(1,061,207)	-	(1,061,207)
Changes in Translation Reserve	(303,636)	-	(303,636)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	1,864	-	1,864
Transfers to/from Items	(358,911)	358,911	-
BALANCES AT YEAR-END	**14,247,522**	**-**	**14,247,522**

	INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2020
Balances at the Beginning of the Year	**15,156,908**	**-**	**15,156,908**
Increase due to Purchase of Mastellone Hermanos S.A.'s Shares (Note 23)	458,701	-	458,701
Income (Loss) from Investments in Associates, Joint Ventures and Others	(945,598)	(354,650)	(1,300,248)
Changes in Translation Reserve	(168,053)	(5,099)	(173,152)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	4,086	-	4,086
Transfers to/from Items	(838)	838	-
BALANCES AT YEAR-END	**14,505,206**	**(358,911)**	**14,146,295**

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NOTE 9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following table shows the associates' summary financial information as of December 31, 2021, as required by IFRS 12:

	SUMMARY FINANCIAL POSITION					SUMMARY PROFIT & LOSS				
COMPANY	NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	EQUITY [3]	SALES	GROSS PROFIT FOR THE YEAR	NET INCOME (LOSS) FOR THE YEAR [3]	OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR [3]	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR [3]
GAP Inversora S.A.[1]	1,780	514	-	182	2,112	-	-	(1,186)	(101)	(1,287)
Mastellone Hermanos S.A. [2]	42,376,404	28,457,284	31,072,931	17,977,424	21,782,915	115,167,458	27,347,114	(1,553,016)	(2,488,511)	(4,041,527)
Tucor DMCC [4]	4,918,290	3,860,333	52,502	5,731,148	2,994,973	30,506	30,506	140,944	(24,056)	116,888

[1] Financial information from the financial statements as of December 31, 2021.

[2] Financial information from the consolidated financial statements as of December 31, 2021. It consolidates the accounts of its subsidiaries Con-Ser S.A., Leitesol Indústria e Comércio S.A., Marca 4 S.A., Marca 5 S.A., Asesores en Seguros S.A., Mastellone de Paraguay S.A., Mastellone Hermanos do Brasil Comercial e Industrial Ltda. and Mastellone San Luis S.A.
It does not include adjustments booked to measure the associate's identifiable assets and liabilities as of the date of initial application of the equity method in respect of each acquired interest (Note 43).

[3] Equity and earnings attributable to the shareholders of each associate and joint venture.

[4] Financial information under IFRS prepared for the sole purpose of being used by the Group as of the date of these consolidated financial statements to measure its investment using the equity method. Tucor DMCC consolidates the accounts of its subsidiary Dulcería Nacional, LDA. (Note 41).

Below is a breakdown of the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" of the consolidated statement of income:

	12.31.2021	12.31.2020
Gain (Loss) on Investment in Gap Inversora S.A. (Associate)	(44)	(88)
Gain (Loss) on Investment in Mastellone Hermanos S.A. (Associate) (Note 43)	(359,014)	(1,418,269)
Changes in Higher and Lower Values of Identifiable Assets and Liabilities Mastellone Hermanos S.A. (Note 43)	(781,147)	472,759
Gain (Loss) on Investment in Tucor DMCC (Joint Venture) (Note 41)	78,998	(354,650)
SUBTOTAL	**(1,061,207)**	**(1,300,248)**
Gain on Acquisition (Note 42)	145,591	-
TOTAL	**(915,616)**	**(1,300,248)**

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NOTE 9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following table shows a reconciliation of the summary financial information of Mastellone Hermanos S.A. (Note 43) to the financial information arising from these consolidated financial statements:

	EQUITY	RESULTS	OTHER COMPREHENSIVE INCOME
	DEBTOR / (CREDITOR)	PROFIT / (LOSS)	
Figures attributable to shareholders of Mastellone Hermanos S.A., as per its financial statements (*)	**21,782,915**	**(1,553,016)**	**(2,488,511)**
Equity interest owned by Arcor Group *		48.6767%	
Mastellone Hermanos S.A.'s figures attributable to Arcor Group	**10,603,204**	**(755,957)**	**(1,211,325)**
Items to reconcile Arcor Group's equity interest			
Difference in valuation of Property, Plant and Equipment, Other Assets, Investment Properties and Intangible Assets [1]	(6,050,409)	692,496	256,043
Tax effect of measurement differences	2,117,598	(295,553)	663,671
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(27,179)	-	-
Subtotal - Share of Mastellone Hermanos S.A.'s equity and profit and loss at carrying amounts, based on Arcor Group's measurement criteria	**6,643,214**	**(359,014)**	**(291,611)**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid [1 3]	3,902,198	(781,147)	1,863
Recognition of goodwill [2]	2,529,810	-	-
Arcor Group's figures as per its financial statements	**13,075,222**	**(1,140,161)**	**(289,748)**

[1] Mastellone Hermanos S.A. applies the "revaluation model" set forth in IAS 16 for the valuation of its main items of "Property, Plant and Equipment." Arcor Group applies the "cost model" established in such standard. Therefore, Arcor Group eliminates the balance sheet effects of revaluations recorded by the associate, with the ensuing impact on the depreciation expense for the year.

[2] It includes all interests acquired as of December 31, 2021.

[3] It includes the closing balance and the changes for the year in higher and lower values of identifiable assets and liabilities recorded to date of each acquired interest for fair value measurement purposes, as disclosed in Note 43, with their corresponding tax effect. It primarily includes the recognition of the associate's trademarks as of the date of each acquired interest. In particular, as of December 31, 2021, the Company included the impacts the changes to the tax rates established by Law No. 27,630 (Note 35) had on the aforementioned tax effect.

* For relevant information included in Mastellone Hermanos S.A.'s financial statements, see the additional information disclosed in Note 43.

NOTE 10. BIOLOGICAL ASSETS

The following tables show the breakdown of and changes to this item:

	FRUIT CROPS	GRAIN SOWN LAND [1]	SUGAR CANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TREE PLANTATIONS [2]	TOTAL
Total Non-current as of January 1, 2021	-	-	-	641,593	1,004,916	1,646,509
Total Current as of January 1, 2021	128,547	230,038	472,436	134,717	124,975	1,090,713
TOTAL AS OF JANUARY 1, 2021	**128,547**	**230,038**	**472,436**	**776,310**	**1,129,891**	**2,737,222**
Additions at Cost	268,990	417,429	684,052	-	212,799	1,583,270
Initial Recognition and Changes in Fair Value [3]	53,279	528,885	(338,255)	105,056	451,304	800,269
Harvest of Biological Products [4]	(271,578)	(976,563)	(321,682)	-	(173,498)	(1,743,321)
Deletion due to Sale of Biological Assets [5]	-	-	-	(133,084)	-	(133,084)
TOTAL AS OF DECEMBER 31, 2021	**179,238**	**199,789**	**496,551**	**748,282**	**1,620,496**	**3,244,356**
Total Non-current as of December 31, 2021	-	-	-	635,347	1,315,878	1,951,225
Total Current as of December 31, 2021	179,238	199,789	496,551	112,935	304,618	1,293,131

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NOTE 10. BIOLOGICAL ASSETS

	FRUIT CROPS	GRAIN SOWN LAND [1]	SUGAR CANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TREE PLANTATIONS [2]	TOTAL
Total Non-current as of January 1, 2020	-	-	-	453,216	973,608	1,426,824
Total Current as of January 1, 2020	75,930	225,212	359,146	89,383	147,876	897,547
TOTAL AS OF JANUARY 1, 2020	**75,930**	**225,212**	**359,146**	**542,599**	**1,121,484**	**2,324,371**
Additions at Cost	230,752	431,352	638,725	8,833	184,403	1,494,065
Initial Recognition and Changes in Fair Value [3]	(42,793)	403,087	(74,248)	332,783	16,971	635,800
Harvest of Biological Products [4]	(135,342)	(829,613)	(451,187)	-	(192,967)	(1,609,109)
Deletion due to Sale of Biological Assets 5	-	-	-	(107,905)	-	(107,905)
TOTAL AS OF DECEMBER 31, 2020	**128,547**	**230,038**	**472,436**	**776,310**	**1,129,891**	**2,737,222**
Total Non-current as of December 31, 2020	-	-	-	641,593	1,004,916	1,646,509
Total Current as of December 31, 2020	128,547	230,038	472,436	134,717	124,975	1,090,713

[1] Based on the phenological stage reached at year-end, these assets were measured at cost (Note 2.12).
[2] Based on the phenological stage reached at year-end, these assets were measured at cost or fair value, net of harvest costs, as applicable (Note 2.12).
[3] As for agricultural and forestry activities, it includes all changes in fair value of biological assets occurred during the year, irrespective of whether they have been harvested/logged at year-end.
[4] The offsetting entry is carried in the line "Harvest of Biological Products" in Note 32.
[5] The offsetting entry is carried in the line "Cost of Sales of Biological Assets" in Note 32.

The following tables show information as of December 31, 2021 and 2020 relating to the harvest of biological products and quantities, in respect of the main types of biological assets:

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGAR CANE SOWN LAND	TREE PLANTATIONS
Harvest of biological products for the year ended December 31, 2021, as per biological asset	7,514 Tons	33,690 Ton	17,693 Tons [1]	[3] 218,600 Tons	104,014 Tons [4]
Area intended for biological assets as of 12.31.2021	273 Has.	5,490 Has.	-	6,463 Has.	5,606 Has.
Quantity of biological assets as of 12.31.2021 (heads)	-	-	5,798 [2]	-	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months	17 years [5]

[1] Tons of fluid milk.
[2] Out of the total, 3,338 are dairy cattle heads, and the remaining 2,460 are beef cattle heads.
[3] Tons of sugar cane.
[4] Tons of wood.
[5] Average logging age.

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGAR CANE SOWN LAND	TREE PLANTATIONS
Harvest of biological products for the year ended December 31, 2020, as per biological asset	6,224 Tons	32,457 Tons	17,835 Tons [1]	[3] 233,504 Tons	120,482 Tons [4]
Area intended for biological assets as of 12.31.2020	203 Has.	6,874 Has.	-	6,328 Has.	6,006 Has.
Quantity of biological assets as of 12.31.2020 (heads)	-	-	6,040 [2]	-	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months	17 years [5]

[1] Tons of fluid milk.
[2] Out of the total, 3,517 are dairy cattle heads, and the remaining 2,523 are beef cattle heads.
[3] Tons of sugar cane.
[4] Tons of wood.
[5] Average logging age

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NOTE 10. BIOLOGICAL ASSETS

The fair value measurement method for each of these biological assets is described in Note 2.12 to the consolidated financial statement.

The following tables show the Group's biological assets by fair value level as of December 31, 2021 and 2020, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	179,238	179,238
Dairy or Beef Cattle	-	748,282	-	748,282
Tree Plantations [1]	-	-	1,433,266	1,433,266
Total Biological Assets as of 12.31.2021	**-**	**748,282**	**1,612,504**	**2,360,786**

[1] Out of total tree plantations as of December 31, 2021 (ARS 1,620,496), ARS 1,433,266 were measured at fair value net of harvest costs, and ARS 187,230 were measured at cost (Note 2.12).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	128,547	128,547
Dairy or Beef Cattle	-	776,310	-	776,310
Tree Plantations [1]	-	-	1,005,546	1,005,546
Total Biological Assets as of 12.31.2020	**-**	**776,310**	**1,134,093**	**1,910,403**

[1] Out of total tree plantations as of December 31, 2020 (ARS 1,129,891), ARS 1,005,546 were measured at fair value net of harvest costs, and ARS 124,345 were measured at cost (Note 2.12).

Fruit tree and other tree plantations were measured using the following unobservable inputs (fair value Level 3):

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2021	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	179,238	Net present value of net discounted cash flows	Fruit yield per hectare	The higher the yield, the higher the fair value.
			Market price for fruit to be harvested	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the lower the fair value.

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(Figures stated in thousands of Argentine pesos)

NOTE 10. BIOLOGICAL ASSETS

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2021	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Tree Plantations	1,433,266	Net present value of net discounted cash flows	Wood yield per hectare	The higher the yield, the higher the fair value.
			Wood market price	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Planting, maintenance and harvest costs	The higher the planting, maintenance and harvest costs, the lower the fair value.

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2020	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	128,547	Net present value of net discounted cash flows	Fruit yield per hectare	The higher the yield, the higher the fair value.
			Market price for fruit to be harvested	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the lower the fair value.

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2020	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Tree Plantations	1,005,546	Net present value of net discounted cash flows	Wood yield per hectare	The higher the yield, the higher the fair value.
			Wood market price	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Planting, maintenance and harvest costs	The higher the planting, maintenance and harvest costs, the lower the fair value.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

The following table shows the breakdown of and changes in deferred tax assets and liabilities as of December 31, 2021:

	BALANCE AT THE BEGINNING OF THE YEAR	INCREASE DUE TO ACQUISITION [1]	TRANSLATION DIFFERENCE	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2021
Assets						
Tax Loss Carry-forwards	1,540,934	-	(380,474)	(46,584)	-	1,113,876
Trade and Other Receivables	237,099	-	(54,700)	89,341	-	271,740
Inventories	(107,040)	(27,150)	(663)	149,965	-	15,112
Property, Plant and Equipment and Investment Properties	(844,866)	(1,714)	112,971	476,992	-	(256,617)
Intangible Assets	74,417	-	(31,154)	26,401	-	69,664
Right-of-use Assets	(60,736)	-	41,980	(36,057)	-	(54,813)
Cash and Cash Equivalents and Other Investments	38,031	-	-	(38,031)	-	-
Provisions	279,817	-	(136,875)	(22,161)	-	120,781
Trade Payables and Other Liabilities	264,363	19,552	49,691	(278,578)	(23,957)	31,071
Deferred Losses - Law No. 27,541	697,141	-	-	(697,141)	-	-
Lease Liabilities	64,683	-	(42,764)	38,344	-	60,263
Subtotal – Deferred Assets	**2,183.843**	**(9,312)**	**(441,988)**	**(337,509)**	**(23,957)**	**1,371.077**
Liabilities						
Tax Loss Carry-forwards	7,778,051	-	-	(7,700,772)	-	77,279
Trade and Other Receivables	96,904	-	(2,431)	(197,245)	-	(102,772)
Inventories	303,365	-	(37,817)	(1,196,935)	-	(931,387)
Biological Assets	(259,190)	-	-	(72,495)	-	(331,685)
Property, Plant and Equipment and Investment Properties	(6,771,417)	-	200,690	(2,166,737)	-	(8,737,464)
Cash and Cash Equivalents and Other Investments	118	-	-	214,332	-	214,450
Investments in Associates and Joint Ventures	(90,070)	-	-	44,410	69,200	23,540
Intangible Assets	(652,619)	-	-	(309,178)	-	(961,797)
Right-of-use Assets	(317,614)	-	1,001	(162,789)	-	(479,402)
Provisions	225,669	-	(8,094)	35,948	-	253,523
Trade Payables and Other Liabilities	375,326	-	(4,098)	630,361	95,080	1,096,669
Deferred (Income) / Losses - Law No. 27,541	(6,557,999)	-	-	1,810,646	-	(4,747,353)
Deferred Losses - Law No. 27,541	93,806	-	-	476,415	-	570,221
Lease Liabilities	349,518	-	(1,035)	144,140	-	492,623
Loans	195,017	-	-	(131,057)	-	63,960
Subtotal – Deferred Liabilities	**(5,231,135)**	**-**	**148,216**	**(8,580,956)**	**164,280**	**(13,499,595)**
Total Deferred Tax Assets / Liabilities, Net	**(3,047,292)**	**(9,312)**	**(293,772)**	**(8,918,465)**	**140,323**	**(12,128,518)**

[1] See Note 42.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

The following table shows the breakdown of and changes in deferred tax assets and liabilities as of December 31, 2020:

	BALANCE AT THE BEGINNING OF THE YEAR	TRANSLATION DIFFERENCE	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2020
Assets					
Tax Loss Carry-forwards	10,557,456	75,394	(9,091,916)	-	1,540,934
Trade and Other Receivables	286,013	(2,614)	(46,300)	-	237,099
Inventories	(295,619)	24,490	164,089	-	(107,040)
Biological Assets	(210,174)	-	210,174	-	-
Property, Plant and Equipment and Investment Properties	(4,128,811)	(174,315)	3,458,260	-	(844,866)
Intangible Assets	(87,984)	7,686	154,715	-	74,417
Right-of-use Assets	(457,024)	53,166	343,122	-	(60,736)
Derivative Financial Instruments	(926)	-	-	926	-
Cash and Cash Equivalents and Other Investments	(6,233)	-	44,264	-	38,031
Investments in Companies	(40,745)	-	40,745	-	-
Provisions	494,125	22,916	(237,224)	-	279,817
Trade Payables and Other Liabilities	825,805	23,317	(579,799)	(4,960)	264,363
Deferred (Earnings) - Law No. 27,541	(4,627,028)	-	4,627,028	-	-
Deferred Losses - Law No. 27,541	652,882	-	44,259	-	697,141
Lease Liabilities	501,722	(6,596)	(430,443)	-	64,683
Loans	217,788	-	(217,788)	-	-
Subtotal – Deferred Assets	**3,681.247**	**23,444**	**(1,516,814)**	**(4,034)**	**2,183.843**
Liabilities					
Tax Loss Carry-forwards	261,170	-	7,516,881	-	7,778,051
Trade and Other Receivables	157,011	681	(60,788)	-	96,904
Inventories	3,583	(1,947)	301,729	-	303,365
Biological Assets	(59,850)	-	(199,340)	-	(259,190)
Property, Plant and Equipment and Investment Properties	(3,469,802)	(11,635)	(3,289,980)	-	(6,771,417)
Cash and Cash Equivalents and Other Investments	(84)	-	202	-	118
Investments in Associates and Joint Ventures	-	-	(32,291)	(57,779)	(90,070)
Intangible Assets	(518,772)	59	(133,906)	-	(652,619)
Right-of-use Assets	(42,995)	2,371	(276,990)	-	(317,614)
Provisions	130,427	2,254	92,988	-	225,669
Trade Payables and Other Liabilities	(210,517)	4,026	629,861	(48,044)	375,326
Deferred (Earnings) - Law No. 27,541	-	-	(6,557,999)	-	(6,557,999)
Deferred Losses - Law No. 27,541	83,950	-	9,856	-	93,806
Lease Liabilities	44,030	(2,382)	307,870	-	349,518
Loans	(325)	-	195,342	-	195,017
Subtotal – Deferred Liabilities	**(3,622,174)**	**(6,573)**	**(1,496,565)**	**(105,823)**	**(5,231,135)**
Total Deferred Tax Assets / Liabilities, Net	**59.073**	**16,871**	**(3,013,379)**	**(109,857)**	**(3,047,292)**

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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

The following table shows the effective tax rates in each of the countries where the Group operates:

COUNTRY	12.31.2021	12.31.2020
Argentina [1]	35.00%	30.00%
Angola	30.00%	24.00%
Bolivia	25.00%	25.00%
Brazil	34.00%	34.00%
Chile	27.00%	27.00%
China	25.00%	25.00%
Colombia	31.00%	32.00%
Ecuador	25.00%	25.00%
Spain	25.00%	25.00%
United States	21.00%	21.00%
Mexico	30.00%	30.00%
Paraguay	10.00%	10.00%
Peru	29.50%	29.50%
Switzerland	8.50%	13.52%
Uruguay	25.00%	25.00%

[1] See Note 35.

Below is a detail of tax loss carry-forwards recognized by the Group as of December 31, 2021, broken down by company and applicable statute of limitation:

COMPANIES	STATUTE OF LIMITATION EXPIRES IN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2022	2023	2024 ONWARDS	WITHOUT STATUTE OF LIMITATIONS			
Arcor S.A.I.C.	-	-	220,797	-	220,797	35.0%	77,279
Arcor de Perú S.A.	-	-	21,331	-	21,331	29.5%	6,293
Arcor U.S.A., Inc.	-	-	311,470	-	311,470	21.0%	65,409
Bagley Chile S.A.	-	-	-	353,942	353,942	27.0%	95,564
Bagley Latinoamerica S.A.	-	-	-	543,013	543,013	25.0%	135,753
Industria de Alimentos Dos en Uno S.A.	-	-	-	1,413,203	1,413,203	27.0%	381,565
Ingredion Chile S.A.	-	-	-	61,403	61,403	27.0%	16,579
Unidal México S.A. de C.V.	401,374	290,400	683,936	-	1,375,710	30.0%	412,713
TOTAL	**401,374**	**290,400**	**1,237,534**	**2,371,561**	**4,300,869**		**1,191,155**

[1] They are part of deferred tax liabilities.

[2] They are part of deferred tax assets.

The following table shows the Group's main deferred tax assets not recognized by the Group as of December 31, 2021:

COUNTRY	AT TAXABLE BASE LEVEL	TAX RATES	UNRECOGNIZED DEFERRED TAX ASSETS
Argentina	7,929,634	35.0%	2,775,372
Brazil	19,505,274	34.0%	6,631,793
Spain	629,636	25.0%	157,409
Total	**28,064,544**		**9,564,574**

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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

As of December 31, 2021, the Group's main tax losses, both recognized and unrecognized, were attributable to Arcor S.A.I.C. Below is a breakdown of the Company's tax losses (recognized and unrecognized) as of such date, by year of generation and year in which the statute of limitations expires:

GENERATED IN	STATUTE OF LIMITATION EXPIRES IN	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN NOMINAL VALUES	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN CONSTANT CURRENCY AT YEAR-END	TAX LOSS CARRY-FORWARDS AT THE TAX RATE IN CONSTANT CURRENCY AT YEAR-END
2020	2025	220,797	77,279	77.279
Subtotal – Recognized Deferred Assets Subtotal		**220,797**	**77,279**	**77.279**
2021	2026	7,699,883 [1]	7,699,883 [1]	2,694,959 [1]
Subtotal – Un recognized Deferred Assets		**7,699,883**	**7,699,883**	**2,694,959**
TOTAL		**7,920,680**	**7,920,680**	**2,772,238**

[1] Attributable to specific tax losses arising from the contribution of equity interests in foreign companies described in Note 9 which, according to applicable laws and regulations in force, may only be used to offset taxable income of the same kind.

Below is a detail of tax loss carry-forwards recognized by the Group as of December 31, 2020, stated in constant currency at year-end, broken down by company and applicable statute of limitation:

COMPANIES	STATUTE OF LIMITATION EXPIRES IN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2021	2022	2023 ONWARDS	WITHOUT STATUTE OF LIMITATIONS			
Arcor S.A.I.C. [1]	138,498	935,148	30,038,561	-	31,112,207	25.0%	7,778,052
Arcor de Perú S.A. [2]	-	-	140,727	-	140,727	29.5%	41,515
Arcor U.S.A., Inc. [2]	-	-	241,259	-	241,259	21.0%	50,665
Bagley Chile S.A. [2]	-	-	-	485,057	485,057	27.0%	130,966
Industria de Alimentos Dos en Uno S.A. [2]	-	-	-	2,936,366	2,936,366	27.0%	792,819
Unidal México S.A. de C.V. [2]	-	510,542	1,239,343	-	1,749,885	30.0%	524,969
TOTAL	**138,498**	**1,445,690**	**31,659,890**	**3,421,423**	**36,665,501**		**9,318,986**

[1] They are part of deferred tax liabilities.

[2] They are part of deferred tax assets.

The following table shows the main deferred tax assets not recognized by the Group as of December 31, 2020, stated in constant currency at year-end:

COUNTRY	AT TAXABLE BASE LEVEL	TAX RATES	UNRECOGNIZED DEFERRED TAX ASSETS
Argentina	3,515,213	25.0%	878,803
Brazil	24,264,005	34.0%	8,249,762
Spain	1,548,009	25.0%	387,002
Total	**29,327,227**		**9,515,567**

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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

As of December 31, 2020, the Group's main tax losses, both recognized and unrecognized, were attributable to Arcor S.A.I.C. Below is a breakdown of the Company's tax losses (recognized and unrecognized) as of such date, stated in nominal values, by year of generation and year in which the statute of limitations expires:

	GENERATED IN	STATUTE OF LIMITATION EXPIRES IN	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN NOMINAL VALUES
	2016	2021	91,756
	2017	2022	619,543
	2018	2023	8,877,108
	2019	2024	9,000,301
	2020	2025	2,023,370
Subtotal - Recognized Deferred Assets			**20,612,078**
	2016	2021	11,346
	2017	2022	16,476
	2018	2023	31,551
	2019	2024	1,919,541
Subtotal - Unrecognized Deferred Assets			**1,978,914**
TOTAL			**22,590,992**

Discussion of Recognized Deferred Tax Assets

As stated in Note 3 to the consolidated financial statements, the recognition of deferred tax assets for tax losses is based on management's estimate of taxable income. The following variables are the most uncertain ones in terms of future behavior which, therefore, could affect the afore-mentioned estimate and the recognition of deferred tax assets for tax losses:

VARIABLE	RELATION OF THE VARIABLE BEHAVIOR [1] TO THE RECOGNITION OF DEFERRED TAX ASSETS (TAX LOSSES) BY THE GROUP
ARS-USD exchange rate	Considering the exposure of the Company's U.S. dollar-denominated amounts receivable and payable, the higher the devaluation of the ARS against the USD, the lower the projected taxable income and, therefore, the lower the recognition of deferred tax assets for tax losses.
Inflation	Considering the application of the inflation adjustment for tax purposes in Argentina (Note 35), the higher the inflation level in Argentina, the higher the projected taxable income and, consequently, the higher the recognition of deferred tax assets for tax losses.

[1] All other variables remaining constant.

NOTE 12. OTHER INVESTMENTS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Other	2,869	2,635
TOTAL NON-CURRENT	**2,869**	**2,635**
Current		
Government Securities and Notes [1]	505,179	8
TOTAL CURRENT	**505,179**	**8**
TOTAL	**508,048**	**2,643**

[1] As of December 31, 2021, the balances are primarily attributable to holdings of Class H Notes issued by the associate Mastellone Hermanos S.A.

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NOTE 13. TRADE AND OTHER RECEIVABLES

The tables below show the breakdown of trade and other receivables:

Trade Receivables

	12.31.2021	12.31.2020
Current		
Trade Receivables from Third Parties	35,238,876	31,909,300
Documentary Credits	6,392,578	4,968,852
Accounts Receivable from Related Parties (Note 38)	141,593	68,627
Doubtful Accounts and Receivables in Litigation	981,641	885,184
Less: Allowance for Impairment of Receivables	(1,330,727)	(1,760,357)
TOTAL CURRENT	**41,423,961**	**36,071,606**
TOTAL TRADE RECEIVABLES	**41,423,961**	**36,071,606**

Other Receivables

	12.31.2021	12.31.2020
Non-current		
Tax Credits [1]	3,788,202	1,659,222
Minimum Presumed Income Tax Credits	483,578	735,575
Security Deposits	210,479	623,342
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	580,040	371,460
Prepaid Expenses	32,593	4,420
Other Receivables from Related Parties (Note 38)	359,498	1,148,741
Financial Receivables from Related Parties (Note 38)	105	735
Miscellaneous	104,825	133,168
Less: Allowance for Impairment of Other Bad Debts	(250,941)	(25,388)
TOTAL NON-CURRENT	**5,308,379**	**4,651,275**
Current		
Refunds Receivable	619,971	459,807
Security Deposits	170,021	86,141
Tax Credits [1]	5,509,438	5,189,567
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	5,666,594	4,424,667
Financial Receivables from Related Parties (Note 38)	1,815	2,507
Prepaid Expenses	914,615	984,413
Other Receivables from Related Parties (Note 38)	57,075	31,917
Miscellaneous	187,932	172,181
Less: Allowance for Impairment of Other Bad Debts	(18,884)	(54,072)
TOTAL CURRENT	**13,108,577**	**11,297,128**
TOTAL OTHER RECEIVABLES	**18,416,956**	**15,948,403**

[1] As of December 31, 2021, non-current assets include a balance of ARS 1,089,922 in connection with tax credits from PIS (Programas de Integração Social) and COFINS (Contribuição para Financiamento da Seguridade Social) recognized by the subsidiaries Arcor do Brasil Ltda. and Bagley do Brasil Alimentos Ltda., as a result of the judgment rendered on May 13, 2021 by the Brazilian Supreme Court – STF (Superior Tribunal Federal). In its judgment, the STF provided that the exclusion of ICMS (*Imposto sobre circulação de mercadorias e serviços*) from the calculation basis of PIS (Programas de Integração Social) and COFINS (Contribuição para Financiamento da Seguridade Social) would be valid as from March 15, 2017, the publication date of such judgment that later became case law. The subsidiaries have a legal claim, which is pending final judgment, for the period ranging from January 2015 to April 2019. Therefore, such case law from the STF turns such subsidiaries' contingent income into virtually certain, entitling them to recognize certain tax credits claimed for the reporting period. Consequently, net income in the amount of ARS 1,021,508 was recognized under the item "Other Income / (Expenses), Net" in the consolidated condensed interim statement of income and ARS 288,961 under the item "Net Financial Income (Expense)" in the consolidated condensed interim statement of income.
In addition, during the fiscal year 2019 favorable judgments were rendered in respect of such subsidiaries' claims covering the periods up to and including 2014. As of December 31, 2020, the amount recognized for these receivables totaled ARS 1,044,533 and is disclosed in current assets.

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NOTE 13. TRADE AND OTHER RECEIVABLES

The carrying amounts of financial instruments classified as trade and other receivables approximate their fair value due to the short-term nature of these financial Instruments.

Trade receivables from related parties generally arise from sales transactions, which are due within twelve months from the transaction date and do not accrue interest. These accounts receivable are unsecured. No allowances have been recorded for accounts receivable from related parties.

Below is a detail of the amounts included in the allowance for impairment of trade receivables and their aging:

	12.31.2021	12.31.2020
To Fall Due	73,798	39,660
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**73,798**	**39,660**
Up to three months	47,157	89,540
From three to six months	12,638	27,483
From six to twelve months	22,130	44,087
More than one year	1,175,004	1,559,587
SUBTOTAL PAST DUE INCLUDED IN THE ALLOWANCE	**1,256,929**	**1,720,697**
TOTAL	**1,330,727**	**1,760,357**

Below is a detail of past-due trade receivables which have not been included in the allowance and their aging:

	12.31.2021	12.31.2020
From three to six months	177,412	385,976
From six to twelve months	226,825	460,201
More than one year	480,541	672,302
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**884,778**	**1,518,479**

In general, the Group has sufficient guarantees for past-due receivables not included in allowances.

The balances of the Group's trade and other receivables are denominated in the following currencies:

	12.31.2021	12.31.2020
ARS	31,501,250	24,136,213
BOB	350,557	353,074
BRL	6,642,905	7,195,955
CLP	7,457,169	7,445,791
COP	13,513	25,316
EUR	101,852	421,965
MXN	1,589,914	1,405,087
PEN	574,185	538,364
PYG	954,073	1,023,196
RMB	18,388	19,678
USD	10,090,448	8,818,057
UYU	546,663	637,313
TOTAL	**59,840,917**	**52,020,009**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 13. TRADE AND OTHER RECEIVABLES

The table below shows the changes in the allowance for impairment of trade and other receivables:

	TRADE RECEIVABLES [1]		OTHER RECEIVABLES [2]	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**1,760,357**	**2,188,592**	**79,460**	**103,157**
Increases	214,333	513,103	234,785	7,084
Increase due to Acquisition (Note 42)	8,095	-	-	-
Decreases	(155,502)	(392,985)	(15,813)	(1,713)
Uses	(26,008)	(249,667)	(8,488)	(9,875)
Effects of Restatement and Currency Translation	(470,548)	(298,686)	(20,119)	(19,193)
BALANCE AT YEAR-END	**1,330,727**	**1,760,357**	**269,825**	**79,460**

[1] The accounting allocation of increases and increases is disclosed in Note 30.

[2] The accounting allocation of increases and decreases is disclosed in Note 29 (Export Refunds), Note 30 (Information about Expenses by Function and Nature), and Note 35 (Income Tax).

NOTE 14. INVENTORIES

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Raw Materials and Materials	33,392,532	29,681,750
Raw Materials and Materials in Transit	2,272,812	1,470,496
Work in Process	2,306,082	2,098,520
Finished Products	19,767,011	16,124,008
Less: Allowance for Impairment of Inventories	(2,330,040)	(2,039,081)
TOTAL	**55,408,397**	**47,335,693**

Changes in the allowance for impairment of inventories are as follows:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**2,039,081**	**1,419,719**
Increases [1]	1,596,978	1,417,648
Decreases [2]	(806,077)	(631,076)
Uses	(383,625)	(181,713)
Currency Translation Effect	(116,317)	14,503
BALANCE AT YEAR-END	**2,330,040**	**2,039,081**

[1] The accounting allocation of increases/increases is disclosed in “Other General Expenses” in Note 30.

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NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS

The tables below show the breakdown of this item:

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 43)	-	1,373,656
TOTAL NON-CURRENT	**-**	**1,373,656**
Current		
Currency Forwards	544,078	6,944
TOTAL CURRENT	**544,078**	**6,944**
TOTAL AS OF 12.31.2021	**544,078**	**1,380,600**

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 43)	-	2,753,856
TOTAL NON-CURRENT	**-**	**2,753,856**
Current		
Currency Forwards	407,542	297
TOTAL CURRENT	**407,542**	**297**
TOTAL AS OF 12.31.2020	**407,542**	**2,754,153**

The fair value of a hedge derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is over 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Currency Forwards

The Company and the subsidiaries Unidal México S.A. de C.V., Industria de Alimentos Dos en Uno S.A., Bagley Chile S.A. and Ingredion Chile S.A. entered into forward transactions involving purchases and sales of U.S. dollars in order to hedge the currency risk related to financial assets and liabilities. Below is a summary of these transactions during the years ended December 31, 2021 and 2020:

- Arcor S.A.I.C.

As of December 31, 2021, Arcor S.A.I.C. had forward contracts in connection with purchases of U.S. dollars maturing in January, February and March 2022 for an aggregate amount of USD 50,000 at a weighted average price of ARS 117.61 per USD. As a result of these transactions, the Company has a net asset in the amount of ARS 537,134 (including assets in the amount of ARS 544,078 disclosed in Current Assets under the line "Derivative Financial Instruments" and liabilities in the amount of ARS 6,944 disclosed in Current Liabilities under the line "Derivative Financial Instruments," in both cases, of the consolidated balance sheet). The Company recognized a loss of ARS 1,337,923 in constant currency on such transactions, under the item "Net Financial Income (Expense)" of the consolidated statement of income.

As of December 31, 2020, Arcor S.A.I.C. had forward contracts in connection with purchases of U.S. dollars maturing in January 2021 for an aggregate amount of USD 15,000 at a weighted average price of ARS 88.51 per USD. As a result of these transactions, the Company had a net asset in the amount of ARS 407,245 (including assets in the amount of ARS 407,542 disclosed in Current Assets under the line "Derivative Financial Instruments" and liabilities in the amount of ARS 297 disclosed in Current Liabilities under the line "Derivative Financial Instruments," in both cases, of the consolidated balance sheet). The Company recognized a loss of ARS 61,267 in constant currency on such transactions, under the item "Net Financial Income (Expense)" of the consolidated statement of income.

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NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS

- Unidal México S.A. de C.V.

As of December 31, 2021, the subsidiary did not have forward contracts in connection with the sale of U.S. dollars. As a result of these transactions, during the reporting period the subsidiary recognized a loss of ARS 451 in connection with transactions that were settled under the item "Net Financial Income (Expense)" of the consolidated statement of income.

As of December 31, 2020, the subsidiary did not have currency futures. Consequently, the subsidiary recognized losses for ARS 51,084 in connection with the transactions that were settled during the year then ended under the item "Net Financial Income (Expense)" of the consolidated statement of income.

- Industria de Alimentos Dos en Uno S.A.

As of December 31, 2021, the subsidiary did not have forward contracts in connection with the purchase of U.S. dollars. As a result of these transactions, during the reporting period the subsidiary recognized a profit of ARS 92,291 in connection with transactions that were settled under the item "Net Financial Income (Expense)" of the consolidated statement of income.

As of December 31, 2020, the Company did not have derivative financial instruments of such nature, nor did it derive profits or losses on transactions of this sort during said year.

- Bagley Chile S.A.

As of December 31, 2021, the subsidiary did not have forward contracts in connection with the purchase of U.S. dollars. As a result of these transactions, during the reporting period the subsidiary recognized a profit of ARS 42,300 in connection with transactions that were settled under the item "Net Financial Income (Expense)" of the consolidated statement of income.

As of December 31, 2020, the Company did not have derivative financial instruments of such nature, nor did it derive profits or losses on transactions of this sort during said year.

- Ingredion Chile S.A.

As of December 31, 2021, the subsidiary had forward contracts in connection with the purchase of U.S. dollars maturing in January 2022 for USD 510 at a price of CLP 859.95 per USD. Consequently, the subsidiary recognized a profit of ARS 8,030 in connection with said and other transactions that were settled as from the date of incorporation into the Group in August 2021 (see Note 42) under the item "Net Financial Income (Expense)" of the consolidated statement of income.

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NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS

Cocoa Forward Contracts and Financial Options

Arcor S.A.I.C.

The Company enters into financial option transactions and forward purchases of cocoa in order to hedge the price risk of such raw material. It is worth mentioning that these instruments do not give rise to the physical delivery of the cocoa, but are rather designed as cash flow hedges to offset the effect of changes in prices for that raw materials.

During fiscal year 2021, the Company did not engage in any transaction involving forward contracts involving purchases of cocoa.

As of December 31, 2021, the Company did not have forward contracts in connection with purchases of cocoa. However, as a result of the transactions carried out during the current year, the Group recognized a net comprehensive loss of ARS 2,975 on these and other transactions that were settled under the item "Costs of Goods Sold and Services Rendered" (a gain of ARS 115) in the consolidated statement of income, and under the item "Cash Flow Hedge" (a loss of ARS 3,090) in the consolidated statement of other comprehensive income, as described in Note 2.13 to these consolidated financial statements.

Mastellone Hermanos S.A.'s Call and Put Options

The transaction with Mastellone Hermanos S.A. and its shareholders described in Note 43 to these consolidated financial statements involved call and put options of the associate's shares, which are measured at fair value at the closing date. Such fair values were estimated by applying the "Black & Scholes" and "Montecarlo Simulation" models, as applicable in each case and are classified as Level 3 within the fair value hierarchy, in accordance with the guidance set forth in IFRS 7 and described in Note 39.2 to these consolidated financial statements. The most relevant unobservable inputs used in these estimates are disclosed below:

MEASUREMENT METHOD(S)	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
"Black & Scholes" and "Montecarlo Simulation" models	Fair value of Mastellone's share	The higher the fair value of Mastellone's share: - The higher the fair value of the call options. - The lower the fair value of put options.
	Price volatility of Mastellone's share	The higher the volatility of the price of Mastellone's share, the higher the fair value of the call and put options.
	Timing of option exercise	The longer the option exercise term, the higher the fair value of the call and put options.
	Risk-free rate	The higher the risk-free rate: - The higher the fair value of the call options. - The lower the fair value of put options.

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NOTE 16. STATEMENT OF CASH FLOWS - ADDITIONAL INFORMATION

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Cash and Bank Deposits at Sight	12,112,092	13,048,598
Time Deposits	394,408	2,909,249
Financial Assets at Fair Value [1]	6,901,714	5,997,819
TOTAL	**19,408,214**	**21,955,666**

[1] Mutual funds and listed government securities.

The Group's cash and cash equivalents are primarily denominated in the following currencies:

	12.31.2021	12.31.2020
USD	8,500,425	11,440,654
ARS	8,016,392	6,528,325
MXN	1,255,330	1,150,856
BRL	148,154	1,040,305
CLP	585,888	518,560
PYG	343,734	462,986
Other Currencies	558,291	813,980
TOTAL	**19,408,214**	**21,955,666**

The statement of cash flows excludes the effects of the following non-cash investment and financing activities:

	ACTIVITY	12.31.2021	12.31.2020
Addition of PP&E Items and Intangible Assets Not Settled at Year-End	Investment	(1,207,861)	(382,786)
Financial Expenses Capitalized in Eligible Assets (Note 34)	Investment	(37,696)	(30,226)
Additions of Right-of-use Assets and Adjustments to Variable Leases (Note 6)	Investment	(1,239,462)	(1,158,231)
Addition of PP&E Items, Right-of-use Assets, and Other Investments due to Acquisition (Note 42)	Investment	(3,421,318)	-
Capital Contribution into Joint Ventures by Netting of Receivables (Note 41)	Investment	(1,181,038)	-
Deletions of Right-of-use Assets (Note 6)	Investment	34,740	166,189
Increases in Loans due to Acquisition (Note 42)	Financing	219,972	-
Increase in Other Financial Liabilities with the Non-controlling Interest (Note 22)	Financing	62,282	-
Additions of Liabilities and Adjustments to Variable Leases (Note 23)	Financing	1,239,462	1,158,231
Addition of Lease Liabilities due to Acquisition (Note 42)	Financing	40,218	-
Deletions of lease liabilities (Note 23)	Financing	35,574	(154,606)
Cash Dividends Not Settled at Year-end	Financing	(16,953)	(1,048)

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NOTE 17. RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

In accordance with the GCL, the Company's by-laws and applicable resolutions issued by the CNV, 5% of net income for the year should be appropriated to the legal reserve, together with previous years' adjustments, transfers from Other Comprehensive Income to Unappropriated Retained Earnings and accumulated losses from previous years, until such reserve reaches 20% of capital stock plus the capital adjustment. Such percentage was reached as a result of the decisions passed at the Ordinary and Extraordinary General Shareholders' Meeting held on April 27, 2019.

As required by the revised text of the CNV's rules, whenever the net balance of other Accumulated Comprehensive Income (Loss) (other equity components) at the end of a given reporting period is positive (credit accounts), such balance could not be distributed, capitalized or set aside to absorb accumulated losses. Where such net balance is negative (debit accounts), there will be a restriction on the distribution of unappropriated retained earnings for an equal amount.

As provided by the CNV, positive unappropriated retained earnings resulting from the adoption of IFRS, which amounted to ARS 1,183,883 (ARS 203,257 in historical values), were reallocated to a special reserve which may only be released for capitalization or to absorb any future negative unappropriated retained earnings. Such reallocation was approved on April 27, 2013 at the Ordinary and Extraordinary Shareholders' Meeting where the separate and consolidated financial statements for the year 2012 were considered.

NOTE 18. CHANGES IN CAPITAL STOCK

The following table shows the changes in the Company's capital stock over the last three years:

	2021	2020	2019
Capital Stock at the Beginning of the Year	700,000,000	700,000,000	700,000,000
CAPITAL STOCK AT YEAR-END	**700,000,000**	**700,000,000**	**700,000,000**

The above figures are stated in historical values. The difference between "Capital Stock" in historical values and the result from applying the restatement procedure described in Note 2.5 was carried in "Adjustment to Capital Stock", under Equity Attributable to the Company's Shareholders.

At December 31, 2021, the Group's capital stock amounts to ARS 700,000,000, and is represented by 16,534,656 common, registered non-endorsable Class

A shares with a face value of ARS 0.01 and entitled to 5 votes each, and by 69,983,465,344 common, registered, non-endorsable Class B shares with a face value of ARS 0.01 and 1 vote each.

NOTE 19. UNAPPROPRIATED RETAINED EARNINGS

The following tables show the changes in unappropriated retained earnings for the years ended December 31, 2021 and 2020, respectively:

	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**6,375,420**
Net Income for the Year Attributable to the Company's Shareholders	18,156,923
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	(45,704)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(1,660,358)
- Special Reserve for Future Dividends [1]	(1,003,444)
Gain on Acquisition (Notes 9 and 42)	198,246
Distribution of Dividends [1]	(3,711,620)
Forfeited Dividends [2]	29
BALANCE AT YEAR-END	**18,309,492**

[1] As per the Ordinary and Extraordinary General Shareholders' Meetings held on April 6, 2021 and August 20, 2021.
[2] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

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NOTE 19. UNAPPROPRIATED RETAINED EARNINGS

	TOTAL AS OF 12.31.2020
Balance at the Beginning of the Year	**(3,483,295)**
Net Income for the Year Attributable to the Company's Shareholders	6,284,538
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	90,810
Absorption of Losses [1]	3,483,295
Forfeited Dividends [2]	72
BALANCE AT YEAR-END	**6,375,420**

[1] As per the Ordinary and Extraordinary General Shareholders' Meetings held on April 25, 2020 and August 15, 2020.

[2] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

NOTE 20. OTHER EQUITY COMPONENTS

Below is a detail of the changes in other equity components:

	TRANSLATION RESERVE	RESERVE FOR CASH FLOW HEDGES	TOTAL
Balance at the Beginning of the Year	**1,626,714**	**-**	**1,626,714**
Translation Difference:			
- Translation Difference of Companies Attributable to Shareholders	(11,082,262)		(11,082,262)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 34)	129,016		129,016
- Effect on Income Tax (Notes 11 and 35)	69,200		69,200
TOTAL AS OF 12.31.2021	**(9,257,332)**	**-**	**(9,257,332)**

[1] Resulting from the liquidation of GAP International Holding S.A. The offsetting entry of such reclassification is disclosed under the item "Net Financial Income (Expense)" in the consolidated statement of income.

	TRANSLATION RESERVE	RESERVE FOR CASH FLOW HEDGES	TOTAL
Balance at the Beginning of the Year	**1,866,587**	**2,164**	**1,868,751**
Cash Flow Hedge:			
- Gains (Losses) on Hedging Instruments		(3,090)	(3,090)
- Effect on Income Tax (Notes 11 and 35)		926	926
Translation Difference:			
- Translation Differences of Companies Attributable to Shareholders	(182,094)		(182,094)
- Effect on Income Tax (Notes 11 and 35)	(57,779)		(57,779)
TOTAL AS OF 12.31.2020	**1,626,714**	**-**	**1,626,714**

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NOTE 21. NON-CONTROLLING INTEREST

The tables below show the changes in the item Non-Controlling Interest:

	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**23,743,633**
Share of Profit (Loss) for the Year	1,761,476
Share of Translation Differences of Companies	(1,921,560)
Share of Actuarial Gains from Defined Benefit Plans	29,538
Transactions with the Non-controlling Interest	(410)
Capital Contributions [1]	6
Cash Dividends [2]	(236,090)
Increase due to Acquisition (Note 42)	6,694,187
BALANCE AT YEAR-END	**30,070,780**

[1] From the associate GAP Inversora S.A. as part of the transaction described in Note 42.

[2] It primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 175,218, Arcor Alimentos Bolivia S.A. in the amount of ARS 857, Papel Misionero S.A.I.F.C. in the amount of ARS 15,232, and Mundo Dulce S.A. de C.V. in the amount of ARS 44,750.

	TOTAL AS OF 2.31.2020
Balance at the Beginning of the Year	**22,172,297**
Share of Profit (Loss) for the Year	1,929,451
Share of Translation Differences of Companies	(161,494)
Share of Actuarial Gains from Defined Benefit Plans	8,426
Transactions with the Non-controlling Interest	(430)
Cash Dividends [1]	(204,617)
BALANCE AT YEAR-END	**23,743,633**

[1] It primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 184,420, and Bagley Argentina S.A. in the amount of ARS 19,322.

NOTE 22. LOANS

The following tables show the breakdown of and changes to this item:

	12.31.2021	12.31.2020
Non-current		
Bank Loans	2,768,038	6,951,928
Notes	55,299,054	63,847,798
TOTAL NON-CURRENT	**58,067,092**	**70,799,726**
Current		
Bank Loans	22,592,368	12,652,917
Notes	2,115,058	10,265,507
Other Financial Liabilities	62,282	-
Financial Indebtedness on Acquisition of Shares (Note 42)	206,286	-
Discount of Documents	38,785	54,324
TOTAL CURRENT	**25,014,779**	**22,972,748**
TOTAL	**83,081,871**	**93,772,474**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 22. LOANS

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2021
BALANCE AT THE BEGINNING OF THE YEAR			
Borrowed Loans	14,515,998	-	14,515,998
Increase due to Acquisition (Note 42)	-	219,972	219,972
Increase in Other Financial Liabilities with the Non-controlling Interest	-	62,282	62,282
Loan Repayment – Principal	(10,843,178)	-	(10,843,178)
Loan Repayment – Interest	(11,631,603)	-	(11,631,603)
Payments for Financing Origination Expenses	(222,663)	-	(222,663)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	7,989,572	-	7,989,572
Accrued Financing Origination Expenses	-	87,874	87,874
Accrued Interest	-	3,463,902	3,463,902
Exchange Differences	-	(13,448,357)	(13,448,357)
Currency Translation Effect	-	(884,402)	(884,402)
BALANCE AT YEAR-END			**83,081,871**

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2020
BALANCE AT THE BEGINNING OF THE YEAR			**108,838,016**
Borrowed Loans	12,527,211	-	12,527,211
Loan Repayment – Principal	(15,158,273)	-	(15,158,273)
Loan Repayment – Interest	(12,688,853)	-	(12,688,853)
Payments for Financing Origination Expenses	(176,725)	-	(176,725)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	(6,550,887)	-	(6,550,887)
Accrued Financing Origination Expenses	-	197,492	197,492
Accrued Interest	-	5,677,821	5,677,821
Exchange Differences	-	2,111,506	2,111,506
Currency Translation Effect	-	(1,004,834)	(1,004,834)
BALANCE AT YEAR-END			**93,772,474**

Below is a summary of the carrying amounts of consolidated loans broken down by maturities:

- Balances as of December 31, 2021:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	2,746,168	21,870	-	-	**2,768,038**
Notes	52,581,990	-	2,717,064	-	**55,299,054**
TOTAL AS OF 12.31.2021	**55,328,158**	**21,870**	**2,717,064**	**-**	**58,067,092**

CURRENT	UP TO THREE MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	12,260,545	1,189,899	7,400,050	1,741,874	**22,592,368**
Notes	1,620,058	-	-	495,000	**2,115,058**
Discount of Documents	38,785	-	-	-	**38,785**
Other Financial Liabilities	62,282	-	-	-	**62,282**
Financial Indebtedness on Acquisition of Shares (Note 42)	-	-	206,286	-	**206,286**
TOTAL AS OF 12.31.2021	**13,981,670**	**1,189,899**	**7,606,336**	**2,236,874**	**25,014,779**

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Luis Alejandro Pagani
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(Partner)
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 22. LOANS

- Balances as of December 31, 2020:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	6,888,065	34,834	29,029	-	6,951,928
Notes	-	63,847,798	-	-	63,847,798
TOTAL AS OF 12.31.2020	6,888,065	63,882,632	29,029	-	70,799,726

CURRENT	UP TO THREE MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	8,934,928	2,894,487	142,819	680,683	12,652,917
Notes	2,340,904	3,079,209	3,562,390	1,283,004	10,265,507
Discount of Documents	54,324	-	-	-	54,324
TOTAL AS OF 12.31.2020	11,330,156	5,973,696	3,705,209	1,963,687	22,972,748

The tables below show the carrying amount and the fair value of loans as of December 31, 2021 and 2020:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	25,360,406	25,298,011
Notes	57,414,112	59,501,035
Discount of Documents	38,785	38,785
Other Financial Liabilities	62,282	62,282
Financial Indebtedness on Acquisition of Shares (Note 42)	206,286	206,286
TOTAL AS OF 12.31.2021	83,081,871	85,106,399

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	19,604,845	19,158,014
Notes	74,113,305	73,548,497
Discount of Documents	54,324	54,324
TOTAL AS OF 12.31.2020	93,772,474	92,760,835

Bank loans include debt at fixed and variable interest rate, with a short-term portion where interest has already been fixed. Fair values are estimated based on discounted cash flows, applying a relevant market rate at year-end. The fair value of listed notes is estimated based on the quoted price for the securities at year-end (Note 39).

The following tables show the Group's loans measured by fair value level as of December 31, 2021 and 2020, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	25,298,011	-	25,298,011
Notes	54,830,526	4,670,509	-	59,501,035
Discount of Documents	-	38,785	-	38,785
Other Financial Liabilities	-	62,282	-	62,282
Financial Indebtedness on Acquisition of Shares (Note 42)	-	206,286	-	206,286
Total Loans at Fair Value as of 12.31.2021	54,830,526	30,275,873	-	85,106,399

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	19,158,014	-	19,158,014
Notes	64,588,340	8,960,157	-	73,548,497
Discount of Documents	-	54,324	-	54,324
Total Loans at Fair Value as of 12.31.2020	64,588,340	28,172,495	-	92,760,835

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NOTE 22. LOANS

The carrying amounts in ARS of the Group's loans are stated in the following currencies:

	12.31.2021	12.31.2020
ARS [1]	22,160,678	18,094,652
BRL	1,593,227	2,224,115
CLP	350,841	1,340,250
USD	58,977,125	72,113,457
TOTAL	**83,081,871**	**93,772,474**

[1] As of December 31, 2021, it includes Class 17 Notes, which are denominated in UVAs but are repayable in ARS, in the amount of ARS 2,695,301.

Main Loans Borrowed by the Group – Financing Programs – Notes

a. Issuance of Notes

a.1. Global Notes Program for up to USD 800 million

On February 27, 2010, the Company's shareholders, gathered at the Ordinary General Shareholders' Meeting, considered and approved the creation of a new Global Simple Non-convertible Notes Program for an aggregate amount of up to USD 500 million or its equivalent in other currencies, for a term of up to five (5) years as from the date of authorization of the Program by the CNV or such other longer term as may be generally authorized pursuant to applicable laws and regulations and the terms of the Negotiable Obligations Law. The Company's Board of Directors was vested with powers to determine the terms of the issuance and to carry out all such acts as might be required and/or convenient to implement such resolution.

On October 25, 2010, the CNV, by means of Resolution No. 16,439, approved such program.

On November 28, 2014, the Company's shareholders, gathered at the Ordinary and Extraordinary General Shareholders' Meeting, approved an increase in the amount and an extension of the term of the Global Notes Program. On October 30, 2015, the CNV, through Resolution No. 17,849, authorized the Company to increase the maximum principal amount of the mentioned program (from an aggregate principal amount of up to USD 500 million to an aggregate principal amount of up to USD 800 million, or its equivalent in other currencies) for a new term of (5) five years, as from the original term maturity.

On April 25, 2020, the Company's shareholders, gathered at the Ordinary and Extraordinary General Shareholders' Meeting, approved the extension of the program term for additional five (5) years. On November 5, 2020, the CNV, by means of Directive DI-2020-52-APN- GE#CNV, authorized the Company to extend the term of the program for additional 5 years, counted as from the end of the extended term, i.e., October 30, 2025, and to amend certain terms and conditions of said Program in order for the instruments to be denominated in units known as "Unidades de Valor Adquisitivo" or UVAs indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) as per Law No. 25,827, or otherwise in "Unidades de Vivienda" or UVIs indexable by the Construction Cost Index ("ICC", for its Spanish acronym), pursuant to Law No. 27,271.

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NOTE 22. LOANS

a.2. Main Terms of Notes Outstanding and/or Settled during the Current Year

	NOTES CLASS 9 [1]	NOTES CLASS 11 [1,2]	ADDITIONAL NOTES CLASS 9 [1]
Final Principal Amount of the Issue	USD 350,000	ARS 1,215,000	USD 150,000
Issue Date	July 6, 2016	May 3, 2017	June 19, 2017
Issue Price	100% of principal amount	100% of principal amount	106.625% of principal amount
Currency	USD	ARS	USD
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal 6% fixed rate.
Applicable margin	N/A	2.99% nominal annual rate	N/A
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue)	May 3, 2021 (48 months from the date of issue)	July 6, 2023 (73 months from the date of issue)
Date of Authorization by CNV's Issuers Division	June 21, 2016	April 21, 2017	June 9, 2017
Interest Payment Date	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.	On a quarterly basis, in arrears, on February 3, May 3, August 3, and November 3 of each year, until maturity. The first payment was due on August 3, 2017.	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on July 6, 2017.

[1] The net proceeds were fully used for the refinancing of bank loans.
[2] Fully repaid upon maturity during the year.

NOTES CLASS 14 [12]	NOTES CLASS 15 [12]	NOTES CLASS 16	NOTES CLASS 17
ARS 1,535,111	ARS 2,500,000	ARS 1,500,000	27,864 UVAs (equal to ARS 2,500,000 considering the UVA value as of the date of issue)
March 3, 2020	July 6, 2020	October 20, 2021	October 20, 2021
100% of principal amount			
ARS			UVA/ARS
Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.			Annual nominal fixed rate of 0.98 %.
5.75% nominal annual rate	1.99% nominal annual rate	2.97% nominal annual rate	N/A
September 6, 2021 (18 months from the date of issue)	Three consecutive payments, the first one due on April 6, 2021 (9 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on July 6, 2021 (12 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on October 6, 2021 (15 months from the date of issue) for a sum equal to 34% of the principal amount.	Three consecutive payments, the first one due on October 20, 2022 (12 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on January 20, 2023 (15 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on April 20, 2023 (18 months from the date of issue) for a sum equal to 34% of the principal amount.	October 20, 2025 (48 months from the date of issue)
February 28, 2020	June 29, 2020	October 13, 2021	October 13, 2021
On a quarterly basis, in arrears, on June 6, September 6, December 6, and March 6, until maturity. The first payment was due on June 6, 2020.	On a quarterly basis, in arrears, on October 6, 2020, January 6, 2021, April 6, 2021, July 6, 2021, and October 6, 2021.	On a quarterly basis, in arrears , on January 20, 2022, January 20, 2022, April 20, 2022, July 20, 2022, October 20, 2022, and April 20, 2023.	On a quarterly basis, in arrears, from January 20, 2022 until October 20, 2025.

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NOTE 22. LOANS

a.3. Covenants and Limitations included in the Notes

The terms and conditions of the Notes include certain covenants and limitations agreed by the Company that are customary in transactions of this nature. The most relevant ones include:

- The Company may only incur or will only allow its subsidiaries to incur in additional indebtedness, provided the "Fixed Charge Coverage Ratio" (as such term is defined in the Pricing Supplement for Series 9 Notes under the Global Program) for the last four quarters is equal to, at least, 2.00 to 1.00. This limitation does not apply to certain permitted indebtedness referred to in the Pricing Supplement.

- The Company may not, and will not permit its subsidiaries to, create liens on its assets to secure the payment of any indebtedness provided that the Notes are secured on an equivalent and proportional basis. This restriction does not apply to certain permitted liens and will not be triggered if the liens created by the Company or its subsidiaries are meant to secure any indebtedness the principal of which (considering the aforementioned liens) does not exceed 10% of its "Consolidated Total Assets" (as defined in the Pricing Supplement for Series 9 Notes).

- The Company assumes the obligation to offer to repurchase the Notes at 101% of the principal amount, plus unpaid and accrued interest, upon a "Change of Control," as such term is defined in the Pricing Supplement for Series 9 Notes.

As of December 31, 2021, the Company has fully complied with these covenants and limitations.

b. Long-term Loans Borrowed by Arcor S.A.I.C. from Other Financial Institutions

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2021	12.31.2020
ARS 1.500	Variable [1]	25.11.2019	05.18.2021	Upon maturity [2]	Monthly	-	1,509
USD 50 [3]	4% annual rate	06.07.2021	07.06.2022	Upon maturity	Quarterly	5,136	6,352
ARS 1.000	Variable [4]	04.11.2021	04.11.2023	Upon maturity	Quarterly	1,000	-
ARS 2.800	Mixed [5]	30.08.2021	30.08.2023	In 5 instalments [6]	Monthly	2,800	-

[1] BADLAR plus a 10% margin.

[2] In July 2020, the Company made an early payment for ARS 500 million.

[3] The loan sets forth certain covenants and commitments to be fulfilled by the Company during its term, including certain specific financial ratios. As of December 31, 2021, such covenants and commitments have been fully complied with.

[4] BADLARi (BADLAR plus the turnover tax ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin

[5] Annual nominal fixed rate of 40.5% for the first 12 months, and variable BADLAR plus a 4.25% margin for the remaining period to maturity.

[6] Payable on a quarterly basis in equal and consecutive instalments of ARS 560 million, due as from August 30, 2022, inclusive.

During the year ended December 31, 2020, the Company did not borrow long-term loans from local banks.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 22. LOANS

c. Subsidiaries' Long-term Loans

c.1. Arcor do Brasil Ltda.

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2021	12.31.2020
BRL 20		09.30.2020	10.02.2021	50% in April 2021 and 50% upon maturity	Monthly	-	488
BRL 5		10.26.2020	10.28.2024	Monthly as from May 2021	Monthly	75	122
BRL 38,5	Variable [1]	11.18.2019	11.18.2021	Quarterly	Quarterly	-	536
BRL 10		04.23.2019	04.12.2021	Upon maturity	Annual	-	244
BRL 10		04.23.2019	04.12.2021	Upon maturity	Annual	-	244
BRL 15		04.23.2019	04.07.2021	Bi-annual	Bi-annual	-	91
BRL 11		04.01.2021	03.25.2023	Bi-annual	Bi-annual	157	-

[1] Calculated based on a % of the interbank certificate of deposit rate.

c.2. Bagley do Brasil Alimentos Ltda.

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2021	12.31.2020
BRL 6		10.07.2019	10.07.2021	Bi-annual	Monthly	72.7	110
BRL 10	Variable [1]	06.24.2019	06.11.2021	Bi-annual	Bi-annual	40.4	61
BRL 8,9		05.06.2019	04.19.2021	Bi-annual	Bi-annual	35.8	54

[1] Calculated based on a % of the interbank certificate of deposit rate.

During the years ended December 31, 2020 and 2021, the subsidiary did not borrow long-term loans from local banks.

c.3. Industria de Alimentos Dos en Uno S.A.

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2021	12.31.2020
CLP 13.000 [1]	5.56% annual	12.27.2017	12.27.2022	Bi-annual (June and December)	Bi-annual	351	1,030

[1] During the fiscal year ended December 31, 2021, the subsidiary complied with the contractually agreed-upon financial ratios.

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NOTE 22. LOANS

c.4. Papel Misionero S.A.I.F.C.

During the fiscal year ended December 31, 2021, the Company did not borrow long-term loans.

Between December 2010 and November 2011, the subsidiary secured financing from Banco Nacional de Desarrollo Económico y Social de Brasil (B.N.D.E.S.) for up to USD 25.9 million, at fixed interest rate with bi-annual principal and interest payments, the last one of which due in October 2020. The loan was secured with a mortgage lien by Banco de la Nación Argentina (Note 27).

NOTE 23. LEASE LIABILITIES

The following tables show the breakdown of and changes to this item:

	12.31.2021	12.31.2020
Non-current	1,311,898	1,331,157
Current	958,160	1,126,665
TOTAL	2,270,058	2,457,822

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	2,457,822	2,698,660
Additions	1,366,328	1,125,860
Increase due to Acquisition (Note 42)	40,218	-
Deletions [1]	(35,574)	(154,606)
Adjustments to Variable Leases	(126,866)	32,371
Interest Expense and Exchange Differences Accrued	123,661	216,630
Payments Made During the Year	(1,283,059)	(1,353,649)
Currency Translation Effect	(272,472)	(107,444)
BALANCE AT YEAR-END	2,270,058	2,457,822

[1] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the consolidated statement of income.

NOTE 24. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Early Retirement Benefits	746,936	525,261
Retirement Bonuses [a]	947,763	985,133
Pension Plans [b]	3,078,446	2,518,358
TOTAL NON-CURRENT	4,773,145	4,028,752
Current		
Early Retirement Benefits	660,145	497,869
Retirement Bonuses [a]	10,270	18,087
Pension Plans [b]	108,083	32,499
TOTAL CURRENT	778,498	548,455
TOTAL	5,551,643	4,577,207

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NOTE 24. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

The amount charged to the consolidated statement of income is as follows:

	12.31.2021	12.31.2020
Amount Charged to Income		
Early Retirement Benefits	1,036,656	575,577
Retirement Bonuses [a]	(52,626)	12,139
Pension Plans – Defined Contributions [b]	939,665	1,672,347
Subtotal	**1,923,695**	**2,260,063**
Charge to Other Comprehensive Income		
Retirement Bonuses [a]	(91,393)	(58,695)
Pension Plans [b]	180,546	(89,459)
Subtotal	**89,153**	**(148,154)**
Translation Difference	93,058	180,917
Subtotal - Amounts Charged to Other Comprehensive Income	**182,211**	**32,763**
TOTAL	**2,105,906**	**2,292,826**

(a) Retirement Bonuses

The following table shows the changes in the Group's obligations:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**1,003,220**	**969,563**
Increase due to Acquisition (Note 42)	55,864	-
Cost	95,515	79,972
Cost of Past Services	-	-
Interest	(148,141)	(67,833)
Actuarial Gain	(91,393)	(58,695)
Benefits Paid to Plan Participants	(20,651)	(40,577)
Translation Difference	63,619	120,790
BALANCE AT YEAR-END	**958,033**	**1,003,220**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 10,270.

(b) Pension Plans

The following table shows the changes in the Group's obligations:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**2,550,857**	**1,849,056**
Increase due to Acquisition (Note 42)	13,175	-
Cost	1,097,666	1,515,102
Interest	(158,001)	157,245
Actuarial Loss/(Gain)	180,546	(89,459)
Benefits Paid to Participants	(506,884)	(916,854)
Translation Difference	9,170	35,767
BALANCE AT YEAR-END	**3,186,529**	**2,550,857**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 108,083.

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NOTE 24. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

Below is a detail of the amounts charged to the consolidated statement of income for the years ended December 31, 2021 and 2020:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1] [3]	1,097,666	1,463,159	95,515	2,656,340
Interest [2]	(158,001)	(426,503)	(148,141)	(732,645)
Subtotal – Amounts Charged to Income for the Year	**939,665**	**1,036,656**	**(52,626)**	**1,923,695**
Actuarial (Gain) / Loss	180,546	-	(91,393)	89,153
Translation Difference	9,170	20,269	63,619	93,058
Subtotal - Loss through Other Comprehensive Income	**189,716**	**20,269**	**(27,774)**	**182,211**
TOTAL AS OF 12.31.2021	**1,129,381**	**1,056,925**	**(80,400)**	**2,105,906**

[1] Out of total cost, ARS 1,275,612, ARS 257,446 and ARS 1,123,282 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 1,097,666 accrued during the year.

[2] Charged to "Net Financial Income (Expense)."

[3] Under pension plans, the amount charged to income of ARS 131,579 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 966,087 is reported under "Salaries, Wages and Other Benefits" (Note 31).

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1] [3]	1,515,102	716,143	79,972	2,311,217
Interest [2]	157,245	(140,566)	(67,833)	(51,154)
Subtotal – Amounts Charged to Income for the Year	**1,672,347**	**575,577**	**12,139**	**2,260,063**
Actuarial (Gain) / Loss	(89,459)	-	(58,695)	(148,154)
Translation Difference	35,767	24,360	120,790	180,917
Subtotal - Loss through Other Comprehensive Income	**(53,692)**	**24,360**	**62,095**	**32,763**
TOTAL AS OF 12.31.2020	**1,618,655**	**599,937**	**74,234**	**2,292,826**

[1] Out of total cost, ARS 816,919, ARS 303,103 and ARS 1,191,185 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 1,173,278 accrued during the year.

[2] Charged to "Net Financial Income (Expense)."

[3] Under pension plans, the amount charged to income of ARS 270,685 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 1,244,417 is reported under "Salaries, Wages and Other Benefits" (Note 31).

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NOTE 24. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

The following table shows a breakdown of retirement bonuses by country:

	12.31.2021	12.31.2020
Argentina	565,408	522,269
Ecuador	69,509	72,980
Mexico	323,116	407,971
TOTAL	**958,033**	**1,003,220**

The assumptions on the future mortality rate are established based on actuarial techniques, according to published statistics and the experience in each jurisdiction. The main actuarial assumptions used for the years 2021 and 2020 were as follows:

FISCAL YEAR ENDED DECEMBER 31, 2021	ARGENTINA	ECUADOR	MEXICO
Mortality table	G.A.M. 83	IESS 2002	EMSSA 09
Disability table	P.D.T. 85	IESS 2002	IMSS 1997
Ordinary retirement age for men/women	65/60 years	25 years' seniority	65 years on average
Actual discount rate per year	5.0%	4.24%	8.21%

FISCAL YEAR ENDED DECEMBER 31, 2020	ARGENTINA	ECUADOR	MEXICO
Mortality table	G.A.M. 83	IESS 2002	EMSSA 09
Disability table	P.D.T. 85	IESS 2002	IMSS 1997
Ordinary retirement age for men/women	65/60 years	25 years' seniority	65 years on average
Actual discount rate per year	5.0%	4.27%	7.41%

As of December 31, 2021, the impact of a favorable /unfavorable 0.5% change in the main actuarial assumptions would result in a pre-tax (gain)/loss of around ARS (34,715) and ARS 31,869, respectively.

As of December 31, 2020, the impact of a favorable /unfavorable 0.5% change in the main actuarial assumptions would result in a pre-tax (gain)/loss of around ARS (30,226) and ARS 41,430, respectively.

NOTE 25. PROVISIONS

The following table shows the breakdown of the item Provisions:

	12.31.2021	12.31.2020
Non-current		
For Labor, Civil and Commercial Lawsuits	557,810	692,828
For Other Contingencies	102,035	135,917
TOTAL NON-CURRENT	**659,845**	**828,745**
Non-current		
For Labor, Civil and Commercial Lawsuits	188,132	235,931
For Other Contingencies	43,729	63,512
TOTAL CURRENT	**231,861**	**299,443**
TOTAL	**891,706**	**1.128,188**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 25. PROVISIONS

The changes in this item are as follows:

	FOR LABOR, CIVIL AND COMMERCIAL LAWSUITS [1]		OTHER PROVISIONS [2]	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**928,759**	**1,177,127**	**199,429**	**271,093**
Increases	328,346	699,996	29,754	88,447
Decreases	(317,973)	(654,518)	(7,008)	(112,227)
Payments	(154,786)	(235,077)	(6,230)	(2,331)
Effect of Currency Translation and Restatement	(38,404)	(58,769)	(70,181)	(45,553)
BALANCE AT YEAR-END	**745,942**	**928,759**	**145,764**	**199,429**

[1] The accounting allocation of increases and increases is disclosed in Note 30 and 34.

[2] The accounting allocation of increases and decreases in other provisions is disclosed in Note 30 and under the item "Other Income / (Expenses), Net" in the consolidated statement of income.

NOTE 26. TRADE PAYABLES AND OTHER LIABILITIES

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Trade Payables		
- Third Parties	810,703	128,549
Tax Liabilities	-	34,923
Salaries and Social Security Contributions	30,112	69,117
Other Liabilities		
- Related Parties (Note 9)	-	358,911
TOTAL NON-CURRENT	**840,815**	**591,500**
Current		
Trade Payables		
- Third Parties	40,322,502	34,251,447
- Related Parties (Note 38)	105,532	261,130
- Promissory Notes	1,590,172	2,006,971
Tax Liabilities	2,778,293	2,484,953
Salaries and Social Security Contributions	10,112,257	9,682,145
Other Liabilities		
- Third Parties	7,033	8,527
- Related Parties (Note 38)	53,224	74,473
TOTAL CURRENT	**54,969,013**	**48,769,646**
TOTAL	**55,809,828**	**49,361,146**

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NOTE 27. COMMITMENTS AND PLEDGED COLLATERAL

(a) Committed Expenses

The following table shows the Company's committed, but not yet incurred expenses, as of the date of the consolidated balance sheet:

	12.31.2021	12.31.2020
IT Services	486,626	618,939
Logistics Services	124,572	227,674
Production Services	288,938	392,335
TOTAL	**900,136**	**1,238,948**

(b) Other Pledged Collateral and Restricted Assets

COMPANY	CREDITOR/ BENEFICIARY	ORIGINAL CURRENCY	TYPE OF COLLATERAL	COLLATERAL	MAXIMUM GUARANTEED AMOUNT	ARS CARRYING AMOUNT OF LOAN GRANTED AS OF 12.31.2021	ARS CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2021	ARS CARRYING AMOUNT OF LOAN GRANTED AS OF 12.31.2020	ARS CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2020
Arcor A.G. (S.A. Ltd.) *	Mota Engil Eng Cont Africa SA	USD	Surety	Security Deposits	2,500	-	-	-	316,969
	Angoalissar – Comércio e Indústria LDA.	USD (1)	Surety	-	9,015	-	-	-	-
Arcor do Brasil Ltda.	Pottencial Seguradora S.A.	BRL	Surety	Surety Bond	15,000	-	-	-	-
	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety			-	-	-	-
Bagley do Brasil Alimentos Ltda.	Pottencial Seguradora S.A.	BRL	Surety	Surety Bond	45,000	-	-	-	-
	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety			-	-	-	-
Cartocor S.A	Banco de la Nación Argentina	ARS	Surety	Discount of Documents	N/A	-	-	11,367	11,367
	BBVA Banco Francés S.A.	ARS	Surety	Discount of Documents	N/A	-	-	42,957	42,957
	Banco Macro	ARS	Surety	Discount of Documents	N/A	38,785	38,785	-	-
Papel Misionero S.A.I.F.C. **	Banco de la Nación Argentina	USD	Real	Mortgage	N/A	-	-	-	5,235,360

[1] The original currency of the secured loan is AOA. For disclosure purposes in this note, the maximum guaranteed amount is disclosed in USD.

* For the construction of the production plant in Angola (Note 41), Angoalissar – Comércio e Indústria LDA (hereinafter, Angoalissar), a company belonging to Webcor Group, borrowed a loan in local currency (AOA) from a local bank and transferred a portion of the loan proceeds to Dulcería Nacional, LDA. for up to the equivalent to USD 18.3 million. In August 2020, Arcor AG (S.A., Ltd.) and Alison Industry Ltd., subsidiaries of the Company and Webcor Group, respectively, assumed up to 50% each, on a subsidiary basis, of the debt borrowed by Angoalissar and transferred to Dulcería Nacional, LDA.

** On March 4, 2021, the first mortgage held by Papel Misionero S.A.I.F.C. with Banco de la Nación Argentina was settled.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 27. COMMITMENTS AND PLEDGED COLLATERAL

(c) Potential Commitments

As part of a Master Investment Agreement entered into with Groupe Danone, the Company subscribed an agreement with the subsidiary Bagley Argentina S.A. whereby the Company agreed to provide the services required for the manufacturing of certain products using assets owned by Bagley Argentina S.A.

Pursuant to certain toll manufacturing agreements entered into by the Company and third parties, as of December 31, 2021, the Company held in its own warehouses third parties' sugar inventories, for an amount equal to last month's average third party's purchase price, i.e., ARS 1,567,137. As of December 31, 2020, such inventories amounted to ARS 1,400,885.

As of December 31, 2021, the Company also held in its warehouses inventories of finished products for sale owned by third parties for a total amount of ARS 39,071 (excluding other related companies' inventories). As of December 31, 2020, these inventories amounted to ARS 18,896.

NOTE 28. SALES OF GOODS AND SERVICES

The following table shows the breakdown of the item Sales of Goods and Services:

	12.31.2021	12.31.2020
Sales of Goods Net of Discounts and Rebates		
- Third Parties	300,068,429	266,401,608
- Related Parties (Note 38)	745,171	526,851
Sales of Services		
- Third Parties	372,023	255,199
- Related Parties (Note 38)	441	352
TOTAL	**301,186,064**	**267,184,010**

NOTE 29. COST OF GOODS SOLD AND SERVICES RENDERED

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Inventories at the Beginning of the Year (Notes 14)	47,335,693	44,674,798
Increase due to Acquisition (Note 42)	3,673,917	-
Purchases for the Year	142,461,860	111,972,846
Transfers of Biological Products from the Agricultural Activity (Note 32)	1,671,465	1,671,018
Production and Services Expenses (Note 30)	84,898,697	76,840,674
Sales of By-products	(1,171,246)	(634,853)
Export Refunds [1]	(770,666)	(540,824)
Currency Translation Effect	(2,245,502)	(502,857)
Inventories at Year-end (Note 14)	(55,408,397)	(47,335,693)
BALANCE AT YEAR-END	**220,445,821**	**186,145,109**

[1] Net of the effect of (losses) / recovery of provisions for export refunds.

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NOTE 30. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

The following table shows the breakdown of total expenses by nature:

	12.31.2021	12.31.2020
Managers', Directors' and Statutory Auditors' Fees	949,583	1,040,382
Services Fees	1,777,725	1,529,359
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	66,102,935	61,028,601
Taxes, Rates and Contributions	1,100,453	1,043,899
Direct Taxes	4,940,201	4,262,577
Maintenance of Property, Plant and Equipment, and Investment Properties	9,387,606	8,700,759
Depreciation of Property, Plant and Equipment and Investment Properties (Notes 5 and 7) *	6,802,360	6,314,569
Depreciation of Right-of-use Assets (Note 6) *	1,140,464	1,164,963
Amortization of Intangible Assets (Note 8)	170,682	157,640
Freight and Haulage	14,249,583	12,702,640
Fuels and Lubricants	1,228,605	1,245,863
Export and Import Expenses	1,469,588	1,325,258
Third-party Services	8,735,991	8,567,222
Electricity, Gas and Communications	8,121,090	6,404,517
Travelling Expenses and Per Diem	767,227	653,370
Bank Services	329,404	348,888
Quality and Environment	696,436	632,248
Publicity and Advertising	5,281,220	4,550,436
Operating Leases/Rentals	1,397,024	1,205,365
Insurance	1,167,724	1,122,611
Systems and Application Software	2,291,849	1,566,896
Export Duties	957,442	742,034
Bad Debts	58,831	120,118
Loss on Labor and Other Lawsuits	192,005	216,059
Loss on Other Miscellaneous Provisions	22,746	27,753
(Recovery) / Loss due to Other Receivables	(14,810)	3,538
Other General Expenses	6,310,104	5,673,136
TOTAL	**145,634,068**	**132,350,701**

* The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in the cost of biological assets.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 30. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(a) Production Expenses (Note 29)

	12.31.2021	12.31.2020
Services Fees	454,833	406,756
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	47,466,945	43,615,792
Taxes, Rates and Contributions	555,698	492,003
Maintenance of Property, Plant and Equipment	8,857,792	8,201,377
Depreciation of Property, Plant and Equipment (Note 5)	6,165,640	5,594,294
Depreciation of Right-of-use Assets (Note 6)	171,874	140,993
Amortization of Intangible Assets (Note 8)	49,648	22,001
Freight and Haulage	2,341,654	2,204,000
Fuels and Lubricants	1,085,092	1,129,526
Third-party Services	4,084,685	3,782,818
Electricity, Gas and Communications	7,670,254	5,749,830
Travelling Expenses and Per Diem	280,362	249,985
Quality and Environment	694,777	630,055
Operating Leases/Rentals	519,264	368,027
Insurance	837,882	846,894
Systems and Application Software	528,609	451,441
Loss on Labor and Other Lawsuits	162,093	192,796
(Recovery) / Loss due to Other Miscellaneous Provisions	(669)	6,358
(Recovery) / Loss due to Other Receivables	(63)	729
Other General Expenses	2,972,327	2,754,999
TOTAL	**84,898,697**	**76,840,674**

(b) Biological Assets Production Expenses (Note 32)

	12.31.2021	12.31.2020
Services Fees	11,489	4,273
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	334,127	296,280
Taxes, Rates and Contributions	33,365	26,001
Maintenance of Property, Plant and Equipment	115,494	97,095
Depreciation of Property, Plant and Equipment (Note 5) *	172,008	166,424
Depreciation of Right-of-use Assets (Note 6) *	143,016	139,265
Freight and Haulage	57,020	61,044
Fuels and Lubricants	40,645	51,029
Third-party Services	491,853	434,123
Electricity, Gas and Communications	26,734	31,606
Travelling Expenses and Per Diem	3,250	1,691
Quality and Environment	1,659	2,193
Operating Leases/Rentals	42,915	45,950
Insurance	807	2,483
Systems and Application Software	1,338	1,825
(Recovery) / Loss on Labor and Other Lawsuits	(71)	1,069
Other General Expenses	785,021	604,029
TOTAL	**2,260,670**	**1,966,380**

* The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in the cost of biological assets.

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NOTE 30. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(c) Selling Expenses

	12.31.2021	12.31.2020
Services Fees	212,040	143,583
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	10,940,504	10,585,271
Taxes, Rates and Contributions	296,802	285,170
Direct Taxes	4,940,201	4,262,577
Maintenance of Property, Plant and Equipment	346,103	336,616
Depreciation of Property, Plant and Equipment (Note 5)	348,008	408,803
Depreciation of Right-of-use Assets (Note 6)	667,154	694,359
Amortization of Intangible Assets (Note 8)	35,089	41,625
Freight and Haulage	11,850,909	10,437,596
Fuels and Lubricants	88,934	56,153
Export and Import Expenses	1,469,588	1,325,258
Third-party Services	3,712,650	3,801,596
Electricity, Gas and Communications	240,772	351,433
Travelling Expenses and Per Diem	358,308	303,686
Publicity and Advertising	5,281,220	4,550,436
Operating Leases/Rentals	729,949	729,152
Insurance	173,314	158,997
Systems and Application Software	967,483	543,763
Export Duties	957,442	742,034
Bad Debts	58,831	120,118
Loss on Labor and Other Lawsuits	26,700	22,362
Loss on Other Miscellaneous Provisions	17,206	20,640
(Recovery) / Loss due to Other Receivables	(14,747)	2,809
Other General Expenses	2,236,535	2,047,427
TOTAL	**45,940,995**	**41,971,464**

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NOTE 30. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(d) Administrative Expenses

	12.31.2021	12.31.2020
Managers', Directors' and Statutory Auditors' Fees	949,583	1,040,382
Services Fees	1,097,702	974,278
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	7,361,359	6,531,258
Taxes, Rates and Contributions	208,340	235,655
Maintenance of Property, Plant and Equipment	64,501	63,020
Depreciation of Property, Plant and Equipment (Note 5)	116,530	144,859
Depreciation of Right-of-use Assets (Note 6)	158,420	190,346
Amortization of Intangible Assets (Note 8)	85,945	94,014
Fuels and Lubricants	13,934	9,155
Third-party Services	387,141	476,308
Electricity, Gas and Communications	182,877	271,052
Travelling Expenses and Per Diem	125,307	98,008
Bank Services	329,404	348,888
Operating Leases/Rentals	104,896	62,236
Insurance	155,721	114,237
Systems and Application Software	794,419	569,867
Loss / (Recovery) on Labor and Other Lawsuits	3,283	(168)
Loss on Other Miscellaneous Provisions	6,209	755
Other General Expenses	315,120	266,102
TOTAL	**12,460,691**	**11,490,252**

(e) Investment Property Maintenance Expenses (Note 33)

	12.31.2021	12.31.2020
Services Fees	1,661	469
Taxes, Rates and Contributions	6,248	5,070
Maintenance of Investment Properties	3,716	2,651
Depreciation of Investment Properties (Note 7)	174	189
Third-party Services	59,662	72,377
Electricity, Gas and Communications	453	596
Other General Expenses	1,101	579
TOTAL	**73,015**	**81,931**

NOTE 31. SALARIES, WAGES, SOCIAL SECURITY CHARGES AND OTHER BENEFITS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Salaries, Wages and Social Security Contributions	63,578,174	58,988,069
Early Retirement Benefits (Note 24)	1,463,159	716,143
Pension Plans (Note 24)	966,087	1,244,417
Retirement Bonus (Note 24)	95,515	79,972
TOTAL	**66,102,935**	**61,028,601**

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NOTE 32. INCOME (LOSS) FROM BIOLOGICAL ASSETS

The following tables show the income (loss) from the main biological assets:

	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2021
Sales of Biological Assets and Products	80,093	542,737	-	133,084	61,710	817,624
Cost of Sales of Biological Assets	-	-	-	(133,084)	-	(133,084)
Cost of Sales of Biological Products	(80,093)	(472,452)	-	-	(37,157)	(589,702)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**70,285**	**-**	**-**	**24,553**	**94,838**
Harvest of Biological Products [1]	271,578	976,563	321,682	632,870	173,498	2,376,191
Initial Recognition and Changes in Fair Value of Biological Products [2]	271,578	976,563	321,682	632,870	173,498	2,376,191
Derecognition of Bearer Plants	-	-	(20,616)	-	-	(20,616)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(205,476)	(447,678)	(659,937)	-	(153,758)	(1,466,849)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(793,821)	-	(793,821)
Subtotal - Production Costs of Biological Assets	**(205,476)**	**(447,678)**	**(659,937)**	**(793,821)**	**(153,758)**	**(2,260,670)**
Consumption of Harvested Biological Products	-	-	-	(92,869)	-	(92,869)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**53,279**	**599,170**	**(358,871)**	**(148,764)**	**475,857**	**620,671**

	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2020
Sales of Biological Assets and Products	50,187	494,338	-	107,905	59,376	711,806
Cost of Sales of Biological Assets	-	-	-	(107,905)	-	(107,905)
Cost of Sales of Biological Products	(50,187)	(313,750)	-	-	(49,643)	(413,580)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**180,588**	**-**	**-**	**9,733**	**190,321**
Harvest of Biological Products	135,342	829,613	451,187	600,675	192,967	2,209,784
Initial Recognition and Changes in Fair Value of Biological Products	11,710	-	-	332,783	(5,778)	338,715
Derecognition of Bearer Plants	-	-	(2,731)	-	-	(2,731)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(189,845)	(426,526)	(525,435)	-	(169,815)	(1,311,621)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(654,759)	-	(654,759)
Subtotal - Production Costs of Biological Assets	**(189,845)**	**(426,526)**	**(525,435)**	**(654,759)**	**(169,815)**	**(1,966,380)**
Consumption of Harvested Biological Products	-	-	-	(66,094)	-	(66,094)
Consumption of Other Biological Products Used as Inputs	-	-	-	(36,360)	-	(36,360)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**(42,793)**	**583,675**	**(76,979)**	**176,245**	**27,107**	**667,255**

[1] Measured at fair value at the point of harvest.

[2] For agricultural activities, it represents the changes in fair value of biological assets not yet harvested/logged at year-end.

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NOTE 32. INCOME (LOSS) FROM BIOLOGICAL ASSETS

The production of biological assets is primarily intended to be transferred from agricultural to industrial production, as detailed below:

	BIOLOGICAL ASSETS GENERATED BY AGRICULTURAL PRODUCTION						
	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2021	TOTAL AS OF 12.31.2020
Opening Inventories of Biological Products	-	59,092	-	-	-	**59,092**	**-**
Harvest of Biological Products	271,578	976,563	321,682	632,870	173,498	**2,376,191**	**2,209,784**
Cost of Sales of Biological Products	(80,093)	(472,452)	-	-	(37,157)	**(589,702)**	**(413,580)**
Internal Transfers	-	(92,869)	-	92,869	-	**-**	**-**
Consumption of Harvested Biological Products (Fodder)	-	-	-	(92,869)	-	**(92,869)**	**(66,094)**
Subtotal	**191,485**	**470,334**	**321,682**	**632,870**	**136,341**	**1,752,712**	**1,730,110**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities [1]	-	(81,247)	-	-	-	**(81,247)**	**(59,092)**
TOTAL TRANSFERS OF BIOLOGICAL PRODUCTS AS OF 12.31.2021 (Note 29)	**191,485**	**389,087**	**321,682**	**632,870**	**136,341**	**1,671,465**	
TOTAL TRANSFERS OF BIOLOGICAL PRODUCTS AS OF 12.31.2020 (Note 29)	**85,155**	**390,675**	**451,187**	**600,675**	**143,326**		**1,671,018**

[1] It refers to fodder included in "Raw Materials and Materials" (Note 13).

NOTE 33. OTHER INCOME / (EXPENSES), NET

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Tax on Bank Credits and Debits	(2,211,323)	(1,989,841)
Net (Disbursements) out of Income Accrued Provided by Investment Properties [1]	(57,724)	(66,374)
Income on Disposal of Property, Plant and Equipment and Investment Properties [2]	55,805	889,125
Other [3]	1,301,382	336,090
TOTAL	**(911,860)**	**(831,000)**

[1] Includes maintenance expenses of investment properties for the year ended December 31, 2021 and 2020 for ARS 73,015 and ARS 81,931, respectively (Note 30).
[2] As of December 31, 2020, it includes ARS 856 million attributable to income from the sale of machinery under the agreement with Webcor Group (see Note 41).
[3] As of December 31, 2021, it includes ARS 1,021,508 as income from the recognition of the favorable resolution in the tax litigation initiated by the subsidiaries Arcor do Brasil Ltda. and Bagley do Brasil Alimientos Ltda. described in Note 12.

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NOTE 34. NET FINANCIAL INCOME (EXPENSE), NET

The following table shows the breakdown of Financial Income (Expense):

	12.31.2021	12.31.2020
Financial Income		
Interest:		
- Cash Equivalents	52,013	50,986
- Ordinary Explicit and Implicit [1]	(3,593,942)	(2,180,868)
- Finance Charges with Related Parties (Note 38)	(386)	(167)
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 43)	1,380,200	-
Exchange Differences	13,040,956	-
Subtotal - Financial Income	**10,878,841**	**(2,130,049)**
Financial Expenses		
Interest:		
- Banks, Notes and Financing Expenses	(3,824,572)	(5,887,454)
- Finance Leases	(158,390)	(182,371)
- Explicit and Implicit	2,418,938	711,854
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 43)	-	(2,411,335)
- Other Financial Instruments	(903,780)	(580,763)
Reclassification of Translation Differences due to Corporate Reorganizations within the Group (Note 40)	(129,016)	-
Exchange Differences	-	(2,274,672)
Subtotal	**(2,596,820)**	**(10,624,741)**
Amounts Capitalized in Eligible Assets	37,696	30,226
Subtotal - Financial Expenses	**(2,559,124)**	**(10,594,515)**
Gain on Net Monetary Position	**4,918,674**	**2,923,543**
TOTAL	**13,238,391**	**(9,801,021)**

[1] As of December 31, 2021, it includes income in the amount of ARS 288,961 attributable to the adjusted recognition of the favorable resolution in the tax litigation initiated by the subsidiaries Arcor do Brasil Ltda. and Bagley do Brasil Alimentos Ltda. described in Note 12.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 35. INCOME TAX

The income tax expense charged to income is broken down as follows:

	12.31.2021	12.31.2020
Current Income Tax	(5,533,279)	(5,084,803)
Income Tax - Deferred Tax Method (Note 11)	(8,918,465)	(3,013,379)
Subtotal – Income Tax Charged to the Statement of Income	**(14,451,744)**	**(8,098,182)**
Income Tax - Deferred Tax Method (Notes 11, 19 and 20)	140,323	(109,857)
Subtotal – Income Tax Charged to Other Comprehensive Income	**140,323**	**(109,857)**
TOTAL INCOME TAX EXPENSE	**(14,311,421)**	**(8,208,039)**

Below is a reconciliation between income tax charged to income and that resulting from applying the corporate income tax rate effective in Argentina to consolidated net income before tax reported in the financial statements:

	12.31.2021	12.31.2020
Income for the Year before Tax	**34,370,143**	**16,312,171**
Income Tax Rate	35%	30%
Income Tax Calculated at the Company's Effective Tax Rate	**(12,029,550)**	**(4,893,651)**
Permanent Differences and Other Reconciling Items		
Non-taxable Income / (Non-deductible Expenses), Net	415,536	(203,316)
Special Deductions	14,603	12,871
Changes in Unrecognized Deferred Assets	476,803	(159,491)
Income (Loss) from Changes in Fair Value of Mastellone Hermanos S.A.'s Options (Note 35)	483,071	(723,402)
Effect of Tax Rate Adjustment [1]	(898,662)	742,631
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	968,298	496,968
Effect of Application of the Inflation Adjustment for Tax Purposes	(6,346,908)	(4,760,640)
Effect of Restatement Law No. 27,430 on Tax Bases [2]	3,361,219	1,968,991
Effect of Progressive Tax Rates, Law No. 27,630	13,750	-
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net [3]	(229,720)	21,621
Tax Effect in Argentina of Tax Credits for Equivalent Foreign Taxes [3]	82,235	(6,486)
Income (Loss) from Investments in Associates and Joint Ventures (Note 9)	(320,466)	(390,074)
Net Tax Effect of Distributed or Presumptive Dividends or Dividends Payables in Future Years [4]	(579,231)	(199,167)
Effect of Translation Differences Reclassified to Income (Loss) on Corporate Reorganizations within the Group (Note 34 and 40)	(45,156)	-
Other Effects Arising from Investments in Group Companies	8,871	56,776
Others, Net	173,563	(61,813)
Subtotal - Permanent Differences at the Tax Rate	**(2,422,194)**	**(3,204,531)**
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(14,451,744)**	**(8,098,182)**
Current Income Tax	(5,533,279)	(5,084,803)
Income Tax - Deferred Tax Method	(8,918,465)	(3,013,379)
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(14,451,744)**	**(8,098,182)**

[1] It includes: (i) the effect of applying the effective corporate tax rate in Argentina (Company's domicile) to this reconciliation, despite the fact that a portion of "Income before Tax" is subject to the tax rate effective in other jurisdictions; (ii) the effect of the changes in tax rates in the jurisdictions where the Group operates on the amount charged to income (including the changes to the tax rates in force in Argentina established by Law No. 27,630), and (iii) the effect of the difference between the rate used in this reconciliation (35% or 30%, as the case may be) and the one expected to be in force at the time of reversal of the identified differences between carrying amounts and tax bases.

[2] Includes the effect on the deferred position of: (i) the restatement of the tax bases of the fixed assets that were subject to the tax revaluation option set forth under Law No. 27,430, described in this note; and (ii) the restatement of the tax bases of new fixed assets recognized on or after January 1, 2018, as permitted by Law 27,430.

[3] Included in "Current Income Tax."

[4] As of December 31, 2021, it includes the tax effects resulting from certain dividends distributed to the Company as part of the contribution of equity interests in foreign companies described in Note 40 to these consolidated financial statements.

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NOTE 35. INCOME TAX

- Tax Reform in Argentina

On December 29, 2017, the National Executive Branch enacted Income Law No. 27,430. This Law introduced several changes to the income tax treatment, particularly, a reduction in the income tax corporate rate applicable to taxable income. The rate reduction would be implemented gradually within 4 years up to reach 25% in 2020, and would be supplemented with an "additional tax" on dividends or profits distributed to individuals, undivided estates or foreign beneficiaries. This additional tax is to be withheld by the entity distributing the dividends or profits at the time of making them available or at the time of capitalization, as a single and final payment, except in the case of registered taxpayers, in which case such additional tax will be regarded as a prepayment.

Then, Section 48 of the Social Solidarity and Productive Revival Law No. 27,451 published in the Official Gazette on December 23, 2019 suspended the tax rate reduction to 25% until the fiscal years beginning on or after January 1, 2021.

The following table shows the applicable corporate tax rates and additional tax as described above:

FISCAL YEAR	CORPORATE TAX RATE	ADDITIONAL TAX
2018	30%	7%
2019	30%	7%
2020	30%	7%
2021 onwards	25%	13%

- Changes in the Income Tax Rate

In June 2021, Law No. 27,630 was enacted in Argentina establishing a new staggered income tax rate structure divided into three segments, based on the level of accumulated net taxable income. The new tax rates are as follows:

- 25% on accumulated net taxable income up to 5 million;
- 30% for the second bracket, on accumulated net taxable income up to 50 million;
- 35% on accumulated net taxable income in excess of 50 million.

Such changes are effective for fiscal years beginning on or after January 1, 2021. Therefore, the income tax expense recorded in these consolidated financial statements includes the following effects of the above-described change:

• A loss of ARS 1,159,827 carried in current income tax.
• A loss of ARS 3,550,300 carried in deferred income tax.

As described above, the total negative effect on the income tax expense charged to the consolidated statement of income amounted to ARS 4,710,127. Such regulatory change also had a negative impact on the amount charged to other comprehensive income and on the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" of the consolidated statement of income.

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NOTE 35. INCOME TAX

- Inflation Adjustment for Tax Purposes in Argentina

Pursuant to the terms of Law No. 27,430, the inflation adjustment for tax purposes established in Sections 95 through 98 of the Income Tax Law is applicable to fiscal years beginning on or after January 1, 2018 provided cumulative inflation over a three-year period as from such date reaches 100%. However, Law No. 27,468 amended the transition scheme set forth in said Law No. 27,430, providing that, for the first, second and third years (in the case of the Company, fiscal years 2017, 2018 and 2019) from its effective date, the adjustment would be applicable to the extent the changes in the CPI, calculated since the beginning through the end of each of such years, were higher than fifty-five per cent (55%), thirty per cent (30%), and fifteen per cent (15%), respectively. Then, Law No. 27,541 established that the effects on the taxable base resulting from the application of said inflation adjustment for tax purposes related to the first and the second fiscal year beginning on or after January 1, 2019 should be charged as follows: one sixth (1/6) in such fiscal years and the remaining five sixths (5/6), on an equal basis, in the 5 immediately following fiscal years. In subsequent fiscal years (i.e., those beginning on or after January 1, 2021), the effects of the application of the inflation adjustment for tax purposes should be fully charged during the year.

As of the date of these consolidated financial statements, the Company has considered that the criteria set forth in the Income Tax Law for the application of the inflation adjustment for tax purposes (for the current year, a cumulative inflation rate from January 1, 2019 to December 31, 2021 equal to or higher than 100%) have been met at year-end. Accordingly, it considered such adjustment in its (current and deferred) income tax assessment for fiscal year ended December 31, 2021. Based on the above-described application scheme, as of December 31, 2020, the Company also considered the inflation adjustment for tax purposes.

Besides, as established in the second paragraph of Section 93 of the Income Tax Law which was incorporated by Law No. 27,430, the adjustments established in Sections 62 through 66, 71, 78, 87 and 88, and Sections 98 and 99, will apply to acquisitions or investments completed on or after January 1, 2018.

On the other hand, as it concerns the effects of inflation on the Company's cumulative income tax losses, Arcor S.A.I.C. considered such losses at nominal value, both for purposes of offsetting taxable income and as well as in measuring deferred tax recognized at year-end on the portion of such tax losses that has not yet been used (Note 11).

Based on the provisions of the penultimate paragraph of Section 25 of such Law (text as revised by Law No. 27,430) and Section 75 of its Implementing Decree (text as revised by Decree No. 1170/2018) and based on the understanding that the limitations established in the second paragraph of Section 93 of the Income Tax Law would not apply, the Company and its advisors believe they have reasonable legal grounds to proceed with the adjustment of such tax loss until the time they are used.

However, as of the date of these financial statements, the Company believes that it is still lacks sufficient judgmental elements to more clearly assess its probability of success in case of a potential claim from the tax authorities. Furthermore, as stated in Note 11 and based on the foregoing, as of December 31, 2021, the Company still has unused tax losses in nominal value.

The Company will continue monitoring the emergence of new judgmental elements that allow to supplement its analysis and mitigate the existing uncertainty on the current conditions.

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NOTE 35. INCOME TAX

- Tax Revaluation in Argentina – Law No. 27,430. Recovery actions in connection with the 2016 Income Tax Return

The afore-mentioned Law 27,430 provided taxpayers with an option to carry out a "tax revaluation" of their taxable-income generating assets based in Argentina, subject to the payment of a "special tax" on the revaluation amount, depending on the nature of the asset being revalued, as follows: 8% on real property not qualifying as inventories, 15% on real property qualifying as inventories, and 10% on personal and other property. Once the option for a given asset is exercised, all the other assets within the same category should be revalued as well. According to the terms of the law, such special tax was not deductible from income tax, and the taxable income that gave rise to the revaluation was exempt. Furthermore, as laid down in the above-mentioned law, the exercise of the option allows taxpayers to deduct from income tax for subsequent periods depreciation expenses restated from the revaluation date to the closing date of each respective period, according to the changes in the CPI published by INDEC.

Against this backdrop, in December 2018, the Boards of Directors of the subsidiaries Papel Misionero S.A.I.F.C., Cartocor S.A. and Bagley Argentina S.A. resolved to exercise the tax revaluation option as of December 31, 2017 in respect of certain items of Property, Plant and Equipment.

According to the provisions of Section 292 of Law No. 27,430 and its implementing regulations, the subsidiaries Cartocor S.A. and Bagley Argentina S.A., as a result of having exercised such a revaluation option, dismissed the recovery actions that had been initiated in respect of the 2016 income tax returns.

- Favorable Rulings in Tax Litigation Filed by the Subsidiaries Arcor do Brasil Ltda., and Bagley do Brasil Alimentos Ltda.

Concerning the favorable rulings rendered in favor of Arcor do Brasil Ltda. and Bagley do Brasil Alimentos Ltda. described in Note 12, these companies submitted inquiries to the Brazilian tax authorities during fiscal year ended December 31, 2021, in connection with certain tax positions adopted in the calculation of income tax and social contribution on net profits (IRPJ / CSLL), which, as of the date of these consolidated financial statements, are pending resolution. According to the terms of IFRIC 23 and based on an internal assessment and the legal advisors' own assessment, the Group considers that such tax authorities are likely to accept the criteria adopted.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 36. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to each of the Company´s shareholders by the number of outstanding common shares. For fiscal years 2021 and 2020, outstanding common shares as of the current year end are considered. The Company does not have preferred shares or debt convertible into shares; therefore, basic earnings per share are equal to diluted earnings per share.

	FOR THE FISCAL YEAR ENDED	
	12.31.2021	12.31.2020
Net Income for the Year Attributable to the Company's Shareholders	18,156,923	6,284,538
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.25938**	**0.08978**

NOTE 37. DIVIDENDS PER SHARE

Dividends paid by the Company to its shareholders in 2021 amounted to ARS 5,350,000 (or ARS 6,868,896 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 6, 2021 and August 20, 2021, at which time shareholders resolved to pay dividends in the amount of ARS 2,650,000 (or ARS 3,711,620 in constant currency) and ARS 2,700,000 (or ARS 3,157,276 in constant currency), respectively. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.09813.

Dividends paid by the Company to its shareholders in 2020 amounted to ARS 1,730,000 (or ARS 3,197,028 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 25, 2020 and August 15, 2020, at which time shareholders resolved to pay dividends in the amount of ARS 1,180,000 (or ARS 2,249,374 in constant currency) and ARS 550,000 (or ARS 947,654 in constant currency), respectively. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.04567.

NOTE 38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The tables below show a detail of transactions and balances with related parties:

(a) Sales of Goods, Services, Other Revenues, and Recovery of Expenses [1]

Sales of Goods

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [2]	Joint Venture	104,020	-
Logística La Serenísima S.A. [3]	Indirect Associate	915	589
Mastellone Hermanos S.A.	Associate	615,148	509,887
Mastellone San Luis S.A. [4]	Indirect Associate	25,088	16,375
TOTAL		**745,171**	**526,851**

Sales of Services

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Grupo Arcor S.A.	Parent	347	352
Mastellone Hermanos S.A.	Associate	94	-
TOTAL		**441**	**352**

[1] Gross amount before segregating implicit financial interest included in Financial Income.
[2] A company controlled by Tucor DMCC.
[3] A company related to Mastellone Hermanos S.A.
[4] A company controlled by Mastellone Hermanos S.A.

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NOTE 38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(a) Sales of Goods, Services, Other Revenues, and Recovery of Expenses [1]

Recovery of Expenses

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Mastellone Hermanos S.A.	Associate	-	8,999
Mastellone de Paraguay S.A. [2]	Indirect Associate	-	13,105
TOTAL		**-**	**22,104**

[1] Gross amount before segregating implicit financial interest included in Financial Income.

[2] A company related to Mastellone Hermanos S.A.

Other Income

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [1]	Joint Venture	40,499	31,918
Grupo Arcor S.A.	Parent	1,242	1,469
TOTAL		**41,741**	**33,387**

[1] A company controlled by Tucor DMCC.

(b) Purchases of Goods and Services

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Mastellone de Paraguay S.A. [1]	Indirect Associate	411,620	399,256
Mastellone Hermanos S.A.	Associate	521,706	871,659
TOTAL		**933,326**	**1,270,915**

[1] A company controlled by Mastellone Hermanos S.A.

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [1]	Joint Venture	990	4,572
Mastellone Hermanos S.A.	Associate	411	-
TOTAL		**1,401**	**4,572**

[1] A company controlled by Tucor DMCC.

(c) Expenses with Related Parties

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Contributions to Arcor Foundation	Other	34,309	24,879
Contributions to Arcor Foundation Chile	Other	14,430	5,818
Contributions to Arcor Institute in Brazil	Other	14,537	17,761
TOTAL		**63,276**	**48,458**

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NOTE 38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(d) Financial Interest Income (Note 34)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
GAP Inversora S.A.	Associate	(80)	(20)
Other Related Parties	Other	(306)	(147)
TOTAL		**(386)**	**(167)**

(e) Balances of Receivables and Payables from Transactions with Related Parties

Accounts Receivables (Note 12)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [1]	Joint Venture	43,218	-
Mastellone de Paraguay S.A. [2]	Indirect Associate	-	4,936
Mastellone Hermanos S.A.	Associate	95,345	61,548
Mastellone San Luis S.A. [2]	Indirect Associate	3,030	2,143
TOTAL		**141,593**	**68,627**

[1] A company controlled by Tucor DMCC.
[2] A company controlled by Mastellone Hermanos S.A.

Other Receivables (Note 12)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [1]	Joint Venture	57,075	31,917
Tucor DMCC [2]	Joint Venture	359,498	1,148,741
TOTAL		**416,573**	**1,180,658**

[1] Sociedad controlada por Tucor DMCC.
[3] Saldo no corriente.

Accounts Payable and Other Liabilities (Note 26)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Dulcería Nacional, LDA. [1]	Joint Venture	4,019	4,572
GAP Inversora S.A.	Associate	2	-
Mastellone de Paraguay S.A. [2]	Indirect Associate	34,876	55,632
Mastellone Hermanos S.A.	Associate	66,635	200,926
Other Related Parties	Other	20,687	22,765
Directors' Fees Payable	Other	32,537	51,708
TOTAL		**158,756**	**335,603**

[1] A company controlled by Tucor DMCC.
[2] A company controlled by Mastellone Hermanos S.A.

Accounts receivable and payable with related parties primarily arise from purchase/sale transactions generally due within twelve months after the sale transaction date and do not accrue interest. Accounts receivable are not secured and do not accrue interest. No impairment allowances have been recorded for accounts receivable from related parties.

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NOTE 38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(f) Loans Granted (Note 12)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
GAP Inversora S.A.	Associate	105	735
Other Related Parties	Other	1,815	2,507
TOTAL		**1,920**	**3,242**

(g) Employee Benefits

The compensation and other benefits paid or payable to the Board of Directors and key management personnel as of December 31, 2021 and 2020 amounted to ARS 2,527,086 and ARS 2,188,874, respectively.

Key management personnel are individuals having authority and responsibility for planning, managing and controlling the Group's activities.

NOTE 39. FINANCIAL RISK MANAGEMENT

39.1 Financial Instruments by Category

The following charts show the information required under IFRS 7 for financial assets and financial liabilities, in accordance with the categories established in IFRS 9.

- As of December 31, 2021:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables [1]	2,467,449	-	-	2,467,449
Trade Receivables	41,423,961	-	-	41,423,961
Other Investments	4	505,175	-	505,179
Derivative Financial Instruments	-	544,078	-	544,078
Cash and Cash Equivalents	-	19,408,214	-	19,408,214
TOTAL AS OF 12.31.2021	**43,891,414**	**20,457,467**	**-**	**64,348,881**
Liabilities as per Balance Sheet				
Loans	83,081,871	-	-	83,081,871
Financial Lease Liabilities	2,270,058	-	-	2,270,058
Derivative Financial Instruments	-	1,380,600	-	1,380,600
Trade Payables and Other Liabilities [1]	51,619,810	1,411,725	-	53,031,535
TOTAL AS OF 12.31.2021	**136,971,739**	**2,792,325**	**-**	**139,764,064**

[1] It only includes financial assets and liabilities under IFRS 7.

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Luis Alejandro Pagani
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(Figures stated in thousands of Argentine pesos)

NOTE 39. FINANCIAL RISK MANAGEMENT

39.1 Financial Instruments by Category

- As of December 31, 2020:

	AMORTIZED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL
Assets as per Balance Sheet				
Other Receivables [1]	3,130,561	-	-	3,130,561
Trade Receivables	36,071,606	-	-	36,071,606
Other Investments	8	-	-	8
Derivative Financial Instruments	-	407,542	-	407,542
Cash and Cash Equivalents	-	21,955,666	-	21,955,666
TOTAL AS OF 12.31.2020	**39,202,175**	**22,363,208**	**-**	**61,565,383**
Liabilities as per Balance Sheet				
Loans	93,772,474	-	-	93,772,474
Financial Lease Liabilities	2,457,822	-	-	2,457,822
Derivative Financial Instruments	-	2,754,153	-	2,754,153
Trade Payables and Other Liabilities [1]	45,655,738	826,621	-	46,482,359
TOTAL AS OF 12.31.2020	**141,886,034**	**3,580,774**	**-**	**145,466,808**

[1] It only includes financial assets and liabilities under IFRS 7.

39.2 Fair Value Hierarchies

The tables below show financial instruments measured at fair value, classified by hierarchy, according to the measurement method used. The different levels were defined as follows:

- Level 1: (Unadjusted) quoted prices for identical assets and liabilities in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs), which requires that the Group prepare its own hypothesis and assumptions.

Below is a detail of the Group's assets and liabilities measured at fair value:

- As of December 31, 2021:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	544,078	-	-	544,078
Other Investments	505,175	-	-	505,175
Cash and Cash Equivalents	19,408,214	-	-	19,408,214
Total Assets	**20,457,467**	**-**	**-**	**20,457,467**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	6,944	-	1,373,656	1,380,600
Trade Payables and Other Liabilities [1]	-	1,411,725	-	1,411,725
Total Liabilities	**6,944**	**1,411,725**	**1,373,656**	**2,792,325**

[1] It only includes financial liabilities under IFRS 7.

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.2 Fair Value Hierarchies

- As of December 31, 2020:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	407,542	-	-	407,542
Other Investments	-	-	-	-
Cash and Cash Equivalents	21,955,666	-	-	21,955,666
Total Assets	**22,363,208**	**-**	**-**	**22,363,208**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	297	-	2,753,856	2,754,153
Trade Payables and Other Liabilities [1]	-	826,621	-	826,621
Total Liabilities	**297**	**826,621**	**2,753,856**	**3,580,774**

[1] It only includes financial liabilities under IFRS 7.

The fair value of financial instruments traded in active markets is based on quoted prices as of the reporting period date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 primarily comprise financial options, cocoa forward contracts, certain currency forwards (derivative financial instruments), other investments (notes), and cash and cash equivalents.

The fair value of financial instruments that are not traded in an active market is measured using valuation techniques. These valuation techniques maximize the use of observable market inputs available and, to the least possible extent, are based on specific estimates made by the Group. If all material inputs required to calculate the fair value of an instrument are observable, then the instrument is included in Level 2. The instruments included in Level 2 primarily comprise certain currency forwards (derivative financial instruments) and cereal purchase contracts with prices to be fixed (trade payables and other liabilities).

If one or more pieces of significant information to calculate the fair value of the financial instrument are not based on observable market inputs, the instrument is included in Level 3. The instruments included in Level 3 encompass the financial options associated with the transaction with Mastellone Hermanos S.A.

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.3 Fair Value Estimate

Fair Value of Assets and Liabilities Measured at Fair Value

Below is a detail of financial assets and liabilities measured at fair value as of December 31, 2021 and 2020, together with the information and techniques used for their valuation and their respective fair value level:

(a) Cash and Cash Equivalents

The carrying amount of Cash and Cash Equivalents approximates its fair value. Mutual funds and government securities are also included in this item. Their value was estimated using information from active markets, with holdings of government securities and shares in mutual funds being measured at their quoted prices at the reporting period-end. Therefore, their fair value was included in Level 1.

(b) Derivative Financial Instruments

(i) Financial Options and Cocoa Forward Contracts

The fair value of these financial instruments is determined by reference to known quotations in active markets, thus, such fair value is classified as Level 1.

(ii) Currency Forwards

The fair value of currency forwards entered into in Argentina through ROFEX is determined using observable quoted prices at year-end for each specific contract. Therefore, their fair value is included in Level 1. On the other hand, the fair value of forward contracts for the purchase/sale of U.S. dollars agreed upon abroad is classified as Level 2.

(iii) Financial Options Associated with the Transaction with Mastellone Hermanos S.A.

The fair value of these financial instruments was estimated by using option valuation models (Black & Scholes and Montecarlo Simulation).

Such models include unobservable market inputs; therefore, valuation is classified as Level 3.

(c) Accounts Payable and Other Liabilities – Cereal Purchase Contracts with Price to be Fixed

As of December 31, 2021 and 2020, the Group carried out grain purchase transactions with producers, whose price has not yet been fixed.

These liabilities are measured at their estimated fair value using information from active markets and pricing each ton of grain due at their quoted price at year-end, adjusted for the Group's specific contracting conditions. Therefore, valuation is classified as Level 2.

Fair Value of Financial Assets and Liabilities Measured at Amortized Cost

IFRS 7 requires that entities disclose information on the fair value of financial instruments, even though such instruments are not measured at fair value in the balance sheet, provided fair value can be reasonably estimated. This group encompasses:

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.3 Fair Value Estimate

(a) Trade and Other Receivables

The carrying amount of these liabilities approximates their fair value due to their substantially short-term nature.

(b) Trade Payables and Other Liabilities

The carrying amount of these liabilities approximates their fair value due to their substantially short-term nature.

(c) Loans

Loans primarily include:

(i) Listed Notes at Fixed Rate

The fair value of these instruments was calculated using information from active markets. The outstanding debt was measured at the quoted price of the instruments at each year-end (Note 22).

(ii) Loans at Variable Rate

This category primarily comprises notes issued in ARS accruing interest at variable rate based on BADLAR plus an applicable margin. It also includes loans borrowed by Arcor do Brasil Ltda. and Bagley do Brasil Alimentos Ltda. from local entities, which accrue interest at variable rate based on the interbank certificate of deposit rate.

Fair value was calculated applying observable rates for similar instruments to discount cash flows (Note 22).

(iii) Loans and Other Financial Indebtedness at Fixed Rate

It mainly includes balances of short and long-term loans borrowed by the Group from world-class financial institutions. Fair value was calculated applying observable rates for similar instruments to discount cash flows (Note 22).

39.4 Financial Risk Factors

Financial risk management is part of the Group's global policies, which seek to address the uncertainty of financial markets and attempt to minimize potential adverse impacts on its financial profitability. Where necessary, the Group uses derivative instruments to hedge certain risk exposures. The main financial risks, such as exchange rate, interest rate, liquidity and capital risks, are generally managed by the Finance and Treasury area, which identifies, assesses and hedges financial risks in close collaboration with the Group's several operating units.

See our report dated March 11, 2022
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NOTE 39. FINANCIAL RISK MANAGEMENT

39.5 Market Risk

39.5.1 Exchange Rate and Indexation Risk

The Group manufactures and sells its products in several countries around the world and, as such, it is exposed to the risk of exchange rate fluctuations. In addition, as stated in Note 22 to these consolidated financial statements, the Group has financial indebtedness denominated in UVA (Class 17 Notes). Therefore, it is also exposed to the risk of indexation of such financial liabilities payable in ARS but subject to the changes in such index. The exchange rate and indexation risk arises from

• **Operating and Investing Activities**

Operating income and expenses are generally stated in the functional currency of the country where they were originated. However, exports and imports (in particular, raw materials, materials, and property, plant and equipment items) are stated in other currencies, primarily USD and EUR. Consequently, the Group is exposed to exchange rate fluctuations in respect of recognized financial assets and liabilities arising from these transactions.

Considering only this net monetary exposure as of December 31, 2021 and 2020, the Group estimates that the impact of a concurrent favorable/unfavorable 10% change in the main exchange rates, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around ARS 263,682 and ARS 886,610, respectively

• **Financing Activities**

A substantial portion of the Group's financial indebtedness is stated in USD. To reduce its exchange rate exposure arising from these transactions, the Group may use exchange rate derivative contracts (currency forwards or futures).

Considering only this net monetary exposure as of December 31, 2021 and 2020, the Group estimates that the impact, net of the effect of currency derivative instruments, of a concurrent favorable/unfavorable 10% change in the main exchange rates, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around ARS 5,868,274 and ARS 7,248,862, respectively.

On the other hand, as stated above, the Company's financial indebtedness also includes financial liabilities denominated in UVA, but payable in ARS, which are subject to indexation based on the changes in that index.

Considering only this net monetary exposure as of December 31, 2021, the Company estimates that the impact of a favorable/unfavorable 10% change in the UVA, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around and ARS 269,530. As of December 31, 2020, Arcor S.A.I.C. did not have financial liabilities of this nature; therefore, it was not exposed to indexation risk on its financial liabilities.

39.5.2 Raw Material Price Risk

The Group is exposed to the volatility in prices of certain basic raw materials sourced from third parties, such as corn, wheat, sugar, cacao (and its derivatives) and paper.

For instance, in order to ensure the supply of corn and wheat, in some cases, the Group enters into purchase agreements and grants the producer the right to fix the price at any time between the date of delivery and a future date (grain purchase agreements with price to be fixed). The Group does not hedge the potential risks a change in grain prices could have on its financial position and results of operations.

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.5 Market Risk

39.5.2 Raw Material Price Risk

As of December 31, 2021 and 2020, the impact of a concurrent favorable/unfavorable 10% change in corn and wheat prices, assuming all other variables remain constant, would result in a pre-tax gain/loss of around ARS 141,173 and ARS 82,662, respectively.

For cocoa, in some cases the Group enters into financial transactions and forward purchases of cocoa, which are conceived as cash flow hedges to offset the effects of changes in prices of such raw materials, although there is no physical delivery.

As for the other raw materials, each of the Group's operating units prepares a production forecast at 12 months to estimate supply needs concerning these products, covering a portion of the required purchase volume through the use of forward contracts with prices to be fixed and future physical delivery.

These contracts qualify as a regular purchase and, as such, are not recorded as derivatives.

39.5.3 Cash Flow Interest Rate and Fair Value Risk

The Group's interest rate risk arises from its financial indebtedness. The main exposure is related to variable rate loans based on BADLAR.

As of December 31, 2021 and 2020, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2021		12.31.2020	
	ARS	%	ARS	%
Fixed Rate	76,162,427	92	81,656,478	87
Mixed Rate	2,756,644	3	-	-
Variable Rate	4,162,800	5	12,115,996	13
TOTAL	**83,081,871**	**100**	**93,772,474**	**100**

Considering that at the reporting period end, only 5% of total loans is subject to variable interest rates, if interest rates increased or decreased by approximately 100 basis points, with all other variables remaining constant (such as, the exchange rate), such increase or decrease would theoretically result in a loss/(gain) of ARS 51,367.

39.6 Credit Risk

The Group is exposed to credit risk primarily from:

39.6.1 Financial Instruments with Banks and Financial Institutions

The Group is exposed to credit risk with banks and financial institutions in connection with the maintenance of financial instruments, such as transactional deposits, time deposits, mutual funds and derivative financial instruments.

As part of the general treasury policy, contracts are only entered into with world-class entities. Consequently, the credit risk associated with this type of financial instruments is not considered relevant.

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.6 Credit Risk

39.6.2 Trade Receivables from Domestic Retail Customers

The portfolio of domestic retail customers in Argentina and in the main countries is broken down into Distributors, Wholesalers and Supermarket Chains. Customers are subject to policies, procedures and controls established by the Group, and detailed in a "Credit Manual." Credit limits are set on the basis of an internal rating, which takes into account an analysis of the economic and financial situation, past behavior, and overall opinion on each customer. The channel to which the customer belongs is considered as well.

The use of credit limits is monitored on a regular basis. The Group has established controls within its systems that issue warnings when a customer defaults on a payment or surpasses its credit limits, allowing management to make decisions. If the customer does not assume a commitment or fails to make a payment when scheduled, after exhausting all customary collection proceedings, the Company's legal advisors will handle collection efforts.

39.6.3 Trade Receivables from Industrial Customers

It mainly includes trade receivables from sales of industrial products (corrugated cardboard, flexible packaging, bags, virgin paper, agro-industrial products, etc.) in Argentina, Chile and Peru. The credit and collection departments are tasked with managing the risk associated with these businesses and, like in the case of retail, there is a specific methodology in place to set the credit limit.

39.6.4 Trade Receivables from Exports

The Group has a large customer base, which is subject to the policies, procedures and controls established by the Group. In general, the first transactions with new customers are carried out using letters of credit and, as the business relationship consolidates, transactions are performed on open account. Outstanding trade receivables are monitored on a regular basis.

39.7 Liquidity Risk

The Treasury area handles liquidity needs according to the Group's liquidity reserve projections and its cash and cash equivalents on the basis of a financial budget that takes into consideration expected cash flows. In doing this, the Group seeks to ensure that there is enough cash to fulfill obligations and commitments, and to make the necessary disbursements to conduct operations and develop investment projects.

To mitigate the liquidity risk, the Group may resort to credit lines from financial institutions, if necessary.

The Treasury area invests surpluses in time deposits, mutual funds, etc., choosing instruments with suitable maturity or high liquidity, to afford sufficient margin to the above-mentioned financial budget. Cash surpluses of foreign operating entities, if any, are managed by them, with the support of the Treasury area in Argentina.

The following tables show the Group's financial liabilities grouped by common maturities, considering the time remaining to maturity from December 31, 2021 and 2020, respectively. The amounts disclosed in the tables are the undiscounted contractual cash flows. Such amounts were calculated on the basis of observable inputs, quoted prices, exchange rates and interest rates prevailing as of December 31, 2021 and 2020, respectively.

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NOTE 39. FINANCIAL RISK MANAGEMENT

39.7 Liquidity Risk

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans	83,081,871	29,461,366	59,279,524	2,805,192	-	91,546,082
Lease Liabilities	2,270,058	1,065,003	838,808	558,127	10,111	2,472,049
Derivative Financial Instruments	6,944	6,944	-	-	-	6,944
Trade Payables and Other Liabilities	53,031,535	52,746,097	847,359	-	-	53,593,456
TOTAL AS OF 12.31.2021	**138,390,408**	**83,279,410**	**60,965,691**	**3,363,319**	**10,111**	**147,618,531**

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans	93,772,474	27,084,106	10,939,785	67,654,881	-	105,678,772
Lease Liabilities	2,457,822	1,232,716	667,364	731,226	26,821	2,658,127
Derivative Financial Instruments	297	297	-	-	-	297
Trade Payables and Other Liabilities	46,482,359	46,784,808	217,231	-	-	47,002,039
TOTAL AS OF 12.31.2020	**142,712,952**	**75,101,927**	**11,824,380**	**68,386,107**	**26,821**	**155,339,235**

The foregoing contractual cash flows do not include Mastellone Hermanos S.A.'s call and put options (Notes 15 and 43). The cash flows that could be derived during the year from such options are described in Note 43 to these consolidated financial statements.

39.8 Capital Risk Management

The Group's capital management goals include: (i) ensure the maintenance of a strong credit rating; (ii) ensure a healthy capitalization level to safeguard the business' ability to continue as a going concern, generating returns for the shareholders; (iii) maintain an optimal financing structure to reduce the cost of capital, and (iv) fulfill the commitments undertaken under some loan agreements.

In order to maintain or adjust the capital structure, the Group may, among other actions, adjust the amount of dividends payable to its shareholders, reimburse capital to its shareholders, issue new equity or sell assets to reduce its indebtedness level.

In line with industry practices, the Group monitors its capital on the basis of its indebtedness ratio. This ratio is calculated by dividing net financial indebtedness by total equity. Net financial indebtedness is equal to total loans and lease liabilities (including current and non-current, as shown in the consolidated balance sheet) less cash and cash equivalents.

The indebtedness ratios as of December 31, 2021 and 2020 arise from the following table:

	12.31.2021	12.31.2020
Loans (Note 22)	83,081,871	93,772,474
Lease Liabilities (Note 23)	2,270,058	2,457,822
(Less) Cash and Cash Equivalents (Note 16)	(19,408,214)	(21,955,666)
(Less) Other Investments (Note 12)	(508,048)	(2,643)
Net Indebtedness	65,435,667	74,271,987
Total Equity	**72,855,237**	**65,971,538**
Total Capitalization	138,290,904	140,243,525
INDEBTEDNESS RATIO	**0.8982**	**1.1258**

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NOTE 40. CORPORATE REORGANIZATIONS

Contribution of Equity Interests in Foreign Companies

In July 2021, a new company named Arcor Alimentos Internacional, S.L., Sociedad Unipersonal, (hereinafter, ARALI), domiciled in Spain, was created, as part of a corporate structure rearrangement of the Group, in order to unify all equity interests in foreign subsidiaries under a single holding company.

Such unification of equity interests is part of an administrative arrangement effort in the consolidation of our foreign subsidiaries, while also enhancing the management our foreign businesses, considering that all subsidiaries involved are focused on the sale and/or industrialization of consumer food products. However, this reorganization did not have any effect for purposes of the Group's segment reporting (Note 4).

At a first stage, in October 2021, GAP Internacional Holding S.A., a company domiciled in Chile and controlled by Arcor S.A.I.C., then owner of a 99.99901% equity interest, sold its shares in Arcor do Brasil Ltda. (equal to a 10.10% equity interest) and in GAP Regional Services S.A. (equal to a 100% equity interest) to ARALI.

Then, in October, GAP Internacional Holding S.A. made a dividend distribution in kind to its shareholders representing the amount receivable from ARALI as a result of the sale of the shares in GAP Regional Services S.A. In addition, on November 22, 2021, GAP International Holding S.A. Began a dissolution and liquidation process, which was resolved at the Shareholders' Meeting held on December 13, 2021. As a consequence of this process, the amount receivable from the sale of shares in Arcor do Brasil Ltda. was acquired by its shareholders.

Contribution of Equity Interests in Foreign Companies

Further with the corporate reorganization process, on December 29, 2021, the following contributions were made to ARALI, as approved by the Company's Board of Directors on December 16, 2021:

- 476,412,618 shares of Arcor do Brasil Ltda.'s capital stock, equal to a 89.8955% interest in capital stock, representing 99.9995% of the Company's interest in Arcor do Brasil Ltda.
- 21,204 shares of Arcor U.S.A., Inc.'s capital stock, equal to a 100% equity interest and representing the entire interest owned by the Company in Arcor U.S.A., Inc.
- 640,000 shares of Arcorpar S.A.'s capital stock, equal to a 50% equity interest therein and representing the entire interest owned by the Company in Arcorpar S.A.
- 194,192,069 shares of Industria de Alimentos Dos en Uno S.A.'s capital stock, equal to a 99.9999% equity interest therein and representing the entire interest owned by the Company in Industria de Alimentos Dos en Uno S.A.
- 1,250,723 shares of Unidal México S.A. de C.V.'s capital stock, equal to a 99.9998% equity interest therein and representing the entire interest owned by the Company in Unidal México S.A. de C.V.
- 70,000 shares of Van Dam S.A.'s capital stock, equal to a 100% equity interest therein and representing the entire interest owned by the Company in Van Dam S.A.
- Receivable from the sale of shares in GAP Regional Services S.A.'s capital stock, primarily received in the form of an in-kind dividend approved by GAP International Holding S.A. at the Shareholders' Meeting held on October 15, 2021.
- Receivable from the sale of shares in Arcor do Brasil Ltda.'s capital stock, primarily received as part of the dissolution and liquidation process of GAP International Holding S.A. As resolved at the Shareholders' Meeting held on December 13, 2021.

In addition, on December 29, 2021, the subsidiary Arcor A.G. (S.A., Ltd.) sold to ARALI its entire equity interest in Tucor DMCC, a company created as part of the agreement with Webcor Group (Note 41).

The Company owns a 100% interest in ARALI's capital stock and votes. As a consequence of the above-described corporate reorganization, the Group's interest in the operations involved was not significantly affected. Therefore, these contributions did not have an impact on the consolidated financial statements.

Finally, further with the aforementioned reorganization, as of the date of these consolidated financial statements, the Board of Directors of ARALI is considering the possibility of consummating a cross-border merger with Arcor A.G. (S.A., Ltd.), as merged company, in 2022.

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NOTE 40. CORPORATE REORGANIZATIONS

Merger of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. into Cartocor S.A.

On May 15, 2020, Cartocor S.A. (as merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (as merged company) entered into a Merger Plan. Such plan set out the guidelines to initiate a corporate reorganization process pursuant to which all assets and liabilities of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. were merged into Cartocor S.A., effective since July 1, 2020.

This merger was carried out in accordance with the terms of Sections 80 and 81 of the Income Tax Law, text as revised by Decree 824/2019 (former Sections 77 and 78 of the Income Tax Law, text as revised by Decree 649/1997) and related provisions.

On June 1, 2020, the above-mentioned Merger Plan was approved at the Extraordinary General Shareholders' Meeting of Cartocor S.A. (merging company). On the other hand, the subsidiaries Zucamor S.A. and BI S.A. (both merged companies) approved the Merger Plan at their respective Extraordinary General Shareholders' Meetings held on May 28, 2020. The subsidiary Zucamor Cuyo S.A. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meetings held on May 29, 2020.

On September 22, 2020, Cartocor S.A. (merging company) and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) entered into the Merger Plan, setting forth the guidelines, in line with those established under the Merger Plan, for the corporate reorganization process, as a result of which all assets and liabilities of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) were merged into Cartocor S.A. (merging company) effective since July 1, 2020.

On October 14, 2020, the companies involved, at their respective Shareholders' Meetings, approved the Merger Plan agreed upon by and between Cartocor S.A. (merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies), the ensuing increase in the merging company's capital, and the early dissolution without liquidation of the merged companies.

On December 16, 2020, Cartocor S.A. (merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) entered into the Final Merger Agreement.

As a consequence of the above-described corporate reorganization, the Group's interest in the operations involved was not significantly affected. The above-described process is pending registration with the Public Registry.

On November 8, 2019, the Company (merging company) entered into a Merger Plan with its subsidiary La Campagnola S.A.C.I. (merger company), on the one hand; and a separate Merger Plan with its subsidiary Asama S.A. (merged company), on the other hand.

Such plans set out the guidelines for a corporate reorganization process pursuant to which all assets and liabilities of La Campagnola S.A.C.I. and Asama S.A. will be merged into the Company, effective since January 1, 2020.

These merger will be carried out in accordance with the terms of Sections 80 and 81 of the Income Tax Law, text as revised by Decree 824/2019 (former Sections 77 and 78 of the Income Tax Law, text as revised by Decree 649/1997) and related provisions.

On December 11, 2019, the above-mentioned Merger Plans were approved at the Extraordinary General Shareholders' Meeting of the Company (merging company). On the other hand, the subsidiaries Asama S.A. and La Campagnola S.A.C.I. (both merged companies) approved the Merger Plans at their respective Extraordinary General Shareholders' Meetings held on December 10, 2019 and December 11, 2019, respectively.

On March 19, 2020, Arcor S.A.I.C. and La Campagnola S.A.C.I., on the other hand, and Arcor S.A.I.C. and Asama S.A., on the other hand, entered into the respective merger plans, setting forth the guidelines, in line with those established under the applicable Merger Plans, for the corporate reorganization process pursuant to which the assets and liabilities of La Campagnola S.A.C.I. and Asama S.A. were merged into Arcor S.A.I.C., with retroactive effects to January 1, 2020.

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 40. CORPORATE REORGANIZATIONS

Merger of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. into Cartocor S.A.

On April 25, 2020, the Merger Plan was approved at the Extraordinary General Shareholders' Meeting of the Company (merging company). On April 27, 2020, the subsidiary La Campagnola S.A.C.I. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meeting. The subsidiary Asama S.A. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meeting held on April 28, 2020.

On June 25, 2020, the Company and La Campagnola S.A.C.I., on the one hand, and the Company and Asama S.A., on the other hand, subscribed their respective Final Merger Agreements.

On September 22, 2020, the mergers were registered with the Bureau of Legal Entities of the Province of Córdoba, under Registration No. 76-A43.

NOTE 41. AGREEMENT WITH WEBCOR GROUP

In June 2018, the Company's Board of Directors approved an agreement to make a joint investment with Webcor Group, one of the leading food distribution companies in the Republic of Angola. The purpose of the agreement is to set up an industrial plant for the production of confectionery, bonbons and cookies and crackers in Angola (hereinafter, the "Angola Project").

TUCOR DMCC (hereinafter, "Tucor") was created pursuant to such agreement. Its shareholders are Arcor AG (S.A., Ltd.) and Alison Industry Ltd., in equal parts, which are subsidiaries of the Company and Webcor Group, respectively.

In April 2020, Arcor AG (S.A., Ltd.) made capital contributions to Tucor in the amount of USD 0.1 million. Then, during the last quarter of 2020, the Company exported two machinery lines to Tucor—one for the production of Bon o Bon, and the other one for the dual production of candies and lollipops—for approximately USD 9.1 million. In January 2021, the machinery lines arrived in Angola to begin the installation process in the industrial complex.

In November 2021, the Company assigned to its subsidiary Arcor AG (S.A., Ltd.) the receivable it held from the export of the aforementioned machinery. Then, Arcor AG (S.A., Ltd) contributed such receivable to Tucor and, at the same time, made capital contributions in cash (equal to ARS 283,168) and in kind (capitalization of other receivables the subsidiary held with Tucor). Accordingly, total contributions to Tucor amounted to approximately USD 14.2 million, accounting for 50% of the equity interest in that company.

On December 29, 2021, pursuant to the terms of the shareholders' agreement entered into with Webcor Group, the subsidiary Arcor AG (S.A., Ltd.) disposed of its entire equity interest in Tucor to Arcor Alimentos Internacional S.L., Sociedad Unipersonal (hereinafter, ARALI). Accordingly, Tucor's shareholders are ARALI and Alison Industry Ltd., subsidiaries of the Company and Webcor Group, respectively, in equal parts.

As it concerns the progress made in the construction of the Angola-based plant, in 2021 the assembly of the manufacturing plants was completed and industrial tests were commenced leading to the upcoming start-up scheduled to take place during the first semester of 2022.

Once production is up and running, certain semi-finished products and raw materials will be exported from Arcor Argentina Group's plants in Argentina, to supply such operation.

In these consolidated financial statements, the Group considered Tucor as a "joint venture" pursuant to the terms of IFRS 11 "Joint Arrangements." Accordingly, the investment in such entity was valued using the equity method (Note 9).

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Transaction Overview

On February 12, 2021, the Company's Board of Directors approved the creation of a Joint Venture with Ingredion Argentina S.R.L., a subsidiary of Ingredion Incorporated—a strategic alliance aimed at boosting both companies' operations, processes and best practices and expand the Group's geographic footprint in Argentina, Uruguay and Chile, and its business capabilities to offer essential ingredients for the food, beverages, pharmaceutical and other industries, such as glucose, maltose and fructose syrups, starches and maltodextrin.

Pursuant to this agreement:

- In February 2021, Arcor S.A.I.C. Created a new operating company named Ingrecor S.A., to which, effective since August 2, 2021, it transferred its corn wet milling operations developed at its manufacturing plant in Lules (Province of Tucumán) and at two other manufacturing plants based in Arroyito Industrial Complex (Province of Córdoba). Such operations are part of the Group's "Agribusiness" segment. In addition, as part of such transfer, the Company assigned to such subsidiary the items comprising Property, Plant and Equipment elements (including beneficial interests in certain real property); workforce, including the respective labor liabilities; and spare part inventories related to such manufacturing plants, in addition to a working capital (primarily in the form of corn inventories) which, as measured pursuant to contractually agreed-upon guidelines, amounted to USD 11 million.

- In February 2021, Arcor S.A.I.C. created a new company named Ingrear Holding S.A. Which would act as the joint venture holding.

- On August 2, 2021, Ingredion Argentina S.R.L. Transferred to Ingrear Holding S.A. its equity interest in Ingredion Chile S.A. and Ingredion Uruguay S.A.— companies which will be primarily engaged in marketing, in Chile and Uruguay, respectively, the Joint Venture's products manufactured in Argentina and other products that will be imported from Ingredion Incorporated's subsidiaries based in other countries. Previously, these companies were already engaged in these activities as subsidiaries of Ingredion Argentina S.R.L.

- In March 2021, Ingredion Argentina S.R.L. created a new operating company named Ardion S.A. to which, effective since August 2, 2021, it transferred its wet milling and corn oil operations developed in two manufacturing plants located in Chacabuco and Baradero (Province of Buenos Aires). As part of such transfer, Ingredion Argentina S.R.L. assigned to the newly created company items comprising Property, Plant and Equipment elements; workforce, including the respective labor liabilities, spare part inventories related to such manufacturing plants, and a working capital (primarily in the form of inventories, trade receivables and trade payables) which, as measured pursuant to contractually agreed-upon guidelines and together with Ingredion Chile S.A.'s and Ingredion Uruguay S.A.'s working capital as of such date, amounted to USD 35 million.

- In August and September 2021, Arcor S.A.I.C. and Ingredion Argentina S.R.L. contributed to Ingrear Holding S.A. Their respective receivables from Ingrecor S.A. and Ardion S.A., respectively, resulting from the above-described assignment and such holding company capitalized them into the respective subsidiaries.

- In August and September 2021, in order to finance its initial operations, Arcor S.A.I.C. and Ingredion Argentina S.R.L. made cash contributions into the Joint Venture for USD 2 million each (in the case of Ingredion Argentina S.R.L., such contribution included cash and cash equivalents balances held by Ingredion Chile S.A. and Ingredion Uruguay S.A. as of August 2, 2021, when its shares were contributed to Ingrear Holding S.A. pursuant to the aforementioned).

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Transaction Overview

- Finally, on August 3, 2021, the Company acquired from Ingredion Argentina S.R.L. shares of stock in Ingrear Holding S.A, for an amount of USD 7 million, out of which USD 5 million were paid off on August 3, 2021 and the remaining USD 2 million were paid off in August 2022. This indebtedness, measured at amortized cost, is disclosed in the consolidated balance sheet under the item "Current Loans" (Note 22) and, at the end of the reporting period, amounted to ARS 206,286.

- On the other hand, the Company and Ingredion Argentina S.R.L. subscribed several products, licensing and services supply and distribution agreements which will govern the Joint Venture's operations and the relationships among shareholders.

As a result of all the aforementioned, effective since August 2, 2021 (acquisition date):

- Ingrear Holding S.A. has controlled the operating companies Ingrecor S.A. Ardion S.A. (in Argentina), Ingredion Chile S.A. (in Chile), and Ingredion Uruguay S.A. (in Uruguay). These companies, together, comprise the "Joint Venture."

- The Group has started to consolidate the businesses of the Joint Venture, which is controlled through its equity interest in Ingrear Holding S.A., a subsidiary in which Arcor S.A.I.C. owns a 51% stake, while the remaining 49% interest is held by Ingredion Argentina S.R.L (non-controlling interest).

- As part of the segment information reported in the consolidated financial statements (Note 3), the operations in Argentina of the acquired business are included within the "Agribusiness" segment; while the foreign operations carried out through the subsidiaries Ingredion Chile S.A. and Ingredion Uruguay S.A. are included within the "Agribusiness Overseas" segment.

As of the date of these consolidated financial statements, the transaction is pending approval by the Argentine Antitrust Authorities.

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(Figures stated in thousands of Argentine pesos)

NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Recognition in the Group's Financial Statements as of December 31, 2021

In August 2021, by virtue of the above-described transaction, the Group gave effect to this business combination according to IFRS 3 *"Business Combinations."* Accordingly, it recorded the net identifiable assets acquired (attributable to the business contributed by Ingredion Argentina S.R.L. to the Joint Venture), the consideration transferred, and the non-controlling interest acquired (as mentioned above, a 49% stake in the Joint Venture), based on the following information:

ITEM OF THE CONSOLIDATED BALANCE SHEET	NOTE	IDENTIFIABLE ASSETS (LIABILITIES) AS OF THE ACQUISITION DATE
		ARS
Property, Plant and Equipment	5	3,380,170
Right-of-use Assets	6	40,218
Deferred Tax Assets	11	42,807
Other Investments		930
Inventories	29	3,673,917
Trade and Other Receivables [1]		1,658,681
Cash and Cash Equivalents	16	581,974
Lease Liabilities	23	(40,218)
Employee Retirement Benefits Obligations	24	(69,039)
Trade Payables and Other Liabilities		(1,461,514)
TOTAL IDENTIFIABLE ASSETS AND LIABILITIES OF THE ACQUIRED BUSINESS		**7,807,926**
Non-controlling Interest Acquired in the Identifiable Assets and Liabilities, at Fair Value, of the Business Contributed by Ingredion Argentina S.R.L. to the Joint Venture [2]		(3,825,888)
Non-controlling Interest Acquired in the Identifiable Assets and Liabilities, at Fair Value, of the Business Contributed by Arcor S.A.I.C. to the Joint Venture [3]		(2,868,299)
Subtotal – Increase in Non-controlling Interest due to Acquisition	20	**(6,694,187)**
Funds Settled in Cash		(549,930)
Indebtedness on Acquisition of Shares (4)	16 and 22	(219,972)
Subtotal – Consideration Transferred		**(769,902)**
TOTAL NON-CONTROLLING INTEREST ACQUIRED AND CONSIDERATION TRANSFERRED		**(7,464,089)**
Income (Loss) from Acquisition Charged to the Consolidated Statement of Income		145,591
Income (Loss) from Acquisition Charged to the Consolidated Statement of Other Comprehensive Income		198,246
TOTAL COMPREHENSIVE INCOME FROM THE ACQUISITION		**343,837**

[1] Net of allowance for bad debts in the amount of ARS 8,095 (Note 13)

[2] Includes the 49% interest in the identifiable assets and liabilities, measured at fair value, of the business contributed by Ingredion Argentina S.R.L. to the Joint Venture. Said identifiable assets and liabilities were determined on the basis of Ardion S.A.'s, Ingredion Chile S.A.'s and Ingredion Uruguay S.A.'s financial information as of the date of acquisition.

[3] Includes the 49% interest in the identifiable assets and liabilities, measured at fair value, of the business contributed by Arcor S.A.I.C. to the Joint Venture. The fair value of such identifiable assets and liabilities amounts to ARS 3,066,545. The difference of ARS 198,246 between such fair value and the carrying amount stated in the preceding table (ARS 2,868,299) was charged to "Other Comprehensive Income." These identifiable assets and liabilities were determined on the basis of Ingrecor S.A.'s financial information as of the acquisition date.

[4] Indebtedness in the amount of USD 2 million, valued at amortized cost. As of December 31, 2021, the balance of such debt was ARS 206,286.

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Recognition in the Group's Financial Statements as of December 31, 2021

Concerning the above-described information, it should be noted that:

- The identifiable assets and liabilities acquired (from the business contributed by Ingredion Argentina S.R.L.) were recognized at fair value as of the acquisition date, pursuant to the terms of IFRS 3. In particular, the fair value of Property, Plant and Equipment items acquired under the business combination was determined with the support of independent experts.

- The Group did not record any contingent liabilities in respect of the acquired business due to the fact that such liabilities were not transferred by Ingredion Argentina S.R.L. to the Joint Venture, and also due to the existence of compensation assets set forth under the subscribed agreements.

- The employee retirement benefits obligations and the deferred tax assets and liabilities of the net identifiable assets acquired were recognized and measured pursuant to IAS 19 *"Employee Benefits"* and IAS 12 *"Income Tax,"* respectively (exceptions to the fair value measurement criteria set forth under IFRS 3).

- The leases related to the business contributed by Ingredion Argentina S.R.L. were recognized in accordance with paragraphs 28A and 28B of IFRS 3, with rights-of-use assets being measured for the same amount as lease liabilities. In other words, the acquired leases were considered as new leases as of the acquisition date.

- The expenses related to the transactions were charged to income for the year, as provided for under paragraph 53 of IFRS 3.

- The non-controlling interest acquired is related to the 49% interest in Ingrear Holding S.A.'s capital stock held by Ingredion Argentina S.R.L. and was measured, as of the acquisition date, considering (i) its interest in the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L., measured at fair value, using the option set forth in paragraph 19 (b) of IFRS 3, and (ii) its interest in the identifiable assets and liabilities of the business contributed by Arcor S.A.I.C., measured at carrying amounts, in accordance with the terms of paragraph 38 of IFRS 3 and based on the concept detailed in the following paragraph.

- Based on the foregoing, since the identifiable assets and liabilities of the business contributed by Arcor S.A.I.C., in respect of which the Group assigned an interest to Ingredion Argentina S.R.L. (non-controlling interest) are still part of its consolidated financial statements, in these financial statements the Group continued to measure them at their carrying amounts immediately before the acquisition date. Therefore, no gains or losses were recognized on controlled net assets either before or after the business combination. For this reason, the non-controlling interest acquired in the identifiable assets and liabilities of the business contributed by Arcor S.A.I.C. was recognized based on such carrying amounts.

- The "measurement period" of the business combination set forth under IFRS 3 should not be longer than one year from the acquisition date. During this measurement period, the Group may retroactively adjust the interim amounts so recognized to reflect the new information obtained on facts and circumstances existing on that date which, if known, would have affected the initial measurement of the assets and liabilities recognized.

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Recognition in the Group's Financial Statements as of December 31, 2021

Concerning the comprehensive income (loss) recognized as a consequence of the business combination, it should be noted that:

- The **gain charged to the consolidated statement of income (ARS 145,591)** was determined as the difference between the fair value of the identifiable assets and liabilities acquired (that is, those of the business contributed by Ingredion Argentina S.R.L.), the non-controlling interest acquired, and the consideration transferred. In particular, it should be noted that in determining such gain, the non-controlling interest in the net identifiable assets of the business contributed by Arcor S.A.I.C. was considered at fair value. In other words, in determining such gain, all parameters related to the business combination (identifiable assets and liabilities acquired, non-controlling interest recognized, and consideration transferred) were considered at fair value.

- The **gain charged to the consolidated statement of other comprehensive income (ARS 198,246)** is the difference between the non-controlling interest in the net identifiable assets of the business contributed by Arcor S.A.I.C. to the Joint Venture measured at fair value (ARS 3,066,545) and its respective carrying amount (ARS 2,868,299). In this respect, it should be noted that the assigned non-controlling interest in the identifiable assets and liabilities of the business contributed by Arcor S.A.I.C. was recorded at fair value since, in determining the gain or loss on such transaction charged to the statement of income, said non-controlling interest was considered at fair value, with the difference between its fair value and its carrying amount being charged to the statement of other comprehensive income.

Impacts on the Consolidated Financial Statements as of December 31, 2021

The Group consolidated the balances of assets and liabilities of the business acquired as of December 31, 2021 and the gain or loss accrued during the period ranging from August 2, 2021 (acquisition date) and December 31, 2021. These circumstances should be considered when reading and interpreting the Group's information included in these financial statements, together with the respective comparative information.

Below is a detail of the contribution made by the acquired business (business contributed by Ingredion Argentina S.R.L. to the Joint Venture) on the Group's comprehensive income and cash flows as of December 31, 2021 (from the above-mentioned acquisition date):

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(Figures stated in thousands of Argentine pesos)

NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Consolidated Statement of Income

	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Sales of Goods and Services	14,658,016
Operating Income	1,340,745
Depreciation	210,379
Net Financial Income (Expense)	(34,299)
Income before Income Tax	1,306,446
Net Income for the Year	**931,143**
Net Income for the Year Attributable to the Company's Shareholders	474,883
Net Income for the Year Attributable to the Non-controlling Interest	456,260

Consolidated Statement of Other Comprehensive Income

	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Currency Translation Differences of Companies	(160,881)
Actuarial Gains from the Joint Venture's Defined Benefit Plans	880
Other Comprehensive Income (Loss) for the Year	**(160,001)**
Other Comprehensive Income (Loss) for the Year Attributable to the Company's Shareholders	(81,601)
Other Comprehensive Income (Loss) for the Year Attributable to the Non-controlling Interest	(78,400)

Consolidated Statement of Cash Flows

	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Net Cash Flow Provided by Operating Activities	694,047
Net Cash Flows (Used In) Investing Activities	(214,887)
Net Cash Flows (Used In) Financing Activities	(49,856)

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

On December 3 and 4, 2015, Arcor S.A.I.C., together with its subsidiary Bagley Argentina S.A. (jointly, the "Investors"), entered in to an investment agreement with Mastellone Hermanos S.A. ("Mastellone") and its shareholders, which was formalized as follows:

(i) "Offer to enter into a Share Subscription Agreement" issued by Mastellone and its shareholders and accepted by the Investors. Under this agreement:

- Arcor S.A.I.C. and Bagley Argentina S.A. made an irrevocable contribution, in equal parts, for USD 50 million convertible into shares of Mastellone representing a 20.16% interest in the capital stock and voting rights in Mastellone Hermanos S.A.

- Mastellone and its shareholders granted to Investors an "*irrevocable option to subscribe additional shares of stock*" to be exercised in January 2017. Concurrently, Investors granted to Mastellone an option requiring the additional subscription of shares of stock to be exercised in February 2017. The exercise price of these options was set at the equivalent in pesos of USD 35 million. In exchange for this additional subscription and subject to compliance with certain conditions, Mastellone committed to issuing shares in favor of Investors representing 12.37% of the new capital stock and voting rights.

- Indemnities are available to Investors for certain contingencies that might give rise to losses in Mastellone. These indemnities were good through December 2021.

(ii) "Offer to subscribe a Share Purchase issued by certain shareholders of Mastellone and accepted by Investors: Under this agreement, Arcor S.A.I.C. and Bagley Argentina S.A. purchased, on an equal basis, common shares representing approximately 4.99% of Mastellone's capital stock prior to the subscription described in paragraph (i) above, at a price of approximately ARS 9.9 million.

(iii) "Offer to Pledge Shares" issued by the shareholders of Mastellone and accepted by Investors: To secure the issue of Mastellone's shares in favor of Investors for the irrevocable contribution referred to in paragraph (i) above, the shareholders of Mastellone created, pursuant to this agreement, a first-ranking lien on the shares representing 30% of Mastellone's capital stock.

(iv) "Offer to enter into a Call and Put Option Agreement" issued by Mastellone and its shareholders and accepted by Investors. Under this agreement:

- Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. granted to Mastellone's shareholders a right to sell shares of Mastellone's capital stock to Investors and Bagley Latinoamérica S.A. (first put option) in April and October 2017, 2018, 2019 and 2020, to the extent that the equity interest owned by Investors and Bagley Latinoamérica S.A. does not exceed 49% of the capital stock and voting rights in Mastellone, subject to an annual cap or threshold of USD 13.5 million for the exercise of such option which, if not reached in any of those years, will be added to the remaining years' thresholds. The exercise price for this first put option is fixed and is determined on the basis of the transactions described in paragraphs (i) and (ii) above.

- Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. granted to Mastellone's shareholders a right for them to sell the rest of their equity interests to Investors and Bagley Latinoamérica S.A. during the years 2020-2025 (*second put option*), such that Investors, together with Bagley Latinoamérica S.A., own 100% of the capital stock and voting rights in Mastellone. The exercise price of this second put option is variable and is determined on the basis of the changes in certain economic indicators and variables associated with Mastellone's economic and financial performance.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

- Mastellone's shareholders granted to Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. a one-time right to purchase all of the remaining shares in Mastellone at any time between the years 2020 and 2025 (*call option*), until they own a 100% interest in Mastellone's capital stock and voting rights. The exercise price of this call option is variable and is determined on the basis of similar variables to the above-described *second put option*.

- The *additional subscription option* described in paragraph (i), *the first put option*, the *second put option* and the *call option* referred to above are non-transferable to third parties and may not be settled at fair value. The cash flows associated with these instruments are directly related to the payments from time to time made for Mastellone's shares of stock.

(v) <u>"Shareholders' Agreement Offer" issued by Mastellone and its shareholders and accepted by Investors:</u> This agreement, to come into force upon execution of the initial share subscription described in paragraph (i), governs certain aspects (mainly limitations) related to the transfer of shares to third parties and to the administration and management of Mastellone, granting participation rights to Investors in certain strategic decisions of Mastellone.

All the above-described agreements, other than the "Offer to Pledge Shares," were subject to certain conditions subsequent, particularly, to the approval of the Brazilian Anti-trust Authority. Such approval was published on January 26, 2016 by said authority.

Once the period to file oppositions set forth in the Brazilian anti-trust laws elapsed, such approval became final, and on February 23, 2016, the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone Hermanos S.A. resolved to capitalize the irrevocable contributions made by Arcor S.A.I.C. and Bagley Argentina S.A., resulting from the "Offer to enter into a Share Subscription Agreement" mentioned above through the issue of 115,542,240 new common registered non-endorsable shares, entitled to one voting right and with a face value of ARS 1 each (subscribed and paid-in in equal parts by Arcor S.A.I.C. and Bagley Argentina S.A.). The above-mentioned Shareholders' Agreement came into force upon such subscription.

Initial Recognition in Arcor Group's Accounts

Following the resolution of the substantive condition the transaction was subject to, and the decision made on February 23, 2016 by the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone Hermanos S.A. concerning the capitalization of the irrevocable contributions so made, the Group:

(i) Recorded its investment in Mastellone by the equity method as from that date due to the existence of significant influence on that associate, as evidenced by its equity interest (of 24.1452% as from the share subscription) and its rights to take part in Mastellone's management and administration, as from the effective date of the "Shareholders' Agreement."

(ii) Posted the initial recognition at fair value as of that date, in accordance with IFRS 9, of derivative financial instruments (assets and liabilities) resulting from the above-described *additional subscription options, first and second put options and call option*. Such fair values were estimated using models based on observable market inputs and the Company's own hypotheses and assumptions. In this respect, the Company believes that the fair value so estimated is Level 3, in accordance with IFRS 7 guidance. The fair value of these instruments primarily depends on the fair value of Mastellone's shares.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Exercise of Options in 2017

Additional Subscription in Mastellone Hermanos S.A.

In January 2017, within the additional subscription period established in the "Offer to enter into a Share Subscription Agreement," Arcor S.A.I.C. And Bagley Argentina S.A. (jointly, the "Investors") notified Mastellone Hermanos S.A. (hereinafter, "Mastellone") of their decision to exercise, in equal parts, the above-described *additional subscription option*. By virtue of the exercise of such option:

- On January 17, 2017, Investors made an irrevocable capital contribution on account of future share subscriptions in the amount of USD 35 million, in order to subscribe and pay in 80,879,568 common, registered Class E shares of ARS 1 par value each and entitled to one (1) vote per share of Mastellone.

- After the Brazilian Anti-trust Authority authorized the transaction, at the Ordinary and Extraordinary General Shareholders' Meeting held on April 7, 2017, the shareholders of Mastellone resolved to increase the capital stock by approximately ARS 80,880, by means of the issuance of 80,879,568 common, registered, non-endorsable Class E shares entitled to one (1) vote each. The new capital stock was set at ARS 653,969. With the subscription of those shares, Investors increased their interest in the capital stock of Mastellone to 33.52650%, with the additional investment accounting for 9.38134% of Mastellone's capital stock.

Purchase of Mastellone Hermanos S.A.'s Shares

On April 18, 2017, certain shareholders of Mastellone, in the exercise of the right conferred under the *first put option* described above, gave notice of their intent to sell a total of 31,818,189 common, registered, non-endorsable shares of ARS 1 par value each and entitled to one (1) vote per share in Mastellone's capital stock, for a total price of approximately USD 13.8 million. The acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 38.39190%, with the additional investment accounting for 4.86540%.

Exercise of Options in 2018

Purchase of Mastellone Hermanos S.A.'s Shares

On February 1, 2018, after obtaining the authorization from the Brazilian Anti-trust Authority, the Company and its subsidiary Bagley Argentina S.A. jointly acquired (50% each) from certain shareholders of Mastellone a total of 12,110,844 shares at a price of approximately USD 5.2 million, after accepting an irrevocable offer to amend the *call and put option* agreement. Therefore, the sellers exercised the *first put option* earlier for the above-mentioned amount, corresponding to fiscal year 2018.

On June 1, 2018, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 15,713,746 shares for a total price of USD 6.8 million.

The aforementioned acquisitions were made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 42.6466%, with the additional investment accounting for 4.2547%.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Exercise of Options in 2019

Purchase of Mastellone Hermanos S.A.'s Shares

On May 31, 2019, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 2,310,000 shares for a total price of approximately USD 1.0 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 42.9999%, with the additional investment accounting for 0.3532%.

On October 24, 2019, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 28,654,477 shares for a total price of approximately USD 12.4 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 47.3815%, with the additional investment accounting for 4.3816%.

Exercise of Options in 2020

Purchase of Mastellone Hermanos S.A.'s Shares

On May 5, 2020, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 3,928,438 shares for a total price of USD 1.7 million

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 47.9822%, with the additional investment accounting for 0.6007%.

On June 18, 2020, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 4,542,230 shares for a total price of approximately USD 2.0 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 48.6767%, with the additional investment accounting for 0.6946%.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Recognition in Arcor Group's Financial Statements as of December 31, 2020

By virtue of the above-described transactions carried out during fiscal year 2020, the Group recorded its incremental investment in Mastellone by the equity method set forth in IAS 28, based on the following criteria:

- Mastellone's identifiable assets and liabilities as of the acquisition date of each interest were recognized at fair value as of the date of initial application of the method (May 31, 2020 and June 30, 2020).

- The carrying amounts of Mastellone at the initial date of application of the equity method were estimated on the basis of its financial statements at March 31, 2020 and June 30, 2020, and on the basis of the associate's accounting and off-balance sheet information available.

- In determining the gain (loss) on the interests acquired in fiscal year 2020, accrued between the date of initial application of the method and December 31, 2020, the consolidated financial statements of Mastellone as of December 31, 2020 were considered, and the pertinent adjustments were made to reflect the Group's share in the changes in the higher and lower values of the associate's identifiable assets and liabilities resulting from their initial measurement at fair value. Such gain (loss) was charged to "Income (Loss) from Investments in Associates, Joint Ventures and Others" in the consolidated statement of income.

- The non-controlling interest in Mastellone was measured by the equity method at the investment recognition date due to its low significance.

Recognition in Arcor Group's Financial Statements as of December 31, 2021

During the year ended December 31, 2021, the Group did not acquire new interests in Mastellone. Therefore, the gain (loss) resulting from the interests acquired were estimated on the basis of Mastellone as of December 31, 2021 considering, for each interest individually acquired, the changes in the higher and lower values of the associate's identifiable assets and liabilities resulting from its initial measurement at fair value.

On the other hand, the remaining derivative financial instruments (*resulting from the first and second put options and call option*) were measured at their fair value as of December 31, 2021 and are disclosed in non-current liabilities under the caption "Derivative Financial Instruments" for ARS 1,373,656. The differences between such fair values measured at the beginning and at year-end were recognized under the caption "Net Financial Income (Expense)" in the consolidated statement of income.

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(Figures stated in thousands of Argentine pesos)

NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

The following table summarizes the changes in the Group's investment in Mastellone Hermanos S.A. during the year ended December 31, 2021:

		PROFIT / (LOSS)		
	BALANCE AT THE BEGINNING OF THE YEAR	INCOME FOR THE YEAR	OTHER COMPREHENSIVE INCOME FOR THE YEAR	BALANCE AS OF 12.31.2021
Investments Made During the Year 2016				
Equity Interest in Mastellone at Carrying Amount	3,317,220	(119,923)	(144,648)	3,052,649
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	2,776,982	(594,990)	848	2,182,840
Goodwill	145,468	-	-	145,468
Subtotal - 24.1452% Interest in Mastellone Hermanos S.A.	**6,239,670**	**(714,913)**	**(143,800)**	**5,380,957**
Investments made in 2017				
Equity Interest in Mastellone at Carrying Amount	1,959,034	(74,988)	(85,349)	1,798,697
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	1,125,027	(72,845)	500	1,052,682
Goodwill	1,841,715	-	-	1,841,715
Subtotal - 14.2467% Interest in Mastellone Hermanos S.A.	**4,925,776**	**(147,833)**	**(84,849)**	**4,693,094**
Investments made in 2018				
Equity Interest in Mastellone at Carrying Amount	585,502	(14,812)	(25,489)	545,201
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	370,107	(22,149)	149	348,107
Goodwill	261,534	-	-	261,534
Subtotal - 4.2547% Interest in Mastellone Hermanos S.A.	**1,217,143**	**(36,961)**	**(25,340)**	**1,154,842**
Investments made in 2019				
Equity Interest in Mastellone at Carrying Amount	1,121,378	(116,503)	(28,365)	976,510
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	331,425	(66,922)	287	264,790
Goodwill	238,875	-	-	238,875
Subtotal - 4.7348% Interest in Mastellone Hermanos S.A.	**1,691,678**	**(183,425)**	**(28,078)**	**1,480,175**
Investments made in 2020				
Equity Interest in Mastellone at Carrying Amount	310,705	(32,788)	(7,760)	270,157
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	77,941	(24,241)	79	53,779
Goodwill	42,218	-	-	42,218
Subtotal - 1.2953% Interest in Mastellone Hermanos S.A.	**430,864**	**(57,029)**	**(7,681)**	**366,154**
TOTAL – INVESTMENTS IN ASSOCIATES	**14,505,131**	**(1,140,161)**	**(289,748)**	**13,075,222**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

The following table presents a summary of consolidated profit & loss information for the fiscal years ended December 31, 2021 and 2020 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	12.31.2021	12.31.2020
Revenues	115,167,458	121,132,872
Cost of Sales	(87,820,344)	(89,194,410)
Gross Profit	**27,347,114**	**31,938,462**
Selling Expenses	(25,533,427)	(27,155,885)
Administrative Expenses	(4,114,272)	(4,397,049)
Investment Income	91,539	(45,948)
Financial Costs	(2,783,111)	(3,527,272)
Exchange Differences	3,979,568	(1,072,094)
Other Financial Loss	60,213	(170,901)
Gain on Net Monetary Position	1,590,672	1,215,577
Excess of Restated Value over Revaluation of Assets Measured at Fair Value	(341,416)	(194,046)
Other Income (Loss)	163,399	40,094
Income / (Loss) before Income Tax	**460,279**	**(3,369,062)**
Income Tax	(2,013,321)	(83,690)
NET (LOSS) FOR THE YEAR	**(1,553,042)**	**(3,452,752)**
Net (Loss) Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	(1,553,016)	(3,452,779)
Non-controlling Interest	(26)	27
TOTAL	**(1,553,042)**	**(3,452,752)**

Below is also a detail of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2021 and 2020, as it arises from said consolidated financial statements:

	12.31.2021	12.31.2020
Cash and Cash Equivalents	1,716,975	2,599,126
Current Loans	(1,501,032)	(25,366,762)
Current Lease Liabilities	(113,661)	(176,193)
Non-current Loans	(19,460,118)	-
Non-current Lease Liabilities	(387,774)	(703,877)
TOTAL	**(19,745,610)**	**(23,647,706)**

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

Below is a detail of the associate's main loans as of December 31, 2021:

- Class "G" Notes for an aggregate amount of ARS 10,361,280 (USD 110.9 million in principal), issued on June 30, 2021, with principal being fully payable upon maturity on June 30, 2026, quarterly interest payments, and an annual nominal fixed interest rate of 10.95%. These notes are secured by certain mortgages and pledges and are repayable in USD.

- Class "H" Notes for aggregate amount of ARS 1,204,132 (USD 11.9 million in principal), issued on June 25, 2021, with principal being fully payable upon maturity on June 25, 2023, quarterly interest payments, and an annual nominal fixed interest rate of 5.5%. These notes are unsecured and payments thereunder should be settled in ARS at the exchange rate applicable as of the respective date.

- Class "I" Notes for an aggregate amount of ARS 3,797,587 (principal of 39,534,916 UVAs equal to USD 33.1 million), issued on June 25, 2021, with principal being fully payable upon maturity on June 25, 2024, quarterly interest payments, and an annual nominal fixed interest rate of 4.39%. These notes are unsecured and payments thereunder should be settled in ARS at the applicable UVA value as of the respective date.

- Loan granted by Coöperatieve Rabobank U.A. in the amount of USD 50 million, on June 30, 2021, with principal being repayable in 17 quarterly instalments due from June 30, 2022, quarterly interest payments, and an annual nominal fixed interest rate of 7.5%. This loan is secured by certain mortgages and pledges and payments thereunder should be settled in USD. In addition, the loan establishes certain covenants and commitments to be fulfilled by the associate, including certain specific financial ratios. As of December 31, 2021, certain indexes were defaulted. However, the associate secured a statement from the creditor where creditor asserts that the event of default took place on a subsequent date to the approval of the financial statements, and also secured a waiver on such default before that date.

Refinancing of the Associate's Financial Indebtedness

On June 1, 2021, the associate Mastellone Hermanos S.A launched an exchange offer for a nominal value of USD 162.7 million or 81.50% of the total nominal value of its outstanding Class "F" Notes, at a fixed rate of 12,625% due on July 3, 2021, which totaled USD 199.7 million. The offer encompassed the exchange of each USD 1,000 in nominal value of Class "F" Notes for USD 675 in nominal value of new senior, secured Class "G" Notes at a fixed rate of 10.95% due in 2026, plus a cash payment for the remaining USD 325.

As a result of the offer, on June 30, 2021, Mastellone Hermanos S.A. issued Class "G" Notes for an aggregate principal amount of USD 110.9 million, and made a cash payment of USD 53.4 million to such holders of Notes who agreed to the exchange transaction. As concerns holders who did not agree to the exchange offer, on the same date, the associate made a cash payment of USD 35.4 million, plus accrued interest.

In light of the success of the above-described refinancing arrangement, Mastellone Hermanos S.A.'s management eliminated the statement included in its consolidated condensed interim financial statements as of March 31, 2021 and in its consolidated financial statements as of December 31, 2020 concerning the existence of significant uncertainties that could pose substantial doubts as to the associate's ability to continue as a going concern.

Therefore, as of the date of these consolidated financial statements, the Group considers that the risks associated with the above-described uncertainty were substantially reduced. The main accounting impacts of such circumstances are related to the fair value estimate of derivative financial instruments (liabilities) associated with Mastellone Hermanos S.A.'s call and put options.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Recoverability Tests of the Investment in Associates

The assessment of the recoverable value requires the use of estimates and is based on projected cash flows prepared on the basis of Mastellone Hermanos S.A.'s financial budget for the following year and on the basis of the associate's projections covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of the business.

The key variables are related to gross margins, changes in the associate's working capital, and the investment levels required to reach the expected production volumes, with the projected profitability levels. Such variables were determined on the basis of past performance, other external sources of information and the associate's market development expectations. In this respect, based on the knowledge of the associate's business conditions, the Group's accounting policy used for purposes of the impairment analysis:

- Considers two potential scenarios concerning the gross margin—a conservative scenario and a best-case scenario. As of December 31, 2021, gross margin projections for each period are 10% higher in the best-case scenario than in the conservative scenario.

- All other variables, including the net cash flows discount rate and the growth rate used in estimating net cash flows subsequent to the projected 10-year period, do not differ in both scenarios.

- Considers the conservative scenario as "recoverable value" for purposes of concluding on the potential existence of impairment and, therefore, considers it for comparative purposes to the carrying amount of the investment.

As a result of the Group's estimates, the recoverable value of its investment in Mastellone as of December 31, 2021 exceeded the carrying amount of the asset by 3% under the conservative scenario and by 26% under the best-case scenario. As of December 31, 2020, the recoverable value of the investment exceeded its carrying amount by 50%. Therefore, as of December 31, 2021 y 2020, the Company did not book any allowance for impairment.

In addition, as required by IAS 36 "Impairment of Assets," the following changes in the key variables relied on in estimating the recoverable value, assuming all other variables remain unchanged, would cause such estimated recoverable value to be equal to the carrying amount of the investment for both scenarios considered by the Company:

	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2021	
	CONSERVATIVE SCENARIO	BEST-CASE SCENARIO
Increase in Discount Rate	15 basis points	123 basis points
Decrease in Growth Rate	From 1.50% to 1.16%: 0.34%	From 1.50% to (1.75%): 3.25%
Decrease in Estimated Net Cash Flows	1.70%	12.72%

NOTE 44. SUBSEQUENT EVENTS

During the first quarter of 2022, the subsidiary Industria de Alimentos Dos en Uno S.A. and the Company their entire equity interests in Industria Dos en Uno de Colombia Ltda, accounting for 95.626471% and 4.373529% of its capital stock, respectively.

It should be noted that the distribution of Arcor Group's products in Colombia will continue to be handled by Industria Dos en Uno de Colombia Ltda.

Other than for the above-mentioned, subsequent to December 31, 2021, no events or circumstances have occurred that may significantly affect the Group's financial position, results of operations, and cash flows.

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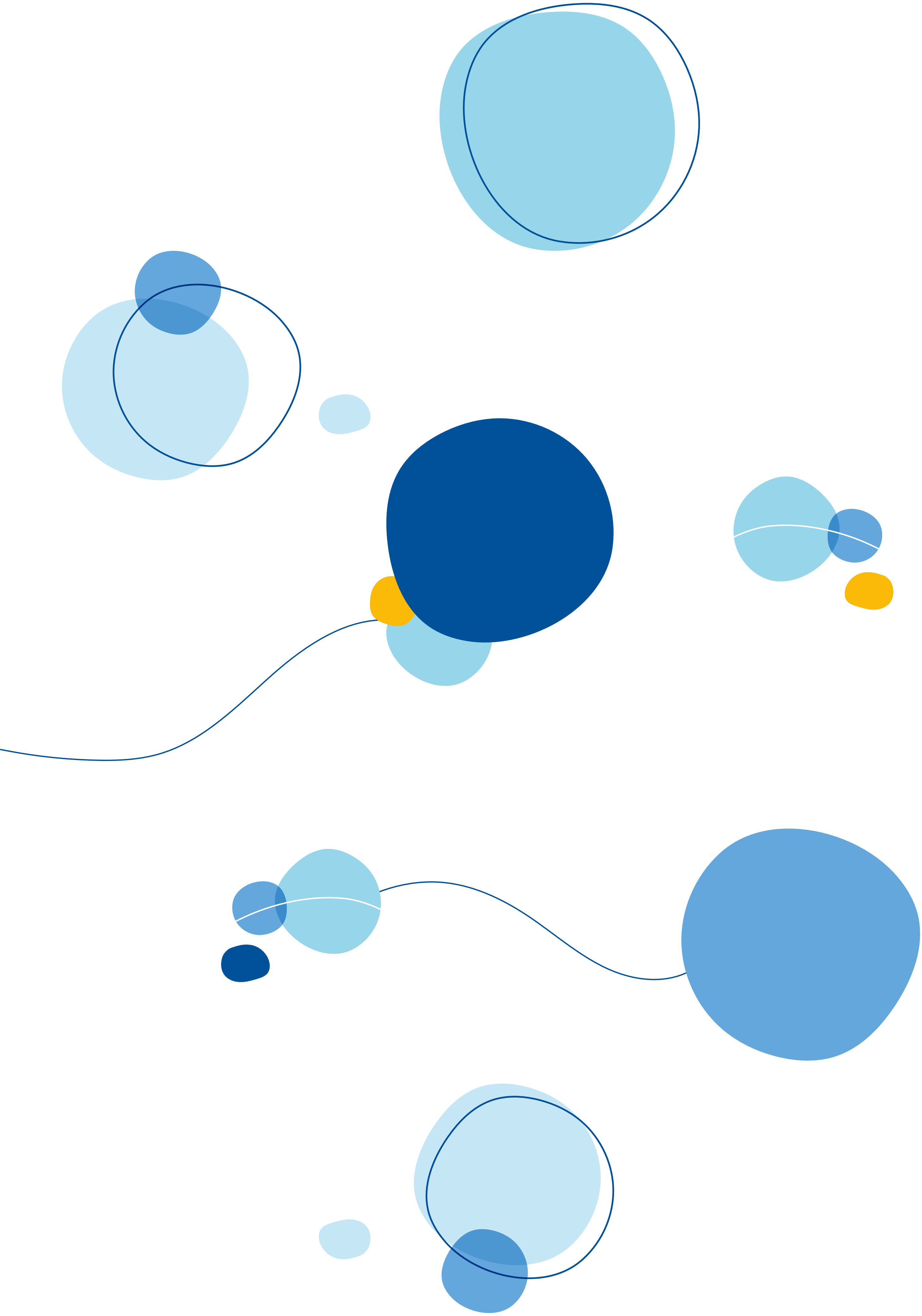

Consolidated Summary of Activities

As of December 31, 2021

CONSOLIDATED SUMMARY OF ACTIVITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021.
PRESENTED ON A COMPARATIVE BASIS

I. DISCUSSION ON ARCOR GROUP'S ACTIVITIES

PRELIMINARY CONSIDERATIONS

On July 5, 2021, Arcor celebrated a new anniversary. Under the motto "70 Years Looking to the Future," which summarizes the approach of a company that, since inception, has had a medium- and long-term perspective, this year the Group was again able to cope with the drawbacks inherent to the pandemic. Amidst a challenging year, we carried out strategic association projects in core businesses, launched new categories and products, such as dried pasta, and continued with our investments in industrial facilities, such as the plants in Angola and Misiones. All these examples reveal Arcor Group's entrepreneurial spirit and commitment as growth drivers looking forward.

As it concerns the Group's performance in 2021, sales to Argentina-based customers accounted for 67.4% of its consolidated sales, while sales to foreign customers, including exports to third parties from Argentina, accounted for 32.6% of consolidated sales. Compared to the previous year, the Group's total sales rose 12.7% in pesos, primarily as a result of the recovery of our businesses' sales and the incorporation of the effects of the Joint Venture with Ingredion since August.

Our consumer food product businesses (Confectionery, Chocolates, Ice-Creams, Cookies & Crackers, and Functional Products) experienced an increase in terms of volumes sold, primarily among on-the-go or impulsive consumption product categories. Similarly, household consumption habits persisted during the year, causing sales of certain product categories to remain at the same levels as in the previous year, such as family packs of chocolates and crackers and cookies, among others.

On the other hand, the volumes of the Group's industrial businesses increased, primarily in Agribusiness, thanks to the completion of the above-mentioned strategic alliance with Ingredion. Concerning the Packaging business' sales, there was an increase in most segments, primarily, in corrugated cardboard, due to an enhanced offering of cases, offset printing, and e-commerce-specific packages.

Concerning the performance of the other Latin-American businesses, there was a widespread recovery in activity levels in 2021 vis-a-vis the previous year. For instance, in Mexico, revenues from exports and also from sales in the domestic market rose, with sustained growth across all lines and channels, ending the year with historical turnover and production records at the industrial plant in Toluca. Similarly, in the Andean Region, there were significant increases in volume in the Confectionery and Chocolates businesses in Chile and Peru, as well as in the Cookies and Crackers business in Chile. In both cases, the increase in sales in the impulsive consumption categories was even above each country's growth level.

Furthermore, during some months of the year, Argentina—the primary setting where the Group conducts businesses—was affected by the price freeze mandated by the Argentine government, the local currency devaluation, and persistently high inflation leading to a loss of purchasing power.

Against this backdrop, the business' overall performance was affected by the deterioration of operating income, with a 19.6% decrease compared to the previous year, primarily due to an increase in our cost structure, caused by persistent inflation in Argentina and an increase in raw material prices at the international level, to a higher extent than the increase in sales prices.

However, despite the impairment of our operating performance, net income was benefitted by a reduced financial expense, primarily resulting from the appreciation of the Argentine currency in real terms. The rise in inflation above the currency devaluation pace resulted in the recognition of an exchange gain, compared to an exchange loss recorded the previous year.

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Professional License 10.11421.4 - C.P.C.E.Cba.

CONSOLIDATED SUMMARY OF ACTIVITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021.
PRESENTED ON A COMPARATIVE BASIS

i. DISCUSSION ON ARCOR GROUP'S ACTIVITIES

INVESTMENTS AND PERFORMANCE

Below is a detail of the main investments in Property, Plant and Equipment items during the year:

Machinery and Facilities	235,517
Furniture, Tools, Vehicles and Other Equipment	1,318,968
Land and Constructions	107,970
Works in Progress and Equipment in Transit	4,686,472
TOTAL INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**6,348,927**

ii. COMPARATIVE CONSOLIDATED BALANCE SHEET STRUCTURE

	12.31.2021	12.31.2020	12.31.2019	12.31.2018	12.31.2017
Non-current Assets	106,577,407	109,324,133	114,079,877	113,749,318	105,307,529
Current Assets	131,691,537	118,158,356	114,156,306	121,605,697	97,168,064
Total Assets	**238,268,944**	**227,482,489**	**228,236,183**	**235,355,015**	**202,475,593**
Non-current Liabilities	80,526,046	85,564,871	86,667,738	80,674,985	69,726,289
Current Liabilities	84,887,661	75,946,080	80,104,603	90,063,350	66,113,998
Total Liabilities	**165,413,707**	**161,510,951**	**166,772,341**	**170,738,335**	**135,840,287**
Equity Attributable to the Company's Shareholders	42,784,457	42,227,905	39,291,544	44,810,047	48,161,563
Non-controlling Interest	30,070,780	23,743,633	22,172,298	19,806,633	18,473,743
Total Equity	**72,855,237**	**65,971,538**	**61,463,842**	**64,616,680**	**66,635,306**
Total Liabilities and Equity	**238,268,944**	**227,482,489**	**228,236,183**	**235,355,015**	**202,475,593**

iii. COMPARATIVE CONSOLIDATED PROFIT & LOSS STRUCTURE

	PROFIT / (LOSS)				
	12.31.2021	12.31.2020	12.31.2019	12.31.2018	12.31.2017
Operating Income	22,047,368	27,413,440	13,459,165	14,475,937	10,849,153
Net Financial Income (Expense)	13,238,391	(9,801,021)	(8,918,614)	(19,824,840)	(515,096)
Income (Loss) from Investments in Associates and Joint Ventures	(915,616)	(1,300,248)	1,525,967	(582,022)	2,009,983
Net Income before Income Tax	**34,370,143**	**16,312,171**	**6,066,518**	**(5,930,925)**	**12,344,040**
Income Tax	(14,451,744)	(8,098,182)	(6,362,612)	2,735,364	(2,576,397)
Net Income / (Loss) for the Year	**19,918,399**	**8,213,989**	**(296,094)**	**(3,195,561)**	**9,767,643**
Other Comprehensive Income (Loss) for the Year	(12,623,526)	(304,295)	(814,489)	6,501,051	(504,690)
Total Comprehensive Income / (Loss) for the Year	**7,294,873**	**7,909,694**	**(1,110,583)**	**3,305,490**	**9,262,953**
Total Comprehensive Income / (Loss) for the Year Attributable:					
Company's Shareholders	7,425,419	6,133,311	(3,789,933)	(319,820)	6,918,334
Non-controlling Interest	(130,546)	1,776,383	2,679,350	3,625,310	2,344,619
Total	**7,294,873**	**7,909,694**	**(1,110,583)**	**3,305,490**	**9,262,953**

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

(Partner)
C.P.C.E.Cba. Nº 21.00004.3
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CONSOLIDATED SUMMARY OF ACTIVITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021.
PRESENTED ON A COMPARATIVE BASIS

IV. COMPARATIVE CASH FLOW STRUCTURE

	CASH INFLOWS / (OUTFLOWS)				
	12.31.2021	12.31.2020	12.31.2019	12.31.2018	12.31.2017
Operating Activities	17,375,046	32,757,528	26,932,009	9,530,488	18,976,494
Investing Activities	(6,039,424)	(4,473,183)	(7,350,521)	(9,183,615)	(25,361,597)
Financing Activities	(9,624,914)	(26,960,184)	(13,610,560)	729,994	6,792,543
NET INCREASE IN CASH	**1,710,708**	**1,324,161**	**5,970,928**	**1,076,867**	**407,440**

V. COMPARATIVE STATISTICAL DATA VS. THE SAME PERIODS IN THE FOUR PREVIOUS YEARS

a) CONSUMER FOOD PRODUCT DIVISIONS

	4Q 2021 TONS	4Q 2020 TONS	4Q 2019 TONS	4Q 2018 TONS	4Q 2017 TONS
Production Volume	169,991	167,741	154,894	181,203	177,731
Sales Volume - Local Market	166,122	151,459	151,540	169,718	177,116
Sales Volume - Exports	7,638	7,676	8,494	9,671	8,993

	ACCUMULATED AS OF 12.31.2021 TONS	ACCUMULATED AS OF 12.31.2020 TONS	ACCUMULATED AS OF 12.31.2019 TONS	ACCUMULATED AS OF 12.31.2018 TONS	ACCUMULATED AS OF 12.31.2017 TONS
Production Volume	772,172	709,326	726,453	781,819	781,092
Sales Volume - Local Market	735,938	685,613	713,638	750,293	754,814
Sales Volume - Exports	29,103	22,931	28,918	29,270	28,019

b) INDUSTRIAL DIVISIONS

	4Q 2021 TONS	4Q 2020 TONS	4Q 2019 TONS	4Q 2018 TONS	4Q 2017 TONS
Production Volume	570,800	326,656	353,156	302,184	326,359
Sales Volume - Local Market	431,575	231,846	226,289	208,888	227,801
Sales Volume - Exports	51,574	21,726	23,344	20,441	30,178

	ACCUMULATED AS OF 12.31.2021 TONS	ACCUMULATED AS OF 12.31.2020 TONS	ACCUMULATED AS OF 12.31.2019 TONS	ACCUMULATED AS OF 12.31.2018 TONS	ACCUMULATED AS OF 12.31.2017 TONS
Production Volume	1,927,410	1,471,492	1,404,059	1,401,269	1,231,322
Sales Volume - Local Market	1,263,567	952,453	869,229	865,489	807,817
Sales Volume - Exports	133,920	76,665	93,767	73,770	83,749

Victor Jorge Aramburu
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CONSOLIDATED SUMMARY OF ACTIVITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021.
PRESENTED ON A COMPARATIVE BASIS

VI. CONSOLIDATED MAIN RATIOS

	12.31.2021	12.31.2020	12.31.2019	12.31.2018	12.31.2017
Liquidity Ratio	1.6	1.6	1.4	1.4	1.5
Solvency Ratio	0.4	0.4	0.4	0.4	0.5
Non-current-to-Total Assets Ratio	0.4	0.5	0.5	0.5	0.5
Indebtedness Ratio	2.3	2.4	2.7	2.6	2.0
Interest Coverage Ratio	6.2	5.3	2.2	3.9	4.1
Profitability Ratio	28.7%	12.9%	(0.5)%	(4.9)%	15.3%

DEFINITIONS	
Liquidity Ratio	Current Assets / Current Liabilities
Solvency Ratio	Total Equity / Total Liabilities
Non-current-to-Total Assets Ratio	Non-current Assets / Total Assets
Indebtedness Ratio	Total Consolidated Liabilities / Total Equity
Interest Coverage Ratio	(Operating Income + Depreciation + Amortization) / Consolidated Financial Interest [1]
Profitability Ratio	Net Income for the Year / Total Average Equity

[1] It includes consolidated interest as of year-end, net of consolidated financial income from interest on cash and cash equivalents and changes in fair value of financial assets.

VII. OUTLOOK

According to the IMF's estimates, in 2022 the global economy will grow at an annual pace of 4.4%. Such estimate is weaker than expected in previous publications of the IMF, and is affected by macroeconomic conditions associated with more expensive energy prices at a global level, logistics issues in international trade and their impact on the supply chain, and widespread higher-than expected inflation levels, primarily in the United States and other advanced economies.

In addition, downward risks in projections are still significant and include, for instance, the potential effects of the emergence of new variants of COVID-19 and their impacts on the economy. In addition, as monetary policy rates increase in advanced economies as a tool to curb inflation, emerging economies' financial and exchange stability might be exposed to risks, considering those economies' rising indebtedness levels in recent years.

Besides, the future outlook might be substantially affected by the global macroeconomic impacts the war conflict that broke out in late February 2022 between Russia and Ukraine might have. Since the beginning of the conflict, prices for raw materials and commodities have climbed, which could have an impact on inflation levels globally. At the same time, if the conflict persists for a long time, financial markets could be adversely affected.

For the United States, growth is expected to be around 4.0% in 2022 and then 2.6% in 2023. On its part, the Chinese economy is expected to grow by 4.8% in 2022 and by 5.2% in 2023.

Concerning Latin American countries, according to ECLAC's preliminary overview, the GDP growth pace is expected to slow down to 2.1% in annual terms, after having grown by 6.2% in 2021. Such projection is attributable to the existing substantial asymmetries among developed, emerging and developing countries concerning the ability to adopt fiscal, social, monetary and health policies leading to a sustainable recovery from the crisis unleashed by the COVID-19 pandemic.

See our report dated March 11, 2022
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Vii. OUTLOOK

At the local level, based on the Market Expectations Survey (REM, as per its initials in Spanish) published by the Argentine Central Bank in early February 2022, overall inflation is expected to hit an annual rate of 55.0%. On the other hand, concerning other macroeconomic variables relevant to our businesses, those who participate in such survey estimate that Gross Domestic Product (GDP) will grow 3.0% during the coming year. Moreover, the economic, fiscal and tariff adjustment policies adopted by the Argentine government as a result of the deal agreed upon with the IMF will be crucial for the country.

In light of the international, regional and domestic outlook, our actions are primarily driven by our vision for the coming years: To be the leading food and confectionery company in Latin America, renowned in the international market, and be recognized for our sustainable practices and our ability to venture into new businesses and strategic association projects, such as our Joint Venture with Ingredion completed in August 2021.

In this respect, we will continue with the strategy we have pursued in recent years, focusing on our main businesses, Packaging, Agribusiness and, particularly, Consumer Food Products (Confectionery, Chocolates, Ice-Creams, Cookies & Crackers, Food and Functional Products) to keep up with the momentum all these categories may gain upon a potential economic upturn. In 2022, we envisage that certain Consumer Food Product segments will grow in terms of volume to pre-pandemic levels.

As another pillar, we will focus on placing liquidity and a healthy financing structure at the core in order to ensure the fulfilment of our obligations and commitments, as well as sound working capital management and contention of fixed costs, in order to secure the funding required to carry on our operations and investment projects.

Regarding our ongoing projects, the start-up of our industrial plant in Angola is scheduled to take place in 2022, which will allow us to supply our products to that and other African countries. In Argentina, the multiwall paper sack manufacturing plant currently under construction in the Province of Misiones will start operations, allowing us to increase our offer of bags to the market.

[1] Source: International Monetary Fund, *"World Economic Outlook Update,"* January 2022.

[2] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *"Balance Preliminar de las Economias de América Latina y el Caribe 2021"* (Preliminary Overview of the Economies of Latin America and the Caribbean 2021), (LC/PUB.2022/1-P), Santiago, 2022.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Chairman and Directors of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL
Registered Office: Av. Fulvio Salvador Pagani 487
Arroyito – Provincia de Córdoba
CUIT No. (Taxpayer Identification No.): 30-50279317-5

Auditor's Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL and its subsidiaries (hereinafter, the "Group"), including the consolidated balance sheet as of December 31, 2021, the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the fiscal year then ended, and the notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Group as of December 31, 2021, as well as its consolidated comprehensive income and consolidated cash flows for the fiscal year then ended, in accordance with the International Financing Reporting Standards (IFRS).

Basis for Opinion

We have carried out our audit in accordance with International Standards on Auditing (ISAs). Such standards were adopted as auditing standards in Argentina by means of Technical Pronouncement No. 32 issued by Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities pursuant to such standards are described below under the caption "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" of this report.

We consider that the audit evidence we have obtained provide a sufficient and adequate basis for our audit opinion.

Independence

We are independent from the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the requirements applicable to our audit of the consolidated financial statements in Argentina, and we have complied with the other ethics responsibilities pursuant to these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are defined as those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the current period. These matters are addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Recognition of the Business Combination resulting from the Joint Venture Agreement with Ingredion Argentina S.R.L. As stated in Note 42 to the accompanying consolidated financial statements, as of December 31, 2021, Arcor S.A.I.C. entered into a Joint Venture agreement with Ingredion Argentina S.R.L., a subsidiary of Ingredion Incorporated. As a result of such agreement, the Company acquired a 51% controlling interest in the Joint Venture and then proceeded with the consolidation of its assets and liabilities, profits and losses and cash flows, as from the transaction date. The transaction was recognized pursuant to the guidelines of IFRS 3 *"Business Combinations,"* and resulted in the recognition, as of the transaction date, of: 1) assets for ARS 9,378.7 million which account for 3.9% of consolidated assets, 2) liabilities for ARS 1,570.8 million which account for 0.9% of consolidated liabilities, 3) a controlling interest of ARS 6,694.2 million, which accounts for 22.3% of the total non-controlling interest, and 4) comprehensive income from the acquisition for ARS 343.8 million. The recognition of this acquisition was a complex exercise that involved the application of significant judgments and estimates in determining the fair value of the identifiable assets and liabilities acquired and the definition of the accounting treatment to be afforded to the transaction. The Group's management has performed a technical-accounting analysis of the transaction and has developed such estimates based on internal information, whilst also relying on the support of external appraisers, as stated in such Note 42 to the consolidated financial statements. We consider this transaction a key audit matter due to the materiality of the amounts involved and its impact on the consolidated financial statements and the degree of judgment inherent to the fair value estimates used and the accounting treatment of the transaction.	The audit procedures carried out in respect of this key audit matter included: ▪ Obtaining and analyzing the agreements entered into by and between Arcor S.A.I.C. and Ingredion Argentina S.R.L. in connection with the creation of the Joint Venture, gaining an understanding of the transaction structure and purpose. ▪ Evaluating the analysis performed by the Group's management about the accounting implications of the transaction under the scope of IFRS 3 *"Business Combinations,"* considering the terms of the subscribed agreements. ▪ Understanding the approach used by the Group to account for this transaction and evaluating it for consistency with the subscribed agreements and the guidelines of IFRS 3 "*Business Combinations*" and other IFRSs that might apply in this regard. ▪ Gaining an understanding of the Group's internal administrative policies and processes concerning the fair value assessment of the identifiable assets and liabilities of the acquired business, including an evaluation of the skills and independence of the appraisers retained by the Group for purposes of such estimate. ▪ Assessing the integrity of the identifiable assets and liabilities of the acquired business by means of a review of the subscribed agreements. ▪ Analyzing the conclusions of the independent appraisers retained by the Group to estimate the fair value of Property, Plant and Equipment items of the business acquired and of the contributed business, and seeing to the consistency of such estimate with the figures disclosed in connection with business combination and with the agreements subscribed by the parties. ▪ Assessing the disclosures included in the notes to the consolidated financial statements.

Key Audit Matters	Auditor's Response
Recoverability of the Investment in Mastellone Hermanos S.A. As of December 31, 2021, as disclosed in Notes 9 and 43 to the consolidated financial statements, the "Group's investment in the associate Mastellone totals ARS 13,075.2 million and involved the recognition of a loss of ARS 1,140.2 million in the statement of income, and a loss of ARS 289.7 million in the statement of other comprehensive income. The Group measures its investment in the associate Mastellone Hermanos S.A. by the equity method and estimates its recoverable value on the basis of the associate's fair value. In estimating such recoverable value, the Group relies on a model based on the associate's discounted cash flows pursuant to the business plans prepared by management and the changes in certain relevant macroeconomic variables. The estimate of the recoverable value of the Group's investment in Mastellone Hermanos S.A. is a key audit matter, since it involves significant judgment by management in estimating the fair value of such company. This, in turn, requires a high degree of judgment and effort by the auditor in conducting procedures to assess the associate's cash flow projections and the main assumptions used therein.	The audit procedures carried out in respect of this key audit matter included, without limitation: ▪ Gaining an understanding of the process carried out by the Company to analyze the recoverability of its investment in associates and prepare the related estimates. ▪ Assessing the model used by management to estimate the recoverable value based on the associate's discounted cash flows. ▪ Verifying the reasonableness of such estimate considering the following factors, among others: (i) the consistency of the assumptions used in estimating the associate's projected cash flows based on its past performance and available financial information, including an analysis of the main deviations from past forecasts and actual figures; (ii) an analysis of the significant assumptions used by management in the model, including average return growth rates, changes in prices and future costs, changes in the associate's working capital, discount rates, perpetuity growth rate, and certain macroeconomic variables such as the exchange rate; (iii) integrity tests on the information and mathematical calculations included in the model used by management; and (iv) the consistency of the information used in the model with the evidence obtained in other audit procedures. ▪ Analyzing the sensitivity of the recoverable value model results to changes in certain key assumptions. ▪ Assessing the disclosures included in the notes to the consolidated financial statements. The audit effort involved the engagement of professionals with specific skills and knowledge to assess the projected recoverable value model used by management and certain assumptions and premises therein considered.

Information Accompanying the Consolidated Financial Statements ("Other Information")

The other information includes the Annual Report and the Summary of Activity. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information; therefore, we do not express an audit opinion in that regard.

Concerning our audit of the consolidated financial statements, our responsibility is reading the other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or with the knowledge we have gained during the audit, or if there seems to be a material misstatement for some other reason. If, based on the work we have performed, we consider that, as far as the matters within our purview are concerned, there is a material misstatement in the other information, we are required to report it. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS, and for such internal control as the Board of Directors might deem required to allow for the preparation of consolidated financial statements free from material misstatements due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern; disclose, where applicable, the matters related to this issue, and use the going concern basis of accounting, except to the extent the Board of Directors plans to liquidate the Group or discontinue its operations, or there is no other realistic alternative for continuity.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The goal of our audit is obtaining reasonable assurance that the consolidated financial statements, as a whole, are free from material misstatements due to fraud or error, and issuing an audit report containing our opinion. Reasonable assurance means a high degree of assurance, but does not mean that an audit conducted in accordance with the ISAs will always detect an existing material misstatement. Misstatements may be due to fraud or error and are deemed material if, individually or on the aggregate, they can be reasonably expected to influence on users' financial decisions, based on the consolidated financial statements.

As part of an audit pursuant to the ISAs, we use our professional judgment and exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements due to fraud or error; design and apply audit procedures to address such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our 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.

- We obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Arcor Sociedad Anónima, Industrial y Comercial's Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by Arcor Sociedad Anónima, Industrial y Comercial's Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained as of the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with Arcor Sociedad Anónima Industrial y Comercial's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may identify during the audit.

We also provide Arcor Sociedad Anónima Industrial y Comercial's Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and we report all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable the actions taken to remove threats or the safeguards adopted.

Among the matters that were communicated to Arcor Sociedad Anónima Industrial y Comercial's Board of Directors, we determine those that were of most significance in the audit of the consolidated financial statements for the current period and that, therefore, are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with applicable laws and regulations, we report that:

a) the consolidated financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL have been transcribed to the "Inventory and Financial Statements" book and comply, as far as the matters within our purview are concerned, with the terms of the Argentine General Companies Law and applicable resolutions of the National Securities Commission (CNV);

b) the separate financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept, in all formal respects, in accordance with applicable laws and regulations, maintaining the safety and integrity conditions based on which they were authorized by the Bureau of Legal Entities of the Province of Córdoba;

c) below is a detail of total amounts arising from the consolidated balance sheet, and consolidated statements of income and other comprehensive income:

c.1) Consolidated balance sheet as of December 31, 2021 and 2020:

	In thousands of ARS	
	12/31/2021	12/31/2020
Assets	238,268,944	227,482,489
Liabilities	165,413,707	161,510,951
Equity	72,855,237	65,971,538

c.2) Consolidated statements of income and other comprehensive income for the years ended December 31, 2021 and 2020, in which the Company recognized comprehensive income in the amount of ARS 7,294,873 and ARS 7,909,694 (both figures stated in thousands of ARS), respectively;

d) as of December 31, 2021, accrued liabilities owing by ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL to the Argentine Social Security System, as arising from the Company's accounting records, amounted to ARS 664,852,604.65. Such amount was not due and payable as of such date;

e) as required by Article 21, paragraph b), Chapter III, Section VI, Title II of the National Securities Commission's regulations, we hereby report that total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL during the year ended December 31, 2021 account for:

e.1) 87.33% of total comprehensive fees for services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL during that year;
e.2) 71.81% of total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, subsidiaries and affiliates during that year;
e.3) 57.51% of total fees for services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, subsidiaries and affiliates during that year;

f) we have applied the anti-money laundering and terrorist financing procedures on ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL as required by applicable professional accounting principles issued by the Professional Council of Economic Sciences of the Province of Córdoba.

Córdoba, March 11, 2022

PRICE WATERHOUSE & CO.S.R.L.

(Partner)
C.P.C.E.Cba. 21.00004.3
Andrés Suárez
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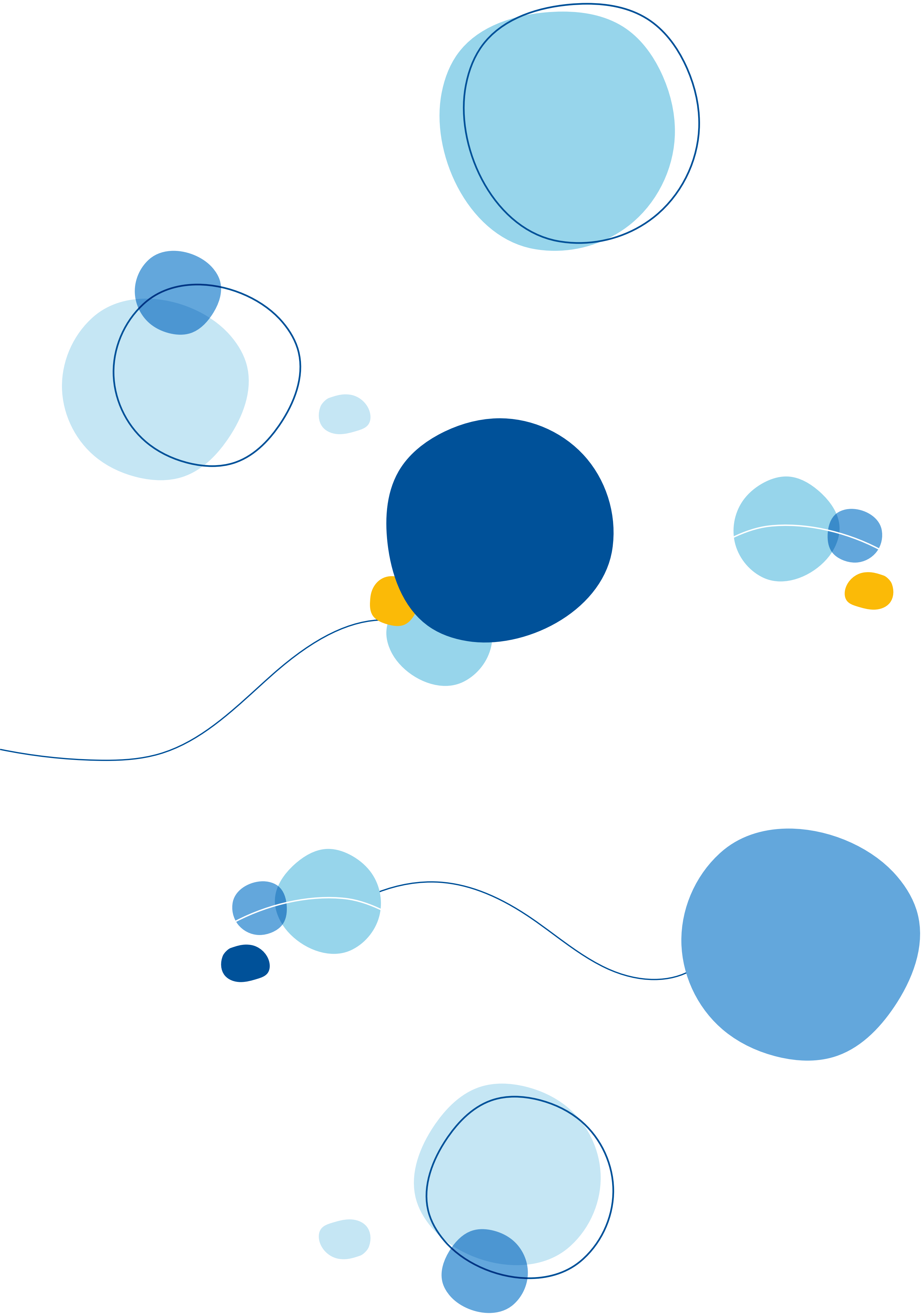

Individual Financial Statements

For the fiscal years ended
December 31, 2021 and 2020

SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

CONTENTS

GLOSSARY OF TERMS

TERM	DEFINITION
AFIP	The Spanish acronym for *Administración Federal de Ingresos Públicos*, i.e., the Argentine tax authorities.
AOA	Angolan Kwanza.
ARG GAAP	Technical Pronouncements (TPs) issued by the FACPCE, except for TP No. 26 (as amended) which adopts the IFRS. These TPs contain general and specific valuation and disclosure standards in force in Argentina, for companies that are not required or have not opted to adopt IFRS.
ARS	Argentine Pesos.
Associates	Companies over which Arcor S.A.I.C. has significant influence as established in IAS 28.
BADLAR	Reference variable interest rate released by the BCRA, for transactions in excess of 1 million pesos. Its acronym stands for Buenos Aires Deposits of Large Amount Rate.
BCRA	Argentine Central Bank.
BOB	Bolivian.
BRL	Brazilian Real.
CHF	Swiss Franc.
IFRIC	International Financial Reporting Interpretations Committee.
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
COP	Colombian Peso.
EUR	Euro.
FACPCE	Argentine Federation of Professional Councils in Economic Sciences.
FASB	Financial Accounting Standards Board.
GBP	British Pound.
Arcor Group / Group	Economic group comprised by Arcor S.A.I.C. and its subsidiaries.
Zucamor Group	Economic group acquired by the Company on July 4, 2017 comprised by Zucamor S.A. and its subsidiaries Zucamor Cuyo S.A., Papel Misionero S.A.I.F.C. and BI S.A. Then, Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. were merged into the subsidiary Cartocor S.A. effective since July 1, 2020.
IASB	International Accounting Standard Board.
IFRIC	International Financial Reporting Interpretations Committee.
IFRS	International Financial Reporting Standards.
INDEC	The Spanish acronym for *Instituto Nacional de Estadística y Censos* (National Institute of Statistics and Census).
CPI	Consumer Price Index.
JPY	Japanese Yen.
The Company / Arcor S.A.I.C.	Indistinctively, Arcor Sociedad Anónima, Industrial y Comercial.
GCL	Argentine General Companies Law (Law No. 19,550, as amended).
MXN	Mexican Peso.
Joint Venture	An agreement whereby the Group is entitled to the net assets of the same, together with the other participants with whom it shares the joint control of the agreement, pursuant to the terms of IFRS 11.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
PEN	Peruvian Sol.
PYG	Paraguayan Guarani.
RMB	Renminbi.
FACPCE TP	Technical Pronouncements issued by the FACPCE.
Subsidiaries	Companies controlled by the Arcor S.A.I.C. Arcor S.A.I.C. controls other companies when it is exposed or entitled to variable returns and has the capacity to exert influence on the amount of such returns through its power over the subsidiaries, as set forth by IFRS 10.
TO / CNV	Revised text of the National Securities Commission's regulations.
USD	U.S. dollars.
UVA	The Spanish acronym for *Unidad de Valor Adquisitivo*, a unit indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) – Law No. 25,827.
UYU	Uruguayan peso.

INTRODUCTION

Considering the requirements of the CNV, the Company has inverted the order of presentation of its consolidated and separate financial statements, disclosing in first place the consolidated information of the Company and its subsidiaries, followed by its separate financial statements. In accordance with applicable laws and regulations, the consolidated financial statements are supplementary information to the separate financial statements. The Company's management recommends that users read the consolidated and the separate financial statements jointly.

SEPARATE STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2021	FOR THE FISCAL YEAR ENDED 12.31.2020
Sales of Goods and Services	27	115,500,828	109,921,984
Costs of Goods Sold and Services Rendered	28	(82,138,903)	(73,092,069)
SUBTOTAL		**33,361,925**	**36,829,915**
Income (Loss) from Biological Assets	31	144,814	640,148
GROSS PROFIT		**33,506,739**	**37,470,063**
Selling Expenses	29	(19,530,904)	(18,087,508)
Administrative Expenses	29	(7,430,546)	(6,673,830)
Other Income / (Expenses), Net	32	(524,724)	18,355
OPERATING INCOME		**6,020,565**	**12,727,080**
Financial Income	33	10,639,433	(1,295,801)
Financial Expenses	33	(2,523,046)	(8,137,297)
Gain on Net Monetary Position	33	2,498,145	1,447,324
NET FINANCIAL INCOME (EXPENSE), NET		**10,614,532**	**(7,985,774)**
Income from Investments in Companies and Others	9	8,170,441	4,623,164
INCOME BEFORE INCOME TAX		**24,805,538**	**9,364,470**
Income Tax	34	(6,648,615)	(3,079,932)
NET INCOME FOR THE FISCAL YEAR		**18,156,923**	**6,284,538**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	35	0.25938	0.08978

The accompanying notes are an integral part of these separate financial statements.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.Cba. N° 21.00004.3
Andrés Suárez
Public Accountant (UBA)
Professional License 10.11421.4 - C.P.C.E.Cba.

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2021	12.31.2020
NET INCOME FOR THE FISCAL YEAR		**18.156.923**	**6.284.538**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that May Be Subsequently Reclassified to Income / (Loss)			
Cash Flow Hedges [1]	20	-	(3,090)
Tax Effect	20 and 34	-	926
SUBTOTAL		**-**	**(2,164)**
Share of Other Comprehensive Income (Loss) on Companies' Translation Differences	20	(11,082,262)	(182,094)
Reclassification to Net Income for the Fiscal Year of the Share of Other Comprehensive Income (Loss) on Companies' Translation Differences	9 and 20	129,016	-
Tax Effect	20 and 34	69,200	(57,779)
SUBTOTAL		**(10,884,046)**	**(239,873)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**(10,884,046)**	**(242,037)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains (Losses) of Companies' Defined Benefit Plans		78,383	(46,709)
Actuarial Gains (Losses) of Companies' Defined Benefit Plans of Arcor S.A.I.C.	23	(238,085)	183,358
Tax Effect	34	113,998	(45,839)
SUBTOTAL		**(45,704)**	**90,810**
Income (Loss) from Acquisition	9 and 42	198,246	-
SUBTOTAL		**198,246**	**-**
Total Items that Will Not Be Reclassified to Income / (Loss)		**152,542**	**90,810**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(10,731,504)**	**(151,227)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,425,419**	**6,133,311**

[1] Includes the gain (loss) on transactions to hedge the risk of fluctuations in commodity prices (futures and options).

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SEPARATE BALANCE SHEET

AS OF DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2021	12.31.2020
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	16,776,016	21,599,818
Right-of-use Assets	6	1,299,874	1,208,258
Investment Properties	7	209,473	216,351
Intangible Assets	8	4,561,030	4,499,432
Equity Interests in Subsidiaries and Associates	9	92,145,477	89,256,731
Biological Assets	10	635,347	641,593
Other Investments	12	257	388
Other Receivables	13	2,813,410	3,243,922
TOTAL NON-CURRENT ASSETS		**118,440,884**	**120,666,493**
CURRENT ASSETS			
Biological Assets	10	988,513	965,738
Inventories	14	20,259,434	19,501,605
Derivative Financial Instruments	15	544,078	407,542
Other Receivables	13	4,682,819	3,120,232
Trade Receivables	13	10,046,453	9,722,351
Cash and Cash Equivalents	16	1,107,384	1,164,530
TOTAL CURRENT ASSETS		**37,628,681**	**34,881,998**
TOTAL ASSETS		**156,069,565**	**155,548,491**

The accompanying notes are an integral part of these separate financial statements.

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SEPARATE BALANCE SHEET

AS OF DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2021	12.31.2020
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	18	700,000	700,000
Capital Adjustment		10,506,199	10,506,199
Parent Company's Treasury Shares		(2,466)	(2,466)
Legal Reserve	17	2,241,240	2,241,240
Optional Reserve for Future Investments		17,439,301	15,778,943
Special Reserve for Future Dividends		1,664,140	3,817,972
Special Reserve for IFRS Adoption	17	1,183,883	1,183,883
Unappropriated Retained Earnings	19	18,309,492	6,375,420
Other Equity Components	20	(9,257,332)	1,626,714
TOTAL EQUITY		**42,784,457**	**42,227,905**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	21	57,968,456	70,186,131
Lease Liabilities	22	790,731	577,734
Derivative Financial Instruments	15	686,828	1,376,929
Deferred Tax Liabilities	11	7,557,895	1,167,732
Employee Retirement Benefits Obligations	23	3,361,597	2,624,653
Provisions	24	335,050	414,247
Trade Payables and Other Liabilities	25	371,884	461,288
TOTAL NON-CURRENT LIABILITIES		**71,072,441**	**76,808,714**
CURRENT LIABILITIES			
Loans	21	23,779,524	16,820,211
Lease Liabilities	22	546,674	761,190
Derivative Financial Instruments	15	6,944	297
Employee Retirement Benefits Obligations	23	513,037	303,068
Provisions	24	143,593	177,535
Advances from Customers		299,935	1,483,186
Trade Payables and Other Liabilities	25	16,922,960	16,966,385
TOTAL CURRENT LIABILITIES		**42,212,667**	**36,511,872**
TOTAL LIABILITIES		**113,285,108**	**113,320,586**
TOTAL EQUITY AND LIABILITIES		**156,069,565**	**155,548,491**

The accompanying notes are an integral part of these separate financial statements.

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SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	UNAPPROPRIATED RETAINED EARNINGS	
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT [1]		LEGAL RESERVE (NOTE 17)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS
Balances as of January 1, 2021	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**15,778,943**
Net Income for the Year	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves [2]	-	-	-	-	1,660,358
Cash Dividends [2]	-	-	-	-	-
Forfeited Dividends [3]	-	-	-	-	-
Balances as of December 31, 2021	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**17,439,301**

[1] Reflects the difference between the adjusted value and the historical value of capital, according to the requirements of the GCL.

[2] As per the Ordinary and Extraordinary General Shareholder's Meetings held on April 6, 2021 and August 20, 2021.

[3] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

The accompanying notes are an integral part of these separate financial statements.

UNAPPROPRIATED RETAINED EARNINGS			OTHER EQUITY COMPONENTS	
SPECIAL RESERVE FOR FUTURE DIVIDENDS	SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 47)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 19)	TRANSLATION RESERVE (NOTE 20)	TOTAL EQUITY
3,817,972	**1,183,883**	**6,375,420**	**1,626,714**	**42,227,905**
-	-	18,156,923	-	18,156,923
-	-	152,542	(10,884,046)	(10,731,504)
-	**-**	**18,309,465**	**(10,884,046)**	**7,425,419**
1,003,444	-	(2,663,802)	-	-
(3,157,276)	-	(3,711,620)	-	(6,868,896)
-	-	29	-	29
1,664,140	**1,183,883**	**18,309,492**	**(9,257,332)**	**42,784,457**

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SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	UNAPPROPRIATED RETAINED EARNINGS	
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT [1]		LEGAL RESERVE (NOTE 17)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS
Balances as of January 1, 2020	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**20,893,233**
Net Income for the Year	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Absorption of Losses [2]	-	-	-	-	-
Setting-up of Reserves [2]	-	-	-	-	(4,765,624)
Cash Dividends [2]	-	-	-	-	(348,666)
Forfeited Dividends [3]	-	-	-	-	-
Balances as of December 31, 2020	**700,000**	**10,506,199**	**(2,466)**	**2,241,240**	**15,778,943**

[1] Reflects the difference between the adjusted value and the historical value of capital, according to the requirements of the GCL.

[2] As per the Ordinary and Extraordinary General Shareholder's Meetings held on April 25, 2020 and August 15, 2020.

[3] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

The accompanying notes are an integral part of these separate financial statements.

UNAPPROPRIATED RETAINED EARNINGS			OTHER EQUITY COMPONENTS		
SPECIAL RESERVE FOR FUTURE DIVIDENDS	SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 47)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 19)	TRANSLATION RESERVE (NOTE 20)	RESERVE FOR CASH FLOW HEDGE	TOTAL EQUITY
5,384,005	**1,183,883**	**(3,483,295)**	**1,866,587**	**2,164**	**39,291,550**
-	-	6,284,538	-	-	6,284,538
-	-	90,810	(239,873)	(2,164)	(151,227)
-	**-**	**6,375,348**	**(239,873)**	**(2,164)**	**6,133,311**
(3,483,295)	-	3,483,295	-	-	-
4,765,624	-	-	-	-	-
(2,848,362)	-	-	-	-	(3,197,028)
-	-	72	-	-	72
3,817,972	**1,183,883**	**6,375,420**	**1,626,714**	**-**	**42,227,905**

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2021	12.31.2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		**18,156,923**	**6,284,538**
Income Tax	34	6,648,615	3,079,932
Adjustments for:			
Depreciation of Property, Plant and Equipment	29	2,094,038	2,088,246
Depreciation of Right-of-use Assets	29	684,410	700,665
Amortization of Intangible Assets	29	84,460	89,012
Provisions Deducted from Assets and Included in Liabilities, Net		189,842	119,326
Net Financial Income (Expense)	33	(10,614,532)	7,985,774
Income from Investments in Companies	9	(8,170,441)	(4,623,164)
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	10	(348,965)	(618,829)
Gain (Loss) on Disposal of Property, Plant and Equipment	32	(495,717)	(914,343)
Derecognition of Bearer Plants		20,616	2,731
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	6 and 22	-	(6,700)
Adjustments Subtotal:		**(16,556,289)**	**4,822,718**
Net Receipts from Derivative Financial Instruments Related to Operating Activities	15	(959,280)	(894,845)
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(581,342)	(580,828)
Payments for Income Tax, Withholdings, and Advance Payments		6,708,627	12,718,238
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**6.708.627**	**12.718.238**
Changes in Assets and Liabilities			
Trade Receivables		(3,113,739)	24,143
Other Receivables		917,660	(1,561,859)
Inventories		(2,255,843)	(1,646,695)
Trade Payables and Other Liabilities		3,957,436	5,774,693
Advances from Customers		(1,183,224)	1,175,687
Provisions		(30,775)	(32,617)
Net Cash Flow Provided by Operating Activities		**5,000,142**	**16,451,590**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchases and Advances of Property, Plant and Equipment, Intangible Assets and Others		(1,752,666)	(1,364,955)
Cash Inflows from Disposal of Property, Plant and Equipment		82,041	70,512
Net Changes in Financial Receivables with Related Parties		314,804	43,907
Realized Capital Contributions		(371,328)	(5,141,320)
Payment for Acquisition of Shares		(550,338)	(750)
Receipts of Dividends and Other Proceeds from Investments in Companies		1,452,703	725,389
Receipts from Sale of Shares to Related Companies		-	320
Payment for Acquisition of Mastellone Hermanos S.A.'s Shares	43	-	(229,351)
Net Cash Flows (Used In) Investing Activities	16	**(824,784)**	**(5,896,248)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows from Bank Loans	21	6,997,038	-
Repayment of Bank Loans	21	(1,244,124)	(3,065,278)
Net Changes in Short-term Loans	21	10,728,205	(4,768,340)
Net Changes in Loans with Related Parties	21	709,807	397,733
Inflows from Notes Issued	21	4,288,336	9,405,048
Debt Repayment in respect of Notes	21	(6,217,504)	(4,785,639)
Net Payments of Receipts from Derivative Financial Instruments Related to Financing Activities	15	(1,575,232)	(335,561)
Payments of Principal on Lease Liabilities	22	(739,177)	(753,581)
Payments of Interest on Lease Liabilities	22	(66,350)	(86,106)
Payment of Interest and Other Financial Expenses	21	(10,634,798)	(10,049,083)
Payment of Dividends		(6,366,824)	(3,024,062)
Net Cash Flows (Used In) Financing Activities	16	**(4,120,623)**	**(17,064,869)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**54,735**	**(6,509,527)**
Cash and Cash Equivalents at the Beginning of the Year	16	**1,164,530**	**7,519,808**
Cash Acquired from Merger with La Campagnola S.A.C.I.		-	1,330
Exchange Differences on Cash and Cash Equivalents		(57,298)	254,153
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(54,583)	(101,234)
Net Increase / (Decrease) in Cash and Cash Equivalents		54,735	(6,509,527)
Cash and Cash Equivalents at Year-end	16	**1,107,384**	**1,164,530**

The accompanying notes are an integral part of these separate financial statements.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 1. GENERAL INFORMATION

1.1 Company's Background

Arcor Sociedad Anónima, Industrial y Comercial is a company organized and existing under the laws of the Argentine Republic (Law No. 19,550, as amended). The Company's registered office is located at Av. Fulvio Salvador Pagani 487, Arroyito, Province of Córdoba.

The Company and its subsidiaries constitute a multinational corporation producing a wide variety of consumer food products (candies, chocolates, cookies & crackers, food, etc.) and industrial products (virgin and recycled paper, corrugated cardboard, printing of flexible films, corn syrup, etc.) in Argentina, Brazil, Chile, Mexico and Peru, which are marketed in many countries worldwide.

The Company's Bylaws were registered with the Public Registry of Commerce on January 19, 1962. The last amendment thereto was resolved at the Extraordinary General Shareholders' Meeting held on December 11, 2019, and was registered with the Public Registry – Protocol of Contracts and Dissolutions – under Registration No. 76 – A41, in Córdoba, on January 9, 2020. The Company's term will expire on January 19, 2061.

On February 27, 2010, the Ordinary General Shareholders' Meeting approved the creation of the Global Simple Non-Convertible Notes Program, in accordance with the terms of Law No. 23,576, as amended by Law No. 23,962. On October 15, 2010, the Bureau of Legal Entities of the Province of Córdoba, by means of Resolution 1931/2010-B, registered the program with the Public Registry of Commerce. On October 25, 2010, the CNV, through Resolution No. 16,439, authorized the Company to create a Simple Non-Convertible Notes Program.

On November 28, 2014, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the amount and extend the term of the program. On October 30, 2015, the CNV, by means of Resolution No. 17,849, authorized the Company to increase the maximum principal amount of such program (from an aggregate principal amount of USD 500 million to an aggregate principal amount of up to USD 800 million, or its equivalent in other currencies) for a new five-year period, counted as from the end of the original maturity in October 2020. On March 2, 2016, the Bureau of Legal Entities of the Province of Córdoba, by means of Resolution 260/2016-B, registered the increase in the program amount and extension of its term with the Public Registry of Commerce.

Finally, on April 25, 2020, the Ordinary and Extraordinary General Shareholders' Meeting resolved to approve an extension of the Program term for additional five years. On November 5, 2020, the CNV, by means of Directive DI-2020-52-APN- GE#CNV, authorized the Company to extend the term of the program for additional 5 years, counted as from the end of the extended term, i.e., October 30, 2025, and to amend certain terms and conditions of said Program in order for the instruments to be denominated in units known as "Unidades de Valor Adquisitivo" or UVAs indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) as per Law No. 25,827, or otherwise in "Unidades de Vivienda" or UVIs indexable by the Construction Cost Index ("ICC", for its Spanish acronym), pursuant to Law No. 27,271.

These separate financial statements were approved by Minutes of Board of Directors' Meeting No. 2388 dated March 11, 2022.

1.2 Parent Company's Data

The Company is controlled by Grupo Arcor S.A., which owns 99.686534% and 99.679719% interests in capital stock and votes, respectively. The parent company's core business is making financial transactions and investments.

Grupo Arcor S.A. is a company organized and existing under the laws of the Argentine Republic (Law No. 19,550, as amended). As of December 31, 2021, its registered office is located at Maipú No. 1210, 6th Floor, Suite "A," Autonomous City of Buenos Aires. Effective since January 1, 2022, the Company's registered office will be located in Maipú No. 1210, 8th Floor, Suite 817, C1006ACT, Autonomous City of Buenos Aires.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

See our report dated March 11, 2022
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(Partner)
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NOTE 1. GENERAL INFORMATION

1.3 Economic Context in Argentina: Impacts of COVID-19

The Company operates amidst a challenging economic environment whose main variables have experienced strong volatility, both locally and internationally.

The outbreak of the COVID-19 pandemic in 2020 brought about substantial implications at a global level. The several health-related restrictions took their toll—to a greater or lesser extent— almost immediately on economies, with abrupt declines in their production and activity indicators. In response, most governments implemented fiscal aid packages to support people's income and minimize a potential disruption in the payment chain and prevent economic and financial crises and business bankruptcies. Argentina was no exception, and the National Government took action as soon as the pandemic was declared.

The Argentine economy was already experiencing stagflation which, coupled with the pandemic outbreak in March 2020, made things substantially worse.

In turn, the National Government maintained several measures imposed since late 2019 affecting the economic context, such as price controls and certain exchange restrictions, including the requirement of securing the Central Bank's prior consent to access the local FX market (known as "MULC"). Accordingly, the Company carried out exchange transactions within the MULC's applicable regulatory framework.

As concerns the impacts of the COVID-19 pandemic in Argentina, the measures adopted by the National Government to contain the virus spread, including, without limitation, border closures, mandatory social distancing, and interruption of non-essential business activities for a long period of time. In this respect, in spite of the challenges inherent to the prevailing context that slowed down or complicated the conduction of activities, as the Company is engaged in the production and marketing of consumer food products and key supplies to other essential industries, the Company's business activity was considered essential and, as such, its operations were not disrupted.

The final extent of the COVID-19 outbreak and its impact on the global and local economies of the countries where the Group operates are still unknown. As of the date of these separate financial statements, the pandemic has not had a substantial impact on the Company's results of operations.

The above-described volatile and uncertain scenario still remains as of the date of these separate financial statements. The Company is closely monitoring the situation and defining suitable courses of action, following the directives and recommendations from the pertinent international agencies and/or Departments of Health of the countries where it operates.

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

Below is a detail of the most relevant accounting standards used by the Company to prepare these separate financial statements.

2.1 Basis for Preparation

These financial statements were prepared in accordance with the IFRS issued by the IASB (based on the guidance laid down in TP No. 26, as amended by TPs No. 29, 38 and 43) and represent the full, explicit and unreserved adoption of such international standards.

The figures disclosed in the separate financial statements and in their respective notes are stated in thousands of pesos, except for earnings per share, changes in capital stock, and dividends per share. Certain figures in foreign currency and in UVAs are also stated in thousands, except as otherwise indicated.

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(Figures stated in thousands of Argentine pesos)

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.1 Basis for Preparation

The accounting policies applied are based on the IFRS issued by the IASB and on the applicable interpretations issued by the IFRIC as of the date of these separate financial statement. The preparation of these separate financial statements in accordance with IFRS requires that the Company make estimates and assessments that affect the reported amounts of assets and liabilities, and of contingent assets and liabilities disclosed as of the date of these separate financial statements as well as recorded income and expenses.

The Company makes estimates to calculate, for example, depreciation and amortization, the value of right-of-use assets, the fair value of biological assets and certain derivative instruments, the recoverable value of non-financial assets, the income tax expense, certain labor costs, lease liabilities, the provisions for contingencies, provisions for labor, civil and commercial lawsuits, allowances for bad debts, and provisions for commercial discounts and rebates. Future actual results may differ from the estimates and assessments made as of the date of these separate financial statements.

The figures as of December 31, 2020 disclosed in these financial statements for comparative purposes arise from adjusting for inflation the amounts disclosed in the financial statements then ended, as described in Note 2.9 to these separate financial statements. Where applicable, certain reclassifications were made for comparative purposes.

Going Concern

As of the date of these separate financial statements, there are no uncertainties as to developments or circumstances that may call into question the likelihood that the Company will continue operating normally as a going concern.

2.2 Changes to Accounting Policies New Accounting Standards

(a) New Standards, Amendments and Interpretations Effective for the Fiscal Year Beginning on January 1, 2021:

Amendments to IFRS 7, IAS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2: These changes address issues arising during the interest rate benchmark reform, including the replacement of a benchmark rate with an alternative one. The adoption of these amendments did not have a material impact on these separate financial statements.

Amendments to IFRS 16, "Leases" - COVID-19-related Rent Concessions: In response to requests from interested parties and due to the fact that the COVID-19 pandemic is still ongoing, the IASB has extended for one year the exemption term for the adoption of the practical expedient set out in IFRS 16 - "Leases" to cover lease concessions that only reduce lease payments due on or before June 30, 2022. The adoption of these amendments did not have a material impact on these separate financial statements.

(b) New Standards, Amendments and Interpretations Published that Have Not Become Effective Yet for the Fiscal Years Beginning on or after January 1, 2021 and that Have Not Been Adopted Earlier:

Amendments to IAS 1, "Presentation of Financial Statements" on Classification of Liabilities: These amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by the entity's expectations or by events subsequent to the date of these financial statements. The amendment makes clear the meaning of "settlement" of a liability. This standard was published in January 2020 and will come into force on or after January 1, 2023.

Amendments to IFRS 3 "Business Combinations": aThe amendment revises a reference to Conceptual Framework for Financial Reporting contained in IFRS 3, without altering the accounting requirements for business combinations.
The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

See our report dated March 11, 2022
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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.2 Changes to Accounting Policies New Accounting Standards

Amendments to IAS 16, "Property, Plant and Equipment": The amendment prohibits deducting from the cost of an asset any proceeds from sales while bringing that asset to the condition for its intended use. Instead, an entity is required to recognize such proceeds in profit or loss for the period. The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

Amendments to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets": These amendments specify the costs that an entity should include in assessing whether such contract will be onerous. The amendment was published in May 2020 and will come into force for fiscal years commencing on or after January 1, 2022.

Amendments to IAS 1, "Presentation of Financial Statements": The amendment seeks to enhance accounting policy disclosures, requiring that companies disclose material accounting policies, instead of significant accounting policies. The amendment was published in February 2021 and will come into force for fiscal years commencing on or after January 1, 2023. Early adoption is allowed.

Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors": The amendment seeks to help users of these separate financial statements distinguish between changes in accounting policies and changes in accounting estimates, depending on whether they will be applied on a retrospective or prospective basis. The amendment was published in February 2021 and will come into force for fiscal years commencing on or after January 1, 2023. Early adoption is allowed.

Amendments to IAS 12, "Deferred Tax Related to Assets and Liabilities arising from a Single Transaction": The amendments require that companies recognize the deferred tax on transactions that, upon initial recognition, give rise to equal taxable and deductible temporary differences. The amendments were published in May 2021 and will come into force for fiscal years commencing on or after January 1, 2023.

There are no other IFRS or IFRIC interpretations which have not come effective yet and which are expected to have a material impact on the Company.

2.3 Property, Plant and Equipment

The items of Property, Plant and Equipment are measured at acquisition or construction cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes such expenses that are directly attributable to the acquisition or construction of the assets.

The items of Property, Plant and Equipment acquired in business combinations were initially measured at their estimated fair value at the time of the acquisition. Subsequent costs are included in the value of the asset and are recognized as a separate asset, as the case may be, if and only if future economic benefits are expected to flow into the Company and its cost can be measured reliably. The carrying amount of the asset being replaced is derecognized.

Also, bearer plants are recorded separately from the biological assets produced therein, and are disclosed as items of Property, Plant and Equipment. The measurement criteria for those assets are described in Note 2.11.

Repair and maintenance expenses are recognized in the income statement for the year in which they were incurred.

Increased maintenance costs are recognized as part of the cost of the asset as long as general recognition criteria for assets are met, and are depreciated during the estimated period until the subsequent major maintenance. Any residual value resulting from previous maintenance is charged to income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.3 Property, Plant and Equipment

The Company has capitalized interest on generic loans for the construction of plant and equipment which necessarily require a substantial period before they are ready for use. The capitalized amount in real terms (net of the respective inflationary hedges) totals ARS 15,254 and ARS 11,227 for the years ended December 31, 2021 and 2020, respectively.

Depreciation is calculated on a straight-line basis, using annual rates sufficient to extinguish the value of the assets at the end of their estimated useful life. Where an asset includes significant components with different useful lives, they are recognized and depreciated as separate items.

The following table describes the useful life for each item of Property, Plant and Equipment used by the Company as a reference upon recognition:

ITEM	USEFUL LIFE
Land	Without depreciation
Buildings	30 – 50 years
Machinery and Facilities	10 years
Bearer Plants	5 – 30 years
Furniture, Tools, Vehicles and Other Equipment	3 – 10 years
Works in Progress and Equipment in Transit	Without depreciation

The residual values, useful lives and depreciation methods of the items comprising Property, Plant and Equipment are reviewed and adjusted, as needed, as of each year-end.

The carrying amount of the items comprising Property, Plant and Equipment is immediately written down to its recoverable value when the carrying amount exceeds the estimated recoverable value. Gains and losses on the disposal of Property, Plant and Equipment items are calculated by comparing the proceeds from the disposal to the carrying amount of the respective asset and are charged to "Other Income / (Expenses), Net" in the separate statement of income.

2.4 Leases

2.4.1 Lease Activities

The Company leases offices, warehouses, vehicles and land. Leases are generally entered into for fixed terms ranging from 6 months to 5 years, but may contain options to extend their term, as described in this Note 2.4.4. The contracts may contain or not lease components. The Company assigns the lease and non-lease components in each contract, based on their separate relative prices. However, for real property lease contracts where the Company is the lessee, the Company has opted not to separate the lease and non-lease components; instead, it recognizes them as a single lease component. Lease contracts are individually negotiated and contain a wide range of different terms and conditions.

2.4.2 Right-of-use Assets

Right-of-use assets are measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payment made on or before the commencement date, net of any lease incentive and restoration costs.

Right-of-use assets are depreciated on a straight-line basis during the shorter of the asset useful life and the lease term. The resulting carrying amount does not exceed the recoverable value of the assets.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.4 Leases

2.4.2 Right-of-use Assets

For variable lease payments contractually linked to indexes or adjustment rates, such lease liabilities are re-measured upon a change in those indexes or rates, which are recognized in real terms, through adjustments to the respective right-of-use assets.

Payments associated with short-term leases (with terms of less than 12 months) of equipment and vehicles and leases of low-value assets are expensed on a straight-line basis under "Leases / Operating Leases," in profit or loss for the year in which they are incurred.

2.4.3 Lease Liabilities

Lease liabilities are initially measured at present value. Lease liabilities mainly include the net present value of fixed lease payments (including the in-substance fixed payments) less any lease incentive receivable; and variable lease payments based on an index or rate. Lease payments made under reasonably certain options to extend are also included in the liability measurement.

Lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Such rate is the one the lessee would have to pay to obtain the necessary funds to acquire an asset of similar value to the right-of-use asset, within an economic environment with similar terms and conditions.

In determining the incremental interest rate, the Company relies, to the extent possible, on a recent external financing rate as a starting point. In the absence of recent third parties' financing, the Company uses a rate determination approach, starting from a risk-free interest rate adjusted for credit risk for its existing leases, and then making adjustments specific to the lease, such as term, currency and guarantee.

The Company is exposed to potential future increases in variable lease payments that depend on an index or a rate, which are included as they become effective. At that time, the lease liability is reassessed and adjusted against the right-of-use asset.

Financial charges generated by lease liabilities (interest and exchange differences) are disclosed in real terms, as described in Note 2.9.

2.4.4 Options to Extend or Terminate a Lease

The options to extend or terminate a lease are included in several property and equipment lease contracts. These options are used to maximize operating flexibility in terms of management of the assets used in the operations. Most options to extend or terminate leases maintained are exercisable by the Company only, but not by the respective lessor.

2.5 Investment Properties

Investment properties comprise real property (land and/or buildings) held by the Company to obtain a rent and/or for capital appreciation purposes, rather than for use in the production of goods and services or for administrative purposes.

Investment properties are measured at acquisition or construction cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes such expenses that are directly attributable to the acquisition or construction of the assets.

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.5 Investment Properties

Land is not depreciated. The estimated useful life of buildings ranges from 30 to 50 years.

The residual values, useful lives and depreciation methods of investment properties are reviewed and adjusted, as needed, as of each year-end.

The carrying amount of investment properties is immediately written down to its recoverable value when the carrying amount exceeds the estimated recoverable value.

Gains and losses on the disposal of items of investment properties are calculated by comparing the proceeds from the disposal to the carrying amount of the respective asset and are charged to "Other Income / (Expenses), Net" in the in separate statement of income.

Management and maintenance expenses are recognized under the caption "Other Income / (Expenses), Net" in the statement of income for the year in which they are incurred.

2.6 Intangible Assets

Intangible assets are those non-financial assets, without physical substance, that are identifiable either because of being separable or because of deriving from legal or contractual rights. They are recorded when they may be reliably measured and are expected to generate benefits for the Company.

As of the date of these financial statements, intangible assets with definite useful life are disclosed net of accumulated amortization and/or impairment losses, if any. These assets are tested for impairment upon the occurrence of events or circumstances that indicate that their carrying amount may not be recoverable.

Intangible assets with indefinite useful life are those arising from contracts or other legal rights renewable at no significant cost and for which, on the basis of an analysis of all relevant factors, there is no foreseeable time limit during which the asset is expected to generate net cash flows for the entity. These intangible assets are not amortized, but are rather tested for impairment on an annual basis, either individually or at the cash-generating unit level. The "indefinite useful life" of an intangible asset is also reviewed annually to determine whether circumstances continue to support an indefinite useful life assessment for that asset.

(a) Goodwill

Goodwill arising from the acquisition of subsidiaries and/or associates represents the excess of:

(i) the cost of an acquisition, which is measured as the consideration transferred, measured at fair value at the date of acquisition, plus the amount of the non-controlling interest; and
(ii) the fair value of the identifiable assets acquired, the liabilities assumed and contingent liabilities of the acquiree as of that date.

Goodwill generated from the acquisition of subsidiaries that were subsequently merged into the Company is included in the caption "Intangible Assets" in the separate balance sheet.

On the other hand, goodwill resulting from the acquisition of subsidiaries not subsequently merged into the Company and from investments in associates is disclosed in the caption "Equity Interests in Subsidiaries and Associates" in the separate balance sheet.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.6 Intangible Assets

Goodwill is not amortized. The Company assesses, at least annually, goodwill recoverability based on the future discounted cash flows, together with other information available at the date of preparation of the financial statements. Once recorded, impairment losses are not reversed. Gains and losses from the sale of an entity include the remaining goodwill related to the entity sold.

Goodwill arising from the acquisition of subsidiaries is allocated to cash generating units in order to perform recoverability tests. Such allocation is made between those cash generating units (or group of units), identified on the basis of the operating segment which benefits from the business combination that gave rise to the goodwill.

(b) Brands

Brands individually acquired are initially measured at cost, while those acquired as part of business combinations are measured at their estimated fair value on the acquisition date.

Brands acquired by the Company are classified as intangible assets with indefinite useful lives. The main factors considered for this classification include the number of years during which they have been in service and their recognition in the sector. In turn, the Company believes that brand value is maintained by means of marketing investments and commercial actions.

The value of these assets does not exceed their estimated recoverable value.

(c) Software and Related Licenses

Development, acquisition and implementation costs that are directly attributable to unique and identifiable software design and tests which are controlled by the Company are recognized as intangible assets. Costs associated with software maintenance are expensed when incurred.

Development, acquisition or implementation costs initially recognized as expenses for any given year are not subsequently recognized as costs of the intangible asset. Costs incurred in software development, acquisition and implementation recognized as intangible assets are amortized on a straight-line basis during the estimated useful life of the assets, within a term not to exceed 5 years.

Licenses acquired by the Company were classified as intangible assets with definite useful life and are amortized on a straight-line basis within a term not to exceed 5 years.

2.7 Impairment of Non-Financial Assets

Assets with indefinite useful life are not amortized, but are rather tested for impairment on an annual basis. Amortizable assets and investments in associates and joint ventures are tested for impairment upon the occurrence of events or circumstances that indicate that their carrying amount may not be recoverable.

Impairment losses are recognized when the carrying amount of an asset exceeds its recoverable value. The recoverable value of an asset is equal to the higher of the net amount that would be obtained from its disposal or its value in use. For the purposes of the impairment test, assets are grouped at the lowest level in which they generate identifiable cash flows (cash generating units). For investments in associates and joint ventures, the impairment test is performed, if applicable, for each investment separately.

The carrying amount of non-financial assets, other than goodwill, which have been impaired is reviewed at each reporting date to see to the potential reversal of the impairment.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.8 Equity Interests in Subsidiaries and Associates

Subsidiaries are all such entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights in, variable returns by reason of its involvement with the investee, and has the ability to use its power to direct the entity's operating and financial policies to affect such returns. Subsidiaries are consolidated as from the time on which control is transferred to the Company, and are excluded from consolidation on the date such control ceases.

Associates are entities over which the Company has significant influence, that is, the power to interfere with the decisions made as to the investee's financial and operating policies, without exerting control. Investments in associates are accounted for using the equity method and are initially recognized at cost. The identifiable net assets and contingent liabilities acquired in the initial investment in an associate are originally recognized at fair value as of the investment date.

According to the terms of IAS 27 and 28, in these separate financial statements, investments in subsidiaries and associates are accounted for using the "equity method."

In using the equity method, investments are initially recognized at cost. Such amount is then increased or decreased to recognize the investor's share of the entity's gains or losses subsequent to the date of acquisition / organization. Besides, the identifiable net assets and contingent liabilities acquired in the initial investment in a subsidiary and/or associate are originally recognized at fair value as of the investment date. Where applicable, the value of equity interests in subsidiaries and associates includes the goodwill recognized on such date. When the Company's share of losses is equal to or higher than the value of its equity interest in such entities, the Company will not recognize additional losses, except to the extent there is a legal or assumed obligation of providing funds or making payment on account thereof.

The share of gains and losses of subsidiaries and associates is charged to "Income from Investments in Companies and Others" in the statement of income. The share of other comprehensive income (loss) of subsidiaries and associates is charged to "Share of Other Comprehensive Income (Loss) of Companies," in the statement of other comprehensive income.

As of each reporting period-end, the Company determines whether objective evidence exists that an investment in a subsidiary and associate is not recoverable. If so, the Company calculates the impairment amount as the difference between the recoverable value of that investment and its carrying amount. The resulting amount is recognized in "Income from Investments in Companies and Others" in the statement of income.

Likewise, the criteria stated in Note 2.6 (a) are also applicable to goodwill generated from the acquisition of equity interests in associates and from the acquisition of subsidiaries.

(Figures stated in thousands of Argentine pesos)

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.8 Equity Interests in Subsidiaries and Associates

The table below details the subsidiaries and associates that were valued using the equity method:

COMPANIES	COUNTRY	LOCAL CURRENCY	FUNCTIONAL CURRENCY	CLOSING DATE	PERCENTAGE OF INTEREST *	
					12.31.2021	12.31.2020
					DIRECT	DIRECT
Arcor A.G. (S.A., Ltd.) [1]	Switzerland	EUR	EUR	12.31.2021	100.00000	100.00000
Arcor Alimentos Internacional S.L., Sociedad Unipersonal [2]	Spain	EUR	EUR	12.31.2021	100.00000	-
Arcor do Brasil Ltda. [3]	Brazil	BRL	BRL	12.31.2021	0.00046	89.89600
Arcor U.S.A., Inc. [3]	USA	USD	USD	12.31.2021	-	99.95284
Arcorpar S.A. [3]	Paraguay	PYG	PYG	12.31.2021	-	50.00000
Bagley Argentina S.A. [4]	Argentina	ARS	ARS	12.31.2021	0.00401	0.00401
Bagley Latinoamérica S.A. [5]	Spain	EUR	EUR	12.31.2021	51.00000	51.00000
Cartocor Chile S.A. [6]	Chile	CLP	CLP	12.31.2021	28.07196	28.07196
Cartocor S.A. [7]	Argentina	ARS	ARS	12.31.2021	99.99678	99.99678
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2021	99.99597	99.99100
GAP International Holding S.A. [8]	Chile	CLP	USD	09.30.2021	-	99.99901
GAP Inversora S.A.	Argentina	ARS	ARS	12.31.2021	1.60000	4.99998
Industria de Alimentos Dos en Uno S.A. [3,9]	Chile	CLP	CLP	12.31.2021	-	100.00000
Industria Dos en Uno de Colombia Ltda.	Colombia	COP	COP	12.31.2021	4.37353	4.37353
Ingrear Holding S.A. [10]	Argentina	ARS	ARS	12.31.2021	51.00000	-
Mastellone Hermanos S.A. [11]	Argentina	ARS	ARS	12.31.2021	24.33837	24.33837
Unidal México S.A. de C.V. [3,12]	Mexico	MXN	MXN	12.31.2021	-	99.99985
Van Dam S.A. [3]	Uruguay	UYU	UYU	12.31.2021	-	100.00000

* Percentage of interest in capital stock and voting rights.

[1] Its investments in Arcor Alimentos Bolivia S.A., Arcor Trading (Shanghai) Co., Ltd. and Tucor DMCC are valued by the equity method. On December 29, 2021, Arcor A.G. (S.A., Ltd.) sold its entire equity interest in Tucor DMCC to Arcor Alimentos Internacional S.L., Sociedad Unipersonal. See Note 9.

[2] Since October 2021, its investment in GAP Regional Services S.A. and in Arcor do Brasil Ltda. has been valued by the equity method. On December 29, 2021, it received an equity interest sufficient to exert control and value the investments in the following companies by the equity method: Industria de Alimentos Dos en Uno S.A., Van Dam S.A., Arcor U.S.A., Inc., Arcorpar S.A., and Unidal México S.A. de C.V.

[3] On December 29, 2021, the Company completed the contribution of equity interests in Arcor Alimentos Internacional S.L., Sociedad Unipersonal, as approved by the Board of Directors on December 16, 2021. See Note 9.

[4] Its investments in Bagley Chile S.A. and Mastellone Hermanos S.A. are valued by the equity method.

[5] Its investments in Bagley Chile S.A., Bagley do Brasil Alimentos Ltda. and Bagley Argentina S.A. are valued by the equity method.

[6] Its investments in Cartocor de Perú S.A. are valued by the equity method.

[7] Its investments in Cartocor Chile S.A., Cartocor de Perú S.A. and Papel Misionero S.A.I.F.C. are valued by the equity method.

[8] The company was dissolved on December 13, 2021. See Note 9.

[9] Its investments in Arcor de Perú Unidal Ecuador S.A. and Industria Dos en Uno de Colombia Ltda. are valued by the equity method.

[10] Its investments in Ardion S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method. See Note 42.

[11] Its investments in Con-Ser S.A., Leitesol Indústria e Comércio S.A., Marca 4 S.A., Marca 5 Asesores en Seguros S.A., Mastellone de Paraguay S.A., Mastellone Hermanos do Brasil Comercial e Industrial Ltda., and Mastellone San Luis S.A. are valued by the equity method. It does not include adjustments booked to measure the associate's identifiable assets and liabilities as of the date of initial application of the equity method.

[12] Its investments in Mundo Dulce S.A. de C.V. are valued by the equity method.

Inter-company transactions, balances, profits and losses included in the final balances of assets arising from transactions between group companies were eliminated for purposes of calculating income from investments in companies.

The financial statements used in measuring investments using the equity method were prepared as of a closing date consistent with that of the respective separate financial statements, encompassing equal periods, and were prepared using valuation criteria consistent with those used by the Company or suitable to such end.

See our report dated March 11, 2022
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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.9 Financial Reporting in Hyperinflationary Economies

To conclude on the existence of a hyperinflationary economy pursuant to the provisions set forth in IAS 29, the standard details a series of factors to be considered, including an accumulated three-year inflation rate that approximates to or exceeds 100%. Accordingly, pursuant to the requirements of IAS 29, effective since July 1, 2018, the Argentine economy should be regarded as hyperinflationary.

In turn, Law No. 27,468 (published in the Official Gazette on December 4, 2018) amended the terms of Section 10 of Law No. 23,928, as amended, establishing that the repeal of all such legal and regulatory standards which establish or authorize price indexation mechanisms, monetary adjustments, changes in costs or any other form of restatement of indebtedness, taxes, prices or rates for goods, works or services, is not applicable to financial statements, which should continue to be subject to the provisions of Section 62 in fine of the GCL. In addition, Law No. 27468 repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and entrusted the National Executive Branch, through its regulatory agencies, with the duty of setting the date as from which the foregoing provisions would come into force in respect of financial statements filed with them. Accordingly, by way of RG 777/2018, published in the Official Gazette on December 28, 2018, the CNV provided that issuers subject to its oversight were required to restate their annual, interim and special financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29. Therefore, these separate financial statements as of December 31, 2021 were restated.

In accordance with IAS 29, the financial statements of an entity reporting in the currency of a hyperinflationary economy should be presented in the current unit of measurement as of the end of the reporting period. All balances disclosed in the entity's balance sheet, other than those stated in the current unit of measurement as of the end of the reporting period, should be adjusted by reference to a general price index.

All profit & loss items should be reported in terms of a measuring unit adjusted as of the end of the reporting period by reference to the changes in the general price index occurring since the date on which revenues and expenses have been originally recognized in the financial statements.

The inflation adjustment on opening balances was calculated by reference to the indexes established by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), which are based on the price indexes released by the Argentine Institute of Statistics and Census ("INDEC"). The changes in the index used for the restatement of these separate financial statements was 50.94% as of December 31, 2021, and 36.14% as of December 31, 2020.

Below is a detail of the main guidelines for the application of the inflation adjustment:

- Monetary assets and liabilities recognized in the measuring unit current at the end of the reporting period should not be restated, for they are already stated in current currency as of the date of the financial statements.
- Non-monetary assets and liabilities carried at cost at the end of the reporting period and equity items should be restated by reference to the respective adjustment ratios.
- Profit & loss items are restated by reference to the pertinent restatement factors.
- Financial income (expense) was restated in real terms, eliminating the respective inflationary hedges.
- The effects of inflation on the Group's net monetary position are disclosed in the statement of income within "Net Financial Income (Expense)", under "Gain (Loss) on Net Monetary Position."
- Comparative figures were adjusted for inflation, following the same guidelines described in the preceding paragraphs.

Upon the first-time adoption of the inflation adjustment (i.e., January 1, 2017), equity accounts were restated as follows:

- Capital stock was restated since the later of the subscription date, or the date of the last inflation adjustment for accounting purposes. The resulting amount was accounted for in "Capital Adjustment."
- The translation reserve and the reserve for cash flow hedges were stated in real terms.
- Other comprehensive income items were restated as from each accounting reporting date.
- Other reserves were not restated upon initial application.

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(Figures stated in thousands of Argentine pesos)

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.10 Foreign Currency Translation

(a) Functional Currency and Reporting Currency

The figures disclosed in the financial statement of each of the entities in which the Company has interests are stated in their functional currency. In general, for investments in companies based abroad, the currency of each country has been defined as functional currency since it is the currency of the primary economic environment where those entities operate. These entities' financial statements are stated in Argentine pesos (ARS), which is the Company's functional currency and the Group's reporting currency.

The closing exchange rates used for currency translation purposes are as follows:

	LOCAL CURRENCY PER EACH ARS	
CURRENCY	12.31.2021	12.31.2020
AOA	0.1847	0.1265
BOB	0.0679	0.0829
BRL	0.0544	0.0619
CLP	8.2393	8.4687
RMB	0.0621	0.0779
COP	38.8330	40.8874
USD	0.0098	0.0119
EUR	0.0086	0.0097
USD	0.0098	0.0119
MXN	0.2001	0.2375
PYG	67.1051	82.6879
PEN	0.0389	0.0431
UYU	0.4360	0.5042

(b) Transactions and Balances

Transactions in foreign currency are translated to functional currency at the exchange rates prevailing on the transaction or valuation dates when items are measured at closing. Gains and losses in functional currency on the settlement of these transactions and on the translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at closing are recognized in the income statement under "Net Financial Income (Expense)," except when deferred in equity as a result of transactions qualifying as cash flow hedges, where applicable.

(c) Translation of Financial Statements of Companies whose Functional Currency is Not the Currency of a Hyperinflationary Economy

The results of operations and financial position of the Group's entities whose functional currency differs from the reporting currency and is not the currency of a hyperinflationary economy are translated as follows::

(i) Assets and liabilities are translated at the exchange rate prevailing at closing;
(ii) Income and expenses are translated at each month's average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing on the date of each transaction, in which case income and expenses are translated at the exchange rates prevailing on the date of each transaction);
(iii) The resulting translation differences are recognized as other comprehensive income; and
(iv) For purposes of the valuation of the item Investments in Subsidiaries and Associates and/or the preparation of the consolidated financial statements in the currency of a hyperinflationary economy, income and expenses are restated into the measuring unit current at the reporting period end and translated at the exchange rate prevailing at year-end; translation differences are restated and disclosed in real terms.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.10 Foreign Currency Translation

Goodwill and fair value adjustments arising from the acquisition of investments are recognized as assets and liabilities of the investee and are translated into the reporting currency at the exchange rate prevailing at closing. The resulting translation differences are recognized as other comprehensive income. When an investment is sold or disposed of, cumulative translation differences are recognized in the statement of income as part of the gain or loss on the sale or disposal.

(d) Translation of Financial Statements of Companies whose Functional Currency is the Currency of a Hyperinflationary Economy

The results of operations and financial position of the Group's entities whose functional currency is different from the reporting currency and is that of a hyperinflationary economy are restated, first, in accordance with IAS 29 "Financial reporting in hyperinflationary economies" (Note 2.9 to these separate financial statements). Then, all assets, liabilities, equity items and profit and loss accounts are translated at the exchange rate prevailing at closing.

2.11 Biological Assets

The account primarily comprises dairy cattle and beef cattle, grain sown land, sugar cane sown land and fruit crops. Dairy cattle and beef cattle are part of the biological assets of the livestock business.

Grain sown land and sugar cane sown land are part of the biological assets of the agricultural business. In particular, sugar cane sown lands are biological assets growing in "bearer plants."

In general, these assets are measured at fair value less direct costs to sell, considering the particular characteristics of each specific asset as described in the following paragraphs.

Gains or losses from the initial recognition of a biological asset at fair value, net of estimated direct costs to sell/transfer and those related to subsequent changes in fair value, are disclosed as gains or losses in the separate statement of income for the year in which they are generated, under the item "Income (Loss) from Biological Assets" of the separate statement of income.

(a) Dairy Cattle

These biological assets are used by the Company for the production of milk (biological product), which is mainly used to manufacture milk powder and is then consumed in the manufacturing process of other products such as confectionery, chocolates, and cookies and crackers.

Cattle is recorded at fair value estimated on the basis of the price of transactions close to the date of the separate financial statements, for animals with similar features, net of estimated direct costs of sale.

These biological assets are expected to be used for production during five lactation periods (representing approximately five years), until they reach dry cow status, when they are destined for slaughter. As a result, they are classified as non-current assets.

Changes in the fair value of these biological assets and the difference between the fair values of the biological products (milk) gathered during the year and the respective production costs are booked in "Income (Loss) from Biological Assets," in the separate statement of income.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.11 Biological Assets

(b) Beef Cattle

This category basically comprises calves and yearlings to be sold as cattle for slaughter, and also dry cows that exhausted their dairy production and were transferred to this category. Since these biological assets are expected to be sold within twelve months after year-end, they are classified as current assets.

Cattle is measured at fair value less direct costs to sell, estimated in accordance with quoted prices at the closing date, per kilogram of live weight at Liniers Cattle Market (*Mercado de Liniers*).

Changes in the fair value of these biological assets and the difference between the selling prices and the respective marketing and maintenance costs are carried in “Income (Loss) from Biological Assets” in the separate statement of income.

(c) Sugar Cane Sown Land

Sugar cane sown land is a biological asset growing in sugar cane plantations (bearer plants). These biological assets are used by the Company to obtain sugar cane (biological product), for subsequent use in its own production of sugar.

Sugar cane plantations are bearer plants and, therefore, are recorded and disclosed as items of “Property, Plant and Equipment” (Note 2.3). Sugar cane sown land biologically developed in sugar cane plantations is accounted for as “Biological Assets” until harvest. Sugar cane, which is the biological product resulting from those sown land plots, is then transferred to “Inventories” (Note 2.14) at fair value, after harvest.

At the initial phase of biological development, i.e. until the sugar cane sown land reaches a phenological stage from which yields can be reasonably estimated, these assets are valued at cost which mainly includes the costs of labor and related inputs. Once this stage is completed, they are measured at fair value at the point of harvest. Fair value is estimated separately from that of the bearer plants on which they develop and of the land on which they are planted, which are measured in accordance with the criteria applicable to “Property, Plant and Equipment” (Note 2.3). Since there is no active market for this type of biological assets (sugar cane sown land not yet harvested) in their location and condition prior to harvest, the fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using an appropriate rate under the circumstances. For purposes of such estimate, other factors are considered as the phenological stage of crops, expected yield, sugar cane price and estimated costs of farm work and inputs up to the harvest date.

Given that, at year-end, the land plots sown with sugar cane are at the initial stage of development, they are valued at cost. Also, as these biological assets are harvested within the following twelve months, they are classified as current assets.

The difference between the fair values of the biological products (sugar cane) harvested during the year and the respective production costs are booked in “Income (Loss) from Biological Assets,” in the separate statement of income..

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.11 Biological Assets

(d) Grain Sown Land

Primarily consists of land sown with corn and soybean. Biological products from corn sown land are primarily meant to be transformed into fodder to feed daily cattle, or otherwise to be transferred to industrial activities as production inputs primarily for the manufacturing of glucose, maltose and fructose syrups and starches. Instead, soybean (biological product) is destined for sale.

These corn and soybean sown land plots do not qualify as “bearer plants” as defined in IAS 41 “Agriculture,” because they are not expected to produce for more than one year. For this reason, considering that the aforementioned biological products are harvested within the following twelve months and are then used in other industrial processes or sold, these biological assets are classified as current assets.

At the initial stage of their biological development, i.e., until the sown land reaches a phenological stage at which yields can be reasonably estimated, they are valued at cost. Once this stage is completed, they are measured at fair value net of harvest costs. Since there is no active market for this type of biological assets in their location and condition prior to harvest, their fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using a rate appropriate to the circumstances. For purposes of such estimate, other factors are considered such as the phenological stage of the crops, expected yield per hectare, the grain price and estimated costs of farm work and inputs up to the harvest date. Also, the fair value of these biological assets is determined separately from the land in which they are planted, which is measured in accordance with the criteria applicable to “Property, Plant and Equipment” (Note 2.3).

Given that, at year-end, the land plots sown with corn and soybean are at the initial stage of development, they are valued at cost.

The difference between the fair value of the biological products (corn, fodder and soybean) harvested during the year, their subsequent selling price, if applicable, and the respective production costs are carried in “Income (Loss) from Biological Assets,” in the separate statement of income.

(e) Fruit Crops

This item primarily comprises peach crops, which are biological assets growing on fruit-bearing trees (bearer plants). These biological assets are mainly used by the Company to obtain fruit (biological products), for subsequent use in the manufacturing process of other food products such as pulp, marmalades, etc.

Fruit trees are bearer plants and, therefore, are recorded and disclosed as items of “Property, Plant and Equipment” (Note 2.3). Fruit crops biologically developed on fruit trees are accounted for as “Biological Assets” until harvest. The harvested fruit, which is the biological product resulting from the crops, is then classified in “Inventories” (Note 2.14) at fair value, after harvest.

At the initial phase of biological development, i.e., until the fruit crops reach the phenological stage at which yields can be reasonably estimated, they are valued at cost, which mainly includes the costs of farming, farm work and related inputs. Once this stage is completed, they are measured at fair value net of harvest costs. Fair value is estimated separately from that of the bearer plants on which they develop and of the land on which they are based, which are measured in accordance with the criteria applicable to “Property, Plant and Equipment” (Note 2.3).

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.11 Biological Assets

(e) Fruit Crops

Given that, at year-end, fruit crops are at an advanced stage of biological development, they are measured at fair value. Since there is no active market for this type of biological assets (unharvested fruit crops) in their location and condition as of the date of these separate financial statements, the fair value is estimated based on the present value of expected net cash flows (primarily, fair value of the biological products to be harvested), discounted using a rate appropriate to the circumstances. For purposes of such estimate, other factors are considered such as the phenological stage of the crops, expected yield per hectare, the fruit price and estimated costs of farm work and inputs up to the harvest date.

Also, as these biological assets are harvested within the following twelve months, they are classified as current assets.

The difference between the fair value of the biological products (fruit) harvested during the year and the respective production costs, as well as the difference between the fair value of unharvested biological assets at year-end and their respective cost, are carried in "Income (Loss) from Biological Assets," in the separate statement of income.

2.12 Financial Assets

2.12.1 Classification

The Company classifies its financial assets into the following categories:

(i) Financial assets at amortized cost and
(ii) Financial assets at fair value.

This classification depends on the business model the Company applies to manage its financial assets and the characteristics of the financial asset's contractual cash flows.

(i) <u>Financial assets at amortized cost</u>

Financial assets are measured at amortized cost if both of the following conditions are met:

(a) the asset is held within a business model aimed at maintaining the assets to obtain contractual cash flows; and
(b) the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are principal and interest payments only in respect of the outstanding principal amount.

In addition, and for such assets that meet the above-mentioned conditions, IFRS 9 includes an option to designate a financial asset at fair value at initial recognition, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing their respective gains and losses on a different basis. The Company has not designated any financial asset at fair value in reliance of this option.

(ii) <u>Financial assets at fair value</u>

Financial assets at fair value are those that are not measured at amortized cost.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.12 Financial Assets

2.12.2 Recognition and Measurement

Ordinary purchases and sales of financial assets are recognized on the trade date, which is when the Company undertakes to purchase or sell the asset.

Financial assets classified "at amortized cost" are initially recognized at fair value, plus the transaction costs. These assets accrue interest based on the effective interest rate method.

Financial assets classified "at fair value" through profit or loss are initially recognized at fair value and the transaction costs are recognized as an expense in the separate statement of income. Subsequently, they are measured at fair value.

Financial assets are derecognized when the rights to receive cash flows from them have expired or have been transferred and the Company has transferred substantially all the risks and benefits inherent to ownership.

Gains and losses from changes in fair value are included in the separate statement of income, under the item "Net Financial Income (Expense)," in the period in which such changes in fair value occur.

At each reporting period end, the Company assesses where there is objective evidence of impairment of a financial asset, or a group of financial assets, measured at amortized cost.

A financial asset or a group of financial assets is impaired and an impairment loss is recognized if there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset, and such event or events have an impact on the estimated future cash flows from the financial asset or group of financial assets.

The resulting loss, determined as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, is recognized in the separate statement of income. If, in a subsequent period, the amount of the impairment loss decreases and such decrease can be associated with an event occurred after the measurement, the reversal of the impairment loss is recognized in the separate statement of income.

Impairment tests on accounts receivable are described in Note 2.15.

2.13 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognized at fair value on the date when the derivative instrument contract is entered into, and are subsequently measured at fair value at the reporting period end. The method for recognizing the gain or loss from changes in the fair value of derivatives depends on whether they are designated as hedging instruments and, if so, on the nature of the item hedged.

In 2020, the Company applied hedge accounting to cocoa derivatives, designated as "Cash Flow Hedge" in order to obtain a hedge in respect of the purchase price of raw materials derived from cocoa.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedge is recognized in other comprehensive income. Where applicable, the ineffective portion of the gain or loss is reported in the separate statement of income immediately under the caption "Costs of Goods Sold and Services Rendered" for the hedge on prices for cocoa derivatives.

The accumulated amounts in other comprehensive income are reclassified to the separate statement of income in the period in which the hedged item affects earnings.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.13 Derivative Financial Instruments and Hedging Activities

At the inception of the transaction, the Company documents the relationship between the hedging instruments and the items hedged, and also its risk management goals and the strategy to carry out hedging transactions. In addition, the Company evaluates, both at the beginning and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective to compensate changes in the fair value or in the cash flows of the items being hedged.

When a hedging instrument expires or is sold, or when it ceases to meet the criteria to be recognized through hedge accounting, any accumulated gain or loss in other comprehensive income as of that date will remain there, and will be recognized when the transaction originally intended to be hedged affects the statement of income. When a projected transaction is no longer expected to occur, the accumulated gain or loss in other comprehensive income is immediately charged to the separate statement of income.

Total fair value of the derivatives used as cash flow hedge is classified into non-current assets or liabilities when the maturity date of the remaining balance of the hedged item is beyond twelve months. Otherwise, it is classified as current assets or liabilities.

Changes in the reserve for cash flow hedges are disclosed in Note 20.

The gains or losses for changes in the fair value of derivatives not designated as hedges are recognized in the separate statement of income, under the item "Net Financial Income (Expense)" (Note 33). Further, Mastellone Hermanos S.A.'s call and put options resulting from the transaction described in Note 43 are measured at estimated fair value, and the changes in measurement are recognized in the separate statement of income, under the item "Net Financial Income (Expense)" (Note 33).

2.14 Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost is determined applying the weighted average price method. The cost of finished products and work in process includes the costs of raw material, direct labor, other direct costs and manufacturing overheads, based on normal operating capacity, and excludes financing costs. Net realizable value is the estimated sale price in the ordinary course of business, less direct costs of sales.

A provision for impairment and obsolescence of inventories is calculated for goods whose net realizable value at period-end is lower than their restated cost (if applicable), and in order to write down certain slow-moving or obsolete inventories to their probable realizable value or value in use, at the respective dates.

Inventories include the agricultural produce that the Company has harvested or picked from its biological assets, such as milk, sugarcane, fruits, crops, etc. Upon initial recognition, they are measured at market value at that date, less direct costs of sales or transfer estimated at the time of harvest, milking or picking.

2.15 Trade and Other Receivables

Trade and other receivables are initially recognized at fair value and subsequently valued at amortized cost, applying the effective interest rate method, less the allowance for bad debts.

The Company recognizes an allowance for bad debts for an amount equal to the expected credit losses over the receivable lifetime. The expected loss to be recognized is determined based on the percentage of uncollectibility by ranges of due dates for each receivable. Such historical percentage must reflect the expectations of collecting the receivable in the future and, therefore, estimated changes in performance.

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Nota 2. Normas contables y bases de preparación

2.15 Trade and Other Receivables

The carrying amount of trade receivables is written down by means of an allowance and the amount of the loss is recognized in the separate statement of income under the item "Selling Expenses." When an account receivable is considered uncollectible, it is recorded against the corresponding allowance for bad debts. Subsequent recovery of amounts previously recognized as losses is recorded as a credit against "Selling Expenses" in the separate statement of income.

2.16 Cash and Cash Equivalents

Cash and cash equivalents include available cash, unrestricted bank deposits and other highly liquid short-term investments originally falling due within three months or less and with low exposure to significant changes in value.

Assets recorded under cash and cash equivalent are measured at fair value or at amortized cost that approximates their fair value

2.17 Equity - Capital Stock

Common shares are recognized in equity and carried at nominal value. When company's shares (treasury shares) are acquired, the payment made, including all costs directly attributable to the transaction (net of taxes), is deducted from equity until the shares are canceled or sold.

2.18 Loans

Loans are initially recognized at fair value, net of the transaction costs incurred. These loans are subsequently recorded at amortized cost. Any difference between the funds received (net of transaction costs) and the repayment value is recognized in the separate statement of income over the term of the loan, using the effective interest rate method.

2.19 Trade Payables and Other Liabilities

Trade payables are initially recognized at fair value and subsequently measured at amortized cost, applying the effective interest rate method.

2.20 Income Tax and Minimum Presumed Income Tax

(a) Income Tax

The income tax expense for the year includes current and deferred tax. Taxes are recognized in the separate statement of income, except for such items that must be recognized directly in other comprehensive income. In this case, the income tax related to these items is also recognized in that statement.

- Current Income Tax

The current income tax expense is calculated based on the tax laws enacted in Argentina as of the balance sheet date. The Company periodically assesses the position assumed in tax returns in such circumstances in which the tax laws are subject to interpretation. If applicable, the Company establishes provisions based on the amounts expected to be paid to the tax authorities.

NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.20 Income Tax and Minimum Presumed Income Tax

(a) Income Tax

- Income Tax – Deferred Tax Method

Deferred income tax is entirely determined by means of the liability method, based on the temporary differences arising from the carrying amounts and the tax bases of assets and liabilities. However, deferred taxes arising from the initial recognition of an asset or a liability, in a transaction other than a business combination, which at the time of the transaction does not affect the profits or losses recognized in the financial statements or taxable income, will not be recorded. Deferred taxes are determined using tax rates (and tax laws) that had been enacted as of the date of the financial statements and that are expected to be applicable when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent future tax benefits are likely to arise against which the temporary differences might be offset.

The Company recognizes a deferred tax liability for taxable temporary differences related to investments in subsidiaries and associates, unless both the following conditions are met:

(i) The Company controls the timing on which temporary differences will be reversed; and
(ii) Such temporary differences are not likely to be reversed in the foreseeable future.

The balances of deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to the same tax authority for the Company where there is an intention and possibility to settle the tax balances on a net basis.

(b) Minimum Presumed Income Tax

Up to the year ended December 31, 2018, the Company assessed the minimum presumed income tax by applying the current 1% rate on computable assets at each period end. This tax was supplementary to income tax. However, if the minimum presumed income tax was to exceed income tax in a given fiscal year, such excess could be creditable as a payment on account of the income tax that could be generated in any of the following ten fiscal years. The minimum presumed income tax credit disclosed under "Other Non-Current Receivables" is the portion that the Company expects to offset against income tax to be generated within the following ten fiscal years from the date of generation.

With the enactment of Law No. 27,260 in 2016, this tax was repealed in Argentina for the fiscal years beginning on or after January 1, 2019. Therefore, no estimates of this tax were recorded for fiscal years 2021 and 2020 in these separate financial statements.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.21 Employee Benefits

(a) Pension Plans

The Company offers post-employment benefits to certain senior managers, who are specifically designated as beneficiaries, under a pension plan. The right to obtain these benefits is subject to employee's permanence with the Company until he/she meets certain conditions subsequent under the plan, such as retirement, death, total and permanent disability, etc., and during a minimum number of years. These obligations assumed by the Company qualify as "Defined Benefit Plans" according to the classification of IAS 19 "Employee Benefits." The Company does not have a specific fund to provide for the payment of these benefits. Expected costs of these benefits are accrued over the working life of the respective beneficiaries. The liability recognized in the separate balance sheet is equal to the present value of the obligation at the closing date. The obligation related to defined benefits is calculated annually in accordance with the projected unit credit method. The current value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates on high-quality corporate bonds, denominated in the same currency as that in which the benefits will be paid, and with similar maturities as those of the relevant obligations. Actuarial gains and losses arising from adjustments due to experience and changes in actuarial assumptions are recognized in "Other Comprehensive Income" in the period when they occur. Costs of past services are immediately charged to profit or loss.

(b) Retirement Bonuses

This account represents accrued but not yet due and payable benefits established under collective bargaining agreements in favor of employees that retire at the required age or before, in case of disability. These benefits comprise the payment of a certain sum, equal to three wages, at the time of retirement or upon disability. Collective bargaining agreements do not provide for other benefits, such as life insurance, health care plan or otherwise. These obligations assumed by the Company qualify as "Defined Benefit Plans" according to the classification of IAS 19 "Employee Benefits." The Company does not have a specific fund to provide for the payment of these benefits. Expected costs of these benefits are accrued over employees' working lifetime using the same accounting method that is used for pension plans. Actuarial gains and losses arising from adjustments due to experience and changes in actuarial assumptions are recognized in "Other Comprehensive Income" in the period when they occur. Costs of past services are immediately charged to profit or loss.

(c) Early Retirement Benefits

Early retirement benefits are recognized when employment is terminated before the ordinary retirement date, or when the beneficiary agrees to a voluntary termination arrangement in exchange for these benefits. These benefits are paid during a period of time that is generally extended until one year after the expected retirement date. The Company recognizes early termination benefits when it is demonstrably committed to either: i) terminating employment according to a detailed formal plan without possibility of withdrawal; or ii) providing early termination benefits as a result of an offer made to encourage voluntary retirement. These benefits are recognized at the present value of the cash flows expected to be disbursed by the Company.

(d) Employee Bonuses

The Company recognizes a liability and an expense for bonuses at the time the benefit is accrued. The Company also recognizes a provision when it is under a legal or contractual obligation, or when a past practice has created a constructive obligation.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.21 Employee Benefits

(e) Social Security Contributions in Argentina

Social security laws in force in Argentina grant pension benefits payable to retirees out of the government pension funds. According to applicable laws, the Company makes monthly contributions calculated based on each employee's salary to finance these plans. These amounts are expensed as incurred and are disclosed under the item "Salaries, Wages, Social Security Contributions and Other Benefits," in Note 29.

2.22 Provisions

The Company will recognize a provision when it has a present obligation, whether legal or constructive as a result of past events, and it is likely that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation, using an interest rate that reflects prevailing market conditions on the value of money and the risks specific to such obligation. The increase in the provision as a result of the passage of time is recognized under "Net Financial Income (Expense)," in the separate statement of income. The Group recognizes the following types of provisions:

For Labor, Civil and Commercial Lawsuits: These provisions are calculated on the basis of our legal advisors' reports about the status of lawsuits and the estimate about the potential losses the Company may sustain, as well as on the basis of past experience in proceedings of this nature.

Other Miscellaneous Provisions: These provisions are set up to address contingencies that may trigger obligations for the Company. In estimating the provision amount, the Company evaluates the likelihood of occurrence taking into consideration the opinion of its legal advisors.

As of the date of these separate financial statements, the Company believes there are no elements leading to determine the existence of other probable contingencies that could be materialized and have a negative impact on these separate financial statements.

2.23 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements in the year in which such dividends are approved by the Shareholders' Meeting.

2.24 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

Revenues encompass the fair value of the consideration received or receivable for the sale of goods and services provided by the Company in the ordinary course of business. Revenues from sales are reported net of discounts.

The Company recognizes revenues when amounts can be measured reliably, when the control over the products has been transferred or the services have been delivered, and when economic benefits are likely to flow into the entity in the future. The Group considers that the amount of revenues cannot be measured reliably until such time as all contingencies related to the sale or provision of the service have been addressed.

Regarding sales of services, revenue is recognized in the period in which the service is rendered, based on degree of completion.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.24 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

In the case of products, the transfer of control takes place upon delivery. Products are not considered to have been delivered until such time as they have been shipped to the place specified by the buyer and the risks of obsolescence and loss have been transferred to such buyer, and accepted in accordance with the sales contracts, the acceptance provisions have expired, or the Company has objective evidence that all acceptance criteria have been satisfied.

The Company recognizes provisions for product returns based on historical information and past experience, so that provisions are recorded in the same period as the original sale.

(a.1) Local Market Sales

The Company derives revenues primarily from the sale of consumer food and industrial products. Consumer food products include the confectionery and chocolates, and food businesses, which are primarily marketed through three channels—distributors, wholesalers and supermarkets.

Industrial products mainly comprise sales of industrial chocolate, sugar, and corn by-products.

Sales revenues, net of value added tax, returns and commercial discounts, are recognized after the Company has transferred the risks and benefits inherent to ownership of the goods to the buyer and does not retain the right to dispose of them, which generally occurs upon delivery and receipt of the products at the buyer's warehouse.

(a.2) Exports

Revenue recognition is based on Incoterms 2010, which are the official rules for the interpretation of commercial terms, issued by the International Chamber of Commerce.

In case of discrepancies between the commercial agreements and the Incoterms defined for the transaction, the contractual terms shall prevail.

(a.3) Commercial Agreements with Distributors, Wholesalers and Supermarket Chains

The Company enters into commercial agreements with its customers, distributors, wholesalers and supermarkets establishing discounts, rebates and other considerations in exchange for advertising and publicity, etc.

Payments for services and granted considerations, as well as contributions for shared advertising, are recognized when the advertising activities agreed with the customer are performed, and are recorded as advertisement and publicity, under selling expenses in the separate statement of income. Items that do not imply a consideration are recognized as a reduction of the sales price of the products sold.

(b) Interest

Interest income is recognized based on the percentage of time elapsed, using the effective interest rate method.

(c) Rental Income

Rental income is recognized in the separate statement of income on a straight-line basis over the lease term.

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NOTE 2. ACCOUNTING STANDARDS AND BASIS FOR PREPARATION

2.25 Leases / Operating Leases

Lease payments on which no right-of-use assets or lease liabilities were recognized (Note 2.4), net of any incentive received from the lessor, are charged to the separate statement of income on a straight-line basis over the lease term.

NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

The preparation of these separate financial statements requires that the Company make estimates and assessments on future events, apply critical judgments, and make assumptions that have an impact on the application of its accounting policies and on the balances of reported assets and liabilities and revenues and expenses.

The Company permanently assesses such estimates and judgments, which are based on past experience and on factors deemed reasonable under the prevailing circumstances. Future actual results may differ from the estimates and assessments made as of the date of these separate financial statements.

Below is a detail of the accounting estimates and policies that pose a substantial risk of resulting in adjustments to the amount of assets and liabilities reported in these separate financial statements:

(a) Recoverability of Property, Plant and Equipment Items

The Company assesses the recoverability of property, plant and equipment items when events or changes in the prevailing circumstances indicate that the carrying amount of an asset may not be recoverable. The Company considers that the carrying amount of an item of property, plant and equipment is impaired when the value-in-use, calculated on the basis of the estimated cash flows expected from the asset, discounted and separately identifiable, or its net realizable value is lower than its carrying amount.

A previously recognized impairment loss is reversed when there is a subsequent change in the estimates used in computing the recoverable value of the asset. In that case, the new amount may not exceed the amount it would have had at the new measurement date if the impairment had not been recognized. Both the impairment charge and its reversal are recognized in income.

The value-in-use calculation requires the use of estimates (Note 2.7) and is based on cash flow projections prepared on the basis of financial budgets that cover a period of up to five years. Cash flows beyond the five-year period are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of each of the businesses involved.

The main key assumptions are related to gross margins which are determined on the basis of past performance, other external sources of information and market development expectations.

The discount rates used are the respective weighted average cost of capital ("WACC"), which is considered a good indicator of the cost of capital. Each WACC used is estimated considering the industry, country and size of the business.

The calculation of net realizable values, where necessary, is made based on valuations prepared by independent appraisers, according to the criteria defined by the International Valuation Standards (IVS).

(b) Estimated Loss on Goodwill Impairment

The Company annually assesses the recoverable value of goodwill. To determine the recoverable amount of goodwill, the Company relies on the cash generating unit's future cash flow projections, which have the same characteristics as those detailed for property, plant and equipment.

The Company considers that the estimates are consistent with the assumptions that market players would use in their recoverable value estimates.

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NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(c) Allowances for Bad Debts

The Company applies a methodology for impairment of receivables pursuant to the expected credit loss model set forth in IFRS 9. For trade receivables, the Company has applied a simplified approach to estimate expected credit losses, pursuant to which a loss allowance is recognized throughout the lifetime of the trade receivables. The expected loss recognized is determined based on the percentage of uncollectibility by ranges of due dates for each trade receivable. In measuring expected credit losses, trade receivables are grouped by credit risk and aging.

(d) Provisions

The Group recognizes provisions for certain probable civil, commercial, labor and tax contingencies arising from time to time in the ordinary course of business. In determining the sufficiency of the provisions for these contingencies, we have considered, based on the opinions of our internal and external legal advisors, the probability of adverse judgments or resolutions regarding these matters, as well as the range of probable losses that could result from potential resolutions. When applicable, the amount of the provisions required for these contingencies is determined after a careful analysis of each particular case.

(e) Income Tax

The Company is required to estimate income taxes in each of the jurisdictions where it operates. This process includes an estimate of the final tax exposure and the assessment of temporary differences arising from the deferred treatment of certain items, such as accruals and amortization, for accounting and tax purposes. These differences may give rise to deferred tax assets and liabilities, which are included in the separate balance sheet. As part of its tax planning procedures, the Group is required to determine the fiscal year of reversal of its deferred tax assets and liabilities and whether there will be future taxable profits in those periods. A detailed analysis from management is required to determine the Group's provisions for income tax and its deferred tax assets and liabilities positions. In this respect, the deferred tax asset is reviewed at each reporting date and is reduced based on the probability that sufficient taxable base will be available to recover these assets in whole or in part. In assessing the recoverability of deferred tax assets, the Company considers whether it is likely that any or all deferred tax assets may not be realized. The realization of deferred tax assets depends on the generation of future taxable income during the years in which these temporary differences will be deductible. For purposes of this assessment, the Company considers the scheduled reversal of deferred tax liabilities, future projected taxable income and tax planning strategies. The generation of taxable income in the future could differ from the estimates, thereby affecting the deductibility of deferred tax assets.

On the other hand, the Company periodically assesses the positions taken in tax returns concerning situations in which applicable tax laws and regulations are subject to interpretation, considering how likely it is for the tax authorities to accept each treatment and, if applicable, accounts for tax provisions to reflect the effect of the uncertainty for each treatment, based on the amount estimated to be payable to the tax authorities. If the final tax determination in respect of the uncertain treatment differs from the amounts so recognized, such differences will have an impact on income tax and on the provisions for deferred taxes during the year in which such determination is made.

(f) Revenue Recognition - Discounts and Rebates

At each year-end, the Company is required to assess the degree to which its customers accomplish volume targets and other agreed-upon commercial actions that entitle them to discounts and rebates. In some cases, the Company needs to assess the fulfilment of sales volumes in future periods for targets encompassing multiple months.

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NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(g) Biological Assets

In order to measure the fair value of the asset, the Group estimates the present value of the expected net cash flows discounted using a rate applicable to the asset in question. In this regard, other factors are considered such as the phenological stage of crops and plantations, expected yield per hectare subject to climate changes, or based on natural soil conditions, the price for grain, sugarcane, fruit or production, and the estimated costs of farm work and inputs up to the harvest or picking date.

(h) Investment in Associates - Allocation of Transaction Costs and Measurement of Call and Put Options

The initial recognition of the investment in Mastellone Hermanos S.A. (Note 43) requires determining the fair value of various assets and liabilities of that associate at the time of acquisition. The Company relies on all the information available (including information supplied by such associate) to make such determination, and in the case of certain identifiable assets and liabilities in the transaction, the Company may hire independent specialists to help it prepare fair value estimates. In some cases, assumptions related to the timing and amount of future income and expenses associated with an asset are used to determine its fair value. These assumptions may significantly vary over time from initial estimates, and if the time spent is longer, or if net cash flows decrease significantly, the results of those estimates could differ from those actually recognized by the Company.

The initial recognition of the call and put options contemplated in such transaction (Note 43) and their subsequent measurement are subject to similar considerations as the foregoing.

(i) Recoverability of the Investment in Mastellone Hermanos S.A.

The Company assesses the recoverability of its investment in Mastellone Hermanos S.A. when events or changes in the prevailing circumstances indicate that, subsequent to initial recognition of each investment, the estimated future cash flows of the associate could be significantly and adversely affected. The Company considers that the carrying amount of the investment in that associate is impaired when its recoverable value, calculated as the difference between the present value of the estimated cash flows expected to be generated by the associate and its net financial indebtedness, is lower than its carrying amount.

Since goodwill and other assets with indefinite useful life identified at the time of each acquired interest that comprise the carrying amount of the investment in Mastellone Hermanos S.A. are not separately recognized (Note 43), the Company does not test them for impairment separately, but rather analyzes the potential impairment of the total carrying amount of the investment. In this respect, a recognized impairment loss will not be allocated to any asset, including goodwill, comprising Mastellone Hermanos S.A.'s carrying amount; therefore, any reversal of such impairment loss will be recognized to the extent there is a subsequent increase in the recoverable amount of the net investment. Both the impairment loss and its reversal are recognized as a gain (loss) from the investment in the associate.

The assessment of the recoverable value requires the use of estimates (Note 2.7) and is based on projected cash flows prepared on the basis of Mastellone Hermanos S.A.'s financial budget for the following year and on the basis of the associate's projections covering a ten-year period. Cash flows in excess of the ten-year period are extrapolated using estimated growth rates.

The discount rate used is the respective weighted average cost of capital ("WACC"), which is estimated considering the industry, the country and the business size of Mastellone Hermanos S.A.

The Company also estimates how sensitive the recoverable value is to certain key assumptions (Note 43).

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NOTE 3. SIGNIFICANT ACCOUNTING CRITERIA AND ESTIMATES

(j) Business Combination resulting from the Joint Venture Agreement with Ingredion Argentina S.R.L. - Allocation of Transaction Costs

The initial recognition of the Joint Venture agreement with Ingredion Argentina S.R.L. (Note 42) involved the assessment of the fair value of several assets and liabilities of the acquired business and of the assigned business. In making such assessment, the Company relied on all the information available, and for certain assets and liabilities identifiable in the transaction, it hired independent appraisers to assist in preparing fair value estimates. In some cases, assumptions related to the timing and amount of future income and expenses associated with an asset were used to determine its fair value. These assumptions may significantly vary over time from initial estimates, and if the time spent is longer, or if net cash flows decrease significantly, the results of those estimates could differ from those actually recognized by the Company.

NOTE 4. INCOME TAX

The Company assesses the current income tax expense by applying the effective tax rate to taxable income, determined in accordance with the Income Tax Law. The tax rate used for fiscal year ended December 31, 2021 is 35%.

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(Figures stated in thousands of Argentine pesos)

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

The following tables show the breakdown of and changes to Property, Plant and Equipment:

	LAND	BUILDINGS	BEARER PLANTS	MACHINERY AND FACILITIES	FURNITURE, TOOLS, VEHICLES AND OTHER EQUIPMENT	WORKS IN PROGRESS AND EQUIPMENT IN TRANSIT	TOTAL
Cost							
Original Value at the Beginning of the Year	**1,174,810**	**22,290,958**	**828,665**	**40,743,618**	**5,629,750**	**1,752,380**	**72,420,181**
Additions	44,080	5,926	-	28,064	299,078	1,123,643	1,500,791
Transfers [1]	6,878	507,887	82,375	1,055,148	105,967	(1,751,377)	6,878
Deletions [2 3]	-	(2,646,037)	(174,320)	(5,839,786)	(411,976)	(39,659)	(9,111,778)
Original Value at Year-end	**1,225,768**	**20,158,734**	**736,720**	**35,987,044**	**5,622,819**	**1,084,987**	**64,816,072**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(14,453,181)**	**(496,569)**	**(30,946,224)**	**(4,924,389)**	**-**	**(50,820,363)**
Deletions [2 3]	-	1,159,394	153,704	3,174,163	378,004	-	4,865,265
Depreciation for the Year [4]	-	(576,049)	(141,148)	(1,024,733)	(343,028)	-	(2,084,958)
Accumulated Depreciation at Year-end	-	**(13,869,836)**	**(484,013)**	**(28,796,794)**	**(4,889,413)**	**-**	**(48,040,056)**
TOTAL AS OF 12.31.2021	**1,225,768**	**6,288,898**	**252,707**	**7,190,250**	**733,406**	**1,084,987**	**16,776,016**

[1] Transfers from Investment Properties (Note 7).
[2] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income, except for "Bearer Plants," which are carried in "Income (Loss) from Biological Assets" in the separate statement of income.
[3] It includes deletions related to the transaction described in Note 42. Original value: ARS (8,307,759). Accumulated depreciation: ARS 4,112,185.
[4] The accounting allocation of depreciation for the year is reported in Note 29.

The useful life of the components of this item is disclosed in Note 2.3.

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(Figures stated in thousands of Argentine pesos)

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	BEARER PLANTS	MACHINERY AND FACILITIES	FURNITURE, TOOLS, VEHICLES AND OTHER EQUIPMENT	WORKS IN PROGRESS AND EQUIPMENT IN TRANSIT	TOTAL
Cost							
Original Value at the Beginning of the Year	**1,083,285**	**18,645,372**	**719,782**	**33,765,372**	**4,695,255**	**1,161,796**	**60,070,862**
Additions due to Merger with La Campagnola S.A.C.I. [1]	91,525	3,415,272	88,079	7,206,877	662,187	567,071	12,031,011
Additions	-	20,028	-	18,450	330,915	982,183	1,351,576
Transfers	-	310,501	128,190	511,037	8,942	(958,670)	-
Deletions [2]	-	(100,215)	(107,386)	(758,118)	(67,549)	-	(1,033,268)
Original Value at Year-end	**1,174,810**	**22,290,958**	**828,665**	**40,743,618**	**5,629,750**	**1,752,380**	**72,420,181**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(11,598,058)**	**(406,326)**	**(25,106,075)**	**(4,026,413)**	**-**	**(41,136,872)**
Additions due to Merger with La Campagnola S.A.C.I. [5]	-	(2,283,111)	(42,406)	(5,546,086)	(524,181)	-	(8,395,784)
Deletions [2]	-	64,670	104,655	615,991	26,451	-	811,767
Depreciation for the Year [4]	-	(636,682)	(152,492)	(910,054)	(400,246)	-	(2,099,474)
Accumulated Depreciation at Year-end	-	**(14,453,181)**	**(496,569)**	**(30,946,224)**	**(4,924,389)**	**-**	**(50,820,363)**
TOTAL AS OF 12.31.2020	**1,174,810**	**7,837,777**	**332,096**	**9,797,394**	**705,361**	**1,752,380**	**21,599,818**

[1] Transfers from Investment Properties (Note 7).
[2] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income, except for "Bearer Plants," which are carried in "Income (Loss) from Biological Assets" in the separate statement of income.
[3] It includes deletions related to the transaction described in Note 42. Original value: ARS (8,307,759). Accumulated depreciation: ARS 4,112,185.
[4] The accounting allocation of depreciation for the year is reported in Note 29.
[5] See Note 9.

The useful life of the components of this item is disclosed in Note 2.3.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 6. RIGHT-OF-USE ASSETS

The following table shows the breakdown of and changes to right-of-use assets:

	LAND	BUILDINGS AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**675,642**	**1,641,189**	**90,731**	**2,407,562**
Additions	25,194	662,275	201,709	889,178
Adjustments to Variable Leases	(60,800)	(60,444)	(8,488)	(129,732)
Deletions [1]	(31,124)	(616,283)	-	(647,407)
Original Value at Year-end	**608,912**	**1,626,737**	**283,952**	**2,519,601**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(225,881)**	**(956,149)**	**(17,274)**	**(1,199,304)**
Deletions [1]	31,124	616,283	-	647,407
Depreciation for the Year [2]	(126,436)	(482,463)	(58,931)	(667,830)
Accumulated Depreciation at Year-end	**(321,193)**	**(822,329)**	**(76,205)**	**(1,219,727)**
TOTAL AS OF 12.31.2021	**287,719**	**804,408**	**207,747**	**1,299,874**

	LAND	BUILDINGS AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**423,660**	**1,715,066**	**-**	**2,138,726**
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	-	-	25,786	25,786
Additions	231,546	117,234	64,945	413,725
Adjustments to Variable Leases	59,493	(30,718)	-	28,775
Deletions [1]	(39,057)	(160,393)	-	(199,450)
Original Value at Year-end	**675,642**	**1,641,189**	**90,731**	**2,407,562**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(118,061)**	**(502,646)**	**-**	**(620,707)**
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	-	-	(7,736)	(7,736)
Deletions [1]	39,057	93,601	-	132,658
Depreciation for the Year [2]	(146,877)	(547,104)	(9,538)	(703,519)
Accumulated Depreciation at Year-end	**(225,881)**	**(956,149)**	**(17,274)**	**(1,199,304)**
TOTAL AS OF 12.31.2020	**449,761**	**685,040**	**73,457**	**1,208,258**

[1] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income.

[2] The accounting allocation of depreciation for the year is reported in Note 29.

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PRICE WATERHOUSE & CO. S.R.L.

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Statutory Audit
Committee

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 7. INVESTMENT PROPERTIES

The following table details the breakdown of and changes to Investment Properties:

	12.31.2021	12.31.2020
	LAND AND CONSTRUCTIONS	
Cost		
Original Value at the Beginning of the Year	**484,645**	**481,641**
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	-	3,004
Transfers [1]	(6,878)	-
Original Value at Year-end	**477,767**	**484,645**
Depreciation		
Accumulated Depreciation at the Beginning of the Year	**(268,294)**	**(268,294)**
Accumulated Depreciation at Year-end	**(268,294)**	**(268,294)**
TOTAL	**209,473**	**216,351**

[1] Transfers to "Property, Plant and Equipment" (Note 5).

The useful life of the components of this item is disclosed in Note 2.5.

Investment properties are carried at amortized cost. As of December 31, 2021 and 2020, the fair value of these assets amounted to ARS 10,211,875 and ARS 11,710,565, respectively. Such values were taken from reports prepared by independent appraisers, based on a comparison of the sales price for geographically nearby comparable properties (Level 2 fair value).

Gains (losses) on investment properties as of December 31, 2021 and 2020 are recognized in "Other Income / (Expenses), Net" in the separate statement of income (Note 32).

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 8. INTANGIBLE ASSETS

The following tables show the breakdown of and changes to Intangible Assets:

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost				
Original Value at the Beginning of the Year	-	4,226,844	928,134	5,154,978
Additions	62,975	-	83,083	146,058
Original Value at Year-end	62,975	4,226,844	1,011,217	5,301,036
Amortization				
Accumulated Amortization at the Beginning of the Year	-	-	(655,546)	(655,546)
Amortization for the Year [1]	-	-	(84,460)	(84,460)
Accumulated Amortization at Year-end	-	-	(740,006)	(740,006)
TOTAL AS OF 12.31.2021	62,975	4,226,844	271,211	4,561,030

	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost			
Original Value at the Beginning of the Year	4,226,844	860,988	5,087,832
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	-	17,776	17,776
Additions	-	49,370	49,370
Original Value at Year-end	4,226,844	928,134	5,154,978
Amortization			
Accumulated Amortization at the Beginning of the Year	-	(564,460)	(564,460)
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	-	(2,074)	(2,074)
Amortization for the Year [1]	-	(89,012)	(89,012)
Accumulated Amortization at Year-end	-	(655,546)	(655,546)
TOTAL AS OF 12.31.2020	4,226,844	272,588	4,499,432

[1] The accounting allocation of the amortization expense is reported in Note 29.

The useful life of the components of this item is disclosed in Note 2.6.

Research and development expenses which do not qualify for capitalization are charged to income for the year. As of December 31, 2021 and 2020, such expenses totaled ARS 516,788 and ARS 399,576, respectively.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 8. INTANGIBLE ASSETS

Recoverability Test for Goodwill and Intangibles with Indefinite Useful Life

Goodwill and intangible assets with indefinite useful life (primarily brands) are allocated to the Company's cash generating units on the basis of the operating segments.

The table below shows the allocation of goodwill at the operating segment level

	12.31.2021	12.31.2020
Cookies and Crackers Argentina	596,612	596,612
Confectionery and Chocolates Argentina	3,630,232	3,630,232
Subtotal	**4,226,844**	**4,226,844**
Southern Subsidiaries [1]	60,568	79,025
TOTAL	**4,287,412**	**4,305,869**

[1] Disclosed under the item "Equity Interests in Subsidiaries and Associates."

The following table shows the allocation of brands (intangible assets with indefinite useful life) at the operating segment level:

	12.31.2021	12.31.2020
Confectionery and Chocolates Argentina	62,975	-
TOTAL	**62,975**	**-**

The recoverable value of a cash generating unit is determined by means of value-in-use calculations. These calculations use cash flow projections based on the financial budget for the following fiscal year and other projections prepared on the basis of such budget, covering a five-year period in total. Cash flows exceeding the five-year period are extrapolated using an estimated growth rate which does not exceed the long-term average growth rate of each of the businesses involved.

The main key assumptions are related to gross margins which are determined on the basis of past performance, other external sources of information and market development expectations.

The discount rates used are the respective weighted average cost of capital ("WACC"), which is considered a good indicator of the cost of capital. A specific WACC was determined for each cash generating unit where assets are allocated, considering the industry, the country and the size of the business.

The real discount rates used by the Company ranged from 11.5% to 13.5%, approximately, for cash generating units based in Argentina, and from 4.5% to 6.5% for the Southern Subsidiaries.

Long-term growth rates used to extrapolate cash flows beyond the period covered by the budget were equal to 0.9% for cash generating units based in Argentina and 1.0% for the Southern Subsidiaries, both in real terms.

No impairment was recognized as a result of these analyses.

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

The following tables show the breakdown of and changes to this item:

	EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES [1]	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**89,256,731**	**(335,273)**	**88,921,458**
Additions due to Acquisition of Shares	408	-	408
Deletion due to Sale of Shares	(212)	-	(212)
Contribution of Fixed Assets and Working Capital to Ingrear Holding S.A. (Note 42)	5,905,061	-	5,905,061
Acquisition of Shares in Ingrear Holding S.A. from Ingredion Argentina S.R.L. (Note 42)	769,902	-	769,902
Gain on Acquisition Charged to Income (Note 42) [2]	145,591	-	145,591
Gain on Acquisition Charged to Other Comprehensive Income (Note 42)	198,246	-	198,246
Capital Contributions [3]	1,267,999	28,438	1,296,437
Dividends from and Capital Reductions in Subsidiaries	(2,567,509)	-	(2,567,509)
Income from Investments in Companies [4]	8,044,124	(19,274)	8,024,850
Changes in Translation Reserve (Note 20)	(10,953,246)	-	(10,953,246)
Share of Other Comprehensive Income on Net Actuarial Gain of Companies' Defined Benefit Plans	78,382	1	78,383
BALANCE AT YEAR-END	**92,145,477**	**(326,108)**	**91,819,369**

	EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES [1]	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2020
Balance at the Beginning of the Year	**81,802,174**	**(12,723)**	**81,789,451**
Increase due to Purchase of Mastellone Hermanos S.A.'s Shares (Note 23)	229,351	-	229,351
Additions due to Acquisition of Shares	750	-	750
Deletion due to Sale of Shares	(320)	-	(320)
Deletion due to Merger with La Campagnola S.A.C.I.	(1,888,565)	-	(1,888,565)
Deletion due to Merger with Asama S.A.	(7,266)	-	(7,266)
Capital Contributions [5]	5,109,444	31,876	5,141,320
Dividends from Subsidiaries	(788,278)	-	(788,278)
Income from Investments in Companies	4,652,442	(29,278)	4,623,164
Changes in Translation Reserve (Note 20)	(182,094)	-	(182,094)
Share of Other Comprehensive Income (Loss) on Actuarial (Losses)/Gains of Companies' Defined Benefit Plans	(46,777)	68	(46,709)
Transfers due to Merger [6]	92,052	-	92,052
Transfers to/from Items	325,216	(325,216)	-
Other Movements	(41,398)	-	(41,398)
BALANCE AT YEAR-END	**89,256,731**	**(335,273)**	**88,921,458**

[1] It includes the goodwill from investments in subsidiaries and associates that were not merged (Note 2.6 (a)).
[2] Out of the total gain from the transaction described in Note 42, ARS 145,591 are disclosed under the item "Income from Investments in Companies and Others" in the separate statement of income, and ARS 198,246 as an item that will not be reclassified in income in the separate statement of other comprehensive income.
[3] It primarily includes capital contributions made in December 2021 to the subsidiary Arcor Alimentos Internacional S.L., Sociedad Unipersonal.
[4] It includes the amount resulting from the liquidation of the subsidiary GAP International Holding S.A., that is, ARS (129,016).
[5] It primarily includes capital contributions made in June 2020 to the following subsidiaries: (i) Arcor A.G. (S.A., Ltd.) for USD 20 million; (ii) Industria de Alimentos Dos en Uno S.A. for USD 10 million; (iii) Arcor U.S.A., Inc. for USD 5 million; and (iv) GAP International Holding S.A. for USD 5 million.
[6] Transfer to "Property, Plant and Equipment" for ARS 123,054, and to "Deferred Tax Assets" for (ARS 31,002).

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

Below is a breakdown of the item "Income (Loss) from Investments in Companies and Others" of the statement of income:

	12.31.2021	12.31.2020
Income from Investments in Subsidiaries and Associates	9,268,824	4,594,583
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Mastellone Hermanos S.A. (Note 43)	(390,575)	236,379
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Zucamor Group	(853,399)	(207,798)
SUBTOTAL	**8,024,850**	**4,623,164**
Gain on Acquisition (Note 42)	145,591	-
TOTAL	**8,170,441**	**4,623,164**

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

COMPANIES	INFORMATION FROM LAST FINANCIAL STATEMENTS ISSUED					
	NOMINAL VALUE	NUMBER OF SHARES	DATE ***	SHAREHOLDERS' EQUITY	CAPITAL STOCK IN ARS	TRANSLATION DIFFERENCE
Arcor A.G. (S.A., Ltd.) [1]	10.00	2,758,400	12.31.2021 [a]	3,191,727	1,420,654	406,960
Arcor Alimentos Internacional S.L., Sociedad Unipersonal [2] **	1.00	228,614	12.31.2021 [a]	522,064	26,933	(13,261)
Arcor do Brasil Ltda. [3]	1.00	2,449	12.31.2021 [b]	3,315,912	1,704,817	344,144
Arcor U.S.A., Inc. [3]	-	-	12.31.2021 [c]	924,071	811	172,885
Arcorpar S.A. [3]	-	-	12.31.2021 [d]	765,565	6,798	125,562
Bagley Argentina S.A. [4]	1.00	9,279	12.31.2021	32,107,963	231,115	(691,048)
Bagley Latinoamérica S.A. [5]	1.00	49,700,611	12.31.2021 [a]	40,917,569	385,934	(2,624,511)
Cartocor Chile S.A. [6]	-	6,356,394	12.31.2021 [e]	5,692,282	173,044	108,348
Cartocor S.A. [7]	1.00	13,684,528	12.31.2021	30,071,042	13,685	(1,719,697)
Constructora Mediterránea S.A.C.I.F.I.	0.01	1,833,841,112	12.31.2021	(889)	12,809	-
GAP International Holding S.A.[8]	-	-	09.30.2021 [c]	526,141	350,252	118,439
GAP Inversora S.A.[9]	1.00	40,073	12.31.2021	2,112	673	(102)
Industria de Alimentos Dos en Uno S.A.	-	-	12.31.2021 [e]	7,569,801	1,185,532	253,854
Industria Dos en Uno de Colombia Ltda.	1,423.00	57,919	12.31.2021 [f]	4,544	7,113	1,075
Ingrear Holding S.A.[10]	1.00	4,080,000,000	12.31.2021	15,123,917	8,000,000	(160,881)
Mastellone Hermanos S.A.[11] ***	1.00	159,165,436	12.31.2021	21,782,915	653,969	(599,077)
SUBTOTAL						

INFORMATION FROM LAST FINANCIAL STATEMENTS ISSUED

OTHER COMPREHENSIVE INCOME	INCOME	IMPACT ON IAS 29	ADJUSTED TRANSLATION DIFFERENCE****	ADJUSTED INCOME ***	EQUITY INTEREST IN %	CARRYING AMOUNT AS OF 12.31.2021 *	CARRYING AMOUNT AS OF 12.31.2020 *
-	370,985	(1,316,424)	(909,464)	457,789	100.00000	2,900,720	3,304,242
-	(45,728)	(142,691)	(155,952)	(32,647)	100.00000	18,218,092	-
-	410,307	(1,437,494)	(1,093,350)	542,951	0.00046	15	3,462,065
-	(41,006)	(397,354)	(224,469)	(47,207)	-	-	1,205,915
-	456,100	(264,066)	(138,504)	567,633	-	-	340,204
19,727	1,748,324	-	(691,048)	1,748,324	0.00401	214,370	256,392
19,585	1,543,047	-	(2,624,511)	1,543,047	51.00000	20,663,882	21,029,013
1,885	967,002	(2,492,803)	(2,384,455)	1,108,825	28.07196	1,597,935	1,955,500
13,688	5,662,944	-	(1,719,697)	5,662,944	99.99678	29,802,839	26,386,054
1	(19,274)	-	-	(19,274)	99.99597	(888)	(10,053)
-	52,264	(285,272)	(166,833)	57,847	-	-	1,220,596
1	(1,186)	-	(102)	(1,186)	1.60000	34	75
31,750	583,659	(3,490,533)	(3,236,679)	660,829	-	-	10,049,039
-	(20,385)	(9,870)	(8,795)	(22,667)	4.37353	1,151	841
10,946	1,174,770	-	(160,881)	1,174,770	51.00000	7,432,696	-
(1,889,434)	(1,553,016)	-	(599,077)	(1,553,016)	24.33837	3,321,604	3,646,919
						84,152,450	**72,846,802**

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Nota 9. Participación en subsidiarias y asociadas

COMPANIES	INFORMATION FROM LAST FINANCIAL STATEMENTS ISSUED					
	NOMINAL VALUE	NUMBER OF SHARES	DATE ***	SHAREHOLDERS' EQUITY	CAPITA STOCK IN ARS	TRANSLATION DIFFERENCE
SUBTOTAL						
Unidal México S.A. de C.V. [12] **	-	-	12.31.2021 [g]	4,482,377	20,302	706,088
Van Dam S.A.	-	-	12.31.2021 [h]	1,268,348	7,287	170,583
SUBTOTAL						
Goodwill from Van Dam S.A.						
Higher Value of Net Assets from Acquisition of Interests in Mastellone Hermanos S.A.						
Goodwill from Acquisition of Interests in Mastellone Hermanos S.A.						
Higher Value of Net Assets from Acquisition of Interests in Zucamor S.A.						
Goodwill from Acquisition of Interests in Zucamor S.A.						
SUBTOTAL						
Balance Disclosed in Trade Payables and Other Liabilities						
TOTAL						

* The indicated carrying amount is disclosed on a net basis in inter-company profit or loss.

** Financial information under IFRS prepared for the sole purpose of being used by the Company in the valuation of its investments in subsidiaries and associates, since they present their financial statements in local currency in order to comply with the CNV's reporting requirements.

*** Equity and earnings attributable to the associate's shareholders.

**** See Note 2.10, c).

[1] Its investments in Arcor Alimentos Bolivia S.A., Arcor Trading (Shanghai) Co., Ltd. and Tucor DMCC are valued by the equity method. On December 29, 2021, Arcor A.G. (S.A., Ltd.) sold its entire equity interest in Tucor DMCC to Arcor Alimentos Internacional S.L., Sociedad Unipersonal.

[2] Since October 2021, its investment in GAP Regional Services S.A. and in Arcor do Brasil Ltda. has been valued by the equity method. On December 29, 2021, it received an equity interest sufficient to exert control and value the investments in the following companies by the equity method: Industria de Alimentos Dos en Uno S.A., Van Dam S.A., Arcor U.S.A., Inc., Arcorpar S.A., and Unidal México S.A. de C.V.

[3] On December 29, 2021, the Company completed the contribution of equity interests in Arcor Alimentos Internacional S.L., Sociedad Unipersonal, as approved by the Board of Directors on December 16, 2021.

[4] Its investments in Bagley Chile S.A. and Mastellone Hermanos S.A. are valued by the equity method.

[5] Its investments in Bagley Chile S.A., Bagley do Brasil Alimentos Ltda. and Bagley Argentina S.A. are valued by the equity method.

[6] Its investments in Cartocor de Perú S.A. are valued by the equity method.

[7] Its investments in Cartocor Chile S.A., Cartocor de Perú S.A. and Papel Misionero S.A.I.F.C. are valued by the equity method.

[8] The company was dissolved on December 13, 2021.

[9] Its investments in Arcor de Perú Unidal Ecuador S.A. and Industria Dos en Uno de Colombia Ltda. are valued by the equity method.

[10] Its investments in Ardion S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method. See Note 42.

[11] Its investments in Con-Ser S.A., Leitesol Indústria e Comércio S.A., Marca 4 S.A., Marca 5 Asesores en Seguros S.A., Mastellone de Paraguay S.A., Mastellone Hermanos do Brasil Comercial e Industrial Ltda., and Mastellone San Luis S.A. are valued by the equity method. It does not include adjustments booked to measure the associate's identifiable assets and liabilities as of the date of initial application of the equity method.

[12] Its investments in Mundo Dulce S.A. de C.V. are valued by the equity method.

[a] EUR, [b] BRL, [c] USD, [d] PYG, [e] CLP, [f] COP, [g] MXN, [h] UYU.

INFORMATION FROM LAST FINANCIAL STATEMENTS ISSUED							
OTHER COMPREHENSIVE INCOME	INCOME	IMPACT ON IAS 29	ADJUSTED TRANSLATION DIFFERENCE***	ADJUSTED INCOME ***	EQUITY INTEREST IN %	CARRYING AMOUNT AS OF 12.31.2021 *	CARRYING AMOUNT AS OF 12.31.2020 *
						84.152.450	**72.846.802**
14,235	113,923	(1,929,237)	(1,223,149)	156,883	-	-	5,648,810
-	216,046	(558,569)	(387,986)	267,321	-	-	1,497,429
						84,152,450	**79,993,041**
						60,568	79,025
						1,951,101	2,340,743
						1,264,905	1,264,905
						3,858,455	4,711,854
						531,890	531,890
						91,819,369	**88,921,458**
						326,108	335,273
						92,145,477	**89,256,731**

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

COMPANIES	COUNTRY	CORE BUSINESS
Arcor A.G. (S.A., Ltd.)	Switzerland	Investment and service company
Arcor Alimentos Internacional S.L., Sociedad Unipersonal	Spain	Investment company
Arcor do Brasil Ltda.	Brazil	Manufacturing of chocolate and confectionery
Arcor U.S.A., Inc.	USA	Sale of food products
Arcorpar S.A.	Paraguay	Sale of food products
Bagley Argentina S.A.	Argentina	Manufacturing of cookies and crackers
Bagley Latinoamérica S.A.	Spain	Investment company
Cartocor Chile S.A.	Chile	Manufacturing and sale of corrugated cardboard packaging
Cartocor S.A.	Argentina	Manufacturing of corrugated cardboard
Constructora Mediterránea S.A.C.I.F.I.	Argentina	Lodging services and real estate and investment transactions
GAP International Holding S.A.	Chile	Investment and service company
GAP Inversora S.A.	Argentina	Investment company
Industria de Alimentos Dos en Uno S.A.	Chile	Manufacturing and sale of food products
Industria Dos en Uno de Colombia Ltda.	Colombia	Sale of food products
Ingrear Holding S.A.	Argentina	Financial and investment activities
Ingrecor S.A.	Argentina	Industrialization and sale of agro-industrial products
Mastellone Hermanos S.A.	Argentina	Industrialization and commercialization of milk products, by-products and derivatives
Unidal México S.A. de C.V.	Mexico	Sale of food products
Van Dam S.A.	Uruguay	Sale of food products

The following table shows a reconciliation of the summary financial information of Mastellone Hermanos S.A. disclosed above to the financial information arising from these separate financial statements:

	EQUITY	RESULTS	OTHER COMPREHENSIVE INCOME
	DEBTOR / (CREDITOR)	PROFIT / (LOSS)	
Figures attributable to shareholders of Mastellone Hermanos S.A., as per its financial statements *	**21,782,915**	**(1,553,016)**	**(2,488,511)**
Arcor S.A.I.C.'s Equity Interest		24.3384%	
Mastellone Hermanos S.A.'s figures attributable to Arcor S.A.I.C.	**5,301,613**	**(377,979)**	**(605,664)**
Items to reconcile Arcor S.A.I.C.'s equity interest.			
Difference in valuation of Property, Plant and Equipment, Other Assets, Investment Properties and Intangible Assets [1]	(3,025,211)	346,247	128,022
Tax effect of measurement differences	1,058,799	(147,776)	331,835
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(13,597)	-	-
Subtotal - Share of Mastellone Hermanos S.A.'s equity and profit and loss at carrying amounts, based on Arcor S.A.I.C.'s measurement criteria.	**3,321,604**	**(179,508)**	**(145,807)**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid [2 3]	1,951,101	(390,575)	933
Recognition of goodwill [2]	1,264,905	-	-
Arcor S.A.I.C's figures as per its financial statements	**6,537,610**	**(570,083)**	**(144,874)**

[1] Mastellone Hermanos S.A. applies the "revaluation model" set forth in IAS 16 for the valuation of its main items of "Property, Plant and Equipment." The Company applies the "cost model" established in such standard. Therefore, the Company eliminates the balance sheet effects of revaluations recorded by the associate, with the ensuing impact on the depreciation expense for the year.

[2] It includes all interests acquired as of December 31, 2021.

[3] It includes the closing balance and the changes for the year in higher and lower values of identifiable assets and liabilities recorded to date of each acquired interest for fair value measurement purposes, as disclosed in Note 43, with their corresponding tax effect. It primarily includes the recognition of the associate's trademarks as of the date of each acquired interest. In particular, as of December 31, 2021, the Company included the impacts the changes to the tax rates established by Law No. 27,630 (Note 35) had on the aforementioned tax effect.

* For relevant information included in Mastellone Hermanos S.A.'s financial statements, see the additional information disclosed in Note 43.

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

Contribution of Equity Interests in Foreign Companies

In July 2021, a new company named Arcor Alimentos Internacional, S.L., Sociedad Unipersonal, (hereinafter, ARALI), domiciled in Spain, was created, as part of a corporate structure rearrangement of the business group comprised by Arcor S.A.I.C. and its subsidiaries, in order to unify all equity interests in foreign subsidiaries under a single holding company.

Such unification of equity interests was meant to facilitate administration when consolidating our foreign subsidiaries and management of our foreign businesses, considering that all subsidiaries involved are focused on the sale and/or industrialization of consumer food products.

At a first stage, in October 2021, GAP Internacional Holding S.A., a company domiciled in Chile and controlled by Arcor S.A.I.C., then owner of a 99.99901% equity interest, sold its shares in Arcor do Brasil Ltda. (equal to a 10.10% equity interest) and in GAP Regional Services S.A. (equal to a 100% equity interest) to ARALI.

Then, in October, GAP Internacional Holding S.A. made a dividend distribution in kind to its shareholders representing the amount receivable from ARALI as a result of the sale of the shares in GAP Regional Services S.A. In addition, on November 22, 2021, GAP International Holding S.A. began a dissolution and liquidation process, which was resolved at the Shareholders' Meeting held on December 13, 2021. As a consequence of this process, the amount receivable from the sale of shares in Arcor do Brasil Ltda. was acquired by its shareholders.

Further with the corporate reorganization process, on December 29, 2021, the following contributions were made to ARALI, as approved by the Company's Board of Directors on December 16, 2021:

- 4476,412,618 shares of Arcor do Brasil Ltda.'s capital stock, equal to an 89.8955% interest in capital stock, representing 99.9995% of the Company's interest in Arcor do Brasil Ltda.
- 21,204 shares of Arcor U.S.A., Inc.'s capital stock, equal to a 100% equity interest and representing the entire interest owned by the Company in Arcor U.S.A., Inc.
- 640,000 shares of Arcorpar S.A.'s capital stock, equal to a 50% equity interest therein and representing the entire interest owned by the Company in Arcorpar S.A.
- 194,192,069 shares of Industria de Alimentos Dos en Uno S.A.'s capital stock, equal to a 99.9999% equity interest therein and representing the entire interest owned by the Company in Industria de Alimentos Dos en Uno S.A.
- 1,250,723 shares of Unidal México S.A. de C.V.'s capital stock, equal to a 99.9998% equity interest therein and representing the entire interest owned by the Company in Unidal México S.A. de C.V.
- 70,000 shares of Van Dam S.A.'s capital stock, equal to a 100% equity interest therein and representing the entire interest owned by the Company in Van Dam S.A.
- Receivable from the sale of shares in GAP Regional Services S.A.'s capital stock, primarily received in the form of an in-kind dividend approved by GAP International Holding S.A. at the Shareholders' Meeting held on October 15, 2021.
- Receivable from the sale of shares in Arcor do Brasil Ltda.'s capital stock, primarily received as part of the dissolution and liquidation process of GAP International Holding S.A., as resolved at the Shareholders' Meeting held on December 13, 2021.

In addition, on December 29, 2021, the subsidiary Arcor A.G. (S.A., Ltd.) sold to ARALI its entire equity interest in Tucor DMCC, a company created as part of the agreement with Webcor Group (Note 41).

Following the above-described contributions, that is, effective since December 29, 2021, the Company derecognized its investments in such companies the shares or interests in which, as the case may be, were contributed. On the other hand, the Company recognized an increase in the investment in ARALI, as provided for under the equity method.

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

Contribution of Equity Interests in Foreign Companies

The Company owns a 100% interest in ARALI's capital stock and votes. As a consequence of the above-described corporate reorganization, the Group's interest in the operations involved was not significantly affected.

Finally, further with the aforementioned reorganization, as of the date of these consolidated financial statements, the Board of Directors of ARALI is considering the possibility of consummating a cross-border merger with Arcor A.G. (S.A., Ltd.) in 2022.

Merger of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. into Cartocor S.A.

On May 15, 2020, Cartocor S.A. (as merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (as merged company) entered into a Merger Plan. Such plan set out the guidelines to initiate a corporate reorganization process pursuant to which all assets and liabilities of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. were merged into Cartocor S.A., effective since July 1, 2020.

This merger was carried out in accordance with the terms of Sections 80 and 81 of the Income Tax Law, text as revised by Decree 824/2019 (former Sections 77 and 78 of the Income Tax Law, text as revised by Decree 649/1997) and related provisions.

On June 1, 2020, the above-mentioned Merger Plan was approved at the Extraordinary General Shareholders' Meeting of Cartocor S.A. (merging company). On the other hand, the subsidiaries Zucamor S.A. and BI S.A. (both merged companies) approved the Merger Plan at their respective Extraordinary General Shareholders' Meetings held on May 28, 2020. The subsidiary Zucamor Cuyo S.A. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meetings held on May 29, 2020.

On September 22, 2020, Cartocor S.A. (merging company) and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) entered into the Merger Plan, setting forth the guidelines, in line with those established under the Merger Plan, for the corporate reorganization process, as a result of which all assets and liabilities of Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) were merged into Cartocor S.A. (merging company) effective since July 1, 2020.

On October 14, 2020, the companies involved, at their respective Shareholders' Meetings, approved the Merger Plan agreed upon by and between Cartocor S.A. (merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies), the ensuing increase in the merging company's capital, and the early dissolution without liquidation of the merged companies.

On December 16, 2020, Cartocor S.A. (merging company), and Zucamor S.A., Zucamor Cuyo S.A. and BI S.A. (merged companies) entered into the Final Merger Agreement.

The above-described process is pending registration with the Public Registry.

Merger of La Campagnola S.A.C.I. and Asama S.A. into Arcor S.A.I.C.

On November 8, 2019, the Company (merging company) entered into a Merger Plan with its subsidiary La Campagnola S.A.C.I. (merger company), on the one hand; and a separate Merger Plan with its subsidiary Asama S.A. (merged company), on the other hand.

Such plans set out the guidelines for a corporate reorganization process pursuant to which all assets and liabilities of La Campagnola S.A.C.I. and Asama S.A. will be merged into the Company, effective since January 1, 2020.

These mergers will be carried out in accordance with the terms of Sections 80 and 81 of the Income Tax Law, text as revised by Decree 824/2019 (former Sections 77 and 78 of the Income Tax Law, text as revised by Decree 649/1997) and related provisions.

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NOTE 9. EQUITY INTERESTS IN SUBSIDIARIES AND ASSOCIATES

Merger of La Campagnola S.A.C.I. and Asama S.A. into Arcor S.A.I.C.

On December 11, 2019, the above-mentioned Merger Plans were approved at the Extraordinary General Shareholders' Meeting of the Company (merging company). On the other hand, the subsidiaries Asama S.A. and La Campagnola S.A.C.I. (both merged companies) approved the Merger Plans at their respective Extraordinary General Shareholders' Meetings held on December 10, 2019 and December 11, 2019, respectively.

On March 19, 2020, Arcor S.A.I.C. and La Campagnola S.A.C.I., on the other hand, and Arcor S.A.I.C. and Asama S.A., on the other hand, entered into the respective merger plans, setting forth the guidelines, in line with those established under the applicable Merger Plans, for the corporate reorganization process pursuant to which the assets and liabilities of La Campagnola S.A.C.I. and Asama S.A. were merged into Arcor S.A.I.C., with retroactive effects to January 1, 2020.

On April 25, 2020, the Merger Plan was approved at the Extraordinary General Shareholders' Meeting of the Company (merging company). On April 27, 2020, the subsidiary La Campagnola S.A.C.I. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meeting. The subsidiary Asama S.A. (merged company) approved the Merger Plan at its Extraordinary General Shareholders' Meeting held on April 28, 2020.

On June 25, 2020, the Company and La Campagnola S.A.C.I., on the one hand, and the Company and Asama S.A., on the other hand, subscribed their respective Final Merger Agreements.

On September 22, 2020, the mergers were registered with the Bureau of Legal Entities of the Province of Córdoba, under Registration No. 76-A43.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 10. BIOLOGICAL ASSETS

The following tables show the breakdown of and changes to Biological Assets:

	FRUIT CROPS	GRAIN SOWN LAND [1]	SUGAR CANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TOTAL
Total Non-current as of January 1, 2021	-	-	-	641,593	641,593
Total Current as of January 1, 2021	128,547	230,038	472,436	134,717	965,738
TOTAL AS OF JANUARY 1, 2021	**128,547**	**230,038**	**472,436**	**776,310**	**1,607,331**
Additions at Cost	268,990	417,429	684,052	-	1,370,471
Initial Recognition and Changes in Fair Value [2]	53,279	528,885	(338,255)	105,056	348,965
Harvest of Biological Products [3]	(271,578)	(976,563)	(321,682)	-	(1,569,823)
Deletion due to Sale of Biological Assets [4]	-	-	-	(133,084)	(133,084)
TOTAL AS OF DECEMBER 31, 2021	**179,238**	**199,789**	**496,551**	**748,282**	**1,623,860**
Total Non-current as of December 31, 2021	-	-	-	635,347	635,347
Total Current as of December 31, 2021	179,238	199,789	496,551	112,935	988,513

	FRUIT CROPS	GRAIN SOWN LAND [1]	SUGAR CANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TOTAL
Total Non-current as of January 1, 2020	-	-	-	453,216	453,216
Total Current as of January 1, 2020	-	225,212	359,146	89,383	673,741
TOTAL AS OF JANUARY 1, 2020	**-**	**225,212**	**359,146**	**542,599**	**1,126,957**
Additions due to Merger with La Campagnola S.A.C.I. (Note 9)	75,930	-	-	-	75,930
Additions at Cost	230,752	431,352	638,725	8,833	1,309,662
Initial Recognition and Changes in Fair Value [2]	(42,793)	403,087	(74,248)	332,783	618,829
Harvest of Biological Products [3]	(135,342)	(829,613)	(451,187)	-	(1,416,142)
Deletion due to Sale of Biological Assets [4]	-	-	-	(107,905)	(107,905)
TOTAL AS OF DECEMBER 31, 2020	**128,547**	**230,038**	**472,436**	**776,310**	**1,607,331**
Total Non-current as of December 31, 2020	-	-	-	641,593	641,593
Total Current as of December 31, 2020	128,547	230,038	472,436	134,717	965,738

[1] Based on the phenological stage reached at year-end, these assets were measured at cost (Note 2.11).

[2] As for agricultural activities, it includes all changes in fair value of biological assets occurred during the year, irrespective of whether they have been harvested at year-end.

[3] The offsetting entry is carried in the line "Harvest of Biological Products" in Note 31.

[4] The offsetting entry is carried in the line "Cost of Sales of Biological Assets" in Note 31.

The following tables show information as of December 31, 2021 and 2020 relating to the harvest of biological assets and quantities, in respect of the main types of biological assets, stated in whole units:

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGAR CANE SOWN LAND
Harvest of biological products for the year ended December 31, 2021, as per biological asset	7,514 Tn.	33,690 Tn.	17.693 Tn. [1]	218.600 Tn. [3]
Area intended for biological assets as of 12.31.2021	273 Has.	5,490 Has.	-	6,463 Has.
Quantity of biological assets as of 12.31.2021 (heads)	-	-	5,798 [2]	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months

[1] Tons of fluid milk.

[2] Out of the total, 3,338 are dairy cattle heads, and the remaining 2,460 are beef cattle heads.

[3] Tons of sugar cane.

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NOTE 10. BIOLOGICAL ASSETS

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGAR CANE SOWN LAND
Harvest of biological products for the year ended December 31, 2020, as per biological asset	6,224 Tn.	3,,457 Tn.	17,835 Tn. [1]	233,504 Tn. [3]
Area intended for biological assets as of 12.31.2020	203 Has.	6,874 Has.	-	6,328 Has.
Quantity of biological assets as of 12.31.2020 (heads)	-	-	6,040 [2]	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months

[1] Tons of fluid milk.

[2] Out of the total, 3,517 are dairy cattle heads, and the remaining 2,523 are beef cattle heads.

[3] Tons of sugar cane.

The fair value measurement method for each of these biological assets is described in Note 2.11 to the separate financial statements.

The following tables show the Company's biological assets by fair value level as of December 31, 2021 and 2020, as explained in Note 38.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	179,238	179,238
Dairy or Beef Cattle	-	748,282	-	748,282
Total Biological Assets as of 12.31.2021	**-**	**748,282**	**179,238**	**927,520**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	128,547	128,547
Dairy or Beef Cattle	-	776,310	-	776,310
Total Biological Assets as of 12.31.2020	**-**	**776,310**	**128,547**	**904,857**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 10. BIOLOGICAL ASSETS

Fruit trees were measured using the following unobservable inputs (fair value Level 3):

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2021	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	179,238	Net present value of net discounted cash flows	Fruit yield per hectare	The higher the yield, the higher the fair value.
			Market price for fruit to be harvested	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the lower the fair value.

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2020	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	128,547	Net present value of net discounted cash flows	Fruit yield per hectare	The higher the yield, the higher the fair value.
			Market price for fruit to be harvested	The higher the price, the higher the fair value.
			Discount rate	The higher the discount rate, the lower the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the lower the fair value.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

Deferred income tax is broken down as follows:

	BALANCE AT THE BEGINNING OF THE YEAR	DERECOGNITION DUE TO CONTRIBUTIONS TO INGREAR HOLDING S.A.[1]	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2021
General Tax Loss Carry-forwards	7,778,052	-	(7,700,773)	-	77,279
Deferred Earnings - Law No. 27,541	(6,557,999)	-	1,810,646	-	(4,747,353)
Trade and Other Receivables	33,971	-	(28,473)	-	5,498
Inventories	468,907	-	(838,454)	-	(369,547)
Provisions	147,895	-	19,584	-	167,479
Trade Payables and Other Liabilities	694,804	(15,822)	462,894	113,998	1,255,874
Lease Liabilities	334,734	-	133,361	-	468,095
Loans	194,806	-	(133,823)	-	60,983
Biological Assets	(186,175)	-	51,319	-	(134,856)
Right-of-use Assets	(302,065)	-	(152,887)	-	(454,952)
Property, Plant and Equipment and Investment Properties	(3,643,324)	-	(209,261)	-	(3,852,585)
Intangible Assets	(41,386)	-	(16,073)	-	(57,459)
Investments in Subsidiaries and Associates	(90,070)	-	44,410	69,200	23,540
Other Investments	118	-	(9)	-	109
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**(1,167,732)**	**(15,822)**	**(6,557,539)**	**183,198**	**(7,557,895)**

	BALANCE AT THE BEGINNING OF THE YEAR	INCREASE DUE TO MERGER WITH LA CAMPAGNOLA S.A.C.I.[2]	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2020
General Tax Loss Carry-forwards	9,127,733	257,893	(1,607,574)	-	7,778,052
Deferred Earnings - Law No. 27,541	(4,627,029)	131,703	(2,062,673)	-	(6,557,999)
Trade and Other Receivables	22,344	4,512	7,115	-	33,971
Inventories	(150,276)	346	618,837	-	468,907
Derivative Financial Instruments	(926)	-	-	926	-
Provisions	134,519	57,463	(44,087)	-	147,895
Trade Payables and Other Liabilities	551,487	42,152	147,004	(45,839)	694,804
Lease Liabilities	411,846	5,490	(82,602)	-	334,734
Loans	65,933	247,177	(118,304)	-	194,806
Biological Assets	(179,403)	(22,779)	16,007	-	(186,175)
Right-of-use Assets	(410,377)	(6,059)	114,371	-	(302,065)
Property, Plant and Equipment and Investment Properties	(3,299,568)	(498,602)	154,846	-	(3,643,324)
Intangible Assets	(56,463)	(500)	15,577	-	(41,386)
Investments in Subsidiaries and Associates	43,298	-	(75,589)	(57,779)	(90,070)
Other Investments	162	-	(44)	-	118
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**1,633,280**	**218,796**	**(2,917,116)**	**(102,692)**	**(1,167,732)**

[1] See Note 42.

[2] See Note 9.

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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

Below is a breakdown of tax losses (recognized and unrecognized) as of December 31, 2021, by year in which the statute of limitations expires:

GENERATED IN	STATUTE OF LIMITATION EXPIRES IN	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN NOMINAL VALUES	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN CONSTANT CURRENCY AT YEAR-END	TAX LOSS CARRY-FORWARDS AT THE TAX RATE IN CONSTANT CURRENCY AT YEAR-END
2020	2025	220,797	220,797	77,279
SUBTOTAL – RECOGNIZED DEFERRED ASSETS		**220,797**	**220,797**	**77,279**
2021	2026	7,699,883 [1]	7,699,883 [1]	2,694,959 [1]
SUBTOTAL – UNRECOGNIZED DEFERRED ASSETS		**7,699,883**	**7,699,883**	**2,694,959**
TOTAL		**7,920,680**	**7,920,680**	**2,772,238**

[1] Attributable to specific tax losses arising from the contribution of equity interests in foreign companies described in Note 9 which, according to applicable laws and regulations in force, may only be used to offset taxable income of the same kind.

In addition, as of December 31, 2021, the Company's other unrecognized deferred tax assets, stated in constant currency at year-end, amounted to ARS 60,487 (ARS 172,820 at the taxable base level).

Below is a breakdown of tax losses (recognized and unrecognized) as of December 31, 2020, by year in which the statute of limitations expires, in nominal values:

GENERATED IN	STATUTE OF LIMITATION EXPIRES IN	TAX LOSS CARRY-FORWARDS AT TAXABLE BASE LEVEL IN NOMINAL VALUES
2016	2021	91,756
2017	2022	619,543
2018	2023	8,877,108
2019	2024	9,000,301
2020	2025	2,023,370
SUBTOTAL – RECOGNIZED DEFERRED ASSETS		**20,612,078**
2016	2021	11,346
2017	2022	16,476
2018	2023	31,551
2019	2024	1,919,541
SUBTOTAL – UNRECOGNIZED DEFERRED ASSETS		**1,978,914**
TOTAL		**22,590,992**

In addition, as of December 31, 2020, the Company's unrecognized deferred tax assets, stated in the currency prevailing at year-end, amounted to ARS 862,453 (ARS 3,449,813 at the taxable base level), including the above-mentioned unrecognized tax loss carry-forwards.

See our report dated March 11, 2022
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NOTE 11. DEFERRED TAX ASSETS / LIABILITIES

Discussion of Recognized Deferred Tax Assets

As stated in Note 3 to the separate financial statements, the recognition of deferred tax assets for the Company's tax losses is based on management's estimate of taxable income. The following variables are the most uncertain ones in terms of future behavior which, therefore, could affect the afore-mentioned estimate and the recognition of deferred tax assets for tax losses:

VARIABLE	RELATION OF THE VARIABLE BEHAVIOR (1) TO THE RECOGNITION OF DEFERRED TAX ASSETS (TAX LOSSES) BY THE COMPANY
ARS-USD exchange rate	Considering the exposure of the Company's U.S. dollar-denominated amounts receivable and payable, the higher the devaluation of the ARS against the USD, the lower the projected taxable income and, therefore, the lower the recognition of deferred tax assets for tax losses.
Inflation	Considering the application of the inflation adjustment for tax purposes in Argentina (Note 34), the higher the inflation level in Argentina, the higher the projected taxable income and, consequently, the higher the recognition of deferred tax assets for tax losses.

[1] All other variables remaining constant.

NOTE 12. OTHER INVESTMENTS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Equity Interests	257	388
TOTAL NON-CURRENT	**257**	**388**
TOTAL	**257**	**388**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 13. TRADE AND OTHER RECEIVABLES

The following tables show the breakdown of the items:

Trade Receivables

	12.31.2021	12.31.2020
Current		
Trade Receivables from Third Parties	5,103,027	4,985,142
Documentary Credits	904,463	1,107,948
Accounts Receivable from Related Parties (Note 37)	4,066,582	3,691,459
Doubtful Accounts and Receivables in Litigation	14,353	19,004
Less: Allowance for Impairment of Receivables	(41,972)	(81,202)
TOTAL CURRENT	**10,046,453**	**9,722,351**
TOTAL TRADE RECEIVABLES	**10,046,453**	**9,722,351**

Other Receivables

	12.31.2021	12.31.2020
Non-current		
Tax Credits	1,470,706	1,246,636
Minimum Presumed Income Tax	483,241	729,850
Security Deposits	29,488	45,396
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	115,728	82,627
Financial Receivables from Related Parties (Note 37)	105	735
Prepaid Expenses	28,462	4,421
Other Receivables from Related Parties (Note 37)	929,396	1,148,741
Less: Allowance for Impairment of Other Bad Debts	(243,716)	(14,484)
TOTAL NON-CURRENT	**2,813,410**	**3,243,922**
Current		
Refunds Receivable	367,946	255,529
Security Deposits	35,510	20,575
Tax Credits	975,180	1,085,333
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	1,189,305	999,136
Financial Receivables from Related Parties (Note 37)	1,659,255	311,744
Prepaid Expenses	310,235	324,232
Other Receivables from Related Parties (Note 37)	101,344	114,598
Miscellaneous	57,468	30,113
Less: Allowance for Impairment of Other Bad Debts	(13,424)	(21,028)
TOTAL CURRENT	**4,682,819**	**3,120,232**
TOTAL OTHER RECEIVABLES	**7,496,229**	**6,364,154**

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NOTE 13. TRADE AND OTHER RECEIVABLES

The carrying amounts of financial instruments classified as trade and other receivables approximate their fair value due to the short-term nature of these financial Instruments.

Trade receivables from related parties generally arise from sales transactions, which are due within twelve months from the transaction date and do not accrue interest. These trade receivables are unsecured. No significant allowances have been recorded for these receivables from related parties.

Below is a detail of the amounts included in the allowance for impairment of trade receivables and their aging:

	12.31.2021	12.31.2020
To Fall Due	6,834	9,073
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**6,834**	**9,073**
Up to three months	2,318	3,259
From three to six months	2,562	4,611
From six to twelve months	1,114	7,787
More than one year	29,144	56,472
SUBTOTAL PAST DUE INCLUDED IN THE ALLOWANCE	**35,138**	**72,129**
TOTAL	**41,972**	**81,202**

Below is a detail of past-due trade receivables which have not been included in the allowance and their aging:

	12.31.2021	12.31.2020
From three to six months	28,317	66,266
From six to twelve months	37,164	50,199
More than one year	37,598	39,529
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**103,079**	**155,994**

The balances of the Company's trade and other receivables are denominated in the following currencies:

	12.31.2021	12.31.2020
ARS	10,967,724	11,149,578
EUR	59,250	77,784
USD	6,515,708	4,859,143
TOTAL	**17,542,682**	**16,086,505**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 13. TRADE AND OTHER RECEIVABLES

The table below shows the changes in the allowance for impairment of trade and other receivables:

	TRADE RECEIVABLES [1]		OTHER RECEIVABLES [2]	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**81,202**	**77,966**	**35,512**	**20,668**
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	7,657	-	27,945
Increases	42,085	124,562	234,245	3,292
Decreases	(42,337)	(106,227)	(829)	(1,680)
Uses	(16,973)	(9,491)	-	(1,873)
Effect of Restatement	(22,005)	(13,265)	(11,788)	(12,840)
BALANCE AT YEAR-END	**41,972**	**81,202**	**257,140**	**35,512**

[1] The accounting allocation of increases / decreases is disclosed in Note 29.

[2] The accounting allocation of increases and decreases is disclosed in Note 28 (Export Refunds), Note 29 and Note 34 (Income Tax).

NOTE 14. INVENTORIES

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Raw Materials and Materials	9,716,335	10,304,668
Raw Materials and Materials in Transit	129,693	255,420
Work in Process	1,173,986	1,243,973
Finished Products	10,164,346	8,511,835
Less: Allowance for Impairment of Inventories	(924,926)	(814,291)
TOTAL	**20,259,434**	**19,501,605**

Changes in the allowance for impairment of inventories are as follows:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**814,291**	**268,038**
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	510,738
Increases [1]	380,903	293,452
Decreases [1]	(265,805)	(256,096)
Uses	(4,463)	(1,841)
BALANCE AT YEAR-END	**924,926**	**814,291**

[1] The accounting allocation of increases/increases is disclosed in "Other General Expenses" in Note 29.

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NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS

The following tables show the breakdown of this item:

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 43)	-	686,828
TOTAL NON-CURRENT	**-**	**686,828**
Current		
Currency Forwards	544,078	6,944
TOTAL CURRENT	**544,078**	**6,944**
TOTAL AS OF 12.31.2021	**544,078**	**693,772**

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 43)	-	1,376,929
TOTAL NON-CURRENT	**-**	**1,376,929**
Current		
Currency Forwards	407,542	297
TOTAL CURRENT	**407,542**	**297**
TOTAL AS OF 12.31.2020	**407,542**	**1,377,226**

The fair value of a hedge derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is over 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Currency Forwards

As of December 31, 2021, Arcor S.A.I.C. had forward contracts in connection with purchases of U.S. dollars maturing in January, February and March 2022 for an aggregate amount of USD 50,000 at a weighted average price of ARS 117.61 per USD. As a result of these transactions, the Company has a net asset in the amount of ARS 537,134 (including assets in the amount of ARS 544,078 disclosed in Current Assets under the line "Derivative Financial Instruments" and liabilities in the amount of ARS 6,944 disclosed in Current Liabilities under the line "Derivative Financial Instruments," in both cases, of the separate balance sheet). The Company recognized a loss of ARS 1,337,923 in constant currency on such transactions, under the item "Net Financial Income (Expense)" of the separate statement of income.

As of December 31, 2020, Arcor S.A.I.C. had forward contracts in connection with purchases of U.S. dollars maturing in January 2021 for an aggregate amount of USD 15,000 at a weighted average price of ARS 88.51 per USD. As a result of these transactions, the Company had a net asset in the amount of ARS 407,245 (including assets in the amount of ARS 407,542 disclosed in Current Assets under the line "Derivative Financial Instruments" and liabilities in the amount of ARS 297 disclosed in Current Liabilities under the line "Derivative Financial Instruments," in both cases, of the separate balance sheet). The Company recognized a loss of ARS 61,267 in constant currency on such transactions, under the item "Net Financial Income (Expense)" of the separate statement of income.

Cocoa Forward Contracts and Financial Options

The Company enters into financial option transactions and forward purchases of cocoa in order to hedge the price risk of such raw material. It is worth mentioning that these instruments do not give rise to the physical delivery of the cocoa, but are rather designed as cash flow hedges to offset the effect of changes in prices for that raw materials.

During fiscal year 2021, the Company did not engage in any transaction involving forward contracts in connection with purchases of cocoa.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS

Cocoa Forward Contracts and Financial Options

As of December 31, 2021, the Company did not have forward contracts in connection with purchases of cocoa. However, as a result of the transactions carried out during the year, the Group recognized a net comprehensive loss of ARS 2,975 on these and other transactions that were settled under the item "Costs of Sales and Services Rendered" (a gain of ARS 115) in the separate statement of income, and under the item "Cash Flow Hedge" (a loss of ARS 3,090) in the separate statement of other comprehensive income, as described in Note 2.12 to these separate financial statements.

Mastellone Hermanos S.A.'s Call and Put Options

The transaction with Mastellone Hermanos S.A. and its shareholders described in Note 43 to these separate financial statements involved call and put options of the associate's shares, which are measured at fair value at the closing date. Such fair values were estimated by applying the "Black & Scholes" and "Montecarlo Simulation" models, as applicable in each case and are classified as Level 3 within the fair value hierarchy, in accordance with the guidance set forth in IFRS 7 and described in Note 38.2 to these separate financial statements. The most relevant unobservable inputs used in these estimates are disclosed below:

MEASUREMENT METHOD(S)	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
"Black & Scholes" and "Montecarlo Simulation" models	Fair value of Mastellone's share	The higher the fair value of Mastellone's share: - The higher the fair value of the *call option*s. - The lower the fair value of put options.
	Price volatility of Mastellone's share	The higher the volatility of the price of Mastellone's share, the higher the fair value of the call and put options.
	Timing of option exercise	The longer the option exercise term, the higher the fair value of the call and put options.
	Risk-free rate	The higher the risk-free rate: - The higher the fair value of the *call option*s. - The lower the fair value of put options..

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NOTE 16. STATEMENT OF CASH FLOWS - ADDITIONAL INFORMATION

The table below shows the breakdown of Cash and Cash Equivalents:

	12.31.2021	12.31.2020
Cash and Bank Deposits at Sight	1,107,384	721,026
Time Deposits	-	443,504
TOTAL	**1,107,384**	**1,164,530**

The statement of cash flows excludes the effects of the following non-cash investment and financing activities:

	ACTIVITY	12.31.2021	12.31.2020
Addition of PP&E Items, Investment Properties, Intangible Assets and Others Not Settled at Period-End	Investment	(89,817)	(143,088)
Dividends Distributed by Subsidiaries Not Cashed at Year-end	Investment	-	82,681
Decrease in Financial Receivables due to Merger	Investment	-	(3,336,946)
Increase in Financial Receivable with a Related Company resulting from Financed Sales of Inventories (Note 42)	Investment	(1,654,591)	-
Financial Expenses Capitalized in Eligible Assets (Note 33)	Investment	(15,254)	(11,227)
Subscribed Contributions to Subsidiaries Pending Payment at Year-end	Investment	(35,092)	-
Increases in Loans due to Acquisition (Note 42)	Financing	219,972	-
Cash Dividends Not Settled at Year-end	Financing	(1,722)	(1,048)
Deletions of Right-of-use Assets (Note 6)	Financing	-	66,792
Additions of Right-of-use Assets and Adjustments to Variable Leases (Note 6)	Financing	(759,446)	(442,500)
Deletions of lease liabilities (Note 22)	Financing	-	(73,492)
Additions of Liabilities and Adjustments to Variable Leases (Note 22)	Financing	759,446	442,500

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NOTE 17. RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

In accordance with the GCL, the Company's by-laws and applicable resolutions issued by the CNV, 5% of net income for the year should be appropriated to the legal reserve, together with previous years' adjustments, transfers from Other Comprehensive Income to Unappropriated Retained Earnings and accumulated losses from previous years, until such reserve reaches 20% of capital stock plus the capital adjustment. Such percentage was reached as a result of the decisions passed at the Ordinary and Extraordinary General Shareholders' Meeting held on April 27, 2019.

As required by the revised text of the CNV's rules, whenever the net balance of other Accumulated Comprehensive Income (Loss) (other equity components) at the end of a given reporting period is positive (credit accounts), such balance could not be distributed, capitalized or set aside to absorb accumulated losses. Where such net balance is negative (debit accounts), there will be a restriction on the distribution of unappropriated retained earnings for an equal amount.

As provided by the CNV, positive unappropriated retained earnings resulting from the adoption of IFRS, which amounted to ARS 1,183,883 (ARS 203,257 in historical values), were reallocated to a special reserve which may only be released for capitalization or to absorb any future negative unappropriated retained earnings. Such reallocation was approved on April 27, 2013 at the Ordinary and Extraordinary Shareholders' Meeting where the separate and consolidated financial statements for the year 2012 were considered.

NOTE 18. CHANGES IN CAPITAL STOCK

The following table shows the changes in the Company's capital stock over the last three years:

	2021	2020	2019
Capital Stock at the Beginning of the Year	700,000,000	700,000,000	700,000,000
CAPITAL STOCK AT YEAR-END	**700,000,000**	**700,000,000**	**700,000,000**

As of December 31, 2021 the capital stock amounts to ARS 700,000,000 and is represented by 16,534,656 common, registered non-endorsable Class A shares with a face value of ARS 0.01 and entitled to 5 votes each, and by 69,983,465,344 common, registered, non-endorsable Class B shares with a face value of ARS 0.01 and 1 vote each.

NOTE 19. UNAPPROPRIATED RETAINED EARNINGS

The following tables show the changes in unappropriated retained earnings for the years ended December 31, 2021 and 2020, respectively:

	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**6,375,420**
Net Income for the Fiscal Year	18,156,923
Actuarial Gains from Defined Benefit Plans	(45,704)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(1,660,358)
- Special Reserve for Future Dividends [1]	(1,003,444)
Gain on Acquisition (Notes 9 and 42)	198,246
Distribution of Dividends [1]	(3,711,620)
Forfeited Dividends [2]	29
BALANCE AT YEAR-END	**18,309,492**

[1] As per the Ordinary and Extraordinary General Shareholders' Meetings held on April 6, 2021 and August 20, 2021.

[2] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

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NOTE 19. UNAPPROPRIATED RETAINED EARNINGS

	TOTAL AS OF 12.31.2020
Balance at the Beginning of the Year	**(3,483,295)**
Net Income for the Fiscal Year	6,284,538
Actuarial Gains from Defined Benefit Plans	90,810
Absorption of Losses [1]	3,483,295
Forfeited Dividends [2]	72
BALANCE AT YEAR-END	**6,375,420**

[1] As per the Ordinary and Extraordinary General Shareholders' Meetings held on April 25, 2020 and August 15, 2020.

[2] According to the terms of Section 40 of the Company's By-laws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 years from the date on which such dividends were made available.

NOTE 20. OTHER EQUITY COMPONENTS

Below is a detail of the changes in other equity components:

	TRANSLATION RESERVE	RESERVE FOR CASH FLOW HEDGES	TOTAL
Balance at the Beginning of the Year	**1,626,714**	**-**	**1,626,714**
Translation Difference:			
- Share of Translation Differences of Companies	(11,082,262)		(11,082,262)
- Reclassification to Income for the Year of the Share of Other Comprehensive Income (Loss) on Companies' Translation Differences (Note 9) [1]	129,016		129,016
- Effect on Income Tax (Notes 11 and 34)	69,200		69,200
TOTAL AS OF 12.31.2021	**(9,257,332)**	**-**	**(9,257,332)**

[1] Resulting from the liquidation of GAP International Holding S.A. The offsetting entry of such reclassification is disclosed under the item "Income from Investments in Companies and Others" in the separate statement of income.

	TRANSLATION RESERVE	RESERVE FOR CASH FLOW HEDGES	TOTAL
Balance at the Beginning of the Year	**1,866,587**	**2,164**	**1,868,751**
Cash Flow Hedge:			
- Gains (Losses) on Hedging Instruments		(3,090)	(3,090)
- Effect on Income Tax (Notes 11 and 34)		926	926
Translation Difference:			
- Share of Translation Differences of Companies	(182,094)		(182,094)
- Effect on Income Tax (Notes 11 and 34)	(57,779)		(57,779)
TOTAL AS OF 12.31.2020	**1,626,714**	**-**	**1,626,714**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 21. LOANS

The following tables show the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Bank Loans	2,669,402	6,338,333
Notes	55,299,054	63,847,798
TOTAL NON-CURRENT	**57,968,456**	**70,186,131**
Current		
Bank Loans	19,834,346	5,586,535
Notes	2,115,058	10,265,507
Financial Loans with Related Parties (Note 37)	1,623,834	968,169
Financial Indebtedness on Acquisition of Shares (Note 42)	206,286	-
TOTAL CURRENT	**23,779,524**	**16,820,211**
TOTAL	**81,747,980**	**87,006,342**

The following tables show the changes in this item:

	CASH MOVEMENTS	NON-CASH MOVEMENTS	TOTAL AS OF 12.31.2021
BALANCE AT THE BEGINNING OF THE YEAR			
Borrowed Loans	11,285,374	-	11,285,374
Increase due to Acquisition (Note 42)		219,972	219,972
Loan Repayment - Principal	(7,461,628)	-	(7,461,628)
Loan Repayment - Interest	(10,416,380)	-	(10,416,380)
Payments for Origination Expenses	(218,418)	-	(218,418)
Net Changes in Financial Loans with Related Companies	709,807	-	709,807
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	10,728,205	-	10,728,205
Accrued Origination Expenses	-	83,628	83,628
Accrued Interest	-	3,296,761	3,296,761
Exchange Differences	-	(13,485,683)	(13,485,683)
BALANCE AT YEAR-END			**81,747,980**

	CASH MOVEMENTS	NON-CASH MOVEMENTS	TOTAL AS OF 12.31.2020
BALANCE AT THE BEGINNING OF THE YEAR			
Borrowed Loans	9,405,048	-	9,405,048
Loan Repayment - Principal	(7,850,917)	-	(7,850,917)
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	1,734,805	1,734,805
Loan Repayment - Interest	(9,890,087)	-	(9,890,087)
Payments for Origination Expenses	(158,996)	-	(158,996)
Net Changes in Financial Loans with Related Companies	397,733	-	397,733
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	(4,768,340)	-	(4,768,340)
Accrued Origination Expenses	-	179,763	179,763
Accrued Interest	-	4,942,369	4,942,369
Exchange Differences	-	2,125,824	2,125,824
BALANCE AT YEAR-END			**87,006,342**

See our report dated March 11, 2022
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Statutory Audit
Committee

Luis Alejandro Pagani
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 21. LOANS

Below is a summary of the carrying amounts of the Company's loans broken down by term of maturity:

- Balances as of December 31, 2021:

NON-CURRENT	WITHOUT TERM	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	-	2,669,402	-	-	-	2,669,402
Notes	-	52,581,990	-	2,717,064	-	55,299,054
TOTAL AS OF 12.31.2021	-	55,251,392	-	2,717,064	-	57,968,456

CURRENT	WITHOUT TERM	UP TO THREE MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	-	11,078,346	-	7,196,000	1,560,000	19,834,346
Notes	-	1,620,058	-	-	495,000	2,115,058
Financial Loans with Related Parties (Note 37)	1,623,834	-	-	-	-	1,623,834
Financial Indebtedness on Acquisition of Shares (Note 42)	-	-	-	206,286	-	206,286
TOTAL AS OF 12.31.2021	1,623,834	12,698,404	-	7,402,286	2,055,000	23,779,524

- Balances as of December 31, 2020:

NON-CURRENT	WITHOUT TERM	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	-	6,338,333	-	-	-	6,338,333
Notes	-	-	63,847,798	-	-	63,847,798
TOTAL AS OF 12.31.2020	-	6,338,333	63,847,798	-	-	70,186,131

CURRENT	WITHOUT TERM	UP TO THREE MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	-	4,077,119	1,509,416	-	-	5,586,535
Notes	-	2,340,904	3,079,209	3,562,390	1,283,004	10,265,507
Financial Loans with Related Parties (Note 37)	968,169	-	-	-	-	968,169
TOTAL AS OF 12.31.2020	968,169	6,418,023	4,588,625	3,562,390	1,283,004	16,820,211

The carrying amounts of the Company's loans are stated in the following currencies:

	12.31.2021	12.31.2020
ARS [1]	23,243,750	14,892,886
USD	58,504,230	72,113,456
TOTAL	81,747,980	87,006,342

[1] As of December 31, 2021, it includes Class 17 Notes, which are denominated in UVAs but are repayable in ARS, in the amount of ARS 2,695,301.

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NOTE 21. LOANS

The tables below show the carrying amount and the fair value of loans as of December 31, 2021 and 2020:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	22,503,748	22,459,255
Notes	57,414,112	59,501,035
Financial Loans with Related Parties	1,623,834	1,623,834
Financial Indebtedness on Acquisition of Shares (Note 42)	206,286	206,286
TOTAL AS OF 12.31.2021	**81,747,980**	**83,790,410**

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	11,924,868	11,520,628
Notes	74,113,305	73,548,497
Financial Loans with Related Parties	968,169	968,169
TOTAL AS OF 12.31.2020	**87,006,342**	**86,037,294**

Bank loans include debt at fixed and variable interest rate, with a short-term portion where interest has already been fixed. Fair values are estimated based on discounted cash flows, applying a relevant market rate at year-end. The fair value of listed notes is estimated based on the quoted price for the securities at year-end (Note 38).

Financial loans with related parties comprise debts at variable rates which are renegotiated on a monthly basis and accruing interest on a daily basis. Such calculation is based on observable market rates.

The following tables show the Company's loans by fair value level as of December 31, 2021 and 2020, as explained in Note 38.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	22,459,255	-	22,459,255
Notes	54,830,527	4,670,508	-	59,501,035
Loans with Related Companies	-	1,623,834	-	1,623,834
Financial Indebtedness on Acquisition of Shares (Note 42)	-	206,286	-	206,286
Total Loans at Fair Value as of 12.31.2021	**54,830,527**	**28,959,883**	**-**	**83,790,410**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	11,520,628	-	11,520,628
Notes	64,588,340	8,960,157	-	73,548,497
Financial Loans with Related Parties	-	968,169	-	968,169
Total Loans at Fair Value as of 12.31.2020	**64,588,340**	**21,448,954**	**-**	**86,037,294**

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NOTE 21. LOANS

Main Loans Borrowed by the Company - Financing Programs - Notes

a. Issuance of Notes

a.1. Global Notes Program for up to USD 800 million

On February 27, 2010, the Company's shareholders, gathered at the Ordinary General Shareholders' Meeting, considered and approved the creation of a new Global Simple Non-convertible Notes Program for an aggregate amount of up to USD 500 million or its equivalent in other currencies, for a term of up to five (5) years as from the date of authorization of the Program by the CNV or such other longer term as may be generally authorized pursuant to applicable laws and regulations and the terms of the Negotiable Obligations Law. The Company's Board of Directors was vested with powers to determine the terms of the issuance and to carry out all such acts as might be required and/or convenient to implement such resolution.

On October 25, 2010, the CNV, by means of Resolution No. 16,439, approved such program.

On November 28, 2014, the Company's shareholders, gathered at the Ordinary and Extraordinary General Shareholders' Meeting, approved an increase in the amount and an extension of the term of the Global Notes Program. On October 30, 2015, the CNV, through Resolution No. 17,849, authorized the Company to increase the maximum principal amount of the mentioned program (from an aggregate principal amount of up to USD 500 million to an aggregate principal amount of up to USD 800 million, or its equivalent in other currencies) for a new term of (5) five years, as from the original term maturity.

On April 25, 2020, the Company's shareholders, gathered at the Ordinary and Extraordinary General Shareholders' Meeting, approved the extension of the program term for additional five (5) years. On November 5, 2020, the CNV, by means of Directive DI-2020-52-APN- GE#CNV, authorized the Company to extend the term of the program for additional 5 years, counted as from the end of the extended term, i.e., October 30, 2025, and to amend certain terms and conditions of said Program in order for the instruments to be denominated in units known as "Unidades de Valor Adquisitivo" or UVAs indexable by the Reference Stabilization Ratio ("CER", for its Spanish acronym) as per Law No. 25,827, or otherwise in "Unidades de Vivienda" or UVIs indexable by the Construction Cost Index ("ICC", for its Spanish acronym), pursuant to Law No. 27,271.

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NOTE 21. LOANS

a.2. Main Terms of Notes Outstanding and/or Settled during the Current Year

	CLASS 9 NOTES [1]	CLASS 11 NOTES [1 2]	CHEQUEAR CLASS 9 NOTES [1]
Final Principal Amount of the Issue	USD 350,000	ARS 1,215,000	USD 150,000
Issue Date	July 6, 2016	May 3, 2017	June 19, 2017
Issue Price	100% of principal amount	100% of principal amount	106.625% of principal amount
Currency	USD	ARS	USD
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal 6% fixed rate.
Applicable margin	N/A	2.99% nominal annual rate	N/A
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue)	May 3, 2021 (48 months from the date of issue)	July 6, 2023 (73 months from the date of issue)
Date of Authorization by CNV's Issuers Division	June 21, 2016	April 21, 2017	June 9, 2017
Interest Payment Date	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.	On a quarterly basis, in arrears, on February 3, May 3, August 3, and November 3 of each year, until maturity. The first payment was due on August 3, 2017.	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on July 6, 2017.

[1] The net proceeds were fully used for the refinancing of bank loans.

[2] Fully repaid upon maturity during the year.

CLASS 14 NOTES [12]	CLASS 15 NOTES [12]	ADDITIONAL CLASS 16 NOTES	ADDITIONAL CLASS 17 NOTES
ARS 1,535,111	ARS 2,500,000	ARS 1,500,000	27,864 UVAs (equal to ARS 2,500,000 considering the UVA value as of the date of issue)
March 3, 2020	July 6, 2020	October 20, 2021	October 20, 2021
100% of principal amount			
ARS			UVA/ARS
Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.			Annual nominal fixed rate of 0.98 %.
5.75% nominal annual rate	1.99% nominal annual rate	2.97% nominal annual rate	N/A
September 6, 2021 (18 months from the date of issue)	Three consecutive payments, the first one due on April 6, 2021 (9 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on July 6, 2021 (12 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on October 6, 2021 (15 months from the date of issue) for a sum equal to 34% of the principal amount.	Three consecutive payments, the first one due on October 20, 2022 (12 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on January 20, 2023 (15 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on April 20, 2023 (18 months from the date of issue) for a sum equal to 34% of the principal amount.	October 20, 2025 (48 months from the date of issue).
February 28, 2020	June 29, 2020	October 13, 2021	October 13, 2021
On a quarterly basis, in arrears, on June 6, September 6, December 6, and March 6, until maturity. The first payment was due on June 6, 2020.	On a quarterly basis, in arrears, on October 6, 2020, January 6, 2021, April 6, 2021, July 6, 2021, and October 6, 2021.	On a quarterly basis, in arrears, on January 20, 2022, April 20, 2022, July 20, 2022, October 20, 2022, January 20, 2023 and April 20, 2023.	On a quarterly basis, in arrears, from January 20, 2022 until October 20, 2025.

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NOTE 21. LOANS

a.3. Covenants and Limitations included in the Notes

The terms and conditions of the notes include certain covenants and limitations agreed by the Company that are customary in transactions of this nature. The most relevant ones include:

- The Company may only incur or will only allow its subsidiaries to incur in additional indebtedness, provided the "Fixed Charge Coverage Ratio" (as such term is defined in the Pricing Supplement for Series 9 Notes under the Global Program) for the last four quarters is equal to, at least, 2.00 to 1.00. This limitation does not apply to certain permitted indebtedness referred to in the Pricing Supplement.

- The Company may not, and will not permit its subsidiaries to, create liens on its assets to secure the payment of any indebtedness provided that the Notes are secured on an equivalent and proportional basis. This restriction does not apply to certain permitted liens and will not be triggered if the liens created by the Company or its subsidiaries are meant to secure any indebtedness the principal of which (considering the aforementioned liens) does not exceed 10% of its "Consolidated Total Assets" (as defined in the Pricing Supplement for Series 9 Notes).

- The Company assumes the obligation to offer to repurchase the Notes at 101% of the principal amount, plus unpaid and accrued interest, upon a "Change of Control," as such term is defined in the Pricing Supplement for Series 9 Notes.

As of December 31, 2021, the Company has fully complied with these covenants and limitations.

b. Long-term Loans Borrowed from Other Financial Institutions

The following table shows relevant information on long-term loans.

ORIGINAL PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2021	12.31.2020
ARS 1,500	Variable [1]	11.25.2019	05.18.2021	Upon maturity [2]	Monthly	-	1,509
USD 50 [3]	4% annual rate	07.06.2021	07.06.2022	Upon maturity	Quarterly	5,136	6,352
ARS 1,000	Variable [4]	11.04.2021	11.04.2023	Upon maturity	Quarterly	1,000	-
ARS 2,800	Mixed [5]	08.30.2021	08.30.2023	In 5 instalments [6]	Monthly	2,800	-

[1] BADLAR plus a 10% margin.
[2] In July 2020, the Company made an early payment for ARS 500 million.
[3] The loan sets forth certain covenants and commitments to be fulfilled by the Company during its term, including certain specific financial ratios. As of December 31, 2021 and 2020, no default has occurred in respect of such covenants and commitments.
[4] BADLARi (BADLAR plus the turnover tax allocation ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin
[5] Annual nominal fixed rate of 40.5% for the first 12 months, and variable BADLAR plus a 4.25% margin for the remaining period to maturity.
[6] Payable on a quarterly basis in equal and consecutive instalments of ARS 560 million, due as from August 30, 2022, inclusive.

During the year ended December 31, 2020, the Company did not borrow long-term loans from local banks.

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NOTE 22. LEASE LIABILITIES

The following tables detail the breakdown of and changes to this item:

	12.31.2021	12.31.2020
Non-current	790,731	577,734
Current	546,674	761,190
TOTAL	**1,337,405**	**1,338,924**

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**1,338,924**	**1,649,054**
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	20,282
Additions	889,178	413,725
Deletions [1]	-	(73,492)
Adjustments to Variable Leases	(129,732)	28,775
Interest Expense and Exchange Differences Accrued	44,562	140,267
Payments Made During the Year	(805,527)	(839,687)
BALANCE AT YEAR-END	**1,337,405**	**1,338,924**

[1] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income.

NOTE 23. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Early Retirement Benefits	428,731	219,111
Retirement Bonuses [a]	299,970	308,727
Pension Plans [b]	2,632,896	2,096,815
TOTAL NON-CURRENT	**3,361,597**	**2,624,653**
Current		
Early Retirement Benefits	413,432	265,210
Retirement Bonuses [a]	4,171	8,326
Pension Plans [b]	95,434	29,532
TOTAL CURRENT	**513,037**	**303,068**
TOTAL	**3,874,634**	**2,927,721**

The amount charged to the separate statement of income is as follows:

	12.31.2021	12.31.2020
Amount Charged to Income		
Early Retirement Benefits	751,995	315,538
Retirement Bonuses [a]	11,869	52,075
Pension Plans – Defined Contributions [b]	829,984	1,490,456
Subtotal	**1,593,848**	**1,858,069**
Charge to Other Comprehensive Income		
Retirement Bonuses [a]	(23,577)	(46,445)
Pension Plans [b]	261,662	(136,913)
Subtotal	**238,085**	**(183,358)**
TOTAL	**1,831,933**	**1,674,711**

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NOTE 23. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

(a) Retirement Bonuses

The following table shows the changes in the Company's obligations:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**317,053**	**277,939**
Cost	17,678	19,171
Addition due to Merger with La Campagnola S.A.C.I. (Note 9)	-	35,437
Interest	(5,809)	32,904
Actuarial Gain	(23,577)	(46,445)
Benefits Paid to Participants	(1,204)	(1,953)
BALANCE AT YEAR-END	**304,141**	**317,053**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 4,171.

(b) Pension Plans

The following table shows the changes in the Company's obligations:

	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**2,126,347**	**1,590,018**
Cost	955,005	1,328,878
Addition due to Merger with La Campagnola S.A.C.I. (Note 9)	-	18,902
Interest	(125,021)	161,578
Actuarial Loss/(Gain)	261,662	(136,913)
Benefits Paid to Plan Participants	(489,663)	(836,116)
BALANCE AT YEAR-END	**2,728,330**	**2,126,347**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 95,434.

Below is a detail of the amount charged to the separate statement of income for the years ended December 31, 2021 and 2020:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1 3]	955,005	992,900	17,678	1,965,583
Interest [2]	(125,021)	(240,905)	(5,809)	(371,735)
Subtotal – Amounts Charged to Income for the Year	**829,984**	**751,995**	**11,869**	**1,593,848**
Actuarial (Gain) / Loss	261,662	-	(23,577)	238,085
Subtotal - Loss through Other Comprehensive Income	**261,662**	**-**	**(23,577)**	**238,085**
TOTAL AS OF 12.31.2021	**1,091,646**	**751,995**	**(11,708)**	**1,831,933**

[1] Out of total cost, ARS 784,394, ARS 203,958 and ARS 977,231 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively.

[2] Charged to "Net Financial Income (Expense)."

[3] Out of the amount charged to income in connection with pension plans, ARS 131,579 are reported under "Managers', Directors' and Statutory Auditors' Fees" and ARS 823,426 are reported under "Salaries, Wages and Other Benefits" (Note 30).

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NOTE 23. EMPLOYEE RETIREMENT BENEFITS OBLIGATIONS

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1 3]	1,328,878	371,531	19,171	1,719,580
Interest [2]	161,578	(55,993)	32,904	138,489
Subtotal – Amounts Charged to Income for the Year	**1,490,456**	**315,538**	**52,075**	**1,858,069**
Actuarial (Gain) / Loss	(136,913)	-	(46,445)	(183,358)
Subtotal - Loss through Other Comprehensive Income	**(136,913)**	**-**	**(46,445)**	**(183,358)**
TOTAL AS OF 12.31.2020	**1,353,543**	**315,538**	**5,630**	**1,674,711**

[1] Out of total cost, ARS 444,460, ARS 260,380 and ARS 1,014,740 are reported in “Cost of Sales”, “Selling Expenses” and “Administrative Expenses,” respectively.

[2] Charged to “Net Financial Income (Expense).”

[3] Out of the amount charged to income in connection with pension plans, ARS 270,685 are reported under “Managers’, Directors’ and Statutory Auditors’ Fees” and ARS 1,058,193 are reported under “Salaries, Wages and Other Benefits” (Note 30).

The assumptions on the future mortality rate are established based on actuarial techniques, according to published statistics. Main assumptions used:

	12.31.2021	12.31.2020
Mortality table	G.A.M. 83	G.A.M. 83
Disability table	P.D.T. 85	P.D.T. 85
Ordinary retirement age for men	65 years	65 years
Ordinary retirement age for women	60 years	60 years
Actual discount rate per year	5.0%	5.0%

As of December 31, 2021, the impact of a favorable /unfavorable 0.5% change in the main actuarial assumptions would result in a pre-tax (gain)/loss of around ARS (28,757) and ARS 26,399, respectively.

As of December 31, 2020, the impact of a favorable /unfavorable 0.5% change in the main actuarial assumptions would result in a pre-tax (gain)/loss of around ARS (25,408) and ARS 34,827, respectively.

NOTE 24. PROVISIONS

The following table shows the breakdown of the item Provisions:

	12.31.2021	12.31.2020
Non-current		
For Labor, Civil and Commercial Lawsuits	254,334	308,161
For Other Contingencies	80,716	106,086
TOTAL NON-CURRENT	**335,050**	**414,247**
Current		
For Labor, Civil and Commercial Lawsuits	109,000	132,070
For Other Contingencies	34,593	45,465
TOTAL CURRENT	**143,593**	**177,535**
TOTAL	**478,643**	**591,782**

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NOTE 24. PROVISIONS

The changes in this item are as follows:

	FOR LABOR, CIVIL AND COMMERCIAL LAWSUITS [1]		OTHER PROVISIONS [2]	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Balance at the Beginning of the Year	**440,231**	**354,056**	**151,551**	**159,363**
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	190,079	-	14,590
Increases	134,529	166,894	22,879	80,307
Decreases	(180,651)	(238,181)	(4,137)	(48,837)
Payments	(30,775)	(32,617)	-	-
Effect of Restatement	-	-	(54,984)	(53,872)
BALANCE AT YEAR-END	**363,334**	**440,231**	**115,309**	**151,551**

[1] The accounting allocation of increases and decreases in labor, civil and commercial lawsuits is disclosed in Note 29 and 33.

[2] The accounting allocation of increases and decreases in other contingencies is disclosed in Note 29.

NOTE 25. TRADE PAYABLES AND OTHER LIABILITIES

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Non-current		
Trade Payables		
- Third Parties	35,528	63,395
Tax Liabilities	-	32,678
Salaries and Social Security Contributions	10,248	29,942
Other Liabilities		
- Related Parties (Note 9)	326,108	335,273
TOTAL NON-CURRENT	**371,884**	**461,288**
Current		
Trade Payables		
- Third Parties	9,460,686	10,271,746
- Related Parties (Note 37)	1,324,135	943,970
- Promissory Notes	1,017,317	893,027
Tax Liabilities	740,843	571,522
Salaries and Social Security Contributions	4,369,770	4,282,613
Other Liabilities		
- Third Parties	4,136	2,459
- Related Parties (Note 37)	6,073	1,048
TOTAL CURRENT	**16,922,960**	**16,966,385**
TOTAL	**17,294,844**	**17,427,673**

NOTE 26. COMMITMENTS AND PLEDGED COLLATERAL

(a) Committed Expenses

The following table shows the Company's committed but not yet incurred expenses as of the balance sheet date:

	12.31.2021	12.31.2020
IT Services	367,167	395,287
Logistics Services	124,572	227,675
TOTAL	**491,739**	**622,962**

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(Figures stated in thousands of Argentine pesos)

NOTE 26. COMMITMENTS AND PLEDGED COLLATERAL

(b) Pledged Collateral for Loans Granted to Subsidiaries

As of December 31, 2021, the Company does not have collateral for loans granted to subsidiaries.

(c) Other Pledged Collateral

COMPANY	CREDITOR/ BENEFICIARY	ORIGINAL CURRENCY	TYPE OF COLLATERAL	COLLATERAL	MAXIMUM GUARANTEED AMOUNT
Arcor do Brasil Ltda.	Pottencial Seguradora S.A.	BRL	Surety	Surety Bond	15,000
	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety		

(d) Restricted Assets

As part of the Joint Venture agreement with Ingredion Argentina S.R.L (Note 42), the Company granted to its subsidiary Ingrecor S.A. a beneficial interest in certain real property while retaining the bare legal title thereto. As of the date of these separate financial statements, the carrying amount of such interest amounts to ARS 408.

(e) Potential Commitments

As part of a Master Investment Agreement entered into with Groupe Danone, the Company subscribed an agreement with the subsidiary Bagley Argentina S.A. whereby the Company agreed to provide the services required for the manufacturing of certain products using assets owned by Bagley Argentina S.A.

Consequently, as of December 31, 2021, certain pieces of equipment owned by Bagley Argentina S.A. are located at the Company's facilities, with a residual value of ARS 21,915. The Company has assumed the custody of these assets and has also committed to maintaining insurance policies to cover them. As of December 31, 2020, they amounted to ARS 28,329.

Pursuant to certain toll manufacturing agreements entered into by the Company and third parties, as of December 31, 2021, the Company held in its own warehouses third parties' sugar inventories, for an amount equal to last month's average third party's purchase price, i.e., ARS 1,567,137. As of December 31, 2020, such inventories amounted to ARS 1,400,885.

As of December 31, 2021, the Company also held in its warehouses inventories of finished products for sale owned by third parties for a total amount of ARS 39,071. As of December 31, 2020, these inventories amounted to ARS 18,896.

NOTE 27. SALES OF GOODS AND SERVICES

The following table shows the breakdown of the item Sales of Goods and Services:

	12.31.2021	12.31.2020
Sales of Goods		
- Third Parties	90,909,917	91,712,814
- Related Parties (Note 37)	16,175,333	11,610,806
Sales of Services		
- Third Parties	245,885	200,852
- Related Parties (Note 37)	8,169,693	6,397,512
TOTAL	**115,500,828**	**109,921,984**

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NOTE 28. COST OF GOODS SOLD AND SERVICES RENDERED

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Inventories at the Beginning of the Year (Notes 14)	19,501,605	13,126,681
Increase due to Merger with La Campagnola S.A.C.I. (Note 9)	-	3,613,410
Purchases for the Year	50,796,858	45,751,222
Transfers of Biological Products from the Agricultural Activity (Note 31)	1,535,124	1,527,692
Production and Services Expenses (Note 29)	31,065,484	29,027,498
Sales of By-products	(147,520)	(134,096)
Export Refunds [1]	(353,214)	(318,733)
Inventories at Year-end (Note 14)	(20,259,434)	(19,501,605)
BALANCE AT YEAR-END	**82,138,903**	**73,092,069**

[1] Net of the effect of (losses) / recovery of provisions for export refunds.

NOTE 29. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

The following table shows the breakdown of total expenses by nature:

	12.31.2021	12.31.2020
Managers', Directors' and Statutory Auditors' Fees	814,156	881,282
Services Fees	894,477	860,958
Salaries, Wages, Social Security Charges and Other Benefits (Note 30)	28,415,865	26,332,375
Taxes, Rates and Contributions	316,582	265,210
Direct Taxes	2,377,291	2,141,000
Maintenance of Property, Plant and Equipment, and Investment Properties	2,987,598	2,771,295
Depreciation of Property, Plant and Equipment and Investment Properties (Notes 5 and 7) *	2,094,038	2,088,246
Depreciation of Right-of-use Assets (Note 6) *	684,410	700,665
Amortization of Intangible Assets (Note 8)	84,460	89,012
Freight and Haulage	4,232,308	4,445,309
Fuels and Lubricants	267,094	239,439
Export and Import Expenses	533,446	547,979
Third-party Services	4,309,954	4,375,629
Electricity, Gas and Communications	3,360,507	3,078,608
Travelling Expenses and Per Diem	272,421	207,040
Bank Services	127,166	127,449
Quality and Environment	234,627	193,658
Publicity and Advertising	1,976,302	1,233,931
Operating Leases/Rentals	510,484	341,720
Insurance	312,243	327,028
Systems and Application Software	1,672,379	1,079,778
Export Duties	615,951	506,430
(Recovery) / Loss due to Bad Debts	(252)	18,335
Loss on Labor and Other Lawsuits	56,317	31,436
Loss on Other Miscellaneous Provisions	18,742	31,470
(Recovery) / Loss due to Other Receivables	(63)	729
Other General Expenses	3,038,190	2,751,133
TOTAL	**60,206,693**	**55,667,144**

* The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in biological assets.

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NOTE 29. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(a) Production Expenses (Note 28)

	12.31.2021	12.31.2020
Services Fees	200,064	175,302
Salaries, Wages, Social Security Charges and Other Benefits (Note 30)	18,175,935	16,974,984
Taxes, Rates and Contributions	140,240	114,654
Maintenance of Property, Plant and Equipment	2,624,740	2,448,222
Depreciation of Property, Plant and Equipment (Note 5)	1,666,777	1,632,395
Depreciation of Right-of-use Assets (Note 6)	92,633	80,834
Amortization of Intangible Assets (Note 8)	30,176	19,120
Freight and Haulage	1,343,758	1,274,273
Fuels and Lubricants	169,882	154,747
Third-party Services	1,518,105	1,545,534
Electricity, Gas and Communications	3,117,007	2,678,109
Travelling Expenses and Per Diem	73,174	60,457
Quality and Environment	233,096	191,533
Operating Leases/Rentals	206,474	94,189
Insurance	226,667	233,135
Systems and Application Software	254,135	262,839
Loss on Labor and Other Lawsuits	32,565	17,479
(Recovery) / Loss due to Other Miscellaneous Provisions	(2,184)	5,588
(Recovery) / Loss due to Other Receivables	(63)	729
Other General Expenses	962,303	1,063,375
TOTAL	**31,065,484**	**29,027,498**

(b) Biological Assets Production Expenses (Note 31)

	12.31.2021	12.31.2020
Services Fees	10,562	3,688
Salaries, Wages, Social Security Charges and Other Benefits (Note 30)	304,482	267,209
Taxes, Rates and Contributions	32,072	23,787
Maintenance of Property, Plant and Equipment	103,654	90,049
Depreciation of Property, Plant and Equipment (Note 5) *	172,008	166,424
Depreciation of Right-of-use Assets (Note 6) *	143,006	139,265
Freight and Haulage	57,020	61,044
Fuels and Lubricants	40,147	50,303
Third-party Services	385,756	307,880
Electricity, Gas and Communications	26,533	31,388
Travelling Expenses and Per Diem	3,052	1,700
Quality and Environment	1,531	2,125
Operating Leases/Rentals	42,915	45,950
Insurance	807	495
Systems and Application Software	1,338	1,825
(Recovery) / Loss on Labor and Other Lawsuits	(71)	1,069
Other General Expenses	782,100	602,364
TOTAL	**2,106,912**	**1,796,565**

* The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in the cost of biological assets.

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NOTE 29. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(c) Selling Expenses

	12.31.2021	12.31.2020
Services Fees	248,701	223,812
Salaries, Wages, Social Security Charges and Other Benefits (Note 30)	5,146,629	4,988,259
Taxes, Rates and Contributions	107,079	103,649
Direct Taxes	2,377,291	2,141,000
Maintenance of Property, Plant and Equipment	233,702	210,574
Depreciation of Property, Plant and Equipment (Note 5)	165,371	200,965
Depreciation of Right-of-use Assets (Note 6)	342,769	367,473
Amortization of Intangible Assets (Note 8)	31,275	37,370
Freight and Haulage	2,831,530	3,109,992
Fuels and Lubricants	46,893	28,563
Export and Import Expenses	533,446	547,979
Third-party Services	2,238,397	2,339,100
Electricity, Gas and Communications	154,158	248,480
Travelling Expenses and Per Diem	119,731	90,230
Publicity and Advertising	1,976,302	1,233,931
Operating Leases/Rentals	235,365	190,544
Insurance	62,296	70,200
Systems and Application Software	888,620	471,697
Export Duties	615,951	506,430
(Recovery) / Loss due to Bad Debts	(252)	18,335
Loss on Labor and Other Lawsuits	23,077	12,666
Loss on Other Miscellaneous Provisions	16,076	18,558
Other General Expenses	1,136,497	927,701
TOTAL	**19,530,904**	**18,087,508**

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NOTE 29. INFORMATION ABOUT EXPENSES BY FUNCTION AND NATURE

(d) Administrative Expenses

	12.31.2021	12.31.2020
Managers', Directors' and Statutory Auditors' Fees	814,156	881,282
Services Fees	433,489	457,687
Salaries, Wages, Social Security Charges and Other Benefits (Note 30)	4,788,819	4,101,923
Taxes, Rates and Contributions	30,943	18,050
Maintenance of Property, Plant and Equipment	21,786	19,799
Depreciation of Property, Plant and Equipment (Note 5)	89,882	88,462
Depreciation of Right-of-use Assets (Note 6)	106,002	113,093
Amortization of Intangible Assets (Note 8)	23,009	32,522
Fuels and Lubricants	10,172	5,826
Third-party Services	108,034	110,738
Electricity, Gas and Communications	62,356	120,035
Travelling Expenses and Per Diem	76,464	54,653
Bank Services	127,166	127,449
Operating Leases/Rentals	25,730	11,037
Insurance	22,473	23,198
Systems and Application Software	528,286	343,417
Loss on Labor and Other Lawsuits	746	222
Loss on Other Miscellaneous Provisions	4,850	7,324
Other General Expenses	156,183	157,113
TOTAL	**7,430,546**	**6,673,830**

(e) Investment Property Maintenance Expenses (Note 32)

	12.31.2021	12.31.2020
Services Fees	1,661	469
Taxes, Rates and Contributions	6,248	5,070
Maintenance of Investment Properties	3,716	2,651
Third-party Services	59,662	72,377
Electricity, Gas and Communications	453	596
Other General Expenses	1,107	580
TOTAL	**72,847**	**81,743**

NOTE 30. SALARIES, WAGES, SOCIAL SECURITY CHARGES AND OTHER BENEFITS

The following table shows the breakdown of this item:

	12.31.2021	12.31.2020
Salaries, Wages and Social Security Contributions	26,581,861	24,883,480
Early Retirement Benefits (Note 23)	992,900	371,531
Pension Plans (Note 23)	823,426	1,058,193
Retirement Bonus (Note 23)	17,678	19,171
TOTAL	**28,415,865**	**26,332,375**

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NOTE 31. INCOME (LOSS) FROM BIOLOGICAL ASSETS

The following tables show the income (loss) from the main biological assets:

	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2021
Sales of Biological Assets and Products	80,093	542,737	-	133,084	755,914
Cost of Sales of Biological Assets	-	-	-	(133,084)	(133,084)
Cost of Sales of Biological Products	(80,093)	(472,452)	-	-	(552,545)
Subtotal - Income (Loss) on Sales of Biological Assets and Products	**-**	**70,285**	**-**	**-**	**70,285**
Harvest of Biological Products [1]	271,578	976,563	321,682	632,870	2,202,693
Changes in the Fair Value of Biological Assets	(12,823)	-	-	105,056	92,233
Derecognition of Bearer Plants	-	-	(20,616)	-	(20,616)
Production Expenses of Biological Assets for Agricultural Activities (Note 29)	(205,476)	(447,678)	(659,937)	-	(1,313,091)
Production Expenses of Biological Assets for the Livestock Activities (Note 29)	-	-	-	(793,821)	(793,821)
Subtotal - Production Costs of Biological Assets	**(205,476)**	**(447,678)**	**(659,937)**	**(793,821)**	**(2,106,912)**
Consumption of Harvested Biological Products	-	-	-	(92,869)	(92,869)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**53,279**	**599,170**	**(358,871)**	**(148,764)**	**144,814**

	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2020
Sales of Biological Assets and Products	50,187	494,338	-	107,905	652,430
Cost of Sales of Biological Assets	-	-	-	(107,905)	(107,905)
Cost of Sales of Biological Products	(50,187)	(313,750)	-	-	(363,937)
Subtotal - Income (Loss) on Sales of Biological Assets and Products	**-**	**180,588**	**-**	**-**	**180,588**
Harvest of Biological Products [1]	135,342	829,613	451,187	600,675	2,016,817
Changes in the Fair Value of Biological Assets	11,710	-	-	332,783	344,493
Derecognition of Bearer Plants	-	-	(2,731)	-	(2,731)
Production Expenses of Biological Assets for Agricultural Activities (Note 29)	(189,845)	(426,526)	(525,435)	-	(1,141,806)
Production Expenses of Biological Assets for the Livestock Activities (Note 29)	-	-	-	(654,759)	(654,759)
Consumption of Harvested Biological Products	**(189,845)**	**(426,526)**	**(525,435)**	**(654,759)**	**(1,796,565)**
Consumption of Other Biological Products Used as Inputs	-	-	-	(66,094)	(66,094)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	-	-	-	(36,360)	(36,360)
TOTAL RESULTADOS GENERADOS POR ACTIVOS BIOLÓGICOS	**(42,793)**	**583,675**	**(76,979)**	**176,245**	**640,148**

[1] Measured at fair value at the point of harvest.

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NOTE 31. INCOME (LOSS) FROM BIOLOGICAL ASSETS

The production of biological assets is primarily intended to be transferred from agricultural to industrial production, as detailed below:

	BIOLOGICAL ASSETS GENERATED BY AGRICULTURAL PRODUCTION					
	FRUIT CROPS	GRAIN SOWN LAND	SUGAR CANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2021	TOTAL AS OF 12.31.2020
Opening Inventories of Biological Products	-	59,092	-	-	**59,092**	**-**
Harvest of Biological Products	271,578	976,563	321,682	632,870	**2,202,693**	**2,016,817**
Cost of Sales of Biological Products	(80,093)	(472,452)	-	-	**(552,545)**	**(363,937)**
Internal Transfers	-	(92,869)	-	92,869	**-**	**-**
Consumption of Harvested Biological Products (Fodder)	-	-	-	(92,869)	**(92,869)**	**(66,096)**
Subtotal	**191,485**	**470,334**	**321,682**	**632,870**	**1,616,371**	**1,586,784**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities	-	(81,247)	-	-	**(81,247)**	**(59,092)**
TOTAL TRANSFERS OF BIOLOGICAL PRODUCTS AS OF 12.31.2021 (Note 28)	**191,485**	**389,087**	**321,682**	**632,870**	**1,535,124**	
TOTAL TRANSFERS OF BIOLOGICAL PRODUCTS AS OF 12.31.2020 (Note 28)	**85,155**	**390,675**	**451,187**	**600,675**		**1,527,692**

[1] Included in "Raw Materials and Materials" (Note 14).

NOTE 32. OTHER INCOME / (EXPENSES), NET

The following table shows the breakdown of Other Income (Expenses), Net:

	12.31.2021	12.31.2020
Tax on Bank Credits and Debits	(1,000,253)	(965,749)
Net (Disbursements) out of Income Accrued Provided by Investment Properties [1]	(59,476)	(68,312)
Income on Disposal of Property, Plant and Equipment and Investment Properties [2]	495,717	914,343
Other	39,288	138,073
TOTAL	**(524,724)**	**18,355**

[1] For the year ended December 31, 2021 and 2020, it includes maintenance expenses associated with investment properties in the amount of ARS 72,847 and ARS 81,743, respectively (Note 29).

[2] As of December 31, 2021, it includes ARS 567 million attributable to income from the sale of assets comprising "Property, Plant and Equipment" as part of the joint venture agreement with Ingredion Argentina S.R.L. (See Note 42). As of December 31, 2020, it includes ARS 856 million attributable to income from the sale of machinery under the agreement with Webcor Group (see Note 41).

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 33. NET FINANCIAL INCOME (EXPENSE), NET

The following table shows the breakdown of Financial Income (Expense):

	12.31.2021	12.31.2020
Financial Income		
Interest:		
- Cash Equivalents	11,029	8,632
- Ordinary Explicit and Implicit	(1,879,034)	(1,288,175)
- Finance Charges with Related Parties (Note 37)	7,094	(16,258)
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 43)	690,101	-
Exchange Differences	11,810,243	-
Subtotal - Financial Income	**10,639,433**	**(1,295,801)**
Financial Expenses		
Interest:		
- Banks, Notes and Financing Expenses	(3,646,613)	(5,145,255)
- Finance Leases	(103,020)	(122,699)
- Explicit and Implicit	1,127,658	191,409
- Finance Charges with Related Parties (Note 37)	30,248	21,736
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 43)	-	(1,205,667)
- Other Financial Instruments	53,427	1,150
Exchange Differences	-	(1,889,198)
Subtotal	**(2,538,300)**	**(8,148,524)**
Amounts Capitalized in Eligible Assets	15,254	11,227
Subtotal - Financial Expenses	**(2,523,046)**	**(8,137,297)**
Gain on Net Monetary Position	**2,498,145**	**1,447,324**
TOTAL	**10,614,532**	**(7,985,774)**

NOTE 34. INCOME TAX

The income tax expense charged to income is broken down as follows:

	12.31.2021	12.31.2020
Income Tax - Deferred Tax Method (Note 11)	(6,557,539)	(2,917,116)
Current Income Tax	29,482	-
Current Taxes from Alleged Dividends Subject to Tax Abroad	109,162	(184,437)
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net	(229,720)	21,621
Subtotal - Income Tax Charged to the Statement of Income	**(6,648,615)**	**(3,079,932)**
Income Tax - Deferred Tax Method (Notes 11, 19 and 20)	183,198	(102,692)
Subtotal - Income Tax Charged to Other Comprehensive Income	**183,198**	**(102,692)**
TOTAL INCOME TAX EXPENSE	**(6,465,417)**	**(3,182,624)**

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 34. INCOME TAX

Below is a reconciliation between income tax charged to income and that resulting from applying the effective tax rate to net income before tax reported in the financial statements:

	12.31.2021	12.31.2020
Income for the Year before Tax	**24,805,538**	**9,364,470**
Income Tax Rate	35%	30%
Income Tax Calculated at the Company's Effective Tax Rate	**(8,681,938)**	**(2,809,341)**
Permanent Differences and Other Reconciling Items		
Non-deductible Expenses	(65,345)	(94,019)
Non-taxable Income and Special Deductions	10,849	10,290
Income from Investments in Subsidiaries and Associates	2,868,536	1,443,725
Income (Loss) from Changes in Fair Value of Mastellone Hermanos S.A.'s Options	241,535	(361,699)
Effect of Application of the Inflation Adjustment for Tax Purposes	(8,289,928)	(5,625,872)
Changes in Unrecognized Deferred Assets	741,474	(8,599)
Income (Loss) from Change in Tax Rate [1]	(294,548)	590,988
Effect of Restatement Law No. 27,430 on Tax Bases [2]	544,813	393,727
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	6,675,711	3,517,299
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net [3]	(229,720)	21,621
Tax Effect in Argentina of Tax Credits for Equivalent Foreign Taxes	82,235	(6,486)
Current Taxes from Alleged Dividends Subject to Tax Abroad	109,162	(184,437)
Tax Effect in Argentina of Alleged Dividends Subject to Tax Abroad	(38,207)	55,330
Tax Effect in Argentina of Dividends Distributed by Foreign Subsidiaries [3]	(422,653)	-
Others, Net	99,409	(22,459)
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(6,648,615)**	**(3,079,932)**

[1] As of December 31, 2021, it primarily includes the effects on the Company's deferred tax position at the beginning of the change in corporate income tax rates set forth by Law No. 27,630 enacted on June 30, 2021. As of December 31, 2020, it includes the effect of the difference between the tax rate used in this reconciliation (30%) and the one expected to be in force at the time of the reversal of the identified differences between carrying amounts and tax bases.

[2] Includes the effect on the deferred position of the restatement of the tax bases of new fixed assets recognized on or after January 1, 2018, as permitted by Law 27,430.

[3] As of December 31, 2021, it reflects the effects of the contribution of equity interests in foreign companies described in Note 9 to these separate financial statements.

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NOTE 34. INCOME TAX

- Tax Reform in Argentina

On December 29, 2017, the National Executive Branch enacted Income Law No. 27,430. This Law introduced several changes to the income tax treatment, particularly, a reduction in the income tax corporate rate applicable to taxable income. The rate reduction would be implemented gradually within 4 years up to reach 25% in 2020, and would be supplemented with an "additional tax" on dividends or profits distributed to individuals, undivided estates or foreign beneficiaries. This additional tax is to be withheld by the entity distributing the dividends or profits at the time of making them available or at the time of capitalization, as a single and final payment, except in the case of registered taxpayers, in which case such additional tax will be regarded as a prepayment.

Then, Section 48 of the Social Solidarity and Productive Revival Law No. 27,451 published in the Official Gazette on December 23, 2019 suspended the tax rate reduction to 25% until the fiscal years beginning on or after January 1, 2021.

The following table shows the applicable corporate tax rates and additional tax as described above:

FISCAL YEAR	CORPORATE TAX RATE	ADDITIONAL TAX
2018	30%	7%
2019	30%	7%
2020	30%	7%
2021 onwards	25%	13%

The tax reform also established that, at entities' option, assets located in Argentina used to generate taxable income could be subject to revaluation for tax purposes. Taxable income resulting from such revaluation is not liable to income tax and the special tax levied on the revaluation amount will not be deductible from income tax. The Company did not avail of the above-described revaluation option.

- Changes in the Income Tax Rate

In June 2021, Law No. 27,630 was enacted in Argentina establishing a new staggered income tax rate structure divided into three brackets, based on the level of accumulated net taxable income. The new tax rates are as follows:

- First bracket: 25% on accumulated net taxable income up to 5 million.
- Second bracket: 30% on accumulated net taxable income up to 50 million.
- Third bracket: 35% on accumulated net taxable income in excess of 50 million.

Such changes are effective for fiscal years beginning on or after January 1, 2021. Therefore, the income tax expense recorded in these separate financial statements includes effects of the above-described change, which involves a deferred income tax loss of ARS 2,159,399.

Such regulatory change also had a negative impact on the amount charged to other comprehensive income and on the item "Income (Loss) from Investments in Companies and Others" of the separate statement of income.

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NOTE 34. INCOME TAX

- Inflation Adjustment for Tax Purposes in Argentina

Pursuant to the terms of Law No. 27,430, the inflation adjustment for tax purposes established in Sections 95 through 98 of the Income Tax Law is applicable to fiscal years beginning on or after January 1, 2018 provided cumulative inflation over a three-year period as from such date reaches 100%. However, Law No. 27,468 amended the transition scheme set forth in said Law No. 27,430, providing that, for the first, second and third years (in the case of the Company, fiscal years 2017, 2018 and 2019) from its effective date, the adjustment would be applicable to the extent the changes in the CPI, calculated since the beginning through the end of each of such years, were higher than fifty-five per cent (55%), thirty per cent (30%), and fifteen per cent (15%), respectively. Then, Law No. 27,541 established that the effects on the taxable base resulting from the application of said inflation adjustment for tax purposes related to the first and the second fiscal year beginning on or after January 1, 2019 should be charged as follows: one sixth (1/6) in such fiscal years and the remaining five sixths (5/6), on an equal basis, in the 5 immediately following fiscal years. In subsequent fiscal years (i.e., those beginning on or after January 1, 2021), the effects of the application of the inflation adjustment for tax purposes should be fully charged during the year.

As of the date of these separate financial statements, the Company has considered that the criteria set forth in the Income Tax Law for the application of the inflation adjustment for tax purposes (for the current year, a cumulative inflation rate from January 1, 2019 to December 31, 2021 equal to or higher than 100%) have been met at year-end. Accordingly, it considered such adjustment in its (current and deferred) income tax assessment for fiscal year ended December 31, 2021. Based on the above-described application scheme, as of December 31, 2020, the Company also considered the inflation adjustment for tax purposes.

Besides, as established in the second paragraph of Section 93 of the Income Tax Law which was incorporated by Law No. 27,430, the adjustments established in Sections 62 through 66, 71, 78, 87 and 88, and Sections 98 and 99, will apply to acquisitions or investments completed on or after January 1, 2018.

On the other hand, as it concerns the effects of inflation on the Company's cumulative income tax losses, Arcor S.A.I.C. considered such losses at nominal value, both for purposes of offsetting taxable income and for purposes of measuring the deferred tax recognized at year-end on the portion that has not yet been used (Note 11).

Based on the provisions of the penultimate paragraph of Section 25 of such Law (text as revised by Law No. 27,430) and Section 75 of its Implementing Decree (text as revised by Decree No. 1170/2018) and based on the understanding that the limitations established in the second paragraph of Section 93 of the Income Tax Law would not apply, the Company and its advisors believe it has reasonable legal basis to proceed with the adjustment of such tax losses until the time they are used.

However, as of the date of these financial statements, the Company believes that it is still lacks sufficient judgmental elements to be able to more clearly assess its probability of success in case of a potential claim from the tax authorities. Furthermore, as stated in Note 11 and based on the foregoing, as of December 31, 2021, the Company still has unused nominal tax losses.

The Company will continue monitoring the emergence of new judgmental elements that allow to supplement its analysis and mitigate the existing uncertainty on the current conditions.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
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NOTE 35. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to each of the Company´s shareholders by the number of outstanding common shares. For fiscal years 2021 and 2020, outstanding common shares as of the current year end are considered. The Company does not have preferred shares or debt convertible into shares; therefore, basic earnings per share are equal to diluted earnings per share.

	FOR THE FISCAL YEAR ENDED	
	12.31.2021	12.31.2020
Net Income for the Fiscal Year	18,156,923	6,284,538
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.25938**	**0.08978**

NOTE 36. DIVIDENDS PER SHARE

Dividends paid by the Company to its shareholders in 2021 amounted to ARS 5,350,000 (or ARS 6,868,896 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 6, 2021 and August 20, 2021, at which time shareholders resolved to pay dividends in the amount of ARS 2,650,000 (or ARS 3,711,620 in constant currency) and ARS 2,700,000 (or ARS 3,157,276 in constant currency), respectively. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.09813.

Dividends paid by the Company to its shareholders in 2020 amounted to ARS 1,730,000 (or ARS 3,197,028 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 25, 2020 and August 15, 2020, at which time shareholders resolved to pay dividends in the amount of ARS 1,180,000 (or ARS 2,249,374 in constant currency) and ARS 550,000 (or ARS 947,654 in constant currency), respectively. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.04567.

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NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The tables below show a detail of transactions and balances with related parties:

(a) Sales of Goods, Services, Other Revenues, and Recovery of Expenses

Sales of Goods and Services [1]

	TYPE OF RELATIONSHIP	SALES OF GOODS		SALES OF SERVICES	
		12.31.2021	12.31.2020	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.)	Subsidiary	155,325	145,622	-	-
Arcor Alimentos Bolivia S.A.	Subsidiary	1,089,088	828,218	-	-
Arcor de Perú S.A.	Subsidiary	215,779	221,448	-	-
Arcor do Brasil Ltda.	Subsidiary	242,393	197,770	8,385	9,293
Arcor U.S.A., Inc.	Subsidiary	1,506,759	1,500,982	-	-
Arcorpar S.A.	Subsidiary	1,695,759	1,502,197	-	-
Ardion S.A. [3]	Subsidiary	-	-	281,725	-
Bagley Argentina S.A.	Subsidiary	3,381,916	3,558,499	6,369,137	5,398,213
Bagley Chile S.A.	Subsidiary	33,254	67,764	-	-
Cartocor Chile S.A.	Subsidiary	-	7,980	-	-
Cartocor S.A. [2]	Subsidiary	751,919	725,127	1,084,090	768,169
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	-	-	416	610
Dulcería Nacional, LDA.	Joint Venture	104,020	-	-	-
Grupo Arcor S.A.	Parent	-	-	347	352
Industria de Alimentos Dos en Uno S.A.	Subsidiary	1,968,952	1,548,199	5,590	6,196
Industria Dos en Uno de Colombia Ltda.	Subsidiary	9,081	4,460	-	-
Ingrecor S.A. [3]	Subsidiary	3,520,369	-	303,209	-
Mastellone Hermanos S.A.	Associate	79,569	113,605	89	-
Mundo Dulce S.A. de C.V.	Subsidiary	-	-	4,192	4,647
Papel Misionero S.A.I.F.C.	Subsidiary	23,902	-	104,358	129,734
Unidal Ecuador S.A.	Subsidiary	245,393	166,464	-	-
Unidal México S.A. de C.V.	Subsidiary	-	-	8,155	9,041
Van Dam S.A.	Subsidiary	1,151,855	942,426	-	-
Zucamor Cuyo S.A. [2]	Subsidiary	-	303	-	31,446
Zucamor S.A. [2]	Subsidiary	-	79,742	-	39,811
TOTAL		**16,175,333**	**11,610,806**	**8,169,693**	**6,397,512**

[1] Gross amount before segregating implicit financial interest included in "Financial Income."

[2] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).

[3] See Note 42.

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NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Other Income

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Bagley Chile S.A.	Subsidiary	3,167	3,695
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	177	169
Dulcería Nacional, LDA.	Joint Venture	40,499	31,918
Grupo Arcor S.A.	Parent	1,242	1,469
TOTAL		**45,085**	**37,251**

Recovery of Expenses

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor Alimentos Bolivia S.A.	Subsidiary	4,653	2,234
Arcor de Perú S.A.	Subsidiary	-	726
Arcorpar S.A.	Subsidiary	4,499	2,907
Bagley Argentina S.A.	Subsidiary	118,070	124,110
Cartocor S.A. [1]	Subsidiary	119,047	104,704
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	642	586
Ingrecor S.A. [2]	Subsidiary	181,721	-
Papel Misionero S.A.I.F.C.	Subsidiary	14,360	15,229
Van Dam S.A.	Subsidiary	4,701	2,051
Zucamor Cuyo S.A. [1]	Subsidiary	-	1,387
Zucamor S.A. [1]	Subsidiary	-	7,936
TOTAL		**447,693**	**261,870**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).
[2] See Note 42.

(b) Purchases of Goods, Services and Other Disbursements

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor do Brasil Ltda.	Subsidiary	152,794	98,690
Ardion S.A. [2]	Subsidiary	28,349	-
Bagley Argentina S.A.	Subsidiary	210,536	200,986
Cartocor S.A. [1]	Subsidiary	5,637,202	4,312,845
Ingrecor S.A. [2]	Subsidiary	1,466,304	-
Mastellone Hermanos S.A.	Associate	243,998	552,750
Papel Misionero S.A.I.F.C.	Subsidiary	44,222	41,642
Zucamor Cuyo S.A. [1]	Subsidiary	-	136,842
Zucamor S.A. [1]	Subsidiary	-	2,855
TOTAL		**7,783,405**	**5,346,610**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).
[2] See Note 42.

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NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.)	Subsidiary	115,325	110,849
Bagley Argentina S.A.	Subsidiary	125,447	127,672
Cartocor S.A. [1]	Subsidiary	15,098	47,823
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	21,493	13,497
Dulcería Nacional, LDA.	Joint Venture	990	4,572
GAP Regional Services S.A.	Subsidiary	84,867	84,361
Mastellone Hermanos S.A.	Associate	411	-
Unidal México S.A. de C.V.	Subsidiary	-	23,157
TOTAL		**363,631**	**411,931**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor U.S.A., Inc.	Subsidiary	3,042	3,360
Arcorpar S.A.	Subsidiary	8,903	-
Contributions to Arcor Foundation	Other	32,966	23,434
TOTAL		**44,911**	**26,794**

(c) Financial Interest (Note 33)

Interest Income

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Bagley Argentina S.A.	Subsidiary	(172)	4,594
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	(716)	(765)
GAP Inversora S.A.	Associate	(80)	(20)
Ingrecor S.A. [2]	Subsidiary	20,606	-
Other Related Parties	Other	(306)	(147)
Papel Misionero S.A.I.F.C.	Subsidiary	(12,238)	(7,214)
Zucamor Cuyo S.A. [1]	Subsidiary	-	(2,111)
Zucamor S.A. [1]	Subsidiary	-	(10,595)
TOTAL		**7,094**	**(16,258)**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).

[2] See Note 42.

Interest Expense

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Bagley Argentina S.A.	Subsidiary	(1,723)	(1,164)
Cartocor S.A. [1]	Subsidiary	(30,022)	(4,346)
Industria de Alimentos Dos en Uno S.A.	Subsidiary	6,299	-
Papel Misionero S.A.I.F.C.	Subsidiary	(4,802)	-
Zucamor Cuyo S.A. [1]	Subsidiary	-	(17,299)
Zucamor S.A. [1]	Subsidiary	-	1,073
TOTAL		**(30,248)**	**(21,736)**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).

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NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(d) Trade Receivables and Payables

Accounts Receivables (Note 13)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.)	Subsidiary	59,250	77,782
Arcor Alimentos Bolivia S.A.	Subsidiary	8,409	-
Arcor de Perú S.A.	Subsidiary	117,564	156,388
Arcor do Brasil Ltda.	Subsidiary	287,394	374,740
Arcor U.S.A., Inc.	Subsidiary	302,649	405,031
Arcorpar S.A.	Subsidiary	373,193	378,512
Ardion S.A. [2]	Subsidiary	145,375	-
Bagley Argentina S.A.	Subsidiary	981,846	1,098,377
Bagley Chile S.A.	Subsidiary	7,705	10,625
Cartocor S.A. [1]	Subsidiary	300,932	202,263
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	3,090	2,454
Dulcería Nacional, LDA.	Joint Venture	43,218	-
Industria de Alimentos Dos en Uno S.A.	Subsidiary	638,564	814,585
Industria Dos en Uno de Colombia Ltda.	Subsidiary	3,952	5,927
Ingrear Holding S.A. [2]	Subsidiary	644	-
Ingrecor S.A. [2]	Subsidiary	671,039	-
Mastellone Hermanos S.A.	Associate	1,152	9,204
Mundo Dulce S.A. de C.V.	Subsidiary	1,853	2,286
Papel Misionero S.A.I.F.C.	Subsidiary	23,999	6,219
Unidal Ecuador S.A.	Subsidiary	87,225	142,616
Unidal México S.A. de C.V.	Subsidiary	1,798	4,450
Van Dam S.A.	Subsidiary	5,731	-
TOTAL		**4,066,582**	**3,691,459**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).
[2] See Note 42.

Trade Payables and Other Liabilities (Note 25)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.)	Subsidiary	35,232	93,212
Arcor do Brasil Ltda.	Subsidiary	20,520	5,254
Arcor U.S.A., Inc.	Subsidiary	3,712	4,332
Ardion S.A. [2]	Subsidiary	9,309	-
Bagley Argentina S.A.	Subsidiary	79,623	75,453
Cartocor S.A. [1]	Subsidiary	374,542	262,418
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	2,100	1,449
Dulcería Nacional, LDA.	Joint Venture	4,019	4,572
GAP Regional Services S.A.	Subsidiary	121,256	59,080
Ingrecor S.A. [2]	Subsidiary	547,516	-
Mastellone Hermanos S.A.	Associate	33,595	175,282
Retribuciones de directores a pagar	Other	4,351	-
Other Related Parties	Other	1,722	1,048
Papel Misionero S.A.I.F.C.	Subsidiary	-	11,435
Unidal México S.A. de C.V.	Subsidiary	45,502	56,140
TOTAL		**1,282,999**	**749,675**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).
[2] See Note 42.

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NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Trade receivables and payables with related parties primarily arise from sale and purchase transactions, respectively, which are generally due within twelve months from the transaction date and do not accrue interest. Accounts receivable are not secured and do not accrue interest. No allowances have been recorded for accounts receivable from related parties.

(e) Other Receivables (Note 13)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.) [1 3]	Subsidiary	929,396	-
Arcorpar S.A. [2]	Subsidiary	-	82,681
Dulcería Nacional, LDA.	Joint Venture	57,075	31,917
Ingredion Uruguay S.A. [4]	Joint Venture	198	-
Unidal México S.A. de C.V.	Subsidiary	44,071	-
Tucor DMCC [3]	Joint Venture	-	1,148,741
TOTAL		**1,030,740**	**1,263,339**

[1] Assignment of Arcor S.A.I.C.'s receivable from Arcor A.G. (S.A., Ltd.) due to sale of fixed assets to Tucor DMCC.

[2] Dividends not cashed yet.

[3] Disclosed in "Other Receivables."

[4] See Note 42.

(f) Other Liabilities

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Arcor A.G. (S.A., Ltd.)	Subsidiary	42,709	195,343
Bagley Argentina S.A. [1]	Subsidiary	30,431	764,673
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	4,500	-
TOTAL		**77,640**	**960,016**

[1] Advance payments received..

(g) Loans Granted (Note 13)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	2,849	7,678
GAP Inversora S.A.	Associate	105	735
Ingrecor S.A. [1]	Subsidiary	1,654,591	-
Other Related Parties	Other	1,815	2,507
Papel Misionero S.A.I.F.C.	Subsidiary	-	301,559
TOTAL		**1,659,360**	**312,479**

[1] Ver nota 42.

(h) Préstamos recibidos (nota 21)

	TYPE OF RELATIONSHIP	12.31.2021	12.31.2020
Bagley Argentina S.A.	Subsidiary	12,912	7,093
Cartocor S.A. [1]	Subsidiary	1,136,220	961,076
Papel Misionero S.A.I.F.C.	Subsidiary	474,702	-
TOTAL		**1,623,834**	**968,169**

[1] Effective since July 1, 2020, BI S.A., Zucamor Cuyo S.A. and Zucamor S.A. were merged into Cartocor S.A. (Note 9).

See our report dated March 11, 2022
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(i) Employee Benefits

The compensation and other benefits paid or payable to the Board of Directors and key management personnel as of December 31, 2021 and 2020 amounted to ARS 2,131,630 and ARS 1,778,764, respectively.

Key management personnel are deemed as such individuals having authority and responsibility for planning, managing and controlling the Company's activities.

NOTE 38. FINANCIAL RISK MANAGEMENT

38.1 Financial Instruments by Category

The following charts show the information required under IFRS 7 for financial assets and financial liabilities, in accordance with the categories established in IFRS 9.

- As of December 31, 2021:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables [1]	3,358,265	-	-	3,358,265
Trade Receivables	10,046,453	-	-	10,046,453
Derivative Financial Instruments	-	544,078	-	544,078
Cash and Cash Equivalents	-	1,107,384	-	1,107,384
TOTAL AS OF 12.31.2021	**13,404,718**	**1,651,462**	**-**	**15,056,180**
Liabilities as per Balance Sheet				
Loans	81,747,980	-	-	81,747,980
Financial Lease Liabilities	1,337,405	-	-	1,337,405
Derivative Financial Instruments	-	693,772	-	693,772
Trade Payables and Other Liabilities [1]	16,098,190	129,703	-	16,227,893
TOTAL AS OF 12.31.2021	**99,183,575**	**823,475**	**-**	**100,007,050**

[1] It only includes financial assets and liabilities under IFRS 7.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

38.1 Financial Instruments by Category

38.1 Financial Instruments by Category

- As of December 31, 2020:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables [1]	2,044,523	-	-	2,044,523
Trade Receivables	9,722,351	-	-	9,722,351
Derivative Financial Instruments	-	407,542	-	407,542
Cash and Cash Equivalents	-	1,164,530	-	1,164,530
TOTAL AS OF 12.31.2020	**11,766,874**	**1,572,072**	**-**	**13,338,946**
Liabilities as per Balance Sheet				
Loans	87,006,342	-	-	87,006,342
Financial Lease Liabilities	1,338,924	-	-	1,338,924
Derivative Financial Instruments	-	1,377,226	-	1,377,226
Trade Payables and Other Liabilities [1]	15,970,365	517,835	-	16,488,200
TOTAL AS OF 12.31.2020	**104,315,631**	**1,895,061**	**-**	**106,210,692**

[1] It only includes financial assets and liabilities under IFRS 7.

38.2 Fair Value Hierarchies

The tables below show financial instruments measured at fair value, classified by hierarchy, according to the measurement method used. The different levels were defined as follows:

- Level 1: (Unadjusted) quoted prices for identical assets and liabilities in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs), which requires that the Company prepare its own hypothesis and assumptions.

Below are the Company's assets and liabilities measured at fair value:

- As of December 31, 2021:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	544,078	-	-	544,078
Cash and Cash Equivalents	1,107,384	-	-	1,107,384
Total Assets	**1,651,462**	**-**	**-**	**1,651,462**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	6,944	-	686,828	693,772
Trade Payables and Other Liabilities [1]	-	129,703	-	129,703
Total Liabilities	**6,944**	**129,703**	**686,828**	**823,475**

[1] It only includes financial liabilities under IFRS 7.

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.2 Fair Value Hierarchies

- As of December 31, 2020:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	407,542	-	-	407,542
Cash and Cash Equivalents	1,164,530	-	-	1,164,530
Total Assets	**1,572,072**	**-**	**-**	**1,572,072**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	297	-	1,376,929	1,377,226
Trade Payables and Other Liabilities [1]	-	517,835	-	517,835
Total Liabilities	**297**	**517,835**	**1,376,929**	**1,895,061**

[1] It only includes financial liabilities under IFRS 7.

The fair value of financial instruments traded in active markets is based on quoted prices as of the reporting period date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 primarily comprise financial options, cocoa forward contracts, certain currency forwards (derivative financial instruments) and cash and cash equivalents.

The fair value of financial instruments that are not traded in an active market is measured using valuation techniques. These valuation techniques maximize the use of observable market inputs available and, to the least possible extent, are based on the Company's specific estimates. If all material inputs required to calculate the fair value of an instrument are observable, then the instrument is included in Level 2. The instruments included in Level 2 primarily comprise cereal purchase contracts with prices to be fixed (trade payables and other liabilities).

If one or more pieces of significant information to calculate the fair value of the financial instrument are not based on observable market inputs, the instrument is included in Level 3. The instruments included in Level 3 encompass the financial options associated with the transaction with Mastellone Hermanos S.A.

38.3 Fair Value Estimate

Fair Value of Financial Assets and Liabilities Measured at Fair Value

Below is a detail of financial assets and liabilities measured at fair value as of December 31, 2021 and 2020, together with the information and techniques used for their valuation and their respective fair value level:

(a) Cash and Cash Equivalents

The carrying amount of Cash and Cash Equivalents approximates its fair value. Mutual funds and government securities are also included in this item. Their value was estimated using information from active markets, with holdings of government securities and shares in mutual funds being measured at their quoted prices at the reporting period-end. Therefore, their fair value was included in Level 1.

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.3 Fair Value Estimate

(b) Derivative Financial Instruments

(i) Financial Options and Cocoa Forward Contracts

The fair value of these financial instruments is determined by reference to known quotations in active markets, thus, such fair value is classified as Level 1.

(ii) Currency Forwards

The fair value of these financial instruments is determined using observable quoted prices at year-end for each specific contract. Therefore, their fair value is included in Level 1.

(iii) Financial Options Associated with the Transaction with Mastellone Hermanos S.A.

The fair value of these financial instruments was estimated by using option valuation models (Black & Scholes and Montecarlo Simulation).

Such models include unobservable market inputs; therefore, valuation is classified as Level 3.

(c) Accounts Payable and Other Liabilities – Cereal Purchase Contracts with Price to be Fixed

As of December 31, 2021 and 2020, the Company carried out grain purchase transactions with producers, whose price has not yet been fixed.

These liabilities are measured at their estimated fair value using information from active markets and pricing each ton of grain due at their quoted price at year-end, adjusted for the Company's specific contracting conditions. Therefore, valuation is classified as Level 2.

Fair Value of Financial Assets and Liabilities Measured at Amortized Cost

IFRS 7 requires that entities disclose information on the fair value of financial instruments, even though such instruments are not measured at fair value in the balance sheet, provided fair value can be reasonably estimated. This group encompasses:

(a) Trade and Other Receivables

The carrying amount of these assets approximates their fair value due to their substantially short-term nature. All doubtful accounts are included in an allowance.

(b) Trade Payables and Other Liabilities

The carrying amount of these liabilities approximates their fair value due to their substantially short-term nature.

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.3 Fair Value Estimate

Fair Value of Financial Assets and Liabilities Measured at Amortized Cost

(c) Loans

Loans primarily include:

(i) Listed Notes at Fixed Rate

The fair value of these instruments was calculated using information from active markets. The outstanding debt was measured at the quoted price of the instruments at each year-end (Note 21).

(ii) Loans at Variable Rate

This category primarily comprises Notes issued in ARS accruing interest at variable rate based on BADLAR plus an applicable margin. Fair value was calculated applying observable rates for similar instruments to discount cash flows (Note 21).

(iii) Loans and Other Financial Indebtedness at Fixed Rate

It mainly includes balances of short and long-term loans borrowed by the Company from world-class financial institutions. Fair value was calculated applying observable rates for similar instruments to discount cash flows (Note 21).

(iv) Loans with Related Parties

Financial loans with related parties comprise debts at variable rates which are renegotiated on a monthly basis and accruing interest on a daily basis. Such calculation is based on observable market rates. Therefore, the carrying amount does not differ from fair value.

38.4 Financial Risk Factors

Financial risk management is part of the Group's global policies, which seek to address the uncertainty of financial markets and attempt to minimize potential adverse impacts on its financial profitability. Where necessary, the Company uses derivative instruments to hedge certain risk exposures. The main financial risks, such as exchange rate, interest rate, liquidity and capital risks, are generally managed by the Finance and Treasury area, which identifies, assesses and hedges financial risks in close collaboration with the Group's several operating units.

NOTE 38. FINANCIAL RISK MANAGEMENT

38.5 Market Risk

38.5.1 Exchange Rate and Indexation Risk

The Company manufactures and sells its products in several countries around the world and, as such, it is exposed to the risk of exchange rate fluctuations. In addition, as stated in Note 21 to these separate financial statements, the Company has financial indebtedness denominated in UVA (Class 17 Notes). Therefore, the Company is also exposed to the risk of indexation of such financial liabilities payable in ARS but subject to the changes in such index. The exchange rate and indexation risk arises from:

• **Operating and Investing Activities**

Operating income and expenses are generally stated in the functional currency of the country where they were originated. However, exports and imports (in particular, raw materials, materials, and property, plant and equipment items) are stated in other currencies, primarily USD and EUR. Consequently, the Company is exposed to exchange rate fluctuations in respect of recognized financial assets and liabilities arising from these transactions. Historically, the Company has disclosed a net asset position in respect of its foreign exchange exposure associated with its operating activities, which implies a natural hedge.

Considering only this net monetary exposure as of December 31, 2021 and 2020, the Company estimates that the impact of a concurrent favorable/unfavorable 10% change in the main exchange rates, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around ARS 243,323 and ARS 246,895, respectively

• **Financing Activities**

The Company's financial indebtedness is primarily stated in USD. To reduce its exchange rate exposure arising from these transactions, the Company may use exchange rate derivative contracts (currency forwards or futures).

Considering only this net monetary exposure as of December 31, 2021 and 2020, the Company estimates that the impact, net of the effect of currency derivative instruments, of a concurrent favorable/unfavorable 10% change in the main exchange rates, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around ARS 5,205,362 and ARS 7,210,435, respectively.

On the other hand, as stated above, the Company's financial indebtedness also includes financial liabilities denominated in UVA, but payable in ARS, which are subject to indexation based on the changes in that index.

Considering only this net monetary exposure as of December 31, 2021, the Company estimates that the impact of a favorable/ unfavorable 10% change in the UVA, with all other variables remaining constant, would result in a pre-tax gain/loss in nominal terms (i.e., without eliminating the inflation hedge) of around and ARS 269,530. As of December 31, 2020, Arcor S.A.I.C. did not have financial liabilities of this kind; therefore, it was not exposed to indexation risks on its financial liabilities.

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.5 Market Risk

38.5.1 Exchange Rate Risk:

• **Assets and Liabilities in Foreign Currency**

Below is a breakdown of assets and liabilities disclosed in the Company's separate balance sheet by amount and type of foreign currency:

ITEMS	AMOUNT IN FOREIGN CURRENCY	TYPE OF FOREIGN CURRENCY	PREVAILING EXCHANGE RATE	AMOUNT IN LOCAL CURRENCY AS OF		
				12.31.2021		12.31.2020
ASSETS						
NON-CURRENT ASSETS						
Other Receivables	9,066	USD	102.5200	929,396	929,396	1,148,741
TOTAL NON-CURRENT ASSETS					929,396	1,148,741
CURRENT ASSETS						
Other Receivables	20,751	USD	102.5200	2,127,437	2,127,437	374,879
Trade Receivables	33,739	USD	102.5200	3,458,875		
	511	EUR	115.8886	59,250	3,518,125	3,413,307
Derivative Financial Instruments	2,800	USD	102.5200	287,056	287,056	407,542
Cash and Cash Equivalents	9,996	USD	102.5200	1,024,839		
	289	EUR	115.8886	33,510	1,058,349	945,835
TOTAL CURRENT ASSETS					6,990,967	5,141,563
TOTAL ASSETS					7,920,363	6,290,304
LIABILITIES						
NON-CURRENT LIABILITIES						
Loans	502,271	USD	102.7200	51,593,284	51,593,284	70,186,131
Lease Liabilities	2,414	USD	102.7200	247,930	247,930	182,156
Trade Payables and Other Liabilities	304	EUR	116.3715	35,410	35,410	63,395
TOTAL NON-CURRENT LIABILITIES					51,876,624	70,431,682
CURRENT LIABILITIES						
Loans	67,279	USD	102.7200	6,910,946	6,910,946	1,927,325
Lease Liabilities	799	USD	102.7200	82,049	82,049	216,278
Trade Payables and Other Liabilities	31,968	USD	102.7200	3,283,761		
	1,816	EUR	116.3715	211,333		
	254	CHF	112.3900	28,503		
	16	GBP	138.8261	2,181	3,525,778	3,376,273
TOTAL CURRENT LIABILITIES					10,518,773	5,519,876
TOTAL LIABILITIES					62,395,397	75,951,558

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.5 Market Risk

38.5.2 Raw Material Price Risk

The Company is exposed to the volatility in prices of certain basic raw materials sourced from third parties, such as corn, sugar, cacao (and its derivatives).

For instance, in order to ensure the supply of corn, in some cases, the Company enters into purchase agreements and grants the producer the right to fix the price at any time between the date of delivery and a future date (grain purchase agreements with price to be fixed). The Company does not hedge the potential risks a change in grain prices could have on its financial position and results of operations.

As of December 31, 2021 and 2020, the impact of a concurrent favorable/unfavorable 10% change in corn prices, assuming all other variables remain constant, would result in a pre-tax loss/gain of around ARS 12,970 and ARS 51,784, respectively.

For cocoa, in some cases the Company enters into financial transactions and forward purchases of cocoa, which are conceived as cash flow hedges to offset the effects of changes in prices of such raw materials, although there is no physical delivery.

As for the other raw materials, each of the Group's operating units prepares a production forecast at 12 months to estimate supply needs concerning these products, covering a portion of the required purchase volume through the use of forward contracts with prices to be fixed and future physical delivery.

These contracts qualify as a regular purchase and, as such, are not recorded as derivatives.

38.5.3 Cash Flow Interest Rate and Fair Value Risk

The Company's interest rate risk arises from its financial indebtedness. The main exposure is related to variable rate loans based on BADLAR.

As of December 31, 2021 and 2020, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2021		12.31.2020	
	ARS	%	ARS	%
Fixed Rate	74,721,959	92	76,146,043	88
Mixed Rate	2,756,644	3	-	-
Variable Rate	4,269,377	5	10,860,299	12
TOTAL	**81,747,980**	**100**	**87,006,342**	**100**

Considering that at the end of the reporting period, only 5% of total loans is subject to variable interest rates, if interest rates increased or decreased by approximately 100 basis points, with all other variables remaining constant (such as, the exchange rate), such increase or decrease would theoretically result in a loss/(gain) of ARS 45,948.

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NOTE 38. FINANCIAL RISK MANAGEMENT

38.6 Credit Risk

The Company is exposed to credit risk primarily from:

38.6.1 Financial Instruments with Banks and Financial Institutions

The Company is exposed to credit risk with banks and financial institutions in connection with the maintenance of financial instruments, such as transactional deposits, time deposits, mutual funds and derivative financial instruments.

As part of the general treasury policy, contracts are only entered into with world-class entities. Consequently, the credit risk associated with this type of financial instruments is not considered relevant.

38.6.2 Trade Receivables from Domestic Retail Customers

The portfolio of domestic retail customers in Argentina and in the main countries is broken down into Distributors, Wholesalers and Supermarket Chains. Customers are subject to policies, procedures and controls established by the Company, and detailed in a "Credit Manual." Credit limits are set on the basis of an internal rating, which takes into account an analysis of the economic and financial situation, past behavior, and overall opinion on each customer. The channel to which the customer belongs is considered as well.

The use of credit limits is monitored on a regular basis. The Company has established controls within its systems that issue warnings when a customer defaults on a payment or surpasses its credit limits, allowing management to make decisions. If the customer does not assume a commitment or fails to make a payment when scheduled, after exhausting all customary collection proceedings, the Company's legal advisors will handle collection efforts.

38.6.3 Trade Receivables from Industrial Customers

It primarily includes trade receivables from sales of industrial products in Argentina. The credit and collection departments are tasked with managing the risk associated with these businesses and, like in the case of retail, there is a specific methodology in place to set the credit limit.

38.6.4 Trade Receivables from Exports

The Company has a broad customer base, which is subject to policies, procedures and controls established at the Group level. In general, the first transactions with new customers are carried out using letters of credit and, as the business relationship consolidates, transactions are performed on open account. Outstanding trade receivables are monitored on a regular basis.

See our report dated March 11, 2022
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NOTE 38. FINANCIAL RISK MANAGEMENT

38.7 Liquidity Risk

The Treasury area handles liquidity needs according to the Company's liquidity reserve projections and its cash and cash equivalents on the basis of a financial budget that takes into consideration expected cash flows. In doing this, the Company seeks to ensure that there is enough cash to fulfill obligations and commitments, and to make the necessary disbursements to conduct operations and develop investment projects.

To mitigate the liquidity risk, the Group may resort to credit lines from financial institutions, if necessary.

The Treasury area invests surpluses in time deposits, mutual funds, etc., choosing instruments with suitable maturity or high liquidity, to afford sufficient margin to the above-mentioned financial budget. Cash surpluses of foreign operating entities, if any, are managed by them, with the support of the Treasury area in Argentina.

The following tables show the Company's financial liabilities grouped by maturities, considering the time remaining to maturity from December 31, 2021 and 2020, respectively. The amounts disclosed in the tables are the undiscounted contractual cash flows. Such amounts were calculated on the basis of observable inputs, exchange rates and interest rates prevailing as of December 31, 2021 and 2020, respectively.

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans	81,747,980	28,141,120	59,193,038	2,781,529	-	90,115,687
Lease Liabilities	1,337,405	617,542	527,335	329,668	-	1,474,545
Derivative Financial Instruments	6,944	6,944	-	-	-	6,944
Trade Payables and Other Liabilities	16,227,893	16,411,428	48,016	-	-	16,459,444
TOTAL AS OF 12.31.2021	**99,320,222**	**45,177,034**	**59,768,389**	**3,111,197**	**-**	**108,056,620**

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans	87,006,342	20,807,383	10,366,714	67,589,837	-	98,763,934
Lease Liabilities	1,338,924	815,372	298,326	321,919	690	1,436,307
Derivative Financial Instruments	297	297	-	-	-	297
Trade Payables and Other Liabilities [1]	16,488,200	16,599,652	102,882	-	-	16,702,534
TOTAL AS OF 12.31.2020	**104,833,763**	**38,222,704**	**10,767,922**	**67,911,756**	**690**	**116,903,072**

The foregoing contractual cash flows do not include Mastellone Hermanos S.A.'s call and put options (Notes 15 and 43). The cash flows that could be derived during the year from such options are described in Note 43 to these separate financial statements.

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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Figures stated in thousands of Argentine pesos)

NOTE 38. FINANCIAL RISK MANAGEMENT

38.8 Capital Risk Management

The Company's capital management goals include: (i) ensure the maintenance of a strong credit rating; (ii) ensure a healthy capitalization level to safeguard the business' ability to continue as a going concern, generating returns for the shareholders; (iii) maintain an optimal financing structure to reduce the cost of capital, and (iv) fulfill the commitments undertaken under some loan agreements.

In order to maintain or adjust the capital structure, the Company may, among other actions, adjust the amount of dividends payable to its shareholders, reimburse capital to its shareholders, issue new equity or sell assets to reduce its indebtedness level.

In line with industry practices, the Company monitors its capital on the basis of its indebtedness ratio. This ratio is calculated by dividing net financial indebtedness by total equity. Net financial indebtedness is equal to total loans and lease liabilities (including current and non-current, as shown in the separate balance sheet) less cash and cash equivalents.

The indebtedness ratios as of December 31, 2021 and 2020 arise from the following table:

	12.31.2021	12.31.2020
Loans (Note 21)	81,747,980	87,006,342
Lease Liabilities (Note 22)	1,337,405	1,338,924
(Less) Cash and Cash Equivalents (Note 16)	(1,107,384)	(1,164,530)
Net Indebtedness	81,978,001	87,180,736
Total Equity	**42,784,457**	**42,227,905**
Total Capitalization	124,762,458	129,408,641
INDEBTEDNESS RATIO	**1.9161**	**2.0645**

NOTE 39. DOCUMENT CUSTODY

On August 14, 2014, the CNV issued General Resolution No. 629, providing that issuers would be required to report to the CNV the location where its documents are kept in custody by third parties.

In this respect, the Company has entrusted Box Custodia de Archivos S.A., a company domiciled in Ruta Nacional 19, Km 3.5, City of Córdoba, with the custody of its working papers and documents related to the Company's management. The detail of the documents kept in custody of third parties is available at the registered office.

NOTE 40. MINIMUM CAPITAL REQUIREMENTS TO OPERATE AS SETTLEMENT AND CLEARING AGENTS

On June 5, 2014, the Company's Board of Directors resolved to apply with the CNV for authorization to operate as Settlement and Clearing Agent - Direct Participant (*Agente de Liquidación y Compensación Propio Participante Directo*), in accordance with the terms of Law No. 26,831, Decree No. 1023/2013, General Resolution No. 622/2013 of the CNV, and Interpretation Guidance No. 55 of the CNV.

As reporting parties, we hereby report that as of December 31, 2021, the Company's equity amounts to ARS 42,784,457, that is, in excess of the minimum capital requirement of 470,350 UVAs, which, as of the date of these financial statements, are the equivalent to ARS 45,864, required for "Settlement and Clearing Agents" by Resolution No. 821/19 of the CNV.

Victor Jorge Aramburu
Chairman
Statutory Audit
Committee

Luis Alejandro Pagani
Chairman

See our report dated March 11, 2022
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NOTE 41. AGREEMENT WITH WEBCOR GROUP

In June 2018, the Company's Board of Directors approved an agreement to make a joint investment with Webcor Group, one of the leading food distribution companies in the Republic of Angola. The purpose of the agreement is to set up an industrial plant for the production of confectionery, bonbons and cookies and crackers in Angola (hereinafter, the "Angola Project").

TUCOR DMCC (hereinafter, "Tucor") was created pursuant to such agreement.
Its shareholders are Arcor AG (S.A., Ltd.) and Alison Industry Ltd., in equal parts, which are subsidiaries of the Company and Webcor Group, respectively.

In April 2020, Arcor AG (S.A., Ltd.) made capital contributions to Tucor in the amount of USD 0.1 million. Then, during the last quarter of 2020, the Company exported two machinery lines to Tucor—one for the production of Bon o Bon, and the other one for the dual production of candies and lollipops—for approximately USD 9.1 million. In January 2021, the machinery lines arrived in Angola to begin the installation process in the industrial complex.

In November 2021, the Company assigned to its subsidiary Arcor AG (S.A., Ltd.) the receivable it held from the export of the aforementioned machinery. Then, Arcor AG (S.A., Ltd) contributed such receivable to Tucor and, at the same time, made capital contributions in cash (equal to ARS 283,168) and in kind (capitalization of other receivables the subsidiary held with Tucor). Accordingly, total contributions to Tucor amounted to approximately USD 14.2 million, accounting for 50% of the equity interest in that company.

On December 29, 2021, pursuant to the terms of the shareholders' agreement entered into with Webcor Group, the subsidiary Arcor AG (S.A., Ltd.) sold its entire equity interest in Tucor to Arcor Alimentos Internacional S.L., Sociedad Unipersonal (hereinafter, ARALI). Accordingly, Tucor's shareholders are ARALI and Alison Industry Ltd., subsidiaries of the Company and Webcor Group, respectively, in equal parts.

As it concerns the progress made in the construction of the Angola-based plant, in 2021 the assembly of the manufacturing lines was completed and industrial tests were commenced leading to the upcoming start-up scheduled to take place during the first semester of 2022.

Once production is up and running, certain semi-finished products and raw materials will be exported from Arcor Group's plants in Argentina, to supply such operation.

In these separate financial statements, the Group considered Tucor as a "joint venture" pursuant to the terms of IFRS 11 "Joint Arrangements." Accordingly, the investment in such entity was valued using the equity method (Note 9).

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Transaction Overview

On February 12, 2021, the Company's Board of Directors approved the creation of a "Joint Venture " with Ingredion Argentina S.R.L., a subsidiary of Ingredion Incorporated—a strategic alliance aimed at boosting both companies' operations, processes and best practices and expand the Group's geographic footprint in Argentina, Uruguay and Chile, and its business capabilities to offer essential ingredients for the food, beverages, pharmaceutical and other industries, such as glucose, maltose and fructose syrups, starches and maltodextrin.

Pursuant to this agreement:

- In February 2021, Arcor S.A.I.C. created a new operating company named Ingrecor S.A., to which, effective since August 2, 2021, it transferred the corn wet milling operations developed at its manufacturing plant in Lules (Province of Tucumán) and at two other manufacturing plants based in Arroyito Industrial Complex (Province of Córdoba). Such operations are part of the Group's "Agribusiness" segment. In addition, as part of such transfer, the Company assigned to such subsidiary the items comprising Property, Plant and Equipment (including beneficial interests in certain real property); workforce, including the respective labor liabilities; and spare part inventories related to such manufacturing plants, in addition to working capital (primarily in the form of corn inventories) which, as measured pursuant to contractually agreed-upon criteria, amounted to USD 11 million.

- In February 2021, Arcor S.A.I.C. created a new company named Ingrear Holding S.A. which would act as the joint venture holding company.

- On August 2, 2021, Ingredion Argentina S.R.L. transferred to Ingrear Holding S.A. its equity interest in Ingredion Chile S.A. and Ingredion Uruguay S.A.— companies which will be primarily engaged in marketing, in Chile and Uruguay, respectively, the Joint Venture's products manufactured in Argentina and other products that will be imported from Ingredion Incorporated's subsidiaries based in other countries. Previously, these companies were already engaged in these activities as subsidiaries of Ingredion Argentina S.R.L.

- In March 2021, Ingredion Argentina S.R.L. created a new operating company named Ardion S.A. to which, effective since August 2, 2021, it transferred the wet milling and corn oil operations developed at two manufacturing plants located in Chacabuco and Baradero (Province of Buenos Aires). As part of such transfer, Ingredion Argentina S.R.L. assigned to the newly created company items comprising Property, Plant and Equipment; workforce, including the respective labor liabilities; spare part inventories related to such manufacturing plants; and working capital (primarily in the form of inventories, trade receivables and trade payables) which, as measured pursuant to contractually agreed-upon criteria and together with Ingredion Chile S.A.'s and Ingredion Uruguay S.A.'s working capital as of such date, amounted to USD 35 million.

- In August and September 2021, Arcor S.A.I.C. and Ingredion Argentina S.R.L. contributed to Ingrear Holding S.A. their receivables from Ingrecor S.A. and Ardion S.A., respectively, resulting from the above-described assignments and such holding company capitalized them into the respective subsidiaries.

- In August and September 2021, in order to finance its initial operations, Arcor S.A.I.C. and Ingredion Argentina S.R.L. made cash contributions into the Joint Venture for USD 2 million each (in the case of Ingredion Argentina S.R.L., such contribution included cash and cash equivalents balances held by Ingredion Chile S.A. and Ingredion Uruguay S.A. as of August 2, 2021, when its shares were contributed to Ingrear Holding S.A. as mentioned above).

- Finally, on August 3, 2021, the Company acquired from Ingredion Argentina S.R.L. shares of stock in Ingrear Holding S.A, for an amount of USD 7 million, out of which USD 5 million were paid off on August 3, 2021 and the remaining USD 2 million were paid off in August 2022. This indebtedness, measured at amortized cost, is disclosed in the separate balance sheet under the item "Current Loans" (Note 21) and, at the end of the reporting period, amounted to ARS 206,286.

See our report dated March 11, 2022
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(Figures stated in thousands of Argentine pesos)

NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Transaction Overview

- On the other hand, the Company and Ingredion Argentina S.R.L. subscribed several product supply and distribution, licensing and services agreements which will govern the Joint Venture's operations and the relationships among shareholders.

As a result of all the aforementioned, effective since August 2, 2021 (acquisition date):

- Ingrear Holding S.A. has controlled the operating companies Ingrecor S.A and Ardion S.A. (in Argentina), Ingredion Chile S.A. (in Chile), and Ingredion Uruguay S.A. (in Uruguay). These companies, together, comprise the "Joint Venture."
- The Company began to recognize its share in the Joint Venture's businesses through its interest in Ingrear Holding S.A., a subsidiary in which Arcor S.A.I.C. owns a 51% stake.

As of the date of these separate financial statements, the transaction is pending approval by the Argentine Antitrust Authorities.

Recognition in the Company's Financial Statements as of December 31, 2021

In August 2021, as a result of the above-described transaction, the Company recognized its interest in the Joint Venture, in accordance with IAS 28 *"Investments in Associates and Joint Ventures"* and IFRS 10 *"Consolidated Financial Statements,"* pursuant to the equity method. Accordingly, the investment was initially recognized at cost, based on the information included below:

ITEMS	NOTES	ARS
Interest assigned from Ingrear Holding S.A. (49%) at carrying amount before contributions made by Ingredion Argentina S.R.L.[1]		2,868,299
Income from fair value re-measurement of interest assigned from Ingrear Holding S.A., considering the fair value of the contributed net assets [2]		198,246
Subtotal -Interest assigned from Ingrear Holding S.A. (49%) at fair value, before contributions made by Ingredion Argentina S.R.L., considering the fair value of the contributed net assets		**3,066,545**
Income from fair value re-measurement of interest assigned from Ingrear Holding S.A., considering the fair value of the net assets received [3]		145,591
INTEREST ASSIGNED FROM INGREAR HOLDING S.A. (49%) AT FAIR VALUE CONSIDERING THE FAIR VALUE OF THE NET ASSETS RECEIVED [4]		**3,212,136**
Funds settled in cash		549,930
Indebtedness on acquisition of shares [5]	16 and 21	219,972
CONSIDERATION TRANSFERRED BY MEANS OF FINANCIAL INSTRUMENTS		**769,902**
TOTAL COST OF THE 51% INTEREST ACQUIRED IN THE IDENTIFIABLE ASSETS AND LIABILITIES CONTRIBUTED BY INGREDION ARGENTINA S.R.L. TO INGREAR HOLDING S.A.		**3,982,038**
Identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. at fair value [6]		7,807,917
Interest acquired by Arcor S.A.I.C.		51.00%
TOTAL COST OF THE 51% INTEREST ACQUIRED IN THE IDENTIFIABLE ASSETS AND LIABILITIES CONTRIBUTED BY INGREDION ARGENTINA S.R.L. TO INGREAR HOLDING S.A.		**3,982,038**

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NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Recognition in the Company's Financial Statements as of December 31, 2021

[1] Considering the carrying amount of the assets and liabilities contributed by the Company to Ingrear Holding S.A. and to Ingrecor S.A. (items comprising Property, Plant and Equipment, Inventories, Cash and Cash Equivalents, Employment-related Liabilities).
[2] The fair value of such assigned interest amounts to ARS 3,066,545 considering the fair value of the net assets contributed. The difference of ARS 198,246 between such fair value and the carrying amount stated in the preceding table (ARS 2,868,299) was charged to "Other Comprehensive Income." These identifiable assets and liabilities were determined on the basis of Ingrecor S.A.'s financial information as of the acquisition date.
[3] The fair value of such assigned interest considering the fair value of the assets received (51% interest in the net identifiable assets contributed by Ingredion Argentina S.R.L. to the Joint Venture) amounts to ARS 3,212,136. The difference of ARS 145,591 with the fair value of the assigned interest considering the fair value of the net assets contributed (ARS 3,066,545) was charged to the separate condensed interim statement of income under the line "Income from Investments in Companies and Others."
[4] Fair value of the assigned interest based on the fair value of the acquired asset (51% of the identifiable assets and liabilities contributed by Ingredion Argentina S.R.L. to the Joint Venture).
[5] Indebtedness in the amount of USD 2 million, valued at amortized cost. As of December 31, 2021, the balance of such debt was ARS 206,286
[6] Said identifiable assets and liabilities, measured at fair value, were determined on the basis of Ardion S.A.'s, Ingredion Chile S.A.'s and Ingredion Uruguay S.A.'s financial information as of the date of acquisition.

Concerning the above-described information, it should be noted that:

- IAS 28 *"Investments in Associates and Joint Ventures"* provides that when the acquisition cost of an interest in an entity results from the contribution of non-monetary assets to such entity, a gain or loss should be recognized for the assigned portion of such assets. This standard is applicable to the above-described transaction in that, as mentioned above, the Company purchased 51% of the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. by means of:

  (i) The assignment of 49% of the identifiable assets and liabilities of the business contributed by the Company to the Joint Venture.
  (ii) The settlement of funds in cash for USD 5 million.
  (iii) An indebtedness owing to Ingredion Argentina S.R.L. for USD 2 million, due in August 2022. This indebtedness, measured at amortized cost, is disclosed in the separate balance sheet under the item "Current Loans" (Note 21) and, at the end of the reporting period, amounted to ARS 206,286.

- Besides, IAS 28, paragraph 30, in line with the provisions of IAS 16, paragraph 24, *"Property, Plant and Equipment"* concerning the exchange of assets, provides that the gain or loss on the re-measurement of the net assets delivered (in this case, the assignment of 49% of the identifiable assets and liabilities of the business contributed by the Company to the Joint Venture) arises from comparing the carrying amount to the fair value of the monetary assets received (in this case, 51% of the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. to the Joint Venture). In this case, such gain or loss arises from comparing the carrying amount of the assigned interest (ARS 2,868,299) to the fair value of the acquired interest (ARS 3,982,038), net of the consideration transferred by means of financial instruments (ARS 769,902). The fair value of the interest acquired was determined on the basis of the fair value of the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. to the Joint Venture.

- For purposes of both the fair value measurement of the non-monetary assets received (51% of the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. to the Joint Venture) and the fair-value measurement of the non-monetary assets assigned (49% of the identifiable assets and liabilities of the business contributed by the Company to the Joint Venture), the Company and Ingredion Argentina S.R.L. relied on information available on their own books and records and on the advice of independent external experts.

- By analogous application of the terms of IFRS 3 "Business Combination," the transaction "measurement period" should not be longer than one year from the acquisition date. During this measurement period, the Company may retroactively adjust the interim amounts so recognized to reflect the new information obtained on facts and circumstances existing on that date which, if known, would have affected the initial measurement of the assets and liabilities recognized.

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(Figures stated in thousands of Argentine pesos)

NOTE 42. JOINT VENTURE AGREEMENT WITH INGREDION ARGENTINA S.R.L.

Recognition in the Company's Financial Statements as of December 31, 2021

- Concerning the recognition of such gain or loss on the Company's comprehensive income, it should be noted that:

 (i) The **gain charged to the separate statement of income (ARS 145,591)** fwas determined as the difference between the fair value of the identifiable assets and liabilities acquired (that is, the identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. to the Joint Venture) and the consideration transferred at fair value. In particular, it should be noted that in determining such gain, the net identifiable assets of the business contributed by Arcor S.A.I.C. to Joint Venture were considered at fair value. In other words, in determining such gain, all parameters related to the business acquisition (identifiable assets and liabilities acquired and consideration transferred) were considered at fair value.

 (ii) The **gain charged to the separate statement of other comprehensive income (ARS 198,246)** is the difference between the net identifiable assets of the business contributed by Arcor S.A.I.C. to the Joint Venture measured at fair value (ARS 3,066,545) and its respective carrying amount (ARS 2,868,299). This is in line with the provisions of IFRS 10 concerning transactions with the non-controlling Interest.

Impacts on the Separate Financial Statements as of December 31, 2021

The Company recognized its interest in the Joint Venture as of December 31, 2021 pursuant to the equity method, as well as its share of profit or loss accrued during the period spanning from August 2, 2021 (acquisition date) and December 31, 2021 of the acquired business. These circumstances should be considered when reading and interpreting the Company's information included in these financial statements, together with the respective comparative information.

Below is a detail of the Company's share of profit or loss of the acquired business (business contributed by Ingredion Argentina S.R.L. to the Joint Venture) as of December 31, 2021 (as from the above-mentioned acquisition date):

Separate Statement of Income

	CFIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Net Income for the Year Generated by the Business Contributed by Argentina S.R.L. to the Joint Venture	931,143
Arcor S.A.I.C.'s Interest in the Joint Venture	51.00%
Net Income for the Year Attributable to the Company	**474,883**

Separate Statement of Other Comprehensive Income

	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Other Comprehensive Income (Loss) for the Year Generated by the Business Contributed by Ingredion Argentina S.R.L. to the Joint Venture	(160,001)
Arcor S.A.I.C.'s Interest in the Joint Venture	51.00%
Other Comprehensive Income (Loss) for the Year Attributable to the Company	**(81,601)**

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Agreement with Mastellone Hermanos S.A. and its Shareholders

On December 3 and 4, 2015, Arcor S.A.I.C., together with its subsidiary Bagley Argentina S.A. (jointly, the "Investors"), entered in to an investment agreement with Mastellone Hermanos S.A. ("Mastellone") and its shareholders, which was formalized as follows:

(i) "Offer to enter into a Share Subscription Agreement" issued by Mastellone and its shareholders and accepted by the Investors. Under this agreement:

- Arcor S.A.I.C. and Bagley Argentina S.A. made an irrevocable contribution, in equal parts, for USD 50 million convertible into shares of Mastellone representing a 20.16% interest in the capital stock and voting rights in Mastellone Hermanos S.A.

- Mastellone and its shareholders granted to Investors an "*irrevocable option to subscribe additional shares of stock*" to be exercised in January 2017. Concurrently, Investors granted to Mastellone an option requiring the additional subscription of shares of stock to be exercised in February 2017. The exercise price of these options was set at the equivalent in pesos of USD 35 million. In exchange for this additional subscription and subject to compliance with certain conditions, Mastellone committed to issuing shares in favor of Investors representing 12.37% of the new capital stock and voting rights.

- Indemnities are available to Investors for certain contingencies that might give rise to losses in Mastellone. These indemnities were good through December 2021.

(ii) "Offer to subscribe a Share Purchase Agreement" issued by certain shareholders of Mastellone and accepted by Investors: Under this agreement, Arcor S.A.I.C. and Bagley Argentina S.A. purchased, on an equal basis, common shares representing approximately 4.99% of Mastellone's capital stock prior to the subscription described in paragraph (i) above, at a price of approximately ARS 9.9 million.

(iii) "Offer to Pledge Shares" issued by the shareholders of Mastellone and accepted by Investors: To secure the issue of Mastellone's shares in favor of Investors for the irrevocable contribution referred to in paragraph (i) above, the shareholders of Mastellone created, pursuant to this agreement, a first-ranking lien on the shares representing 30% of Mastellone's capital stock.

(iv) "Offer to enter into a *Call and Put Option* Agreement" issued by Mastellone and its shareholders and accepted by Investors. Under this agreement:

- Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. granted to Mastellone's shareholders a right to sell shares of Mastellone's capital stock to Investors and Bagley Latinoamérica S.A. (*first put option*) in April and October 2017, 2018, 2019 and 2020, to the extent that the equity interest owned by Investors and Bagley Latinoamérica S.A. does not exceed 49% of the capital stock and voting rights in Mastellone, subject to an annual cap or threshold of USD 13.5 million for the exercise of such option which, if not reached in any of those years, will be added to the remaining years' thresholds. The exercise price for this *first put option* is fixed and is determined on the basis of the transactions described in paragraphs (i) and (ii) above.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Agreement with Mastellone Hermanos S.A. and its Shareholders

(iv) "Offer to enter into a *Call and Put Option* Agreement" issued by Mastellone and its shareholders and accepted by Investors. Under this agreement:

- Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. granted to Mastellone's shareholders a right for them to sell the rest of their equity interests to Investors and Bagley Latinoamérica S.A. during the years 2020-2025 (*second put option*), such that Investors, together with Bagley Latinoamérica S.A., own 100% of the capital stock and voting rights in Mastellone. The exercise price of this *second put option* is variable and is determined on the basis of the changes in certain economic indicators and variables associated with Mastellone's economic and financial performance.

- Mastellone's shareholders granted to Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. a one-time right to purchase all of the remaining shares in Mastellone at any time between the years 2020 and 2025 (*call option*), until they own a 100% interest in Mastellone's capital stock and voting rights. The exercise price of this *call option* is variable and is determined on the basis of similar variables to the above-described *second put option*.

- The *additional subscription option* described in paragraph (i), the *first put option*, the *second put option* and the *call option* referred to above are non-transferable to third parties and may not be settled at fair value. The cash flows associated with these instruments are directly related to the payments from time to time made for Mastellone's shares of stock.

(v) "Shareholders' Agreement Offer" issued by Mastellone and its shareholders and accepted by Investors: This agreement, to come into force upon execution of the initial share subscription described in paragraph (i), governs certain aspects (mainly limitations) related to the transfer of shares to third parties and to the administration and management of Mastellone, granting participation rights to Investors in certain strategic decisions of Mastellone.

All the above-described agreements, other than the "Offer to Pledge Shares," were subject to certain conditions subsequent, particularly, to the approval of the Brazilian Anti-Trust Authority. Such approval was published on January 26, 2016 by said authority.

Once the period to file oppositions set forth in the Brazilian anti-trust laws elapsed, such approval became final, and on February 23, 2016, the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone Hermanos S.A. resolved to capitalize the irrevocable contributions made by Arcor S.A.I.C. and Bagley Argentina S.A., resulting from the "Offer to enter into a Share Subscription Agreement" mentioned above through the issue of 115,542,240 new common registered non-endorsable shares, entitled to one voting right and with a face value of ARS 1 each (subscribed and paid-in in equal parts by Arcor S.A.I.C. and Bagley Argentina S.A.). The above-mentioned Shareholders' Agreement came into force upon such subscription.

Initial Recognition in the Company's Accounts

Following the resolution of the substantive condition the transaction was subject to, and the decision made on February 23, 2016 by the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone Hermanos S.A. concerning the capitalization of the irrevocable contributions so made, the Company:

(i) Recorded its investment in Mastellone by the equity method as from that date due to the existence of significant influence on that associate, as evidenced by its equity interest (of 12.0726% as from the share subscription) and its rights to take part in Mastellone's management and administration, as from the effective date of the "Shareholders' Agreement."

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Initial Recognition in the Company's Accounts

(ii) Posted the initial recognition at fair value as of that date, in accordance with IFRS 9, of derivative financial instruments (assets and liabilities) resulting from the above-described *additional subscription options, first and second put options and call option*. Such fair values were estimated using models based on observable market inputs and the Company's own hypotheses and assumptions. In this respect, the Company believes that the fair value so estimated is Level 3, in accordance with IFRS 7 guidance. The fair value of these instruments primarily depends on the fair value of Mastellone's shares.

Exercise of Options in 2017

Additional Subscription in Mastellone Hermanos S.A.

In January 2017, within the additional subscription period established in the "Offer to enter into a Share Subscription Agreement," Arcor S.A.I.C. and Bagley Argentina S.A. (jointly, the "Investors") notified Mastellone Hermanos S.A. (hereinafter, "Mastellone") of their decision to exercise, in equal parts, the above-described *additional subscription option*. By virtue of the exercise of such option:

- On January 17, 2017, Investors made an irrevocable capital contribution on account of future share subscriptions in the amount of USD 35,000, in order to subscribe and pay in 80,879,568 common, registered Class E shares of ARS 1 par value each and entitled to one (1) vote per share of Mastellone.

- After the Brazilian Anti-Trust Authority authorized the transaction, at the Ordinary and Extraordinary General Shareholders' Meeting held on April 7, 2017, the shareholders of Mastellone resolved to increase the capital stock by approximately ARS 80,880, by means of the issuance of 80,879,568 common, registered, non-endorsable Class E shares entitled to one (1) vote each. The new capital stock was set at ARS 653,969. With the subscription of those shares, Investors increased their interest in the capital stock of Mastellone to 33.52650%, with the additional investment accounting for 9.38134% of Mastellone's capital stock.

Purchase of Mastellone Hermanos S.A.'s Shares

On April 18, 2017, certain shareholders of Mastellone, in the exercise of the right conferred under the *first put option* described above, gave notice of their intent to sell a total of 31,818,189 common, registered, non-endorsable shares of ARS 1 par value each and entitled to one (1) vote per share in Mastellone's capital stock, for a total price of approximately USD 13.8 million. The acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 38.39190%, with the additional investment accounting for 4.86540%.

NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Exercise of Options in 2018

Purchase of Mastellone Hermanos S.A.'s Shares

On February 1, 2018, after obtaining the authorization from the Brazilian Antitrust Authority, the Company and its subsidiary Bagley Argentina S.A. jointly acquired (50% each) from certain shareholders of Mastellone a total of 12,110,844 shares at a price of approximately USD 5.2 million, after accepting an irrevocable offer to amend the *call and put option* agreement. Therefore, the sellers exercised the *first put option* earlier for the above-mentioned amount, corresponding to fiscal year 2018.

On June 1, 2018, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 15,713,746 shares for a total price of USD 6.8 million.

The aforementioned acquisitions were made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, investors increased their equity interest in Mastellone to 42.6466%, with the additional investment accounting for 4.2547%.

Exercise of Options in 2019

Purchase of Mastellone Hermanos S.A.'s Shares

On May 31, 2019, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 2,310,000 shares for a total price of approximately USD 1.0 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 42.9999%, with the additional investment accounting for 0.3532%.

On October 24, 2019, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 28,654,477 shares for a total price of approximately USD 12.4 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 47.3815%, with the additional investment accounting for 4.3816%.

See our report dated March 11, 2022
PRICE WATERHOUSE & CO. S.R.L.

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Chairman
Statutory Audit
Committee

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Exercise of Options in 2020

Purchase of Mastellone Hermanos S.A.'s Shares

On May 5, 2020, certain shareholders of Mastellone Hermanos S.A., in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 3,928,438 shares for a total price of USD 1.7 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, investors increased their equity interest in Mastellone to 47.9822%, with the additional investment accounting for 0.6007%.

On June 18, 2020, certain shareholders of Mastellone, in exercise of the right conferred under the *first put option*, gave notice of their intent to sell a total of 4,542,230 shares for a total price of approximately USD 2.0 million.

The above-mentioned acquisition was made in equal parts by the Company and its subsidiary Bagley Argentina S.A. As a result, Investors increased their equity interest in Mastellone to 48.6767%, with the additional investment accounting for 0.6946%.

Recognition in the Company's Financial Statements as of December 31, 2020

By virtue of the above-described transactions carried out during fiscal year 2020, the Company recorded its incremental investment in Mastellone by the equity method set forth in IAS 28, based on the following criteria:

- Mastellone's identifiable assets and liabilities as of the acquisition date of each interest were recognized at fair value as of the date of initial application of the method (May 31, 2020 and June 30, 2020).

- The carrying amounts of Mastellone at the initial date of application of the equity method were estimated on the basis of its financial statements at March 31, 2020 and June 30, 2020, and on the basis of the associate's accounting and off-balance sheet information available.

- In determining the gain (loss) on the interests acquired in fiscal year 2020, accrued between the date of initial application of the method and December 31, 2020, the consolidated financial statements of Mastellone as of December 31, 2020 were considered, and the pertinent adjustments were made to reflect the Company's share in the changes in the higher and lower values of the associate's identifiable assets and liabilities resulting from their initial measurement at fair value. Such gain (loss) was charged to "Income (Loss) from Investments in Associates, Joint Ventures and Others" in the consolidated statement of income.

Recognition in the Company's Financial Statements as of December 31, 2021

During the year ended December 31, 2021, the Company did not acquire new interests in Mastellone. Therefore, the gain (loss) resulting from the interests acquired were estimated on the basis of Mastellone's consolidated financial statements as of December 31, 2021 considering, for each interest individually acquired, the changes in the higher and lower values of the associate's identifiable assets and liabilities resulting from its initial measurement at fair value.

On the other hand, the remaining derivative financial instruments (*resulting from the first and second put options and call option*) were measured at their fair value as of December 31, 2021 and are disclosed in non-current liabilities under the caption "Derivative Financial Instruments" for ARS 686,828. The differences between such fair values measured at the beginning and at year-end were recognized under the caption "Net Financial Income (Expense)" in the separate statement of income.

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Statutory Audit
Committee

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Chairman

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(Figures stated in thousands of Argentine pesos)

NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Recognition in the Company's Financial Statements as of December 31, 2021

The following table summarizes the changes in the Company's investment in Mastellone Hermanos S.A. during the year ended December 31, 2021:

		PROFIT / (LOSS)		
	BALANCE AT THE BEGINNING OF THE YEAR	INCOME FOR THE YEAR	OTHER COMPREHENSIVE INCOME FOR THE YEAR	BALANCE AS OF 12.31.2021
Investments Made During the Year 2016				
Equity Interest in Mastellone at Carrying Amount	1,658,610	(59,962)	(72,324)	1,526,324
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	1,388,492	(297,495)	424	1,091,421
Goodwill	72,735	-	-	72,735
Subtotal - 24.1452% Interest in Mastellone Hermanos S.A.	**3,119,837**	**(357,457)**	**(71,900)**	**2,690,480**
Investments Made During the Year 2017				
Equity Interest in Mastellone at Carrying Amount	979,518	(37,494)	(42,675)	899,349
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	562,515	(36,423)	250	526,342
Goodwill	920,857	-	-	920,857
Subtotal - 14.2467% Interest in Mastellone Hermanos S.A.	**2,462,890**	**(73,917)**	**(42,425)**	**2,346,548**
Investments Made During the Year 2018				
Equity Interest in Mastellone at Carrying Amount	292,751	(7,406)	(12,745)	272,600
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	185,055	(11,075)	75	174,055
Goodwill	130,766	-	-	130,766
Subtotal - 4.2547% Interest in Mastellone Hermanos S.A.	**608,572**	**(18,481)**	**(12,670)**	**577,421**
Investments Made During the Year 2019				
Equity Interest in Mastellone at Carrying Amount	560,690	(58,252)	(14,183)	488,255
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	165,710	(33,461)	144	132,393
Goodwill	119,437	-	-	119,437
Subtotal - 4.7348% Interest in Mastellone Hermanos S.A.	**845,837**	**(91,713)**	**(14,039)**	**740,085**
Investments Made During the Year 2020				
Equity Interest in Mastellone at Carrying Amount	155,350	(16,394)	(3,880)	135,076
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	38,971	(12,121)	40	26,890
Goodwill	21,110	-	-	21,110
Subtotal - 1.2953% Interest in Mastellone Hermanos S.A.	**215,431**	**(28,515)**	**(3,840)**	**183,076**
TOTAL – INVESTMENTS IN ASSOCIATES	**7,252,567**	**(570,083)**	**(144,874)**	**6,537,610**

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(Figures stated in thousands of Argentine pesos)

NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

The following table presents a summary of consolidated profit & loss information for the full fiscal years ended December 31, 2021 y 2020 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	12.31.2021	12.31.2020
Revenues	115,167,458	121,132,872
Cost of Sales	(87,820,344)	(89,194,410)
Gross Profit	**27,347,114**	**31,938,462**
Selling Expenses	(25,533,427)	(27,155,885)
Administrative Expenses	(4,114,272)	(4,397,049)
Investment Income	91,539	(45,948)
Financial Costs	(2,783,111)	(3,527,272)
Exchange Differences	3,979,568	(1,072,094)
Other Financial Loss	60,213	(170,901)
Gain on Net Monetary Position	1,590,672	1,215,577
Excess of Restated Value over Revaluation of Assets Measured at Fair Value	(341,416)	(194,046)
Other Income (Loss)	163,399	40,094
Income / (Loss) before Income Tax	**460,279**	**(3,369,062)**
Income Tax	(2,013,321)	(83,690)
NET (LOSS) FOR THE YEAR	**(1,553,042)**	**(3,452,752)**
Net (Loss) / Gain Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	(1,553,016)	(3,452,779)
Non-controlling Interest	(26)	27
TOTAL	**(1,553,042)**	**(3,452,752)**

Below is also a breakdown of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2021 and 2020, as it arises from the associate's consolidated financial statements:

	12.31.2021	12.31.2020
Cash and Cash Equivalents	1,716,975	2,599,126
Current Loans	(1,501,032)	(25,366,762)
Current Lease Liabilities	(113,661)	(176,193)
Non-current Loans	(19,460,118)	-
Non-current Lease Liabilities	(387,774)	(703,877)
TOTAL	**(19,745,610)**	**(23,647,706)**

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

Below is a breakdown of the associate's main loans as of December 31, 2021:

- Class "G" Notes for an aggregate amount of ARS 10,361,280 (principal amount of USD 110.9 million), issued on June 30, 2021, with principal being fully payable upon maturity on June 30, 2026, quarterly interest payments, and an annual nominal fixed interest rate of 10.95%. These notes are secured by certain mortgages and pledges and are repayable in USD.

- Class "H" Notes for an aggregate amount of ARS 1,204,132 (principal amount of USD 11.9 million), issued on June 25, 2021, with principal being fully payable upon maturity on June 25, 2023, quarterly interest payments, and an annual nominal fixed interest rate of 5.5%. These notes are unsecured and payments thereunder should be settled in ARS at the exchange rate applicable as of the respective date.

- Class "I" Notes for an aggregate amount of ARS 3,797,587 (principal amount of 39,534,916 UVAs equal to USD 33.1 million), issued on June 25, 2021, with principal being fully payable upon maturity on June 25, 2024, quarterly interest payments, and an annual nominal fixed interest rate of 4.39%. These notes are unsecured and payments thereunder should be settled in ARS at the applicable UVA value as of the respective date.

- Loan granted by Coöperatieve Rabobank U.A. in the amount of USD 50 million, on June 30, 2021, with principal being repayable in 17 quarterly instalments due from June 30, 2022, quarterly interest payments, and an annual nominal fixed interest rate of 7.5%. This loan is secured by certain mortgages and pledges and payments thereunder should be settled in USD. In addition, the loan establishes certain covenants and commitments to be fulfilled by the associate, including certain specific financial ratios. As of December 31, 2021, certain indexes were defaulted. However, the associate secured a statement from the creditor in which creditor represents that the event of default took place on a date subsequent to the approval of the financial statements, and also secured a waiver on such default before that date.

Refinancing of the Associate's Financial Indebtedness

On June 1, 2021, the associate Mastellone Hermanos S.A made an exchange offer for a nominal value of USD 162.7 million or 81.50% of the total nominal value of its outstanding Class "F" Notes, at a fixed rate of 12,625% due on July 3, 2021, which totaled USD 199.7 million. The offer encompassed the exchange of each USD 1,000 in nominal value of such Class "F" Notes for USD 675 in nominal value of new senior, secured Class "G" Notes at a fixed rate of 10.95% due in 2026, plus a cash payment for the remaining USD 325.

As a result of the offer, on June 30, 2021, Mastellone Hermanos S.A. issued Class "G" Notes for an aggregate principal amount of USD 110.9 million, and made a cash payment of USD 53.4 million to such holders of Notes who agreed to the exchange offer. As concerns holders who did not agree to the exchange offer, on the same date, the associate made a cash payment of USD 35.4 million, plus accrued interest.

In light of the success of the above-described refinancing arrangement, Mastellone Hermanos S.A.'s management eliminated the statement included in its consolidated condensed interim financial statements as of March 31, 2021 and in its consolidated financial statements as of December 31, 2020 concerning the existence of significant uncertainties that could pose substantial doubts as to the associate's ability to continue as a going concern.

Therefore, as of the date of these separate financial statements, the Company considers that the risks associated with the above-described uncertainty were substantially reduced. The main accounting impacts of such circumstances are related to the fair value estimate of derivative financial instruments (liabilities) associated with Mastellone Hermanos S.A.'s call and put options.

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NOTE 43. INVESTMENT IN MASTELLONE HERMANOS S.A.

Recoverability Tests of the Investment in Associates

The assessment of the recoverable value requires the use of estimates and is based on projected cash flows prepared on the basis of Mastellone Hermanos S.A.'s financial budget for the following year and on the basis of the associate's projections covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of the business.

The key variables are related to gross margins, changes in the associate's working capital, and the investment levels required to reach the expected production volumes, with the projected profitability levels. Such variables were determined on the basis of past performance, other external sources of information and the associate's market development expectations. In this respect, based on the knowledge of the associate's business conditions, the Company's accounting policy used for purposes of the impairment analysis:

- Considers two potential scenarios concerning the gross margin—a conservative scenario and a best-case scenario. As of December 31, 2021, gross margin projections for each period are 10% higher in the best-case scenario than in the conservative scenario.

- All other variables, including the net cash flows discount rate and the growth rate used in estimating net cash flows subsequent to the projected 10-year period, do not differ in both scenarios.

- Considers the conservative scenario as "recoverable value" for purposes of concluding on the potential existence of impairment and, therefore, considers it for comparative purposes to the carrying amount of the investment.

As a result of the Company's estimates, the recoverable value of its investment in Mastellone as of December 31, 2021 exceeded the carrying amount of the asset by 3% under the conservative scenario and by 26% under the best-case scenario. As of December 31, 2020, the recoverable value of the investment exceeded its carrying amount by 50%. Therefore, as of December 31, 2021 and 2020, the Company did not book any allowance for impairment.

In addition, as required by IAS 36 "Impairment of Assets," the following changes in the key variables relied on in estimating the recoverable value, assuming all other variables remain unchanged, would cause such estimated recoverable value to be equal to the carrying amount of the investment for both scenarios considered by the Company:

	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2021	
	CONSERVATIVE SCENARIO	BEST-CASE SCENARIO
Increase in Discount Rate	15 basis points	123 basis points
Decrease in Growth Rate	From 1.50% to 1.16%: 0.34%	From 1.50% to (1.75%): 3.25%
Decrease in Estimated Net Cash Flows	1.70%	12.72%

NOTE 44. SUBSEQUENT EVENTS

During the first quarter of 2022, the subsidiary Industria de Alimentos Dos en Uno S.A. and the Company sold their entire equity interests in Industria Dos en Uno de Colombia Ltda, accounting for 95.626471% and 4.373529% of its capital stock, respectively.

Following this transaction, Industria Dos en Uno de Colombia Ltda. will no longer be included in the separate financial statements.

It should also be noted that the distribution of Arcor Group's products in Colombia will continue to be handled by Industria Dos en Uno de Colombia Ltda.

Other than for the above-mentioned, subsequent to December 31, 2021, no events or circumstances have occurred that may significantly affect the Company's financial position, results of operations, and cash flows.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Chairman and Directors of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL
Registered Office: Av. Fulvio Salvador Pagani 487
Arroyito – Province of Córdoba
CUIT No. (Taxpayer Identification No.): 30-50279317-5

Auditor's Report on the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL (hereinafter, the "Company"), including the separate balance sheet as of December 31, 2021, the separate statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the separate financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements fairly present, in all material respects, the separate financial position of the Company as of December 31, 2021, as well as its separate comprehensive income and separate cash flows for the fiscal year then ended, in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We have carried out our audit in accordance with International Standards on Auditing (ISAs). Such standards were adopted as auditing standards in Argentina by means of Technical Pronouncement No. 32 issued by Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities pursuant to such standards are described below under the caption "Auditors' Responsibilities for the Audit of the Separate Financial Statements" of this report.

We consider that the audit evidence we have obtained provides a sufficient and adequate basis for our audit opinion.

Independence

We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the requirements applicable to our audit of the separate financial statements in Argentina, and we have complied with the other ethics responsibilities pursuant to these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are defined as those matters that, in our professional judgment, were of most significance in the audit of the separate financial statements for the current period. These matters are addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon. We do not express a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Recognition of the Business Combination resulting from the Joint Venture Agreement with Ingredion Argentina S.R.L. As stated in Note 42 to the accompanying separate financial statements, as of December 31, 2021, Arcor S.A.I.C. entered into a Joint Venture agreement with Ingredion Argentina S.R.L., a subsidiary of Ingredion Incorporated. As a result of such agreement, the Company acquired a 51% controlling interest in the Joint Venture and therefore applied the equity method set forth in IAS 28 *"Investments in Associates and Joint Ventures"* in order to measure its investment and the income or loss generated therefrom, as from the transaction date. The transaction was recognized pursuant to the guidelines of IAS 28 *"Investments in Associates and Joint Ventures"* and IFRS 10 *"Consolidated Financial Statements,"* and resulted in the recognition, as of the transaction date, of: 1) investments in subsidiaries for ARS 3,982.0 million, and 2) comprehensive income from the acquisition of subsidiaries for ARS 343.8 million. The recognition of this acquisition was a complex exercise that involved the application of significant judgments and estimates in determining the fair value of the identifiable assets and liabilities acquired and the definition of the accounting treatment to be afforded to the transaction. The Company's management has performed a technical-accounting analysis of the transaction and has developed such estimates based on internal information, with the help of external appraisers, as stated in such Note 42 to the separate financial statements. We consider this transaction a key audit matter due to the materiality of the amounts involved and its impact on the separate financial statements and the degree of judgment inherent to the fair value estimates used and the accounting treatment of the transaction.	The audit procedures carried out in respect of this key audit matter included: ▪ Obtaining and analyzing the agreements entered into by and between Arcor S.A.I.C. and Ingredion Argentina S.R.L. in connection with the creation of the Joint Venture, gaining an understanding of the transaction structure and purpose. ▪ Evaluating the analysis performed by Company's management concerning the treatment of such transaction under the scope of IAS 28 *"Investments in Associates and Joint Ventures"* and IFRS 10 *"Consolidated Financial Statements,"* by analyzing the consistency of such conclusion with the terms of the agreements so subscribed. ▪ Understanding the approach used by the Company to account for this transaction and evaluating it for consistency with the subscribed agreements and the guidelines of IAS 28 *"Investments in Associates and Joint Ventures"*, IFRS 10 *"Consolidated Financial Statements"* and other IFRSs that might apply in this regard. ▪ Gaining an understanding of the Company's internal administrative policies and processes concerning the fair value assessment of the identifiable assets and liabilities of the acquired business, including an evaluation of the skills and independence of the appraisers retained by the Company for purposes of such estimate. ▪ Assessing the integrity of the identifiable assets and liabilities of the acquired business by means of a review of the subscribed agreements. ▪ Analyzing the conclusions of the independent appraisers retained by the Company to estimate the fair value of Property, Plant and Equipment items of the business acquired and of the contributed business, and seeing to the consistency of such estimate with the figures disclosed in connection with this transaction and with the agreements subscribed by the parties. ▪ Assessing the disclosures included in the notes to the separate financial statements.

Key Audit Matters	Auditor's Response
Recoverability of the Investment in Mastellone Hermanos S.A. As of December 31, 2021, as disclosed in Notes 9 and 43 to the separate financial statements, the Company's investment in the associate Mastellone totals ARS 6,537.6 million and involved the recognition of a loss of ARS 570.1 million in the statement of income, and a loss of ARS 144.9 million in the statement of other comprehensive income. The Company measures its investment in the associate Mastellone Hermanos S.A. by the equity method and estimates its recoverable value on the basis of the associate's fair value. In estimating such recoverable value, the Company relies on a model based on the associate's discounted cash flows pursuant to the business plans prepared by management and the changes in certain relevant macroeconomic variables. The estimate of the recoverable value of the Company's investment in Mastellone Hermanos S.A. is a key audit matter, since it involves significant judgment by management in estimating the fair value of such company. This, in turn, requires a high degree of judgment and effort by the auditor in conducting procedures to assess the associate's cash flow projections and the main assumptions used therein.	The audit procedures carried out in respect of this key audit matter included, without limitation: ▪ Gaining an understanding of the process carried out by the Company to analyze the recoverability of its investment in associates and prepare the related estimates. ▪ Assessing the model used by management to estimate the recoverable value based on the associate's discounted cash flows. ▪ Verifying the reasonableness of such estimate considering the following factors, among others: (i) the consistency of the assumptions used in estimating the associate's projected cash flows based on its past performance and available financial information, including an analysis of the main deviations from past forecasts and actual figures; (ii) an analysis of the significant assumptions used by management in the model, including average return growth rates, changes in prices and future costs, changes in the associate's working capital, discount rates, perpetuity growth rate, and certain macroeconomic variables such as the exchange rate; (iii) integrity tests on the information and mathematical calculations included in the model used by management; and (iv) the consistency of the information used in the model with the evidence obtained in other audit procedures. ▪ Analyzing the sensitivity of the recoverable value model results to changes in certain key assumptions. ▪ Assessing the disclosures included in the notes to the consolidated financial statements. The audit effort involved the engagement of professionals with specific skills and knowledge to assess the projected recoverable value model used by management and certain assumptions and premises therein considered.

Information Accompanying the Separate Financial Statements ("Other Information")

The other information includes the Annual Report. The Board of Directors is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information; therefore, we do not express an audit opinion in that regard.

Concerning our audit of the separate financial statements, our responsibility is reading the other information and, in doing so, consider whether it is materially inconsistent with the separate financial statements or with the knowledge we have gained during the audit, or if there seems to be a material misstatement for some other reason. If, based on the work we have performed, we consider that, as far as the matters within our purview are concerned, there is a material misstatement in the other information, we are required to report it. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Separate Financial Statements

The Board of Directors of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL is responsible for the preparation and fair presentation of the separate financial statements in accordance with the IFRS, and for such internal control as the Board of Directors might deem required to allow for the preparation of separate financial statements free from material misstatements due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern; disclose, where applicable, the matters related to this issue, and use the going concern basis of accounting, except to the extent the Board of Directors plans to liquidate the Company or discontinue its operations, or there is no other realistic alternative for continuity.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

The goal of our audit is obtaining reasonable assurance that the separate financial statements, as a whole, are free from material misstatements due to fraud or error, and issuing an audit report containing our opinion. Reasonable assurance means a high degree of assurance, but does not mean that an audit conducted in accordance with the ISAs will always detect an existing material misstatement. Misstatements may be due to fraud or error and are deemed material if, individually or on the aggregate, they can be reasonably expected to influence on users' financial decisions, based on the separate financial statements.

As part of an audit pursuant to the ISAs, we use our professional judgment and exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the separate financial statements due to fraud or error; design and apply audit procedures to address such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our 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.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Company's Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained as of the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the Company's Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and we report all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable actions taken to remove threats or the safeguards adopted.

Among the matters that were communicated to the Company's Board of Directors, we determine those that were of most significance in the audit of the separate financial statements for the current period and that, therefore, are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with applicable laws and regulations, we report that:

a) the separate financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL have been transcribed to the "Inventory and Financial Statements" book and comply, as far as the matters within our purview are concerned, with the terms of the Argentine General Companies Law and the applicable resolutions of the National Securities Commission (CNV);

b) the separate financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept, in all formal respects, in accordance with applicable laws and regulations, maintaining the safety and integrity conditions based on which they were authorized by the Bureau of Legal Entities of the Province of Córdoba;

c) below is a detail of total amounts arising from the separate balance sheet, and separate statements of income and other comprehensive income:

c.1) Separate balance sheet as of December 31, 2021 and 2020:

	In thousands of ARS	
	12/31/2021	12/31/2020
Assets	156,069,565	155,548,491
Liabilities	113,285,108	113,320,586
Shareholders' Equity	42,784,457	42,227,905

c.2) Separate statements of income and other comprehensive income for the years ended December 31, 2021 and 2020, in which the Company recognized comprehensive income in the amount of ARS 7,425,419 and ARS 6,133,311 (both figures stated in thousands of ARS), respectively;

d) as of December 31, 2021, accrued liabilities owing by ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL to the Argentine Social Security System, as arising from the Company's accounting records, amounted to ARS 664,852,604.65. Such amount was not due and payable as of such date;

e) as required by Article 21, paragraph b), Chapter III, Section VI, Title II of the National Securities Commission's regulations, we hereby report that total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL during the year ended December 31, 2021 account for:

e.1) 87.33% of total comprehensive fees for services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL during that year;
e.2) 71.81% of total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, subsidiaries and affiliates during that year;
e.3) 57.51% of total fees for services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, subsidiaries and affiliates during that year;

f) we have applied the anti-money laundering and terrorist financing procedures on ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL as required by applicable professional accounting principles issued by the Professional Council of Economic Sciences of the Province of Córdoba;

g) we have read the information included in Note 40 to the accompanying separate financial statements concerning the minimum capital requirements established by the CNV in respect of which, as far as the matters within our purview are concerned, we have no significant findings to report.

Córdoba, March 11, 2022

PRICE WATERHOUSE & CO.S.R.L.

(Partner)
C.P.C.E.Cba. 21.00004.3
Andrés Suárez
Public Accountant (UBA)
Professional License 10.11421.4 - C.P.C.E.Cba.

STATUTORY AUDIT COMMITTEE'S REPORT

To the Shareholders of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL.
Av. Fulvio Salvador Pagani 487.
City of Arroyito - Province of Córdoba.

In accordance with the terms of Article No. 294, subsection 5 of the Argentine General Companies Law No. 19,550 and the rules of the National Securities Commission (CNV), in our capacity as members of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL's Statutory Audit Committee, we have examined the documents identified in Section 1 below.

1. DOCUMENTS SUBJECT TO REVIEW

a) Consolidated Financial Statements:

- Consolidated balance sheet as of December 31, 2021.
- Consolidated statements of income and other comprehensive income for the fiscal year ended December 31, 2021.
- Consolidated statement of changes in equity for the fiscal year ended December 31, 2021.
- Consolidated statement of cash flows for the fiscal year ended December 31, 2021.
- Certain selected notes to the consolidated financial statements for the fiscal year ended December 31, 2021.

b) Separate Financial Statements:

- Separate balance sheet as of December 31, 2021.
- Separate statements of income and other comprehensive income for the fiscal year ended December 31, 2021.
- Separate statement of changes in equity for the fiscal year ended December 31, 2021.
- Separate statement of cash flows for the fiscal year ended December 31, 2021.
- Certain selected notes to the separate financial statements for the fiscal year ended December 31, 2021.

c) Inventory and Board of Directors' Annual Report for the fiscal year ended December 31, 2021.

d) Disclosure on the degree of compliance with the Code of Corporate Governance included in the Exhibit to the Annual Report prepared by ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL's Board of Directors.

e) Consolidated summary of activity for the fiscal year ended December 31, 2021, required by Article 4, Chapter III, Title IV of the CNV's rules.

f) Additional information to the notes to the separate financial statements for the fiscal year ended December 31, 2021, required by Article 12, Chapter III, Title IV of the CNV's rules.

The figures and other information for the fiscal year ended December 31, 2020 are part of the above-mentioned financial statements and, therefore, should be considered in respect of such financial statements.

2. BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The preparation and issuance of said financial statements is the responsibility of the Company's Board of Directors in exercise of its exclusive duties, in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting principles, and incorporated by the National Securities Commission (CNV) into its rules and regulations, and also approved by the Professional Council of Economic Sciences of Córdoba (CPCECba.), as such standards were approved by the International Accounting Standards Board (IASB). Therefore, the Board of Directors is responsible for the preparation and presentation of the financial statements referred to in paragraph 1, and for such internal control as the Board of Directors might deem required to ensure the preparation of financial statements free from material misstatements. Our responsibility is issuing a report on such documents on the basis of the review we have performed within the scope detailed in the following paragraph.

3. RESPONSIBILITY OF THE STATUTORY AUDIT COMMITTEE

We performed our review in accordance with the applicable statutory audit standards established in Technical Pronouncement No. 15 (as amended by Technical Pronouncement No. 45) of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE). Such standards require that the review of consolidated and separate financial statements be conducted in accordance with applicable audit standards laid down in Technical Pronouncement No. 32/2012 issued by FACPCE, which includes verifying the reasonableness of the material information disclosed in the documents subject to review and its consistency with the other information on such corporate decisions we took cognizance of, as disclosed in the respective minutes of Board of Directors' and Shareholders' meetings, and whether such decisions conform to applicable laws and the Company's by-laws in all formal and documentary aspects. Such standards require that we comply with ethical requirements.

In conducting our professional work on the documents identified in paragraphs a) and b) of Section 1, we have reviewed the work done by ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL's external auditors, Price Waterhouse & Co. S.R.L., who performed their review in accordance with applicable audit standards and issued their audit report on March 11, 2022.

An audit requires that the auditor plan for and develop the audit in order to obtain reasonable assurance that the financial statements are free from misstatements or material errors. An audit includes examining, on a selective basis, the audit evidence that supports the information disclosed in the financial statements, as well as assessing the accounting standards used, the significant estimates made by the Company's Board of Directors and the overall presentation of the financial statements. Since the Statutory Audit Committee is not responsible for management control, our review did not include the corporate criteria and decisions of the Company's several areas, for these issues are the exclusive responsibility of the Board of Directors. We consider that our work and the external auditors' report provide a reasonable basis for our opinion.

As it concerns the Board of Directors' Annual Report, the Summary of Activity and the additional information to the notes to the separate financial statements for the fiscal year ended December 31, 2021, we have verified that such documents contain the information required by Article No. 66 of the Argentine General Companies Law; Article 4, Chapter III, Title IV, and Article 12, Chapter III, Title IV of the CNV's rules and, as far as the matter within our review are concerned, that the figures therein contained are consistent with those arising from the Company's accounting records and other pertinent documents.

We have also reviewed the Report on the Degree of Compliance with the Code of Corporate Governance, which is enclosed as an Exhibit to the Annual Report, prepared by the Board of Directors in compliance with the terms of General Resolution No. 606/2012 of the CNV.

4. STATUTORY AUDIT COMMITTEE'S OPINION

Based on our work, within the scope described in the preceding paragraphs, in our opinion:

a) The figures disclosed in the consolidated financial statements referred to in Section 1 of this report fairly present, in all material respects, the Company's consolidated financial position as of December 31, 2021, as well as its consolidated comprehensive income and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), adopted by FACPCE as professional accounting principles and also by the Professional Council in Economic Sciences of Córdoba (CPCECba.), as such standards were approved by the International Accounting Standards Board (IASB).

b) The figures disclosed in the separate financial statements referred to in Chapter 1 of this report fairly present, in all material aspects, the Company's separate financial position as of December 31, 2021, as well as its separate comprehensive income and separate cash flows for the fiscal year then ended, in accordance with the professional accounting principles laid down in Technical Pronouncement No. 26 issued by FACPCE, and adopted and approved by the Professional Council in Economic Sciences of Córdoba (CPCECba.) for the preparation of parent companies' separate financial statements.

c) Regarding the inventory and the Board of Directors' Annual Report for the fiscal year ended December 31, 2021, as far as the matters within our purview are concerned, we have no findings to report. The Annual Report contains the information required by Article 66 of the Argentine General Companies Law, and the figures therein contained are consistent with those arising from the Company's accounting records and other pertinent documentation.

d) Concerning the disclosure on the degree of compliance with the Code of Corporate Governance included in the Exhibit to the Annual Report prepared by ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL's Board of Directors referred to in paragraph d) of Section 1, based on our work and to the extent of the matters within our purview, we can assert that the information provided was prepared in a reliable and appropriate fashion, in all material respects, pursuant to the requirements of General Resolution No. 606/2012 issued by the CNV.

e) Concerning the Summary of Activity and the additional information to the separate financial statements required by Article 12, Chapter III, Title IV of the CNV's rules referred to in paragraph e) and f) of Section 1, as far as the matters within our purview are concerned, we have no findings to report.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

a. The accompanying financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept, in all formal aspects, in accordance with applicable laws and regulations.

b. The financial statements and the related inventories of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL have been transcribed to the "Inventory and Financial Statements" book and comply, to the extent of the matters within our purview, with the terms of the Argentine General Companies Law and the applicable resolutions of CNV.

c. In accordance with the requirements of the CNV on the external auditors' independence, the quality of the audit criteria applied by said auditors and the Company's accounting criteria, the above-described external auditor's report includes a statement indicating that the audit standards applicable in Argentina had been applied, including the independence requirements, and does not have qualifications concerning the application of such standards, or discrepancies relative to the professional accounting principles.

d. We have applied the anti-money laundering and terrorist financing procedures set forth in applicable professional accounting principles issued by the Professional Council of Economic Sciences of the Province of Córdoba (CPCECba.).

e. We further report that, in exercise of our legality control duties, we have applied the several procedures described in Article 294 of the Argentine General Companies Law No. 19,550, as deemed necessary in light of the circumstances (including the attendance to Board of Directors' and Shareholders' Meetings). We have no findings to report in this regard.

City of Córdoba, Province of Córdoba, March 11, 2022.

Cr. Victor Jorge Aramburu
Chairman
Statutory Audit Committee

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