Annual Report and Financial Statements 2022

62° Fiscal Year

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Message from our President

The year 2022 was characterized by the slowdown of global economic activity, mainly, due to an increase in interest rates as a measure to reduce inflation levels, the war between Russia and Ukraine and the outbreak of COVID-19 in China. However, some positive signs occurred during the last months of the year, such as the reopening of economic activity in China, the strength of labor market in the United States and the beginning of a reduction in inflation rates.

In this context, the IMF projections included in the *"World Economic Outlook Update"*[1] indicated that global growth was 3.4% in 2022. As regards the United States and China, the IMF estimated a growth in economic activity of 2.0% and 3.0% of GDP, respectively.

Regarding the situation in Latin America, in the preliminary balance of ECLAC[2] an annual growth of 3.7% was estimated. Such results derive mainly from the exhaustion of the 'rebound effect' in the post COVID-19 recovery, the effects of restrictive monetary policies, greater limitations of fiscal spending, and lower levels of consumption and investment. According to the report, these events, in a context of rising global inflation, have led to lower capital flows for the economies of our region. However, it is important to mention that Brazil and Mexico, showed GDP growth of 2.9%. In the case of Chile, its GDP growth is expected to be approximately 2.3%.

As regards Argentina, the last years have been characterized by a process of decreasing activity, high inflation and devaluation of local currency. With respect to inflation, the inter-annual variation according to the INDEC CPI was 94.8%, while the devaluation of the currency amounted to 72.5%. In this context, the country reached a growth in its activity of approximately 5.2% in 2022.

Regarding Arcor Group, sales in the year 2022 increased by 6.4% in pesos. Such growth was driven mainly by the recovery of sales volumes of certain businesses in Argentina and abroad.

Sales to consumers in Argentina represented 68.3% of the group's consolidated sales, and sales to customers abroad, which include exports to third parties from Argentina, represented 31.7% of consolidated sales.

In this sense, the Consumer Food Products Unit had an increase in the volumes sold during the year in those product categories whose consumption is more related to impulse, and consumption *"on the go"*. Regarding Agribusiness, there was an increase in the sales of syrups, starches, specialties and by-products. As regards Packaging sales, an increase was also observed in most of its segments, standing out corrugated cardboard containers and the segment of industrial bags that, due to Sack Kraft paper integration in the production, achieved significant growth in volume compared to the previous year thanks to the contribution of the new production plant inaugurated in Misiones province, in June 2021.

At the commercial level, we have continued improving our online stores "Arcor en Casa" and Tokin, a platform addressing distributors and points of sale.

At international level, it is important to highlight that, as a result of the entrepreneurial spirit that characterizes our company, during 2022 the largest chocolate, candies and cookies factory in Angola was inaugurated. This factory, called "Dulcería

Nacional", is the first plant outside the American continent. Africa is a region of great importance for the company's growth strategy. This milestone will make it possible to diversify the offer in this market and strengthen the projection of supplying all of sub-Saharan Africa in the future.

Another important event last year was the presentation of "A Better Life", the group's new Sustainability Strategy, aligned with the 2030 Sustainable Development Agenda, which raises our ambition in terms of sustainability with the aim of producing sustainable food, promoting people's prosperity and preserving the planet. In this sense, "A Better Life" broadens the group's perspective and proposes a deeper stage in relation to sustainability in order to leave a positive footprint for long-term economic, social and environmental value.

Furthermore, Arcor Foundation commemorated its 30 years of action in Argentina and social investment in Latin America. To celebrate it, the Foundation carried out the creation of 12 playgrounds for early childhood and 30 recreational spaces in different institutions linked to education, in order to promote access to public areas and the right to play for thousands of boys and girls from different parts of the country.

In 2022, once again we looked to the future with sustainability as a way of being, doing and growing, we strengthened our desire for permanent innovation to continue evolving and our entrepreneurial spirit led us to forge new alliances, engage in new business opportunities and continue passing through borders. In this way, we continue creating the future with the purpose of making food trends accessible so that all people can live A Better Life.

Luis. A. Pagani
Arcor Group's President

[1] Source: International Monetary Fund, *World Economic Outlook Update*, January 2023.

[2] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2022 (LC/PUB.2022/18-P), Santiago, 2022.

We are Arcor Group

We work to make food trends affordable so that every person can live a better life. For that reason, we are constantly innovating in our three business units: Consumer food products, Agribusiness and Packaging through a sustainable management as our way of being, doing and growing.

In every decision we make, we are committed to quality, and in that way, to reach people in more than 100 countries through leading brands.

We have more than 45 industrial plants in Latin America, an industrial plant in Africa, and commercial offices in four continents. We are more than 20,000 people working at Arcor Group, with the conviction that integrating different cultures enriches our world view.

Consumer food products

We believe that food is a decisive factor in people's quality of life and well-being. Food implies much more than eating. Food is nourishing, enjoying and creating bonds.

For us, a healthy diet must be varied, balanced inclusive and affordable for every person. As market leaders, we are strongly committed to allow each person afford and enjoy quality food.

Food.
Chocolates.
Ice creams.
Cookies.
Snacks and Cereals.
Confectionery.
Functional Businesses.

Main food company
in Argentina

Argentine leader
in the production of corrugated cardboard.

Strategic Alliances
with leading companies such as, Danone Group, Laboratorios Bagó, Mastellone Hermanos, Bimbo Group and Coca Cola.

1st
world producer of hard caramel candies

1st
maize flour producer in Argentina.

Present
in more than 100 countries

Agribusiness

Arcor Group Agribusiness Division seeks to add value to the agribusiness processes in different industries that comply with the commitment to quality in all of their products. We provide solutions in ingredients for industries such as: food, beverages, paper, corrugated cardboard, personal and home care, and animal nutrition.

In 2021 we formed a strategic Alliance with Ingredion*, world leading company in ingredients since 1906. The aim of this alliance is to develop innovative solutions for ingredients production and agribusiness in Argentina, Chile and Uruguay.

We have seven producing units and seven industrial dairy farms. La Providencia sugar mill has a manufacturing capacity of 150,000 tons of sugar, and we produce 11 MW of renewable energy due to sugar cane bagasse. Moreover, it was the first sugar mill in Argentina that achieved Bonsucro certification, a world platform that promotes economic, social and environmental sustainability in the sugar cane sector.

We produce: common and muscovado sugar, milk, ethyl alcohol from cereals, fructose, maltose, glucose and mixture syrups, native and modified flours and starches from different sources, semolina, corn oil, caramel coloring and a wide range of ingredients used in the food and beverage, paper and corrugated cardboard, animal nutrition, and personal and home care industries.

1,300,000
tons of corn milled every year

45,000
liters of milk produced every day

25,000,000
liters of alcohol produced every year

*Subject to be approved by CNDC (National Commission for Competence Defense).

Packaging

Arcor Group's Packaging Division leads the corrugated cardboard, paper and flexible packaging markets in Argentina. We are one of the most important packaging solution companies in the Southern Cone, with industrial plants in Argentina, Chile and Peru. We stand out for the quality of our products through the brands Cartocor, Converflex, Zucamor, Puntapel and Papel Misionero, which offer innovative and sustainable packaging solutions to customers from different industries.

We make special emphasis on customer service, ongoing innovation, productivity, quality, and environment conservation.

We produce: corrugated cardboard containers, cardstock packaging, paper bags, flexible packaging, using different printing technologies, recycled paper, Kraft Liner Board and Sack Kraft, extrusion of plastics and bio-plastics, forestry.

270 thousand
tons of paper per year

12 thousand
tons of flexible material per year.

900 million
of M^2 of corrugated cardboard per year

230 million
of units of industrial bags per year

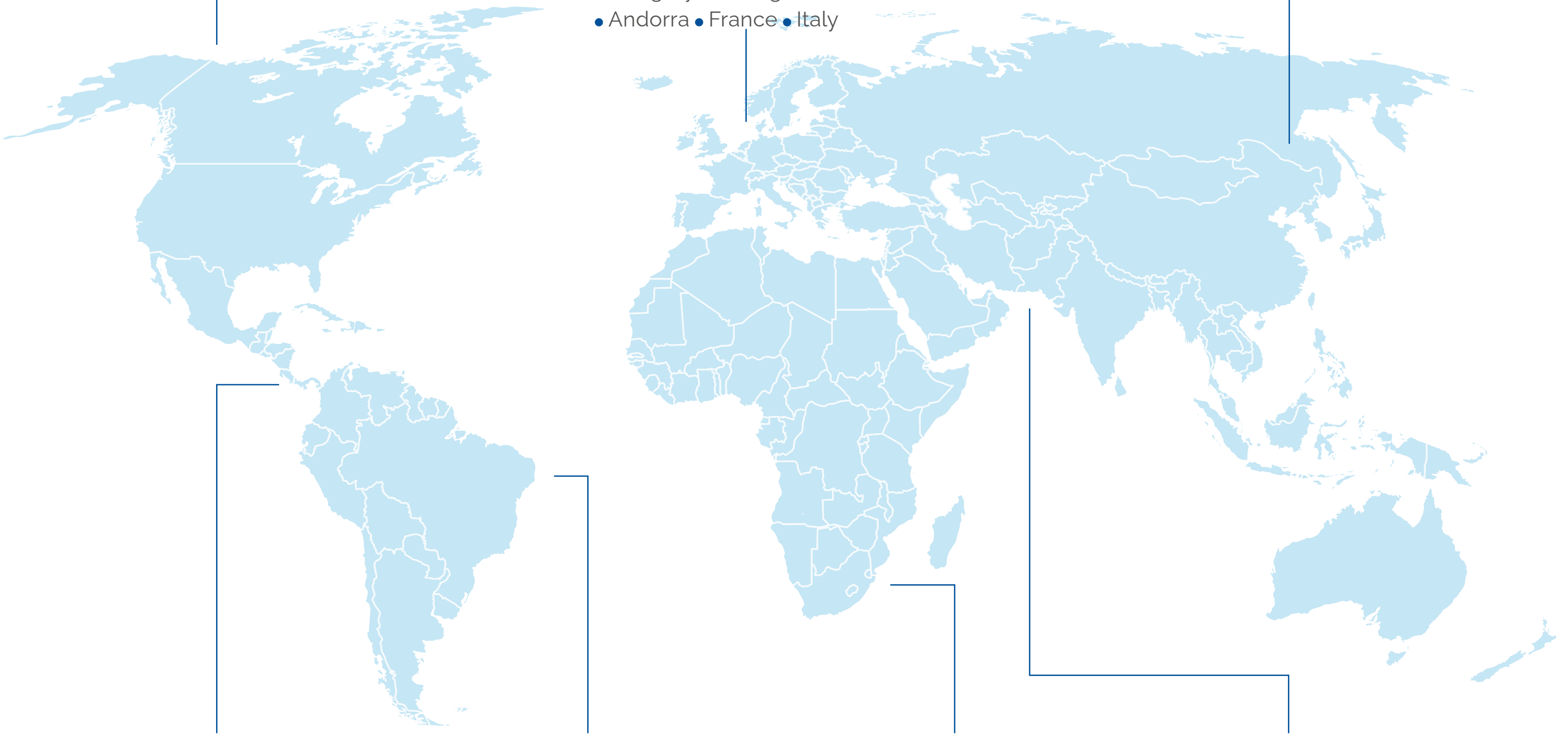
23 thousand
own hectares for forestry development

Arcor Group in the world

North America
• United States • Canada
• Mexico

Europe
• Spain • Bulgaria
• Macedonia • Albania
• Estonia • The Netherlands
• United Kingdom • Belarus
• Croatia • Belgium • Germany
• Hungary • Portugal
• Andorra • France • Italy

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



Central America
• Honduras • El Salvador
• Costa Rica • Guatemala
• Panama • Nicaragua • Belize

Caribbean
• Barbados • Haiti • Jamaica
• Dominican Republic
• Puerto Rico • Trinidad and Tobago • Cuba • Curacao
• Saint Vincent • Saint Lucia
• Granada • Netherlands Antilles • St Kitts and Nevis

South America
• Argentina
• Brazil • Chile
• Peru • Uruguay
• Paraguay • Bolivia
• Colombia
• Ecuador
• Venezuela
• Guyana • Surinam

Africa
• Angola • Cape Verde
• Democratic Republic of Congo • Egypt • Gambia
• Ghana • Guinea Bissau
• Equatorial Guinea • Kenya
• Liberia • Libya • Madagascar
• Republic of Mauritius
• Mauritania • Morocco
• Mozambique • Nigeria
• Sierra Leone • South Africa

Middle East
• Israel • Lebanon
• Jordania • Iraq
• Syria • Azerbaijan
• Georgia

Commercial offices and Corporate name by country:

America

Argentina

Corporate names:

Arcor S.A.I.C.

Bagley Argentina S.A.

Cartocor S.A.

Ardion S.A.

Ingrecor S.A.

Papel Misionero S.A.I.F.C.

Commercial offices:

Buenos Aires, Argentina (Headquarters)

Córdoba, Argentina (Headquarters)

Tucumán, Argentina

Salta, Argentina

Mendoza, Argentina

Neuquén, Argentina

Bahía Blanca, Argentina

Rosario, Argentina

Santa Fe, Argentina

Corrientes, Argentina

Posadas, Argentina

Mar del Plata, Argentina

Brazil

Corporate names:

Arcor do Brasil Ltda.

Bagley do Brasil Alimentos Ltda.

Commercial offices:

San Pablo, Brazil

Mina Gerais, Brazil

Pernambuco, Brazil

Chile

Corporate names:

Industria de Alimentos Dos en Uno S.A.

Bagley Chile S.A.

Cartocor Chile S.A.

Ingredion Chile S.A.

Commercial offices:

Santiago, Chile

San Francisco de Mostazal, Chile

Ecuador

Corporate names:

Unidal Ecuador S.A.

Commercial offices:

Guayaquil, Ecuador

Bolivia

Corporate names:

Arcor Alimentos Bolivia S.A.

Commercial offices:

Santa Cruz de la Sierra, Bolivia

La Paz, Bolivia

Paraguay

Corporate names:

Arcorpar S.A.

Commercial offices:

Asunción, Paraguay

Peru

Corporate names:

Arcor de Perú S.A.

Cartocor de Perú S.A.

Commercial offices:

Lima, Peru

Uruguay

Corporate names:

Van Dam S.A.

Gap Regional Services S.A.

Commercial offices:

Montevideo, Uruguay

Mexico

Corporate names:

Unidal México S.A. de C.V.

Mundo Dulce S.A. de C.V.

Commercial offices:

Mexico D.F., Mexico

Estados Unidos

Corporate names:

Arcor USA Inc.

Commercial offices:

Miami, United States.

Europe

Spain

Corporate names:

Arcor Alimentos Internacional S.L., Sociedad Unipersonal

Commercial offices:

Barcelona, Spain

Africa

Angola

Corporate names:

DULCERIA NACIONAL, LDA.

Commercial offices:

Luanda, Angola

Asia

China

Corporate names:

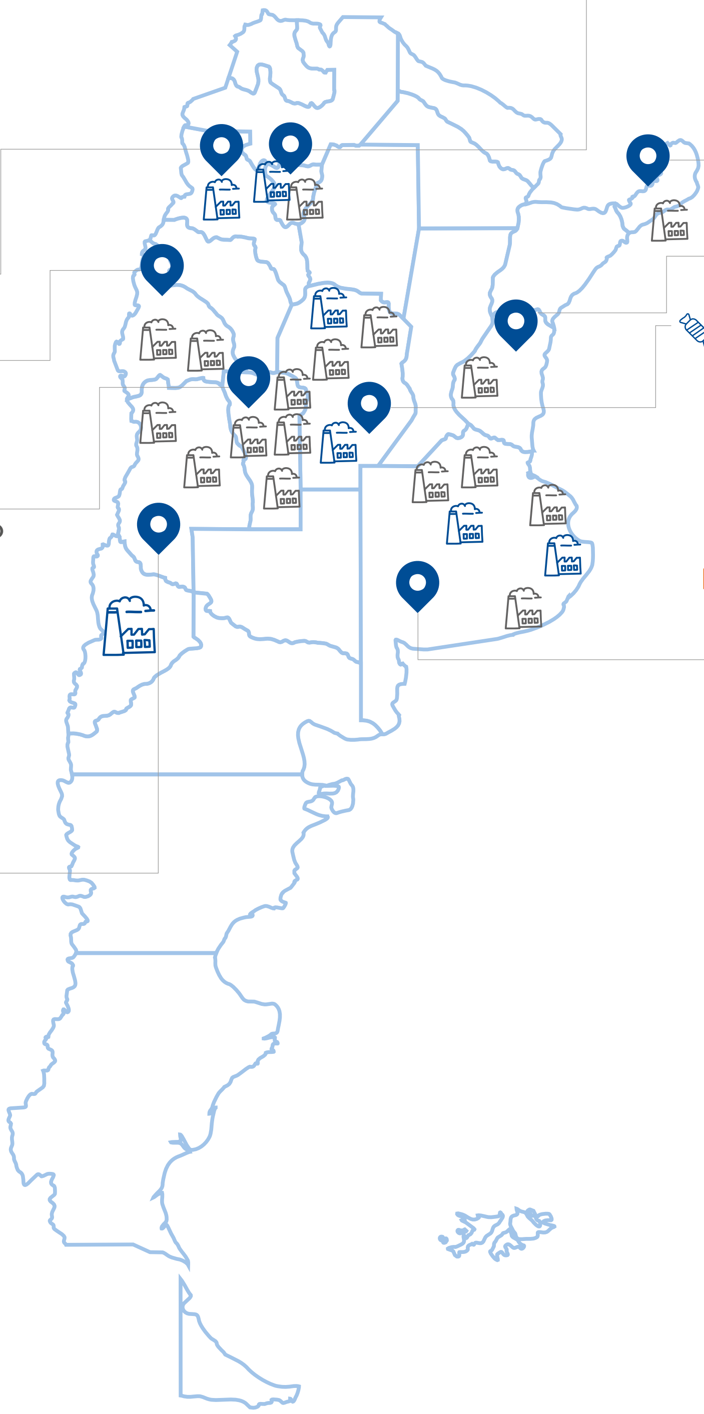
Arcor Trading (Shanghái) CO., LTD.

Commercial offices:

Shanghái, China

More than 45 Industrial plants around the World

Argentina



CATAMARCA
ARCOR
Recreo 3

SAN JUAN
ARCOR
Villa Krause

CARTOCOR
San Juan

SAN LUIS
PAPEL MISIONERO
San Luis

ARCOR
San Luis

ARCOR
Villa Mercedes

BAGLEY
Villa Mercedes

MENDOZA
ARCOR
San Rafael

CARTOCOR
Mendoza

TUCUMÁN
ARCOR
JV Ingrecor
La reducción 2

ARCOR
Río Seco

MISIONES
PAPEL MISIONERO
Puerto Mineral

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

Latin america

MÉXICO
MUNDO DULCE
Toluca, Est. de México

PERU
ARCOR
Chancay, Huaral

CARTOCOR
Lurín, Lima

CHILE
BAGLEY
Santiago, Región Metropolitana

ARCOR
Santiago, Región Metropolitana

CARTOCOR
San Francisco de Mostazal, VI Región

BRAZIL
ARCOR
Recife, Ipojuca, Pernambuco

BAGLEY
Campinas, San Pablo

BAGLEY
Contagem, Minas Gerais

ARCOR
Bragança Paulista, San Pablo

ARCOR
Rio das Pedras, San Pablo

Africa

ANGOLA
DULCERÍA NACIONAL
Municipio de Viana, Luanda

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.

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.

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.

Integrity

We obtain results through transparent, coherent and responsible behavior.

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

Sustainability is our way of being, doing and growing

We understand sustainability as a comprehensive approach present in every area of the company. With "A Better Life", our 2030 Sustainability Strategy, we leave a positive footprint at every step generating, social and environmental value in the long term.

Following the United Nations Sustainable Development agenda we work based on three pillars:

Producing 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 Food
- Quality at Every Step
- Regenerative Agriculture

Promoting 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 equity
- Communities and value chain development
- Workplace well-being

Preserving planet's sustainability

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
- Material flow circularity

Annual Report and Financial Statements 2022

62° 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 the Fiscal Year No. 62 beginning on January 1 and ended on December 31, 2022.

Overview

The global context of the year 2022 was characterized by the increase in interest rates as a measure to reduce inflation levels, Russia's war in Ukraine and the outbreak of COVID-19 in China and its restrictive policy. These factors slowed global economic activity, and it is expected that the first two factors will continue doing so during 2023. However, some positive signs that occurred during the last months of the year improved the outlook. These signs included the reopening of economic activity in China, the strength of the labor market in the United States and the beginning of a reduction in inflation rates.

According to the IMF report, the general level of global inflation peaked in the third quarter of 2022. The prices of fuels and raw materials began to decline, particularly in the United States, Europe, and Latin America. However, medium-term inflation expectations generally remain flat, but some indicators point to the rise. These circumstances have led central banks to raise rates faster than expected, especially in the US and Europe, and to signal that rates will stay high for a long time.

In this context, the IMF projections included in the *World Economic Outlook Update*[1] indicate that global growth was 3.4% in 2022. As regards the main engines of the world economy, the United States and China, the IMF estimated for the year 2022 a growth in economic activity of 2.0% and 3.0% of GDP, respectively.

Regarding the situation in Latin America, in the preliminary balance of ECLAC[2] for the year 2022, an annual growth of 3.7% was estimated. The slowdown compared to the 6.7% growth reached the previous year is noteworthy, which reflects, on the one hand, the exhaustion of the rebound effect in the 2021 recovery and, on the other, the effects of restrictive monetary policies, greater limitations of fiscal spending, lower levels of consumption and investment and the deterioration of the external context. According to the report, the monetary policy responses adopted worldwide in 2022, in a context of rising global inflation, have caused increases in financial volatility and risk aversion levels and, therefore, have led to lower capital flows for emerging economies, including those in Latin America and the Caribbean.

According to the commission, the main economies of the region, Brazil and Mexico, showed GDP growth of 2.9% for both countries. In the case of Chile, its GDP growth is expected to be approximately 2.3%.

At the local level, the Argentine economy was already in a process of decreasing activity and high inflation in recent years which, added to the outbreak of the pandemic, caused the context to become significantly more complex. During 2022, in addition to the international situation mentioned

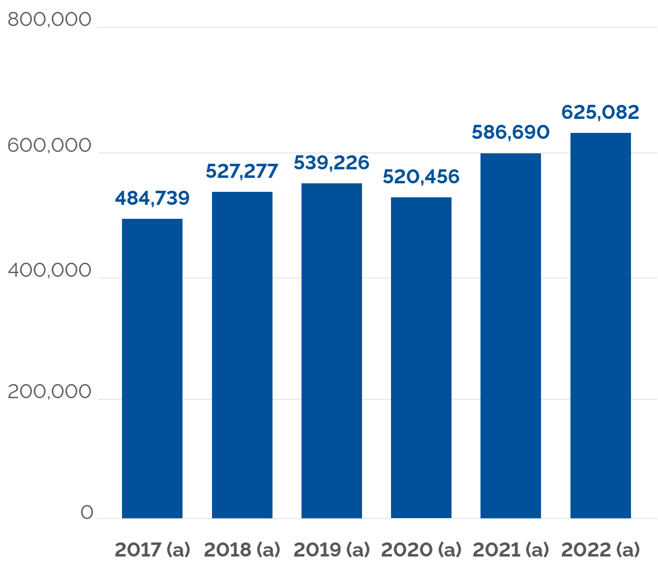
[1] Source: International Monetary Fund, World Economic Outlook Update, January 2023.

[2] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022* (LC/PUB.2022/18-P), Santiago, 2022.

above, it is worth noting that the high levels of inflation and devaluation of the local currency continued. In the case of inflation, the inter-annual variation according to the INDEC CPI was 94.8%, while the devaluation of the currency amounted to 72.5%. In this context, the country reached a growth in its activity of approximately 5.2% in 2022, according to the latest publication of the Monthly Economic Activity Indicator of said body published on February 23, 2023.

EVOLUTION OF SALES

Millions of AR$



(a) In constant currency of December 2022

The economy and the company

For more than 71 years we have being committed to produce food through a sustainable management, offering the highest quality from the field to our consumers' table. High quality production commitment, best raw material selection, constant innovation spirit, improvement in every little single detail, sustainability in every decision taken, for all that reasons, "We Do Care".

During 2022, the group launched "A Better Life", its 2030 Sustainability Strategy which, aligned with the United Nations Sustainable Development Goals, establishes the commitments that Arcor has defined with the objective of producing sustainable food, promoting the prosperity of the people and preserving the sustainability of the planet so that all people can live a better life. Through nine priority commitments organized into three pillars, "A Better Life" seeks to guide the group's efforts to make the business grow, leaving a positive footprint on people and the planet: Producing sustainable food (Healthy and affordable food, Quality at every step and Regenerative Agriculture), Promoting people prosperity (Inclusion, diversity and equity, Work well-being and Development of communities and the value chain), Preserving the sustainability of the planet (Water care, Action for climate and biodiversity and Circular material flow).

Regarding the economic performance of 2022, compared to the previous year, sales increased by 6.4% in pesos, growth that was driven mainly by the recovery of sales volumes of certain businesses in Argentina and abroad. Sales to consumers in Argentina represented 68.3% of the group's consolidated sales, and sales to customers abroad, which include exports to third parties from Argentina, represented 31.7% of consolidated sales.

In this sense, the consumer food products businesses (Candies, Chocolates, Ice Creams, Cookies and Functional Products) had an increase in the volumes sold during the year in those product categories whose consumption is more related to impulse, indulgence and consumption *on the go*, highlighting the performance of those categories driven by the launch of products and advertising campaigns.

The volumes of the Industrial Businesses had an increase, mainly in Agribusiness regarding sales of syrups, starches, specialties and by-products. As regards Packaging sales, an increase was also observed in most of its segments, standing out corrugated cardboard containers and the segment of industrial bags that, due to Sack Kraft paper integration in the production, achieved significant growth in volume compared to the previous year thanks to the contribution of the new production plant. In the flexible packaging segment, there was an increase in volume with a greater participation of third-party customers.

In relation to the performance of the rest of the businesses in Latin America, a general recovery of activity levels was observed in 2022 compared to the previous year, even reaching levels similar to the pre-pandemic years in some countries. In particular, the greater consumption of impulsive categories and consumption outside the home stands out, as was the case of the Candies and Chocolates business in Brazil. In the same sense, in the Andean Region, volume increases were also observed in the Candies and Chocolates business of Chile and Peru, as well as for the Cookies business of Chile. In the case of the countries of the Southern Subsidiaries region, which includes Uruguay, Paraguay and Bolivia, the increase in sales in the impulsive categories was even above the growth level of each country. Another common factor that accompanied the increase in volume was the development of points of sale.

At international level, it is important to highlight that during 2022 the largest chocolate, candies and cookies factory in Angola was inaugurated. This factory, developed through an association with Grupo Webcor, has state-of-the-art equipment and follows the best world-class practices and quality standards of Arcor Group. This strategic project is extremely important for the group as it is the first plant outside the American continent. In addition, Angola is an important market for Arcor since we have been exporting there for 30 years. This step also allows us to have an industrial presence in the region and strengthen the internationalization of the group in a continent that is considered with a great growth potential for 2050.

At commercial level, the guidelines established with the objective of accelerating digital adoption and strengthening the strategic channel of *e-commerce* continued in order to bring our products closer to those who consume them, in a practical and agile way. In this context, we can highlight updates to the Tokin platform and the continuous improvement of our site **arcorencasa.com**, renewing it and adjusting it to the user experience and following the feedback from our consumers.

Additionally, it is relevant to mention that the context of Argentina, the main scenario for the development of the group's businesses, was affected by different factors such as price freezing, the rise in the costs of raw materials at an international and local level, currency devaluation and high inflation that produced population loss of purchasing power.

In this context, the general performance of the business suffered deterioration in the operating result compared to the previous year, which, expressed in terms of sales, represents 6.8%, while the previous year it was 7.3%. The difficulty in maintaining operating margins at the levels of the previous year was mainly caused by the increase in the cost structure and consolidated expenses, which was higher than the increase in revenues.

It should be noted that, despite deterioration in operating performance, and in line with what was observed last year, the final result has increased at the level of financial results. As a result of the acceleration of inflation due to the devaluation of the currency, financial statements show gain due to the exchange difference generated by the appreciation in real terms of the currency in Argentina, due to the fact that the net financial debt of the company is mostly denominated in foreign currency. In addition, the increase in inflation compared to the previous year generates a higher net monetary position result.

As a consequence of the aforementioned, at the end of the fiscal year, a final result of ARS 35,380.4 million was obtained.

[3] Source: International Monetary Fund, *World Economic Outlook Update*, January 2023.

[4] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022* (LC/PUB.2022/18-P), Santiago, 2022.

Future perspectives

The IMF estimates that the world economy will grow by 2023 at 2.9% per year. The lower growth forecast for 2023 is due to the effect of central bank rate increases to struggle inflation, especially in advanced economies, as well as the effects of the war in Ukraine.

In addition, downside risks in projections remain significant and include, for example, stagnation recovery in China, if health consequences of new outbreaks of COVID-19 are severe, or a deepening of the real estate crisis in that country. In addition, an escalation of the war in Ukraine could have negative consequences for world inflation levels, raising the price of food or the cost of gas. Lastly, risks could arise for the financial and exchange rate stability of emerging economies, taking into account that the indebtedness levels of these economies have increased in recent years.

For the United States, growth of around 1.4% is expected in 2023 and subsequently 1.0% in 2024; while for the Chinese economy growth of 5.2% per year is expected in 2023 and 4, 5% in 2024.

Regarding the Latin American countries, ECLAC published in its preliminary balance that it is expected a marked deceleration in the rate of GDP growth to 1.3% per year by 2023, after growing 3.7% in 2022 and 6.7% in 2021. This projection is due to an unfavorable international context, in which a further slowdown in growth is expected, especially in the region's strategic partners, such as the United States and China. In addition, the effect of the global financial conditions framework is highlighted, which will continue to be influenced by risk aversion and restrictive monetary policies in developed countries. In the aforementioned report, for the main economies of the region, Brazil and Mexico, GDP growth of 0.9% and 1.1%, respectively, is forecast. In the case of Chile, a contraction of its GDP of approximately 1.1% is expected.

At the local level, the *Survey of Market Expectations* (REM, as per its initials in Spanish), published by the Central Bank of the Argentine Republic at the beginning of February 2023, expects inflation at a general level of 97.6% per year. In relation to other relevant macroeconomic variables for our businesses, those who participate in the survey project a slight growth of the Gross Domestic Product for the next year of 0.5%.

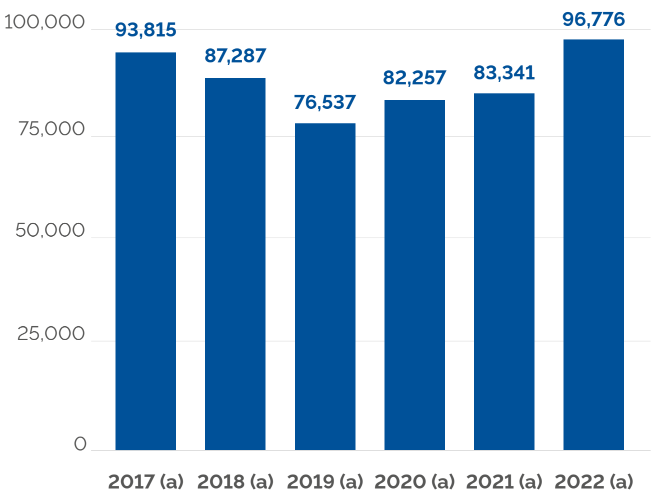
Bearing in mind the international, national and regional perspectives, our actions are focused on our vision as a company: to be a leading food and candy company in Latin America and recognized in the international market, standing out for our sustainable practices and our ability to generate new businesses and projects with strategic partners.

In this sense, we will continue with the strategy that we have been following in recent years, focusing on the main businesses, Packaging, Agribusiness and, especially, consumer Food Products (Candies, Chocolates, Ice Creams, Cookies, Food and Functional Products), with the objective of facing the dynamism that the categories in which we participate will have.

Additionally, another pillar will be focused on prioritizing liquidity and a healthy financing structure in order to ensure compliance with our obligations and commitments, as well as the proper management of working capital and the containment of fixed expenses, for the purposes of being able to obtain the funds required to carry out operations and investment projects.

CHANGES IN EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS

Millions of AR$



(a) In constant currency of December 2022

Analysis of the business units

We are a leading multinational industrial group, made up of 3 business units: Consumer Food Products, Agribusiness and Packaging.

Consumer Food Products

We specialize in the production of consumer food products, to provide an exclusive offer with constant innovation and a wide portfolio of brands. It is worth highlighting the following business segments:

Food: we are leaders in the Argentine market. Our main products are jams, hard caramel candies, sauces, tomatoes, canned vegetables, fruits and fish, desserts, drinks, powdered juices, premixes, corn flour, dressings, dulce de leche, oils and flavorings with oven bags.

Candies: we are the world's leading producer of hard caramel candies and the main exporter of candies from Argentina, Chile and Peru. Our categories include candies (filled, hard, sour, gummy, milk), lollipops, chewing gums, nougat, nuts and seeds.

Chocolates: we are leaders in the Argentine market, marketing the brands with the longest track record and valued by consumers (bon o bon, Aguila, Rocklets and Cofler).

Cookies: we are leaders in the region through Bagley Latinoamérica S.A., together with our strategic partner Grupo Danone, marketing cereals, cereal cookies, assorted cookies, filled cookies, alfajores and cereal bars, among other products.

Ice Creams: we managed to transform chocolates and candies into creamy and refreshing products.

Functional Products: in alliance with Laboratorios Bagó, we market our line of dietary supplements that help to incorporate the necessary nutrients in daily diet.

Agribusiness

We are leaders in corn processing and production of ethyl alcohol from cereals. Our main products are: common sugar, muscovado sugar, milk, ethyl alcohol from cereals, fructose, maltose, glucose, corn starch, corn flour, semolina, corn oil and a significant amount of corn by-products that are used for animal food.

Packaging

With the aim of being leaders in the corrugated cardboard, paper and flexible packaging markets in Argentina, we are one of the most important packaging solutions companies in the Southern Cone. Among our products, we mainly sell corrugated cardboard, cardstock, paper bags and flexible packaging, using different printing technologies, recycled paper, Kraft Liner Board and Sack Kraft, plastic extrusion, bio plastics and we develop forestry activity.

Argentina - Confectionery and Chocolates

In 2022, the Confectionery and Chocolates Business reached an amount of sales to third parties of ARS 111,757.2 million, while in the previous year sales amounted to ARS 102,828.7 million, both values expressed in homogeneous currency.

Continuing on the path of recovery that began the previous year, with a growing confectionery market for Argentina, the Confectionery Business managed to reach sales volumes that exceeded those obtained in the pre-pandemic years, thus ending the year with a volume growth in all segments of its business. Among other factors, this performance is due to the greater relevance of the consumption of indulgent products within the preferences of those who consume our products.

Gummies segment stands out among the main releases. In this segment, innovations in the Mogul portfolio continued. To illustrate, we can mention the new "Rocks" gummies, unique in their category, and the import of "Tubitos", a product that the brand develops in the extruded sub-segment, together with the entrance of this brand to the chewable segment.

The chewing gum category also presented notable growth in our Topline brand, focusing its releases on Topline Turbo Mint, the only sugar-free candied chewing gum on the market with distinctive characteristics of extra freshness and extra crunch. The performance of the candy segment also stands out, with releases such as Butter Toffees Aguila Nut, and Menthoplus Creamix berries and Creamix strawberry candies, being the only ones with two flavor layers on the market. Under the Sugus brand, consumer-requested releases were made, such as the new clustered chews and the worldwide special edition that was a great success.

Historical sales records were broken in the nougat segment after the first chocolate-flavored nougat was released to the market. As regards lollipops, the performance of Evolution stands out, with a significant growth, and the portfolio of lollipops was reinforced with the Misky brand.

Among the most relevant advertising campaigns in Candies, Topline stands out with "Libera tu Frescura" ("let your freshness go free"). The aim of this campaign was that the brand reached consumers through a message to its target audience, having a positive impact on the segment's sales results.

Arcor Group continues its strategic alliance with Laboratorios Bagó, sharing their experiences and trajectory in the world of food and health, with the aim of innovating to undertake new challenges that contribute to improving people's quality of life. The products marketed under the "Simple" brand are a line of dietary supplements that help conveniently incorporate the nutrients required for an adequate daily diet. During the year, the latest releases such as Simple Vitacal brand milk candies, satiety-oriented shakes as a premix powder to be prepared, and control diet bars continued to be promoted.

Given a context of growth in the impulsive consumption market and high value compared to other categories of consumer food products, the Chocolate Business ended the year with increases in the volume of sales towards commercial channels. In addition, it maintained its leadership in different segments. This performance was achieved due to the business's ability to rapidly supply the market with volume in those channels in which the consumer focused their purchases.

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; the Children's segment focused its efforts on the new line of Arcor Milk products, which achieved excellent results; the Chocolate-coated Wafers segment, with Graffiti displayed very good performance. On the other hand, in the Sugar-coated products segment, Rocklets increased its presence thanks to the expansion of its production capacity.

In every case, work continued through the digital channel as a communication and sales tool (e-commerce), favoring its expansion and still showing great growth opportunities for the business.

The main industrial investments of the Confectionery and Chocolates Business focused on the continuity of the process of connectivity and digitalization improvements of the production processes for the business plants, within the framework of the Industry 4.0 project. The rest of the investments were devoted to Arroyito, Recreo and Colonia Caroya plants, with the purpose of expanding their productive capacities.

In terms of food quality and safety, the business maintained ISO 45001, ISO 14001, ISO 9001 and BRC standards for Arroyito, Recreo, Colonia Caroya, San Luis and La Reducción plants.

Argentina - Agribusiness

For the year 2022, sales to third parties amounted to ARS 78,640.7 million, while in the previous year they totaled ARS 61,226.6 million, both values expressed in homogeneous currency.

With the aim of adding value to agro-industrial processes, the business works with the commitment to optimize quality at all stages, being a leader in corn processing and cereal ethyl alcohol production.

The strategic alliance with Ingredion Group carried out the previous year allowed for another year of growth in sales volumes of syrups, starches, specialties and by-products, as a result of the incorporation of industrial plants in Chacabuco and Baradero. The new plants allowed us to incorporate core products and specialties to our portfolio, as well as the possibility of expanding ingredients beyond those derived from corn, allowing innovative solutions to be given to producers of beverages and food, paper and corrugated cardboard, personal care and others industries.

Despite a challenging context marked by the general situation in the country and the volatility of input costs that affect the business, we have strived to generate efficiencies that yielded very good performance.

Some of the main business investments in the plants within the Alliance include enhancements at the Arroyito plant leading to improve productivity in the operation, with a focus on automation, control and safety of processes. At the plant in Lules, we made infrastructure investments. Similarly, at the Chacabuco and Baradero plants, investments were focused on improving building facilities and on the execution of projects that improve the infrastructure in general.

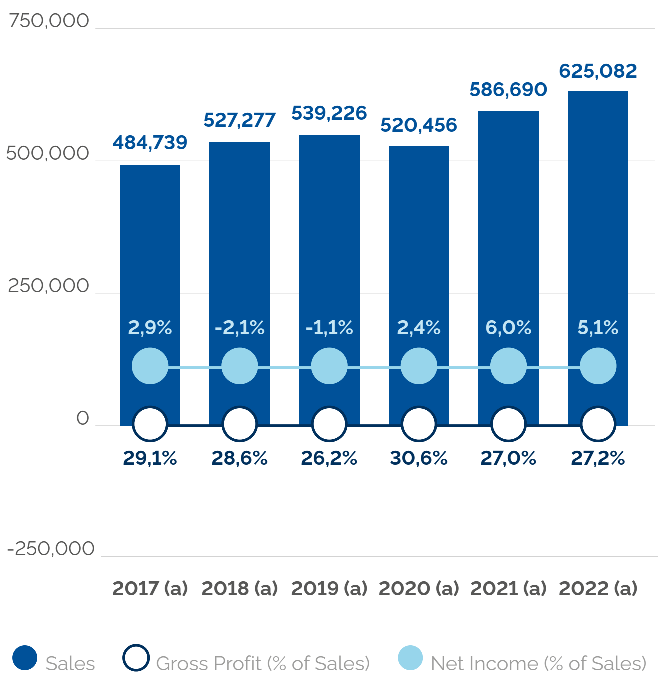
Ingenio La Providencia Sugar Mill presented a decrease in the tons of milled sugarcane in the harvest compared to the previous year, as a consequence of the adverse weather conditions generated by drought in the province of Tucumán, which caused a drop in the total sugar produced compared to the previous year. Despite this, the yields obtained during 2022 were higher than those of 2021.

The increase in exports stands out for both sugar and molasses. In addition, production and marketing of organic sugar continued on the international market and work began with small producers to achieve certification in their fields, with our support and advice.

The industrial investments in the mill were oriented to improve infrastructure, equipment and necessary adaptations in the facilities. The FSSC 22000 certification, a necessary standard to sell to the United States, was maintained, and Halal certification was incorporated this year, which allows us to offer our sugar to Muslim communities.

Likewise, with the aim of continuing with the standards required to be certified suppliers of the main customers, the business maintained the certifications of the ISO 45001, ISO 14001, ISO 9001, BRC and HACCP standards in Arroyito, Lules and San Pedro plants. At the Baradero and Chacabuco plants, the ISO 9001, ISO 14001, ISO 45001 and FSSC 22000 certifications were maintained.

EVOLUTION OF SALES (IN MILLIONS OF AR$) AND GROSS PROFIT AND NET INCOME AS A % OF SALES



(a) In constant currency of December 2022

Argentina - Packaging

In 2022, in Argentina, sales of the Packaging Business to third parties were ARS 110,478.6 million, compared to the ARS 106,234.7 million of 2021, both values expressed in homogeneous currency.

The Packaging Business is characterized by dedication focused on customer service, permanent innovation, productivity, quality and environmental preservation.

During the year, the Packaging business presented an increase in volume in all its business lines. In the corrugated cardboard segment, priority was given to keeping regular customers supplied and maintaining integration within the group, managing to increase sales volumes. As regards the industrial business bags, leveraged by the integration into the production of Sack Kraft paper, achieved significant growth in volume compared to the previous year as a result of the contribution of the new production plant whose investment was carried out in 2021. Flexible packaging business managed to increase its sales in tons with a greater participation of third-party customers in its portfolio.

In all businesses, efforts continued to be focused on the level of services to our customers, caring for and strengthening the relationship with them and accompanying them with an adequate supply of the entire product portfolio, in the context of import restrictions that had an impact in the normal development of the inputs supply.

Industrial investments were focused on increasing productivity, improving the quality of production processes and upgrading work on existing equipment and new investments, with the purpose of increasing volumes and engaging in new businesses, such as the assembly and start-up of a new line in Mendoza and a rolling mill in Luján, among others. Also, this business has its own Sustainability Policy, made up of commitments to guide its sustainable management, working on process safety, with activities and investments aimed at compliance.

During 2022, the ISO 45001, ISO 14001 and ISO 9001 certifications were maintained at Arroyito, Luján, Paraná, San Luis, San Juan, Quilmes and Villa del Totoral plants. ISO 14001 and ISO 9001 were maintained at the Ranelagh plant and the new ISO 45001 standard was certified. ISO 14001 and ISO 9001 certifications were maintained at Misiones plant. The FSSC 22000 certification was maintained at the bags plant in San Luis.

Argentina - Food

In 2022, sales to third parties for Food Business amounted to ARS 47,392.5 million, while in 2021 they were ARS 48,481.7 million, both values expressed in homogeneous currency.

The range of high-quality products of Food Business is marketed under a portfolio of leading brands that are highly valued and recognized by those who consume our products, such as: Arcor, BC, Salsati, Presto Pronta and La Campagnola, a brand that has been present for more than 100 years at the Argentine family table.

Food Business managed to close the year with an increase in sales volume, mainly leveraged by the very good performance of tomatoes and dressings, with historical sales records in both segments. Other categories that contributed to volume growth in the business were canned fish and vegetables, corn flour and beverages. Regarding pasta, the last market in which we landed, we managed to grow in market share during 2022.

Among the releases, we highlight our commitment to stand out in the premium segment in jams, thus adding the red fruit flavor to the selection line of La Campagnola, highly valued by the most demanding consumers. We also continue to expand our portfolio of spices, with La Campagnola rosemary. In the premix segment, cookies were launched under the brand Aguila, with great growth and potential in this category. Regarding tuna, two new varieties of ready-made salads were launched. Regarding gluten-free products, we released the brownie premix without T.A.C.C. expanding the sweet portfolio of the line and thus continuing with the development of accessible products for consumers with dietary restrictions.

The communication actions were focused on reinforcing the message "Arcor DO care", with a focus on the quality and origin of the raw material of our products. At Presto Pronta, communication about the possibilities of the new portfolio was emphasized: with flavored and fortified corn flour, arepas (corn cakes) and microwaveable packets, reaching the consumer in a close and pleasant way. As regards the BC brand, a new communication campaign was launched, publicizing the entire portfolio under the message "If it's low calories, it won't be noticed" and promotional actions continued, emphasizing that the brand's products make it possible eating delicious food low in calories and aligned to new food trends.

The main industrial investments of the business are related to seeking greater productivity and improvements in quality standards. Among these investments, the installation and start-up of a new high-speed packaging line stands out at the San Juan plant, which, together with other investments in building improvements and quality standard requirements, allowed an increase in the productivity level. At the Villa Mercedes plant, adaptations and new facilities were carried out focused on the upgrade of existing equipment in the different business plants.

In line with the best practices in terms of food quality and safety, the ISO 45001, ISO 14001, ISO 9001 and BRC standards were maintained at San Juan, Villa Mercedes, Recreo and Mar del Plata plants. The 9001 and BCR certifications were maintained at San Rafael plant, and the Global GAP certification regarding good agricultural practices was maintained at the four owned farms in the province of Mendoza.

Argentina - Cookies

In 2022, sales to third parties in the Cookies Business were ARS 103,991.1 million, compared to ARS 96,706.3 million for sales in 2021, both values expressed in homogeneous currency.

It is a leader business in the segments of cookies, alfajores and cereal bars, by marketing quality and variety products for children, adolescents and adults, through the offer generated in all its industrial plants in the country.

In 2022, the cookie market presented a slight decrease in sales volume compared to the previous year, caused by the effect of the drop in the purchasing power of the population. In addition, second-brand sales continued to be relevant, complemented by sustained sales in the Supermarket channel.

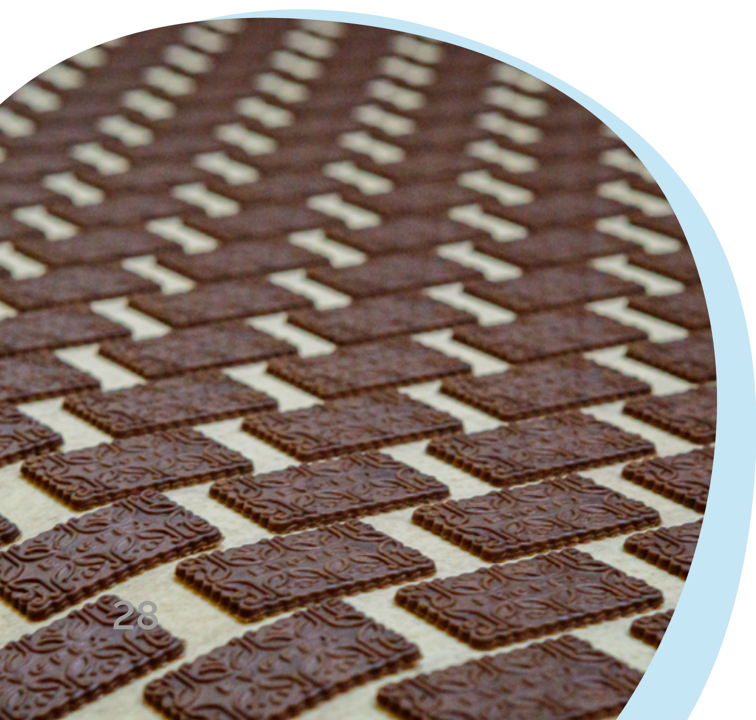
In this difficult context, the business ended the year with a slight increase in sales volume compared to the previous year, focusing efforts on strategic segments and brands, seeking flexibility and adapting to the new market context. The growth in sales of impulsive segments such as snacks, baked snacks, cereal bars and alfajores stood out.

The business worked hard to develop new proposals to increase the healthiness of our product portfolio, as well as the value of our brand heritage, to guarantee customers' loyalty.

Advertising campaigns, participation in gaming events and investment in development were focused on core brands such as: Chocolinas, Saladix, Bagley filled cookies, Alfajores Tofi and Cereal Mix. The main releases during the year were new Saladix, new Cereal Mix bars, new Cereal cookies with oatmeal and new Criollitas rice toast.

As a business strategy, leadership in the market will continue to be strengthened through the growth of core brands, achieved by means of a strong commercial dynamic aimed at achieving effective communication and actions directed towards our consumers.Among the industrial investments, the change of an oven in Villa Mercedes plant stands out. In addition, automation processes were improved in the packing and palletizing stage in one of the cookie lines at Córdoba plant. With respect to Salto plant, automation implementations continued within the framework of improvements in the connectivity and digitization of our production process with the Industry 4.0 project, and the implementation of an automatic system through a pipeline for the reception of wheat flour was completed.

During 2022, Salto, Villa del Totoral, Villa Mercedes and Córdoba plants managed to maintain the certifications of the ISO 45001, ISO 14001, ISO 9001 and BRC standards.



Brazil - Confectionery and Chocolates

In 2022, sales to third parties of the Candies and Chocolates Business amounted to ARS 27,046.4 million, compared to the ARS 24,581.5 million of the previous year, both values expressed in homogeneous currency.

The performance of the business presented an improvement with respect to the previous year, with an increase in sales volume above the market growth. A post-pandemic consumption recovery is observed, with an increase in the frequency of purchases and consumption outside the home. Growth in the Wholesale, Distributor and Cash & Carry channels stands out.

The confectionery segments that showed the highest growth were candies, chewing gum, lollipops and flour products, with the Butter Toffees, 7 Belo, Plutonita, Big Big and Paçoca Arcor brands, respectively.

The main releases were focused on continuing the development of products in the chewing gum and candy segment. In chewing gum, Big Big Frutas and Big Big Bigão stood out, while in candies Butter Toffees Milk was released in new yogurt flavors, with the aim of achieving a new position to attract children to the brand. Under the 7 Belo brand, we released candied chewy candies, whose packaging allows consumption *on the go*. The releases of flour products were focused on chocolate-flavored nougats and a version of Amor brand.

The communication actions in our broad portfolio were mainly focused on seasonal periods such as Halloween and the June festivities, achieving significant sales growth compared to the previous year. Likewise, for the main candy brands, Amor, Butter Toffees, Topline, 7Belo, Big Big and Plutonita, communication and incentive actions were carried out at points of sale, on digital channels and social networks.

In the Chocolate Business, the growth in the sales of Tortuguita, tablets, sugar-coated and bon o bon stood out, boosted by important releases, investments and commercial actions in these categories.

The main releases focused mainly on a white chocolate bar with candied Rocklets; chokko tablet and the diversification and modernization of the rest of the tablet portfolio, with new packages and mixes. Additionally, Tortuguita line was expanded with the brand 7Belo, raspberry flavor.

The communication and trade actions were mainly focused on the Easter pre-season campaigns for the entire line of chocolates and the invasão tortuguita campaign that contributed to the growth of the Tortuguita brand, both in the chocolate segment and in the candies and cookies segment.

Among the industrial investments, the adjustments made to some lines for launching new products, such as flow pack wrappers and loaders, and other investments in industrial services and general facilities stand out.

At the Rio das Pedras and Bragança Paulista plants, the ISO 45001, ISO 14001 and ISO 9001 certifications were maintained, as well as the BRC standards in terms of food safety.

Brazil - Cookies

During the year 2022, Cookies Business Sales to third parties amounted to ARS 24,785.0 million, while the previous year amounted to ARS 22,162.7 million, both values expressed in homogeneous currency.

In that year, in Brazil, cookies market presented a slight decrease, in a context of high pressure on the costs of its main inputs, such as flour and fat. In this scenario, the business had a good performance, achieving an increase in sales volume, highlighting the growth of Tortuguita and Aymoré brand products.

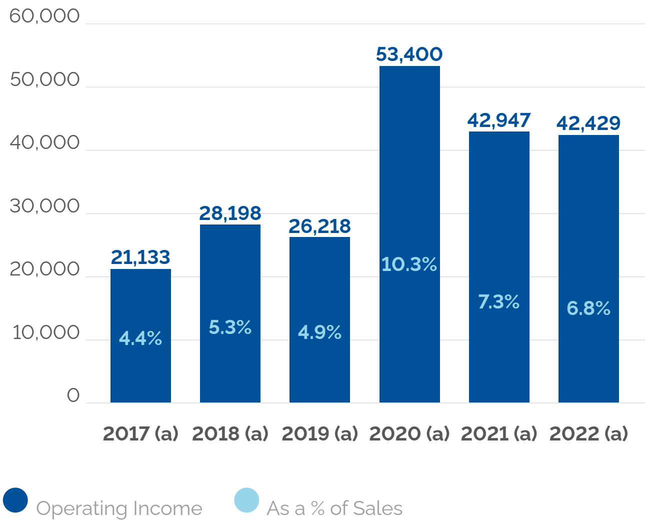
Tortuguita continues to be the main engine of business growth, leveraged by square fillings. It is an iconic brand, highly recognized by consumers in the country. For this reason, continuous work is being done on strategic positioning on several fronts, with actions that strengthen its presence in the digital environment through a character. Additionally, among other actions, during the year an important commercial alliance was started with a large national brand, the airline GOL, to deliver our snacks, expanding the operations of our brand and reaching millions of passengers.

The main releases focused mainly on the Aymoré and Triunfo brands, with chocolate-flavored cornstarch cookies, in Passion wafers, with the release of dark chocolate flavor, and in panettone under Tortuguita brand.Among the industrial investments, we can highlight the installation and start-up of a new cookies line at Campinas plant, which enabled an increase in production capacity, and a flour storage warehouse, along with improvements in industrial systems and an upgrade of some lines of the Contagem plant. Additionally, adjustments and general infrastructure improvements were made at both plants.

Regarding food quality and safety, the Contagem and Campinas plants maintained the ISO 45001, ISO 14001, ISO 9001 and BRC certifications.

EVOLUTION OF OPERATING INCOME

Millions of AR$



(a) In constant currency of December 2022

Andean Region - Confectionery and Chocolates

In 2022, sales to third parties were ARS 27,269.4 million, while in 2021 they amounted to ARS 31,920.9 million, both values in homogeneous currency.

Countries of this region had an improvement in their performance with a general recovery in sales in the impulsive categories. Economic activity and therefore consumption showed similar growth in the countries of this region. The increase in GDP reached 2.3% in Chile, 2.7% in Peru and 2.7% in Ecuador, according to ECLAC.

In Chile, sales of snack and impulsive formats, which had been affected by the pandemic, recorded a growth. Sales of family formats in Supermarket and Wholesalers channels got stabilized. In this context, the actions carried out to cover impulsive formats at points of sale stand out, along with investments in furniture and displays that contribute to the development of the point of sale.

The foreign market also grew, with an increase in exports both to the group's businesses in other countries and to third parties, largely supported by chocolate exports.

During the year, actions and releases were carried out with the aim of strengthening core brands, expanding the coverage and mix of impulsive products. In the chewing gum segment, a strong communication and trade plan in the traditional channel stands out, with a strong placement of exhibitors nationwide, highlighting our entry into pot format chewing gum for adults with the new Bigtime Ultra Nitro Mint. In the candy segment, the good performance of chewables and gummies stands out, driven by the release of new formats, high turnover, increased coverage and placement of exhibitors in the traditional channel.

In the Chocolates category, the leadership of bon o bon stands out, with a strong development of *seasonals,* with special gift releases and new packaging that allowed them to increase its position in the market.

Among the main investments, the implementation of installations for an increase in capacity in candied lines and adjustments in candy packaging machines stood out. During the year, ISO 45001, ISO 14001 and ISO 9001 certifications were maintained, and food safety standards were maintained with the BRC certification.

Within the region, the market in Peru showed slight growth, returning to values prior to the pandemic. In this context, the growth of our subsidiary's sales was higher than that of the market, both for the domestic market and in exports, leveraged by greater demand from the businesses in Chile, Ecuador and Bolivia. Our subsidiary maintained the portfolio strategy, focused on sweets and chocolates, in addition to continuing with the development of food and cookies, seeking to direct sales to the products with the best profitability. Following this guideline, marketing actions were carried out for the bon o bon, Mogul, Alka, Topline and Sapito brands. Additionally, in 2022 Topline Inka Kola remained active within the Arcor-Coca Cola brand agreement, reaching an important participation within the segment.

Sales in Ecuador had significant growth in volumes as a result of the post-pandemic normalization, together with a successful portfolio development strategy and effective marketing and sales actions that, with a focus on the Distributor channel, allowed us to achieve significant growth in the main categories within the Candies and Chocolates Business. The main releases were focused on the extension of the Mogul line and the chewing gum line with new releases of Poosh, together with the development of new gift formats for bon o bon and Butter Toffees.

Andean Region - Cookies

For the year 2022, sales to third parties were ARS 10,461.5 million, compared to ARS 12,000.3 million of the previous year, both values expressed in homogeneous currency.

During the year sales growth was achieved, mainly driven by the recovery of snack and impulsive formats, both salty and sweet, which had been affected by the restrictions and by the increase in production capacity that made it possible to cope with market demand, mainly in the bon or bon cookie.

Sales in the Distributors and Wholesalers channel had a very good performance, based on the continuity of the investment plan in furniture and exhibitors at the point of sale and the greater participation of the cookies portfolio in the channel.

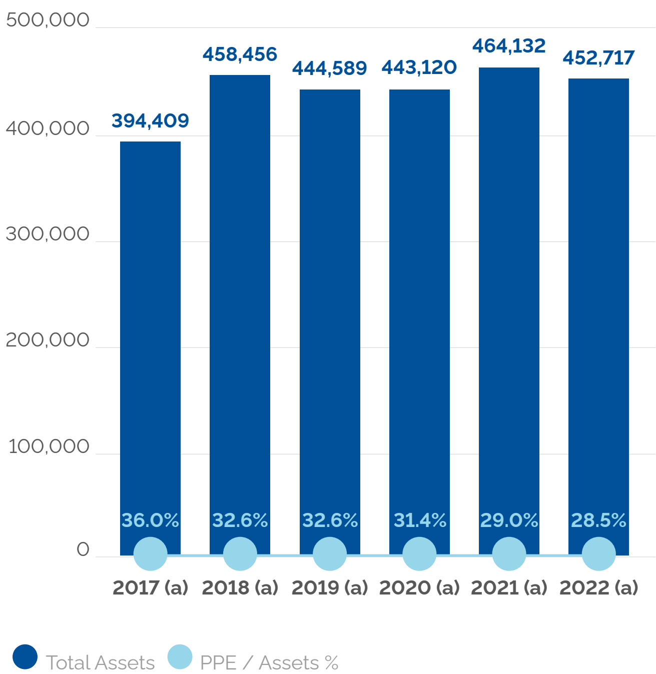
During the year, cookies were released in different segments. In impulsive formats, we highlight the release of mini Chubi, with excellent performance, and mini Selz, which was accompanied by communication on social networks. Choc Kiss Familiar and Arcor Assortment were added to the family cookie portfolio, reinforcing our leadership position in this market segment. To take advantage of the growth in the consumption of indulgent products, we entered to the segment of filled cookies with Tortini, in chocolate and strawberry flavor. In addition, with the aim of providing differentiation through our roll cookies, we released Conquista roll and Tifany's cookie, both strong brands in the cookie and chocolate category, respectively. Additionally, Selz Max was released in crackers, in a familiar format with a unique texture and flavor.

Among the main investments in industrial matters, we can highlight the expansion of the capacity of existing lines in the plant.

In addition, the Bagley Chile industrial plant maintained the ISO 45001, ISO 14001, ISO 9001 and BRC certifications.

EVOLUTION OF TOTAL ASSETS AND PROPERTY, PLANT AND EQUIPMENT-TO-TOTAL ASSETS RATIO

Millions of AR$



(a) In constant currency of December 2022

Andean Region - Packaging

At the end of 2022, sales to third parties were ARS 27,800.3 million, while the previous year they amounted to ARS 23,791.6 million, both values expressed in homogeneous currency.

During 2022, the complications in the supply of paper continued. This situation took place in the market worldwide, mainly during the first half of the year, thus affecting the commitments in the deliveries of the input and the commercial dynamics. Given this context, the scenario of rising prices extended, also fuelled by a drop in supply in Chile.

In performance, the business achieved growth in volume compared to the previous year, mainly leveraged by sales in the fruit and vegetable and industrial markets, consolidating the participation of large customers and the opening of new volume accounts.

The business strategy continued to focus on the penetration of products with high added value in the fruit market (preprint, offset, high graphics).

Among the investments in the industrial area, the incorporation of machinery that allows increasing the productive offer and improving the process of printed products stands out. Additionally, automatic assembly machines were added, together with other investments that allow improving the general service areas in the plant.

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

Southern Subsidiaries

Sales to third parties of the companies included in the Southern Subsidiaries segment amounted to ARS 23,499.3 million in 2022 and ARS 24,930.4 million at the end of the previous year, both values expressed in homogeneous currency.

The countries of this region had an improvement in their performance, with a general recovery of sales in the impulsive and planned categories. Despite the increase in inflation, economic activity, and therefore consumption, grew unevenly in the countries of the region. The increase in GDP reached 5.4% in Uruguay, 3.5% in Bolivia, while in Paraguay a GDP contraction of 0.3% was observed, increasing domestic consumption, according to ECLAC.

In 2022, our subsidiary in Paraguay had an increase in sales in the impulsive and planned categories, leveraged by the management of the distributor network and a clear commercial and marketing strategy, along with releases and entries into new categories. It made it possible to capitalize on the opportunities that arose, with significant sales increases in the Distributor channel.

The most outstanding businesses were Candies, Chocolates, Cookies and Ice Cream. The planned releases were completed, highlighting Menthoplus 2, Cofler Bar, 110 gram bon or bon tablet, Topline Turbo Mint, the return of Nikolo and new flavors of Mogul. The entry into the dry pasta segment was also relevant.

The main commercial actions focused on the brands bon o bon, Topline, Tortuguita, Pastas, Menthoplus and in the Ice Cream season.

The Bolivian subsidiary ended with an increase in volumes compared to the previous year, despite the frequent social and political conflicts between the central and regional governments, which generated a context of commercial and logistical restrictions in the subsidiary's business.

During the year, the sale of impulsive consumer products increased, as a consequence of the recovery of activities and events, achieving a balance of the subsidiary's businesses. The main commercial actions were focused on strategic and *seasonal* brands, such as bon o bon for Mother's Day and Valentine's Day, and new events such as national holidays, together with a special combined edition in the Month of Sweetness. In addition, Topline 7 was launched, through actions at night events focused on the target and point of sale. The Arcor brand had a strong presence on social networks with dynamic and fun videos for the consumer.

Our subsidiary in Uruguay also managed to increase sales compared to the previous year in a greater proportion to the increase in consumption and GDP, and to improve the global performance of the business. The focus continued on the core bon o bon brands, Aguila, BC Topline, Cofler, Rocklets and Mogul, maintaining the leadership position in the candy and chocolate market. Ice cream products were relaunched, achieving important volume increases compared to the previous year. Regarding the main commercial actions, the channels of Stores and Pharmacies, Kiosks and Service Stations continued to be developed through actions with distributors in the main areas. The releases focused on segments of gummies, baked snacks, crackers, assorted cookies, ice cream, canned tomatoes, alfajores and dry pasta.

Other international markets

Arcor Group continues pursuing its international participation strategy in consumer food product businesses. It has allowed 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 showed a recovery in volumes in most regions. This growth was leveraged by Mogul, bon o bon and Arcor brands, mainly in filled candies and chewing gum.

During the year there were significant price increases in raw materials and logistics costs (sea and land freight), in addition to regulatory aspects that affected the levels of profitability in the markets in which we operate.

We can highlight the growth of the Central America and Caribbean region, where sales to third parties had a significant increase in relation to the previous year. In this sense, the performance in the inhalant candies category and the entry into new categories in the region were positive, among them we can mention: gummies, panettone and chocolate bars, with very good performance and great expectations for the coming years.

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 Mexico, growth continues both in the local market and in exports, achieving a significant increase in the bon o bon brand in the Wholesaler channel, which is positioned as one of our main brands in this channel. In addition, growth in the Supermarkets channel was consolidated and diversification into other channels began. For their part, exports grew, but in a context of cost increases due to the aforementioned factors, which affected profitability levels.

At the industrial level, investments were made at the Toluca plant to support growth. New wrappers, end of lines and related systems were added. During 2022, the aforementioned plant achieved the new ISO 45001 certification and maintained the ISO 14001, ISO 9001 and BC certifications.

In June 2022, the largest chocolate, candy and cookie factory in Angola was inaugurated. The inauguration of this factory occurred within the framework of an association called Dulcería Nacional, established together with Grupo Webcor, an agro-industrial company with a strong presence and knowledge of the Angolan market.

As a result of this alliance and with a relevant investment, this 12,000 m^2 industrial plant was built, which has state-of-the-art equipment and meets the best world-class practices and Arcor Group's own quality standards. It began with the preparation of bon o bon, sweet and salty cookies and candies. In addition, work was done on the products and presentations of brands with experience and local recognition, such as bon o bon, Sambapito lollipops, Arcor candies and Merci, Serranitas, Triunfo and Maná cookies, to adapt them to the characteristics and preferences of Angolan consumers.

Angola is an important market for Arcor, we have been exporting to this destination for 30 years and this step allows us to have an industrial presence in the region and strengthen the internationalization of the group. At the beginning, this operation will allow us to diversify the supply of products in the local market and in the future it is expected to supply all sub-Saharan Africa, mainly South Africa, Mozambique, Congo, Namibia, Zambia and Botswana.

Within the framework of this agreement, certain semi-finished products and raw materials are exported from Arcor Group plants in Argentina to supply the industrial operation in Angola.

Agreements with Mastellone Hermanos S.A. and its Shareholders

At the end of 2015, Arcor Group sealed a historic agreement with Mastellone Hermanos S.A., a leading company in the production and marketing of dairy products. As a result, Arcor became a shareholder in said company. The event constituted a significant advance in the incorporation of new businesses and consolidates us as one of the most important mass consumption groups in the country.

Since that date onwards, certain shareholders of Mastellone Hermanos S.A., making use of the right conferred in the first sale option defined in the framework agreement signed in 2015, have proceeded to sell us part of the share package. All acquisitions were made in equal parts by Arcor S.A.I.C. and its subsidiary Bagley Argentina S.A., who jointly own 48.6767% of the capital of Mastellone Hermanos S.A. Since the beginning of the alliance with Mastellone, numerous co-branded products have been released as a way to promote the valuable brands of both companies. Likewise, taking advantage of the regional presence of Arcor Group, commercial models have been developed in some of the countries belonging to the Southern Subsidiaries business, in Peru and commercial operations in Chile and the United States. However, despite the commercial actions carried out, the results obtained by the business so far have not met our expectations as investors.

Kamay Ventures - Investment Alliance with Coca-Cola Argentina

In relation to business innovation and the entrepreneurial spirit characteristic of our company, during 2019 the launch of Kamay Ventures took place, in alliance with Coca-Cola of Argentina.

Both large companies, which boast market leader positions in different food and beverage segments, launched this fund that aims to finance and advise *start-ups* with innovative projects, in seven different areas: digital commerce, digital banking (*fintech*), digital S&OP (consumer intelligence), Internet of 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 company accelerator with experience in these ventures. Since its creation, the main start-ups in which Kamay Ventures has injected capital include:

- **Arqlite,** which transforms plastic waste into construction material;
- **Auravant,** a digital precision agriculture platform for more efficient and sustainable food production;
- **Wiagro,** which mission is contributing to mitigate food waste, for control and management post-harvest;
- **Retrypay,** a *fintech* that offers *e-commerce* sites the possibility of optimizing payment acceptance rates;
- **AltScore,** an Ecuadorian *fintech* that applies *machine learning* and artificial intelligence for customers to be able to offer consumer loans, with the aim of improving the access to credit in Latin America.
- **Kilimo,** a digital platform that powers irrigation practices through artificial intelligence, helping companies to achieve its neutral water goals.

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.

During 2022, work was done to adapt the maturity profiles of the group's debt, considering the financing term and currency in the analysis. In this sense, the Shareholders of the Company approved to increase the amount of the Global Program for the issuance of Negotiable Obligations. Subsequently, the CNV authorized the Company to increase the maximum issue amount of the aforementioned program (from a maximum issue nominal value of USD 800 million to a maximum issue nominal value of up to USD 1,200 million). With the aforementioned Program approved and the corresponding authorizations from the BCRA, in the second half of 2022 a voluntary exchange offer was presented to the holders of the Class 9 negotiable bonds, which consisted of two alternatives: (i) Option A: exchange offer for a new bond at par plus a cash payment for up to 30% of the total exchanged series, (ii) Option B: exchange offer for a new bond with an exchange parity of 1.02 without a cash payment.

In November, we completed the exchange operation of its outstanding Class 9 Negotiable Obligations (at a fixed interest rate of 6.00% per annum, for a nominal value of USD 500 million and maturing on July 6th, 2023) for its Class 18 Negotiable Obligations (at a fixed annual interest rate of 8.25% and with final maturity on October 9th, 2027). As a result, an acceptance of 74.41% was obtained and a consideration in cash was paid for USD 111.6 million plus the bond issuance of the Class 18 negotiable bonds for 265.4 million.

With all this process, maturities in foreign currency for the year 2023 are cleared to a large extent, improving the maturity profiles and the credit rating of the group.

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 for goods and services import in local financial markets.

With a focus on financial sustainability, the assistance and development channels of value chains with the group's suppliers remained operational, allowing them to access steady sources of financing through banking entities.

In order to maintain the group's financing channels, both banking and capital markets, fluid contact was maintained both with financial institutions and with the Company's bondholders, participating in local and international 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

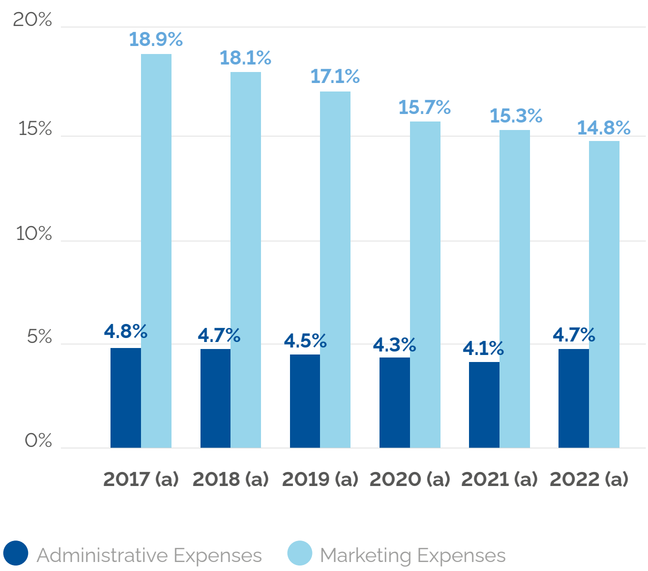
During the year 2022, the strategy of accelerating the digital transformation of the group continued, taking it as a starting point for the initiatives and projects carried out. Competitive differentiation emerges in boosting digital capabilities and technologies together with agile development.

In this context, and in line with the strategy, a new version of the B2B2B platform, Tokin, was launched, seeking to become a scalable solution, with a pleasant experience for the consumer, and with multiple benefits for the points of sale. It is based on different interactive actions with the point of sale and improvements in the continuous purchase process. In this way, 180 distributors connected to the platform and more than 90,000 registered users were reached.

On the other hand, in the B2C segment, we continued with ongoing improvement of **arcorencasa.com** site, renewing it and adjusting it to the user experience and following our consumers' *feedback*, with the aim of maintaining the site as a reference in the segment of electronic commerce for consumer food products.

EVOLUTION OF ADMINISTRATIVE AND MARKETING EXPENSES

(As % of Sales)



(a) In constant currency of December 2022

Additionally, a *mobile* solution was implemented for the distributors' promoters, for the management of visits and actions at the point of sale. On the commercial field, the integration of the B2B customer portal, ArcorNet, continued for the entire region. It was a process that had begun in Argentina, and now it is being implemented in the Packaging business and the rest of the group's countries, including foreign trade order management.

The expansion of initiatives in advanced analytics, artificial intelligence and machine learning continued. The dynamic micro-segmentation project of the points of sale, and from there the suggested order for each of them, was expanded to all distributors in Argentina, also adding various functional improvements to what was launched in 2021. Additionally, other algorithms for the management of administrative processes were developed. Reinforcing the objective of promoting decision-making in all areas based on the data from the systems processed by the group, multiple Business Intelligence projects were developed and key users were trained in the necessary tools, generating BI communities for collaborators to share their experiences and best practices on this matter.

In addition, the Industry 4.0 project continued at Salto and Caroya plants, also adding to this project a plant in Arroyito. Through the implementation of new networks and software (Siemens Simatic IT/ Siemens Comos), we achieved the digitization of the floor in plant and the transformation of information use in all management processes of input, raw materials, finished products, maintenance and quality management. Also, it is important to highlight the implementation of the Siemens Comos software in the Joint Venture plants with Ingredion located in Chacabuco and Baradero.

Within the implementation project of the Radius tool in the flexible packaging plants of the Packaging Business, the management of Villa del Totoral plant was included, together with the MRP process for the industrial operation. The corrugated cardboard industrial operation system, Kiwiplan, was migrated to the latest version available, and the cardboard production programming and control system, PcTopp, was also updated, together with the implementation of the systems that support the new paper bags plant in Misiones.

During 2022, within the framework of the Joint Venture with Ingredion, it was completed the integration of the Ingredion companies to Arcor Group process models and technological standards.

The automation of internal management processes continued using RPA (Robotic Process Automation) technology, managing to optimize and make efficient the *back-office* processes in administration and accounting, supply, collection and payment areas. During 2023, the implementation strategy will continue, covering and integrating processes from other areas of the group, both in Argentina and in foreign businesses.

In pursuit of compliance with the tax and regulatory requirements of the different countries, numerous administrative management projects were carried out and completed. In addition, the implementation of Kyriba software for the management of Treasury operations in Argentina has begun, and also the migration of the system that supports HR operations to an Oracle SaaS solution (HCM) has started.

For logistics processes, operations optimization projects continued by integrating warehouse technologies with management systems, improving transportation processes and inventory management, both in Argentina and abroad. In this case, we emphasize migration to the OTM SaaS solution and the implementation of an auxiliary materials management model with the aim of optimizing warehouse stock.

Work continues on the optimization of the IT infrastructure based on cloud architecture, by improving the observability, automation and resilience of our technology platform.

As regards information security, the processes for securing jobs, mobile equipment, clouds and corporate infrastructure continued, in addition to permanent threats monitoring.

Human Resources

At a global level, we implemented actions and processes to continue improving the organizational work climate. With a focus on understanding what our teams value, we launched the well-being survey covering the entire Arcor Group; identifying, together with the leaders, value opportunities for people, teams and the organization as a whole.

Driven by value creation and opportunities equality, in 2022 we continued with practical training programs and opportunities at early stages of the working life. In this respect, we re-launched the program "Talento Emprendedor" (Entrepreneurial Talent) program for the area of science, technology and marketing, as well as the internship program, which extends throughout Argentina.

Further with our commitment to creating equal opportunities and convinced that diversity is a value, we continued with the development of strategies to encourage collective and close leadership that fosters the expected organizational change. In consultation with the Diversity Committee, we formed an operational working team that accompanied the development of a diversity and inclusion plan, expanding to the two diversity axes already consolidated in the company (people with disabilities and gender), diversity of generations, sexual diversity and races and ethnic groups. For each of these diversities, an action plan was designed based on the communication axis, the development of training and awareness programs, listening spaces with affinity groups, training through experts at management levels throughout the company, working in changing the *mindset* of our teams so that they can be generators of more diverse and inclusive work environments, and the construction of new practices, benefits and habits by incorporating the perspective of diversity and inclusion in all HR processes.

Additionally, the workplace harassment protocol was launched, with a communication campaign for the entire group. In addition, the mentoring program for women with potential continued. Its objective is to generate spaces for conversation that allow them to gain more visibility in the organization and develop networks that accelerate the development of women's careers in senior leadership positions. In a complementary way, we launched the first guided meeting space for listening to women, whose objective is to create spaces for conversation that allow streamlining the channels of knowledge and communication between women in the organization.

Regarding the training of our teams, accompanied by the Di Tella University, the 9th edition of the Management Development Program was concluded. Now, it has the novelty of being completely virtual, which made it possible the access postgraduate training of excellence to collaborators of all the countries where Arcor Group is present. Likewise, promoting digital culture and the construction of new skills necessary to be able to respond to current and future contexts, the management team was trained in a deep immersion program of digital knowledge, designed and taught by experts from Digital House.

Additionally, to promote the culture of self-development and the construction of new skills, a total of 4,596 employees participated in virtual training instances and *e-learning,* considering the offer of businesses and Arcor University. As a result, there were 157,058 hours of training.

Within the framework of the inclusion program, during 2022 workers with disabilities from the different businesses were incorporated into the operations in Argentina, Brazil, Mexico and Chile, reaching a total of 281 active employees with disabilities at the group level throughout the year.

Moreover, the Commercial Human Resources area continued working on training our distributors through the program *Vendedor del Futuro* (Salespeople for the Future). It was launched in 2021, with the aim of transforming our salespeople into business advisors and being aligned in the new forms of marketing and execution at points of sale.

During 2022, 301 supervisors, 30 Arcor own promotion leaders and 1,141 salespeople have graduated in different courses of studies. There are 644 salespeople and 39 Arcor own promotion leaders, belonging to a second group of students, enrolled in the program, in order to complete 100% of the network in Argentina.

During this year, we have added new modules on transformation and digital tools to the program. It began in December and 187 supervisors are participating.

Quality

The post-pandemic scenario implied during this year the ability to be flexible, agile and posed the challenge of maintaining current activities, preserving the achievements and quality and safety standards already accomplished, implementing new activities associated with the defined goals and objectives.

By incorporating the Quality Value into the group's corporate philosophy the previous year, during 2022, based on our commitment to "maximum quality", a new quality approach was established represented in our Quality Strategy. It is aligned with our sustainability policy within the "Producing Sustainable Food" Pillar and our SGI Policy, considering the creation of value in our Strategic Plan.

The content of our Strategic Plan focuses on the following four initiatives: "Growing" at every step with our suppliers from the beginning of the value chain, "Adding" value to our operations, "Reaching" our customers and consumers with what they expect through the marketing chain and "Ensuring" our customers and consumers' loyalty.

Additionally, the evaluation, monitoring and development of suppliers continued, working together with agricultural producers associated with the Food and Agribusiness businesses. We focused on identifying suppliers of origin of raw materials and packaging materials necessary for the production processes in the group.

During this year, we also continued with the management systems certifications plan, which are mentioned in detail in the evolution of the different businesses.

Progress was made in quality management in the processes of logistics system, in our own and third-party warehouses, in transportation and in our marketing channels, with the purpose of keeping our products in optimal conditions and guaranteeing their integrity up to reaching the consumer.

In the processes associated with the Consumer Service, the communication channels and contact channels with the consumer were maintained, improving the quality of care and making progress in the integrated monitoring service of social networks. We also supported the development of consumer service in New Businesses (*e-commerce* Arcor en Casa and Angola).

The development of the deliverables continued within the framework of the Nexus project program. The implementation of the CRM tool for ALA demand management was a challenge and a milestone during the year. The launch of the tool was carried out, with a focus on giving support to internal customers who use it, in an effort to generalize its use and exploitation.

Sustainability

We understand sustainability as a business strategy and approach that allows managing risks and maximizing 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.

At Arcor Group, the commitment to sustainability is reflected in our Mission, Vision, Values, Code of Ethics and Conduct and all associated policies and procedures.

In 2022, we presented *"A Better Life",* Arcor Group's Sustainability Strategy for 2030. This strategy, aligned with United Nations Sustainability Development Goals, establishes the commitments that we have adopted with the goal of producing sustainable food, promoting people prosperity and preserving the planet so that everyone can have a better life. Assuming nine priority commitments organized in 3 pillars, our strategy seeks to guide the company's efforts to make the business grow, leaving a positive footprint in people and the planet:

Producing Sustainable Food

1. Healthy and Affordable Food. During 2022, we launched "A Better Life", a new strategy for Healthy Food and Life Habits that establishes the pillars of action that inspire our goal of promoting a balanced, healthy, inclusive and affordable diet: products that evolve to offer the best options, alliances and knowledge to innovate and actions to promote healthy life habits.

2. Quality at Every Step. We launched "Quality, value at every step" initiative, which seeks to promote a culture of quality throughout the company's value chain, from suppliers to customers.

3. Regenerative Agriculture. In 2022, we launched the Agro +30 Program, with the aim of guaranteeing the sustainable supply of the main agricultural raw materials that the company processes (corn, wheat, sugar cane, milk, wood, fruits and vegetables), promoting regenerative production models, that ensure the resilience of the ecosystems and climatic stability, the development of the producing communities and a positive interaction between the productive systems and the natural environments. The focuses of work of Agro +30 are carbon balance, bio-solutions, biodiversity, and digital agriculture.

Fostering People Prosperity

1. Inclusion, Diversity and Equality. The new Diversity Strategy was launched and the Diversity Committee defined the focuses of work to promote a diverse internal culture: gender equality, inclusion of people with disabilities, generations, sexual diversity (LGBTIQ+), and races and ethnicities. In terms of gender, progress was made in promoting the participation of women in leadership positions based on the goal established for 2025.

2. Workplace Well-being. In August 2022, the labor well-being survey was carried out with the aim of knowing Arcor Group members perceptions regarding organizational conditions, teams, relationships, value proposition and their participation/incidence on the same. A participation of 78% of the surveyed population was achieved (15,348 responses) and a general average of 71% of positive answers was obtained.

3. Community and Value Chain Development. During 2022, progress was made in updating the Perception Studies on the company-community relationship in 14 territories of Argentina, where the company has an industrial presence with the aim of identifying challenges and opportunities for the community impact management strategy.

Preserving the Planet

1. Water Care. Within the framework of the company's Water Strategy, progress was made in the definition of new consumption reduction goals for industrial operations by 2025 and 2030, integrating the water risk approach of the basins in which Arcor Group's plants are located.

2. Climate and Biodiversity Action. We have advanced on the implementation of the Climate Change Strategy, which establishes a goal for 2030 to reduce the company's greenhouse gas emissions with a focus on the most relevant activities: supply of agricultural raw materials, power generation for its industrial operations and transportation of raw materials and packaging materials. Also, progress was made in the definition of a Biodiversity Strategy, which seeks to contribute to the preservation of the most relevant natural habitats in Argentina (Atlantic forest, Chaco forest and Yungas), integrating productive areas with conservation areas, promoting the conservation of natural habitats at landscape scale.

3. Circular Material Flow. In 2022, progress continued on different initiatives to promote the circularity of materials in Arcor Group's own operations and in its value chain. Progress was made in the implementation of the "Zero waste to burial" goal, developing a circular economy for all the waste produced in the company's operations. Regarding packaging materials, work continued in line with the Sustainable Paper Supply Policy and the Plastics Strategy, "Circular Challenge", focused on reducing and replacing consumer food products plastic packaging.

All commitments are based on integrity, respect for Human Rights and innovation as the basis to promote the actions that are carried out.

To accompany the implementation of the 2030 Sustainability Strategy, a 2022/23 Plan was defined aimed at integrating sustainability into all the company's businesses in a transversal manner, through three action lines:

- **Sustainable businesses**, promoting strategies for the generation of economic, social and environmental value in all Arcor Group business units, through sustainable management and innovation.
- **Sustainable brands and products,** creating sustainable value for our consumers, the company and society, through our brands and products.
- **Sustainable Leadership,** developing structures, processes and relationships that make sustainability an essential component in the company's decision making.

In order to advance in the implementation of the 2030 Sustainability Strategy, the Sustainability Committee defined a 2022-23 Plan, which follows three action lines: Sustainable Business, Sustainable Brands and Products, and Sustainable Leadership. In addition, a campaign to launch "A Better Life" was promoted, aimed at communicating in the group the commitments assumed in the new Sustainability Strategy. Moreover, progress was made with all the businesses in defining their risk and opportunity matrices, and sustainability strategic guidelines, in which work will continue for the next 3 to 5 years.

Additionally, a sustainability governance and management system will continue to be promoted across all businesses and corporate areas of the company.

In 2022, the Corporate Sustainability Committee continued to monitor the progress of the strategies promoted to address the defined commitments. 816 initiatives were promoted, through 14 Sustainability Operational Plans, in the different businesses and countries where Arcor Group is present.

More information, including indicators that are monitored within the framework of the sustainability strategy, is available in the Arcor Group 2022 Sustainability Report published at www.arcor.com and in control agencies (CNV and BYMA).

Community Relations

The management of the industrial bases community impacts is one of the initiatives of the Sustainability Committee and is one of the commitments of the 2030 Sustainability Strategy. Arcor Group assumes joint responsibility for the overall development of the communities of which it is part.

During 2022, the field of action was expanded with the incorporation of new plants in the communities of Baradero and Chacabuco in the province of Buenos Aires (Ardion S.A.), thus reaching 30 Community Relations committees in Argentina, Chile, Brazil and Mexico.

As regards the Perception Studies on the company-community relationship, they were developed in 14 territories of Argentina, updating the diagnoses on the relation and allowing identifying improvement opportunities for the impact management strategy in each of these communities.

We also continued with the implementation of the Corporate Programs, such as "Ser Parte" (Being Part) Environmental Training Program. We also implemented the Relationship with Technical Schools Program together with the Argentine Business Association (Asociación Empresaria Argentina or AEA) and Mastellone Hnos., the Mentoring Project for secondary school students from the Province of San Luis, and in-person internship programs in the industrial plants were reactivated.

The Responsible Inclusive Purchasing Program (CIR, as per its initials in Spanish) continued to incorporate new suppliers and new purchases at the corporate level and at the different operating bases.

Through the Product Donation Program, during the year, 1,651,360 kg of products were donated in Argentina and 156,513 kg in other countries. Such products were aimed at organizations that work to contribute to food access for the most impoverished sectors. Additionally, it's the second time that our company implements the "Special New Year's Eve Action" initiative, with the aim of accompanying organizations that provide direct food assistance to vulnerable urban sectors.

The work of more than 896 local organizations was supported, in addition to continuing to work with the Network of Food Banks and various Diocesan Caritas at the corporate level.

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 children.

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 this topic.

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

2022 was a special year due to the development of actions celebrating Arcor Foundation's 30th anniversary. We supported and conducted 147 initiatives in Argentina, Brazil, Chile and other countries of the region, involving the participation of 268,051 boys and girls and delivering training to22,348 individuals related to childhood.

Resources Allocated to Social Investment and Management of Community Impacts[5]

In 2022, the amount allocated to social investment and management of community impacts totaled ARS 1,076,194,550; ARS 779,504,171 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 113,479,982.

The amount of ARS 183,210,398 was allocated to the actions performed by Arcor Foundation in Argentina and Chile and the Arcor Institute in Brazil.

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, 2022 shows a positive balance of ARS 31,523,934 in thousands pesos including, among other things, net income for the year in the amount of ARS 32,039,243 in thousands pesos (earning).

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 (Ley General de Sociedades);
2. Allocating ARS 11,000,000 in thousand pesos to increase the Special Reserve for Future Investments;
3. Allocating ARS 14,000,000 in thousand pesos for the distribution of cash dividends;
4. Allocating the remaining balance to increase the Special Reserve for Future Dividends.

[5] These figures do not include the investments made in the HR area nor environmental projects. Customer and supplier development actions are not included either.

The shareholders are kindly reminded that, pursuant to the terms of General Resolution 777/18 of the National Securities Commission (Comisión Nacional de Valores), 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 (Ley General de Sociedades), and applicable regulations of the National Securities Commission (Comisión Nacional de Valores) 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 a special Retirement Plan for Directors (who work in a dependency relationship in the Company) and for other General Managers of the Company located in Argentina; and it has 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.

Chairman:
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
Mr. Mario Enrique PAGANI
Alternate Directors: Mrs. Lilia María PAGANI
Mrs. Karina Ana Mercedes PAGANI
Mrs. Marcela Carolina GIAI

c) Audit Committee

The 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 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. However, in accordance with article 287 of the General Companies Law No. 19,550, the Statutory Auditors remain in their positions until they are replaced.

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 2022 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 the value chain.

k) Sustainability Committee

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) Purchase Committee

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

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

Furthermore. here below the Board of Directors reports the Separate Financial Statements. the Investments and Relationship with Parent. Subsidiaries and Associates of Arcor S.A.I.C.

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

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

1. Income by Equity Comparison - Adjusted Values

	2022 %	2021 %	2020 %
Current Assets / Total Assets	23.04	24.11	22.43
Non-current Assets / Total Assets	76.96	75.89	77.57
Current Liabilities / Total Liabilities + Shareholders' Equity	43.89	27.05	23.47
Shareholders' Equity / Total Liabilities + Shareholders' Equity	31.84	27.41	27.15

2. Comparative Expenses and Revenues Data Relative to Sales

	2022 %	2021 %
Gross Income	30.70	29.01
Marketing Expenses	(16.71)	(16.91)
Administrative Expenses	(9.19)	(6.43)
Other Net Income / Expenses	(1.38)	(0.45)
Results from Investments in Companies	6.52	7.07
Net Financial Results	8.56	9.19
Income Tax	(3.65)	(5.76)
Net Income / (Loss) for the Fiscal Year	14.85	15.72

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

The main investments of Arcor S.A.I.C. recognized during the fiscal year ended December 31, 2022 were as follows:

Item	Amount in thousands of ARS
Land and Constructions	144,028
Machinery and Facilities	166,733
Furniture, Tools, Vehicles and Other Equipment	652,781
Construction Works and Equipment in Transit	3,504,666

Relationships with Parent, Subsidiaries, Associates and Joint Control

Companies		Loans Granted
		In thousands of ARS
ARCOR ALIMENTOS BOLIVIA S.A. Paid-in Shares: 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	-	-
BAGLEY ARGENTINA S.A. Paid-in Shares: ARS	9,279.00	-
BAGLEY CHILE S.A. Paid-in Shares: CLP	-	-
BAGLEY DO BRASIL ALIMENTOS LTDA. Paid-in Shares: BRL	-	-
BAGLEY LATINOAMÉRICA S.A. Paid-in Shares: EUR	49,700,611.00	-
CARTOCOR CHILE S.A. Paid-in Shares: CLP	6,632,261,044.31	-
CARTOCOR S.A. Paid-in Shares: ARS	13,684,528.00	-
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I. Paid-in Shares: ARS	22,610,961.54	28,229
DULCERÍA NACIONAL. LDA. Paid-in Shares: AOA	-	-
GAP INVERSORA S.A. Paid-in Shares: ARS	40,073.00	2,080
GAP REGIONAL SERVICES S.A. Paid-in Shares: UYU	-	-
GRUPO ARCOR S.A. Paid-in Shares: ARS	-	-
INDUSTRIA DE ALIMENTOS DOS EN UNO S.A. Paid-in Shares: CLP	-	-
INGREAR HOLDING S.A. Paid-in Shares: ARS	4,080,000,000.00	-
INGRECOR S.A. Paid-in Shares: ARS	-	-
INGREDION URUGUAY S.A. Paid-in Shares: ARS	-	-

	Loans Received	Accounts Receivable	Accounts Payable	Other Receivables	Other Liabilities
			In thousands of ARS		
	-	16,381	-	-	-
	430,871	99,235	319,933	1,697,813	196,219
	-	150,283	52,477	-	-
	-	487,988	173,883	-	-
	-	395,940	11,040	-	-
	-	402,969	-	-	-
	-	174,627	2,407	-	-
	16,031,170	3,086,405	152,383	-	-
	-	16,452	-	-	-
	-	-	2,963	-	-
	-	-	-	-	-
	-	-	-	-	-
	9,541,795	356,184	959,454	-	-
	-	5,771	4,632	-	-
	-	256,332	6,932	98,518	-
	-	-	-	-	-
	-	-	262,199	-	-
	-	-	-	-	-
	-	695,042	-	-	-
	-	-	-	-	-
	-	1,189,107	691,933	-	-
	-	-	-	-	-

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

Companies		Loans Granted
		In thousands of 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	-	-
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		
	-	6,356	16,241	-	-
	-	1,595	-	-	-
	3,223,586	46,921	20,494	-	-
	-	279,320	-	-	-
	-	8,889	-	-	-
	-	100,926	22,320	-	-

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

Companies	Sales of goods and services	Recovery of expenses
	In thousands of ARS	
ARCOR ALIMENTOS BOLIVIA S.A.	2,058,725	3,259
ARCOR ALIMENTOS INTERNACIONAL S.L., Sociedad Unipersonal	212,236	-
ARCOR DE PERÚ S.A.	404,310	3,472
ARCOR DO BRASIL LTDA.	492,380	-
ARCOR U.S.A. INC.	2,294,780	-
ARCORPAR S.A.	2,881,375	3,879
ARDION S.A.	1,560,610	-
BAGLEY ARGENTINA S.A.	19,533,093	218,770
BAGLEY CHILE S.A.	90,912	-
CARTOCOR CHILE S.A.	-	-
CARTOCOR S.A.	3,455,495	223,039
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I.	673	1,025
DULCERÍA NACIONAL, LDA.	283,219	-
GAP INVERSORA S.A.	-	-
GAP REGIONAL SERVICES S.A.	-	-
GRUPO ARCOR S.A.	657	-
INDUSTRIA DE ALIMENTOS DOS EN UNO S.A.	2,967,354	-
INDUSTRIA DOS EN UNO DE COLOMBIA LTDA.	-	-
INGRECOR S.A.	3,797,547	971,042
MASTELLONE HERMANOS S.A.	14,586	-
MUNDO DULCE S.A. DE C.V.	6,671	-
PAPEL MISIONERO S.A.I.F.C.	308,884	28,909
UNIDAL ECUADOR S.A.	618,497	-
UNIDAL MÉXICO S.A. DE C.V.	59,852	-
VAN DAM S.A.	1,945,336	4,224

We submit the Annual Report and related documentation for consideration of the Shareholders. The notes referred to above correspond to the Separate Financial Statements for the fiscal year ended December 31, 2022. We kindly request the 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 10th, 2023.

THE BOARD OF DIRECTORS

Purchase of goods	Purchase of services	Other income	Other expenses	Interest income	Interest expense
		In thousands of ARS			
-	-	-	-	-	-
-	240,302	-	-	91,781	10,532
48,842	-	-	-	-	-
305,491	-	-	-	-	-
-	-	-	6,461	-	-
-	-	-	-	-	-
138,728	-	-	-	-	-
284,735	247,562	3,199	-	(4,309)	263,796
-	-	7,225	-	-	-
-	-	-	-	-	-
11,374,919	111,074	-	-	-	(108,446)
-	47,638	1,440	-	(2,412)	-
-	-	-	-	-	-
-	-	-	-	(204)	-
-	180,293	-	-	-	-
-	-	-	-	-	-
13,813	-	-	-	-	-
-	-	-	-	-	-
6,002,051	-	-	-	28,031	-
160,694	1,454	-	-	-	-
-	-	-	-	-	-
44,743	-	-	-	-	(809,651)
-	-	-	-	-	-
-	-	-	-	-	-
-	22,320	-	-	-	-

ANNEX I to ARCOR S.A.I.C. Annual Report,
For the fiscal year ended on December 31, 2022

Report on the code of corporate governance

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, which was updated in 2021 and added a Goal:

(1) Vision: 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 (www.arcor.com).
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 of Directors 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 points 22, 23 and 24.

2. The Board of Directors 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 interest 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, Consumer Food Products (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.

During 2022, in line with its Corporate Goal, the company launched the "Vivir Mejor" ("Better lifestyle") campaign, its Sustainability Strategy 2030. This new strategy, aligned with the United Nations' SGDs, sets the commitments taken on by Arcor with the goal of producing sustainable food, thus promoting prosperity among people and preserving the sustainability of the planet for everybody to have a better life. Through nine commitments, organized into three pillars, "Vivir Mejor" acts as a guide to lead the company's efforts toward growing the business and leaving a positive mark on citizens and the planet:

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. **Quality every step of the way.** To guarantee the highest quality of all foods offered by the company, considering consumer expectations and ensuring a reliable supply chain, certified production processes and efficient distribution network. Through this commitment, we strive to achieve the experience expected by customers and consumers at all points of contact.
   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 sustainability across all businesses through 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, by its initials in Spanish) 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 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 approves 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 defines the corporate governance structure and practices, appoints the person responsible for their implementation, monitors their effectiveness and suggests changes if necessary.

APLICABLE.

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 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.

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 members, 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. Such management is responsible for ensuring that the Board receive all the information and documents are available in advance for decision-making purposes.

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, 2020 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 was in force until December 31st, 2022. Such date coincides with the expiration of the mandates of all the members of the Board. It is worth mentioning that, as provided by Article 257 of the Argentine General Companies Law No. 19,550, as amended, and Article 14 of Arcor S.A.I.C.'s By-laws, the term of office of the members of the Board of Directors is extended until their successors are appointed by the Shareholders' Meeting, even when the term of office for which they were elected has expired and until the new members have taken office.

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 person appointed to become a member of the Board of Directors 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. This is done as for the elected member to be able to become acquainted with the inner workings of the Company's businesses and have the necessary information to express his opinion during Board Meetings and participate in the decision-making process.

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 Special Retirement Plan for Directors (who are employed by the Company) and another one for General Managers of the Company based in Argentina, and a pension plan (defined benefits) which includes the management positions, among others, has been established and communicated.

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 defence 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.

Furthermore, 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, as an extension of the Agro Sustainable Program launched in 2012, the Agro +30 Program was adopted in 2022, which aimed to guarantee the sustainable supply of the main raw materials that the company processes (corn, wheat, sugarcane, milk, forest material, fruit and vegetables), promoting regenerative production models that ensure the resilience of ecosystems and climate stability, the development of agricultural communities and a positive interaction between the productive systems and the natural environments. The Agro +30 program focuses on carbon balance, bio-solutions and biodiversity and digital agriculture.

Arcor Group has the following agriculture management and forestry management certifications:

- BONSUCRO: In 2017 Ingenio La Providencia obtained BONSUCRO certification, the highest standard of economic, social and environmental sustainability in the sugar sector, becoming the first in Argentina (and Latin America outside Brazil) to achieve this recognition.
- GLOBAL G.A.P.: For more than 10 years, the company has maintained the Global G.A.P. certification for its own sugarcane fields, which ensures compliance with food, labor and environmental safety conditions.
- Local G.A.P.: In 2017, the company obtained Local G.A.P. certification, which guarantees "no burning" in sugarcane production.
- USDA-NOP and EU-AR: Since 2017, organic sugar production has been encouraged under the USDA-NOP (National Organic Program) certification scheme, and since 2020, under the EU-AR (European Union and Argentina).
- UTZ: The company's Colonia Caroya and Arroyito complexes have UTZ certification.
- RSPO: The company's Arroyito Complex has RSPO (Roundtable on Sustainable Palm Oil) certification.
- SAI-FSA: SAI-FSA (Sustainable Agriculture Initiative - Farm Sustainability Assessment) certification has been promoted since 2019. It provides certification for the primary production of corn in a group of producers managing more than 130,000 production hectares (including Arcor).
- FSC and PEFC: The Packaging plants have had FSC and PEFC certifications for forestry management and custody chain in its paper and corrugated cardboard manufacturing plants since 2016.

Moreover, the 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 for 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 performance, training and independence of the members of the Internal Audit team. 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 every year.

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, considering 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 point 25.

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 the responsibility 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 and Conduct Committee annually reports to the Board of Directors on the number of queries and complaints analyzed. Such queries and complaints are classified according to the nature of each: 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 assigned a Chief Compliance Officer, who is in charge of developing, co-coordinating and supervising the 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 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, new 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 parties, 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 can represent Arcor Group in business relationships where there might 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 where possible conflicts of interests in business relationships may arise, 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 a personal statement with sworn declaration character 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 agreements.

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 (http://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 http://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 to promote our businesses through responsible management that considers economic growth, social development and environmental protection while 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 Spanish acronym); 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 (http://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 fully 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 (Consumer Food Products, 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 years ended
December 31, 2022 and 2021

Consolidated financial statements

As of December 31, 2022 and 2021

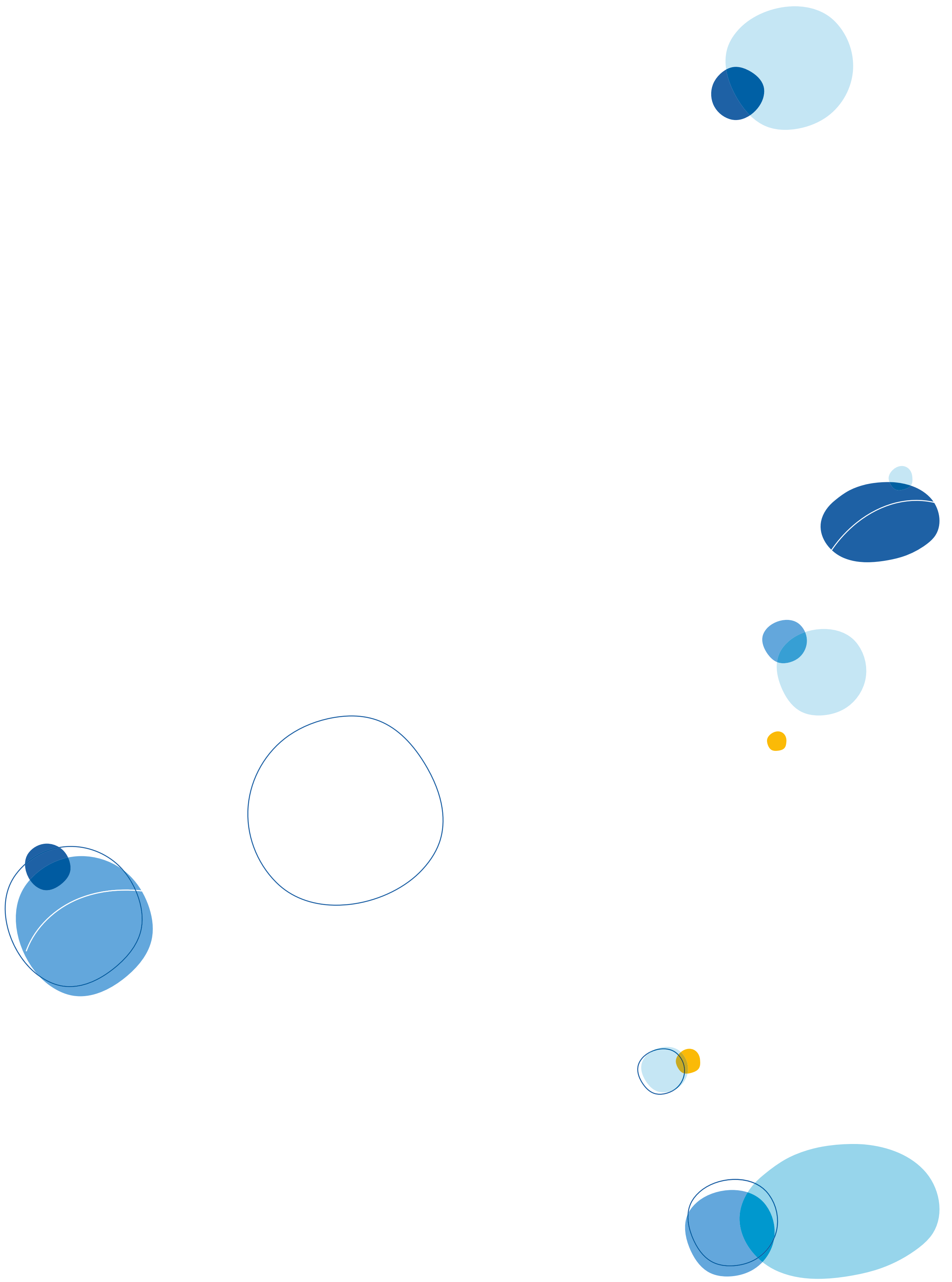
Contents

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

See our report dated March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.Cba. N° 21.00004.3
Cr. Guillermo M. Bosio
Public Accountant (UNC)
Professional License 10.17540.4 - C.P.C.E. Cba.



Consolidated financial statements

As of December 31, 2022 and 2021

Glossary of terms

TERM	DEFINITION
AFIP	The Spanish acronym for Administración Federal de Ingresos Públicos, i.e., the Argentine tax agency.
AOA	Angolan Kwanza.
ARS	Argentine Pesos.
Associates	Companies over which Arcor S.A.I.C. has significant influence as established in IAS 28.8.
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.
CEPAL	Economic Commission for Latin America and the Caribbean.
IFRIC	International Financial Reporting Interpretations Committee, IFRIC
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
COP	Colombian Peso.
EUR	Euro.
FACPCE	Argentine Federation of Professional Councils in Economic Sciences.
FMI	International Monetary Fund.
Arcor Group / Group	Economic group comprised by Arcor S.A.I.C. and its subsidiaries.
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).
IPC	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.
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. Dollar.
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, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED	
		12.31.2022	12.31.2021
Sales of Goods and Services	28	625,082,119	586,689,917
Costs of Goods Sold and Services Rendered	29	(454,128,731)	(429,413,428)
SUBTOTAL		**170,953,388**	**157,276,489**
Income (Loss) from Biological Assets	32	(738,013)	1,209,024
GROSS PROFIT		**170,215,375**	**158,485,513**
Selling Expenses	30	(92,294,814)	(89,489,924)
Administrative expenses	30	(29,507,118)	(24,272,577)
Other Income / (Expenses), Net	33	(5,984,894)	(1,776,241)
OPERATING INCOME		**42,428,549**	**42,946,771**
Financial income	34	(4,530,915)	21,191,240
Financial Expenses	34	(237,389)	(4,984,999)
Gain on Net Monetary Position	34	21,349,545	9,581,242
NET FINANCIAL INCOME (EXPENSE), NET		**16,581,241**	**25,787,483**
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	(2,498,497)	(1,783,559)
INCOME BEFORE INCOME TAX		**56,511,293**	**66,950,695**
Income Tax	35	(21,130,923)	(28,151,012)
NET INCOME FOR THE FISCAL YEAR		**35,380,370**	**38,799,683**
Income Attributable to:			
Company's Shareholders		32,039,243	35,368,448
Non-controlling Interest		3,341,127	3,431,235
TOTAL		**35,380,370**	**38,799,683**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	36	0.45770	0.50526

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 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.Cba. N° 21.00004.3
Cr. Guillermo M. Bosio
Public Accountant (UNC)
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Consolidated statement of other comprehensive income

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2022	12.31.2021
NET INCOME FOR THE FISCAL YEAR		**35,380,370**	**38,799,683**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that May Be Subsequently Reclassified to Income / (Loss)			
Currency Translation Differences of Companies	20	(7,469,823)	(25,330,559)
Reclassification to Net Income for the Fiscal Year of Companies" Translation Differences	20 and 34	7,209	251,314
Tax Effect	20 and 35	-	134,797
SUBTOTAL		**(7,462,614)**	**(24,944,448)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**(7,462,614)**	**(24,944,448)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates" Defined Benefit Plans	9	(4,848)	3,631
Actuarial (Loss) / Income from Defined Benefit Plans	24	(754,797)	(173,664)
Tax Effect	35	264,341	138,543
SUBTOTAL		**(495,304)**	**(31,490)**
Income (Loss) from Acquisition	42	-	386,170
SUBTOTAL		**-**	**386,170**
Total Items that Will Not Be Reclassified to Income / (Loss)		**(495,304)**	**354,680**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(7,957,918)**	**(24,589,768)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**27,422,452**	**14,209,915**
Other Comprehensive Income (Loss) for the Year Attributable to:			
Company's shareholders		(6,856,753)	(20,904,238)
Company's shareholders		(1,101,165)	(3,685,530)
TOTAL		**(7,957,918)**	**(24,589,768)**
Total Comprehensive Income (Loss) for the Year Attributable to:			
Company's shareholders		25,182,490	14,464,210
Company's shareholders		2,239,962	(254,295)
TOTAL		**27,422,452**	**14,209,915**

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Consolidated balance sheet

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2022	12.31.2021
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	129,208,029	134,541,574
Right-of-use Assets	6	3,728,906	4,202,725
Investment Properties	7	652,810	680,835
Intangible Assets	8	23,760,963	23,609,627
Investments in Associates and Joint Ventures	9	24,506,636	27,753,200
Biological Assets	10	3,206,166	3,800,854
Deferred Tax Assets	11	2,783,550	2,670,764
Other Investments	12	4,495	5,589
Other Receivables	13	6,830,909	10,340,359
Trade Receivables	13	39,002	-
TOTAL NON-CURRENT ASSETS		**194,721,466**	**207,605,527**
CURRENT ASSETS			
Biological Assets	10	1,988,739	2,518,932
Inventories	14	125,775,152	107,931,780
Derivative Financial Instruments	15	2,039,685	1,059,827
Other Receivables	13	27,847,280	25,534,614
Trade Receivables	13	76,781,321	80,691,053
Other Investments	12	871,984	984,054
Cash and Cash Equivalents	16	22,691,013	37,805,878
TOTAL CURRENT ASSETS		**257,995,174**	**256,526,138**
TOTAL ASSETS		**452,716,640**	**464,131,665**

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Consolidated balance sheet

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2022	12.31.2021
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	18	700,000	700,000
Capital Adjustment		21,128,913	21,128,913
Parent Company's Treasury Shares		(4,804)	(4,804)
Legal Reserve	17	4,365,783	4,365,783
Optional Reserve for Future Investments		52,086,335	33,970,569
Special Reserve for Future Dividends		9,043,807	3,241,631
Special Reserve for IFRS Adoption	17	2,306,123	2,306,123
Unappropriated Retained Earnings	19	31,523,934	35,665,646
Other Equity Components	20	(24,374,051)	(18,032,656)
SUBTOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		**96,776,040**	**83,341,205**
Non-controlling Interest	21	60,363,036	58,575,830
TOTAL EQUITY		**157,139,076**	**141,917,035**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	22	58,592,309	113,110,736
Lease Liabilities	23	1,993,192	2,555,488
Derivative Financial Instruments	15	616,653	2,675,788
Deferred Tax Liabilities	11	22,339,342	26,296,291
Employee Retirement Benefits Obligations	24	7,737,443	9,297,761
Provisions	25	815,205	1,285,334
Trade Payables and Other Liabilities	26	1,198,699	1,637,850
TOTAL NON-CURRENT LIABILITIES		**93,292,843**	**156,859,248**
CURRENT LIABILITIES			
Loans	22	66,074,073	48,727,084
Lease Liabilities	23	1,944,555	1,866,430
Derivative Financial Instruments	15	74,773	13,526
Income Tax Payable		1,344,699	3,209,050
Employee Retirement Benefits Obligations	24	1,172,272	1,516,461
Provisions	25	289,867	451,649
Advances from Customers		1,745,510	2,495,292
Trade Payables and Other Liabilities	26	129,638,972	107,075,890
TOTAL CURRENT LIABILITIES		**202,284,721**	**165,355,382**
TOTAL LIABILITIES		**295,577,564**	**322,214,630**
TOTAL EQUITY AND LIABILITIES		**452,716,640**	**464,131,665**

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

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Consolidated changes in equity

For the years ended December 31, 2022 and 2021
(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
Balance as of January 01, 2022	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**33,970,569**	**3,241,631**
Net income for the Year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves (2)	-	-	-	-	18,115,766	5,802,176
Cash Dividends (2)	-	-	-	-	-	-
Forfeited Dividends (3)	-	-	-	-	-	-
Balance as of December 31, 2022	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**52,086,335**	**9,043,807**

[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 Shareholders' Meeting held on April 29, 2022, The non-controlling interest includes the distribution of dividends by the subsidiaries Arcorpar S,A, in the amount of ARS 358,602, Arcor Alimentos Bolivia S,A, in the amount of ARS 9,275 and Mundo Dulce S,A, de C,V, in the amount of ARS 84,879,

[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,

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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
2,306,123	**35,665,646**	**(18,032,656)**	**83,341,205**	**58,575,830**	**141,917,035**
-	32,039,243	-	32,039,243	3,341,127	35,380,370
-	(515,358)	(6,341,395)	(6,856,753)	(1,101,165)	(7,957,918)
-	**31,523,885**	**(6,341,395)**	**25,182,490**	**2,239,962**	**27,422,452**
-	(23,917,942)	-	-	-	-
-	(11,747,704)	-	(11,747,704)	(452,756)	(12,200,460)
-	49	-	49	-	49
2,306,123	**31,523,934**	**(24,374,051)**	**96,776,040**	**60,363,036**	**157,139,076**

Consolidated changes in equity

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	UNAPPROPRIATED RETAINED EARNINGS		
	CAPITAL STOCK OUTSTANDING COMMON	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**	**21,128,913**	**(4,804)**	**4,365,783**	**30,736,305**	**7,437,149**
Net income for the year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**	**-**
Absorption of Losses [(2)]	-	-	-	-	3,234,264	1,954,640
Cash dividends [(2)]	-	-	-	-	-	(6,150,158)
Forfeited Dividends [(3)]	-	-	-	-	-	-
Non-Controlling Interest Capital Contributions [(4)]	-	-	-	-	-	-
Transactions with the Non-controlling Interest	-	-	-	-	-	-
Increase due to Acquisition [(5)]	-	-	-	-	-	-
Balances as of December 31, 2021	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**33,970,569**	**3,241,631**

[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 Shareholders' Meeting held on April 6, 2021 and the Ordinary and Extraordinary General Shareholders' Meeting held on August 20, 2021. The non-controlling interest includes mainly the distributions of dividends made by the subsidiaries Arcorpar S.A. in the amount of ARS 341,312, Arcor Alimentos Bolivia S.A. in the amount of ARS 1,670, Papel Misionero S.A.I.F.C. in the amount of ARS 29,670 and Mundo Dulce S.A. de C.V. in the amount of ARS 87,170.

[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] Note 42,

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

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Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

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UNAPPROPRIATED RETAINED EARNINGS		OTHER EQUITY COMPONENTS	SUBTOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	NON-CONTROLLING INTEREST (NOTE 21)	TOTAL EQUITY
SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 17)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 19)	TRANSLATION RESERVE (NOTE 20)			
2,306,123	**12,418,887**	**3,168,723**	**82,257,079**	**46,250,979**	**128,508,058**
-	35,368,448	-	35,368,448	3,431,235	38,799,683
-	297,141	(21,201,379)	(20,904,238)	(3,685,530)	(24,589,768)
-	**35,665,589**	**(21,201,379)**	**14,464,210**	**(254,295)**	**14,209,915**
-	(5,188,904)	-	-	-	-
-	(7,229,983)	-	(13,380,141)	(459,887)	(13,840,028)
-	57	-	57	-	57
-	-	-	-	12	12
-	-	-	-	(799)	(799)
-	-	-	-	13,039,820	13,039,820
2,306,123	**35,665,646**	**(18,032,656)**	**83,341,205**	**58,575,830**	**141,917,035**

Consolidated statement of cash flows

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2022	12.31.2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		**35,380,370**	**38,799,683**
Income Tax	35	21,130,923	28,151,012
Adjustments for:			
Depreciation of Property, Plant and Equipment and Investment Properties	30	13,312,398	13,250,533
Depreciation of Right-of-use Assets	30	2,199,702	2,221,546
Amortization of Intangible Assets	30	369,985	332,477
Provisions Deducted from Assets and Included in Liabilities, Net		1,350,133	2,044,692
Provisions for depreciation of property, plant and equipment	5	1,132,655	-
Net Financial Income (Expense)	34	(16,581,241)	(25,787,483)
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	2,498,497	1,783,559
Gain (Loss) on Disposal of Property, Plant and Equipment and Investment Properties	33	(130,909)	(108,705)
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	10	672,519	(1,558,869)
Derecognition of Bearer Plants	5	95,647	40,158
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	6 and 23	(2,397)	(1,626)
Adjustments Subtotal:		**4,916,989**	**(7,783,718)**
Net Receipts / (Payments) from Derivative Financial Instruments Related to Operating Activities	15	865	252,014
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(2,024,503)	(2,281,343)
Income Tax Payments		(16,647,020)	(11,401,940)
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**42,757,624**	**45,735,708**
Net Changes in Operating Assets and Liabilities			
Trade receivables		(20,977,475)	(30,684,962)
Other receivables		(14,332,405)	(16,114,309)
Inventories		(17,684,294)	(15,420,140)
Trade accounts payable and other payables		62,135,377	50,642,753
Provisions		(394,463)	(313,648)
Net Cash Flow Provided by Operating Activities		**51,504,364**	**33,845,402**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases and advances of property, plant and equipment, intangible assets and others		(10,777,723)	(10,410,480)
Cash Inflows from Disposal of Property, Plant and Equipment and Investment Properties		186,664	239,793
Capital Contributions in Joint Venture	41	-	(551,592)
Net change in financial receivables from joint ventures		(625,206)	-
Payments for purchase of shares	22 and 42	(335,581)	-
Net cash inflow from acquisition of shares [1]	9 and 42	-	62,419
Payments for Transactions with the Non-controlling Interest		-	(799)
Net cash inflows from payments for acquisitions of financial investments		59,835	(1,103,727)
Net Cash Flows (Used In) Financing Activities	16	**(11,492,011)**	**(11,764,386)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows from Bank Loans	22	76,240,150	19,922,788
Repayment of Bank Loans	22	(79,126,336)	(9,010,498)
Inflows from Notes Issued	22	-	8,353,386
Debt Repayment in respect of Notes	22	(19,096,042)	(12,111,274)
Net Changes in Short-term Loans	22	17,709,786	15,563,142
Payments of Principal on Lease Liabilities	23	(2,166,509)	(2,267,260)
Payments of Interest on Lease Liabilities	23	(203,456)	(232,051)
Payment of Interest and Other Financial Expenses	22	(25,648,899)	(23,091,302)
Net Payments from Derivative Financial Instruments Related to Financing Activities		(4,133,538)	(3,068,444)
Distribution of Dividends		(10,952,631)	(12,807,174)
Contributions from the Non-controlling Interest		-	12
Net Cash Flows (Used In) Financing Activities	16	**(47,377,475)**	**(18,748,675)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(7,365,122)**	**3,332,341**
Cash and Cash Equivalents at the Beginning of the Year	16	**37,805,878**	**42,768,141**
Exchange Differences and Currency Translation Effect on Cash and Cash Equivalents		(6,732,040)	(7,914,447)
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(1,017,703)	(380,157)
Net Increase in Cash and Cash Equivalents		(7,365,122)	3,332,341
Cash and Cash Equivalents at Year-end	16	**22,691,013**	**37,805,878**

[1] It includes the price agreed upon for the acquisition of shares of Ingrear Holding S.A. for ARS 1,071,227, net of cash and cash equivalents acquired as of the acquisition date as identifiable assets of the acquired business in the amount of ARS 1,133,646, pursuant to the transaction described in note 42.

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

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Victor Jorge Aramburu
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Luis Alejandro Pagani
Chairman

Notes to the consolidated financial statements

For the years ended December 31, 2022 and 2021
(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, associates and joint ventures 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.

The Company is authorized for public offering and listing of its marketable securities by the CNV and Bolsas y Mercados Argentinos S.A. (BYMA), respectively, and for secondary trading of its notes in the Mercado Abierto Electrónico (MAE). Note 22 includes information related to the current Global Notes Program.

These consolidated financial statements were approved by Minutes of Board of Directors' Meeting No. 2404 dated March 11, 2023.

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). Its registered office is located at Maipú No. 1210, 8th Floor, Suite 817, C1006ACT, Autonomous City of Buenos Aires.

1.3 Economic context

The Group 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 almost immediately on economies. In response, most governments implemented expansionary fiscal policies and fiscal aid packages to support people's income and minimize a potential disruption in the payment chain and prevent economic and financial crises. A large portion of such policies were maintained longer than originally expected, resulting in an undesired increase in inflation worldwide.

In this regard, 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. As of the date of these consolidated financial statements, the pandemic has not had a substantial impact on the Group's results of operations.

Subsequently, due to the armed conflict that erupted in early 2022 between Russia and Ukraine, the global economic context became more complex and the prices of many food and energy commodities spiked. Furthermore, global inflation levels continued to rise, especially in the United States and in Europe, which led to said countries to implement monetary policy measures such as rising interest rates to try and curb the inflation.

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Notes to the consolidated financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 1. General information

1.3 Economic context

At the local level, 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.

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.

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, 2021 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, 2022:

Amendments to IFRS 3, "Business combinations": These changes imply an update to a reference expressed in IFRS 3 to Conceptual Framework for Financial Reporting maintaining the accounting requirements for business consolidations unchanged. The adoption of these amendments did not have an impact on these consolidated financial statements.

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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 adoption of these amendments did not have an impact on these consolidated financial statements.

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 adoption of these amendments did not have an 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, 2022 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, 2024.

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.

Amendments to IAS 16, "Sale-Leaseback Transaction": These amendments include requirements for sale-leaseback transactions in NIFRS 16 to explain how an entity accounts for a sale-leaseback after the date of the transaction. Sale-leaseback transactions where some or all of the lease payments are variable payments that are not dependent on an index or rate are likely to be affected. These amendments were published in September 2022 and will come into force for fiscal years commencing on or after January 1, 2024.

Amendments to IAS 1, "Non-current liabilities with covenants": These amendments clarify how the covenants that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments were published in November 2022 and will come into force for fiscal years commencing on or after January 1, 2024.

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 (*)			
					12.31.2022		12.31.2021	
					DIRECT	DIRECT AND INDIRECT	DIRECT	DIRECT AND INDIRECT
Arcor A.G. (S.A., Ltd.)[1]	Suiza	EUR	EUR	12.31.2022	-	-	100.00000	100.00000
Arcor Alimentos Bolivia S.A.	Bolivia	BOB	BOB	12.31.2022	-	99.00000	-	99.00000
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1][2]	España	EUR	EUR	12.31.2022	100.00000	100.00000	100.00000	100.00000
Arcor de Perú S.A.	Perú	PEN	PEN	12.31.2022	-	99.97123	-	99.97123
Arcor do Brasil Ltda.	Brasil	BRL	BRL	12.31.2022	0.00046	100.00000	0.00046	100.00000
Arcor Trading (Shanghai) Co. Ltd.	China	RMB	RMB	12.31.2022	-	100.00000	-	100.00000
Arcor U.S.A., Inc.	EE.UU.	USD	USD	12.31.2022	-	100.00000	-	100.00000
Arcorpar S.A.	Paraguay	PYG	PYG	12.31.2022	-	50.00000	-	50.00000
Ardion S.A.	Argentina	ARS	ARS	12.31.2022	-	51.00000	-	51.00000
Bagley Argentina S.A.	Argentina	ARS	ARS	12.31.2022	0.00401	50.64327	0.00401	50.64327
Bagley Chile S.A.	Chile	CLP	CLP	12.31.2022	-	50.84330	-	50.84330
Bagley do Brasil Alimentos Ltda.	Brasil	BRL	BRL	12.31.2022	-	51.00000	-	51.00000
Bagley Latinoamérica S.A.[3]	España	EUR	EUR	12.31.2022	51.00000	51.00000	51.00000	51.00000
Cartocor Chile S.A.[4]	Chile	CLP	CLP	12.31.2022	28.07196	99.99763	28.07196	99.99763
Cartocor de Perú S.A.	Perú	PEN	PEN	12.31.2022	-	99.99760	-	99.99751
Cartocor S.A.[5]	Argentina	ARS	ARS	12.31.2022	99.99678	99.99683	99.99678	99.99683
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2022	99.99780	99.99783	99.99597	99.99604
GAP Regional Services S.A.	Uruguay	UYU	USD	12.31.2022	-	100.00000	-	100.00000
Industria de Alimentos Dos en Uno S.A.[6]	Chile	CLP	CLP	12.31.2022	-	100.00000	-	100.00000
Industria Dos en Uno de Colombia Ltda.[7]	Colombia	COP	COP	-	-	-	4.37353	100.00000
Ingrear Holding S.A.[8]	Argentina	ARS	ARS	12.31.2022	51.00000	51.00000	51.00000	51.00000
Ingrecor S.A.	Argentina	ARS	ARS	12.31.2022	-	51.00000	-	51.00000
Ingredion Chile S.A.	Chile	CLP	CLP	12.31.2022	-	51.00000	-	51.00000
Ingredion Uruguay S.A.	Uruguay	UYU	USD	12.31.2022	-	51.00000	-	51.00000
Mundo Dulce S.A. de C.V.	México	MXN	MXN	12.31.2022	-	49.99992	-	49.99992
Papel Misionero S.A.I.F.C.	Argentina	ARS	ARS	12.31.2022	-	96.06842	-	96.06842
Unidal Ecuador S.A.	Ecuador	USD	USD	12.31.2022	-	99.98159	-	99.98159
Unidal México S.A. de C.V.[9]	México	MXN	MXN	12.31.2022	-	99.99984	-	99.99984
Van Dam S.A.	Uruguay	UYU	UYU	12.31.2022	-	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] See "Corporate Reorganizations" on note 40.
[2] It consolidates the accounts of Arcor Alimentos Bolivia S.A. and Arcor Trading (Shanghai) Co. Ltd., Arcor do Brasil Ltda, Arcor U.S.A., Inc., Arcorpar S.A., GAP Regional Services S.A., Industria de Alimentos Dos en Uno S.A, Unidal México S.A. de C.V. and Van Dam S.A. and includes a branch in Spain.
[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] It consolidates the accounts of Arcor de Perú S.A. and Unidal Ecuador S.A.
[7] During the first quarter of 2022, the Group sold its entire equity interest in the subsidiary Industria Dos en Uno de Colombia Ltda. See Note 40.
[8] It consolidates the accounts of Ingrecor S.A., Ardion S.A., Ingredion Chile S.A., and Ingredion Uruguay S.A. (Note 42).
[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) 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.

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.

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(c) 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.

(d) 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.

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.

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.

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Note 2. Accounting standards and basis for preparation

2.5 Financial Reporting in Hyperinflationary Economies

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, 2022 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 94.79% as of December 31, 2022, and 50.94% as of December 31, 2021.

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.

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.

Notes to the consolidated financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 2. Accounting standards and basis for preparation

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	12.31.2022	12.31.2021
AOA	2.8464	5.4134
BOB	0.0393	0.0679
BRL	0.0295	0.0544
CLP	4.8365	8.2393
RMB	0.0394	0.0621
COP(1)	-	38.8330
USD	0.0057	0.0098
EUR	0.0053	0.0086
MXN	0.1094	0.2001
PYG	41.4762	67.1051
PEN	0.0216	0.0389
UYU	0.2264	0.4360

[1] See Note 40.

(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.

(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.

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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

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 Not 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.

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.

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

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Note 2. Accounting standards and basis for preparation

2.7 Property, Plant and Equipment

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 agreements are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases cannot be used as collateral for loan purposes.

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's useful life and the lease term. The resulting carrying amount does not exceed the recoverable value of the 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.

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Note 2. Accounting standards and basis for preparation

2.8 Leases

2.8.3 Lease Liabilities

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. Barring exceptional circumstances, the Group updates the rates applicable to new lease contracts on an annual basis.

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.

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.

Note 2. Accounting standards and basis for preparation

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.

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.

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Note 2. Accounting standards and basis for preparation

2.10 Intangible Assets

(b) Brands

Brands acquired by the Group are classified as intangible assets with indefinite useful lives and, therefore, their amortization is not computed. 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) Intangible Assets Acquired as a Result of Business Combinations

These assets are mainly brands, valued at fair value in the respective functional currency, estimated at the time of acquisition and translated into Argentine pesos, if applicable, at the exchange rate prevailing at closing.

The Group considers that the brands have an indefinite useful life (therefore their amortization is not computed) since, by means of marketing investments and commercial actions, it estimates that their value is maintained. The value of these assets does not exceed their estimated recoverable value.

(d) 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.

2.11 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, sugarcane sown land and fruit crops. Dairy cattle and beef cattle are part of the biological assets of the livestock business.

Grain sown land and sugarcane 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 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 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.

(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.

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Note 2. Accounting standards and basis for preparation

2.12 Biological Assets

(c) Sugarcane Sown Land

Sugarcane 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.

Sugarcane 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. Sugarcane, which is the biological product resulting from those sown land plots, is then transferred to "Inventories" (Note 2.15) at fair value, after harvest.

At the initial phase of biological development, i.e. until the sugarcane 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 (sugarcane 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, sugarcane price and estimated costs of farm work and inputs up to the harvest date.

Given that, at year-end, the land plots sown with sugarcane 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 (sugarcane) 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).

Note 2. Accounting standards and basis for preparation

2.12 Biological Assets

(d) 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 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.

(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 dairy 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.

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Note 2. Accounting standards and basis for preparation

2.12 Biological Assets

(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.

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.

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Note 2. Accounting standards and basis for preparation

2.13 Financial Assets

2.13.1 Classification

(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. 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.

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.

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 useful life of such assets. To measure the expected credit loss, groups of customers whose risks are similar and, at the same time, different from each other were identified. The Group defines an "event of default" as a delinquency of more than 90 days. This definition is maintained until the cancellation of outstanding obligations with the Group. Impairment tests on accounts receivable are also described in note 2.16.

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.

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Note 2. Accounting standards and basis for preparation

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.

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 immediately reported in the consolidated statement of income and its allocation in such statement depends on the item hedged.

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: (i) if the hedged item affects the item "Net Financial Income (Expense)," the reclassification is recognized under said item; and (ii) if the hedged item affects items comprising "Operating Income," such reclassification is recognized under said item.

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.

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.

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); however, if the instruments involve the supply of raw materials (cocoa, cereals, etc.), they are allocated under "Cost of Goods Sold and Services Rendered" (Note 29). Further, it is worth noting that 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.

Note 2. Accounting standards and basis for preparation

2.15 Inventories

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.

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. Group fund placements that do not meet the aforementioned conditions are disclosed under "Other Investments" in the consolidated balance sheet.

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 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 separate statement of income over the term of the loan, using the effective interest rate method.

In the event of a swap of financial instruments related to financial debts, the Group analyzes whether the changes in such instruments are substantial or not, in order to define whether it is a cancellation or modification, respectively, of the original liability.

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Note 2. Accounting standards and basis for preparation

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. In case of liabilities resulting from raw material purchase agreements with price to be fixed (such as cereal purchase with price to be fixed), fair value is estimated at the end of the reporting period.

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.

It also considers the effect of the future utilization of accumulated tax loss carry-forwards, 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 carry-forwards, 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.

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Note 2. Accounting standards and basis for preparation

2.21 Income Tax and Minimum Presumed Income Tax

(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 ax 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. As of December 31, 2022, there are no balances under "Other Liabilities" related to minimum presumed income tax.

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 2022 and 2021 in these consolidated financial statements.

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.

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Note 2. Accounting standards and basis for preparation

2.22 Employee Benefits

(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. Further, the Group has established a special retirement plan for directors (who are on the Company's payroll) and another one for general managers of the Group based in Argentina. Such retirement plans establish eligibility criteria that determine the beneficiary's compliance with certain pre-established requirements and willingness to participate.

(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.

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.

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Note 2. Accounting standards and basis for preparation

2.23 Provisions

- 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 Operating Leases - Recognition Exemption

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, as these are recognition exemptions, under the terms of IFRS 16 (short-term leases and/or leases where the underlying asset is low-value).

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. The Group applies the same criterion with respect to the distribution of dividends of some companies comprising the non-controlling interest.

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.

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, which usually occurs when the products and services are effectively delivered to the customer and there are no pending performance obligations that may affect the customer's acceptance of such products or services. The transfer of control takes place upon delivery 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.

Products are typically sold at volume or price discounts based on aggregate sales over variable periods (not exceeding 12 months). Revenues from these sales are recognized based on the price specified in the contract, net of estimated volume or price discounts. Accumulated experience and contract clauses are used to estimate and forecast discounts, using the "expected value method", and revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in "Trade Receivables" in the consolidated balance sheet) is recognized for expected volume or price discounts to be written off to customers in connection with sales made through the end of the reporting period. Likewise, the financing components contained in contracts with customers are recognized in "Net Financial Income (Expense)" in the consolidated statement of income. In this regard, significant financing components may exist regardless of whether the financing commitment is explicitly stipulated with the customer in the contract or is implicit in the payment and price conditions agreed by the parties to the contract.

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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 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, with no unfulfilled performance obligations that that could affect the customer's acceptance of such products.

(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 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 "Other Income / (Expenses), Net" in these consolidated financial statements.

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) 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 recoverable amount of a cash-generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections 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.

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Note 3. Significant accounting criteria and estimates

The main key assumptions are related to marginal contribution margins. These were 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 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.

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Note 3. Significant accounting criteria and estimates

(e) Income Tax

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. The final determinations of uncertain tax positions related to income tax could differ from those estimated at the time of preparation of the consolidated financial statements, thereby affecting the income tax charge.

(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 fulfillment of sales volumes in future periods for targets encompassing multiple months.

(g) Biological Assets

As described in Note 2.12, 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) required determining the fair value of various assets and liabilities of that associate at the time of acquisition. The Group relied 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 hired 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 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.

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.

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Note 3. Significant accounting criteria and estimates

(i) Recoverability of the Investment in Mastellone Hermanos S.A.

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.

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. For the sake of consistency, any modifications to these internal use management reports that may occur during the reporting period are taken into account in the formulation of comparative information.

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), 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. En dichas locaciones se encuentran instaladas las plantas industriales y las unidades comerciales. 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 Other Industrial Products.

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(Figures stated in thousands of Argentine pesos)

Note 4. Segment reporting

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.

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:

- 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:

	12.31.2022	12.31.2021
Operating Income	**42,428,549**	**42,946,771**
Financial Income	(4,530,915)	21,191,240
Financial Expenses	(237,389)	(4,984,999)
Gain on Net Monetary Position	21,349,545	9,581,242
Income (Loss) from Investments in Associates, Joint Ventures and Others	(2,498,497)	(1,783,559)
INCOME BEFORE INCOME TAX	**56,511,293**	**66,950,695**

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, described in Note 42.

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(Figures stated in thousands of Argentine pesos)

Note 4. Segment reporting

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:

	12.31.2022							
	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, plant and equipment [1]	104,991,704	5,955,069	12,957,432	4,580,860	648,664	73,488	812	129,208,029
Right-of-use Assets	2,511,565	448,199	278,469	139,373	99,853	219,181	32,266	3,728,906
Investment Properties	431,872	118,818	77,692	-	24,428	-	-	652,810
Intangible Assets	22,771,256	792,287	76,511	4,299	116,610	-	-	23,760,963
Investments in Associates and Joint Ventures [2]	23,135,002	-	-	1,371,634	-	-	-	24,506,636
Biological Assets	3,206,166	-	-	-	-	-	-	3,206,166
Deferred Tax Assets [1]	102,605	-	1,275,104	1,175,857	224,025	5,959	-	2,783,550
Other Investments	622	-	-	-	2,369	1,504	-	4,495
Other Receivables [3]	1,618,019	3,837,416	20,235	1,355,239	-	-	-	6,830,909
Trade Receivables	-	39,002	-	-	-	-	-	39,002
TOTAL NON-CURRENT ASSETS	**158,768,811**	**11,190,791**	**14,685,443**	**8,627,262**	**1,115,949**	**300,132**	**33,078**	**194,721,466**

	12.31.2022							
	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, plant and equipment [1]	108,266,287	5,994,694	14,969,905	4,543,606	666,629	100,231	222	134,541,574
Right-of-use Assets	2,727,050	628,335	483,646	170,378	161,408	24,104	7,804	4,202,725
Investment Properties	431,907	132,528	88,833	-	27,567	-	-	680,835
Intangible Assets	22,526,394	859,497	100,685	5,069	117,982	-	-	23,609,627
Investments in Associates and Joint Ventures[2]	25,469,704	-	-	2,283,496	-	-	-	27,753,200
Biological Assets	3,800,854	-	-	-	-	-	-	3,800,854
Deferred Tax Assets[1]	228,649	-	608,345	1,549,948	183,593	76,330	23,899	2,670,764
Other investments	1,219	-	-	-	2,673	1,697	-	5,589
Other Receivables [3]	4,780,558	4,710,461	28,937	820,403	-	-	-	10,340,359
TOTAL NON-CURRENT ASSETS	**168,232,622**	**12,325,515**	**16,280,351**	**9,372,900**	**1,159,852**	**202,362**	**31,925**	**207,605,527**

[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:

	12.31.2022			12.31.2021		
	ARGENTINA	ABROAD	TOTAL	ARGENTINA	ABROAD	TOTAL
Sales	426,730,779	198,351,340	**625,082,119**	395,303,743	191,386,174	**586,689,917**

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Notes to the consolidated financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 4. Segment reporting

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS[2]	OTHER INDUSTRIAL PRODUCT	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties[1]	111,757,223	103,991,062	47,392,526	110,478,600	78,640,753	185,595	27,046,406	24,784,948
Inter-segment Sales	34,710,421	5,274,830	2,245,977	22,789,334	26,847,645	6,487,814	2,417,973	1,284,372
TOTAL SALES	**146,467,644**	**109,265,892**	**49,638,503**	**133,267,934**	**105,488,398**	**6,673,409**	**29,464,379**	**26,069,320**
Operating Income (Loss)	**8,322,679**	**8,204,587**	**(3,531,368)**	**16,017,437**	**3,798,524**	**1,075,212**	**800,565**	**(1,106,181)**
Depreciation and Amortization Income Tax	(3,019,602)	(1,880,273)	(862,174)	(4,397,420)	(2,663,364)	(276,796)	(435,599)	(558,151)
Depreciation of Property, Plant and Equipment[3]	-	-	(802,619)	-	(330,036)	-	-	-
Income Tax	(8,124,437)	(4,596,523)	316,233	(5,786,593)	(831,434)	(23,879)	(274,742)	-
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS[2]	OTHER INDUSTRIAL PRODUCT	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties[1]	102,828,693	96,706,305	48,481,701	106,234,650	61,226,645	207,024	24,581,462	22,162,711
Inter-segment Sales	34,081,422	5,750,879	2,141,340	22,012,701	22,361,975	6,183,137	2,390,323	1,126,088
TOTAL SALES	**136,910,115**	**102,457,184**	**50,623,041**	**128,247,351**	**83,588,620**	**6,390,161**	**26,971,785**	**23,288,799**
Operating Income (Loss)	**13,501,871**	**5,346,227**	**(2,495,772)**	**16,156,357**	**1,149,827**	**1,004,973**	**993,870**	**(816,661)**
Depreciation and Amortization	(2,943,604)	(1,883,802)	(798,835)	(4,142,760)	(2,174,909)	(261,149)	(488,582)	(569,651)
Income Tax	(12,411,863)	(2,555,651)	(971,780)	(9,375,865)	(126,010)	(475,015)	-	-
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

[1] It includes sales of goods and services to associates.

[2] The effects of the business combination agreed upon with Ingredion Argentina S.R.L. on segment reporting are disclosed in Note 42.

[3] The charge to results is included within the operating result of the corresponding segments.

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ANDEAN REGION			NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS[2]	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2022
CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING						
27,269,373	10,461,532	27,800,340	25,390,182	23,499,332	6,369,471	14,776	-	**625,082,119**
3,807,535	1,026,469	664,607	345,345	52,646	150,569	255,190	(108,360,727)	**-**
31,076,908	**11,488,001**	**28,464,947**	**25,735,527**	**23,551,978**	**6,520,040**	**269,966**	**(108,360,727)**	**625,082,119**
1,602,209	**285,778**	**3,953,965**	**(288,887)**	**2,495,066**	**932,718**	**(133,755)**	**-**	**42,428,549**
(684,265)	(174,286)	(264,475)	(361,947)	(185,764)	(95,239)	(22,730)	-	**(15,882,085)**
-	-	-	-	-	-	-	-	**(1,132,655)**
538,532	85,455	(885,893)	(846,653)	(283,457)	(216,787)	(200,745)	-	**(21,130,923)**
-	-	-	(304,226)	-	-	(2,194,271)	-	**(2,498,497)**

ANDEAN REGION			NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS[2]	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2021
CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING						
31,920,928	12,000,312	23,791,545	28,721,195	24,930,405	2,894,576	1,765	-	**586,689,917**
3,819,499	1,131,012	439,831	370,728	23,860	46,156	238,927	(102,117,878)	**-**
35,740,427	**13,131,324**	**24,231,376**	**29,091,923**	**24,954,265**	**2,940,732**	**240,692**	**(102,117,878)**	**586,689,917**
1,793,689	**841,004**	**2,156,154**	**553,990**	**2,654,558**	**356,417**	**(249,733)**	**-**	**42,946,771**
(945,349)	(251,975)	(348,097)	(688,621)	(237,237)	(44,325)	(25,660)	-	**(15,804,556)**
(596,550)	(126,438)	(666,952)	(191,897)	(266,473)	(46,678)	(339,840)	-	**(28,151,012)**
-	-	-	153,883	-	-	(1,937,442)	-	**(1,783,559)**

(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	**11,087,533**	**105,122,079**	**1,435,081**	**234,845,831**	**27,838,591**	**9,917,951**	**390,247,066**
Additions	101,581	198,910	-	490,334	1,924,626	9,009,525	11,724,976
Transfers	-	2,540,708	259,927	7,062,865	609,058	(10,472,558)	-
Deletions	(2,847)	(22,448)	(681,242)	(6,930,490)	(649,467)	-	(8,286,494)
Currency Translation Effect	(211,060)	(1,947,669)	-	(3,744,570)	(498,744)	(209,112)	(6,611,155)
Original Value at Year-end	**10,975,207**	**105,891,580**	**1,013,766**	**231,723,970**	**29,224,064**	**8,245,806**	**387,074,393**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(61,349,201)**	**(942,826)**	**(172,606,339)**	**(20,807,126)**	**-**	**(255,705,492)**
Deletions	-	19,437	585,595	6,903,826	472,177	-	7,981,035
Currency Translation Effect	-	893,286	-	2,897,749	414,908	-	4,205,943
Depreciation for the Year	-	(3,463,041)	(132,108)	(7,907,786)	(1,712,260)	-	(13,215,195)
Accumulated Depreciation at Year-end	-	**(63,899,519)**	**(489,339)**	**(170,712,550)**	**(21,632,301)**	**-**	**(256,733,709)**
Allowance for impairment of property, plant and equipment							
Balance at beginning of year	-	-	-	-	-	-	-
Increases	(8,356)	(140,236)	-	(897,947)	(29,221)	(56,895)	(1,132,655)
Balance at year-end	(8,356)	**(140,236)**	**-**	**(897,947)**	**(29,221)**	**(56,895)**	**(1,132,655)**
TOTAL AS OF 12.31.2022	**10,966,851**	**41,851,825**	**524,427**	**60,113,473**	**7,562,542**	**8,188,911**	**129,208,029**

[1] The additions for the year include capitalized amounts to ARS 108,333.

[2] The accounting allocation of the deletions for the year is reported in the line item "Other income / (expenses) - net" of the consolidated statement of income, except for "Bearer plants", which is reported in the line item "Income (Loss) from Biological Assets" of the consolidated statement of income.

[3] The accounting allocation of depreciation for the year is reported in Note 30.

[4] The charge to the results of the year is reported in the line item "Other income / (expenses) - net" of the consolidated statement of income.

The useful life of the components of this item is disclosed in Note 2.7.

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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	**11,027,782**	**110,276,534**	**1,614,183**	**241,226,800**	**26,829,983**	**11,462,200**	**402,437,482**
Additions [1]	85,865	124,453	-	458,771	2,569,259	9,128,928	12,367,276
Increase due to Acquisition (Note 42) [2]	715,768	1,240,673	-	3,945,341	462,488	590,632	6,954,902
Transfers [3]	145,705	2,058,566	160,461	7,987,454	537,123	(10,743,604)	145,705
Deletions [4]	-	(343,816)	(339,563)	(1,700,194)	(633,072)	-	(3,016,645)
Currency Translation Effect	(887,587)	(8,234,331)	-	(17,072,341)	(1,927,190)	(520,205)	(28,641,654)
Original Value at Year-end	**11,087,533**	**105,122,079**	**1,435,081**	**234,845,831**	**27,838,591**	**9,917,951**	**390,247,066**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(62,041,339)**	**(967,284)**	**(179,025,386)**	**(21,206,762)**	-	**(263,240,771)**
Increase due to Acquisition (Note 42)	-	(94,412)	-	(229,552)	(46,596)	-	(370,560)
Deletions	-	312,094	299,405	1,660,949	571,410	-	2,843,858
Currency Translation Effect	-	3,979,816	-	12,798,074	1,547,258	-	18,325,148
Depreciation for the Year	-	(3,505,360)	(274,947)	(7,810,424)	(1,672,436)	-	(13,263,167)
Accumulated Depreciation at Year-end	-	**(61,349,201)**	**(942,826)**	**(172,606,339)**	**(20,807,126)**	-	**(255,705,492)**
TOTAL AS OF 12.31.2021	**11,087,533**	**43,772,878**	**492,255**	**62,239,492**	**7,031,465**	**9,917,951**	**134,541,574**

[1] Additions for the year include amounts capitalized in the amount of ARS 73,429.

[2] 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.

[3] In the case of land, it corresponds to transfers from Investment Properties (Note 7).

[4] 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.

[5] 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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Note 5. Property, plant and equipment

Property, Plant and Equipment Impairment Tests

As exposed in note 3(a), the Group evaluates the recoverability of its Property, Plant and Equipment assets when there are indications of impairment. As of December 31, 2022 and 2021, the most significant Property, Plant and Equipment assets that were subjected to such tests are summarized in the tables below, detailing the results of the evaluations and the methods used to estimate their recoverable values in each case:

As of December 31, 2022:

SUBSIDIARIES	OPERATING SEGMENT (NOTE 3)	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE	CARRYING VALUE AS OF 12.31.2022
Arcor do Brasil Ltda.	Confectionery and chocolates - Brazil	2,848,424	-	2,848,424
Bagley do Brasil Ltda.	Cookies and crackers- Brazil	3,106,645	-	3,106,645
Cartocor de Perú S.A.	Packaging – Andean Region	312,617	-	312,617
Cartocor S.A.	Packaging – Argentina	3,639,322	-	3,639,322
Arcor S.A.I.C.	Food products- Argentina	802,619	(802,619)	-
Arcor S.A.I.C.	Agribusiness- Argentina	330,036	(330,036)	-

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METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
Net realizable value	The Group hires independent appraisal specialists to determine such values.
Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 13 years (average useful life). - Discount rate: 13.98% per year.
Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 12 years (average useful life). - Discount rate: 11.57% per year.
Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain industrial products. • Main premises: - Marginal Contribution Margins - Period covered: 6 years (average useful life). - Discount rate: 11.57% per year.

(Figures stated in thousands of Argentine pesos)

Note 5. Property, plant and equipment

For assets included in the Food business, according to the requirements of IAS 36 "Impairment of Assets", an increase in cash flow projections of approximately 209.8%, each year and in each projected flow, keeping the rest of the variables constant, would cause the estimated recoverable value to be equal to the carrying amount and, consequently, would imply the reversal of the impairment previously recognized.

For assets included in the Agribusiness, in accordance with the requirements of IAS 36 "Impairment of Assets," an increase in cash flow projections of approximately 45.8%, each year and in each projected cash flow, keeping the remaining variables constant, would cause the estimated recoverable amount to be equal to the carrying amount and, consequently, result in the reversal of the previously recognized impairment loss.

For assets included in the Packaging Argentina business, in accordance with the requirements of IAS 36 "Impairment of Assets," an increase in the discount rate of approximately 309 basis points (from 13.98% to 17.07%), or a decrease in projected cash flows by 13.55% each year and in each projected cash flow, holding all other variables constant, would result in the estimated recoverable amount being equal to the carrying amount and would therefore require recognition of an impairment loss based on those values.

Property, Plant and Equipment Impairment Tests

As of December 31, 2021:

SUBSIDIARIES	OPERATING SEGMENT (NOTE 3)	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE	CARRYING VALUE AS OF 12.31.2022
Arcor do Brasil Ltda.	Confectionery and chocolates - Brazil	3,054,162	-	3,054,162
Bagley do Brasil Ltda.	Cookies and crackers- Brazil	2,940,532	-	2,940,532
Cartocor de Perú S.A.	Packaging – Andean Region	325,322	-	325,322
Cartocor S.A.	Packaging – Argentina	3,935,262	-	3,935,262
Arcor S.A.I.C.	Food products- Argentina	856,792	-	856,792
Arcor S.A.I.C.	Agribusiness- Argentina	397,885	-	397,885

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METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
Net realizable value	The Group hires independent appraisal specialists to determine such values.
Value in use	• Model of discounted net cash flows. • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 14 years (average useful life). - Discount rate: 11.94% per year.
Value in use	• Model of discounted net cash flows. • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 13 years (average useful life). - Discount rate: 11.10% per year.
Value in use	• Model of discounted net cash flows. • Cash-generating units include the assets and liabilities involved in the production of certain industrial products. • Main premises: - Marginal Contribution Margins - Period covered: 7 years (average useful life). - Discount rate: 11.10% per year.

(Figures stated in thousands of Argentine pesos)

Note 6. Right-of-use assets

The following tables detail the breakdown of and changes to this item:

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**1,186,120**	**5,627,238**	**1,022,724**	**7,836,082**
Additions	334,860	818,181	721,708	1,874,749
Adjustments to Variable Leases	151,298	(18,233)	(80,036)	53,029
Deletions	(152,655)	(1,641,461)	(71,297)	(1,865,413)
Currency Translation Effect	-	(183,497)	(26,443)	(209,940)
Original Value at Year-end	**1,519,623**	**4,602,228**	**1,566,656**	**7,688,507**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(625,663)**	**(2,662,408)**	**(345,286)**	**(3,633,357)**
Deletions	152,655	1,633,474	70,689	1,856,818
Currency Translation Effect	57,205	60,522	(14,742)	102,985
Depreciation for the Year	(335,137)	(1,561,584)	(389,326)	(2,286,047)
Accumulated Depreciation at Year-end	**(750,940)**	**(2,529,996)**	**(678,665)**	**(3,959,601)**
TOTAL AS OF 12.31.2022	**768,683**	**2,072,232**	**887,991**	**3,728,906**

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**1,316,105**	**5,894,013**	**635,074**	**7,845,192**
Additions	49,076	2,014,006	598,432	2,661,514
Increase due to acquisition (note 42)	-	137,582	-	137,582
Adjustments to Variable Leases	(118,434)	(113,818)	(14,874)	(247,126)
Deletions	(60,627)	(1,574,871)	(91,232)	(1,726,730)
Currency Translation Effect	-	(729,674)	(104,676)	(834,350)
Original Value at Year-end	**1,186,120**	**5,627,238**	**1,022,724**	**7,836,082**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(440,001)**	**(2,801,519)**	**(173,033)**	**(3,414,553)**
Increase due to acquisition (note 42)	-	(59,240)	-	(59,240)
Deletions	60,627	1,550,045	48,387	1,659,059
Currency Translation Effect	-	295,027	42,531	337,558
Depreciation for the Year	(246,289)	(1,646,721)	(263,171)	(2,156,181)
Accumulated Depreciation at Year-end	**(625,663)**	**(2,662,408)**	**(345,286)**	**(3,633,357)**
TOTAL AS OF 12.31.2021	**560,457**	**2,964,830**	**677,438**	**4,202,725**

[1] The accounting allocations of the deletions for the year are reported in "Other income/ (expenses), Net" in the consolidated statement of income.

[2] The accounting allocation of depreciation for the year is reported in Note 30.

[3] 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.

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Note 7. Investment properties

The following table shows the breakdown of and changes to this item:

	12.31.2022	12.31.2021
	LANDS AND CONSTRUCTIONS	
Cost		
Original value at the beginning of the year	**1,204,549**	**1,527,202**
Additions	-	30,427
Transfers[1]	-	(145,705)
Deletions[2]	(6,978)	-
Currency translation effects	(20,903)	(207,375)
Original Value at Year-end	**1,176,668**	**1,204,549**
Depreciation		
Accumulated depreciation at the beginning of the year	**(523,714)**	**(643,419)**
Currency translation effects	126	120,044
Depreciation of the year[3]	(270)	(339)
Accumulated depreciation at Year-end	**(523,858)**	**(523,714)**
TOTAL	**652,810**	**680,835**

[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, 2022 and 2021, their fair value of these assets amounted to ARS 17,966 and ARS 20,546,296, 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, 2022 and 2021 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	**5,480,311**	**16,879,864**	**3,340,686**	**25,700,861**
Additions	-	-	580,524	580,524
Currency translation effect	(40,749)	(7,248)	(38,189)	(86,186)
Original Value at Year-end	**5,439,562**	**16,872,616**	**3,883,021**	**26,195,199**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(2,091,234)**	**(2,091,234)**
Currency Translation Effect	-	-	26,983	26,983
Amortization for the Year	-	-	(369,985)	(369,985)
Accumulated Amortization at Year-end	**-**	**-**	**(2,434,236)**	**(2,434,236)**
TOTAL AS OF 12.31.2022	**5,439,562**	**16,872,616**	**1,448,785**	**23,760,963**

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost				
Original Value at the Beginning of the Year	**5,612,818**	**16,937,764**	**2,996,581**	**25,547,163**
Additions [2]	122,671	-	515,005	637,676
Currency translation effect	(255,178)	(57,900)	(170,900)	(483,978)
Original Value at Year-end	**5,480,311**	**16,879,864**	**3,340,686**	**25,700,861**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(1,884,256)**	**(1,884,256)**
Currency Translation Effect	-	-	125,499	125,499
Amortization for the Year [1]	-	-	(332,477)	(332,477)
Accumulated Amortization at Year-end	**-**	**-**	**(2,091,234)**	**(2,091,234)**
TOTAL AS OF 12.31.2021	**5,480,311**	**16,879,864**	**1,249,452**	**23,609,627**

[1] The accounting allocation of the amortization expense is reported in Note 30.

[2] Under Brands, it corresponds to the acquisition of a trademark for the "Confectionery and Chocolates" operating segment in Argentina.

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, 2022 and 2021, such expenses totaled ARS 2,224,981 and ARS 2,092,141, 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:

	12.31.2022	12.31.2021
Cookies and Crackers Argentina	8,615,564	8,615,564
Confectionery and Chocolates Argentina	7,071,444	7,071,444
Packaging Argentina	1,036,089	1,036,089
Subtotal – Goodwill corresponding to segments in Argentina	**16,723,097**	**16,723,097**
Southern Subsidiaries	116,610	117,982
Confectionery and Chocolates Andean Region	32,909	38,785
Subtotal – Goodwill corresponding to segments abroad	**149,519**	**156,767**
TOTAL –GOODWILL EXPOSED IN INTANGIBLE ASSETS	**16,872,616**	**16,879,864**
Rest of the Countries and Businesses - Mastellone Hermanos S.A.[1]	4,927,895	4,927,895
TOTAL	**21,800,511**	**21,807,759**

[1] Disclosed under the heading "Investments in Associates and Joint Ventures"

The following table shows the allocation of brands (intangible assets with indefinite useful life) at the segment level:

	12.31.2022	12.31.2021
Cookies and Crackers Argentina	2,381,690	2,381,690
Confectionery and Chocolates Argentina	122,671	122,671
Packaging Argentina	2,196,285	2,196,285
Subtotal	**4,700,646**	**4,700,646**
Confectionery and Chocolates Brazil	490,369	517,412
Cookies and Crackers Brazil	248,547	262,253
TOTAL	**5,439,562**	**5,480,311**

The discount rates used, depending on the geographic location of the cash generating unit, approximately ranged from:

- Argentina: 11.5% and 14.5%;
- Brazil: 6% and 7%;
- Andean Region: 4.5% and 6%;
- Southern Subsidiaries: 4.5% and 5.5%.

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 12.31.2022	CARRYING AMOUNT AS OF AL 12.31.2021
GAP Inversora S.A.	Associate	Argentina	Financial and investment activities	1.60000	24	66
Mastellone Hermanos S.A.	Associate	Argentina	Industrialization and commercialization of milk products, by-products and derivatives	[1] 48.67670	23,134,978	25,469,638
Tucor DMCC	Joint Venture	United Arab Emirates	Financial and investment activities	[2] 50.00000	1,371,634	2,283,496
TOTAL					**24,506,636**	**27,753,200**

[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:

	INVESTMENT IN ASSOCIATES AND JOINT VENTURES	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2022
Balances at the Beginning of the Year	**27,753,200**	**-**	**27,753,200**
Income (Loss) from Investments in Associates, Joint Ventures and Others by the equity method	1,733,027	-	1,733,027
Income (loss) from the devaluation of the investment in the associated company Mastellone Hermanos S.A. (note 43) [1]	(4,231,524)	-	(4,231,524)
Changes in Translation Reserve [2]	(743,219)	-	(743,219)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates" Defined Benefit Plans [3]	(4,848)	-	(4,848)
BALANCES AT YEAR-END	**24,506,636**	**-**	**24,506,636**

	INVESTMENT IN ASSOCIATES AND JOINT VENTURES	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2021
Balances at the Beginning of the Year	**28,255,156**	**(699,134)**	**27,556,022**
Capital Contribution	2,852,173	-	2,852,173
Income (Loss) from Investments in Associates, Joint Ventures and Others by the equity method	(2,067,160)	-	(2,067,160)
Changes in Translation Reserve [2]	(591,466)	-	(591,466)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates" Defined Benefit Plans [3]	3,631	-	3,631
Transfers to/from Items	(699,134)	699,134	-
BALANCES AT YEAR-END	**27,753,200**	**-**	**27,753,200**

[1] It is presented under the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" in the consolidated income statement.
[2] It is presented under the item "Translation Companies" Translation Differences" in the consolidated statement of other comprehensive income
[3] It is presented under the item "Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans" in the statement of other comprehensive income.

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(Figures stated in thousands of Argentine pesos)

Note 9. Investments in associates and joint ventures

The following table shows the financial information as of December 31, 2022, as required by IFRS 12:

COMPANY	SUMMARY FINANCIAL POSITION					SUMMARY PROFIT & LOSS				
	NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	EQUITY[4]	SALES	GROSS PROFIT FOR THE YEAR	NET INCOME (LOSS) FOR THE YEAR[4]	OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR[4]	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR[4]
GAP Inversora S.A.[1]	3,631	623	-	2,783	1,471	-	-	(2,560)	(84)	(2,644)
Mastellone Hermanos S.A.[2]	74,959,939	53,018,807	55,182,580	30,263,204	42,532,064	217,163,331	59,446,303	1,358,366	(1,257,936)	100,430
Tucor DMCC[3]	9,365,644	2,082,504	3,318,302	4,140,917	3,988,929	767,298	(893,209)	(600,122)	(1,244,952)	(1,845,074)

[1] Financial information from the financial statements as of December 31, 2022.

[2] Financial information from the consolidated financial statements as of December 31, 2022. 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 Insurance 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] 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).

[4] Equity and earnings attributable to the shareholders of each associate and joint venture.

Below is a breakdown of the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" of the consolidated statement of income:

	12.31.2022	12.31.2021
Gain (Loss) on Investment in Gap Inversora S.A. (Associate)	(41)	(86)
Gain (Loss) on Investment in Mastellone Hermanos S.A. (Associate) (Note 43)	1,784,831	(699,337)
Changes in Higher and Lower Values of Identifiable Assets and Liabilities Mastellone Hermanos S.A. (Note 43)	252,463	(1,521,620)
Increase in allowance for devaluation of investment in Mastellone Hermanos S.A. (note 43).	(4,231,524)	-
Gain (Loss) on Investment in Tucor DMCC (Joint Venture) (Note 41)	(304,226)	153,883
SUBTOTAL	**(2,498,497)**	**(2,067,160)**
Gain on Acquisition (Note 42)	-	283,601
TOTAL	**(2,498,497)**	**(1,783,559)**

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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	**42,532,064**	**1,358,366**	**(1,257,936)**
Equity interest owned by Arcor Group		48,6767%	
Mastellone Hermanos S.A.'s figures attributable to Arcor Group	**20,703,225**	**661,209**	**(612,322)**
Items to reconcile Arcor Group's equity interest			
Difference in valuation of Property, Plant and Equipment, Other Assets, Investment Properties and Intangible Assets	(9,323,664)	1,728,695	733,449
Tax effect of measurement differences	3,263,154	(605,073)	(256,709)
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(52,943)	-	-
Subtotal - Share of Mastellone Hermanos S.A.'s equity and profit and loss at carrying amounts, based on Arcor Group's measurement criteria	**14,589,772**	**1,784,831**	**(135,582)**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid	7,848,835	252,463	(4,848)
Increase in allowance for devaluation of investment in Mastellone Hermanos S.A.	(4,231,524)	(4,231,524)	-
Recognition of goodwill	4,927,895	-	-
Arcor Group's figures as per its financial statements	**23,134,978**	**(2,194,230)**	**(140,430)**

[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, 2022.

[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.

[4] Note 43.

[*] 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]	SUGARCANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TREE PLANTATIONS [2]	TOTAL
Total Non-current as of January 1, 2022	-	-	-	1,237,614	2,563,240	3,800,854
Total Current as of January 1, 2022	349,143	389,175	967,247	219,988	593,379	2,518,932
TOTAL AS OF JANUARY 1, 2022	**349,143**	**389,175**	**967,247**	**1,457,602**	**3,156,619**	**6,319,786**
Additions at Cost	495,496	674,516	1,308,658	-	275,923	2,754,593
Initial Recognition and Changes in Fair Value	382,499	417,295	(511,276)	(299,813)	(661,224)	(672,519)
Harvest of Biological Products	(822,800)	(1,173,955)	(814,261)	-	(163,009)	(2,974,025)
Deletion due to Sale of Biological Assets	-	-	-	(232,930)	-	(232,930)
TOTAL AS OF DECEMBER 31, 2022	**404,338**	**307,031**	**950,368**	**924,859**	**2,608,309**	**5,194,905**
Total Non-current as of December 31, 2022	-	-	-	764,417	2,441,749	3,206,166
Total Current as of December 31, 2022	404,338	307,031	950,368	160,442	166,560	1,988,739

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Note 10. Biological assets

	FRUIT CROPS	GRAIN SOWN LAND [1]	SUGARCANE SOWN LAND [1]	DAIRY OR BEEF CATTLE	TREE PLANTATIONS [2]	TOTAL
Total Non-current as of January 1, 2021	-	-	-	1,249,779	1,957,508	3,207,287
Total Current as of January 1, 2021	250,401	448,098	920,273	262,420	243,445	2,124,637
TOTAL AS OF JANUARY 1, 2021	**250,401**	**448,098**	**920,273**	**1,512,199**	**2,200,953**	**5,331,924**
Additions at Cost	523,974	813,123	1,332,487	-	414,518	3,084,102
Initial Recognition and Changes in Fair Value	103,783	1,030,232	(658,898)	204,642	879,110	1,558,869
Harvest of Biological Products	(529,015)	(1,902,278)	(626,615)	-	(337,962)	(3,395,870)
Deletion due to Sale of Biological Assets	-	-	-	(259,239)	-	(259,239)
TOTAL AS OF DECEMBER 31, 2021	**349,143**	**389,175**	**967,247**	**1,457,602**	**3,156,619**	**6,319,786**
Total Non-current as of December 31, 2021	-	-	-	1,237,614	2,563,240	3,800,854
Total Current as of December 31, 2022	349,143	389,175	967,247	219,988	593,379	2,518,932

[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, 2022 and 2021 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	SUGARCANE SOWN LAND	TREE PLANTATIONS
Harvest of biological products for the year ended December 31, 2022, as per biological asset	6,053 Tn.	21,004 Tn.	16,733 Tn.[1]	187,569 Tn. [3]	52,512 Tn.[4]
Area intended for biological assets as of 12.31.2022	276 Has.	6,041 Has.	-	6,463 Has.	6,043 Has.
Quantity of biological assets as of 12.31.2022 (heads)	-	-	5,967[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, 3,221 are dairy cattle heads, and the remaining 2,746 are beef cattle heads.
[3] Tons of sugar cane.
[4] Tons of wood.
[5] Tons of wood.

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGARCANE SOWN LAND	TREE PLANTATIONS
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]	104,014 Tn.[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] Tons of wood.

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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, 2022 and 2021, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	404,338	404,338
Dairy or Beef Cattle	-	924,859	-	924,859
Tree Plantations	-	-	2,310,224	2,310,224
Total Biological Assets as of 12.31.2022	**-**	**924,859**	**2,714,562**	**3,639,421**

[1] Out of total tree plantations as of December 31, 2022 (ARS 2,608,309), ARS 2,310,224 were measured at fair value net of harvest costs, and ARS 298,085 were measured at cost (Note 2.12).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	349,143	349,143
Dairy or Beef Cattle	-	1,457,602	-	1,457,602
Tree Plantations	-	-	2,791,904	2,791,904
Total Biological Assets as of 12.31.2021	**-**	**1,457,602**	**3,141,047**	**4,598,649**

[1] Out of total tree plantations as of December 31, 2021 (ARS 3,156,619), ARS 2,791,904 were measured at fair value net of harvest costs, and ARS 364,715 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 12.31.2022	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	404,338	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 planting, maintenance and harvest costs, the lower the fair value.

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Note 10. Biological assets

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Tree Plantations	2,310,224	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 12.31.2021	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	349,143	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 planting, maintenance and harvest costs, the lower the fair value.

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	2,791,904	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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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, 2022:

	BALANCE AT THE BEGINNING OF THE YEAR	TRANSLATION DIFFERENCE	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2022
Assets					
Tax Loss Carry-forwards	2,169,755	(281,313)	222,193	-	2,110,635
Trade and Other Receivables	529,331	(26,246)	(13,465)	-	489,620
Inventories	29,438	6,436	102,452	-	138,326
Property, Plant and Equipment and Investment Properties	(499,872)	75,309	(98,085)	-	(522,648)
Intangible Assets	135,700	(17,736)	16,960	-	134,924
Right-of-use Assets	(106,773)	108,920	(52,176)	-	(50,029)
Provisions	235,273	38,408	(63,437)	-	210,244
Trade Payables and Other Liabilities	60,524	(7,951)	188,883	(22,860)	218,596
Lease Liabilities	117,388	(111,946)	48,440	-	53,882
Subtotal – Deferred Assets	**2,670,764**	**(216,119)**	**351,765**	**(22,860)**	**2,783,550**
Liabilities					
Tax Loss Carry-forwards	150,534	(45,687)	151,514	-	256,361
Trade and Other Receivables	(200,195)	336	(304,064)	-	(503,923)
Inventories	(1,814,279)	(23,075)	(938,558)	-	(2,775,912)
Biological Assets	(646,099)	-	180,990	-	(465,109)
Property, Plant and Equipment and Investment Properties	(17,019,983)	23,060	553,044	-	(16,443,879)
Cash and Cash Equivalents and Other Investments	417,732	-	(443,353)	-	(25,621)
Investments in Associates and Joint Ventures	45,855	-	22,822	-	68,677
Intangible Assets	(1,873,515)	-	(130,803)	-	(2,004,318)
Right-of-use Assets	(933,842)	3,285	48,610	-	(881,947)
Provisions	493,845	(2,437)	(317,102)	-	174,306
Trade Payables and Other Liabilities	2,136,238	37,806	(1,069,502)	287,201	1,391,743
Deferred (Income) / Losses - Law No. 27,541	(9,247,520)	-	5,834,749	-	(3,412,771)
Deferred Losses - Law No. 27,541	1,110,752	-	(703,922)	-	406,830
Lease Liabilities	959,596	(3,286)	(35,610)	-	920,700
Loans	124,590	-	830,931	-	955,521
Subtotal – Deferred Liabilities		**(9,998)**	**3,679,746**	**287,201**	**(22,339,342)**
Total Deferred Tax Assets / Liabilities, Net	**(23,625,527)**	**(226,117)**	**4,031,511**	**264,341**	**(19,555,792)**

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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 (NOTE 42)	TRANSLATION DIFFERENCE	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2021
Assets						
Tax Loss Carry-forwards	3,001,634	-	(741,137)	(90,742)	-	2,169,755
Trade and Other Receivables	461,853	-	(106,552)	174,030	-	529,331
Inventories	(208,507)	(52,886)	(1,291)	292,122	-	29,438
Property, Plant and Equipment and Investment Properties	(1,645,741)	(3,339)	220,060	929,148	-	(499,872)
Intangible Assets	144,959	-	(60,686)	51,427	-	135,700
Right-of-use Assets	(118,310)	-	81,774	(70,237)	-	(106,773)
Cash and Cash Equivalents and Other Investments	74,082	-	-	(74,082)	-	-
Provisions	545,064	-	(266,623)	(43,168)	-	235,273
Trade Payables and Other Liabilities	514,961	38,086	96,795	(542,651)	(46,667)	60,524
Deferred (Income) / Losses - Law No. 27,541	1,357,983	-	-	(1,357,983)	-	-
Lease Liabilities	125,998	-	(83,302)	74,692	-	117,388
Subtotal – Deferred Assets	**4,253,976**	**(18,139)**	**(860,962)**	**(657,444)**	**(46,667)**	**2,670,764**
Liabilities						
Tax Loss Carry-forwards	15,151,113	-	-	(15,000,579)	-	150,534
Trade and Other Receivables	188,762	-	(4,739)	(384,218)	-	(200,195)
Inventories	590,934	-	(73,665)	(2,331,548)	-	(1,814,279)
Biological Assets	(504,884)	-	-	(141,215)	-	(646,099)
Property, Plant and Equipment and Investment Properties	(13,190,257)	-	390,930	(4,220,656)	-	(17,019,983)
Cash and Cash Equivalents and Other Investments	228	-	-	417,504	-	417,732
Investments in Associates and Joint Ventures	(175,450)	-	-	86,508	134,797	45,855
Intangible Assets	(1,271,257)	-	-	(602,258)	-	(1,873,515)
Right-of-use Assets	(618,690)	-	1,950	(317,102)	-	(933,842)
Provisions	439,588	-	(15,767)	70,024	-	493,845
Trade Payables and Other Liabilities	731,113	-	(7,983)	1,227,898	185,210	2,136,238
Deferred (Income) / Losses - Law No. 27,541	(12,774,535)	-	-	3,527,015	-	(9,247,520)
Deferred Losses - Law No. 27,541	182,728	-	-	928,024	-	1,110,752
Lease Liabilities	680,837	-	(2,016)	280,775	-	959,596
Loans	379,880	-	-	(255,290)	-	124,590
Subtotal – Deferred Liabilities	**(10,189,890)**	**-**	**288,710**	**(16,715,118)**	**320,007**	**(26,296,291)**
Total Deferred Tax Assets / Liabilities, Net	**(5,935,914)**	**(18,139)**	**(572,252)**	**(17,372,562)**	**273,340**	**(23,625,527)**

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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	12.31.2022	12.31.2021
Angola	20.00%	30.00%
Argentina[1]	35.00%	35.00%
Bolivia	25.00%	25.00%
Brazil	34.00%	34.00%
Chile	27.00%	27.00%
China	25.00%	25.00%
Colombia	-	31.00%
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%	8.50%
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, 2022, broken down by company and applicable statute of limitation:

COMPANIES	STATUTE OF LIMITATION EXPIRES IN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2023	2024	2025 ONWARDS	WITHOUT STATUTE OF LIMITATION			
Arcor U.S.A., Inc. [1]	-	-	615,486	-	615,486	21%	129,252
Bagley Chile S.A. [1]	-	-	-	923,977	923,977	27%	249,474
Bagley Latinoamérica S.A. [2]	-	-	-	1,025,444	1,025,444	25%	256,361
Industria de Alimentos Dos en Uno S.A. [1]	-	-	-	4,713,000	4,713,000	27%	1,272,510
Unidal México S.A. de C.V. [1]	-	-	1,531,331	-	1,531,331	30%	459,399
TOTAL	**-**	**-**	**2,146,817**	**6,662,421**	**8,809,238**		**2,366,996**

[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, 2022:

COUNTRY	AT TAXABLE BASE LEVEL	TAX RATES	UNRECOGNIZED DEFERRED TAX ASSETS
Argentina	261,286	35%	91,450
Brasil	33,047,162	34%	11,236,035
Spain	890,084	25%	222,521
Total	**34,198,532**		**11,550,006**

As of December 31, 2022, there are in the Group other unrecognized deferred assets attributable to Arcor S.A.I.C which, stated in constant currency amount to ARS 60,487 (172,820 at taxable base level).

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Note 11. Deferred tax assets / Liabilities

Below is a detail of tax loss carry-forwards recognized by the Group as of December 31, 2021, 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
	2022	2023	2024 ONWARDS	WITHOUT STATUTE OF LIMITATION			
Arcor S.A.I.C. [1]	-	-	430,098	-	430,098	35%	150,534
Arcor de Perú S.A. [2]	-	-	41,551	-	41,551	30%	12,258
Arcor U.S.A., Inc. [2]	-	-	606,722	-	606,722	21%	127,412
Bagley Chile S.A. [2]	-	-	-	689,455	689,455	27%	186,153
Bagley Latinoamérica S.A. [2]	-	-	-	1,057,752	1,057,752	25%	264,438
Industria de Alimentos Dos en Uno S.A. [2]	-	-	-	2,752,823	2,752,823	27%	743,262
Ingredion Chile S.A. [2]	-	-	-	119,609	119,609	27%	32,294
Unidal México S.A. de C.V. [2]	781,849	565,679	1,332,261	-	2,679,789	30%	803,937
TOTAL	**781,849**	**565,679**	**2,410,632**	**4,619,639**	**8,377,799**		**2,320,288**

[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	15,446,386	35%	5,406,235
Brazil	37,994,944	34%	12,918,281
Spain	1,226,488	25%	306,622
Total	**54,667,818**		**18,631,138**

As of December 31, 2021, there were in the Group other unrecognized deferred assets attributable to Arcor S.A.I.C which, stated in constant currency, amounted to ARS 117,825 (ARS 336,642 at taxable base level).

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Note 11. Deferred tax assets / Liabilities

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 BEHAVIOUR[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:

	12.31.2022	12.31.2021
Non-current		
Other	4,495	5,589
TOTAL NON-CURRENT	**4,495**	**5,589**
Current		
Government Securities and Notes	871,984	984,054
TOTAL CURRENT	**871,984**	**984,054**
TOTAL	**876,479**	**989,643**

[1] 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

	12.31.2022	12.31.2021
Non-current		
Trade Receivables from Third Parties	39,002	-
TOTAL NON-CURRENT	**39,002**	**-**
Current		
Trade Receivables from Third Parties	66,525,668	68,642,928
Documentary Credits	11,293,682	12,452,305
Accounts Receivable from Related Parties (Note 38)	411,126	275,814
Doubtful Accounts and Receivables in Litigation	1,256,594	1,912,171
Less: Allowance for Impairment of Receivables	(2,705,749)	(2,592,165)
TOTAL CURRENT	**76,781,321**	**80,691,053**
TOTAL TRADE RECEIVABLES	**76,820,323**	**80,691,053**

Otros Receivables

	12.31.2022	12.31.2021
Non-current		
Tax Credits	4,424,702	7,379,159
Minimum Presumed Income Tax Credits	-	941,979
Security Deposits	291,749	409,999
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	811,790	1,129,878
Prepaid Expenses	50,881	63,489
Financial Receivables from Related Parties (Note 38)	1,302,509	700,485
Miscellaneous	187,072	204,190
Less: Allowance for Impairment of Other Bad Debts	(237,794)	(488,820)
TOTAL NON-CURRENT	**6,830,909**	**10,340,359**
Current		
Refunds Receivable	893,472	1,207,661
Security Deposits	321,800	331,189
Tax Credits	11,558,540	10,732,010
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	12,954,046	11,038,138
Financial Receivables from Related Parties (Note 38)	2,626	3,535
Prepaid Expenses	1,809,129	1,781,608
Other Receivables from Related Parties (Note 38)	98,518	111,178
Miscellaneous	228,313	366,080
Less: Allowance for Impairment of Other Bad Debts	(19,164)	(36,785)
TOTAL CURRENT	**27,847,280**	**25,534,614**
TOTAL OTHER RECEIVABLES	**34,678,189**	**35,874,973**

[1] As of December 31, 2021, non-current assets include a balance of ARS 2,123,094 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.
As of December 31, 2022, the accumulated tax credit amounts to ARS 1,718,859, of which ARS 770,720 is classified as non-current assets and ARS 948,139 as 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:

	12.31.2022	12.31.2021
To Fall Due	357,788	143,753
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**357,788**	**143,753**
Up to three months	409,813	91,859
From three to six months	76,125	24,618
From six to twelve months	90,380	43,108
More than one year	1,771,643	2,288,827
SUBTOTAL PAST DUE INCLUDED IN THE ALLOWANCE	**2,347,961**	**2,448,412**
TOTAL	**2,705,749**	**2,592,165**

Below is a detail of past-due trade receivables which have not been included in the allowance and their aging:

	12.31.2022	12.31.2021
From three to six months	1,393,558	345,586
From six to twelve months	435,304	441,840
More than one year	760,174	936,061
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**2,589,036**	**1,723,487**

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:

	12.31.2022	12.31.2021
ARS	54,470,002	61,362,287
BOB	667,852	682,861
BRL	14,465,512	12,939,926
CLP	15,616,044	14,526,057
COP	-	26,322
EUR	206,009	198,401
MXN	2,760,356	3,097,044
PEN	625,586	1,118,473
PYG	1,720,705	1,858,469
RMB	31,701	35,819
USD	19,242,858	19,655,505
UYU	1,691,887	1,064,862
TOTAL	**111,498,512**	**116,566,026**

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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]	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**2,592,165**	**3,429,055**	**525,605**	**154,783**
Increases	743,681	417,506	2,547	457,345
Increase due to Acquisition (Note 42)	-	15,769	-	-
Decreases	(236,580)	(302,907)	(71)	(30,803)
Uses	(8,703)	(50,662)	(26,128)	(16,534)
Effects of Restatement and Currency Translation	(384,814)	(916,596)	(244,995)	(39,186)
BALANCE AT YEAR-END	**2,705,749**	**2,592,165**	**256,958**	**525,605**

[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:

	12.31.2022	12.31.2021
Raw Materials and Materials	76,723,805	65,046,372
Raw Materials and Materials in Transit	5,038,592	4,427,283
Work in Process	4,615,755	4,492,091
Finished Products	44,197,087	38,504,790
Less: Allowance for Impairment of Inventories	(4,800,087)	(4,538,756)
TOTAL	**125,775,152**	**107,931,780**

Changes in the allowance for impairment of inventories are as follows:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**4,538,756**	**3,971,991**
Increases	1,839,637	3,110,804
Decreases	(1,326,252)	(1,570,183)
Uses	(212,153)	(747,275)
Currency Translation Effect	(39,901)	(226,581)
BALANCE AT YEAR-END	**4,800,087**	**4,538,756**

[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)	-	616,653
TOTAL NON-CURRENT	**-**	**616,653**
Current		
Foreign currency term agreements	2,039,685	74,773
TOTAL CURRENT	**2,039,685**	**74,773**
TOTAL AS OF 12.31.2022	**2,039,685**	**691,426**

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 43)	-	2,675,788
TOTAL NON-CURRENT	**-**	**2,675,788**
Current		
Foreign currency term agreements	1,059,827	13,526
TOTAL CURRENT	**1,059,827**	**13,526**
TOTAL AS OF 12.31.2021	**1,059,827**	**2,689,314**

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.

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Note 15. Derivative financial instruments

Currency Forwards

The following tables set forth the transactions carried out during the years ended December 31, 2022 and 2021:

OPEN POSITIONS AT THE PERIOD END						FIGURES AS OF 12.31.2022			
COMPANIES	Type of Transaction	Currency	Number of Contracts	Total Amount in Transaction Currency	Weighted Average Price (*)	Financial Asset	Financial Liability	Net Asset	(Loss) / Gain in Consolidated Statement of Comprehensive Income (**)
Arcor S.A.I.C.	Purchase[1]	USD	2	67,500	208.40	2,039,685	(16,635)	2,023,050	(3,853,933)
Bagley Chile S.A.	Purchase[2]	USD	3	2,400	895.98	-	(19,379)	(19,379)	(18,524)
Industria de Alimentos Dos en Uno S.A.	Purchase[3]	USD	3	4,800	895.98	-	(38,759)	(38,759)	(37,049)
Ingredion Chile S.A.***	Sale	USD	-	-	-	-	-	-	(13,224)
Ingredion Chile S.A.***	Purchase	USD	-	-	-	-	-	-	13,937
Unidal México S.A. de C.V.***	Sale	USD	-	-	-	-	-	-	92,637
TOTAL AS OF 12.31.2022						**2,039,685**	**(74,773)**	**1,964,912**	**(3,816,156)**

OPEN POSITIONS AT THE PERIOD END						FIGURES AS OF 12.31.2021			
COMPANIES	Type of Transaction	Currency	Number of Contracts	Total Amount in Transaction Currency	Weighted Average Price (*)	Financial Asset	Financial Liability	Net Asset	(Loss) / Gain in Consolidated Statement of Comprehensive Income (**)
Arcor S.A.I.C.	Purchase[4]	USD	3	50,000	117.61	1,059,827	(13,526)	1,046,301	(2,606,183)
Bagley Chile S.A. [2]	Purchase	USD	-	-	-	-	-	-	82,398
Industria de Alimentos Dos en Uno S.A. [2]	Purchase[5]	USD	-	-	-	-	-	-	179,777
Ingredion Chile S.A. [2]	Purchase	USD	2	510	859.95	-	-	-	15,642
Unidal México S.A. de C.V. [2]	Sale	USD	-	-	-	-	-	-	(879)
TOTAL AS OF 12.31.2021						**1,059,827**	**(13,526)**	**1,046,301**	**(2,329,245)**

* Local currency per USD.
** Recognized under the item "Net Financial Income (Expense)" in the consolidated statement of income. It represents the result from open positions and other closed operations during the accounting period.
*** Result generated from closed operations during the accounting period. At the close of the period, there are no currency forwards for the purchase or sale of USD.
[1] Maturity dates in January and February of 2023.
[2] Maturity dates in January, February and March of 2023.
[3] Maturity dates in January, February and March of 2023.
[4] Maturity dates in January, February and March of 2022.
[5] Maturity dates in January of 2022.

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Note 15. Derivative financial instruments

Cocoa Forward Contracts and Financial Options

In certain situations, the Group enters into financial option transactions and forward purchases of cocoa in order to hedge the price risk of such raw material. It is important to note that these instruments do not result in the physical delivery of cocoa, but are rather designed as cash flow hedges to offset the effect of changes in prices for that raw material.

During the fiscal years ended December 31, 2022 and 2021, the Company did not engage in any forward contract transactions involving purchases of cocoa.

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
"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:

	12.31.2022	12.31.2021
Cash and Bank Deposits at Sight	11,486,811	23,593,529
Time Deposits	4,688,160	768,281
Financial Assets at Fair Value[1]	6,516,042	13,444,068
TOTAL	**22,691,013**	**37,805,878**

[1] Mainly mutual funds.

The Group's cash and cash equivalents are primarily denominated in the following currencies:

	12.31.2022	12.31.2021
USD	11,882,520	16,558,250
ARS	7,220,272	15,615,385
MXN	1,204,995	2,445,297
BRL	418,731	288,594
CLP	856,477	1,141,270
PYG	342,461	669,570
Other Currencies	765,557	1,087,512
TOTAL	**22,691,013**	**37,805,878**

The statement of cash flows excludes the effects of the following non-cash investment and financing activities:

	ACTIVITY	12.31.2022	12.31.2021
Addition of PP&E Items and Intangible Assets Not Settled at Year-End	Investment	(1,435,275)	(2,352,831)
Financial Expenses Capitalized in Eligible Assets (Note 34)	Investment	(108,333)	(73,429)
Additions of Right-of-use Assets and Adjustments to Variable Leases (Note 6)	Investment	(1,927,778)	(2,414,388)
Addition of PP&E Items, Right-of-use Assets, and Other Investments due to Acquisition (Note 42)	Investment	-	(6,664,496)
Capital Contribution into Joint Ventures by Netting of Receivables (Note 41)	Investment	-	(2,300,582)
Deletions of Right-of-use Assets (Note 6)	Investment	8,595	67,671
Increase in Other Financial Liabilities with the Non-controlling Interest (Note 22)	Financing	3,832,922	-
Reduction due to receivables assignment (note 22)	Financing	(51,104)	-
Conforming operations (note 22)	Financing	862,519	-
Addition of loans due to acquisition (Note 42)	Financing	-	428,490
Increase in other financial liabilities (note 22).	Financing	-	121,321
Additions of Liabilities and Adjustments to Variable Leases (Note 23)	Financing	1,927,778	2,414,388
Addition of Lease Liabilities due to Acquisition (Note 42)	Financing	-	78,342
Deletions of lease liabilities (Note 23)	Financing	(10,992)	(69,297)
Cash Dividends Not Settled at Year-end	Financing	(2,039)	(33,023)

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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 2,306,123 (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:

	2022	2021	2020
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, 2022, 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, 2022 and 2021, respectively:

	TOTAL AS OF 12.31.2022
Balance at the Beginning of the Year	**35,665,646**
Net Income for the Year Attributable to the Company's Shareholders	32,039,243
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	(515,358)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(18,115,766)
- Special Reserve for Future Dividends [1]	(5,802,176)
Distribution of Dividends [1]	(11,747,704)
Forfeited Dividends [2]	49
BALANCE AT YEAR-END	**31,523,934**

[1] As per the Ordinary and Extraordinary General Shareholders' Meeting held on April 29, 2022.
[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 12.31.2021
Balance at the Beginning of the Year	**12,418,887**
Net Income for the Year Attributable to the Company's Shareholders	35,368,448
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	(89,029)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(3,234,264)
- Special Reserve for Future Dividends [1]	(1,954,640)
Gain on Acquisition (Notes 9 and 42)	386,170
Distribution of Dividends [1]	(7,229,983)
Forfeited Dividends [2]	57
BALANCE AT YEAR-END	**35,665,646**

[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.

Note 20. Other equity components

Below is a detail of the changes in other equity components:

	TRANSLATION RESERVE	TOTAL
Balance at the Beginning of the Year	**(18,032,656)**	**(18,032,656)**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	(6,348,604)	(6,348,604)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 34) [1]	7,209	7,209
TOTAL AS OF 12.31.2022	**(24,374,051)**	**(24,374,051)**

[1] Resulting from the sale of shares of the subsidiary Industria Dos en Uno de Colombia Ltda. The offsetting entry of such reclassification is disclosed under the item "Net Financial Income (Expense)" in the consolidated statement of income.

	TRANSLATION RESERVE	TOTAL
Balance at the Beginning of the Year	**3,168,723**	**3,168,723**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	(21,587,490)	(21,587,490)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 34) [1]	251,314	251,314
- Effect on Income Tax (Notes 11 and 35)	134,797	134,797
TOTAL AS OF 12.31.2021	**(18,032,656)**	**(18,032,656)**

[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.

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Note 21. Non-controlling interest

The tables below show the changes in the item Non-Controlling Interest:

	TOTAL AS OF 12.31.2022
Balance at the Beginning of the Year	**58,575,830**
Share of Profit (Loss) for the Year	3,341,127
Share of Translation Differences of Companies	(1,121,219)
Share of Actuarial Gains from Defined Benefit Plans	20,054
Cash Dividends[1]	(452,756)
BALANCE AT YEAR-END	**60,363,036**

[1] It primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 358,602, Arcor Alimentos Bolivia S.A. in the amount of ARS 9,275, and Mundo Dulce S.A. de C.V. in the amount of ARS 84,879.

	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**46,250,979**
Share of Profit (Loss) for the Year	3,431,235
Share of Translation Differences of Companies	(3,743,069)
Share of Actuarial Gains from Defined Benefit Plans	57,539
Transactions with the Non-controlling Interest	(799)
Capital Contributions [1]	12
Cash Dividends [2]	(459,887)
Increase due to Acquisition (Note 42)	13,039,820
BALANCE AT YEAR-END	**58,575,830**

[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 341,312, Arcor Alimentos Bolivia S.A. in the amount of ARS 1,670, and Mundo Dulce S.A. de C.V. in the amount of ARS 87,170.

Note 22. Loans

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Non-current		
Bank Loans	4,486,196	5,391,949
Notes	54,106,113	107,718,787
TOTAL NON-CURRENT	**58,592,309**	**113,110,736**
Current		
Bank notes	39,250,461	44,008,393
Loans	25,833,162	4,119,990
Other Financial Liabilities	-	121,321
Financial Indebtedness on Acquisition of Shares (Note 42)	-	401,831
Confirming Operations	887,983	-
Discount of Documents	102,467	75,549
TOTAL CURRENT	**66,074,073**	**48,727,084**
TOTAL	**124,666,382**	**161,837,820**

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Note 22. Loans

The following tables show the breakdown of and changes to this item as of December 31, 2022:

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2022
BALANCE AT THE BEGINNING OF THE YEAR			**161.837.820**
Borrowed Loans	76,240,150	-	76,240,150
Income (Loss) from Exchange of Class 9 Notes [1]	-	3,832,922	3,832,922
Loan Repayment – Principal	(98,222,378)	-	(98,222,378)
Payment for financial debt (note 42)	(335,581)	-	(335,581)
Loan repayment – Interest	(24,814,130)	-	(24,814,130)
Payments for Financing Origination Expenses	(834,769)	-	(834,769)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	17,709,786	-	17,709,786
Reduction due to receivables assignment	-	(51,104)	(51,104)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	-	862,519	862,519
Accrued Financing Origination Expenses [1 2]	-	510,522	510,522
Accrued Interest [1]	-	3,113,734	3,113,734
Exchange Differences	-	(14,490,016)	(14,490,016)
Currency Translation Effect	-	(693,093)	(693,093)
BALANCE AT YEAR-END			**124,666,382**

[1] In note 34, it is part of the financial expenses disclosed in the item "Banks, Notes and Financing Expenses."
[2] It includes the restatement charges on UVA notes, expressed in real terms.

The following table shows the breakdown of this item as of December 31, 2021.

	CASH MOVEMENTS	NON-CASH MOVEMENTS	TOTAL AS OF 12.31.2021
BALANCE AT THE BEGINNING OF THE YEAR			**182.662.385**
Borrowed Loans	28,276,174	-	28,276,174
Increase due to Acquisition (Note 42)	-	428,490	428,490
Increase in Other Financial Liabilities	-	121,321	121,321
Loan Repayment – Principal	(21,121,772)	-	(21,121,772)
Loan Repayment – Interest	(22,657,570)	-	(22,657,570)
Payments for Financing Origination Expenses	(433,732)	-	(433,732)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	15,563,142	-	15,563,142
Accrued Financing Origination Expenses [1]	-	171,173	171,173
Accrued Interest	-	6,747,444	6,747,444
Exchange Differences	-	(26,196,480)	(26,196,480)
Currency Translation Effect	-	(1,722,755)	(1,722,755)
BALANCE AT YEAR-END			**161,837,820**

[1] It includes the restatement charges on UVA notes, expressed in real terms.

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Note 22. Loans

Below is a summary of the carrying amounts of consolidated loans broken down by maturities:

- Balances as of December 31, 2022:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank loans	4,486,196	-	-	-	**4,486,196**
Notes	7,442,946	19,208,955	27,454,212	-	**54,106,113**
TOTAL AS OF 12.31.2022	**11,929,142**	**19,208,955**	**27,454,212**	**-**	**58,592,309**

CURRENT	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	30,316,836	2,892,017	4,940,687	1,100,921	**39,250,461**
Loans	1,406,549	1,059,584	22,666,205	700,824	**25,833,162**
Discount of documents	102,467	-	-	-	**102,467**
Confirming operations	887,983	-	-	-	**887,983**
TOTAL AS OF 12.31.2022	**32,713,835**	**3,951,601**	**27,606,892**	**1,801,745**	**66,074,073**

- Balances as of December 31, 2021:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	5,349,348	42,601	-	-	**5,391,949**
Notes	102,426,132	-	5,292,655	-	**107,718,787**
TOTAL AS OF 12.31.2021	**107,775,480**	**42,601**	**5,292,655**	**-**	**113,110,736**

CURRENT	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	23,882,706	2,317,842	14,414,793	3,393,052	**44,008,393**
Notes	3,155,764	-	-	964,226	**4,119,990**
Discount of documents	75,549	-	-	-	**75,549**
Other Financial Liabilities	121,321	-	-	-	**121,321**
Financial Indebtedness on Acquisition of Shares (Note 42)	-	-	401,831	-	**401,831**
TOTAL AS OF 12.31.2021	**27,235,340**	**2,317,842**	**14,816,624**	**4,357,278**	**48,727,084**

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Note 22. Loans

The tables below show the carrying amount and the fair value of loans as of December 31, 2022 and 2021:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	43,736,657	43,494,009
Notes	79,939,275	80,246,207
Discount of documents	102,467	102,467
Confirming operations	887,983	887,983
TOTAL AS OF 12.31.2022	**124,666,382**	**124,730,666**

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	49,400,342	49,278,801
Notes	111,838,777	115,903,960
Discount of documents	75,549	75,549
Other Financial Liabilities	121,321	121,321
Financial Indebtedness on acquisition of Shares (Note 42)	401,831	401,831
TOTAL AS OF 12.31.2021	**161,837,820**	**165,781,462**

"Bank loans" comprise debt at fixed and variable interest rates, with a short-term portion where interest has already been fixed. The fair values of these bank loans and "unlisted notes payable" are estimated based on discounted cash flows, applying a relevant market rate at the year-end. For "listed notes payable," the fair value is estimated based on the quoted price for the securities at year-end (Note 39). Given their short-term nature and the fact that they were generally taken close to the end of each reporting period, the Group estimates that the fair values of "discount of documents," "confirming operations," "financial indebtedness on acquisition of shares," and "other financial liabilities" do not differ significantly from their book values.

The following tables show the Group's loans measured by fair value level as of December 31, 2022 and 2021, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at fair value				
Bank loans	-	43,494,009	-	43,494,009
Notes	72,676,480	7,569,727	-	80,246,207
Confirming operations	-	887,983	-	887,983
Discount of documents	-	102,467	-	102,467
Total Loans at Fair Value as of 12.31.2022	**72,676,480**	**52,054,186**	**-**	**124,730,666**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at fair value				
Bank loans	-	49,278,801	-	49,278,801
Notes	106,806,126	9,097,834	-	115,903,960
Discount of documents	-	75,549	-	75,549
Other financial liabilities	-	121,321	-	121,321
Financial Indebtedness on acquisition of Shares (Note 42)	-	401,831	-	401,831
Total Loans at Fair Value as of 12.31.2021	**106,806,126**	**58,975,336**	**-**	**165,781,462**

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Note 22. Loans

The carrying amounts in ARS of the Group's loans are stated in the following currencies:

	12.31.2022	12.31.2021
ARS [1]	39,309,960	43,167,490
BRL	4,376,802	3,103,498
CLP	744,848	683,414
USD	80,234,772	114,883,418
TOTAL	**124,666,382**	**161,837,820**

[1] Includes Class 17 Notes, denominated in UVAs but repayable in ARS. As of December 31, 2022 and December 31, 2021, the balance of these Notes amounted to ARS 5,147,509 and ARS 5,250,263, respectively.

Confirming operations

Certain subsidiaries of the Group, located in Brazil, have approved credit lines with financial institutions to make available to their suppliers the possibility of advancing their accounts receivable (trade liabilities of such subsidiaries). Such operations are known as "confirming" when the respective suppliers, through the mentioned lines, can, at their discretion, advance their accounts receivable related to the purchases of raw materials and packaging material made by the mentioned subsidiaries. In cases where the supplier requests to adhere, the financial institution makes the advance payment, net of the rate agreed between the parties and, as a counterpart, the subsidiaries are responsible for the cancellation of the liability on its maturity date, with the financial institution being the creditor. In this sense, such subsidiaries have the possibility to agree with financial institutions an extension of the original payment term of the trade liabilities.

The payment terms to the suppliers in question vary between 30 and 150 days depending on the type of supplier and the agreement between the parties. The maximum period of confirming operations, including any extension of the term agreed with financial institutions, does not exceed 150 days.

In accordance with the accounting policy applied by the Group, operations that have an extension of the term are shown under the "Loans" item in the current liabilities section of the consolidated balance sheet, on the premise that a modification of the original financial instrument occurred (given the modification of the payment term, the original trade liability became a financial debt). In contrast, operations that do not have an extension of the originally agreed term with the suppliers are shown under the "Trade Accounts Payable and Other Liabilities" item in the current liabilities section of the consolidated balance sheet (Note 26).

Note 22. Loans

Main Loans Borrowed by the Group – Financing Programs – Notes

a. Issuance of Notes

a.1. Global Notes Program for up to USD 1,200 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.

Finally, on May 31, 2022, at the Company's Annual General Meeting, the Company's shareholders approved the increase the amount of the Global Program for the issuance of Notes. On June 13, 2022, the CNV, by means of Provision DI-2022-31-APN-GE#CNV, authorized the Company to expand the maximum amount of issuance of said program (from a maximum nominal issue value of USD 800 million to a maximum nominal issue value of up to USD 1,200 million, or its equivalent in other currencies or units of value).

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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]	ADDITIONAL NOTES CLASS 9 [1]	NOTES CLASS 16
Final Principal Amount of the Issue	USD 350,000[2]	USD 150,000[2]	ARS 1,500,000
Issue Date	July 6, 2016	June 19, 2017	October 20, 2021
Issue Price	100% of principal amount	106.625% of principal amount	100% of principal amount
Currency	USD	USD	ARS
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal 6% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.
Applicable margin	N/A	N/A	2.99% nominal annual rate.
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue).	May 3, 2021 (48 months from the date of issue)	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.
Date of Authorization by CNV's Issuers Division	June 21, 2016	June 9, 2017	October 13, 2021
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 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 January 20, 2022, April 20, 2022, July 20, 2022, October 20, 2022, January 20, 2023 and April 20, 2023.

[1] The net proceeds were fully used for the refinancing of bank loans.
[2] After the exchange described in paragraph c. of this note, the outstanding capital is USD 127,942.

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NOTES CLASS 17	NOTES CLASS 18
27,864 UVA (equal to ARS 2,500,000 considering the UVA value as of the date of issue)	USD 265,428
October 20, 2021	November 9, 2022
100% of principal amount	100% of principal amount
UVA/ARS	USD
Annual nominal fixed rate of 0.98 %.	Annual nominal fixed rate of 8.25%.
N/A	N/A
October 20, 2025 (48 months from the date of issue)	Seven consecutive payments, due October 9, 2024, April 9, 2025, October 9, 2025, April 9, 2026, October 9, 2026, April 9, 2027, and October 9, 2027. The first six aforementioned repayments represent 14.285% of the equity each, and the last repayment represents 14.290% of the equity.
October 13, 2021	October 9, 2022
On a quarterly basis, in arrears, from January 20, 2022 to October 20, 2025.	On a bi-annual basis, in arrears, on April 9 and October 9 of each year, until maturity, starting April 9, 2023.

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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 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 and in the Pricing Supplements for Series 18 Notes under the Global Program).

- 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 and in the Pricing Supplements for Series 18 Notes under the Global Program.

- 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 in the Pricing Supplements for Series 18 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 table below shows, for each Class of Notes, the aforementioned "Fixed Charge Coverage Ratio" as of December 31, 2022:

	CLASS 9 NOTES	CLASS 18 NOTES
Consolidated Adjusted EBITDA [1]	58,310,634	59,008,392
Consolidated Fixed Charges [2]	10,925,124	10,783,502
Fixed-Charge Coverage Ratio [3]	5.34	5.47

[1] Class 9: Operating income + Depreciation of property, plant and equipment and investment property + Depreciation of right-of-use assets + Amortization of intangible assets.
Class 18: Operating income + Depreciation of property, plant and equipment and investment property + Amortization of intangible assets + Consolidated implicit and explicit financial components of income and expenses (without eliminating inflationary hedges included in such components).
[2] Class 9: Bank interest, marketable debt and financing costs + Interest on lease liabilities, (-) Interest on cash equivalents, (-) Changes in fair value of financial assets.
Class 18: Bank interest, marketable debt and financing costs + Interest on capital lease liabilities (capital leases), (-) Interest on cash equivalents, (-) Changes in fair value of financial assets.
[3] Ratio arising from "Consolidated Adjusted EBITDA" to "Consolidated Fixed Charges". Both definitions arise from the terms of the Pricing Supplement corresponding to the aforementioned Class 9 and Class 18.

These covenants and limitations were fully honored as of December 31, 2022.

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Note 22. Loans

b. Long-term Loans Borrowed from Other Financial Institutions

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2022	12.31.2021
USD 50[1]	4% Annual rate	07.06.2017	07.06.2022	Upon maturity	Quarterly	-	10,005
ARS 1,000	Variable[2]	11.04.2021	11.04.2023	Upon maturity	Quarterly	1,000	1,948
ARS 2,800	Variable[3]	08.30.2021	08.30.2023	In 5 instalments[4]	Monthly	1,680	5,454
USD 25[1]	3% Annual rate	07.06.2022	01.08.2024	Upon maturity	Quarterly	4,429	-
ARS 3,250[1]	49.25% Annual rate	07.06.2022	07.06.2023	Upon maturity	Monthly	3,250	-

[1] The Company refinanced 50% of the USD 50 million loan at a fixed rate at an annual rate of 3% with quarterly interest payments and principal repayment at maturity. Also, for the remaining 50%, a debt in ARS was agreed at a fixed rate at an annual rate of 49.25% with principal repayment at maturity.
[2] BADLARi (BADLAR plus the turnover tax allocation ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin
[3] The rate as from August 2022 became variable BADLAR plus 4.25% for the remaining term to maturity.
[4] As of December 31, 2022, two instalments of ARS 560 million have been paid and three instalments of the same amount are due in February, May and August 2023.

c. Exchange of Class 9 Notes

On November 9, 2022, the Company completed the exchange transaction of its outstanding Class 9 Notes (at a fixed interest rate of 6.00% per annum, for a nominal value of USD 500 million and maturing on July 6, 2023) for its Class 18 Notes (at a fixed interest rate of 8.25% per annum and maturing on October 9, 2027). This transaction was initiated by a decision of the Company's Board of Directors on October 4, 2022.

The aforementioned exchange had a total acceptance rate of 74.41%, as follows:

CONSIDERATION OPTION	NOMINAL VALUE OF CANCELED CLASS 9 NOTES (USD)	ACCEPTANCE RATE	CONSIDERATION SCHEME		
			CASH CONSIDERATION (USD)	CONSIDERATION THROUGH ISSUANCE OF CLASS 18 NOTES (USD)	TOTAL CONSIDERATION (USD)
Option A	122,693,000	24.54%	111,617,400	11,075,600	122,693,000
Option B	249,365,000	49.87%	-	[a] 254,352,142	254,352,142
TOTAL	**372,058,000**	**74.41%**	**111,617,400**	**265,427,742**	**377,045,142**

[a] The holders of Class 9 Notes who chose Option "B" consideration received USD 1,020 in principal amount of Class 18 Notes for each USD 1,000 in principal of Class 9 Notes exchanged.

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Note 22. Loans

d. Exchange of Class 9 Notes

Pursuant to the foregoing, on November 9, 2022, the Group issued its Class 18 Notes for an amount of USD 265,428, the main characteristics of which are as follows:

- Principal repayments are scheduled in seven biannual instalments, maturing on October 9, 2024, April 9, 2025, October 9, 2025, April 9, 2026, October 9, 2026, April 9, 2027 and October 9, 2027. The first six aforementioned repayments represent 14.285% of the principal each, and the last repayment represents 14.290% of the principal.
- They bear interest at a fixed annual nominal rate of 8.25%, payable biannually on April 9 and October 9 of each year, until maturity. The first interest payment shall be made on April 9, 2023.
- Like the Class 9 Notes, the Class 18 Notes were issued under foreign law.
- The covenants and limitations agreed by the Company in the terms and conditions of the Class 18 Notes are similar to those set forth in the Class 9 Notes.

Additionally, as part of the exchange process described above, the Group proceeded to:

- cancel the interest accrued on the Class 9 Notes that were the object of the exchange, accrued up to the aforementioned settlement date (USD 7,627),
- to partially settle the Class 9 Notes, leaving a remaining outstanding principal balance of USD 127,942 (25.59% of the original principal amount), whose original terms were not modified.

Importantly, the prepayment of the Class 9 Notes was previously approved by the BCRA and the funds necessary to finance the cash consideration were obtained from a combination of shareholders" equity and short-term financial debt.

The recording of the exchange of Class 9 for Class 18 Notes resulted in a loss of ARS 3,832,922, recorded under "Financial expenses" in these consolidated statements.

e. Subsidiaries' Long-term Loans

e.1. Arcor do Brasil Ltda.

The following table shows relevant information on long-term loans:

PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2022	12.31.2021
BRL 5		26.10.2020	28.10.2024	Monthly as from May 2021	Monthly	89	146
BRL 11	Variable[1]	01.04.2021	25.03.2023	Quarterly	Quarterly	93	306
BRL 10		14.01.2022	18.12.2023	Quarterly	Quarterly	169	-
BRL 10		22.03.2022	22.09.2023	Quarterly	Quarterly	226	-

[1] Calculated based on a % of the interbank certificate of deposit rate.

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Note 22. Loans

e.2. Industria de Alimentos Dos en Uno S.A.

The following table shows relevant information on long-term loans:

PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2022	12.31.2021
CLP 13.000 [1]	5.56% annual	27.12.2017	27.12.2022	Quarterly	Quarterly	-	684

[1] During the fiscal year ended December 31, 2021, the subsidiary complied with the contractually agreed-upon financial ratios.

During the fiscal year ended December 31, 2022 and 2021, the subsidiary did not borrow long-term loans from local banks.

Note 23. Lease liabilities

The following tables show the breakdown of and changes to this item:

	12.31.2022	12.31.2021
Non-current	1,993,192	2,555,488
Current	1,944,555	1,866,430
TOTAL	**3,937,747**	**4,421,918**

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**4,421,918**	**4,787,670**
Additions	1,874,749	2,661,514
Increase due to Acquisition (Note 42)	-	78,342
Deletions[1]	(10,992)	(69,297)
Adjustments to Variable Leases	53,029	(247,126)
Interest Expense and Exchange Differences Accrued	85,184	240,883
Payments Made During the Year	(2,369,965)	(2,499,311)
Currency Translation Effect	(116,176)	(530,757)
BALANCE AT YEAR-END	**3,937,747**	**4,421,918**

[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:

	12.31.2022	12.31.2021
Non-current		
Early Retirement Benefits	698,582	1,454,980
Retirement Bonuses	1,787,491	1,846,178
Pension Plans	5,251,370	5,996,603
TOTAL NON-CURRENT	**7,737,443**	**9,297,761**
Current		
Early Retirement Benefits	944,906	1,285,917
Retirement Bonuses	24,287	20,005
Pension Plans	203,079	210,539
TOTAL CURRENT	**1,172,272**	**1,516,461**
TOTAL	**8,909,715**	**10,814,222**

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Note 24. Employee retirement benefits obligations

The amount charged to the consolidated statement of income is as follows:

	12.31.2022	12.31.2021
Amount Charged to Income		
Early Retirement Benefits	60.136	2.019.335
Retirement Bonuses [a]	(461.509)	(102.512)
Pension Plans – Defined Contributions [b]	(501.134)	1.830.404
Subtotal	**(902.507)**	**3.747.227**
Charge to Other Comprehensive Income		
Retirement Bonuses [a]	90.376	(178.027)
Pension Plans [b]	664.421	351.691
Subtotal	**754.797**	**173.664**
Translation Difference	474.982	181.271
Subtotal - Amounts Charged to Other Comprehensive Income	**1.229.779**	**354.935**
TOTAL	**327.272**	**4.102.162**

(a) Retirement Bonuses

The following table shows the changes in the Group's obligations:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**1,866,183**	**1,954,204**
Increase due to Acquisition (Note 42)	-	108,819
Cost	132,020	186,057
Interests	(593,529)	(288,569)
Actuarial (Gain) / Loss	90,376	(178,027)
Benefits Paid to Plan Participants	(23,332)	(40,227)
Translation Difference	340,060	123,926
BALANCE AT YEAR-END	**1,811.778**	**1,866,183**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 24,287.

(b) Pension Plans

The following table shows the changes in the Group's obligations:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**6,207,142**	**4,968,895**
Increase due to Acquisition (Note 42)	-	25,664
Cost	839,299	2,138,178
Interests	(1,340,433)	(307,774)
Actuarial Loss	664,421	351,691
Benefits Paid to Participants	(976,350)	(987,374)
Translation Difference	60,370	17,862
BALANCE AT YEAR-END	**5,454,449**	**6,207,142**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 203,079.

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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, 2022 and 2021:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1,3]	839,299	1,903,291	132,020	2,874,610
Interests [2]	(1,340,433)	(1,843,155)	(593,529)	(3,777,117)
Subtotal – Amounts Charged to Income for the Year	**(501,134)**	**60,136**	**(461,509)**	**(902,507)**
Actuarial Loss	664,421	-	90,376	754,797
Translation Difference	60,370	74,552	340,060	474,982
Subtotal - Loss through Other Comprehensive Income	**724,791**	**74,552**	**430,436**	**1,229,779**
TOTAL AS OF 12.31.2022	**223,657**	**134,688**	**(31,073)**	**327,272**

[1] Out of total cost, ARS 1,631,600, ARS 277,758 and ARS 965,252 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 839,299 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 128,865 is reported under "Salaries, Wages and Other Benefits" (Note 31).

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1,3]	2,138,178	2,850,134	186,057	5,174,369
Interests [2]	(307,774)	(830,799)	(288,569)	(1,427,142)
Subtotal – Amounts Charged to Income for the Year	**1,830,404**	**2,019,335**	**(102,512)**	**3,747,227**
Actuarial (Gain) / Loss	351,691	-	(178,027)	173,664
Translation Difference	17,862	39,483	123,926	181,271
Subtotal - (Gain) / Loss through Other Comprehensive Income	**369,553**	**39,483**	**(54,101)**	**354,935**
TOTAL AS OF 12.31.2021	**2,199,957**	**2,058,818**	**(156,613)**	**4,102,162**

[1] Out of total cost, ARS 2,484,805, ARS 501,487 and ARS 2,188,077 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 2,138,179 accrued during the year.

[2] Charged to "Net Financial Income (Expense)."

[3] Under pension plans, the amount charged to income of ARS 256,306 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 1,881,872 is reported under "Salaries, Wages and Other Benefits" (Note 31).

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Notes to the consolidated financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 24. Employee retirement benefits obligations

The following table shows a breakdown of retirement bonuses by country:

	12.31.2022	12.31.2021
Argentina	1,172,358	1,101,376
Ecuador	116,108	135,399
Mexico	523,312	629,408
TOTAL	**1,811,778**	**1,866,183**

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 2022 and 2021 were as follows:

FISCAL YEAR ENDED 12.31.2022	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%	4.71%	9.60%

FISCAL YEAR ENDED 12.31.2021	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%

As of December 31, 2022, 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 (80,863) and ARS 75,329, respectively.

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 (67,622) and ARS 62,079, respectively.

Note 25. Provisions

The following table shows the breakdown of the item Provisions:

	12.31.2022	12.31.2021
Non-current		
For Labor, Civil and Commercial Lawsuits	712,838	1,086,576
For Other Contingencies	102,367	198,758
TOTAL NON-CURRENT	**815,205**	**1,285,334**
Non-current		
For Labor, Civil and Commercial Lawsuits	237,047	366,468
For Other Contingencies	52,820	85,181
TOTAL CURRENT	**289,867**	**451,649**
TOTAL	**1,105,072**	**1,736,983**

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Note 25. Provisions

The changes in this item are as follows:

	FOR LABOR, CIVIL AND COMMERCIAL LAWSUITS [1]		OTHER PROVISIONS [2]	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**1,453,044**	**1,809,159**	**283,939**	**388,475**
Increases	558,583	639,596	48,488	57,959
Decreases	(654,491)	(619,390)	(40,250)	(13,651)
Payments	(394,463)	(301,513)	-	(12,136)
Effect of Currency Translation and Restatement	(12,788)	(74,808)	(136,990)	(136,708)
BALANCE AT YEAR-END	**949,885**	**1,453,044**	**155,187**	**283,939**

[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:

	12.31.2022	12.31.2021
Non-current		
Trade Payables		
- Third Parties	1,172,134	1,579,196
Salaries and Social Security Contributions	26,565	58,654
TOTAL NON-CURRENT	**1,198,699**	**1,637,850**
Current		
Trade Payables		
- Third Parties	93,869,994	78,545,485
- Related Parties (Note 38)	170,182	205,569
- Note Payable	3,597,513	3,097,547
Tax Liabilities	4,972,940	5,411,923
Salaries and Social Security Contributions	26,223,676	19,697,989
Other Liabilities		
- Third Parties	9,239	13,700
- Related Parties (Note 38)	79,796	103,677
Confirming Operations (Note 22)	715,632	-
TOTAL CURRENT	**129,638,972**	**107,075,890**
TOTAL	**130,837,671**	**108,713,740**

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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:

	12.31.2022	12.31.2021
IT Services	365,152	947,915
Logistics Services	1,087,658	242,658
Production Services	546,471	562,831
TOTAL	**1,999,281**	**1,753,404**

(b) Other Pledged Collateral and Restricted Assets

						ARS			
COMPANY	CREDITOR/ BENEFICIARY	ORIGINAL CURRENCY	TYPE OF COLLATERAL	COLLATERAL	MAXIMUM GUARANTEED AMOUNT	CARRYING AMOUNT OF LOAN GRANTED AS OF 12.31.2022	CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2022	CARRYING AMOUNT OF LOAN GRANTED AS OF 12.31.2021	CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2021
Arcor Alimentos Internacional, S.L., Sociedad Unipersonal. (*)	Angoalissar – Comércio e Indústria LDA.	USD[1]	Surety	-	9,015	-	-	-	-
Arcor do Brasil Ltda.	Pottencial Seguradora S.A.	BRL	Surety	Surety Insurance	15,000	-	-	-	-
	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety			-	-	-	-
Bagley do Brasil Alimentos Ltda.	Pottencial Seguradora S.A.	BRL	Surety	Surety Insurance	45,000	-	-	-	-
	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety			-	-	-	-
Cartocor S.A	Banco Santander	ARS	Surety	Discount of Documents	N/A	28,030	28,030	-	-
	BBVA Banco Francés S.A.	ARS	Surety		N/A	64,318	64,318	-	-
	Banco de la Nación Argentina	ARS	Surety			10,119	10,119	-	-
	Banco Macro	ARS	Surety		N/A	-	-	75,549	75,549

[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 approximately AOA 10,045 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. As of December 31, 2022, the principal owed for this concept recorded in Dulcería Nacional, LDA amounts to approximately AOA 9,354 million (equivalent to ARS 3,286). It should be noted that, as described in note 40, Arcor A.G. (S.A., Ltd.) was merged into Arcor Alimentos Internacional, S.L., Sociedad Unipersonal.

Within the scope of currency contracts, the Group pledged financial instruments, which are shown as "Derivative Financial Instruments" and as of December 31, 2022 their carrying amount amounted to ARS 2,039,685. As of December 31, 2021 it amounted to ARS 1,059,827.

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Note 27. Commitments and pledged collateral

(c) Potential Commitments

Pursuant to tolling agreements entered into by the Company with third parties, as of December 31, 2022 the Company holds in its own warehouses sugar inventories from third parties for, for an amount equal to last month's average third party's purchase price, i.e., 4,559,633. As of December 31, 2021 such inventories amounted to ARS 3,052,677.
Also, the Company holds in its warehouses as of December 31, 2022, inventories of finished products for sale owned by third parties for a total amount of ARS 65,700 (excluding other related companies' inventories). As of December 31, 2021, inventories amounted to ARS 76,107.

Pursuant to a supply contract entered into with third parties by the subsidiary Papel Misionero S.A.I.F.C., as of December 31, 2022, standing resinous pine flight is pending to be harvested, for an amount of ARS 76,437.

Note 28. Sales of goods and services

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Sales of Goods Net of Discounts and Rebates		
- Third Parties	623,007,042	584,512,842
- Related Parties (Note 38)	1,383,362	1,451,542
Sales of Services		
- Third Parties	685,862	724,674
- Related Parties (Note 38)	5,853	859
TOTAL	**625,082,119**	**586,689,917**

Note 29. Cost of goods sold and services rendered

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Inventories at the Beginning of the Year (Notes 14)	107,931,780	92,206,705
Increase due to Acquisition (Note 42)	-	7,156,540
Purchases for the Year	303,801,693	277,505,990
Transfers of Biological Products from the Agricultural Activity (Note 32)	3,075,399	3,255,901
Production Expenses (Note 30)	170,385,302	165,376,874
Sales of By-products	(1,926,066)	(2,281,507)
Export Refunds [1]	(1,517,454)	(1,501,205)
Currency Translation Effect	(1,846,771)	(4,374,090)
Inventories at Year-End (Note 14)	(125,775,152)	(107,931,780)
BALANCE AT YEAR-END	**454,128,731**	**429,413,428**

[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:

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 8)	369,985	332,477
Operating Leases/Rentals	2,566,443	2,721,307
Quality and Environment	1,350,262	1,356,610
Fuels and lubricants	1,931,923	2,393,238
Maintenance of Property, Plant and Equipment, and Investment Properties	19,267,890	18,286,417
Depreciation of Property, Plant and Equipment and Investment Properties (Notes 5 and 7) *	13,312,398	13,250,533
Depreciation of Right-of-use Assets (Note 6) *	2,199,702	2,221,546
Export Duties	2,126,238	1,865,032
Electricity, Gas and Communications	18,999,071	15,819,329
Freight and Haulage	31,239,107	27,757,216
Export and Import Expenses	3,260,949	2,862,657
Travelling Expenses and Per Diem	2,300,111	1,494,506
Services Fees	2,991,188	3,462,888
Direct Taxes	10,792,103	9,623,175
Taxes, Rates and Contributions	1,921,776	2,143,608
Publicity and Advertising	8,270,269	10,287,457
Managers", Directors", and Statutory Auditors" Fees	2,006,338	1,849,723
Insurance	2,301,714	2,274,647
Bank Services	769,962	641,657
Third-Party Services	17,232,204	17,017,115
Systems and Application Software	4,437,441	4,464,365
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	135,082,477	128,764,011
Bad Debts	507,101	114,599
Loss on Labor and Other Lawsuits	319,306	374,013
Loss on Other Miscellaneous Provisions	8,238	44,308
(Recovery) / Loss due to Other Receivables	2,103	(28,849)
Other General Expenses	10,797,237	12,291,652
TOTAL	**296,363,536**	**283,685,237**

*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

(a) Production Expenses (Note 29)

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 8)	131,232	96,711
Operating Leases/Rentals	956,267	1,011,491
Calidad y medio ambiente	1,346,262	1,353,378
Fuels and Lubricants	1,599,087	2,113,685
Maintenance of Property, Plant and Equipment	18,202,219	17,254,375
Depreciation of Property, Plant and Equipment (Note 5)	12,259,147	12,010,246
Depreciation of Right-of-use Assets (Note 6)	400,983	334,799
Electricity, Gas and Communications	18,147,977	14,941,132
Freight and Haulage	4,700,407	4,561,382
Travelling Expenses and Per Diem	681,732	546,126
Services Fees	846,137	885,984
Taxes, Rates and Contributions	993,658	1,082,462
Insurance	1,576,465	1,632,137
Third-party Services	8,548,555	7,956,688
Systems and Application Software	943,822	1,029,694
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	93,861,849	92,462,373
Loss on Labor and Other Lawsuits	297,595	315,746
(Recovery) / Loss due to Other Miscellaneous Provisions	1,733	(1,303)
(Recovery) / Loss due to Other Receivables	522	(123)
Other General Expenses	4,889,653	5,789,891
TOTAL	**170,385,302**	**165,376,874**

(b) Biological Assets Production Expenses (Note 32)

	12.31.2022	12.31.2021
Operating Leases/Rentals	133,964	83,595
Quality and Environment	4,000	3,232
Fuels and Lubricants	97,971	79,174
Maintenance of Property, Plant and Equipment	286,868	224,974
Depreciation of Property, Plant and Equipment (Note 5) *	269,241	335,060
Depreciation of Right-of-use Assets (Note 6) *	250,027	278,585
Electricity, Gas and Communications	46,473	52,076
Freight and Haulage	95,563	111,071
Travelling Expenses and Per Diem	7,460	6,331
Services Fees	20,177	22,380
Taxes, Rates and Contributions	57,930	64,993
Insurance	1,060	1,572
Third-party Services	705,083	958,096
Systems and Application Software	1,208	2,606
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	664,190	650,857
Loss on Labor and Other Lawsuits	52	(138)
Other General Expenses	1,392,242	1,529,170
TOTAL	**4,033,509**	**4,403,634**

*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

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 8)	55,864	68,351
Operating Leases/Rentals	1,304,060	1,421,891
Fuels and Lubricants	211,515	173,237
Maintenance of Property, Plant and Equipment	561,225	674,185
Depreciation of Property, Plant and Equipment (Note 5)	607,810	677,896
Depreciation of Right-of-use Assets (Note 6)	1,390,180	1,299,571
Export Duties	2,126,238	1,865,032
Electricity, Gas and Communications	424,440	469,007
Freight and Haulage	26,443,137	23,084,763
Export and Import Expenses	3,260,949	2,862,657
Travelling Expenses and Per Diem	1,024,658	697,960
Services Fees	374,206	413,039
Direct Taxes	10,792,103	9,623,175
Taxes, Rates and Contributions	443,047	578,150
Publicity and Advertising	8,270,269	10,287,457
Insurance	270,003	337,604
Third-party Services	7,066,571	7,231,989
Systems and Application Software	1,762,876	1,884,591
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	21,528,940	21,311,356
Bad Debts	507,101	114,599
Loss on Labor and Other Lawsuits	17,905	52,010
Loss on Other Miscellaneous Provisions	14,000	33,516
(Recovery) / Loss due to Other Receivables	1,581	(28,726)
Other General Expenses	3,836,136	4,356,614
TOTAL	**92,294,814**	**89,489,924**

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Note 30. Information about expenses by function and nature

(d) Administrative Expenses

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 8)	182,889	167,415
Operating Leases/Rentals	172,062	204,330
Fuels and Lubricants	23,350	27,142
Maintenance of Property, Plant and Equipment	212,123	125,644
Depreciation of Property, Plant and Equipment (Note 5)	175,930	226,992
Depreciation of Right-of-use Assets (Note 6)	158,512	308,591
Electricity, Gas and Communications	379,521	356,232
Travelling Expenses and Per Diem	586,261	244,089
Services Fees	1,748,063	2,138,249
Taxes, Rates and Contributions	413,987	405,832
Managers', Directors' and Statutory Auditors' Fees	2,006,338	1,849,723
Insurance	454,186	303,334
Bank Services	769,962	641,657
Third-party Services	792,395	754,124
Systems and Application Software	1,729,535	1,547,474
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	19,027,498	14,339,425
Loss on Labor and Other Lawsuits	3,754	6,395
Loss / (Recovery) on Other Miscellaneous Provisions	(7,495)	12,095
Other General Expenses	678,247	613,834
TOTAL	**29,507,118**	**24,272,577**

(e) Investment Property Maintenance Expenses (Note 33)

	12.31.2022	12.31.2021
Operating Leases/Rentals	90	-
Maintenance of Investment Properties	5,455	7,239
Depreciation of Investment Properties (Note 7)	270	339
Electricity, Gas and Communications	660	882
Services Fees	2,605	3,236
Taxes, Rates and Contributions	13,154	12,171
Third-party Services	119,600	116,218
Other General Expenses	959	2,143
TOTAL	**142,793**	**142,228**

Note 31. Salaries, wages, social security charges and other benefits

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Salaries, Wages and Social Security Contributions [1]	132,336,732	123,845,948
Early Retirement Benefits (Note 24) [2]	1,903,291	2,850,134
Pension Plans (Note 24) [3]	710,434	1,881,872
Retirement Bonus (Note 24) [4]	132,020	186,057
TOTAL	**135,082,477**	**128,764,011**

[1] It includes the accrual of the employee bonuses charge, the special retirement plan for directors and another for general managers.

[2] It includes the accrual of the early retirement plan charge for the rest of the employees.

[3] It includes the accrual of the pension plan charge.

[4] It includes the accrual of the retirement bonus charge.

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Note 32. Income (loss) from biological assets

The following tables show the income (loss) from the main biological assets as of December 31, 2022:

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2022
Sales of Biological Assets and Products	292,078	1,029,784	-	232,930	87,065	1,641,857
Cost of Sales of Biological Assets	-	-	-	(232,930)	-	(232,930)
Cost of Sales of Biological Products	(292,078)	(507,408)	-	-	(37,977)	(837,463)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**522,376**	**-**	**-**	**49,088**	**571,464**
Harvest of Biological Products	822,800	1,173,955	814,261	1,096,407	163,009	4,070,432
Initial Recognition and Changes in Fair Value of Biological Products[1]	(13,114)	-	-	(299,813)	(756,647)	(1,069,574)
Derecognition of Bearer Plants[2]	-	-	(95,647)	-	-	(95,647)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(427,187)	(756,660)	(1,325,537)	-	(67,586)	(2,576,970)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(1,456,539)	-	(1,456,539)
Subtotal - Production Costs of Biological Assets	**(427,187)**	**(756,660)**	**(1,325,537)**	**(1,456,539)**	**(67,586)**	**(4,033,509)**
Consumption of Harvested Biological Products	-	-	-	(181,179)	-	(181,179)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**382,499**	**939,671**	**(606,923)**	**(841,124)**	**(612,136)**	**(738,013)**

[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 following tables show the income (loss) from the main biological assets as of December 31, 2021:

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2022
Sales of Biological Assets and Products	156,016	1,057,215	-	259,239	120,207	1,592,677
Cost of Sales of Biological Assets	-	-	-	(259,239)	-	(259,239)
Cost of Sales of Biological Products	(156,016)	(920,305)	-	-	(72,379)	(1,148,700)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**136.910**	**-**	**-**	**47,828**	**184,738**
Harvest of Biological Products [1]	529,015	1,902,278	626,615	1,232,788	337,962	4,628,658
Initial Recognition and Changes in Fair Value of Biological Products [2]	(24,977)	-	-	204,642	840,657	1,020,322
Derecognition of Bearer Plants	-	-	(40,158)	-	-	(40,158)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(400,255)	(872,046)	(1,285,513)	-	(299,510)	(2,857,324)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(1,546,310)	-	(1,546,310)
Subtotal - Production Costs of Biological Assets	**(400,255)**	**(872,046)**	**(1,285,513)**	**(1,546,310)**	**(299,510)**	**(4,403,634)**
Consumption of Harvested Biological Products	-	-	-	(180,902)	-	(180,902)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**103,783**	**1,167,142**	**(699,056)**	**(289,782)**	**926,937**	**1,209,024**

[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.

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	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2022	TOTAL AS OF 12.31.2021
Opening Inventories of Biological Products	-	158,244	-	-	-	**158,244**	**115,108**
Harvest of Biological Products	822,800	1,173,955	814,261	1,096,407	163,009	**4,070,432**	**4,628,658**
Cost of Sales of Biological Products	(292,078)	(507,408)	-	-	(37,977)	**(837,463)**	**(1,148,700)**
Internal Transfers	-	(181,179)	-	181,179	-	**-**	**-**
Consumption of Harvested Biological Products (Foffer)	-	-	-	(181,179)	-	**(181,179)**	**(180,902)**
Subtotal	**530,722**	**643,612**	**814,261**	**1,096,407**	**125,032**	**3,210,034**	**3,414,164**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities [1]	-	(134,635)	-	-	-	**(134,635)**	**(158,263)**
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2022 (Note 29)	**530,722**	**508,977**	**814,261**	**1,096,407**	**125,032**	**3,075,399**	
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2021 (Note 29)	**373,000**	**757,915**	**626,615**	**1,232,788**	**265,583**		**3,255,901**

[1] It refers to fodder included in "Raw Materials and Materials" (Note 13).

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Note 33. Other income / (expenses), net

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Tax on Bank Credits and Debits	(5,074,790)	(4,307,506)
Net (Disbursements) out of Income Accrued Provided by Investment Properties[1]	(104,305)	(112,442)
Income on Disposal of Property, Plant and Equipment and Investment Properties[2]	130,909	108,705
Depreciation of Property, Plant and Equipment Elements[3]	(1,132,655)	-
Other[4]	195,947	2,535,002
TOTAL	**(5,984,894)**	**(1,776,241)**

[1] Includes maintenance expenses of investment properties for the year ended December 31, 2022 and 2021 for ARS 142,793 and ARS 142,228, respectively (Note 30).
[2] As of December 31, 2021, it includes ARS 886 million attributable to income from the sale of machinery under the agreement with Webcor Group (see Note 41).
[3] Note 5
[4] As of December 31, 2021, it includes ARS 1,989,795, 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 13.

Note 34. Net financial income (expense), net

The following table shows the breakdown of Financial Income (Expense):

	12.31.2022	12.31.2021
Financial Income		
Interests:		
- Cash Equivalents	108,872	101,318
- Ordinary Explicit and Implicit [1]	(16,129,310)	(7,000,756)
- Finance Charges with Related Parties (Note 38)	33,840	(752)
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 43)	2,059,135	2,688,537
Exchange Differences	9,396,548	25,402,893
Subtotal - Financial Income	**(4,530,915)**	**21,191,240**
Financial Expenses		
Interests:		
- Banks, Notes and Financing Expenses (Note 22)[2] [3]	(7,457,178)	(7,450,004)
- Finance Leases	(141,622)	(308,533)
- Explicit and Implicit	10,695,483	4,711,926
Changes in the Fair Value of Financial Instruments		
- Other Financial Instruments	(3,435,196)	(1,760,503)
Reclassification of Translation Differences due to Corporate Reorganizations within the Group (Note 40)	(7,209)	(251,314)
Subtotal	**(345,722)**	**(5,058,428)**
Amounts Capitalized in Eligible Assets[4]	108,333	73,429
Subtotal - Financial Expenses	**(237,389)**	**(4,984,999)**
Gain on Net monetary Position	**21,349,545**	**9,581,242**
TOTAL	**16,581,241**	**25,787,483**

[1] As of December 31, 2021, it includes income in the amount of ARS 562.867 961 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 13.
[2] It includes the restatement charges on UVA notes, expressed in real terms.
[3] As of December 31, 2022, it includes charges in the amount of ARS 3,832,922 for the exchange of Class 9 Notes and Class 18 Notes described in Note 22.
[4] Note 5.

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Note 35. Income tax

The income tax expense charged to income is broken down as follows:

	12.31.2022	12.31.2021
Current Income Tax	(25,162,434)	(10,778,450)
Income Tax - Deferred Tax Method (Note 11)	4,031,511	(17,372,562)
Subtotal – Income Tax Charged to the Statement of Income	**(21,130,923)**	**(28,151,012)**
Income Tax - Deferred Tax Method (Notes 11, 19 and 20)	264,341	273,340
Subtotal – Income Tax Charged to Other Comprehensive Income	**264,341**	**273,340**
TOTAL INCOME TAX EXPENSE	**(20,866,582)**	**(27,877,672)**

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:

	12.31.2022	12.31.2021
Income for the Year before Tax	**56,511,293**	**66,950,695**
Income Tax Rate	35%	35%
Income Tax Calculated at the Company's Effective Tax Rate	**(19,778,953)**	**(23,432,743)**
Permanent Differences and Other Reconciling Items		
Non-taxable Income	476,112	1,252,290
(Non-deductible Expenses), Net	(357,527)	(442,854)
Special Deductions	50,215	28,446
Changes in Unrecognized Deferred Assets	(1,056,234)	928,780
Income (Loss) from Changes in Fair Value of Mastellone Hermanos S.A.'s Options (Note 35)	720,697	940,989
Effect of Tax Rate Adjustment [1]	891,009	(1,750,532)
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	(1,375,355)	1,886,178
Effect of Application of the Inflation Adjustment for Tax Purposes	(9,868,696)	(12,363,344)
Effect of Restatement Law No. 27,430 on Tax Bases [2]	10,502,797	6,547,425
Effect of Progressive Tax Rates, Law No. 27,630	25,096	26,784
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net [3]	-	(447,479)
Tax Effect in Argentina of Tax Credits for Equivalent Foreign Taxes [3]	-	160,188
Income (Loss) from Investments in Associates and Joint Ventures (Note 9)	(874,474)	(624,246)
Net Tax Effect of Distributed or Presumptive Dividends or Dividends Payables in Future Years [4]	(570,427)	(1,128,302)
Unfavorable result from the subsidiary Brazil's binding consultation.	(274,742)	-
Effect of Translation Differences Reclassified to Income (Loss) on Corporate Reorganizations within the Group (Note 34 and 40)	(16)	(87,961)
Other Effects Arising from Investments in Group Companies	-	17,280
Others, Net	359,575	338,089
Subtotal diferencias permanentes a la tasa del Subtotal - Permanent Differences at the Tax Rate	**(1,351,970)**	**(4,718,269)**
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(21,130,923)**	**(28,151,012)**
Current Income Tax	(25,162,434)	(10,778,450)
Income Tax - Deferred Tax Method	4,031,511	(17,372,562)
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(21,130,923)**	**(28,151,012)**

[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] It 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 contribution of equity interests in foreign companies described in note 40 to these consolidated financial statements. As of December 31, 2022, it mainly includes the tax effects resulting from the absorption of the subsidiary Arcor A.G. (S.A., Ltd.) by the subsidiary ARALI and from the sale of the equity interests of the subsidiary Industria Dos en Uno de Colombia Ltda.

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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%

Additionally, the tax reform established that, at the companies' discretion, a tax revaluation of the assets located in the country and used to generate taxable income may be carried out. The tax result arising from the revaluation is not subject to income tax and the special tax on the amount of the revaluation is not deductible from such tax. The Company did not use the aforementioned revaluation option provided for in the regulation.

- 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 tax rates set at the time of the enactment of Law No. 27,630 were 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, As of December 31, 2021, the income tax expense includes the following effects of the aforementioned change:

• A loss of ARS 2,259,264 carried in current income tax.
• A loss of ARS 6,915,742 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 9,175,006. In addition, it should be noted that this legal amendment 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

- Changes in the Income Tax Rate

For the fiscal year 2022, in accordance with the adjustment foreseen for the three segments, the tax rates set are as follows:

- 25% on accumulated net taxable income up to 7.6 million;
- 30% for the second bracket, on accumulated net taxable income up to 76.0 million;
- 35% on accumulated net taxable income in excess of 76.0 million.

- 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, 2020 to December 31, 2022 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, 2022. Based on the above-described application scheme, as of December 31, 2021, 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, with the resulting effect on the calculation of their tax rates.

Further, it is worth noting that, 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.

In this regard, Arcor S.A.I.C. has recognized the aforementioned losses at their nominal value for purposes of their use to offset tax profits, both in the filing of its tax return for the 2021 tax period made during the month of May 2022, and for the calculation of the current income tax charge for the year ended December 31, 2022, as well as the measurement of its deferred position as of such date. Consequently, the accounting effects that would result from the computation of such losses on a restated basis were not recognized.

As of the date of issuance of these consolidated financial statements, Arcor S.A.I.C. continues to evaluate the development of new judgemental elements to complement its analysis and mitigate the existing levels of uncertainty with respect to the probability of prevailing in its position in the event of a claim from the tax authorities that could take place when computing such inflation-adjusted tax losses in its next income tax settlement.

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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.

- Unfavorable Rulings in Tax Litigation Filed by the Subsidiary Arcor do Brasil Ltda.

Concerning the favorable rulings rendered in favor of the Company's subsidiaries in Brazil described in Note 13, it is worth noting that Arcos do Brasil Ltda. submitted an inquiry to the Brazilian tax authorities during the 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). As of December 31, 2021, according to the terms of IFRIC 23 and based on an internal assessment and the legal advisors' own assessment, the Group considered that such tax authorities were likely to accept the criteria adopted by Arcos do Brasil Ltda. and subsequently, it didn't recognize current income tax charges connected to this issue. However, during the fiscal year ended December 31, 2022, the resolution of the aforementioned inquiry was unfavorable, resulting in a negative current income tax charge of ARS 274,742.

- Extraordinary Interim Payment

Through General Resolution 5248/2022, published in the Argentine Official Gazette (BON) in August 2022, The AFIP established a one-time interim payment of income tax which applies to taxpayers that meet certain parameters set forth in the regulation. In cases where the end of the fiscal year of the entity occurred between the months of August and December 2021, a circumstance applicable to the Company and its subsidiaries in Argentina, the parameters and calculation method of the interim payment are as follows:

No.	PARAMETER	CALCULATION METHOD OF EXTRAORDINARY INTERIM PAYMENT WHERE APPLICABLE
1	The tax amount set resulting from the tax return for the 2021 tax period was equal to or greater than ARS 100 million.	The interim payment will be 25% of the calculation basis applied to determine the income tax advances for the 2022 tax period, in accordance with the procedure set forth in section 3 a) of article 3 of AFIP General Resolution 5211, as amended.
2	The amount of the taxable income (taxable base) resulting from the tax return for the 2021 tax period, without deducting tax losses from previous years, was equal to or greater than ARS 300 million.	The interim payment will be 15% of the taxable income (taxable base) without taking into account losses from previous years.

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Note 35. Income tax

- Extraordinary Interim Payment

The interim payment calculated under procedure No. 2 applies in the event that the payment determined in accordance with procedure No. 1 is null and void. The aforementioned interim payment was settled in three (3) equal and consecutive instalments whose dates, in the case of the Company, were October 22, 2022, November 22, 2022 and December 22, 2022, in the case of the Company. The rule established that it could not be settled through offsetting mechanisms with other tax credits and, in addition, that it could not be subject to the reduction requests of advance payments provided by the aforementioned AFIP's General Resolution 5211.

The amount of the extraordinary interim payment to be settled by the Group in the last quarter of the year, following the guidelines described above, amounted to approximately ARS 4,609.5 million (ARS 3,949.7 million expressed in nominal values).

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 2022 and 2021, 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	
	12.31.2022	12.31.2021
Net Income for the Year Attributable to the Company's Shareholders	32,039,243	35,368,448
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.45770**	**0.50526**

Note 37. Dividends per share

Dividends paid by the Company to its shareholders in 2022 amounted to ARS 7,000,000 (or ARS 11,747,704 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 29, 2022, at which time shareholders resolved to pay dividends for such amount. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.16782.

Dividends paid by the Company to its shareholders in 2022 amounted to ARS 5,350,000 (or ARS 13,380,141 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 for the amount of ARS 2,650,000 (or ARS 7,229,983 in constant currency) and ARS 2,700,000 (or ARS 6,150,158 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 0.19114.

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

Sales of Goods

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA.[1]	Joint Venture	355,278	202,624
Logística La Serenísima S.A.[2]	Indirect Associate	2,715	1,782
Mastellone Hermanos S.A.	Associate	983,586	1,198,266
Mastellone San Luis S.A.[3]	Indirect Associate	41,783	48,870
TOTAL		**1,383,362**	**1,451,542**

[1] A company controlled by Tucor DMCC.
[2] A company related to Mastellone Hermanos S.A.
[3] 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

Sales of Services

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Grupo Arcor S.A.	Parent	657	676
Mastellone Hermanos S.A.	Associate	5,196	183
TOTAL		**5,853**	**859**

Other Income

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA. [1]	Joint Venture	-	78,889
Grupo Arcor S.A.	Parent	-	2,419
TOTAL		**-**	**81,308**

[1] A company controlled by Tucor DMCC.

(b) Purchases of Goods and Services

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Mastellone de Paraguay S.A. [1]	Indirect Associate	650,911	801,808
Mastellone Hermanos S.A.	Associate	527,212	1,016,248
TOTAL		**1,178,123**	**1,818,056**

[1] A company controlled by Mastellone Hermanos S.A.

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA. [1]	Joint Venture	-	1,928
Mastellone Hermanos S.A.	Associate	1,454	801
TOTAL		**1,454**	**2,729**

[1] A company controlled by Tucor DMCC.

(c) Expenses with Related Parties

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Contributions to Arcor Foundation	Other	137,239	66,832
Contributions to Arcor Foundation Chile	Other	20,363	28,109
Contributions to Arcor Institute in Brazil	Other	25,609	28,317
TOTAL		**183,211**	**123,258**

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Note 38. Transactions and balances with related parties

(d) Financial Interest Income (Note 34)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
GAP Inversora S.A.	Associate	(204)	(156)
Other Related Parties	Other	(1,095)	(596)
Tucor DMCC	Joint Venture	35,139	-
TOTAL		**33,840**	**(752)**

(e) Balances of Receivables and Payables from Transactions with Related Parties

Accounts Receivable (Note 12)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA. [1]	Joint Venture	265,266	84,186
Mastellone de Paraguay S.A. [2]	Indirect Associate	95	-
Mastellone Hermanos S.A.	Associate	140,325	185,726
Mastellone San Luis S.A. [3]	Indirect Associate	5,440	5,902
TOTAL		**411,126**	**275,814**

[1] A company controlled by Tucor DMCC.
[2] A company controlled by Mastellone Hermanos S.A.
[3] A company related to Mastellone Hermanos S.A.

Other Receivables (Note 12)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA. [1]	Joint Venture	98,518	111,178
TOTAL		**98,518**	**111,178**

[1] A company controlled by Tucor DMCC.

Accounts Payable and Other Liabilities (Note 26)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Dulcería Nacional, LDA.[1]	Joint Venture	6,932	7,829
GAP Inversora S.A.	Associate	-	4
Mastellone de Paraguay S.A.[2]	Indirect Associate	77,127	67,936
Mastellone Hermanos S.A.	Associate	86,123	129,800
Other Related Parties	Other	20,671	40,297
Directors' Fees Payable	Other	59,125	63,380
TOTAL		**249,978**	**309,246**

[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	12.31.2022	12.31.2021
GAP Inversora S.A.	Associate	2,080	207
Tucor DMCC	Joint Venture	1,300,429	700,278
Other Related Parties	Other	2,626	3,535
TOTAL		**1,305,135**	**704,020**

(g) Employee Benefits

The compensation and other benefits paid or payable to the Board of Directors and key management personnel as of December 31, 2022 and 2021 amounted to ARS 9,070,055 and ARS 4,922,591, 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, 2022:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables [1]	4,770,406	-	-	4,770,406
Trade Receivables	76,820,323	-	-	76,820,323
Other Investments [1]	-	871,984	-	871,984
Derivative Financial Instruments	-	2,039,685	-	2,039,685
Cash and Cash Equivalents	-	22,691,013	-	22,691,013
TOTAL AS OF 12.31.2022	**81,590,729**	**25,602,682**	**-**	**107,193,411**
Liabilities as per Balance Sheet				
Loans	124,666,382	-	-	124,666,382
Financial Lease Liabilities	3,937,747	-	-	3,937,747
Derivative Financial Instruments	-	691,426	-	691,426
Trade Payables and Other Liabilities	119,865,672	5,999,059	-	125,864,731
TOTAL AS OF 12.31.2022	**248,469,801**	**6,690,485**	**-**	**255,160,286**

[1] It only includes financial assets and liabilities under IFRS 7.

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Note 39. Financial risk management

39.1 Financial Instruments by Category

- 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]	4,806,422	-	-	4,806,422
Trade Receivables	80,691,053	-	-	80,691,053
Other Investments [1]	8	984,046	-	984,054
Derivative Financial Instruments	-	1,059,827	-	1,059,827
Cash and Cash Equivalents	-	37,805,878	-	37,805,878
TOTAL AS OF 12.31.2021	**85,497,483**	**39,849,751**	**-**	**125,347,234**
Liabilities as per Balance Sheet				
Loans	161,837,820	-	-	161,837,820
Financial Lease Liabilities	4,421,918	-	-	4,421,918
Derivative Financial Instruments	-	2,689,314	-	2,689,314
Trade Payables and Other Liabilities	100,551,871	2,749,946	-	103,301,817
TOTAL AS OF 12.31.2021	**266,811,609**	**5,439,260**	**-**	**272,250,869**

[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.

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Note 39. Financial risk management

39.2 Fair Value Hierarchies

Below is a detail of the Group's assets and liabilities measured at fair value:

- As of December 31, 2022:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	2,039,685	-	-	2,039,685
Other Investments [1]	871,984	-	-	871,984
Cash and Cash Equivalents	22,691,013	-	-	22,691,013
Total Assets	**25,602,682**	**-**	**-**	**25,602,682**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	16,635	58,138	616,653	691,426
Trade Payables and Other Liabilities [1]	-	5,999,059	-	5,999,059
Total Liabilities	**16,635**	**6,057,197**	**616,653**	**6,690,485**

[1] It only includes financial liabilities under IFRS 7.

- As of December 31, 2021:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	1,059,827	-	-	1,059,827
Other Investments [1]	984,046	-	-	984,046
Cash and Cash Equivalents	37,805,878	-	-	37,805,878
Total Assets	**39,849,751**	**-**	**-**	**39,849,751**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	13,526	-	2,675,788	2,689,314
Trade Payables and Other Liabilities [1]	-	2,749,946	-	2,749,946
Total Liabilities	**13,526**	**2,749,946**	**2,675,788**	**5,439,260**

[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 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.

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Note 39. Financial risk management

39.2 Fair Value Hierarchies

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.

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, 2022 and 2021, 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) 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.

(ii) 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, 2022 and 2021 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.

Note 39. Financial risk management

39.3 Fair Value Estimate

39.3.2 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 liabilities approximates their fair value due to their substantially short-term nature. All Doubtful Loans were provided for.

(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 Price

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.

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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 Investment 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, 2022 and 2021, 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 625,066 and ARS 513,635, 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, 2022 and 2021, 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 6,766,487 and ARS 11,430,998, 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, 2022 and 2021, the Group 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 ARS 514,751 and ARS 525,026, respectively.

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.

(Figures stated in thousands of Argentine pesos)

Note 39. Financial risk management

39.5 Market Risk

39.5.2 Raw Material Price Risk

As of December 31, 2022 y 2021, 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 599,906 and ARS 274,995, respectively.

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, 2022 and 2021, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2022		12.31.2021	
	ARS	%	ARS	%
Fixed Rate	117,451,727	94	148,359,215	92
Mixed Rate	-	-	5,369,754	3
Variable Rate	7,214,655	6	8,108,851	5
TOTAL	**124,666,382**	**100**	**161,837,820**	**100**

Considering that at the reporting period end, only 6% 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 around ARS 27,932.

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.

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.

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Note 39. Financial risk management

39.6 Credit Risk

39.6.2 Trade Receivables from Domestic Retail Customers

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, 2022 and 2021, 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, 2022 and 2021, respectively.

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Note 39. Financial risk management

39.7 Liquidity Risk

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR [2]	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans (Note 22)	124,666,382	91,307,714	15,239,418	51,624,705	-	158,171,837
Lease Liabilities (Note 23)	3,937,747	2,048,310	1,084,551	1,017,147	-	4,150,008
Derivative Financial Instruments (Note 15)	74,773	74,773	-	-	-	74,773
Trade Payables and Other Liabilities [1]	125,864,731	126,674,003	420,357	783,150	-	127,877,510
TOTAL AS OF 12.31.2022	**254,543,633**	**220,104,800**	**16,744,326**	**53,425,002**	**-**	**290,274,128**

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR [2]	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans (Note 22)	161,837,820	57,388,732	115,472,471	5,464,323	-	178,325,526
Lease Liabilities (Note 23)	4,421,918	2,074,553	1,633,941	1,087,193	19,696	4,815,383
Derivative Financial Instruments (Note 15)	13,526	13,526	-	-	-	13,526
Trade Payables and Other Liabilities [1]	103,301,817	102,745,801	1,650,598	-	-	104,396,399
TOTAL AS OF 12.31.2021	**269,575,081**	**162,222,612**	**118,757,010**	**6,551,516**	**19,696**	**287,550,834**

[1] It only includes financial liabilities under IFRS 7.

[2] See Note 22. Exchange of Class 9 Notes.

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.

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Note 39. Financial risk management

39.8 Capital Risk Management

The indebtedness ratios as of December 31, 2022 and 2021 arise from the following table:

	12.31.2022	12.31.2021
Loans (Note 22)	124,666,382	161,837,820
Lease Liabilities (Note 23)	3,937,747	4,421,918
(Less) Cash and Cash Equivalents (Note 16)	(22,691,013)	(37,805,878)
(Less) Other Investments (Note 12)	(871,984)	(989,643)
Net Indebtedness	105,041,132	127,464,217
Total Equity	**157,139,076**	**141,917,035**
Total Capitalization	262,180,208	269,381,252
INDEBTEDNESS RATIO	**0.6685**	**0.8982**

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 of 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 International 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 International 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.

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Note 40. Corporate reorganizations

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, the Board of Directors of ARALI signed a Joint Merger Plan on April 20, 2022, with the Sole Director of Arcor A.G. (S.A., Ltd.) in order to carry out a cross-border merger in which ARALI absorbs Arcor A.G. (S.A., Ltd.). The Joint Merger Plan was approved by decision of the Sole Partner of ARALI and by the Shareholders' Meeting of Arcor A.G. (S.A., Ltd.), both held on May 9, 2022, in which the Merger Balance Sheets and the Merger itself were also approved.

The Merger Deed was registered with the Barcelona Commercial Registry on August 5, 2022, with retroactive effect as of June 30, 2022.

This merger process, once completed, will not have significant effects on the financial position or consolidated results of the Group.

Sale of Equity Interest of subsidiary Industria Dos en Uno de Colombia Ltda.

During the first quarter of 2022, the subsidiary Industria de Alimentos Dos en Uno S.A. and the Company sold their entire equity interests they held in Industria Dos en Uno de Colombia Ltda, accounting for 95.626471% and 4.373529% of its capital stock, respectively.

After this operation, Industria Dos en Uno de Colombia Ltda. ceased to be part of Arcor Group. The results generated by this transaction are not significant. Likewise, the results of discontinued operations and their respective cash flows as of December 31, 2022 and 2021, in the terms of IFRS 5, are not significant either.

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.

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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 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.

During the second quarter of 2022, industrial operations began with the inauguration of the aforementioned industrial plant in Luanda, Angola. This operation, based on the Company's best practices at a global level, will diversify the supply of products in the Angolan market and in the future is expected to supply all of sub-Saharan Africa, mainly South Africa, Mozambique, Congo, Namibia, Zambia and Botswana.

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 401,831.

- 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.

The aforementioned transaction is pending approval by the Argentine Antitrust Authorities. Said Authorities issued an Objection Report under the terms of Article 14 of Law No. 27,442 of Antitrust Law, objecting to the request for authorization made by the Company, together with Ingredion Argentina S.R.L. to jointly form the Joint Venture.

As of the date of issuance of these consolidated financial statements, the Company continues with the steps of the process determined by the regulations in force on this matter. It should be clarified that the Company had duly notified the Joint Venture operation together with Ingredion Argentina S.R.L. and that what was issued by the Argentine Antitrust Authorities corresponds to a preliminary analysis; therefore, the process for such Authorities to issue a definitive decision has not yet been completed.

Recognition in the Group's Financial Statements

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:

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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

ITEM OF THE CONSOLIDATED BALANCE SHEET	NOTE	IDENTIFIABLE ASSETS (LIABILITIES) AS OF THE ACQUISITION DATE
		ARS
Property, Plant and Equipment	5	6,584,342
Right-of-use Assets	6	78,342
Deferred Tax Assets	11	83,385
Other Investments		1,812
Inventories	29	7,156,540
Trade and Other Receivables [1]		3,230,998
Cash and Cash Equivalents	16	1,133,646
Lease Liabilities	23	(78,342)
Employee Retirement Benefits Obligations	24	(134,483)
Trade Payables and Other Liabilities		(2,846,930)
TOTAL IDENTIFIABLE ASSETS AND LIABILITIES OF THE ACQUIRED BUSINESS		**15,209,310**
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]		(7,452,569)
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]		(5,587,251)
Subtotal – Increase in Non-controlling Interest due to Acquisition	20	**(13,039,820)**
Funds Settled in Cash		(1,071,227)
Indebtedness on Acquisition of Shares[4]	16 and 22	(428,490)
Subtotal – Consideration Transferred		**(1,499,717)**
TOTAL NON-CONTROLLING INTEREST ACQUIRED AND CONSIDERATION TRANSFERRED		**(14,539,537)**
Income (Loss) from Acquisition Charged to the Consolidated Statement of Income		283,601
Income (Loss) from Acquisition Charged to the Consolidated Statement of Other Comprehensive Income		386,170
TOTAL COMPREHENSIVE INCOME FROM THE ACQUISITION		**669,771**

[1] Net of allowance for bad debts in the amount of ARS 15,769 (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 5,973,421. The difference of ARS 386,170 between such fair value and the carrying amount stated in the preceding table (ARS 5,587,251) was charged to "Other Comprehensive Income." These identifiable assets and liabilities were determined on the basis of Ingrecor S.A.'s

[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 401,831.

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Note 42. Joint Venture Agreement with Ingredion Argentina S.R.L.

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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(Figures stated in thousands of Argentine pesos)

Note 42. Joint Venture Agreement with Ingredion Argentina S.R.L.

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 283,601)** 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 386,170)** 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 5,973,421) and its respective carrying amount (ARS 5,587,251). 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, 2022 and 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, 2022 and 2021 (from the above-mentioned acquisition date):

Consolidated Statement of Income

	FIGURES FROM JANUARY 1, 2022 TO DECEMBER 31, 2022	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Sales of Goods and Services	55,160,023	28,552,816
Operating Income	2,690,251	2,611,680
Depreciation	1,010,662	409,804
Net Financial Income (Expense)	(790,257)	(66,812)
Income before Income Tax	1,978,144	2,544,868
Net Income for the Year	**1,493,383**	**1,813,803**
Net Income for the Year Attributable to the Company's Shareholders	761,626	925,040
Net Income for the Year Attributable to the Non-controlling Interest	731,757	888,763

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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 Other Comprehensive Income

	FIGURES FROM JANUARY 1, 2022 TO DECEMBER 31, 2022	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Currency Translation Differences of Companies	(252,118)	(313,385)
Actuarial Gains from the Joint Venture's Defined Benefit Plans	(26,125)	1,714
Other Comprehensive Income (Loss) for the Year	**(278,243)**	**(311,671)**
Other Comprehensive Income (Loss) for the Year Attributable to the Company's Shareholders	(141,904)	(158,953)
Other Comprehensive Income (Loss) for the Year Attributable to the Non-controlling Interest	(136,339)	(152,718)

Consolidated Statement of Cash Flows

	FIGURES FROM JANUARY 1, 2022 TO DECEMBER 31, 2022	FIGURES FROM THE ACQUISITION DATE (AUGUST 2, 2021) TO DECEMBER 31, 2021
Net Cash Flow Provided by Operating Activities	4,168,674	1,351,956
Net Cash Flows (Used In) Investing Activities	(725,528)	(418,585)
Net Cash Flows (Used In) Financing Activities	(198,648)	(97,116)

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.

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Note 43. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

(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.

- 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 Antitrust Authority. Such approval was published on January 26, 2016 by said authority.

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Note 43. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

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.

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.

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Note 43. Investment in Mastellone Hermanos S.A.

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%.

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%.

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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, 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 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, 2022 and 2021.

During the years ended December 31, 2022 and 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, 2022 and 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.

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Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

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Professional License 10.17540.4 - C.P.C.E. Cba.

(Figures stated in thousands of Argentine pesos)

Note 43. Investment in Mastellone Hermanos S.A.

Recognition in Arcor Group's Financial Statements as of December 31, 2022 and 2021.

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, 2022 and 2021 and are disclosed in non-current liabilities under the caption "Derivative Financial Instruments" for ARS 616,653 and ARS 2,675,788, respectively. 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.

The following table summarizes the changes in the Group's investment in Mastellone Hermanos S.A. during the year ended December 31, 2022:

		PROFIT / (LOSS)		
	BALANCE AT THE BEGINNING OF THE YEAR	INCOME FOR THE YEAR	OTHER COMPREHENSIVE INCOME FOR THE YEAR	BALANCE AS OF DECEMBER 31, 2022
Investments Made During the Year 2016				
Equity Interest in Mastellone at Carrying Amount	5,946,349	943,372	(67,253)	6,822,468
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	4,252,021	32,946	(2,404)	4,282,563
Goodwill	283,360	-	-	283,360
Subtotal - 24.1452% Interest in Mastellone Hermanos S.A.	**10,481,730**	**976,318**	**(69,657)**	**11,388,391**
Investments made in 2017				
Equity Interest in Mastellone at Carrying Amount	3,503,740	512,960	(39,682)	3,977,018
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	2,050,554	81,829	(1,419)	2,130,964
Goodwill	3,587,535	-	-	3,587,535
Subtotal - 14.2467% Interest in Mastellone Hermanos S.A.	**9,141,829**	**594,789**	**(41,101)**	**9,695,517**
Investments made in 2018				
Equity Interest in Mastellone at Carrying Amount	1,062,012	162,305	(11,851)	1,212,466
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	678,088	38,280	(424)	715,944
Goodwill	509,451	-	-	509,451
Subtotal - 4.2547% Interest in Mastellone Hermanos S.A.	**2,249,551**	**200,585**	**(12,275)**	**2,437,861**
Investments made in 2019				
Equity Interest in Mastellone at Carrying Amount	1,902,171	131,135	(13,188)	2,020,118
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	515,796	69,505	(472)	584,829
Goodwill	465,314	-	-	465,314
Subtotal - 4.7349% Interest en Mastellone Hermanos S.A.	**2,883,281**	**200,640**	**(13,660)**	**3,070,261**
Investments made in 2020				
Equity Interest in Mastellone at Carrying Amount	526,251	35,059	(3,608)	557,702
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	104,761	29,903	(129)	134,535
Goodwill	82,235	-	-	82,235
Subtotal - 1.2953% Interest in Mastellone Hermanos S.A.	**713,247**	**64,962**	**(3,737)**	**774,472**
SUBTOTAL – INVESTMENTS IN ASSOCIATES	**25,469,638**	**2,037,294**	**(140,430)**	**27,366,502**
Depreciation of investments - Mastellone Hermanos S.A.	-	(4,231,524)	-	(4,231,524)
TOTAL – INVESTMENTS IN ASSOCIATES	**25,469,638**	**(2,194,230)**	**(140,430)**	**23,134,978**

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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, 2022 and 2021 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	12.31.2022	12.31.2021
Revenues	217,163,331	229,070,426
Cost of sales	(157,717,028)	(171,068,043)
Gross Profit	**59,446,303**	**58,002,383**
Selling Expenses	(52,797,877)	(54,469,445)
Administrative Expenses	(6,888,898)	(8,014,321)
Investment Income	(76,264)	178,310
Financial Costs	(4,141,222)	(5,421,309)
Exchange Differences	3,778,064	7,751,927
Other Financial Loss	(98,427)	117,291
Gain on Net Monetary Position	5,162,507	3,098,521
Excess of Restated Value over Revaluation of Assets Measured at Fair Value	(1,092,319)	(665,055)
Other Income (Loss)	103,203	318,288
Income / (Loss) before Income Tax	**3,395,070**	**896,590**
Income Tax	(2,036,620)	(3,921,812)
NET (LOSS) FOR THE YEAR	**1,358,450**	**(3,025,222)**
Net (Loss) Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	1,358,366	(3,025,170)
Non-controlling Interest	84	(52)
TOTAL	**1,358,450**	**(3,025,222)**

Below is also a detail of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2022 and 2021, as it arises from said consolidated financial statements:

	12.31.2022	12.31.2021
Cash and Cash Equivalents	4,360,036	3,344,548
Current Loans	(2,333,313)	(2,923,908)
Current Lease Liabilities	(189,276)	(221,404)
Non-current Loans	(33,237,131)	(37,906,983)
Non-current Lease Liabilities	(1,037,732)	(755,357)
TOTAL	**(32,437,416)**	**(38,463,104)**

Below is a detail of the associate's main loans as of December 31, 2022:

- Class "G" Notes for an aggregate amount of ARS 18,139,514 (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 2,079,394 (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.

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Note 43. Investment in Mastellone Hermanos S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

- Class "I" Notes for an aggregate amount of ARS 7,205,200 (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. As of December 31, 2022, the company does not report any non-compliance with the aforementioned financial ratios. On September 12, 2022, the associate entered into an amendment to the aforementioned contract, with an effective date of September 26, 2022, which modified, among others, the following clauses: the interest rate was changed from a fixed rate to a variable rate starting from September 26, 2023, and until the final maturity (SOFR rate, "Secured overnight financing rate," plus a 6.55% annual margin), and the outstanding principal of USD 44,100,000 begins to amortize from March 26, 2024, in fifteen equal quarterly instalments of the total principal amount at: instalments 1 to 3: 5.10%, instalments 4 to 6: 5.67%, instalments 7 to 9: 6.24%, instalments 10 to 12: 7.37%, and instalments 13 to 15: 8.96%.

Refinancing of the Associate's Financial Indebtedness maturing on July 3, 2021

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.

The registration of the exchange of Class "F" notes for Class "G" notes resulted in a gain of ARS 1,544 million for the associate, recorded in the line item of other financial results within the statement of income for the year ended December 31, 2021.

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:

(Figures stated in thousands of Argentine pesos)

Note 43. Investment in Mastellone Hermanos S.A.

Recoverability Tests of the Investment in Associates

- Considers two potential scenarios concerning the gross margin—a conservative scenario and a best-case scenario. As of December 31, 2022, 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. In other words, the company uses the conservative scenario as it is considered the most probable (applying the so-called "traditional approach" of IAS 36 and not the "expected cash flow approach").

As a result of the Group's estimates, the recoverable value of its investment as of December 31, 2022 was estimated, in the base scenario, to be 15.5% below the carrying amount, calculated using the equity method. Meanwhile, in the optimistic scenario, the recoverable value exceeded the mentioned asset's carrying amount by 4.2%. Therefore, in accordance with the accounting policy used by the Group, a total impairment of ARS 4,231,524 was recorded. As of December 31, 2021, as a result of the Group's estimates, the recoverable value of its investment in Mastellone at that date exceeded the asset's carrying amount by 3% in the conservative scenario and 26% in the optimistic scenario, and therefore, no impairment provisions were recorded at the end of the previous fiscal year.

In accordance with the requirements of IAS 36 "Impairment of assets", the following changes in certain key variables of the aforementioned estimate of recoverable value at December 31, 2022, keeping all other variables constant, would cause the estimated recoverable value, in the conservative scenario considered, to be equal to the carrying amount of the investment calculated by the equity method and would imply, consequently, the reversal of the aforementioned impairment:

	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2022
Decrease in Discount Rate	From 13.75% p.a. to 12.64% p.a.: 111 basis points
Increase in Growth Rate	From 3.50% p.a. to 5.88% p.a.: 2.38%.
Increase in Estimated Net Cash Flows	11.0%

In addition, 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	From 13.59% p.a. to 13.74% p.a.: 15 points	From 13.59% p.a. to 14.82% p.a.: 123 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	1.7%	12.7%

Note 44. Subsequent events

Subsequent to December 31, 2022, no events or circumstances have occurred that significantly affect the Group's financial position, results of operations and cash flows.

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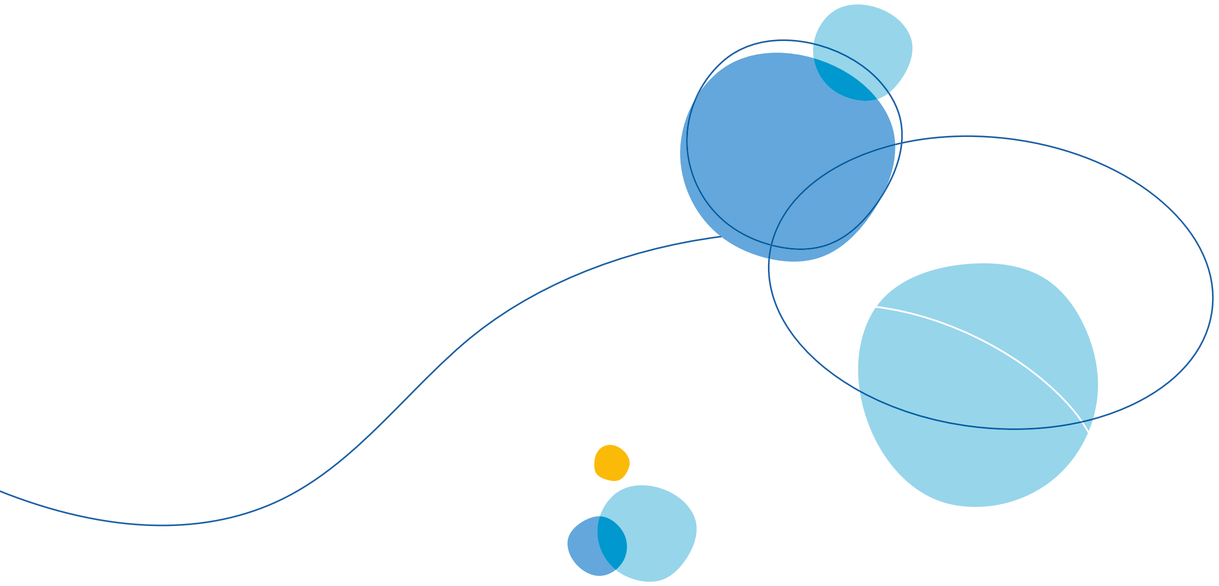
Consolidated Summary of Activities

As of December 31, 2022



Consolidated summary of activities

For the fiscal year ended December 31, 2022. presented on a comparative basis
(Figures stated in thousands of Argentine pesos)

I. Discussion on Arcor Group's activities

Preliminary considerations

For more than 71 years we have been committed to producing food with sustainable management, giving the finest quality from the field to the table of our consumers. Due to our commitment to quality in the production and selection of our raw materials, our constant spirit of innovation to improve every detail of our processes, and always maintaining sustainability in every decision we make, "It does matter" to us. In this sense, during 2022, the Group launched "Living Better," its 2030 Sustainability Strategy, which, aligned with the United Nations" Sustainable Development Goals, establishes the commitments that Arcor has defined with the aim of producing sustainable food, promoting people's prosperity, and preserving the sustainability of the planet so that we can all live better.

As for the economic performance of 2022, compared to the previous year, sales increased 6.4% in pesos, growth that was mainly driven by the recovery of sales volumes of certain businesses in Argentina and abroad. Sales to customers domiciled in Argentina represented 68.3% of the Group's consolidated sales, and sales to customers domiciled abroad, which include exports to third parties from Argentina, represented 31.7% of consolidated sales.

In this sense, the consumer food businesses (Confectionery, Chocolates, Ice Cream, Cookies and Functional Products) showed an increase in volumes sold during the year in those product categories whose consumption is more related to impulse, indulgence, and on-the-go consumption, highlighting the performance of those categories driven by product launches and advertising campaigns.

The volumes of industrial businesses increased, mainly in Agribusinesses regarding sales of syrups, starches, specialties, and byproducts. As for Packaging sales, an increase was also observed in most of its segments, with corrugated cardboard packaging and the industrial bags segment standing out, which, leveraged by the integration into the production of Sack Kraft paper, achieved significant volume growth compared to the previous year, thanks to the contribution of the new production plant located in the province of Misiones (Argentina).

Regarding the performance of the rest of the businesses in Latin America, during 2022 there was a generalized recovery of activity levels with respect to the previous year, even reaching, in some countries, levels similar to those of the pre-pandemic years. Particularly noteworthy is the higher consumption of impulse categories and out-of-home consumption, as was the case of the Confectionery and Chocolates business in Brazil and the Andean Region.

In the international area, it was highlighted that during 2022 the largest Chocolate, Candy and Cookies & Crackers factory in Angola was inaugurated. This factory, carried out through a partnership with Webcor Group, has state-of-the-art equipment and meets the best world-class practices and Arcor Group's own quality standards. This strategic project is of great relevance for the Group as it is the first plant outside the American continent. Besides, Angola is an important market for Arcor, to which we have been exporting for 30 years, and this step allows us to have an industrial presence in the region and to deepen the Group's internationalization in a continent that, in view of 2050, is considered to have a great growth potential.

At a commercial level, the established guidelines aimed at accelerating digital adoption and enhancing the strategic e-commerce channel continued, in order to keep on bringing our products closer to consumers in a practical and agile manner.

Additionally, it is relevant to mention that the context of Argentina, the main scenario for the development of the Group's businesses, was affected by different factors such as the price freeze policy, the increase in the cost of raw materials at international and local level, the devaluation of the currency and a high inflation that resulted in the loss of purchasing power of the population.

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Consolidated summary of activities

For the fiscal year ended December 31, 2022. presented on a comparative basis
(Figures stated in thousands of Argentine pesos)

i. Discussion on Arcor Group's activities

In this context, the overall performance of the business suffered a deterioration in operating income compared to the previous year, which, expressed in terms of sales, represented 6.8% in 2022, while in the previous year it was 7.3%. The difficulty in maintaining operating margins at the previous year's levels was mainly caused by the increase in the consolidated cost structure and expenses over the increase in revenues.

It should be noted that, despite the impairment of the operating performance, and in line with what was observed during the last year, the final result has increased at the level of financial results. The acceleration of inflation over the devaluation of the currency causes in the financial statements the recognition of an exchange gain generated by the appreciation of the Argentine currency in real terms, due to the fact that the Company's net financial debt is mainly denominated in foreign currency. In addition, the increase in inflation with respect to the previous year generated a higher net monetary position result.

As a result of the foregoing, at the end of the fiscal year, a final result of ARS 35,380.4 million was obtained.

Investments and performance

Below is a detail of the main investments in Property, Plant and Equipment items during the year:

Machinery and Facilities	
Furniture, Tools, Vehicles and Other Equipment	1,924,626
Land and Constructions	
Works in Progress and Equipment in Transit	9,009,525
TOTAL INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**11,724,976**

ii. Comparative consolidated balance sheet structure

	12.31.2022	12.31.2021	12.31.2020	12.31.019	12.31.2018
Non-current Assets	194,721,466	207,605,527	212,955,958	222,219,823	221,575,916
Current Assets	257,995,174	256,526,138	230,164,422	222,368,702	236,879,607
Current Assets	**452,716,640**	**464,131,665**	**443,120,380**	**444,588,525**	**458,455,523**
Non-current Liabilities	93,292,843	156,859,248	166,674,535	168,822,845	157,149,372
Current Liabilities	202,284,721	165,355,382	147,937,786	156,038,305	175,437,265
Total Liabilities	**295,577,564**	**322,214,630**	**314,612,321**	**324,861,150**	**332,586,637**
Equity Attributable to the Company's Shareholders	96,776,040	83,341,205	82,257,080	76,537,249	87,286,917
Non-controlling Interest	60,363,036	58,575,830	46,250,979	43,190,126	38,581,969
Total Equity	**157,139,076**	**141,917,035**	**128,508,059**	**119,727,375**	**125,868,886**
Total Liabilities and Equity	**452,716,640**	**464,131,665**	**443,120,380**	**444,588,525**	**458,455,523**

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Consolidated summary of activities

For the fiscal year ended December 31, 2022. presented on a comparative basis
(Figures stated in thousands of Argentine pesos)

iii. Comparative consolidated profit & loss structure

	PROFIT / (LOSS)				
	12.31.2022	12.31.2021	12.31.2020	12.31.2019	12.31.2018
Operating Income	42,428,549	42,946,771	53,399,512	26,217,536	28,198,138
Net Financial Income (Expense)	16,581,241	25,787,483	(19,091,721)	(17,372,853)	(38,617,437)
Income (Loss) from Investments in Associates and Joint Ventures	(2,498,497)	(1,783,559)	(2,532,794)	2,972,477	(1,133,739)
Net Income before Income Tax	**56,511,293**	**66,950,695**	**31,774,997**	**11,817,160**	**(11,553,038)**
Income Tax	(21,130,923)	(28,151,012)	(15,774,706)	(12,393,932)	5,328,303
Net Income / (Loss) for the Year	**35,380,370**	**38,799,683**	**16,000,291**	**(576,772)**	**(6,224,735)**
Other Comprehensive Income (Loss) for the Year	(7,957,918)	(24,589,768)	(592,746)	(1,586,568)	12,663,605
Total Comprehensive Income / (Loss) for the Year	**27,422,452**	**14,209,915**	**15,407,545**	**(2,163,340)**	**6,438,870**
Total Comprehensive Income / (Loss) for the Year Attributable:					
Company's Shareholders	25,182,490	14,464,210	11,947,272	(7,382,531)	(622,987)
Non-controlling Interest	2,239,962	(254,295)	3,460,273	5,219,191	7,061,857
Total	**27,422,452**	**14,209,915**	**15,407,545**	**(2,163,340)**	**6,438,870**

iV. Comparative cash flow structure

	CASH INFLOWS / (OUTFLOWS)				
	12.31.2022	12.31.2021	12.31.2020	12.31.2019	12.31.2018
Operating Activities	51,504,364	33,845,402	63,809,431	52,461,716	18,564,741
Investing Activities	(11,492,011)	(11,764,386)	(8,713,456)	(14,318,314)	(17,889,056)
Financing Activities	(47,377,475)	(18,748,675)	(52,516,600)	(26,512,442)	1,421,980
NET INCREASE / (DECREASE) IN CASH	**(7,365,122)**	**3,332,341**	**2,579,375**	**11,630,960**	**2,097,665**

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 2020 TONS	4Q 2019 TONS
Production Volume	174,669	169,991	167,741	154,894	181,203
Sales Volume - Local Market	163,748	166,122	151,459	151,540	169,718
Sales Volume - Exports	8,246	7,638	7,676	8,494	9,671

	ACCUMULATED AS OF 12.31.2022 TONS	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
Production Volume	805,945	772,172	709,326	726,453	781,819
Sales Volume - Local Market	771,717	735,938	685,613	713,638	750,293
Sales Volume - Exports	30,326	29,103	22,931	28,918	29,270

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Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

See our report dated March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.Cba. N° 21.00004.3
Cr. Guillermo M. Bosio
Public Accountant (UNC)
Professional License 10.17540.4 - C.P.C.E. Cba.

Consolidated summary of activities

For the fiscal year ended December 31, 2022. presented on a comparative basis
(Figures stated in thousands of Argentine pesos)

V. Comparative statistical data vs. the same periods in the four previous years

b) Industrial divisions

	4Q 2021 TONS	4Q 2020 TONS	4Q 2019 TONS	4Q 2020 TONS	4Q 2019 TONS
Production Volume	586,884	570,800	326,656	353,156	302,184
Sales Volume - Local Market	442,775	431,575	231,846	226,289	208,888
Sales Volume - Exports	36,983	51,574	21,726	23,344	20,441

	ACCUMULATED AS OF 12.31.2022 TONS	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
Production Volume	2,494,394	1,927,410	1,471,492	1,404,059	1,401,269
Sales Volume - Local Market	1,752,105	1,263,567	952,453	869,229	865,489
Sales Volume - Exports	173,027	133,920	76,665	93,767	73,770

VI. Consolidated main ratios

	12.31.2022	12.31.2021	12.31.2020	12.31.2019	12.31.2018
Liquidity Ratio	1.3	1.6	1.6	1.4	1.4
Solvency Ratio	0.5	0.4	0.4	0.4	0.4
Non-current-to-Total Assets Ratio	0.4	0.4	0.5	0.5	0.5
Indebtedness Ratio	1.9	2.3	2.4	2.7	2.6
Profitability Ratio	23.7%	28.7%	12.9%	(0.5)%	(4.9)%

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
Profitability Ratio	Net Income for the Year / Total Average Equity

VII. Outlook

According to the IMF's estimates[1], in 2023 the global economy will grow at an annual pace of 2,9%. The lower growth forecast for 2023 is attributable to the impact of central bank rate increases to combat inflation, particularly in advanced economies, as well as the impact of the conflict in Ukraine.

In addition, downward risks in projections are still significant and include, for instance, a stalled recovery in China, if the health consequences of further COVID-19 outbreaks are severe, or a worsening of China's housing crisis. In addition, an escalation of the conflict in Ukraine could have negative effects on global inflation, causing food and fuel prices to rise. Lastly, hazards could arise for the financial and exchange rate stability of emerging economies, given that their debt levels have increased over the past few years.

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(Figures stated in thousands of Argentine pesos)

Vii. Outlook

The United States is anticipated to experience growth of approximately 1.4% in 2023 and 1.0% in 2024. The Chinese economy is projected to expand by 5.2% annually in 2023 and 4.5% annually in 2024.

Concerning the countries of the Latin American region, ECLAC published in its preliminary overview that it expects a marked slowdown in the GDP growth rate to 1.3% per year in 2023, after having grown by 3.7% in 2022 and 6.7% in 2021. This projection is attributable to an unfavorable international context, in which a further slowdown in growth is expected, especially in the region's strategic partners, such as the United States and China. In addition, it highlights the effect of the global financial conditions framework that will continue to be influenced by risk aversion and restrictive monetary policies in developed countries. The report forecasts GDP growth of 0.9% and 1.1% for the region's main economies, Brazil and Mexico, respectively. In the case of Chile, a GDP contraction of approximately 1.1% is expected.

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 2023, overall inflation is expected to hit an annual rate of 97.6%. 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 0.5% during the coming year.

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.

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.

[1] Source: International Monetary Fund, World Economic Outlook Update, January, 2023.

[2] Source: Economic Commission for Latin America (ECLA), Preliminary Overview of the Economies of Latin America and the Caribbean, 2022 (LC/PUB.2022/18-P), Santiago, 2022.

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AUDIT REPORT ISSUED BY INDEPENDENT AUDITORS

To the Shareholders, the President and the Directors of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL
Legal address: 487, Fulvio Salvador Pagani Avenue
Arroyito, Province of Córdoba
CUIT N°: 30-50279317-5

Report on the audit of consolidated financial statements

Opinion

We have audited the consolidated financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL (ARCOR, Joint-stock, industrial and commercial company) and its subsidiaries (hereinafter referred to as "the Group") involving the consolidated statement of financial position as at December 31, 2022, the consolidated income statements, other comprehensive income statements, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, as well as its consolidated comprehensive income statement and consolidated cash flows for the year then ended, according to International Financial Reporting Standards (IFRS).

Opinion basis

We have conducted our assessment in accordance with the International Standards on Auditing (ISA). These standards were adopted as auditing standards in Argentina through Technical Resolution 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under these standards are described below in the section "Auditors' responsibilities for the audit of the consolidated financial statements" of this report.

We consider that the evidence we have obtained provides a sufficient and adequate basis to substantiate our audit opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Standards Board of Ethics for Accountants (IESBA Code) together with the requirements that are applicable to our audit of the consolidated financial statements in Argentina, and we have complied with the other ethical responsibilities in accordance with these requirements and IESBA Code.

Key audit matters

The key audit topics are those matters which, in our professional judgment, have been of the greatest significance in our audit of the consolidated financial statements for this period. These matters have been addressed in the context of our audit of said statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters

Key audit matters	Audit response
Recoverability of investment in Mastellone Hermanos S.A. As of December 31, 2022, and as shown in notes 9 and 43 to the consolidated financial statements, the Group's investment in the associated company named Mastellone Hermanos S.A. totals ARS 23,135.0 million and involved the acknowledgement of results for ARS 2,194.2 million (loss) and other comprehensive results for ARS 140.4 million (loss). The Group assesses its investment in the associated company Mastellone Hermanos S.A. by the equity method and estimates its recoverable value on the basis of the fair value of the associated firm. In order to estimate this fair value, the Group uses a model based on discounted cash flows of the associate, which is estimated from the business plans prepared by its Management Board and the evolution of certain relevant macroeconomic variables. The estimation of the recoverable value of the Group's investment in Mastellone Hermanos S.A. is a key audit matter, given the significant assessment made by Management when estimating the fair value of said company. This, in turn, requires substantial auditor judgment and effort in conducting the procedures to evaluate the associated company's cash flow projections and the main assumptions employed.	Audit procedures carried out on this key matter included, among others, the following: ▪ To obtain an understanding of the process carried out by the Company to analyze the recoverability of its investment in associated companies and prepare estimates related to this topic. ▪ To evaluate the recoverable value estimation model projected by Management, based on the associated company's discounted cash flows. ▪ To verify the reasonableness of the estimates considering, among others, the following factors: (i) the consistency of assumptions used in estimating the associated company's projected cash flows related to its past performance and available financial information, including analysis of major deviations between past forecasts and actual amounts; (ii) the analysis of the significant assumptions used by Management in the model, among which we find the average growth rates from return, changes in future prices and costs, the evolution of the working capital of the associated company, discount rates, the perpetuity growth rate and certain macroeconomic variables, such as the exchange rate; (iii) proof of the completeness of 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. ▪ To analyze the sensitivity of recoverable value model results in the event of changes in certain key assumptions. ▪ To evaluate the insights included in the notes to the consolidated financial statements. The audit effort involved the participation of professionals with specialized skills and knowledge in the evaluation of the recoverable value model projected by Management and of certain assumptions and premises considered.

Information accompanying the consolidated financial statements (“other information”)

The Board of Directors is responsible for “Other information,” which includes the Financial Report and the informative review.

Our opinion on the consolidated financial statements does not include Other information. Therefore, we do not express any audit conclusions in this regard.

In connection with our audit of the consolidated financial statements, our responsibility is to read “Other information” and, in doing so, to consider whether it is materially inconsistent with the consolidated financial statements or our audit knowledge, or if for any other reason there appears to be a material misstatement. Based on the work we have done, if we consider that, as far as we are within our competence, there is a significant inaccuracy in Other information, we are obliged to report it. We have nothing to report on this matter.

Responsibilities of the Board of Directors with respect to the consolidated financial statements

The Board of Directors from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control mechanisms as the Board deems necessary in order to ensure that said statements are free from material misstatements, due to fraud or errors.

When preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing (if applicable) issues related to this matter and using the going concern accounting principle, except if the Board decides to liquidate the Group or cease operations, or if there is no other realistic alternative for continuity.

Responsibilities of the auditors with respect to the audit of consolidated financial statements

Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, due to fraud or errors, and to issue an audit report with our opinion. Reasonable assurance entails a high degree of assurance, but it does not guarantee that an audit conducted in accordance with ISA will always detect a significant misstatement where it exists. Inaccuracies may be due to fraud or errors and are considered material if, individually or in aggregate form, they can reasonably be expected to influence the economic decisions users make based on the consolidated financial statements.

As part of an ISA-compliant audit, we apply our professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

- We identify and evaluate risks of material misstatements in the consolidated financial statements due to fraud or errors, design and implement audit procedures to respond to such risks and obtain sufficient and appropriate evidence to provide a basis for our opinion. The risk of failing to detect a significant misstatement due to fraud is higher than in the case of a significant misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal controls.

- We obtain knowledge of internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control mechanisms.

- We evaluate whether the accounting policies applied are appropriate, as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Board of Directors of Arcor Sociedad Anónima, Industrial y Comercial.

- We conclude on the appropriateness of the use of the going concern accounting principle by the Board of Directors of Arcor Sociedad Anónima, Industrial y Comercial and, based on the evidence obtained, we conclude whether or not there is a material uncertainty related to facts or conditions that may raise significant doubts about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, in our audit report we must highlight the relevant information disclosed in the consolidated financial statements, or if such disclosures are not correct, we are required to express an amended opinion. Our findings are based on the evidence obtained up to the date of issuance of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate overall presentation, structure, and content of the consolidated financial statements, including the disclosed information, and whether the consolidated financial statements represent the underlying transactions and events in a manner that produces a fair presentation.

- We obtain sufficient and appropriate judgment in relation to the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the Group's audit. We are solely responsible for our audit opinion.

We communicated with the Board of Directors from Arcor Sociedad Anónima Industrial y Comercial regarding the scope and timing of the planned audit and its significant findings, including any substantial deficiencies in internal controls that we identified in the course of the audit.

We also provided the Board of Directors from Arcor Sociedad Anónima, Industrial y Comercial with a statement indicating that we have complied with applicable ethics requirements related to the independence topic above and we reported all relationships and other matters that can reasonably be expected to affect our independence and, where appropriate, actions were taken to eliminate those risks or precautions were implemented.

Among the issues that have been communicated to the Board of Directors from Arcor Sociedad Anónima, Industrial y Comercial, we determined those that have been of the greatest significance in the audit of the consolidated financial statements for this year and that are, consequently, the key audit matters. We describe those matters in our audit report unless legal or regulatory requirements prohibit public disclosure of the issues or, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because it can be reasonably predicted that the adverse consequences of doing so would outweigh the public interest benefits of said issue.

Report on other legal and regulatory requirements

In compliance with the current provisions, we report the following:

a) the consolidated financial statements from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL are recorded in the book named “Inventories and Balance Sheets” and comply, in the extent of what can be determined by our competence, with the provisions of the General Law of Business Corporations and the relevant resolutions of the National Securities Commission of Argentina;

b) the individual financial statements from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept in their formal aspects in accordance with legal standards, which maintain the conditions of security and integrity on the basis of which they were authorized by the General Directorate of Inspection of Legal Persons of the Province of Córdoba;

c) the aggregate amounts for the consolidated statement of financial position and the consolidated income statements and other consolidated comprehensive income statements are detailed below:

c.1) consolidated statement of financial position as at December 31, 2022 and 2021:

	Thousands of ARS	
	12.31.22	12.31.21
Assets	452.716.640	464.131.665
Liabilities	295.577.564	322.214.630
Equity	157.139.076	141.917.035

c.2) consolidated income statements and other comprehensive income statements for the financial periods that ended on December 31, 2022 and 2021, which show a comprehensive overall gain of ARS 27,422,452 and ARS 14,209,915 (both figures expressed in thousands of ARS), respectively;

d) as of December 31, 2022, the debt accrued in favor of the Argentine Integrated Social Security System for ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arising from its accounting records totaled ARS 1,226,818,735.44 (amount not being enforceable at that date);

e) in accordance with the requirements of Article 21, Subsection B, Chapter III, Section VI, Title II of the regulations of the National Securities Commission, we inform that the total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL in the financial period that ended on December 31, 2022, represent:

e.1) 93.57% on the total service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL in every respect and for all the services provided in that financial period;

e.2) 53.74% on the total audit- and related-service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, controlled and related companies in that financial period;

e.3) 50.59% on the total service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, controlled and related companies in every respect and for all the services provided in that financial period;

f) We have implemented procedures for the prevention of money laundering and financing to terrorist activities at ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL. Those procedures are stipulated in the corresponding professional standards issued by the Professional Council in Economic Sciences of the Province of Córdoba.

City of Córdoba, 10th March 2023.

PRICE WATERHOUSE & CO.S.R.L.

(Partner)
Professional Council in Economic
Sciences, Córdoba.
Number 21.00004.3

Guillermo M. Bosio
Certified Public Accountant
(National University of Córdoba)
License number 10.17540.4
Professional Council in
Economic Sciences, Córdoba

Separate Financial Statements

For the years ended
December 31, 2022 and 2021

Separate financial statements

As of December 31, 2022 and 2021

Contents

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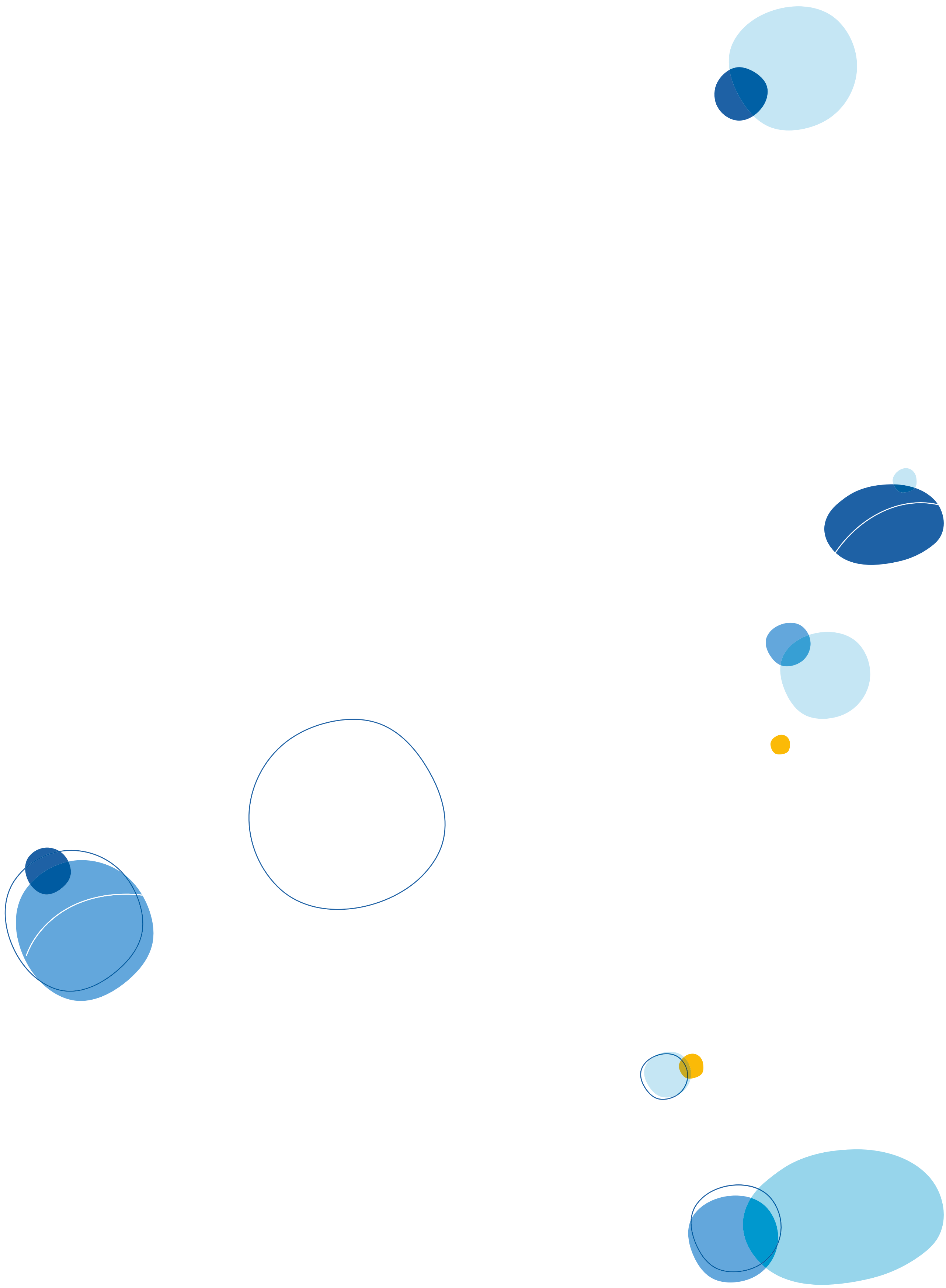

Separate financial statements

As of December 31, 2022 and 2021

Glossary of terms

TERM	DEFINITION
AFIP	The Spanish acronym for Administración Federal de Ingresos Públicos, i.e., the Argentine tax agency.
AOA	Angolan Kwanza.
Arcor Group	Economic group comprised by Arcor S.A.I.C. and its subsidiaries.
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.
BRL	Brazilian Real.
CHF	Swiss Franc.
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
EUR	Euro.
FACPCE	Argentine Federation of Professional Councils in Economic Sciences.
FACPCE TP	Technical Pronouncements issued by the FACPCE.
GCL	Argentine General Companies Law (Law No. 19,550, as amended).
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.
IAS	International Accounting Standards.
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
INDEC	The Spanish acronym for Instituto Nacional de Estadística y Censos (National Institute of Statistics and Census).
IPC	Consumer Price Index.
The Company / Arcor S.A.I.C.	Indistinctively, Arcor Sociedad Anónima, Industrial y Comercial.
MNX	Mexican Peso.
Joint Venture	An agreement whereby the Company 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.
NIIF	International Financial Reporting Standards (IFRS for its Spanish acronym)
PEN	Peruvian Sol.
PYG	Paraguayan Guarani.
RMB	Renminbi
SEK	Swedish Krona
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.
USD	U.S. Dollar.
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.

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.

Separate statement of income

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED	
		12.31.2022	12.31.2021
Sales of Goods and Services	26	215,772,982	224,987,738
Costs of Goods Sold and Services Rendered	27	(149,397,237)	(160,000,983)
SUBTOTAL		**66,375,745**	**64,986,755**
Income (Loss) from Biological Assets	30	(126,379)	282,087
GROSS PROFIT		**66,249,366**	**65,268,842**
Selling Expenses	28	(36,057,236)	(38,044,868)
Administrative expenses	28	(19,825,782)	(14,474,197)
Other Income / (Expenses), Net	31	(2,988,430)	(1,022,127)
OPERATING INCOME		**7,377,918**	**11,727,650**
Financial income	32	4,424,836	20,724,890
Financial Expenses	32	(1,306,571)	(4,914,722)
Gain on Net Monetary Position	32	15,353,811	4,866,217
NET FINANCIAL INCOME (EXPENSE), NET		**18,472,076**	**20,676,385**
Income (Loss) from Investments in Associates, Joint Ventures and Others	8	14,062,939	15,915,462
INCOME BEFORE INCOME TAX		**39,912,933**	**48,319,497**
Income Tax	33	(7,873,690)	(12,951,049)
NET INCOME FOR THE FISCAL YEAR		**32,039,243**	**35,368,448**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	34	0.45770	0.50526

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

Victor Jorge Aramburu
Chairman
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Separate statement of other comprehensive income

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED	
		12.31.2022	12.31.2021
NET INCOME FOR THE FISCAL YEAR		**32,039,243**	**35,368,448**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that May Be Subsequently Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Companies' Translation Differences	19	(6,348,604)	(21,587,490)
Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences	8 and 19	7,209	251,314
Tax Effect	19 and 33	-	134,797
SUBTOTAL		**(6,341,395)**	**(21,201,379)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**(6,341,395)**	**(21,201,379)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans		(122,926)	152,685
Actuarial (Loss) / Income from Defined Benefit Plans	22	(603,741)	(463,773)
Tax Effect	33	211,309	222,059
SUBTOTAL		**(515,358)**	**(89,029)**
Income (Loss) from Acquisition	8 and 41	-	386,170
SUBTOTAL		**-**	**386,170**
Total Items that Will Not Be Reclassified to Income / (Loss)		**(515,358)**	**297,141**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(6,856,753)**	**(20,904,238)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**25,182,490**	**14,464,210**

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

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Separate balance sheet

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2022	12.31.2021
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	32,110,182	32,678,533
Right-of-use Assets	5	2,264,203	2,532,066
Investment Properties	6	408,005	408,039
Intangible Assets	7	8,996,132	8,884,592
Investments in Associates and Joint Ventures	8	186,931,353	179,493,107
Biological Assets	9	764,417	1,237,614
Other Investments	11	257	497
Other Receivables	12	2,435,916	5,480,331
TOTAL NON-CURRENT ASSETS		**233,910,465**	**230,714,779**
CURRENT ASSETS			
Biological Assets	9	1,799,368	1,925,553
Inventories	13	43,032,410	39,463,999
Derivative Financial Instruments	14	2,039,685	1,059,827
Other Receivables	12	5,193,739	9,121,812
Trade Receivables	12	16,871,154	19,569,806
Cash and Cash Equivalents	15	1,107,713	2,157,109
TOTAL CURRENT ASSETS		**70,044,069**	**73,298,106**
TOTAL ASSETS		**303,954,534**	**304,012,885**

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 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C. Nº 21.00004.3
Cr. Guillermo M. Bosio
Public Accountant (UNC)
Professional License 10.17540.4 - C.P.C.E. Cba.

Separate balance sheet

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2022	12.31.2021
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	17	700,000	700,000
Capital Adjustment		21,128,913	21,128,913
Parent Company's Treasury Shares		(4,804)	(4,804)
Legal Reserve	16	4,365,783	4,365,783
Optional Reserve for Future Investments		52,086,335	33,970,569
Special Reserve for Future Dividends		9,043,807	3,241,631
Special Reserve for IFRS Adoption	16	2,306,123	2,306,123
Unappropriated Retained Earnings	18	31,523,934	35,665,646
Other Equity Components	19	(24,374,051)	(18,032,656)
TOTAL EQUITY		**96,776,040**	**83,341,205**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	20	58,551,934	112,918,600
Lease Liabilities	21	1,210,424	1,540,290
Derivative Financial Instruments	14	308,327	1,337,894
Deferred Tax Liabilities	10	7,773,627	14,722,265
Employee Retirement Benefits Obligations	22	5,374,208	6,548,161
Provisions	23	395,426	652,655
Trade Payables and Other Liabilities	24	172,975	724,405
TOTAL NON-CURRENT LIABILITIES		**73,786,921**	**138,444,270**
CURRENT LIABILITIES			
Loans	20	86,922,936	46,320,892
Lease Liabilities	21	1,159,406	1,064,884
Derivative Financial Instruments	14	16,635	13,526
Income Tax Payable		820,361	-
Employee Retirement Benefits Obligations	22	743,530	999,361
Provisions	23	169,468	279,709
Advances from Customers		512,714	584,266
Trade Payables and Other Liabilities	24	43,046,523	32,964,772
TOTAL CURRENT LIABILITIES		**133,391,573**	**82,227,410**
TOTAL LIABILITIES		**207,178,494**	**220,671,680**
TOTAL EQUITY AND LIABILITIES		**303,954,534**	**304,012,885**

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, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	RETAINED EARNINGS		
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT[1]		LEGAL RESERVE (NOTE 16)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS	SPECIAL RESERVE FOR FUTURE DIVIDENDS
Balance as of January 01, 2022	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**33,970,569**	**3,241,631**
Net income for the Year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves[2]	-	-	-	-	18,115,766	5,802,176
Cash Dividends[2]	-	-	-	-	-	-
Forfeited Dividends[3]	-	-	-	-	-	-
Balance as of December 31, 2022	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**52,086,335**	**9,043,807**

[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 Shareholders' Meeting held on April 29, 2022.

[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.

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Retained earnings		Other equity components	
Special reserve for IFRS adoption (Note 17)	Unappropriated retained earnings (Note 18)	Translation reserve (Note 19)	Total equity
2,306,123	**35,665,646**	**(18,032,656)**	**83,341,205**
-	32,039,243	-	32,039,243
-	(515,358)	(6,341,395)	(6,856,753)
-	**31,523,885**	**(6,341,395)**	**25,182,490**
-	(23,917,942)	-	-
-	(11,747,704)	-	(11,747,704)
-	49	-	49
2,306,123	**31,523,934**	**(24,374,051)**	**96,776,040**

Separate statement of changes in equity

For the years ended December 31, 2022 and 2021
(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 16)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS	SPECIAL RESERVE FOR FUTURE DIVIDENDS
Balances as of January 1, 2021	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**30,736,305**	**7,437,149**
Net income for the year	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves [2]	-	-	-	-	3,234,264	1,954,640
Cash Dividends [2]	-	-	-	-	-	(6,150,158)
Forfeited Dividends [3]	-	-	-	-	-	-
Balance as of December 31, 2021	**700,000**	**21,128,913**	**(4,804)**	**4,365,783**	**33,970,569**	**3,241,631**

[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 Shareholders' Meeting held on April 6, 2021 and the Ordinary and Extraordinary General Shareholders' Meeting held on 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.

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UNAPPROPRIATED RETAINED EARNINGS		OTHER EQUITY COMPONENTS	
SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 17)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 18)	TRANSLATION RESERVE (NOTE 19)	TOTAL EQUITY
2,306,123	**12,418,887**	**3,168,723**	**82,257,079**
-	35,368,448	-	35,368,448
-	297,141	(21,201,379)	(20,904,238)
-	**35,665,589**	**(21,201,379)**	**14,464,210**
-	(5,188,904)	-	-
-	(7,229,983)	-	(13,380,141)
-	57	-	57
2,306,123	**35,665,646**	**(18,032,656)**	**83,341,205**

Separate statement of cash flows

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2022	12.31.2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		**32,039,243**	**35,368,448**
Income Tax	33	7,873,690	12,951,049
Adjustments for:			
Depreciation of Property, Plant and Equipment and Investment Properties	28	3,826,040	4,079,043
Depreciation of Right-of-use Assets	28	1,337,961	1,333,184
Amortization of Intangible Assets	28	151,180	164,522
Provisions Deducted from Assets and Included in Liabilities, Net		81,220	369,801
Provisions for depreciation of property, plant and equipment	4	1,132,655	-
Net Financial Income (Expense)	32	(18,472,076)	(20,676,385)
Income (Loss) from Investments in Associates and Others	8	(14,062,939)	(15,915,462)
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	9	11,797	(679,759)
Gain (Loss) on Disposal of Property, Plant and Equipment	31	(134,968)	(965,623)
Derecognition of Bearer Plants	4	95,647	40,158
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	5 and 21	624	-
Adjustments Subtotal:		**(26,032,859)**	**(32,250,521)**
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(1,748,580)	(1,868,614)
Income Tax Payments		(7,733,514)	(1,132,415)
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**4,397,980**	**13,067,947**
Net Changes in Operating Assets and Liabilities			
Trade receivables		(5,510,359)	(6,065,351)
Other receivables		(1,549,247)	1,787,539
Inventories		(1,154,954)	(4,394,228)
Trade accounts payable and other payables		26,336,098	7,708,816
Advances from Customers		(71,565)	(2,304,843)
Provisions		(74,499)	(59,947)
Net Cash Flow Provided by Operating Activities		**22,373,454**	**9,739,933**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases and advances of property, plant and equipment, intangible assets and others		(4,823,115)	(3,414,074)
Cash Inflows from Disposal of Property, Plant and Equipment and Investment Properties		81,759	159,810
Net Changes in Financial Receivables with Related Parties		3,311,179	613,217
Realized Capital Contributions		(476,138)	(723,322)
Payment for Acquisition of Shares	41	-	(1,072,021)
Receipts of Dividends and Other Proceeds from Investments in Companies		-	2,829,766
Payments for purchase of shares	20 and 41	(335,581)	-
Net Cash Flows (Used In) Financing Activities	15	**(2,241,896)**	**(1,606,624)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows from Bank Loans	20	5,942,780	13,629,753
Repayment of Bank Loans	20	(8,763,629)	(2,423,468)
Net Changes in Short-term Loans	20	13,733,941	20,897,812
Net Changes in Loans with Related Parties	20	26,683,267	1,382,655
Inflows from Notes Issued	20	-	8,353,386
Debt Repayment in respect of Notes	20	(19,096,042)	(12,111,274)
Net Payments from Derivative Financial Instruments Related to Financing Activities	14	(4,133,538)	(3,068,444)
Payments of Principal on Lease Liabilities	21	(1,294,356)	(1,439,878)
Payments of Interest on Lease Liabilities	21	(126,575)	(129,234)
Payment of Interest and Other Financial Expenses	20	(23,627,554)	(20,715,863)
Distribution of Dividends		(10,528,250)	(12,402,139)
Net Cash Flows (Used In) Financing Activities	15	**(21,209,956)**	**(8,026,694)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(1,078,398)**	**106,615**
Cash and Cash Equivalents at the Beginning of the Year	15	**2,157,109**	**2,268,425**
Exchange Differences and Currency Translation Effect on Cash and Cash Equivalents		157,318	(111,608)
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(128,316)	(106,323)
Net Increase in Cash and Cash Equivalents		(1,078,398)	106,615
Cash and Cash Equivalents at Year-end	15	**1,107,713**	**2,157,109**

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

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Notes to the separate financial statements

For the years ended December 31, 2022 and 2021
(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, associates and joint ventures 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.

The Company is authorized for public offering and listing of its marketable securities by the CNV and Bolsas y Mercados Argentinos S.A. (BYMA), respectively, and for secondary trading of its notes in the Mercado Abierto Electrónico (MAE). Note 22 includes information related to the current Global Notes Program.

These separate financial statements were approved by Minutes of Board of Directors' Meeting No. 2404 dated March 11, 2023.

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). Its registered office is located at Maipú No. 1210, 8th Floor, Suite 817, C1006ACT, Autonomous City of Buenos Aires.

1.3 Economic Context

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 almost immediately on economies. In response, most governments implemented expansionary fiscal policies and fiscal aid packages to support people's income and minimize a potential disruption in the payment chain and prevent economic and financial crises. A large portion of such policies were maintained longer than originally expected, resulting in an undesired increase in inflation worldwide.

In this regard, 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, its business activity was considered essential and, as such, its operations were not disrupted. As of the date of these separate financial statements, the pandemic has not had a substantial impact on the Company's results of operations.

Subsequently, due to the armed conflict that erupted in early 2022 between Russia and Ukraine, the global economic context became more complex and the prices of many food and energy commodities spiked. Furthermore, global inflation levels continued to rise, especially in the United States and in Europe, which led to said countries to implement monetary policy measures such as rising interest rates to try and curb the inflation.

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Notes to the separate financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 1. General information

1.3 Economic Context

At the local level, 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.

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 separate 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 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.

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 statements. The preparation of these 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 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 separate financial statements.

The figures as of December 31, 2021 disclosed in these separate 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 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 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, 2022:

Amendments to IFRS 3, "Business combinations": These changes imply an update to a reference expressed in IFRS 3 to Conceptual Framework for Financial Reporting maintaining the accounting requirements for business consolidations unchanged. The adoption of these amendments did not have an impact on these separate financial statements.

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Note 2. Accounting standards and basis for preparation

2.2 Changes to Accounting Policies. New Accounting Standards

(a) New Standards, Amendments and Interpretations Effective for the Fiscal Year Beginning on January 1, 2022:

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 adoption of these amendments did not have an impact on these separate financial statements.

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 adoption of these amendments did not have an 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, 2022 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, 2024.

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.

Amendments to IAS 16, "Sale-Leaseback Transaction": These amendments include requirements for sale-leaseback transactions in NIFRS 16 to explain how an entity accounts for a sale-leaseback after the date of the transaction. Sale-leaseback transactions where some or all of the lease payments are variable payments that are not dependent on an index or rate are likely to be affected. These amendments were published in September 2022 and will come into force for fiscal years commencing on or after January 1, 2024.

Amendments to IAS 1, "Non-current Liabilities with Covenants": These amendments clarify how the covenants that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments were published in November 2022 and will come into force for fiscal years commencing on or after January 1, 2024.

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.

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For the years ended December 31, 2022 and 2021
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Note 2. Accounting standards and basis for preparation

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.

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.

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.

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Note 2. Accounting standards and basis for preparation

2.4 Leases

2.4.1 Company's 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. Leases cannot be used as collateral for loan purposes.

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's useful life and the lease term. The resulting carrying amount does not exceed the recoverable value of the 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. Barring exceptional circumstances, the Company updates the rates applicable to new lease contracts on an annual basis.

Note 2. Accounting standards and basis for preparation

2.4 Leases

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.

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 separate statement of income.

Management and maintenance expenses are recognized under the caption "Other Income / (Expenses), Net" in the separate 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.

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Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

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Note 2. Accounting standards and basis for preparation

2.6 Intangible Assets

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 and subsequently merged into the Company is included in "Intangible Assets" in the separate balance sheet.

On the other hand, goodwill generated from the acquisition of subsidiaries that were not subsequently merged and from investments associates is disclosed in "Equity Interests in Associates and Joint Ventures" in the separate balance sheet.

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 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.

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 and, therefore, their amortization is not computed. 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.

Note 2. Accounting standards and basis for preparation

2.6 Intangible Assets

(c) Software and Related Licenses

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.

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.

(Figures stated in thousands of Argentine pesos)

Note 2. Accounting standards and basis for preparation

2.8 Equity Interests in Subsidiaries and Associates

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 individual 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 charged to "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.

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*	
					12.31.2022	12.31.2021
					DIRECT	DIRECT
Arcor A.G. (S.A., Ltd.)[1]	Switzerland	EUR	EUR	12.31.2022	-	100.00000
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1 2]	Spain	EUR	EUR	12.31.2022	100.00000	100.00000
Arcor do Brasil Ltda.	Brazil	BRL	BRL	12.31.2022	0.00046	0.00046
Bagley Argentina S.A.[3]	Argentina	ARS	ARS	12.31.2022	0.00401	0.00401
Bagley Latinoamérica S.A.[4]	Spain	EUR	EUR	12.31.2022	51.00000	51.00000
Cartocor Chile S.A.[5]	Chile	CLP	CLP	12.31.2022	28.07196	28.07196
Cartocor S.A.[6]	Argentina	ARS	ARS	12.31.2022	99.99678	99.99678
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2022	99.99780	99.99597
GAP Inversora S.A.	Argentina	ARS	ARS	12.31.2022	1.60000	1.60000
Industria Dos en Uno de Colombia Ltda.[7]	Colombia	COP	COP	-	-	4.37353
Ingrear Holding S.A.[8]	Argentina	ARS	ARS	12.31.2022	51.00000	51.00000
Mastellone Hermanos S.A.[9]	Argentina	ARS	ARS	12.31.2022	24.33837	24.33837

* Percentage of interest in capital stock and voting rights.

[1] See "Corporate Reorganizations Abroad" (Note 8).

[2] Its investments in Arcor Alimentos Bolivia S.A., Arcor Trading (Shanghai) Co., Ltd., Arcor do Brasil Ltda., Arcor U.S.A., Inc., Arcorpar S.A., GAP Regional Services S.A., Industria de Alimentos Dos en Uno S.A., Tucor DMCC, Unidal México S.A. de C.V. and Van Dam S.A. are valued by the equity method.

[3] Its investments in Bagley Chile S.A. and Mastellone Hermanos S.A. are valued by the equity method.

[4] Its investments in Bagley Chile S.A., Bagley do Brasil Alimentos Ltda. and Bagley Argentina S.A. are valued by the equity method.

[5] Its investments in Cartocor de Perú S.A. are valued by the equity method.

[6] 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.

[7] During the first quarter of 2022, the Company sold its entire equity interest in the subsidiary Industria Dos en Uno de Colombia Ltda. See Note 8.

[8] Its investments in Ardion S.A., Ingredion Chile S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method. See Note 41.

[9] 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.

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Note 2. Accounting standards and basis for preparation

2.8 Equity Interests in Subsidiaries and Associates

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.

2.9 Financial Reporting in Hyperinflationary Economies

IAS 29, "Financial Reporting in Hyperinflationary Economies", requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, regardless of whether they are based on the historical cost method or the current cost method, be expressed in units of the functional currency current as 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.

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 date of these 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 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.

Note 2. Accounting standards and basis for preparation

2.9 Financial Reporting in Hyperinflationary Economies

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 individual separate statements was 94.79% as of December 31, 2022, and 50.94% as of December 31, 2021.

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 Company'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 (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.

2.10 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 Company's reporting currency.

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

	LOCAL CURRENCY PER EACH ARS	
CURRENCY	12.31.2022	12.31.2021
AOA	2.8464	5.4134
BOB	0.0393	0.0679
BRL	0.0295	0.0544
CLP	4.8365	8.2393
RMB	0.0394	0.0621
COP [(1)]	-	38.8330
USD	0.0057	0.0098
EUR	0.0053	0.0086
MXN	0.1094	0.2001
PYG	41.4762	67.1051
PEN	0.0216	0.0389
UYU	0.2264	0.4360

[1] See Note 8.

(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 separate 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 Company'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.

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.

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Note 2. Accounting standards and basis for preparation

2.10 Foreign Currency Translation

(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 Company'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, sugarcane sown land and fruit crops. Dairy cattle and beef cattle are part of the biological assets of the livestock business.

Grain sown land and sugarcane 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 recognized at fair value less direct costs to sell, estimated in accordance with quoted prices at closing date, per kilogram of live weight, at Cañuelas Cattle Market (Mercado de Cañuelas), where the Company usually operates and uses as point of reference.

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) Sugarcane Sown Land

Sugarcane 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.

Sugarcane 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. Sugarcane, 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 (sugarcane 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 (sugarcane) 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) 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 Company 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.

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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. 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.

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.

The Company applies the simplified approach set forth in IFRS 9 to measure the impairment of receivables (financial assets), pursuant to which a loss allowance is recognized throughout the useful life of such assets. To measure the expected credit loss, groups of customers whose risks are similar and, at the same time, different from each other were identified. The Company defines an "event of default" as a delinquency of more than 90 days. This definition is maintained until the cancellation of outstanding obligations with the Company. Impairment tests on accounts receivable are also described in note 2.15.

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.

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.

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 "Costs of Goods Sold and Services Rendered" for the hedge on prices for cocoa derivatives, the recognition in such statement depends on the item being hedged.

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: (i) if the hedged item affects "Net Financial Income (Expense)", the reclassification is recognized under said item; and (ii) if the hedged item affects items comprising "Operating income", such reclassification is recognized under said item.

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.

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 32); however, if the instruments involve the supply of raw materials (cocoa, cereals, etc.), they are recognized under "Cost of Goods Sold and Services Rendered" (Note 29). Further, it is worth noting that 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 32).

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, 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.

2.15 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.

Note 2. Accounting standards and basis for preparation

2.15 Trade and Other Receivables

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.

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 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. Group fund placements that do not meet the aforementioned conditions are disclosed under "Other Investments" in the consolidated balance sheet.

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 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.

In the event of a swap of financial instruments related to financial debts, the Company analyzes whether the changes in such instruments are substantial or not, in order to define whether it is a cancellation or modification, respectively, of the original liability.

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. In case of liabilities resulting from raw material purchase agreements with price to be fixed (such as cereal purchase with price to be fixed), fair value is estimated at the end of the reporting period.

Note 2. Accounting standards and basis for preparation

2.20 Income Tax and Minimum Presumed Income Tax

(a) Income Tax

The income tax expense for the year includes current and deferred tax. Such tax is 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 charge is based on the tax laws enacted in Argentina as of the date of the statement of financial position. 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.

- **Income Tax – Deferred Tax Method**

The deferred tax method is determined entirely by the liability method on the temporary differences between the accounting and tax valuation of assets and liabilities, and their respective amounts as shown in the financial statement. However, the deferred tax arising from the initial recognition of an asset or a liability, in a transaction that does not correspond to a business combination, which at the time of the transaction affects neither accounting nor taxable income or loss, is not recorded. Deferred tax is determined using tax rates (and legislation) that have been enacted at the date of the financial statements and are expected to apply when the deferred tax asset is realized or the deferred tax liability is paid.

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 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.

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Note 2. Accounting standards and basis for preparation

2.20 Income Tax and Minimum Presumed Income Tax

(b) Minimum Presumed Income Tax

The minimum presumed income tax credit disclosed under "Other Liabilities" 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. As of December 31, 2022, there are no balances under "Other Liabilities" related to the minimum presumed income tax.

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 2022 and 2021 in these separate financial statements.

2.21 Employee Benefits

(a) Pension Plans

The Company 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 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 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 in the separate statement of income.

(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 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.

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Note 2. Accounting standards and basis for preparation

2.21 Employee Benefits

(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. Further, the Company has established a special retirement plan for directors (who are on the Company's payroll) and another one for general managers of the Company based in Argentina. Such retirement plans establish eligibility criteria that determine the beneficiary's compliance with certain pre-established requirements and willingness to participate.

(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.

(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.

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Note 2. Accounting standards and basis for preparation

2.22 Provisions

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, which usually occurs when the products and services are effectively delivered to the customer and there are no pending performance obligations that may affect the customer's acceptance of such products or services. The transfer of control takes place upon delivery 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.

Products are typically sold at volume or price discounts based on aggregate sales over variable periods (not exceeding 12 months). Revenues from these sales are recognized based on the price specified in the contract, net of estimated volume or price discounts. Accumulated experience and contract clauses are used to estimate and forecast discounts, using the "expected value method", and revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in "Trade receivables" in the consolidated balance sheet) is recognized for expected volume or price discounts to be written off to customers in connection with sales made through the end of the reporting period. Likewise, the financing components contained in contracts with customers are recognized in "Net Financial Income (Expense)" in the consolidated statement of income. In this regard, significant financing components may exist regardless of whether the financing commitment is explicitly stipulated with the customer in the contract or is implicit in the payment and price conditions agreed by the parties to the contract.

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, 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 industrial chocolate, sugar, and corn by-products.

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Note 2. Accounting standards and basis for preparation

2.24 Recognition of Revenues from Sales

(a.1) Local Market Sales

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, with no unfulfilled performance obligations that that could affect the customer's acceptance of such products.

(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.

2.25 Operating leases - exemptions from recognition

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, as they are exemptions from recognition under IFRS 16 (short-term leases and/or leases in which the underlying asset is of low value).

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 "Other Income / (Expenses), Net" in the individual statement of 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) Recoverability of Intangible Assets

Intangible assets with an indefinite useful life (including goodwill) are not subject to amortization. The Company annually assesses the recoverable value of those assets. 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.

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Note 3. Significant accounting criteria and estimates

(b) Recoverability of Intangible Assets

The recoverable amount of a cash-generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections 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 marginal contribution margins. These were 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 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 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 Company 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 Company 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 Company'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.

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Note 3. Significant accounting criteria and estimates

(e) Income Tax

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 fulfillment of sales volumes in future periods for targets encompassing multiple months.

(g) Biological Assets

As described in Note 2.11, in order to measure the fair value of the asset, the Company 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 42) required determining the fair value of various assets and liabilities of that associate at the time of acquisition. The Company relied 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 hired 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 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.

The initial recognition of the call and put options contemplated in such transaction (Note 42) 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.

Note 3. Significant accounting criteria and estimates

(i) Recoverability of the Investment in Mastellone Hermanos S.A.

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 42), 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 in the separate statement of income.

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 for the following years 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 42).

(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 41) 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.

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Note 4. 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	**2,387,712**	**39,267,838**	**1,435,081**	**70,100,308**	**10,952,868**	**2,113,481**	**126,257,288**
Additions[1]	101,581	42,447	-	166,733	652,781	3,504,666	4,468,208
Transfers	-	1,039,429	259,927	1,008,040	278,097	(2,585,493)	-
Deletions[2]	-	-	(681,242)	(300,841)	(249,606)	-	(1,231,689)
Original Value at Year-end	**2,489,293**	**40,349,714**	**1,013,766**	**70,974,240**	**11,634,140**	**3,032,654**	**129,493,807**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(27,017,493)**	**(942,826)**	**(56,094,191)**	**(9,524,245)**	**-**	**(93,578,755)**
Deletions[2]	-	-	585,595	297,843	172,782	-	1,056,220
Depreciation for the Year[3]	-	(1,069,312)	(132,108)	(1,769,193)	(757,822)	-	(3,728,435)
Accumulated Depreciation at Year-end	-	**(28,086,805)**	**(489,339)**	**(57,565,541)**	**(10,109,285)**	**-**	**(96,250,970)**
Allowance for impairment of property, plant and equipment							
Balance at beginning of year	-	-	-	-	-	-	-
Increases[4]	(8,356)	(140,236)	-	(897,947)	(29,221)	(56,895)	(1,132,655)
Balance at year-end	(8,356)	**(140,236)**	**-**	**(897,947)**	**(29,221)**	**(56,895)**	**(1,132,655)**
TOTAL as of 12.31.2022	**2,480,937**	**12,122,673**	**524,427**	**12,510,752**	**1,495,634**	**2,975,759**	**32,110,182**

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Note 4. 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	**2,288,450**	**43,421,266**	**1,614,183**	**79,365,790**	**10,966,369**	**3,413,518**	**141,069,576**
Additions[1]	85,864	11,543	-	54,668	582,584	2,188,780	2,923,439
Transfers[6]	13,398	989,329	160,461	2,055,356	206,416	(3,411,562)	13,398
Deletions [2 5]	-	(5,154,300)	(339,563)	(11,375,506)	(802,501)	(77,255)	(17,749,125)
Original Value at Year-end	**2,387,712**	**39,267,838**	**1,435,081**	**70,100,308**	**10,952,868**	**2,113,481**	**126,257,288**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	-	**(28,153,809)**	**(967,284)**	**(60,281,135)**	**(9,592,374)**	**-**	**(98,994,602)**
Deletions [1 5]	-	2,258,420	299,405	6,183,054	736,324	-	9,477,203
Depreciation for the Year[3]	-	(1,122,104)	(274,947)	(1,996,110)	(668,195)	-	(4,061,356)
Accumulated Depreciation at Year-end	-	**(27,017,493)**	**(942,826)**	**(56,094,191)**	**(9,524,245)**	**-**	**(93,578,755)**
TOTAL AS OF 12.31.2021	**2,387,712**	**12,250,345**	**492,255**	**14,006,117**	**1,428,623**	**2,113,481**	**32,678,533**

[1] Additions for the years ended December 31, 2022 and 2021 include capitalized amounts of ARS 54,923 and ARS 29,715, respectively.
[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] The accounting allocation of depreciation for the year is reported in Note 28.
[4] The charge to the results of the year is reported in the line item "Other Income / (Expenses), Net" of the separate statement of income.
[5] It includes deletions related to the transaction described in Note 41. Original value: ARS (16,182,948). Accumulated depreciation: ARS 8,010,256.
[6] Transfers from Investment Properties (note 6).

The useful life of the components of this item is disclosed in Note 2.3.

Property, plant and equipment impairment tests

As exposed in note 3(a), the Company evaluates the recoverability of its Property, Plant and Equipment assets when there are indications of impairment. As of December 31, 2022 and 2021, the most significant Property, Plant and Equipment assets that were subjected to such tests are summarized in the tables below, detailing the results of the evaluations and the methods used to estimate their recoverable values in each case:

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Note 4. Property, plant and equipment

As of December 31, 2022:

OPERATING SEGMENT	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE	CARRYING VALUE AS OF 12.31.2022	METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
Food Products	802,619	(802,619)	-	Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 12 years (average useful life). - Discount rate: 11.57% per year.
Agribusiness	330,036	(330,036)	-	Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain industrial products. • Main premises: - Marginal Contribution Margins - Period covered: 6 years (average useful life). - Discount rate: 11.57% per year.

For assets included in the Food business, according to the requirements of IAS 36 "Impairment of Assets," an increase in cash flow projections of approximately 209.8%, each year and in each projected flow, keeping the rest of the variables constant, would cause the estimated recoverable value to be equal to the carrying amount and, consequently, would imply the reversal of the impairment previously recognized.

For assets included in the Agribusiness, in accordance with the requirements of IAS 36 "Impairment of Assets," an increase in cash flow projections of approximately 45.8%, each year and in each projected cash flow, keeping the remaining variables constant, would cause the estimated recoverable amount to be equal to the carrying amount and, consequently, result in the reversal of the previously recognized impairment loss.

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Notes to the separate financial statements

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Note 4. Property, plant and equipment

As of December 31, 2021

OPERATING SEGMENT	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE	CARRYING VALUE AS OF 12.31.2022	METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
Food products	856,792	-	856,792	Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain products. • Main premises: - Marginal Contribution Margins - Period covered: 13 years (average useful life). - Discount rate: 11.10% per year.
Agribusiness	397,885	-	397,885	Value in use	• Model of discounted net cash flows • Cash-generating units include the assets and liabilities involved in the production of certain industrial products. • Main premises: - Marginal Contribution Margins - Period covered: 7 years (average useful life). - Discount rate: 11.10% per year.

Note 5. Right-of-use assets

The following tables detail the breakdown of and changes to this item:

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**1,186,119**	**3,168,773**	**553,119**	**4,908,011**
Additions	334,860	289,552	465,357	1,089,769
Adjustments to Variable Leases	151,297	(11,419)	(74,897)	64,981
Deletions [1]	(152,655)	(1,468,403)	(50,231)	(1,671,289)
Original Value at Year-end	**1,519,621**	**1,978,503**	**893,348**	**4,391,472**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(625,662)**	**(1,601,841)**	**(148,442)**	**(2,375,945)**
Deletions[1]	152,655	1,467,779	50,231	1,670,665
Depreciation for the Year[2]	(335,060)	(888,840)	(198,089)	(1,421,989)
Accumulated Depreciation at Year-end	**(808,067)**	**(1,022,902)**	**(296,300)**	**(2,127,269)**
TOTAL AS OF 12.31.2022	**711,554**	**955,601**	**597,048**	**2,264,203**

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Note 5. Right-of-use assets

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**1,316,104**	**3,196,924**	**176,739**	**4,689,767**
Additions	49,076	1,290,068	392,914	1,732,058
Adjustments to Variable Leases	(118,433)	(117,742)	(16,534)	(252,709)
Deletions [1]	(60,628)	(1,200,477)	-	(1,261,105)
Original Value at Year-end	**1,186,119**	**3,168,773**	**553,119**	**4,908,011**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(440,001)**	**(1,862,514)**	**(33,648)**	**(2,336,163)**
Deletions[1]	60,628	1,200,477	-	1,261,105
Depreciation for the Year[2]	(246,289)	(939,804)	(114,794)	(1,300,887)
Accumulated Depreciation at Year-end	**(625,662)**	**(1,601,841)**	**(148,442)**	**(2,375,945)**
TOTAL AS OF 12.31.2021	**560,457**	**1,566,932**	**404,677**	**2,532,066**

[1] The accounting allocations of the deletions for the year are 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 28.

Note 6. Investment properties

The following table shows the breakdown of and changes to this item:

	12.31.2022	12.31.2021
	LANDS AND CONSTRUCTIONS	
Cost		
Original value at the beginning of the year	**930,657**	**944,055**
Transfers[1]	-	(13,398)
Deletions[2]	(34)	-
Original Value at Year-end	**930,623**	**930,657**
Depreciation		
Accumulated depreciation at the beginning of the year	**(522,618)**	**(522,618)**
Accumulated depreciation at Year-end	**(522,618)**	**(522,618)**
TOTAL	**408,005**	**408,039**

[1] Transfer to Property, Plant and Equipment (Note 4).

[2] The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income.

The useful life of the components of this item is disclosed in Note 2.5

Investment properties are carried at depreciated cost. As of December 31, 2022 and 2021, their fair value of these assets amounted to ARS 17,187,573 and ARS 19,892,036, 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, 2022 and 2021 are recognized in "Other Income / (Expenses), Net" in the consolidated statement of income (Note 31).

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Note 7. 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	**122,671**	**8,233,620**	**1,969,782**	**10,326,073**
Additions	-	-	262,720	262,720
Original Value at Year-end	**122,671**	**8,233,620**	**2,232,502**	**10,588,793**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(1,441,481)**	**(1,441,481)**
Amortization for the Year[1]	-	-	(151,180)	(151,180)
Accumulated Amortization at Year-end	**-**	**-**	**(1,592,661)**	**(1,592,661)**
TOTAL AS OF 12.31.2022	**122,671**	**8,233,620**	**639,841**	**8,996,132**

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
Cost				
Original Value at the Beginning of the Year	**-**	**8,233,620**	**1,807,942**	**10,041,562**
Additions	122,671	-	161,840	284,511
Original Value at Year-end	**122,671**	**8,233,620**	**1,969,782**	**10,326,073**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(1,276,959)**	**(1,276,959)**
Amortization for the Year[1]	-	-	(164,522)	(164,522)
Accumulated Amortization at Year-end	**-**	**-**	**(1,441,481)**	**(1,441,481)**
TOTAL AS OF 12.31.2021	**122,671**	**8,233,620**	**528,301**	**8,884,592**

[1] The accounting allocation of the amortization expense is reported in Note 28.

Research and development expenses which do not qualify for capitalization are charged to income for the year. As of December 31, 2022 and 2021, such expenses totaled ARS 1,089,525 and ARS 1,006,668, respectively.

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Note 7. 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 segment level:

	12.31.2022	12.31.2021
Cookies and Crackers Argentina	1,162,176	1,162,176
Confectionery and Chocolates Argentina	7,071,444	7,071,444
Subtotal - Goodwill corresponding to segments in Argentina	**8,233,620**	**8,233,620**
Southern Subsidiaries[1]	116,610	117,982
Packaging Argentina[1]	1,036,089	1,036,089
Rest of the Countries and Businesses - Mastellone Hermanos S.A.[1]	2,463,948	2,463,948
TOTAL	**11,850,267**	**11,851,639**

[1] Disclosed under the heading 'Investments in Associates and Joint Ventures'.

The following table shows the allocation of brands (intangible assets with indefinite useful life) at the segment level:

	12.31.2022	12.31.2021
Confectionery and Chocolates Argentina	122,671	122,671
TOTAL	**122,671**	**122,671**

The discount rates used ranged between approximately 11.5% and 14.5% for cash generating units located in Argentina, between 4.5% and 5.5% for Southern Subsidiaries, and between 13.5% and 14.5% for the Rest of the Countries and Businesses.

The long-term growth rates used to extrapolate cash flows beyond the period covered by the budget were 0.9% for the cash generating units located in Argentina and 1.0% for the Southern Subsidiaries, both in real terms.

No impairments were recorded as a result of the analyses performed.

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Note 8. Investments in associates and joint ventures

Below is a breakdown of this item:

	INVESTMENT IN ASSOCIATES AND JOINT VENTURES[1]	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2022
Balances at the Beginning of the Year	**179,493,107**	**(635,237)**	**178,857,870**
Deletion due to Sale of Shares	(340)	-	(340)
Capital Contributions	442,355	25,955	468,310
Income (loss) from investments in companies[2]	16,209,904	(31,203)	16,178,701
Income (loss) from the devaluation of the investment in the associated company Mastellone Hermanos S.A. (note 42)	(2,115,762)	-	(2,115,762)
Changes in Translation Reserve (note 19)	(6,341,395)	-	(6,341,395)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	(123,010)	84	(122,926)
Transfers to/from Items	(633,506)	633,506	-
BALANCE AT YEAR-END	**186,931,353**	**(6,895)**	**186,924,458**

	INVESTMENT IN ASSOCIATES AND JOINT VENTURES[1]	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2021
Balances at the Beginning of the Year	**173,866,029**	**(653,089)**	**173,212,940**
Additions due to Acquisition of Shares	795	-	795
Deletion due to Sale of Shares	(413)	-	(413)
Contribution of Fixed Assets and Working Capital to Ingrear Holding S.A. (Note 41)	11,502,656	-	11,502,656
Acquisition of Shares in Ingrear Holding S.A. from Ingredion Argentina S.R.L. (Note 41)	1,499,717	-	1,499,717
Gain on Acquisition Charged to Income (Note 41)	283,601	-	283,601
Gain on Acquisition Charged to Other Comprehensive Income (Note 41)	386,170	-	386,170
Capital Contributions[3]	2,469,970	55,396	2,525,366
Dividends from and Capital Reductions in Subsidiaries	(5,001,332)	-	(5,001,332)
Income from Investments in Companies[4]	15,669,405	(37,544)	15,631,861
Changes in Translation Reserve (Note 19)	(21,336,176)	-	(21,336,176)
Share of Other Comprehensive Income on Net Actuarial Gain of Companies' Defined Benefit Plans	152,685	-	152,685
BALANCE AT YEAR-END	**179,493,107**	**(635,237)**	**178,857,870**

[1] It includes the goodwill from investments in subsidiaries and associates that were not merged (Note 2.6 (a)).
[2] It includes the amount resulting from the sale of all the shares of the subsidiary Industria Dos en Uno de Colombia Ltda., ARS (7,209).
[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 (251,314).

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(Figures stated in thousands of Argentine pesos)

Note 8. Investments in associates and joint ventures

Below is a breakdown of the item "Income (Loss) from Investments in Companies and Others" of the statement of income:

	12.31.2022	12.31.2021
Income from Investments in Subsidiaries and Associates	16,467,352	18,055,035
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Mastellone Hermanos S.A. (Note 42)	126,233	(760,810)
Increase in allowance for impairment of investment in Mastellone Hermanos S.A. (note 42)	(2,115,762)	-
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Zucamor Group	(414,884)	(1,662,364)
SUBTOTAL	**14,062,939**	**15,631,861**
Gain on Acquisition (Note 42)	-	283,601
TOTAL	**14,062,939**	**15,915,462**

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Notes to the separate financial statements

For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 8. Equity interests in subsidiaries and associates

COMPANIES	NOMINAL VALUE	NUMBER OF SHARES	DATE	SHAREHOLDERS' EQUITY	CAPITAL STOCK IN ARS	TRANSLATION DIFFERENCE
Arcor A.G. (S.A., Ltd.)**	-	-	-	-	-	-
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1] **	1.00	228,614	12.31.2022	[a] 39,251,571	26,432	17,148,057
Arcor do Brasil Ltda.	1.00	2,449	12.31.2022	[b] 6,063,947	1,704,817	2,812,651
Bagley Argentina S.A.[2]	1.00	9,279	12.31.2022	66,832,489	231,115	(369,542)
Bagley Latinoamérica S.A.[3]	1.00	49,700,611	12.31.2022	[a] 81,556,183	385,934	(1,341,160)
Cartocor Chile S.A.[4]	-	6,356,394	12.31.2022	[c] 13,131,202	173,044	5,099,835
Cartocor S.A.[5]	1.00	13,684,528	12.31.2022	67,840,181	13,685	(1,039,490)
Constructora Mediterránea S.A.C.I.F.I.	0.01	1,833,841,112	12.31.2022	(6,896)	18,339	-
GAP Inversora S.A.	-	40,073	12.31.2022	1,471	2,377	(82)
Industria Dos en Uno de Colombia Ltda.[6]	-	-	-	-	-	-
Ingrear Holding S.A.[7]	1.00	4,080,000,000	12.31.2022	31,230,411	8,000,000	(252,118)
Mastellone Hermanos S.A.[8] ***	1.00	159,165,436	12.31.2022	42,532,064	653,969	(278,535)
SUBTOTAL						
Goodwill from Van Dam S.A.						
Higher Value of Net Assets from Acquisition of Interests in Zucamor S.A.						
Higher Value of Net Assets from Acquisition of Interests in Zucamor S.A.						
Impairment of investment in Mastellone Hermanos S.A.						
Higher Value of Net Assets from Acquisition of Interests in Zucamor S.A.						
Goodwill for purchases of Zucamor Group shares						
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.

(**) See Contribution of Equity Interests in Foreign Companies in this note. 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.

(***) 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., Arcor do Brasil Ltda, Arcor U.S.A., Inc., Arcorpar S.A., GAP Regional Services S.A., Industria de Alimentos Dos en Uno S.A., Tucor DMCC, Unidal México S.A. de C.V. and Van Dam S.A. are valued by the equity method.

[2] Its investments in Bagley Chile S.A. and Mastellone Hermanos S.A. are valued by the equity method.

[3] Its investments in Bagley Chile S.A., Bagley do Brasil Alimentos Ltda. and Bagley Argentina S.A. are valued by the equity method.

[4] Its investments in Cartocor de Perú S.A. are valued by the equity method.

[5] 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.

[6] During the first quarter of 2022, the Company sold all of its shares in the subsidiary Industria Dos en Uno de Colombia Ltda.

[7] Its investments in Ardion S.A., Ingredion Chile S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method. See note 41.

[8] 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 the adjustments recorded to measure the identifiable assets and liabilities of the associate as of the date of the initial application of the equity method.

Functional currency: (a) EUR, (b) BRL, (c) CLP.

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OTHER COMPREHENSIVE INCOME	INCOME	IMPACT ON IAS 29	ADJUSTED TRANSLATION DIFFERENCE (****)	ADJUSTED INCOME (****)	EQUITY INTEREST IN %	CARRYING AMOUNT AS OF 12.31.2022 (*)	CARRYING AMOUNT AS OF 12.31.2021 (*)
-	-	-	-	-	-	-	5,650,405
(12,495)	832,407	(19,752,699)	(2,604,642)	1,812,623	100.00000	38,879,136	35,487,601
-	(64,616)	(3,109,121)	(296,470)	(98,754)	0.00046	28	29
(44,838)	4,701,433	-	(369,542)	4,701,433	0.00401	465,055	417,578
(44,520)	3,237,203	-	(1,341,160)	3,237,203	51.00000	41,246,032	40,251,833
172	2,386,385	(6,551,327)	(1,451,492)	3,541,817	28.07196	3,686,185	3,112,668
(72,111)	10,375,443	-	(1,039,490)	10,375,443	99.99678	67,420,859	58,053,899
84	(31,203)	-	-	(31,203)	99.99780	(6,895)	(1,731)
(2)	(2,560)	-	(82)	(2,560)	1.60000	24	66
-	-	-	-	-	-	-	2,242
(26,125)	2,048,296	-	(252,118)	2,048,296	51.00000	15,412,720	14,478,381
(979,401)	1,358,366	-	(278,535)	1,358,366	24.33837	7,294,887	6,470,262
						174,398,031	**163,923,233**
						116,610	117,982
						3,924,419	3,800,611
						2,463,948	2,463,948
						(2,115,762)	-
						7,101,123	7,516,007
						1,036,089	1,036,089
						186,924,458	**178,857,870**
						6,895	635,237
						186,931,353	**179,493,107**

(Figures stated in thousands of Argentine pesos)

Note 8. 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
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 Inversora S.A.	Argentina	Investment and service company
Industria Dos en Uno de Colombia Ltda.	Colombia	Sale of food products
Ingrear Holding S.A.	Argentina	Financial and investment activities
Mastellone Hermanos S.A.	Argentina	Industrialization and commercialization of milk products, by-products and derivatives

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	**42,532,064**	**1,358,366**	**(1,257,936)**
Arcor S.A.I.C.'s Equity Interest		24.3384%	
Mastellone Hermanos S.A.'s figures attributable to Arcor S.A.I.C.	**10,351,613**	**330,605**	**(306,161)**
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]	(4,661,830)	864,348	366,724
Tax effect of measurement differences	1,631,577	(302,536)	(128,355)
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(26,473)	-	-
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.	**7,294,887**	**892,417**	**(67,792)**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid [2 3]	3,924,419	126,233	(2,425)
Increase in allowance for impairment of investment in Mastellone Hermanos S.A.[4]	(2,115,762)	(2,115,762)	-
Recognition of goodwill[2]	2,463,948	-	-
Arcor S.A.I.C's figures as per its financial statements	**11,567,492**	**(1,097,112)**	**(70,217)**

[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 a 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, 2022.

[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 42, 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 34) had on the aforementioned tax effect.

[4] Note 42.

(*) For relevant information included in Mastellone Hermanos S.A.'s financial statements, see the additional information disclosed in Note 42.

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Note 8. 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:

- 476-4476,412,618 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.

The Company owns a 100% interest in ARALI's capital stock and votes. As a consequence of the above-described corporate reorganization, the Company's interest in the operations involved was not significantly affected.

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(Figures stated in thousands of Argentine pesos)

Note 8. Equity interests in subsidiaries and associates

Contribution of Equity Interests in Foreign Companies

In line with the aforementioned reorganization, on April 20, 2022, ARALI's Board of Directors signed a Joint Merger Plan together with the Sole Director of Arcor A.G. (S.A., Ltd.) in order to carry out a transnational merger in which ARALI absorbs Arcor A.G. (S.A., Ltd.). Said Joint Merger Plan Project was approved by a decision of the Sole Partner of ARALI and by the Shareholders' Meeting of Arcor A.G. (S.A., Ltd.), both held on May 9, 2022, in which the Merger Balance Sheets and the Merger itself were also approved.

The Merger Deed was recorded before the Mercantile Registry of Barcelona on August 5, 2022, with retroactive effects to June 30, 2022.

Sale of Equity Interest of subsidiary Industria Dos en Uno de Colombia Ltda.

During the first quarter of 2022, the subsidiary Industria de Alimentos Dos en Uno S.A. and the Company sold their entire equity interests they held in Industria Dos en Uno de Colombia Ltda, accounting for 95.626471% and 4.373529% of its capital stock, respectively.

After this operation, Industria Dos en Uno de Colombia Ltda. ceased to be part of Arcor Group. The results generated by this transaction are not significant.

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.

Note 9. Biological assets

The following tables show the breakdown of and changes to Biological Assets:

	FRUIT CROPS	GRAIN SOWN LAND[1]	SUGARCANE SOWN LAND[1]	DAIRY OR BEEF CATTLE	TOTAL
Total Non-current as of January 1, 2022	-	-	-	1,237,614	1,237,614
Total Current as of January 1, 2022	349,143	389,175	967,247	219,988	1,925,553
TOTAL AS OF JANUARY 1, 2022	**349,143**	**389,175**	**967,247**	**1,457,602**	**3,163,167**
Additions at Cost	495,496	652,207	1,308,658	-	2,456,361
Initial Recognition and Changes in Fair Value[2]	382,499	416,793	(511,276)	(299,813)	(11,797)
Harvest of Biological Products[3]	(822,800)	(1,173,955)	(814,261)	-	(2,811,016)
Deletion due to Sale of Biological Assets[4]	-	-	-	(232,930)	(232,930)
TOTAL AS OF DECEMBER 31, 2022	**404,338**	**284,220**	**950,368**	**924,859**	**2,563,785**
Total Non-current as of December 31, 2022	-	-	-	764,417	764,417
Total Current as of December 31, 2022	404,338	284,220	950,368	160,442	1,799,368

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Note 9. Biological assets

	FRUIT CROPS	GRAIN SOWN LAND[1]	SUGARCANE SOWN LAND[1]	DAIRY OR BEEF CATTLE	TOTAL
Total Non-current as of January 1, 2021	-	-	-	1,249,779	1,249,779
Total Current as of January 1, 2021	250,401	448,098	920,273	262,420	1,881,192
TOTAL AS OF JANUARY 1, 2021	**250,401**	**448,098**	**920,273**	**1,512,199**	**3,130,971**
Additions at Cost	523,974	813,123	1,332,487	-	2,669,584
Initial Recognition and Changes in Fair Value[2]	103,783	1,030,232	(658,898)	204,642	679,759
Harvest of Biological Products[3]	(529,015)	(1,902,278)	(626,615)	-	(3,057,908)
Deletion due to Sale of Biological Assets[4]	-	-	-	(259,239)	(259,239)
TOTAL AS OF DECEMBER 31, 2021	**349,143**	**389,175**	**967,247**	**1,457,602**	**3,163,167**
Total Non-current as of December 31, 2021	-	-	-	1,237,614	1,237,614
Total Current as of December 31, 2022	349,143	389,175	967,247	219,988	1,925,553

[1] Based on the phenological stage reached at year-end, these assets were measured at cost (Note 2.12).

[2] 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.

[3] The offsetting entry is carried in the line "Harvest of Biological Products" in Note 30.

[4] The offsetting entry is carried in the line "Cost of Sales of Biological Assets" in Note 30.

The following tables show information as of December 31, 2022 and 2021 relating to the harvest of biological products and quantities, in respect of the main types of biological assets:

	FRUIT CROPS	GRAIN SOWN LLAND	DAIRY OR BEEF CATTLE	SUGARCANE SOWN LAND
Harvest of biological products for the year ended December 31, 2022, as per biological asset	6,053 Tn.	21,004 Tn.	[1] 16,733 Tn,	[3] 187,569 Tn,
Area intended for biological assets as of 12.31.2022	276 Has.	5,752 Has.	-	6,463 Has,
Quantity of biological assets as of 12.31.2022 (heads)	-	-	[2] 5,967	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months

[1] Tons of fluid milk.

[2] Out of the total, 3,221 are dairy cattle heads, and the remaining 2,746 are beef cattle heads.

[3] Tons of sugar cane.

	FRUIT CROPS	GRAIN SOWN LLAND	DAIRY OR BEEF CATTLE	SUGARCANE SOWN LAND
Harvest of biological products for the year ended 12.31.2021, as per biological asset	7,514 Tn,	33,690 Tn,	[1] 17,693 Tn,	[3] 218,600 Tn,
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)	-	-	[2] 5,798	-
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 sugarcane.

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(Figures stated in thousands of Argentine pesos)

Note 9. Biological assets

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, 2022 and 2021, as explained in Note 37.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	404,338	404,338
Dairy or Beef Cattle	-	924,859	-	924,859
Total biological assets at fair value as of 12.31.2022	**-**	**924,859**	**404,338**	**1,329,197**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	349,143	349,143
Dairy or Beef Cattle	-	1,457,602	-	1,457,602
Total biological assets at fair value as of 12.31.2022	**-**	**1,457,602**	**349,143**	**1,806,745**

Fruit trees were measured using the following unobservable inputs (fair value Level 3):

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	UNOBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruits Crops	404,338	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 higher the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the higher the fair value.

BIOLOGICAL ASSETS AT FAIR VALUE	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	UNOBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	349,143	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 higher the fair value.
			Costs of crops and harvest	The higher the costs of crops and harvest, the higher the fair value.

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Note 10. Deferred tax assets / liabilities

Deferred income tax is broken down as follows:

	BALANCE AT THE BEGINNING OF THE YEAR	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2022
General Tax Loss Carry-forwards	150,534	(150,534)	-	-
Deferred Earnings - Law No. 27,541	(9,247,520)	5,834,749	-	(3,412,771)
Trade and Other Receivables	10,710	(28,896)	-	(18,186)
Inventories	(719,852)	(106,500)	-	(826,352)
Provisions	326,237	(128,572)	-	197,665
Trade Payables and Other Liabilities	2,446,357	(519,201)	211,309	2,138,465
Lease Liabilities	911,817	(82,370)	-	829,447
Loans	118,791	836,728	-	955,519
Biological Assets	(262,690)	166,523	-	(96,167)
Right-of-Use Assets	(886,215)	93,744	-	(792,471)
Property, Plant and Equipment and Investment Properties	(7,504,573)	877,481	-	(6,627,092)
Intangible Assets	(111,926)	(61,884)	-	(173,810)
Investments in Subsidiaries and Associates	45,855	22,825	-	68,680
Other Investments	210	(16,764)	-	(16,554)
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**(14,722,265)**	**6,737,329**	**211,309**	**(7,773,627)**

	BALANCE AT THE BEGINNING OF THE YEAR	DERECOGNITION DUE TO CONTRIBUTIONS TO INGREAR HOLDING S.A. (NOTE 41)	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2021
General Tax Loss Carry-forwards	15,151,115	-	(15,000,581)	-	150,534
Deferred Earnings - Law No. 27,541	(12,774,535)	-	3,527,015	-	(9,247,520)
Trade and Other Receivables	66,173	-	(55,463)	-	10,710
Inventories	913,399	-	(1,633,251)	-	(719,852)
Provisions	288,089	-	38,148	-	326,237
Trade Payables and Other Liabilities	1,353,431	(30,820)	901,687	222,059	2,446,357
Lease Liabilities	652,039	-	259,778	-	911,817
Loans	379,469	-	(260,678)	-	118,791
Biological Assets	(362,656)	-	99,966	-	(262,690)
Right-of-Use Assets	(588,402)	-	(297,813)	-	(886,215)
Property, Plant and Equipment and Investment Properties	(7,096,947)	-	(407,626)	-	(7,504,573)
Intangible Assets	(80,617)	-	(31,309)	-	(111,926)
Investments in Subsidiaries and Associates	(175,450)	-	86,508	134,797	45,855
Other Investments	230	-	(20)	-	210
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**(2,274,662)**	**(30,820)**	**(12,773,639)**	**356,856**	**(14,722,265)**

As of December 31, 2022, 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).

As of December 31, 2021, the Company's other unrecognized deferred tax assets, stated in constant currency at year-end, amounted to ARS 117,825 (ARS 336,642 at the taxable base level).

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Note 11. Other investments

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Non-Current		
Equity interests	257	497
TOTAL NON-CURRENT	**257**	**497**
TOTAL	**257**	**497**

Note 12. Trade and other receivables

The following table shows the breakdown of trade and other receivables:

Trade receivables

	12.31.2022	12.31.2021
Current		
Trade Receivables from third Parties	7,788,292	9,940,349
Documented Credits	1,390,950	1,761,833
Accounts Receivable from Related Parties (Note 36)	7,776,723	7,921,424
Doubtful Accounts and Receivables in Litigation	10,158	27,959
Less: Allowance for Impairment of Receivables	(94,969)	(81,759)
TOTAL CURRENT	**16,871,154**	**19,569,806**
TOTAL TRADE RECEIVABLES	**16,871,154**	**19,569,806**

Other receivables

	12.31.2022	12.31.2021
Non-Current		
Tax Credits	251,171	2,864,835
Minimum Presumed Income Tax	-	941,321
Security Deposits	32,802	57,441
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	640,206	225,429
Financial Receivables from Related Parties (Note 36)	2,080	207
Prepaid Expenses	42,752	55,440
Other Receivables from Related Parties (Note 36)	1,697,813	1,810,400
Less: Allowance for Impairment of Other Bad Debts	(230,908)	(474,742)
TOTAL NON- CURRENT	**2,435,916**	**5,480,331**
Current		
Refunds Receivable	332,864	716,734
Security Deposits	78,597	69,171
Tax Credits	2,084,852	1,899,584
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	1,932,236	2,316,685
Financial Receivables from Related Parties (Note 36)	30,855	3,232,116
Prepaid Expenses	628,905	604,317
Other Receivables from Related Parties (Note 36)	98,518	197,411
Miscellaneous	20,125	111,943
Less: Allowance for Impairment of Other Bad Debts	(13,213)	(26,149)
TOTAL CURRENT	**5,193,739**	**9,121,812**
TOTAL OTHER RECEIVABLES	**7,629,655**	**14,602,143**

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Note 12. 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:

	12.31.2022	12.31.2021
To Fall Due	8,684	13,312
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**8,684**	**13,312**
Up to three months	9,424	4,515
From three to six months	25,463	4,991
From six to twelve months	10,005	2,170
More than one year	41,393	56,771
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**86,285**	**68,447**
TOTAL	**94,969**	**81,759**

Below is a detail of past-due trade receivables which have not been included in the allowance and their aging:

	12.31.2022	12.31.2021
From three to six months	97,023	55,160
From six to twelve months	43,034	72,393
More than one year	49,590	73,238
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**189,647**	**200,791**

The balances of the Company's trade and other receivables are denominated in the following currencies:

	12.31.2022	12.31.2021
ARS	17,065,992	21,364,380
EUR	99,235	115,414
USD	7,335,582	12,692,155
TOTAL	**24,500,809**	**34,171,949**

The table below shows the changes in the allowance for impairment of trade and other receivables:

	TRADE RECEIVABLES [1]		OTHER RECEIVABLES [2]	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**81,759**	**158,176**	**500,891**	**69,175**
Increases	80,591	81,979	687	456,293
Decreases	(29,685)	(82,470)	-	(1,615)
Uses	(360)	(33,060)	(20,261)	-
Effect of Restatement	(37,336)	(42,866)	(237,196)	(22,962)
BALANCE AT YEAR-END	**94,969**	**81,759**	**244,121**	**500,891**

[1] The accounting allocation of increases and increases is disclosed in Note 28.

[2] The accounting allocation of increases and decreases is disclosed in Note 27 (Export Refunds), Note 28 and Note 33 (Income Tax).

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Note 13. Inventories

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Raw Materials and Materials	19,323,957	18,926,758
Raw Materials and Materials in Transit	492,060	252,633
Works in Progress	2,661,794	2,286,845
Finished Products	22,322,907	19,799,456
Less: Allowance for Impairment of Inventories	(1,768,308)	(1,801,693)
TOTAL	**43,032,410**	**39,463,999**

Changes in the allowance for impairment of inventories are as follows:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**1,801,693**	**1,586,183**
Increases	255,408	741,975
Decreases	(281,979)	(517,771)
Uses	(6,814)	(8,694)
BALANCE AT YEAR-END	**1,768,308**	**1,801,693**

[1] The accounting allocation of increases/increases is disclosed in "Other General Expenses" in Note 28.

Note 14. Derivative financial instruments

The tables below show the breakdown of this item:

	ASSETS	LIABILITIES
Non-Current		
Mastellone Hermanos S.A.'s Options (Note 42)	-	308,327
TOTAL NON-CURRENT	**-**	**308,327**
Current		
Currency Forwards	2,039,685	16,635
TOTAL CURRENT	**2,039,685**	**16,635**
TOTAL AS OF 12.31.2022	**2,039,685**	**324,962**

	ASSETS	LIABILITIES
Non-Current		
Mastellone Hermanos S.A.'s Options (Note 42)	-	1,337,894
TOTAL NON-CURRENT	**-**	**1,337,894**
Current		
Currency Forwards	1,059,827	13,526
TOTAL CURRENT	**1,059,827**	**13,526**
TOTAL AS OF 12.31.2021	**1,059,827**	**1,351,420**

The fair value of a hedge derivative (should there be any at year-end) 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.

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Note 14. Derivative financial instruments

Currency Forwards

The following tables set forth the transactions carried out during the years ended December 31, 2022 and 2021:

	OPEN POSITIONS AT THE PERIOD END					FIGURES AS OF 12.31.2022			
COMPANY	Type of Transaction	Currency	Number of Contracts	Total Amount in Transaction Currency	Weighted Average Price (*)	Financial Asset	Financial Liability	Net asset	(Loss) / Gain in Separate Statement of Comprehensive Income (**)
Arcor S.A.I.C.	Purchase[1]	USD	2	67,500	208,40	2,039,685	(16,635)	2,023,050	(3,853,933)
TOTAL AS OF 12.31.2022						**2,039,685**	**(16,635)**	**2,023,050**	**(3,853,933)**

	OPEN POSITIONS AT THE PERIOD END					FIGURES AS OF 12.31.2022			
COMPANY	Type of Transaction	Currency	Number of Contracts	Total Amount in Transaction Currency	Weighted Average Price (*)	Financial Asset	Financial Liability	Net asset	(Loss) / Gain in Separate Statement of Comprehensive Income (**)
Arcor S.A.I.C.	Purchase[2]	USD	3	50,000	117,61	1,059,827	(13,526)	1,046,301	(2,606,183)
TOTAL AS OF 12.31.2021						**1,059,827**	**(13,526)**	**1,046,301**	**(2,606,183)**

(*) Local currency per USD.
(**) Recognized under the item "Net Financial Income (Expense)" in the consolidated statement of income. It represents the result from open positions and other closed operations during the accounting period.

[1] Maturity dates in January and February of 2023.
[2] Maturity dates in January, February and March of 2022.

Cocoa Forward Contracts and Financial Options

In certain situations, 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 important to note that these instruments do not result in the physical delivery of cocoa, but are rather designed as cash flow hedges to offset the effect of changes in prices for that raw material.

During the fiscal years ended December 31, 2022 and 2021, the Company did not engage in any forward contract transactions involving purchases of cocoa.

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Note 14. Instrumentos financieros derivados

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 37.2 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
"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.

Note 15. Statement of cash flows - additional information

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Cash and Bank Deposits at Sight	1,107,713	2,157,109
TOTAL	**1,107,713**	**2,157,109**

The statement of cash flows excludes the effects of the following non-cash investment and financing activities:

	ACTIVITY	12.31.2022	12.31.2021
Addition of PP&E Items and Intangible Assets Not Settled at Year-End	Investment	(503,335)	(174,957)
Sales of property, plant, and equipment, and other assets contributed to subsidiaries (Note 41)	Investment	15,050	-
Subscribed Contributions to Subsidiaries Pending Payment at Year-end	Investment	-	(68,357)
Increase in Financial Receivable with a Related Company resulting from Financed Sales of Inventories (Note 41)	Investment	-	(3,223,031)
Financial Expenses Capitalized in Eligible Assets (Note 32)	Investment	(54,923)	(29,715)
Exchange of Class 9 Notes Result (Note 20)	Financing	3,832,922	-
Addition of loans due to acquisition (Note 41)	Financing	-	428,490
Cash Dividends Not Settled at Year-end	Financing	(2.039)	(3,355)
Deletions of Right-of-Use Assets (Note 5)	Financing	624	-
Addition of Right-of-Use Liabilities and Adjustments to Variable Leases (Note 5)	Financing	(1,154,750)	(1,479,349)
Additions of Liabilities and Adjustments to Variable Leases (Note 21)	Financing	1,154,750	1,479,349

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Note 16. 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 2,306,123 (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 17. Changes in capital stock

The following table shows the changes in the Company's capital stock over the last three years:

	2022	2021	2020
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 2.9 was carried in "Adjustment to Capital Stock", under Equity Attributable to the Company's Shareholders.

At December 31, 2022, the Company'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.

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Note 18. Unappropriated retained earnings

The following tables show the changes in unappropriated retained earnings for the years ended December 31, 2022 and 2021, respectively:

	TOTAL AS OF 12.31.2022
Balance at the Beginning of the Year	**35,665,646**
Net Income for the Year	32,039,243
Actuarial Gains from Defined Benefit Plans	(515,358)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(18,115,766)
- Special Reserve for Future Dividends [1]	(5,802,176)
Distribution of Dividends [1]	(11,747,704)
Forfeited Dividends [2]	49
BALANCE AT YEAR-END	**31,523,934**

[1] As per the Ordinary and Extraordinary General Shareholders' Meeting held on April 29, 2022.

[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.

	TOTAL AS OF 12.31.2021
Balance at the Beginning of the Year	**12,418,887**
Net Income for the Year	35,368,448
Actuarial Gains from Defined Benefit Plans	(89,029)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(3,234,264)
- Special Reserve for Future Dividends [1]	(1,954,640)
Gain on Acquisition (Notes 8 and 41)	386,170
Distribution of Dividends	(7,229,983)
Forfeited Dividends [2]	57
BALANCE AT YEAR-END	**35,665,646**

[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. Other equity components

Below is a detail of the changes in other equity components:

	TRANSLATION RESERVE	TOTAL
Balance at the Beginning of the Year	**(18,032,656)**	**(18,032,656)**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	(6,348,604)	(6,348,604)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 8)[1]	7,209	7,209
TOTAL AS OF 12.31.2022	**(24,374,051)**	**(24,374,051)**

[1] Resulting from the sale of shares of the subsidiary Industria Dos en Uno de Colombia Ltda. The offsetting entry of such reclassification is disclosed under the item "Income (Loss) from Investments in Companies and Others" in the separate statement of income.

	TRANSLATION RESERVE	TOTAL
Balance at the Beginning of the Year	**3,168,723**	**3.168.723**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	(21,587,490)	(21,587,490)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 8)[1]	251,314	251,314
- Effect on Income Tax (Notes 10 and 33)	134,797	134,797
TOTAL AS OF 12.31.2021	**(18,032,656)**	**(18,032,656)**

[1] Resulting from the sale of shares of the subsidiary GAP International Holding S.A. The offsetting entry of such reclassification is disclosed under the item "Income (Loss) from Investments in Companies and Others" in the separate statement of income.

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Note 20. Loans

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Non-Current		
Bank Loans	4,445,821	5,199,813
Notes	54,106,113	107,718,787
TOTAL NON-CURRENT	**58,551,934**	**112,918,600**
Current		
Bank Loans	31,862,352	38,635,953
Notes	25,833,162	4,119,990
Financial Loans with Related Parties (Note 36)	29,227,422	3,163,118
Financial Indebtedness on Acquisition of Shares (Note 41)	-	401,831
TOTAL CURRENT	**86,922,936**	**46,320,892**
TOTAL	**145,474,870**	**159,239,492**

The following tables show the changes in this item:

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2022
BALANCE AT BEGINNING OF THE YEAR			**159.239.492**
Borrowed Loans	5,942,780	-	5,942,780
Income (Loss) from Exchange of Class 9 Notes[1]	-	3,832,922	3,832,922
Loan Repayment – Principal	(27,859,671)	-	(27,859,671)
Financial Indebtedness on Acquisition of Shares (Note 41)	(335,581)	-	(335,581)
Loan Repayment – Interest	(22,807,826)	-	(22,807,826)
Payments for Financing Origination and Other Expenses	(819,728)	-	(819,728)
Net Changes in Financial Loans with Related Companies	26,683,267	-	26,683,267
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	13,733,941	-	13,733,941
Accrued Financing Origination Expenses[1,2]	-	495,481	495,481
Accrued Interest[1]	-	2,028,068	2,028,068
Exchange Differences	-	(14,658,275)	(14,658,275)
BALANCE AT YEAR-END			**145,474,870**

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2022
BALANCE AT BEGINNING OF THE YEAR			**169,482,424**
Borrowed Loans	21,983,139	-	21,983,139
Increase due to Acquisition (Note 41)	-	428,490	428,490
Loan Repayment – Principal	(14,534,742)	-	(14,534,742)
Loan Repayment – Interest	(20,290,400)	-	(20,290,400)
Payments for Origination Expenses	(425,463)	-	(425,463)
Net Changes in Financial Loans with Related Companies	1,382,655	-	1,382,655
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	20,897,812	-	20,897,812
Accrued Financing Origination and Other Expenses[2]	-	162,904	162,904
Accrued Interest	-	6,421,866	6,421,866
Exchange Differences	-	(26,269,193)	(26,269,193)
BALANCE AT YEAR-END			**159,239,492**

[1] In note 32, it is part of the financial expenses disclosed in the item "Banks, Notes and Financing Expenses."

[2] It includes the restatement charges on UVA notes, expressed in real terms.

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Notes to the separate financial statements

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Note 20. 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, 2022:

NON-CURRENT	WITHOUT TERM	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank Loans	-	4,445,821	-	-	-	4,445,821
Notes	-	7,442,946	19,208,955	27,454,212	-	54,106,113
TOTAL AS OF 12.31.2022	-	11,888,767	19,208,955	27,454,212	-	58,551,934

CURRENT	WITHOUT TERM	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	-	25,670,382	1,331,199	3,856,751	1,004,020	31,862,352
Notes	-	1,406,549	1,059,584	22,666,205	700,824	25,833,162
Financial Loans with Related Parties (Note 36)	16,381,386	-	-	4,389,050	8,456,986	29,227,422
TOTAL AS OF 12.31.2022	16,381,386	27,076,931	2,390,783	30,912,006	10,161,830	86,922,936

- 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	-	5,199,813	-	-	-	5,199,813
Notes	-	102,426,132	-	5,292,655	-	107,718,787
TOTAL AS OF 12.31.2021	-	107,625,945	-	5,292,655	-	112,918,600

CURRENT	WITHOUT TERM	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	-	21,579,863	-	14,017,317	3,038,773	38,635,953
Notes	-	3,155,763	-	-	964,227	4,119,990
Financial Loans with Related Parties (Note 36)	3,163,118	-	-	-	-	3,163,118
Financial Indebtedness on Acquisition of Shares (Note 41)	-	-	-	401,831	-	401,831
TOTAL AS OF 12.31.2021	3,163,118	24,735,626	-	14,419,148	4,003,000	46,320,892

The carrying amounts of the Company's loans are stated in the following currencies:

	12.31.2022	12.31.2021
ARS[1]	65,554,988	45,277,241
USD	79,919,882	113,962,251
TOTAL	145,474,870	159,239,492

[1] It includes Class 17 Notes, which are denominated in UVAs but are repayable in ARS. As of December 31, 2022 and December 31, 2021, the balance of such notes amounts to ARS 5,147,509 and ARS 5,250,263, respectively.

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Note 20. Loans

The tables below show the carrying amount and the fair value of loans as of December 31, 2022 and 2021:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	36,308,173	36,144,445
Notes	79,939,275	80,246,207
Financial Loans with Related Parties	29,227,422	29,227,422
TOTAL AS OF 12.31.2022	**145,474,870**	**145,618,074**

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	43,835,766	43,749,098
Notes	111,838,777	115,903,960
Financial Loans with Related Parties	3,163,118	3,163,118
Financial Indebtedness on Acquisition of Shares (Note 41)	401,831	401,831
TOTAL AS OF 12.31.2021	**159,239,492**	**163,218,007**

"Bank loans" comprise debt at fixed and variable interest rates, with a short-term portion where interest has already been fixed. The fair values of these bank loans and "unlisted notes payable" are estimated based on discounted cash flows, applying a relevant market rate at the year-end. For "listed notes payable," the fair value is estimated based on the quoted price for the securities at year-end (Note 37).

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, 2022 and 2021, as explained in Note 37.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	36,144,445	-	36,144,445
Notes	72,676,480	7,569,727	-	80,246,207
Financial Loans with Related Parties	-	29,227,422	-	29,227,422
Total Loans at Fair Value as of 12.31.2022	**72,676,480**	**72,941,594**	**-**	**145,618,074**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at Fair Value				
Bank Loans	-	43,749,098	-	43,749,098
Notes	106,806,129	9,097,831	-	115,903,960
Financial Loans with Related Parties	-	3,163,118	-	3,163,118
Financial Indebtedness on Acquisition of Shares (Note 41)	-	401,831	-	401,831
Total Loans at Fair Value as of 12.31.2021	**106,806,129**	**56,411,878**	**-**	**163,218,007**

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Note 20. Loans

Main Loans Borrowed by the Company - Financing Programs - Notes

a. Issuance of Notes

a.1. Global Notes Program for up to USD 1,200 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.

Finally, on May 31, 2022, at the Company's Annual General Meeting, the Company's shareholders approved the increase the amount of the Global Program for the issuance of Notes. On June 13, 2022, the CNV, by means of Provision DI-2022-31-APN-GE#CNV, authorized the Company to expand the maximum amount of issuance of said program (from a maximum nominal issue value of USD 800 million to a maximum nominal issue value of up to USD 1,200 million, or its equivalent in other currencies or units of value).

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Note 20. Loans

a.2. Main Terms of Notes Outstanding and/or Settled during the Current Year

	NOTES CLASS 9 [1]	ADDITIONAL NOTES CLASS 9 [1]	NOTES CLASS 16
Final Principal Amount of the Issue	USD 350,000 [2]	USD 150.000 [2]	ARS 1,500,000
Issue Date	July 6, 2016	June 19, 2017	October 20, 2021
Issue Price	100% of principal amount	106.625% of principal amount	100% of principal amount
Currency	USD	USD	ARS
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal 6% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.
Applicable margin	N/A	N/A	2.99% nominal annual rate.
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue).	May 3, 2021 (48 months from the date of issue)	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.
Date of Authorization by CNV's Issuers Division	June 21, 2016	June 9, 2017	October 13, 2021
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 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 January 20, 2022, April 20, 2022, July 20, 2022, October 20, 2022, January 20, 2023 and April 20, 2023.

[1] The net proceeds were fully used for the refinancing of bank loans.
[2] After the exchange described in paragraph c. of this note, the outstanding capital is USD 127,942.

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NOTES CLASS 17	NOTES CLASS 18
27,864 UVA (equal to ARS 2,500,000 considering the UVA value as of the date of issue)	USD 265,428
October 20, 2021	November 9, 2022
100% of principal amount	100% of principal amount
UVA/ARS	USD
Annual nominal fixed rate of 0.98 %.	Annual nominal fixed rate of 8.25%.
N/A	N/A
October 20, 2025 (48 months from the date of issue)	Seven consecutive payments, due October 9, 2024, April 9, 2025, October 9, 2025, April 9, 2026, October 9, 2026, April 9, 2027, and October 9, 2027. The first six aforementioned repayments represent 14.285% of the equity each, and the last repayment represents 14.290% of the equity.
October 13, 2021	October 9, 2022
On a quarterly basis, in arrears, from January 20, 2022 to October 20, 2025.	On a bi-annual basis, in arrears, on April 9 and October 9 of each year, until maturity, starting April 9, 2023.

(Figures stated in thousands of Argentine pesos)

Note 20. 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 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 and in the Pricing Supplements for Series 18 Notes under the Global Program).

- 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 and in the Pricing Supplements for Series 18 Notes under the Global Program.

- 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 in the Pricing Supplements for Series 18 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 table below shows, for each Class of Notes, the aforementioned "Fixed Charge Coverage Ratio" as of December 31, 2022:

	CLASS 9 NOTES	CLASS 18 NOTES
Consolidated Adjusted EBITDA[1]	58,310,634	59,008,392
Consolidated Fixed Charges[2]	10,925,124	10,783,502
Fixed-Charge Coverage Ratio[3]	5.34	5.47

[1] Class 9: Operating income + Depreciation of property, plant and equipment and investment property + Depreciation of right-of-use assets + Amortization of intangible assets.
Class 18: Operating income + Depreciation of property, plant and equipment and investment property + Amortization of intangible assets + Consolidated implicit and explicit financial components of income and expenses (without eliminating inflationary hedges included in such components).

[2] Class 9: Bank interest, marketable debt and financing costs + Interest on lease liabilities, (-) Interest on cash equivalents, (-) Changes in fair value of financial assets.
Class 18: Bank interest, marketable debt and financing costs + Interest on capital lease liabilities (capital leases), (-) Interest on cash equivalents, (-) Changes in fair value of financial assets.

[3] Ratio arising from "Consolidated Adjusted EBITDA" to "Consolidated Fixed Charges". Both definitions arise from the terms of the Pricing Supplement corresponding to the aforementioned Class 9 and Class 18.

These covenants and limitations were fully honored as of December 31, 2022.

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Note 20. Loans

b. Long-term Loans Borrowed from Other Financial Institutions

The following table shows relevant information on long-term loans:

ORIGINAL PRINCIPAL (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2022	12.31.2021
USD 50[1]	4% Annual rate	07.06.2017	07.06.2022	Upon maturity	Quarterly	-	10,005
ARS 1.000	Variable[2]	11.04.2021	11.04.2023	Upon maturity	Quarterly	1,000	1,948
ARS 2.800	Variable[3]	08.30.2021	08.30.2023	In 5 instalments[4]	Monthly	1,680	5,454
USD 25[1]	3% Annual rate	07.06.2022	01.08.2024	Upon maturity	Quarterly	4,429	-
ARS 3.250[1]	49.25% Annual rate	07.06.2022	07.06.2023	Upon maturity	Monthly	3,250	-

[1] The Company refinanced 50% of the USD 50 million loan at a fixed rate at an annual rate of 3% with quarterly interest payments and principal repayment at maturity. Also, for the remaining 50%, a debt in ARS was agreed at a fixed rate at an annual rate of 49.25% with principal repayment at maturity.

[2] BADLARi (BADLAR plus the turnover tax allocation ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin.

[3] The rate from August 2022 became variable BADLAR plus 4.25% for the remaining term to maturity.

[4] As of December 31, 2022, two instalments of ARS 560 million have been paid and three instalments of the same amount are due in February, May and August 2023.

c. Exchange of Class 9 Notes

On November 9, 2022, the Company completed the exchange transaction of its outstanding Class 9 Notes (at a fixed interest rate of 6.00% per annum, for a nominal value of USD 500 million and maturing on July 6, 2023) for its Class 18 Notes (at a fixed interest rate of 8.25% per annum and maturing on October 9, 2027). This transaction was initiated by a decision of the Company's Board of Directors on October 4, 2022.

The aforementioned exchange had a total acceptance rate of 74.41%, as follows:

CONSIDERATION OPTION	NOMINAL VALUE OF CANCELED CLASS 9 NOTES (USD)	ACCEPTANCE RATE	CONSIDERATION SCHEME		
			CASH CONSIDERATION (USD)	CONSIDERATION THROUGH ISSUANCE OF CLASS 18 NOTES (USD)	TOTAL CONSIDERATION (USD)
Option A	122,693,000	24.54%	111,617,400	11,075,600	122,693,000
Option B	249,365,000	49.87%	-	[a] 254,352,142	254,352,142
TOTAL	**372,058,000**	**74.41%**	**111,617,400**	**265,427,742**	**377,045,142**

[a] The holders of Class 9 Notes who chose Option "B" consideration received USD 1,020 in principal amount of Class 18 Notes for each USD 1,000 in principal of Class 9 Notes exchanged.

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Note 20. Loans

c. Exchange of Class 9 Notes

Pursuant to the foregoing, on November 9, 2022, the Group issued its Class 18 Notes for an amount of USD 265,428, the main characteristics of which are as follows:

- Principal repayments are scheduled in seven biannual instalments, maturing on October 9, 2024, April 9, 2025, October 9, 2025, April 9, 2026, October 9, 2026, April 9, 2027 and October 9, 2027. The first six aforementioned repayments represent 14.285% of the principal each, and the last repayment represents 14.290% of the principal.
- They bear interest at a fixed annual nominal rate of 8.25%, payable biannually on April 9 and October 9 of each year, until maturity. The first interest payment shall be made on April 9, 2023.
- Like the Class 9 Notes, the Class 18 Notes were issued under foreign law.
- The covenants and limitations agreed by the Company in the terms and conditions of the Class 18 Notes are similar to those set forth in the Class 9 Notes.

Additionally, as part of the exchange process described above, the Company proceeded to:

- cancel the interest accrued on the Class 9 Notes that were the object of the exchange, accrued up to the aforementioned settlement date (USD 7,627),
- to partially settle the Class 9 Notes, leaving a remaining outstanding principal balance of USD 127,942 (25.59% of the original principal amount), whose original terms were not modified.

Importantly, the prepayment of the Class 9 Notes was previously approved by the BCRA and the funds necessary to finance the cash consideration were obtained from a combination of shareholders" equity and short-term financial debt.

The recording of the exchange of Class 9 for Class 18 Notes resulted in a loss of ARS 3,832,922, recorded under "Financial Expenses" in these consolidated statements.

Note 21. Lease liabilities

The following tables show the breakdown of and changes to this item:

	12.31.2022	12.31.2021
Non-Current	1,210,424	1,540,290
Current	1,159,406	1,064,884
TOTAL	**2,369,830**	**2,605,174**

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**2,605,174**	**2,608,133**
Additions	1,089,769	1,732,058
Adjustment to Variable Leases	64,981	(252,709)
Interest Expense and Exchange Differences Accrued	30,837	86,804
Payments Made during the Year	(1,420,931)	(1,569,112)
BALANCE AT YEAR-END	**2,369,830**	**2,605,174**

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Note 22. Employee retirement benefits obligations

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Non-Current		
Early Retirement Benefits	363,760	835,139
Retirement Bonuses [a]	621,145	584,321
Pension Plans [b]	4,389,303	5,128,701
TOTAL NON-CURRENT	**5,374,208**	**6,548,161**
Current		
Early Retirement Benefits	582,270	805,337
Retirement Bonuses [a]	3,636	8,123
Pension Plans [b]	157,624	185,901
TOTAL CURRENT	**743,530**	**999,361**
TOTAL	**6,117,738**	**7,547,522**

The amount charged to the separate statement of income is as follows:

	12.31.2022	12.31.2021
Amount Charged to Income		
Early Retirement Benefits	70.126	1.464.835
Retirement Bonuses [a]	(89.971)	23.120
Pension Plans - Defined Contributions [b]	(335.025)	1.616.753
Subtotal	**(354.870)**	**3.104.708**
Amount Charged to Other Comprehensive Income		
Retirement Bonuses [a]	126.461	(45.927)
Pension Plans [b]	477.280	509.700
Subtotal	**603.741**	**463.773**
TOTAL	**248.871**	**3.568.481**

(a) Retirement Bonuses

The following table shows the changes in the Company's obligations:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**592,444**	**617,598**
Cost	30,212	34,436
Interests	(120,183)	(11,316)
Actuarial (Gain) / Loss	126,461	(45,927)
Benefits Paid to Plan Participants	(4,153)	(2,347)
BALANCE AT YEAR-END	**624,781**	**592,444**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 3,636.

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Note 22. Employee retirement benefits obligations

(b) Pension Plans

The following table shows the changes in the Company's obligations:

	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**5,314,602**	**4,141,979**
Cost	729,757	1,860,285
Interests	(1,064,782)	(243,532)
Actuarial (Gain) / Loss	477,280	509,700
Benefits Paid to Plan Participants	(909,930)	(953,830)
BALANCE AT YEAR-END	**4,546.927**	**5,314,602**

The portion expected to be settled within twelve months from the date of these financial statements is ARS 157,624.

Below is a detail of the amounts charged to the separate statement of income for the year ended December 31, 2022:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1 3]	729,757	1,199,619	30,212	1,959,588
Interests [2]	(1,064,782)	(1,129,493)	(120,183)	(2,314,458)
Subtotal – Amounts Charged to Income for the Year	**(335,025)**	**70,126**	**(89,971)**	**(354,870)**
Actuarial Loss	477,280	-	126,461	603,741
Subtotal - Loss through Other Comprehensive Income	**477,280**	**-**	**126,461**	**603,741**
TOTAL AS OF 12.31.2022	**142,255**	**70,126**	**36,490**	**248,871**

[1] Out of total cost, ARS 909,947, ARS 228,088 and ARS 821,553 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively.
[2] Charged to "Net Financial Income (Expense)."
[3] Under pension plans, the amount charged to income of ARS 128,864 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 600,893 is reported under "Salaries, Wages and Other Benefits" (Note 29).

The amounts charged to the separate statement of income for the year ended December 31, 2021 is as follows:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1 3]	1,860,285	1,934,102	34,436	3,828,823
Interests [2]	(243,532)	(469,267)	(11,316)	(724,115)
Subtotal – Amounts Charged to Income for the Year	**1,616,753**	**1,464,835**	**23,120**	**3,104,708**
Actuarial Loss	509,700	-	(45,927)	463,773
Subtotal - Loss through Other Comprehensive Income	**509,700**	**-**	**(45,927)**	**463,773**
TOTAL AS OF 12.31.2021	**2,126,453**	**1,464,835**	**(22,807)**	**3,568,481**

[1] Out of total cost, 1,527,948, ARS 397,296 and ARS 1,903,579 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively.
[2] Charged to "Net Financial Income (Expense)."
[3] Under pension plans, the amount charged to income of ARS 256,307 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 1,603,978 is reported under "Salaries, Wages and Other Benefits" (Note 29).

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(Figures stated in thousands of Argentine pesos)

Note 22. Employee retirement benefits obligations

The assumptions on the future mortality rate are established based on actuarial techniques, according to published statistics. The main actuarial assumptions used were:

	12.31.2022	12.31.2021
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, 2022, 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 (64,802) and ARS 56,0179, respectively.

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 (56,017) and ARS 51,423, respectively.

Note 23. Provisions

The following table shows the breakdown of the item:

	12.31.2022	12.31.2021
Non-Current		
For Labor, Civil and Commercial Lawsuits	316,589	495,425
For Other Contingencies	78,837	157,230
TOTAL NON-CURRENT	**395,426**	**652,655**
Current		
For Labor, Civil and Commercial Lawsuits	135,681	212,325
For Other Contingencies	33,787	67,384
TOTAL CURRENT	**169,468**	**279,709**
TOTAL	**564,894**	**932,364**

The changes in this item are as follows:

	FOR LABOR, CIVIL AND COMMERCIAL LAWSUITS [1]		OTHER PROVISIONS [2]	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Balance at the Beginning of the Year	**707,750**	**857,536**	**224,614**	**295,213**
Increases	190,213	262,057	27,963	44,567
Decreases	(371,194)	(351,896)	(33,809)	(8,057)
Payments	(74,499)	(59,947)	-	-
Effect of Restatement	-	-	(106,144)	(107,109)
BALANCE AT YEAR-END	**452,270**	**707,750**	**112,624**	**224,614**

[1] The accounting allocation of increases and decreases in Labor, Civil and Commercial Lawsuits are disclosed in Notes 28 and 32.

[2] The accounting allocation of increases and decreases in Other Contingencies is disclosed in Note 28.

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Note 24. Trade payables and other liabilities

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Non-Current		
Trade Payables		
- Third Parties	166,080	69,207
Salaries and Social Security Contributions and Employee Benefits	-	19,961
Other Liabilities		
- Related Parties (Note 8)	6,895	635,237
TOTAL NON CURRENT	**172,975**	**724,405**
Current		
Trade Payables		
- Third Parties	22,789,007	18,428,771
- Related Parties (Note 36)	2,895,510	2,579,325
- Note Payables	2,283,179	1,981,663
Tax Liabilities	1,359,848	1,443,110
Salaries and Social Security Contributions and Employee Benefits	13,712,149	8,512,017
Other Liabilities		
- Third Parties	3,864	8,057
- Related Parties (Note 36)	2,966	11,829
TOTAL CURRENT	**43,046,523**	**32,964,772**
TOTAL	**43,219,498**	**33,689,177**

Note 25. 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:

	12.31.2022	12.31.2021
IT Services	280,260	715,216
Logistics Services	1,087,658	242,658
TOTAL	**1,367,918**	**957,874**

(b) Pledged Collateral for Loans Granted to Subsidiaries

As of December 31, 2022, 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. Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL BRL	Surety Surety	Surety Bond	15,000

As part of the currency term agreements, the Company granted financial instruments as collateral, recognized as "Derivative Financial Instruments," and as of December 31, 2022, the carrying amount totaled ARS 2,039,685. As of December 31, 2021, it amounted to ARS 1,059,827.

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Note 25. Commitments and pledged collateral

(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 936.

(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, 2022, certain pieces of equipment owned by Bagley Argentina S.A. are located at the Company's facilities, with a residual value of ARS 32,682. The Company has assumed the custody of these assets and has also committed to maintaining insurance policies to cover them. As of December 31, 2021, they amounted to ARS 42,689.

Pursuant to certain toll manufacturing agreements entered into by the Company and third parties, as of December 31, 2022, 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 4,559,633. As of December 31, 2020, such inventories amounted to ARS 3,052,677.

Further, as of December 31, 2022, the Company also held in its warehouses inventories of finished products for sale owned by third parties for a total amount of ARS 65,700. As of December 31, 2021, these inventories amounted to ARS 76,107.

Note 26. Sales of goods and services

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Sales of Goods		
- Third Parties	172,348,299	177,086,320
- Related Parties (Note 36)	24,490,338	31,508,446
Sales of Services		
- Third Parties	437,491	478,966
- Related Parties (Note 36)	18,496,854	15,914,006
TOTAL	**215,772,982**	**224,987,738**

Note 27. Cost of goods sold and services rendered

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Inventories at the Beginning of the Year (Note 13)	39,463,999	37,987,797
Purchases of the Year	92,953,353	98,948,816
Transfer of Biological Products from the Agricultural Activity (Note 30)	2,950,367	2,990,318
Production Expenses (Note 28)	57,846,033	60,513,445
Sales of By-Products	(147,295)	(287,359)
Export Refunds[1]	(636,810)	(688,035)
Inventories at Year-End (Note 13)	(43,032,410)	(39,463,999)
BALANCE AT YEAR-END	**149,397,237**	**160,000,983**

[1] Net of the effect of (losses) / recovery of provisions for export refunds.

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Note 28. Information about expenses by function and nature

The following table shows the breakdown of total expenses by nature:

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 7)	151,180	164,522
Operating Leases/Rentals	1,238,069	994,387
Quality and Environment	503,966	457,037
Fuels and lubricants	560,720	520,281
Maintenance of Property, Plant and Equipment, and Investment Properties	6,153,443	5,819,639
Depreciation of Property, Plant and Equipment and Investment Properties (Notes 4 and 6)*	3,826,040	4,079,043
Depreciation of Right-of-use Assets (Note 5)*	1,337,961	1,333,184
Export Duties	1,001,151	1,199,831
Electricity, Gas and Communications	6,907,861	6,546,037
Freight and Haulage	7,689,401	8,244,247
Export and Import Expenses	1,005,931	1,039,116
Traveling Expenses and Per Diem	1,081,314	530,658
Services Fees	1,663,913	1,742,381
Direct Taxes	4,648,114	4,630,801
Taxes, Rates and Contributions	568,395	616,681
Publicity and Advertising	2,827,094	3,849,702
Managers', Directors', and Statutory Auditors' Fees	1,769,431	1,585,920
Insurance	629,302	608,233
Bank Services	242,478	247,711
Third-Party Services	7,805,053	8,395,497
Systems and Application Software	3,099,472	3,257,680
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	58,796,225	55,352,168
Bad Debts	50,906	(491)
Loss on Labor and Other Lawsuits	62,211	109,701
Loss on Other Miscellaneous Provisions	(5,846)	36,510
(Recovery) / Loss due to Other Receivables	520	(123)
Other General Expenses	4,223,734	5,918,183
TOTAL	**117,838,039**	**117,278,536**

*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 28. Information about expenses by function and nature

(a) Production Expenses (Note 27)

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 8)	74,866	58,780
Operating Leases/Rentals	385,837	402,197
Quality and Environment	499,966	454,055
Fuels and Lubricants	354,442	330,919
Maintenance of property, plant and equipment and investment prop.	5,341,593	5,112,815
Property, plant and equipment dep. and investment prop. (notes 4 and 6)*	3,112,075	3,246,768
Depreciation of Right-of-use Assets (Note 5)*	256,215	180,442
Electricity, Gas and Communications	6,409,834	6,071,717
Freight and Haulage	2,527,810	2,617,549
Traveling Expenses and Per Diem	262,862	142,538
Services Fees	369,375	389,711
Taxes, Rates and Contributions	239,214	273,178
Insurance	433,854	441,532
Third-party Services	2,716,863	2,957,165
Systems and Application Software	462,345	495,038
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	33,622,079	35,405,483
Loss on Labor and Other Lawsuits	37,667	63,434
(Recovery) / Loss due to Other Miscellaneous Provisions	(2,402)	(4,252)
(Recovery) / Loss due to Other Receivables	520	(123)
Other General Expenses	741,018	1,874,499
TOTAL	**57,846,033**	**60,513,445**

(b) Biological Assets Production Expenses (Note 30)

	12.31.2022	12.31.2021
Operating Leases/Rentals	133,964	83,595
Quality and Environment	4,000	2,982
Fuels and Lubricants	97,959	78,204
Maintenance of Property, Plant and Equipment and Investment Prop.	284,245	201,911
Property, Plant and Equipment dep. and Investment Prop. (Notes 4 and 6)	269,069	335,060
Depreciation of Right-of-use Assets (Note 5)	250,027	278,566
Electricity, Gas and Communications	46,315	51,684
Freight and Haulage	95,563	111,071
Traveling Expenses and Per Diem	7,983	5,945
Services Fees	19,614	20,574
Taxes, Rates and Contributions	56,910	62,474
Insurance	1,060	1,577
Third-party Services	659,981	751,426
Systems and Application Software	1,208	2,606
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	647,523	593,110
Loss on Labor and Other Lawsuits	14	(138)
Other General Expenses	1,390,990	1,523,477
TOTAL	**3,966,425**	**4,104,124**

*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 28. Information about expenses by function and nature

(c) Selling Expenses

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 7)	49,797	60,922
Operating Leases/Rentals	650,425	458,475
Fuels and Lubricants	93,026	91,344
Maintenance of Property, Plant and Equipment	349,387	455,236
Depreciation of Property, Plant and Equipment (Notes 4 and 6)*	277,727	322,131
Depreciation of Right-of-use Assets (Note 5)*	741,802	667,691
Export Duties	1,001,151	1,199,831
Electricity, Gas and Communications	257,604	300,289
Freight and Haulage	5,066,028	5,515,627
Export and Import Expenses	1,005,931	1,039,116
Traveling Expenses and Per Diem	396,468	233,228
Services Fees	478,356	484,453
Direct Taxes	4,648,114	4,630,801
Taxes, Rates and Contributions	207,488	208,583
Publicity and Advertising	2,827,094	3,849,702
Insurance	128,827	121,348
Third-party Services	4,032,699	4,360,245
Systems and Application Software	1,638,223	1,730,971
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	10,417,078	10,025,282
Bad Debts	50,906	(491)
Loss on Labor and Other Lawsuits	24,045	44,952
Loss on Other Miscellaneous Provisions	1,774	31,315
(Recovery) / Loss due to Other Receivables	1,713,286	2,213,817
TOTAL	**36,057,236**	**38,044,868**

* 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 28. Information about expenses by function and nature

(d) Administrative Expenses

	12.31.2022	12.31.2021
Amortization of Intangible Assets (Note 7)	26,517	44,820
Operating Leases/Rentals	67,843	50,120
Fuels and Lubricants	15,293	19,814
Maintenance of Property, Plant and Equipment	172,763	42,438
Depreciation of Property, Plant and Equipment (Notes 4 and 6)*	167,169	175,084
Depreciation of Right-of-use Assets (Note 5)*	89,917	206,485
Electricity, Gas and Communications	193,448	121,465
Traveling Expenses and Per Diem	414,001	148,947
Services Fees	793,963	844,407
Taxes, Rates and Contributions	51,629	60,275
Managers', Directors' and Statutory Auditors' Fees	1,769,431	1,585,920
Insurance	65,561	43,776
Bank Services	242,478	247,711
Third-party Services	275,910	210,443
Systems and Application Software	997,696	1,029,065
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	14,109,545	9,328,293
Loss on Labor and Other Lawsuits	485	1,453
Loss / (Recovery) on Other Miscellaneous Provisions	(5,218)	9,447
Other General Expenses	377,351	304,234
TOTAL	**19,825,782**	**14,474,197**

* The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in the cost of biological assets.

(e) Investment Property Maintenance Expenses (Note 31)

	12.31.2022	12.31.2021
Maintenance of Investment Properties	5,455	7,239
Electricity, Gas and Communications	660	882
Services Fees	2,605	3,236
Taxes, Rates and Contributions	13,154	12,171
Third-party Services	119,600	116,218
Other General Expenses	1,089	2,156
TOTAL	**142,563**	**141,902**

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Note 29. Salaries, wages, social security charges and other benefits

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Salaries, Wages and Social Security Contributions[1]	56,965,501	51,779,652
Early Retirement Benefits (Note 22)[2]	1,199,619	1,934,102
Pension Plans (Note 22)[3]	600,893	1,603,978
Retirement Bonus (Note 22)[4]	30,212	34,436
TOTAL	**58,796,225**	**55,352,168**

[1] It includes the accrual of the employee bonuses charge, the special retirement plan for directors and another for general managers.

[2] It includes the accrual of the early retirement plan charge for the rest of the employees.

[3] It includes the accrual of the pension plan charge.

[4] It includes the accrual of the retirement bonus charge.

Note 30. Income (loss) from biological assets

The following tables show the income (loss) from the main biological asset:

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2022
Sales of Biological Assets and Products	292,078	1,029,784	-	232,930	1,554,792
Cost of Sales of Biological Assets	-	-	-	(232,930)	(232,930)
Cost of Sales of Biological Products	(292,078)	(507,408)	-	-	(799,486)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**522,376**	**-**	**-**	**522,376**
Harvest of Biological Products [1]	822,800	1,173,955	814,261	1,096,407	3,907,423
Initial Recognition and Changes in Fair Value of Biological Products	(13,114)	-	-	(299,813)	(312,927)
Derecognition of Bearer Plants	-	-	(95,647)	-	(95,647)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 28)	(427,187)	(757,162)	(1,325,537)	-	(2,509,886)
Production Expenses of Biological Assets for the Livestock Activities (Note 28)	-	-	-	(1,456,539)	(1,456,539)
Subtotal - Production Costs of Biological Assets	**(427,187)**	**(757,162)**	**(1,325,537)**	**(1,456,539)**	**(3,966,425)**
Consumption of Harvested Biological Products	-	-	-	(181,179)	(181,179)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**382,499**	**939,169**	**(606,923)**	**(841,124)**	**(126,379)**

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Note 30. Income (loss) from biological assets

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2021
Sales of Biological Assets and Products	156,016	1,057,215	-	259,239	1,472,470
Cost of Sales of Biological Assets	-	-	-	(259,239)	(259,239)
Cost of Sales of Biological Products	(156,016)	(920,305)	-	-	(1,076,321)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**136,910**	**-**	**-**	**136,910**
Harvest of Biological Products [1]	529,015	1,902,278	626,615	1,232,788	4,290,696
Initial Recognition and Changes in Fair Value of Biological Products	(24,977)	-	-	204,642	179,665
Derecognition of Bearer Plants	-	-	(40,158)	-	(40,158)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 28)	(400,255)	(872,046)	(1,285,513)	-	(2,557,814)
Production Expenses of Biological Assets for the Livestock Activities (Note 28)	-	-	-	(1,546,310)	(1,546,310)
Subtotal - Production Costs of Biological Assets	**(400,255)**	**(872,046)**	**(1,285,513)**	**(1,546,310)**	**(4,104,124)**
Consumption of Harvested Biological Products	-	-	-	(180,902)	(180,902)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**103,783**	**1,167,142**	**(699,056)**	**(289,782)**	**282,087**

[1] Measured at fair value at the point of harvest.

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	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2022	TOTAL AS OF 12.31.2021
Opening Inventories of Biological Products	-	158,244	-	-	**158,244**	**115,109**
Harvest of Biological Products	822,800	1,173,955	814,261	1,096,407	**3,907,423**	**4,290,696**
Cost of Sales of Biological Products	(292,078)	(507,408)	-	-	**(799,486)**	**(1,076,321)**
Internal Transfers	-	(181,179)	-	181,179	**-**	**-**
Consumption of Harvested Biological Products (Foffer)	-	-	-	(181,179)	**(181,179)**	**(180,902)**
Subtotal	**530,722**	**643,612**	**814,261**	**1,096,407**	**3,085,002**	**3,148,582**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities[1]	-	(134,635)	-	-	**(134,635)**	**(158,264)**
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2022 (Note 27)	**530,722**	**508,977**	**814,261**	**1,096,407**	**2,950,367**	
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2021 (Note 27)	**373,000**	**757,915**	**626,615**	**1,232,788**		**2,990,318**

[1] It refers to fodder included in "Raw Materials and Materials" (Note 13).

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For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 31. Other income / (expenses), net

The following table shows the breakdown of this item:

	12.31.2022	12.31.2021
Tax on Bank Credits and Debits	(2,116,330)	(1,948,425)
Net (Disbursements) out of Income Accrued Provided by Investment Properties[1]	(103,276)	(115,855)
Income on Disposal of Property, Plant and Equipment and Investment Properties[2]	134,968	965,623
Depreciation of Property, Plant and Equipment Elements[3]	(1,132,655)	-
Other	228,863	76,530
TOTAL	**(2,988,430)**	**(1,022,127)**

[1] Includes maintenance expenses of investment properties for the year ended December 31, 2022 and 2021 for ARS 142,563 and ARS 141,902, respectively (Note 28).
[2] As of December 31, 2021, it includes ARS 886 million corresponding to income from the sale of assets corresponding to "Property, Plant and Equipment" under the Joint Venture agreement with Ingredion Argentina S.R.L. (Note 41).
[3] Note 4.

Note 32. Net financial income (expense), net

The following table shows the breakdown of Financial Income (Expense):

	12.31.2022	12.31.2021
Financial Income		
Interests:		
- Cash Equivalents	297	21,484
- Ordinary Explicit and Implicit	(7,777,052)	(3,660,230)
- Finance Charges with Related Parties	111,792	13,819
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 42)	1,029,567	1,344,270
- Other Financial Instruments	279,658	-
Exchange Differences	10,780,574	23,005,547
Subtotal - Financial Income	**4,424,836**	**20,724,890**
Financial Expenses		
Interests:		
- Bank. Notes and Financing Expenses[1 2]	(7,000,240)	(7,103,354)
- Finance Leases	(58,163)	(200,676)
- Explicit and Implicit	5,053,140	2,196,600
- Finance Charges with Related Parties	643,769	58,921
Changes in the Fair Value of Financial Instruments		
- Other Financial Instruments	-	104,072
Subtotal	**(1,361,494)**	**(4,944,437)**
Amounts Capitalized in Eligible Assets	54,923	29,715
Subtotal - Financial Expenses	**(1,306,571)**	**(4,914,722)**
Gain on Net monetary Position	**15,353,811**	**4,866,217**
TOTAL	**18,472,076**	**20,676,385**

[1] It includes the restatement charges on UVA notes, expressed in real terms.
[2] As of December 31, 2022, it includes charges in the amount of ARS 3,832,922 for the Class 9 Notes and Class 18 Notes exchange described in Note 20.

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Note 33. Income tax

The income tax expense charged to income is broken down as follows:

	12.31.2022	12.31.2021
Income Tax - Deferred Tax Method (Note 10)	6,737,329	(12,773,639)
Current Income Tax	(14,487,979)	57,429
Current Taxes from Alleged Dividends Subject to Tax Abroad	(123,040)	212,640
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net	-	(447,479)
Subtotal – Income Tax Charged to the Statement of Income	**(7,873,690)**	**(12,951,049)**
Income Tax - Deferred Tax Method (Notes 10, 18 and 19)	211,309	356,856
Subtotal – Income Tax Charged to Other Comprehensive Income	**211,309**	**356,856**
TOTAL INCOME TAX EXPENSE	**(7,662,381)**	**(12,594,193)**

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:

	12.31.2022	12.31.2021
Income for the Year before Tax	**39,912,933**	**48,319,497**
Income Tax Rate	35%	35%
Income Tax Calculated at the Company's Effective Tax Rate	**(13,969,527)**	**(16,911,824)**
Permanent Differences and Other Reconciling Items		
Non-deductible Expenses	(110,014)	(127,287)
Non-taxable Income and Special Deductions	25,035	21,133
Income from Investments in Subsidiaries and Associates	4,922,029	5,587,713
Income from Investments in Subsidiaries and Associates	360,348	470,494
Effect of Application of the Inflation Adjustment for Tax Purposes	(21,558,590)	(16,148,215)
Changes in Unrecognized Deferred Assets	-	1,444,341
Income (Loss) from Change in Tax Rate[1]	-	(573,759)
Effect of Restatement Law No. 27,430 on Tax Bases[2]	2,193,143	1,061,259
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	20,338,731	13,003,830
(Use and Derecognition) / Generation of Tax Credits for Equivalent Foreign Taxes, Net[3]	-	(447,479)
Tax Effect in Argentina of Tax Credits for Equivalent Foreign Taxes	-	160,188
Current Taxes from Alleged Dividends Subject to Tax Abroad	(123,040)	212,640
Tax Effect in Argentina of Alleged Dividends Subject to Tax Abroad	43,064	(74,425)
Tax Effect in Argentina of Dividends Distributed by Foreign Subsidiaries[3]	-	(823,300)
Effect of Progressive Tax Rates, Law No. 27,630	4,185	-
Others, Net	946	193,642
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(7,873,690)**	**(12,951,049)**

[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.

[2] It 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 8 to these separate financial statements.

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Note 33. 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%

Additionally, the tax reform established that, at the companies' discretion, a tax revaluation of the assets located in the country and used to generate taxable income may be carried out. The tax result arising from the revaluation is not subject to income tax and the special tax on the amount of the revaluation is not deductible from such tax. The Company did not use the aforementioned revaluation option provided for in the regulation.

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 tax rates set at the time of the enactment of Law No. 27,630 were 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 amendments were effective for fiscal years beginning on or after January 1, 2021. Such amendments were effective for fiscal years beginning on or after January 1, 2021. Consequently, as of December 31, 2021, the income tax expense includes the effects caused by the aforementioned change, which consisted of a loss of ARS 4,206,362 in deferred income tax. Additionally, it should be noted that this legal amendment also had a negative effect on the charge to income charged to the statement of other comprehensive income and the caption “Income (Loss) from Investments in Companies and Others” in the separate statement of income for the year 2021.

Note 33. Income tax

Changes in the Income Tax Rate

For the fiscal year 2022, in accordance with the adjustment foreseen for the three segments, the tax rates set are as follows:

- 25% on accumulated net taxable income up to 7.6 million;
- 30% for the second bracket, on accumulated net taxable income up to 76.0 million;
- 35% on accumulated net taxable income in excess of 76.0 million.

- 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, 2020 to December 31, 2022 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, 2022. Based on the above-described application scheme, as of December 31, 2021, 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, with the resulting effect on the calculation of their tax rates.

Further, it is worth noting that, 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.

In this regard, the company has recognized the aforementioned losses at their nominal value for purposes of their use to offset tax profits, both in the filing of its tax return for the 2021 tax period made during the month of May 2022, and for the calculation of the current income tax charge for the year ended December 31, 2022, as well as the measurement of its deferred position as of such date. Consequently, the accounting effects that would result from the computation of such losses on a restated basis were not recognized.

As of the date of issuance of these consolidated financial statements, the company continues to evaluate the development of new judgemental elements to complement its analysis and mitigate the existing levels of uncertainty with respect to the probability of prevailing in its position in the event of a claim from the tax authorities that could take place when computing such inflation-adjusted tax losses in its next income tax settlement.

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Note 33. Income tax

- Extraordinary Interim Payment

Through General Resolution 5248/2022, published in the Argentine Official Gazette (BON) in August 2022, The AFIP established a one-time interim payment of income tax which applies to taxpayers that meet certain parameters set forth in the regulation. In cases where the end of the fiscal year of the entity occurred between the months of August and December 2021, a circumstance applicable to the Company and its subsidiaries in Argentina, the parameters and calculation method of the interim payment are as follows:

No.	PARAMETER	CALCULATION METHOD OF EXTRAORDINARY INTERIM PAYMENT WHERE APPLICABLE
1	The tax amount set resulting from the tax return for the 2021 tax period was equal to or greater than ARS 100 million.	The interim payment will be 25% of the calculation basis applied to determine the income tax advances for the 2022 tax period, in accordance with the procedure set forth in section 3 a) of article 3 of AFIP General Resolution 5211, as amended.
2	The amount of the taxable income (taxable base) resulting from the tax return for the 2021 tax period, without deducting tax losses from previous years, was equal to or greater than ARS 300 million.	The interim payment will be 15% of the taxable income (taxable base) without taking into account losses from previous years.

The interim payment calculated under procedure No. 2 applies in the event that the payment determined in accordance with procedure No. 1 is null and void. The aforementioned interim payment was settled in three (3) equal and consecutive instalments whose dates, in the case of the Company, were October 22, 2022, November 22, 2022 and December 22, 2022, in the case of the Company. The rule established that it could not be settled through offsetting mechanisms with other tax credits and, in addition, that it could not be subject to the reduction requests of advance payments provided by the aforementioned AFIP's General Resolution 5211.

The amount of the extraordinary interim payment to be settled by the Company in the last quarter of the year, following the guidelines described above, amounted to approximately ARS 3,838.5 million (ARS 3.289.0 million expressed in nominal values).

Note 34. 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 2022 and 2021, 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	
	12.31.2022	12.31.2021
Net Income for the Year	32,039,243	35,368,448
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.45770**	**0.50526**

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Note 35. Dividends per share

Dividends paid by the Company to its shareholders in 2022 amounted to ARS 7,000,000 (or ARS 11,747,704 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 29, 2022, at which time shareholders resolved to pay dividends for such amount. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.16782.

Dividends paid by the Company to its shareholders in 2021 amounted to ARS 5,350,000 (or ARS 13,380,141 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 for the amount of ARS 2,650,000 (or ARS 7,229,983 in constant currency) and ARS 2,700,000 (or ARS 6.150.158 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 0.19114.

Note 36. 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:

	TYPE OF RELATIONSHIP	SALES OF GOODS		SALES OF SERVICES	
		12.31.2022	12.31.2021	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)[1]	Subsidiary	-	302,563	-	-
Arcor Alimentos Bolivia S.A.	Subsidiary	2,058,725	2,121,469	-	-
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	212,236	-	-	-
Arcor de Perú S.A.	Subsidiary	404,310	420,323	-	-
Arcor do Brasil Ltda.	Subsidiary	479,037	472,165	13,343	16,333
Arcor U.S.A., Inc.	Subsidiary	2,294,780	2,935,064	-	-
Arcorpar S.A.	Subsidiary	2,881,375	3,303,223	-	-
Ardion S.A.	Subsidiary	147,597	-	1,413,013	548,781
Bagley Argentina S.A.	Subsidiary	6,270,582	6,587,742	13,262,511	12,406,645
Bagley Chile S.A.	Subsidiary	90,912	64,777	-	-
Cartocor S.A.	Subsidiary	1,266,093	1,464,687	2,189,402	2,111,733
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	-	-	673	810
Dulcería Nacional, LDA.	Joint Venture	283,219	202,624	-	-
Grupo Arcor S.A.	Parent	-	-	657	676
Industria de Alimentos Dos en Uno S.A.	Subsidiary	2,958,459	3,835,384	8,895	10,889
Industria Dos en Uno de Colombia Ltda.[1]	Subsidiary	-	17,689	-	-
Ingrecor S.A.[2]	Subsidiary	2,518,077	6,857,439	1,279,470	590,630
Mastellone Hermanos S.A.	Associate	9,633	154,995	4,953	183
Mundo Dulce S.A. de C.V.	Subsidiary	-	-	6,671	8,166
Papel Misionero S.A.I.F.C.	Subsidiary	4,596	46,559	304,288	203,272
Unidal Ecuador S.A.	Subsidiary	618,497	478,009	-	-
Unidal México S.A. de C.V.	Subsidiary	46,874	-	12,978	15,888
Van Dam S.A.	Subsidiary	1,945,336	2,243,734	-	-
TOTAL		**24,490,338**	**31,508,446**	**18,496,854**	**15,914,006**

[1] Note 8.

[2] Note 41.

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Note 36. Transactions and balances with related parties

Other Income

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Bagley Argentina S.A.	Subsidiary	3,199	-
Bagley Chile S.A.	Subsidiary	7,225	6,169
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	1,440	345
Dulcería Nacional, LDA.	Joint Venture	-	78,889
Grupo Arcor S.A.	Parent	-	2,419
TOTAL		**11,864**	**87,822**

Recovery of Expenses

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor Alimentos Bolivia S.A.	Subsidiary	3,259	9,064
Arcor de Perú S.A.	Subsidiary	3,472	-
Arcorpar S.A.	Subsidiary	3,879	8,764
Bagley Argentina S.A.	Subsidiary	218,770	229,992
Cartocor S.A.	Subsidiary	223,039	231,895
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	1,025	1,251
Ingrecor S.A.[1]	Subsidiary	971,042	353,980
Papel Misionero S.A.I.F.C.	Subsidiary	28,909	27,972
Van Dam S.A.	Subsidiary	4,224	9,157
TOTAL		**1,457,619**	**872,075**

[1] Note 41.

(b) Purchases of Goods, Services and Other Disbursements

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor de Perú S.A.	Subsidiary	48,842	-
Arcor do Brasil Ltda.	Subsidiary	305,491	297,632
Ardion S.A.[1]	Subsidiary	138,728	55,222
Bagley Argentina S.A.	Subsidiary	284,735	410,110
Cartocor S.A.	Subsidiary	11,374,919	10,980,885
Industria de Alimentos Dos en Uno S.A.	Subsidiary	13,813	-
Ingrecor S.A.[1]	Subsidiary	6,002,051	2,856,260
Mastellone Hermanos S.A.	Associate	160,694	475,291
Papel Misionero S.A.I.F.C.	Subsidiary	44,743	86,141
TOTAL		**18,374,016**	**15,161,541**

[1] Note 41.

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Note 36. Transactions and balances with related parties

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)[1]	Subsidiary	-	224,645
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	240,302	-
Bagley Argentina S.A.	Subsidiary	247,562	244,362
Cartocor S.A.	Subsidiary	111,074	29,410
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	47,638	41,867
Dulcería Nacional, LDA.	Joint Venture	-	1,928
GAP Regional Services S.A.	Subsidiary	180,293	165,315
Mastellone Hermanos S.A.	Associate	1,454	801
Van Dam S.A.	Subsidiary	22,320	-
TOTAL		**850,643**	**708,328**

[1] Note 8.

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor U.S.A., Inc.	Subsidiary	6,461	5,926
Arcorpar S.A.	Subsidiary	-	17,342
Aportes a Fundación Arcor	Other	134,914	64,216
TOTAL		**141,375**	**87,484**

(c) Financial Interest (Note 32)

Interest Income

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	91,781	-
Bagley Argentina S.A.	Subsidiary	(4,309)	(335)
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	(2,412)	(1,395)
GAP Inversora S.A.	Associate	(204)	(156)
Ingrecor S.A.[2]	Subsidiary	28,031	40,139
Other Related Parties	Other	(1,095)	(596)
Papel Misionero S.A.I.F.C.	Subsidiary	-	(23,838)
TOTAL		**111,792**	**13,819**

[1] Note 8.
[2] Note 41.

Interest Expense

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	10,532	-
Bagley Argentina S.A.	Subsidiary	263,796	(3,356)
Cartocor S.A.	Subsidiary	(108,446)	(58,481)
Industria de Alimentos Dos en Uno S.A.	Subsidiary	-	12,270
Papel Misionero S.A.I.F.C.	Subsidiary	(809,651)	(9,354)
TOTAL		**(643,769)**	**(58,921)**

[1] Note 8.

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Note 36. Transactions and balances with related parties

(d) Trade receivables and payables recorded for trade operations

Accounts Receivable (Note 12)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)[1]	Subsidiary	-	115,415
Arcor Alimentos Bolivia S.A.	Subsidiary	16,381	16,380
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	99,235	-
Arcor de Perú S.A.	Subsidiary	150,283	229,007
Arcor do Brasil Ltda.	Subsidiary	487,988	559,824
Arcor U.S.A., Inc.	Subsidiary	395,940	589,540
Arcorpar S.A.	Subsidiary	402,969	726,955
Ardion S.A.[2]	Subsidiary	174,627	283,181
Bagley Argentina S.A.	Subsidiary	3,086,405	1,912,569
Bagley Chile S.A.	Subsidiary	16,452	15,009
Cartocor S.A.	Subsidiary	356,184	586,195
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	5,771	6,019
Dulcería Nacional, LDA.	Joint Venture	256,332	84,186
Industria de Alimentos Dos en Uno S.A.	Subsidiary	695,042	1,243,879
Industria Dos en Uno de Colombia Ltda.[1]	Subsidiary	-	7,698
Ingrear Holding S.A.[2]	Subsidiary	-	1,254
Ingrecor S.A.[2]	Subsidiary	1,189,107	1,307,138
Mastellone Hermanos S.A.	Associate	6,356	2,244
Mundo Dulce S.A. de C.V.	Subsidiary	1,595	3,610
Papel Misionero S.A.I.F.C.	Subsidiary	46,921	46,748
Unidal Ecuador S.A.	Subsidiary	279,320	169,908
Unidal México S.A. de C.V.	Subsidiary	8,889	3,502
Van Dam S.A.	Subsidiary	100,926	11,163
TOTAL		**7,776,723**	**7,921,424**

[1] Note 8.

[2] Note 41.

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Note 36. Transactions and balances with related parties

Trade Payables and Other Liabilities (Note 24)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)	Subsidiary	-	68,630
Arcor Alimentos Internacional S.L., Sociedad Unipersonal	Subsidiary	319,933	-
Arcor de Perú S.A.	Subsidiary	52,477	-
Arcor do Brasil Ltda.	Subsidiary	173,883	39,972
Arcor U.S.A., Inc.	Subsidiary	11,040	7,231
Ardion S.A.	Subsidiary	2,407	18,133
Bagley Argentina S.A.	Subsidiary	152,383	155,100
Bagley do Brasil Alimentos Ltda.	Subsidiary	2,963	-
Cartocor S.A.	Subsidiary	959,454	729,582
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	4,632	4,091
Dulcería Nacional, LDA.	Joint Venture	6,932	7,829
GAP Regional Services S.A.	Subsidiary	262,199	236,198
Ingrecor S.A.	Subsidiary	691,933	1,066,524
Mastellone Hermanos S.A.	Associate	16,241	65,441
Directors' Fees Payable	Other	-	8,475
Other Related Parties	Other	2,966	3,354
Papel Misionero S.A.I.F.C.	Subsidiary	20,494	-
Unidal México S.A. de C.V.	Subsidiary	-	88,634
Van Dam S.A.	Subsidiary	22,320	-
TOTAL		**2,702,257**	**2,499,194**

[1] Note 8.

[2] Note 41.

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.

(e) Other Receivables (Note 12)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)[1,2,3]	Subsidiary	-	1,810,400
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1,2,3]	Subsidiary	1,697,813	-
Dulcería Nacional, LDA.	Joint Venture	98,518	111,178
Ingredion Uruguay S.A.[4]	Subsidiary	-	386
Unidal México S.A. de C.V.	Subsidiary	-	85,847
TOTAL		**1,796,331**	**2,007,811**

[1] Note 8.

[2] 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. See note 40.

[3] Disclosed in "Other Receivables."

[4] Note 41.

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Note 36. Transactions and balances with related parties

(f) Other Liabilities

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor A.G. (S.A., Ltd.)[1]	Subsidiary	-	83,194
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	196,219	-
Bagley Argentina S.A.[2]	Subsidiary	-	59,278
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	-	8,766
TOTAL		**196,219**	**151,238**

[1] Note 8.

[2] Advance payments received

(g) Loans Granted (Note 12)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	28,229	5,550
GAP Inversora S.A.	Associate	2,080	207
Ingrecor S.A.[1]	Subsidiary	-	3,223,031
Other Related Parties	Other	2,626	3,535
TOTAL		**32,935**	**3,232,323**

[1] Note 41.

(h) Loans received (Note 20)

	TYPE OF RELATIONSHIP	12.31.2022	12.31.2021
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	430,871	-
Bagley Argentina S.A.	Subsidiary	16,031,170	25,152
Cartocor S.A.	Subsidiary	9,541,795	2,213,279
Papel Misionero S.A.I.F.C.	Subsidiary	3,223,586	924,687
TOTAL		**29,227,422**	**3,163,118**

[1] Note 8.

(i) Employee Benefits

The compensation and other benefits paid or payable to the Board of Directors and key management personnel as of December 31, 2022 and 2021 amounted to ARS 8,128,591 and ARS 4,152,270, respectively.

Key management personnel are individuals having authority and responsibility for planning, managing and controlling the Company's activities.

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Note 37. Financial risk management

37.1 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, 2022:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables[1]	2,651,415	-	-	2,651,415
Trade Receivables	16,871,154	-	-	16,871,154
Derivative Financial Instruments	-	2,039,685	-	2,039,685
Cash and Cash Equivalents	-	1,107,713	-	1,107,713
TOTAL AS OF 12.31.2022	**19,522,569**	**3,147,398**	**-**	**22,669,967**
Liabilities as per Balance Sheet				
Loans	145,474,870	-	-	145,474,870
Financial Lease Liabilities	2,369,830	-	-	2,369,830
Derivative Financial Instruments	-	324,962	-	324,962
Trade Payables and Other Liabilities	41,129,928	722,827	-	41,852,755
TOTAL AS OF 12.31.2022	**188,974,628**	**1,047,789**	**-**	**190,022,417**

[1] It only includes financial assets and liabilities under IFRS 7.

- 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	6,541,671	-	-	6,541,671
Trade Receivables	19,569,806	-	-	19,569,806
Derivative Financial Instruments	-	1,059,827	-	1,059,827
Cash and Cash Equivalents	-	2,157,109	-	2,157,109
TOTAL AS OF 12.31.2021	**26,111,477**	**3,216,936**	**-**	**29,328,413**
Liabilities as per Balance Sheet				
Loans	159,239,492	-	-	159,239,492
Financial Lease Liabilities	2,605,174	-	-	2,605,174
Derivative Financial Instruments	-	1,351,420	-	1,351,420
Trade Payables and Other Liabilities	31,358,177	252,653	-	31,610,830
TOTAL AS OF 12.31.2021	**193,202,843**	**1,604,073**	**-**	**194,806,916**

[1] It only includes financial assets and liabilities under IFRS 7.

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Note 37. Financial risk management

37.2 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, 2022:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	2,039,685	-	-	2,039,685
Cash and Cash Equivalents	1,107,713	-	-	1,107,713
Total Assets	**3,147,398**	**-**	**-**	**3,147,398**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	16,635	-	308,327	324,962
Trade Payables and Other Liabilities	-	722,827	-	722,827
Total Liabilities	**16,635**	**722,827**	**308,327**	**1,047,789**

[1] It only includes financial liabilities under IFRS 7.

- As of December 31, 2021:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	1,059,827	-	-	1,059,827
Cash and Cash Equivalents	2,157,109	-	-	2,157,109
Total Assets	**3,216,936**	**-**	**-**	**3,216,936**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	13,526	-	1,337,894	1,351,420
Trade Payables y otras deudas	-	252,653	-	252,653
Total Liabilities	**13,526**	**252,653**	**1,337,894**	**1,604,073**

[1] It only includes financial liabilities under IFRS 7.

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Note 37. Financial risk management

37.2 Fair Value Hierarchies

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.

37.3 Fair Value Estimate

37.3.1 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, 2022 and 2021, 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) Currency Forwards

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) Financial Options Associated with the Transaction with Mastellone Hermanos S.A.

The fair value of these financial instruments was estimated by using the option valuation models (Montecarlo Simulation).

Such a model includes unobservable market inputs; therefore, valuation is classified as Level 3.

Note 37. Financial risk management

(c) Accounts Payable and Other Liabilities – Cereal Purchase Contracts with Price to be Fixed

As of December 31, 2022 and 2021, 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.

37.3.2 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 liabilities approximates their fair value due to their substantially short-term nature. All Doubtful Loans were provided for.

(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 Price

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 20).

(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 20).

(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 20).

(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.

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Note 37. Financial risk management

37.4 Financial Risk Factors

Financial risk management is part of the Company'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 Company's several operating units.

37.5 Market Risk

37.5.1 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 20 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, 2022 and 2021, 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 276,756 and 473,977, 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, 2022 and 2021, 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 6,809,361 and ARS 10,139,690, 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, 2022 and 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 ARS 514,751 and ARS 525,026, respectively.

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Note 37. Financial risk management

37.5 Market Risk

37.5.1 Exchange Rate and Indexation 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	TYPE OF FOREIGN CURRENCY	AMOUNT IN LOCAL CURRENCY AS OF		
				12.31.2022		12.31.2021
ASSETS						
NON-CURRENT ASSETS						
Other Receivables	9,594	USD	176,9600	1,697,813	1,697,813	1,810,400
TOTAL NON-CURRENT ASSETS					1,697,813	1,810,400
CURRENT ASSETS						
Other Receivables	2,462	USD	176,9600	435,690	435,690	4,144,101
Trade Receivables	29,397	USD	176,9600	5,202,079		
	524	EUR	189,2587	99,235	5,301,314	6,853,068
Derivative Financial Instruments	2,750	USD	176,9600	486,640	486,640	559,166
Cash and Cash Equivalents	5,586	USD	176,9600	988,556		
	360	EUR	189,2587	68,054	1,056,610	2,061,591
TOTAL CURRENT ASSETS					7,280,254	13,617,926
TOTAL ASSETS					8,978,067	15,428,326
LIABILITIES						
NON-CURRENT LIABILITIES						
Loans	301,410	USD	177,1600	53,397,813	53,397,813	100,500,201
Lease Liabilities	2,212	USD	177,1600	391,798	391,798	482,951
Trade Payables and Other Liabilities	874	EUR	189,9155	166,081	166,081	68,974
TOTAL NON-CURRENT LIABILITIES					53,955,692	101,052,126
CURRENT LIABILITIES						
Loans	149,707	USD	177,1600	26,522,069	26,522,069	13,462,050
Lease Liabilities	1,281	USD	177,1600	226,872	226,872	159,826
Trade Payables and Other Liabilities	60,135	USD	177,1600	10,653,585		
	2,360	EUR	189,9155	448,212		
	16	CHF	192,1600	3,024		
	79	SEK	171,2000	13,559	11,118,380	6,867,975
TOTAL CURRENT LIABILITIES					37,867,321	20,489,851
TOTAL LIABILITIES					91,823,013	121,541,977

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Note 37. Financial risk management

37.5 Market Risk

37.5.2 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, 2022 and 2021, 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 72,283 and ARS 25,265, respectively.

As for the other raw materials, each of the Company'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.

37.5.3 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, 2022 and 2021, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2022		12.31.2021	
	ARS	%	ARS	%
Fixed rate	112,224,911	77	145,553,282	92
Mixed rate	-	-	5,369,755	3
Variable Rate	33,249,959	23	8,316,455	5
TOTAL	**145,474,870**	**100**	**159,239,492**	**100**

Considering that at the end of the reporting period, only 23% 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 17,181.

37.6 Credit Risk

The Company is exposed to credit risk primarily from:

37.6.1 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.

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Luis Alejandro Pagani
Chairman

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PRICE WATERHOUSE & CO. S.R.L.
(Partner)
C.P.C.E.C. Nº 21.00004.3
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Note 37. Financial risk management

37.6 Credit Risk

37.6.2 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.

37.6.3 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.

37.6.4 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 accounts. In addition, export operations are covered by credit insurance depending on the customer's condition. Outstanding trade receivables are monitored on a regular basis.

37.7 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 Company 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.

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Note 37. Financial risk management

37.7 Liquidity Risk

The following tables show the Company's financial liabilities grouped by maturities, considering the time remaining to maturity from December 31, 2022 and 2022, 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, 2022 and 2021, respectively.

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR[2]	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans (Note 20)	145,474,870	111,946,555	15,197,261	51,624,705	-	178,768,521
Lease Liabilities (Note 21)	2,369,830	1,215,762	622,952	658,917	-	2,497,631
Derivative Financial Instruments (Note 14)	16,635	16,635	-	-	-	16,635
Trade Payables and Other Liabilities[1]	41,852,755	42,410,178	166,958	-	-	42,577,136
TOTAL AS OF 12.31.2022	**189,714,090**	**155,589,130**	**15,987,171**	**52,283,622**	**-**	**223,859,923**

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR[2]	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans (Note 20)	159,239,492	54,816,983	115,304,002	5,418,229	-	175,539,214
Lease Liabilities (Note 21)	2,605,174	1,202,930	1,027,213	642,171	-	2,872,314
Derivative Financial Instruments (Note 14)	13,526	13,526	-	-	-	13,526
Trade Payables and Other Liabilities[1]	31,610,830	31,968,343	93,532	-	-	32,061,875
TOTAL AS OF 12.31.2021	**193,469,022**	**88,001,782**	**116,424,747**	**6,060,400**	**-**	**210,486,929**

[1] It only includes financial liabilities under IFRS 7.
[2] See Note 20. Exchange of Class 9 Notes

The foregoing contractual cash flows do not include Mastellone Hermanos S.A.'s call and put options (Notes 14 and 42). The cash flows that could be derived during the year from such options are described in Note 42 to these separate financial statements.

37.8 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; 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.

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Note 37. Financial risk management

37.8 Capital Risk Management

The indebtedness ratios as of December 31, 2022 and 2021 arise from the following table:

	12.31.2022	12.31.2021
Loans (Note 20)	145,474,870	159,239,492
Lease Liabilities (Note 21)	2,369,830	2,605,174
(Less) Cash and Cash Equivalents (Note 16)	(1,107,713)	(2,157,109)
Net Indebtedness	146,736,987	159,687,557
Total Equity	**96,776,040**	**83,341,205**
Total Capitalization	243,513,027	243,028,762
INDEBTEDNESS RATIO	**1,5163**	**1,9161**

Note 38. 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 39. 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, 2022, the Company's equity amounts to ARS 96,776,040, 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 87,165, required for "Settlement and Clearing Agents" by article 13 of Chapter II in Title VII of the CNV Resolution No. 821/19 of the CNV.

Note 40. 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.

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Note 40. Agreement with webcor group

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.

During the second quarter of 2022, industrial operations began with the inauguration of the aforementioned industrial plant in Luanda, Angola. This operation, based on the Company's best practices at global level, will allow the diversification of the product offer in the Angolan market and, in the future, it is expected to supply all Sub-Saharan Africa, mainly South Africa, Mozambique, Congo, Namibia, Zambia and Botswana.

Once production has started, certain semi-finished products and raw materials will be exported from Arcor Group's plants in Argentina to supply this operation.

In these individual financial statements, the Company considered Tucor as a "joint venture" in the terms of IFRS 11 "Joint Ventures" and, consequently, valued its investment in such entity by the equity method (Note 8).

Note 41. 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 Company'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 Company'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.

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Note 41. Joint venture agreement with Ingredion Argentina S.R.L.

- 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 "Loans" (Note 20) and, as of December 31, 2021, it amounted to ARS401,831.

- 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 (with the non-controlling interest) and Ingredion Argentina S.R.L owns the remaining 49%.
- In the Segment Reporting included in these separate financial statements (Note 31), 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.

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Note 41. Joint venture agreement with Ingredion Argentina S.R.L.

The aforementioned transaction is pending approval by the Argentine Antitrust Authorities. Said Authorities issued an Objection Report under the terms of Article 14 of Law No. 27,442 of Antitrust Law, objecting to the request for authorization made by the Company, together with Ingredion Argentina S.R.L. to jointly form the Joint Venture.

As of the date of issuance of these separate financial statements, the Company continues with the steps of the process determined by the regulations in force on this matter. It should be clarified that the Company had duly notified the Joint Venture operation together with Ingredion Argentina S.R.L. and that what was issued by the Argentine Antitrust Authorities corresponds to a preliminary analysis; therefore, the process for such Authorities to issue a definitive decision has not yet been completed.

Recognition in the Group's Financial Statements

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:

ITEMS	NOTES	ARS
Interest assigned from Ingrear Holding S.A. (49%) at carrying amount before contributions made by Ingredion Argentina S.R.L.[1]		5,587,251
Income from fair value re-measurement of interest assigned from Ingrear Holding S.A., considering the fair value of the contributed net assets[2]		386,170
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		**5,973,421**
Income from fair value re-measurement of interest assigned from Ingrear Holding S.A., considering the fair value of the net assets received[3]		283,601
INCOME FROM FAIR VALUE RE-MEASUREMENT OF INTEREST ASSIGNED FROM INGREAR HOLDING S.A. (49% AT FAIR VALUE OF THE NET ASSETS RECEIVED [4]		**6,257,022**
Funds Settled in Cash		1,071,226
Indebtedness on acquisition of Shares[5]	15 and 20	428,490
CONSIDERATION TRANSFERRED BY MEANS OF FINANCIAL INSTRUMENTS		**1,499,716**
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.		**7,756,738**
Identifiable assets and liabilities of the business contributed by Ingredion Argentina S.R.L. at fair value[6]		15,209,292
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.		**7,756,739**

[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 5,973,421 considering the fair value of the net assets contributed. The difference of ARS 386,170 between such fair value and the carrying amount stated in the preceding table (ARS 5,587,251) 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 6,257,022. The difference of ARS 283,601 with the fair value of the assigned interest considering the fair value of the net assets contributed (ARS 5,973,421) 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, 2022, the balance of such debt was ARS 401,831.
[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.

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Note 41. Joint venture agreement with Ingredion Argentina S.R.L.

Recognition in the Company's Financial Statements as of December 31, 2021

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.

- 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 5,587,251) to the fair value of the acquired interest (ARS 7,756,739), net of the consideration transferred by means of financial instruments (ARS 1,499,717). 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 Combinations," 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.

- 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 283,601)** was 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 386,170)** 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 5,973,421) and its respective carrying amount (ARS 5,587,251). This is in line with the provisions of IFRS 10 concerning transactions with the non-controlling Interest.

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Note 41. Joint venture agreement with Ingredion Argentina S.R.L.

Impacts on the Separate Financial Statements as of December 31, 2022 and 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 separate 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, 2022 and 2021 (as from the above-mentioned acquisition date):

Separate Statement of Income

	FIGURES FROM JANUARY 1 TO DECEMBER 31, 2022	FIGURES 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	1,493,383	1,813,803
Arcor S.A.I.C.'s Interest in the Joint Venture	51.00%	51.00%
Net Income for the Year Attributable to the Company	**761,625**	**925,040**

Separate Statement of Other Comprehensive Income

	FIGURES FROM JANUARY 1 TO DECEMBER 31, 2022	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	(278,243)	(311,671)
Arcor S.A.I.C.'s Interest in the Joint Venture	51.00%	51.00%
Other Comprehensive Income (Loss) for the Year Attributable to the Company	**(141,904)**	**(158,953)**

Note 42. 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 into 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.

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Note 42. Investment in Mastellone Hermanos S.A.

Agreement with Mastellone Hermanos S.A. and its Shareholders

- 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.

- 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.

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Luis Alejandro Pagani
Chairman

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PRICE WATERHOUSE & CO. S.R.L.

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Note 42. Investment in Mastellone Hermanos S.A.

(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 Antitrust Authority. Such approval was published on January 26, 2016 by said authority.

Once the period to file oppositions set forth in the Brazilian antitrust 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."

(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.

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Note 42. Investment in Mastellone Hermanos S.A.

Additional Subscription in Mastellone Hermanos S.A.

- After the Brazilian Antitrust 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 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%.

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Note 42. Investment in Mastellone Hermanos S.A.

Purchase of Mastellone Hermanos S.A.'s Shares.

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 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.

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For the years ended December 31, 2022 and 2021
(Figures stated in thousands of Argentine pesos)

Note 42. Investment in Mastellone Hermanos S.A.

Recognition in the Company's Financial Statements as of December 31, 2022 and 2021

During the year ended December 31, 2022 and 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, 2022 and 2021 and are disclosed in non-current liabilities under the caption "Derivative Financial Instruments" for ARS 308,327 and ARS 1,337,894, respectively. 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.

The following table summarizes the changes in the Company's investment in Mastellone Hermanos S.A. during the year ended December 31, 2022:

		PROFIT / (LOSS)		
	BALANCE AT THE BEGINNING OF THE YEAR	INCOME FOR THE YEAR	OTHER COMPREHENSIVE INCOME FOR THE YEAR	BALANCE AT YEAR-END
Investments Made during the Year 2016				
Equity Interest in Mastellone at Carrying Amount	2,973,175	471,686	(33,627)	3,411,234
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	2,126,012	16,473	(1,202)	2,141,283
Goodwill	141,681	-	-	141,681
Subtotal - 12.0726% Interest in Mastellone Hermanos S.A.	**5,240,868**	**488,159**	**(34,829)**	**5,694,198**
Investments Made during the Year 2017				
Equity Interest in Mastellone at Carrying Amount	1,751,871	256,480	(19,841)	1,988,510
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	1,025,278	40,915	(710)	1,065,483
Goodwill	1,793,767	-	-	1,793,767
Subtotal - 7.1234% Interest in Mastellone Hermanos S.A.	**4,570,916**	**297,395**	**(20,551)**	**4,847,760**
Investments Made during the Year 2018				
Equity Interest in Mastellone at Carrying Amount	531,006	81,153	(5,926)	606,233
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	339,045	19,140	(212)	357,973
Goodwill	254,725	-	-	254,725
Subtotal - 2.1274% Interest in Mastellone Hermanos S.A.	**1,124,776**	**100,293**	**(6,138)**	**1,218,931**
Investments Made during the Year 2019				
Equity Interest in Mastellone at Carrying Amount	951,087	65,568	(6,594)	1,010,061
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	257,895	34,753	(236)	292,412
Goodwill	232,656	-	-	232,656
Subtotal - 2.3674% Interest in Mastellone Hermanos S.A.	**1,441,638**	**100,321**	**(6,830)**	**1,535,129**
Investments Made during the Year 2020				
Equity Interest in Mastellone at Carrying Amount	263,123	17,530	(1,804)	278,849
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities	52,381	14,952	(65)	67,268
Goodwill	41,119	-	-	41,119
Subtotal - 0.6476% Interest in Mastellone Hermanos S.A.	**356,623**	**32,482**	**(1,869)**	**387,236**
SUBTOTAL – INVESTMENT IN ASSOCIATES	**12,734,821**	**1,018,650**	**(70,217)**	**13,683,254**
Depreciation of Investments - Mastellone Hermanos S.A.	-	(2,115,762)	-	(2,115,762)
TOTAL – INVESTMENT IN ASSOCIATES	**12,734,821**	**(1,097,112)**	**(70,217)**	**11,567,492**

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(Figures stated in thousands of Argentine pesos)

Note 42. 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, 2022 and 2021 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	12.31.2022	12.31.2021
Revenues	217,163,331	229,070,426
Cost of sales	(157,717,028)	(171,068,043)
Gross Profit	**59,446,303**	**58,002,383**
Selling Expenses	(52,797,877)	(54,469,445)
Administrative Expenses	(6,888,898)	(8,014,321)
Investment Income	(76,264)	178,310
Financial Costs	(4,141,222)	(5,421,309)
Exchange Differences	3,778,064	7,751,927
Other Financial Loss	(98,427)	117,291
Gain on Net Monetary Position	5,162,507	3,098,521
Excess of Restated Value over Revaluation of Assets Measured at Fair Value	(1,092,319)	(665,055)
Other Income (Loss)	103,203	318,288
Income / (Loss) before Income Tax	**3,395,070**	**896,590**
Income Tax	(2,036,620)	(3,921,812)
NET (LOSS) FOR THE YEAR	**1,358,450**	**(3,025,222)**
Net (Loss) Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	1,358,366	(3,025,170)
Non-controlling Interest	84	(52)
TOTAL	**1,358,450**	**(3,025,222)**

Below is also a detail of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2022 and 2021, as it arises from said consolidated financial statements:

	12.31.2022	12.31.2021
Cash and Cash Equivalents	4,360,036	3,344,548
Current Loans	(2,333,313)	(2,923,908)
Current Lease Liabilities	(189,276)	(221,404)
Non-current Loans	(33,237,131)	(37,906,983)
Non-current Lease Liabilities	(1,037,732)	(755,357)
TOTAL	**(32,437,416)**	**(38,463,104)**

Below is a detail of the associate's main loans as of December 31, 2022:

- Class "G" Notes for an aggregate amount of ARS 18,139,514 (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 2,079,394 (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.

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Note 42. Investment in Mastellone Hermanos S.A.

Relevant Information included in Mastellone Hermanos S.A.'s Financial Statements

- Class "I" Notes for an aggregate amount of ARS 7,205,200 (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. As of December 31, 2022, the company does not report any non-compliance with the aforementioned financial ratios. On September 12, 2022, the associate entered into an amendment to the aforementioned contract, with an effective date of September 26, 2022, which modified, among others, the following clauses: the interest rate was changed from a fixed rate to a variable rate starting from September 26, 2023, and until the final maturity (SOFR rate, "Secured overnight financing rate," plus a 6.55% annual margin), and the outstanding principal of USD 44,100,000 begins to amortize from March 26, 2024, in fifteen equal quarterly instalments of the total principal amount at: instalments 1 to 3: 5.10%, instalments 4 to 6: 5.67%, instalments 7 to 9: 6.24%, instalments 10 to 12: 7.37%, and instalments 13 to 15: 8.96%.

Refinancing of the Associate's Financial Indebtedness maturing on July 3, 2021

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.

The registration of the exchange of Class "F" notes for Class "G" notes resulted in a gain of ARS 1,544 million for the associate, recorded in the line item of other financial results within the statement of income for the year ended December 31, 2021.

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.

(Figures stated in thousands of Argentine pesos)

Note 42. Investment in Mastellone Hermanos S.A.

Recoverability Tests of the Investment in Associates

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, 2022, 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.
- It 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. In other words, the company uses the conservative scenario as it is considered the most probable (applying the so-called "traditional approach" of IAS 36 and not the "expected cash flow approach").

As a result of the Company's estimates, the recoverable value of its investment as of December 31, 2022 was estimated, in the base scenario, to be 15.5% below the carrying amount, calculated using the equity method. Meanwhile, in the optimistic scenario, the recoverable value exceeded the mentioned asset's carrying amount by 4.2%. Therefore, in accordance with the accounting policy used by the Group, a total impairment of ARS 4,231,524 was recorded. As of December 31, 2021, as a result of the Company's estimates, the recoverable value of its investment in Mastellone at that date exceeded the asset's carrying amount by 3% in the conservative scenario and 26% in the optimistic scenario, and therefore, no impairment provisions were recorded at the end of the previous fiscal year.

In accordance with the requirements of IAS 36 "Impairment of assets", the following changes in certain key variables of the aforementioned estimate of recoverable value at December 31, 2022, keeping all other variables constant, would cause the estimated recoverable value, in the conservative scenario considered, to be equal to the carrying amount of the investment calculated by the equity method and would imply, consequently, the reversal of the aforementioned impairment:

	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2022
Decrease in Discount Rate	From 13.75% p.a. to 12.64% p.a.: 111 basis points
Increase in Discount Rate	From 3.50% p.a. to 5,88% p.a.: 238%
Increase in Estimated Net Cash Flows	11.0%

In addition, as of December 31, 2021, 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, 2022	
	CONSERVATIVE SCENARIO	BEST-CASE SCENARIO
Increase in Discount Rate	From 13.59% p.a. to 13.74% p.a.: 15 points	From 13.59% p.a. to 14.82% p.a.: 123 points
Decrease in Discount Rate	From 1.50% to 1.16%: 0.34%	From 1.50% to (1.75%): 3.25%
Decrease in Estimated Net Cash Flows	1.7%	12.7%

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Note 43. Subsequent events

Subsequent to December 31, 2022, no events or circumstances have occurred that significantly affect the Company's financial position, results of operations and cash flows.

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Professional License 10.17540.4 - C.P.C.E. Cba.

AUDIT REPORT ISSUED BY INDEPENDENT AUDITORS

To the Shareholders, the President and the Directors of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL
Legal address: 487, Fulvio Salvador Pagani Avenue
Arroyito, Province of Córdoba
CUIT N°: 30-50279317-5

Report on the audit of individual financial statements

Opinion

We have audited the individual financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL (ARCOR, Joint-stock, industrial and commercial company) (hereinafter referred to as "the Society") involving the individual statement of financial position as at December 31, 2022, the individual income statements, other comprehensive income statements, changes in equity and cash flows for the year then ended, and the notes to the individual financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the Society as at December 31, 2022, as well as its individual comprehensive income statement and individual cash flows for the year then ended, according to International Financial Reporting Standards (IFRS).

Opinion basis

We have conducted our assessment in accordance with the International Standards on Auditing (ISA). These standards were adopted as auditing standards in Argentina through Technical Resolution 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under these standards are described below in the section "Auditors' responsibilities for the audit of the individual financial statements" of this report.

We consider that the evidence we have obtained provides a sufficient and adequate basis to substantiate our audit opinion.

Independence

We are independent of the Society in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Standards Board of Ethics for Accountants (IESBA Code) together with the requirements that are applicable to our audit of individual financial statements in Argentina, and we have complied with the other ethical responsibilities in accordance with these requirements and IESBA Code.

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Key audit matters

The key audit topics are those matters which, in our professional judgment, have been of the greatest significance in our audit of the individual financial statements for this period. These matters have been addressed in the context of our audit of said statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matters	Audit response
Recoverability of investment in Mastellone Hermanos S.A. As of December 31, 2022, and as shown in notes 8 and 42 to the individual financial statements, the Society's investment in the associated company named Mastellone Hermanos S.A. totals ARS 11,567.5 million and involved the acknowledgement of results for ARS 1,097.1 million (loss) and other comprehensive results for ARS 70.2 million (loss). The Society assesses its investment in the associated company Mastellone Hermanos S.A. by the equity method and estimates its recoverable value on the basis of the fair value of the associated firm. In order to estimate this fair value, the Society uses a model based on discounted cash flows of the associate, which is estimated from the business plans prepared by its Management Board and the evolution of certain relevant macroeconomic variables. The estimation of the recoverable value of the Society's investment in Mastellone Hermanos S.A. is a key audit matter, given the significant assessment made by Management when estimating the fair value of said company. This, in turn, requires substantial auditor judgment and effort in conducting the procedures to evaluate the associated company's cash flow projections and the main assumptions employed.	Audit procedures carried out on this key matter included, among others, the following: ▪ To obtain an understanding of the process carried out by the Company to analyze the recoverability of its investment in associated companies and prepare estimates related to this topic. ▪ To evaluate the recoverable value estimation model projected by Management, based on the associated company's discounted cash flows. ▪ To verify the reasonableness of the estimates considering, among others, the following factors: (i) the consistency of assumptions used in estimating the associated company's projected cash flows related to its past performance and available financial information, including analysis of major deviations between past forecasts and actual amounts; (ii) the analysis of the significant assumptions used by Management in the model, among which we find the average growth rates from return, changes in future prices and costs, the evolution of the working capital of the associated company, discount rates, the perpetuity growth rate and certain macroeconomic variables, such as the exchange rate; (iii) proof of the completeness of 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. ▪ To analyze the sensitivity of recoverable value model results in the event of changes in certain key assumptions. ▪ To evaluate the insights included in the notes to the individual financial statements. The audit effort involved the participation of professionals with specialized skills and knowledge in the evaluation of the recoverable value model projected by Management and of certain assumptions and premises considered.

Information accompanying the individual financial statements ("other information")

The Board of Directors is responsible for "Other information," which includes the Financial Report.

Our opinion on the individual financial statements does not include Other information. Therefore, we do not express any audit conclusions in this regard.

In connection with our audit of the individual financial statements, our responsibility is to read "Other information" and, in doing so, to consider whether it is materially inconsistent with the individual financial statements or our audit knowledge, or if for any other reason there appears to be a material misstatement. Based on the work we have done, if we consider that, as far as we are within our competence, there is a significant inaccuracy in Other information, we are obliged to report it. We have nothing to report on this matter.

Responsibilities of the Board of Directors with respect to the individual financial statements

The Board of Directors from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL is responsible for the preparation and fair presentation of the individual financial statements in accordance with IFRS and for such internal control mechanisms as the Board deems necessary in order to ensure that said statements are free from material misstatements, due to fraud or errors.

When preparing the individual financial statements, the Board of Directors is responsible for assessing the Society's ability to continue as a going concern, disclosing (if applicable) issues related to this matter and using the going concern accounting principle, except if the Board decides to liquidate the Society or cease operations, or if there is no other realistic alternative for continuity.

Responsibilities of the auditors with respect to the audit of individual financial statements

Our objective is to obtain reasonable assurance that the individual financial statements as a whole are free from material misstatements, due to fraud or errors, and to issue an audit report with our opinion. Reasonable assurance entails a high degree of assurance, but it does not guarantee that an audit conducted in accordance with ISA will always detect a significant misstatement where it exists. Inaccuracies may be due to fraud or errors and are considered material if, individually or in aggregate form, they can reasonably be expected to influence the economic decisions users make based on the individual financial statements.

As part of an ISA-compliant audit, we apply our professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

- We identify and evaluate risks of material misstatements in the individual financial statements due to fraud or errors, design and implement audit procedures to respond to such risks and obtain sufficient and appropriate evidence to provide a basis for our opinion. The risk of failing to detect a significant misstatement due to fraud is higher than in the case of a significant misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal controls.

- We obtain knowledge of internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Society's internal control mechanisms.

- We evaluate whether the accounting policies applied are appropriate, as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Board of Directors of the Society.

- We conclude on the appropriateness of the use of the going concern accounting principle by the Board of Directors of the Society and, based on the evidence obtained, we conclude whether or not there is a material uncertainty related to facts or conditions that may raise significant doubts about the Society's ability to continue as a going concern. If we conclude that there is significant uncertainty, in our audit report we must highlight the relevant information disclosed in the individual financial statements, or if such disclosures are not correct, we are required to express an amended opinion. Our findings are based on the evidence obtained up to the date of issuance of our audit report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- We evaluate overall presentation, structure, and content of the individual financial statements, including the disclosed information, and whether the individual financial statements represent the underlying transactions and events in a manner that produces a fair presentation.

We communicated with the Board of Directors of the Society regarding the scope and timing of the planned audit and its significant findings, including any substantial deficiencies in internal controls that we identified in the course of the Audit.

We also provided the Board of Directors of the Society with a statement indicating that we have complied with applicable ethics requirements related to the independence topic above and we reported all relationships and other matters that can reasonably be expected to affect our independence and, where appropriate, actions were taken to eliminate those risks or precautions were implemented.

Among the issues that have been communicated to the Board of Directors of the Society, we determined those that have been of the greatest significance in the audit of the individual financial statements for this year and that are, consequently, the key audit matters. We describe those matters in our audit report unless legal or regulatory requirements prohibit public disclosure of the issues or, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because it can be reasonably predicted that the adverse consequences of doing so would outweigh the public interest benefits of said issue.

Report on other legal and regulatory requirements

In compliance with the current provisions, we report the following:

a) the individual financial statements from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL are recorded in the book named "Inventories and Balance Sheets" and comply, in the extent of what can be determined by our competence, with the provisions of the General Law of Business Corporations and the relevant resolutions of the National Securities Commission of Argentina;

b) the individual financial statements from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept in their formal aspects in accordance with legal standards, which maintain the conditions of security and integrity on the basis of which they were authorized by the General Directorate of Inspection of Legal Persons of the Province of Córdoba;

c) the aggregate amounts for the individual statement of financial position and the individual income statements and other individual comprehensive income statements are detailed below:

c.1) individual statement of financial position as at December 31, 2022 and 2021:

	Thousands of ARS	
	12.31.22	12.31.21
Assets	303.954.534	304.012.885
Liabilities	207.178.494	220.671.680
Equity	96.776.040	83.341.205

c.2) individual income statements and other comprehensive income statements for the financial periods that ended on December 31, 2022 and 2021, which show a comprehensive overall gain of ARS 25,182,490 and ARS 14,464,210 (both figures expressed in thousands of ARS), respectively;

d) as of December 31, 2022, the debt accrued in favor of the Argentine Integrated Social Security System for ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arising from its accounting records totaled ARS 1,226,818,735.44 (amount not being enforceable at that date);

e) in accordance with the requirements of Article 21, Subsection B, Chapter III, Section VI, Title II of the regulations of the National Securities Commission, we inform that the total fees for audit and related services invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL in the financial period that ended on December 31, 2022, represent:

e.1) 93.57% on the total service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL in every respect and for all the services provided in that financial period;

e.2) 53.74% on the total audit- and related-service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, controlled and related companies in that financial period;

e.3) 50.59% on the total service fees invoiced to ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, its parent company, controlled and related companies in every respect and for all the services provided in that financial period;

f) We have implemented procedures for the prevention of money laundering and financing to terrorist activities at ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL. Those procedures are stipulated in the corresponding professional standards issued by the Professional Council in Economic Sciences of the Province of Córdoba;

g) We have read the information included in note 39 to the accompanying individual financial statements in relation to the requirements established by the National Securities Commission with respect to Minimum Net Worth, on which, as far as our competence is concerned, there are no significant observations to report.

City of Córdoba, 10th March 2023.

PRICE WATERHOUSE & CO.S.R.L.

(Partner)
Professional Council in Economic
Sciences, Córdoba.
Number 21.00004.3

Guillermo M. Bosio
Certified Public Accountant
(National University of Córdoba)
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STATUTORY AUDIT COMMITTEE REPORT

To the Shareholders of
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL.
Fulvio Salvador Pagani Avenue, No. 487.
Arroyito City - Province of Córdoba.

According to the provisions of paragraph 5 of article No. 294 of the General Law on Societies No. 19,550 and the Regulations of the National Securities Commission (Comisión Nacional de Valores), in our capacity as members of the Statutory Audit Committee of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL AND COMMERCIAL we have examined the following documents, detailed in chapter 1.

1. EXAMINED DOCUMENTS.

a) Consolidated Financial Statements:

- Consolidated statement of financial position as of December 31, 2022.
- Consolidated statement of income and consolidated other comprehensive income for the fiscal year ended December 31, 2022.
- Consolidated statement of changes in equity for the fiscal year ended December 31, 2022.
- Consolidated statement of cash flows for the fiscal year ended December 31, 2022.
- Selected explanatory notes corresponding to the consolidated financial statements for the fiscal year ended December 31, 2022.

b) Individual Financial Statements:

- Individual statement of financial position as of December 31, 2022.
- Individual income statement and other individual statements of comprehensive income for the fiscal year ended December 31, 2022.
- Individual statement of changes in equity for the fiscal year ended December 31, 2022.
- Individual statement of cash flows for the fiscal year ended December 31, 2022.
- Selected explanatory notes corresponding to the individual financial statements for the fiscal year ended December 31, 2022.

c) Inventory and Board of Directors' Report for the fiscal year ended December 31, 2022.

d) Information on the degree of compliance with the Corporate Governance Code included in the Annex to the Report prepared by the Administrative body of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL.

e) Consolidated reporting summary, for the fiscal year ended December 31, 2022, required by article 4 of Chapter III, Title IV of the Regulations of the National Securities Commission.

f) Additional information to the notes to the individual financial statements for the fiscal year ended December 31, 2022, required by article 12 of Chapter III, Title IV of the Regulations of the National Securities Commission.

The figures and other information corresponding to the fiscal year ended on December 31, 2021, are an integral part of the aforementioned financial statements and, therefore, should be considered in relation to those financial statements.

2. RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS.

Preparation and issuance of the aforementioned financial statements is responsibility of the Board of Directors of the Company in exercise of its exclusive functions, in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils of Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas, FACPCE, as per its initials in Spanish), as professional accounting standards and incorporated by the National Securities Commission (CNV, as per its initials in Spanish) into its regulations and approved by the Professional Council of Economic Sciences of Córdoba (CPCECba, as per its initials in Spanish), as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the financial statements mentioned in paragraph 1., and for such internal control as the Board deems necessary to enable the preparation of these financial statements free from material misstatements. Our responsibility is to report such documents based on the review we have performed with the scope detailed in the following paragraph.

3. RESPONSIBILITY OF THE STATUTORY AUDIT COMMITTEE.

Our work was carried out in accordance with the current statutory audit committee standards established by Technical Resolution No. 15 (modified by Technical Resolution No. 45) of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE). Said standards require that the examination of the consolidated and individual financial statements be carried out in accordance with current auditing standards established in Technical Resolution No. 32/2012 of the FACPCE, and include verification of the reasonableness of the significant information in the documents examined and its consistency with the other information on the corporate decisions of which we have become aware, set forth in the respective minutes of the Board of Directors and Assembly, as well as the adequacy of such decisions to the law and to the statutes, in relation to their formal and documentary aspects. These standards require that we comply with ethical requirements.

In order to carry out our professional task on the documents detailed in items a) and b) of chapter 1., we have carried out a review of the work performed by the external auditors of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, Price Waterhouse & Co. S.R.L., who accomplished said examination in accordance with current auditing standards.

An audit requires the auditor to plan and carry out his task in order to obtain a reasonable degree of certainty about the absence of untrue statements or significant mistakes in the financial statements. An audit includes examining, on a selective basis, the elements of judgment that support the information disclosed in the financial statements, as well as evaluating the accounting standards followed, the significant estimates made by the Company's Board of Directors and the presentation of the financial statements as a whole. Since it is not the responsibility of the Statutory Audit Committee to carry out a management control, the examination did not extend to the business criteria and decisions of the various areas of the Company, which is the exclusive responsibility of the Board of Directors. We believe that our work and the report by the Company's external auditor provide us with a reasonable basis for our report.

In relation to the Board of Directors' Report, the Reporting Summary and the Additional Information to the notes to the individual financial statements corresponding to the fiscal year ended December 31st, 2022, we have verified that it contains the information required by article No. 66 of the General Law of Companies, article 4, Chapter III, Title IV; and article 12 of Chapter III, Title IV of the Norms of the National Securities Commission and, in what is a matter of our competence, that their numerical data agree with the accounting records of the Company and other relevant documentation.

We have also carried out a review of the Report on the degree of compliance with the Corporate Governance Code, accompanied as an Annex to the Report, prepared by the Board of Directors in compliance with the provisions of General Resolution 797/2019 of the National Securities Commission.

4. STATUTORY AUDIT COMMITTEE OPINION.

Based on our work and with the scope established in previous paragraphs, we estate that:

a) The figures of the consolidated financial statements mentioned in Chapter 1 of this report fairly showed, in all significant aspects, the consolidated financial situation as of December 31st, 2022 and its consolidated comprehensive income and consolidated cash flows for the fiscal year ended on that date, in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) as professional accounting standards; and by the Professional Council of Economic Sciences of Córdoba (CPCECba.), as approved by the International Accounting Standards Board (IASB).

b) The figures of the individual financial statements in Chapter 1 of this report fairly showed in all significant aspects, the individual financial situation as of December 31st, 2022 and its individual comprehensive income and individual cash flows for the year ended on that date, in accordance with the professional accounting standards of Technical Resolution No. 26 of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), adopted and approved by the Professional Council of Economic Sciences of Córdoba (CPCECba.) for the preparation of the individual financial statements of a controlling entity.

c) In relation to the inventory and the Board of Directors' Report corresponding to the fiscal year ended on December 31st, 2022, in matters within our competence, we have no observations to make. The Report contains the information required by article No. 66 of the General Corporations Law and its numerical data agrees with the Company's accounting records and other relevant documentation.

d) Regarding the information on the degree of compliance with the Corporate Governance Code included in the Annex to the Report prepared by the Administrative body of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL y COMERCIAL, mentioned in section d) chapter 1., in accordance with the task carried out and in what is a matter of our competence, the information provided has been prepared in a reliable and adequate manner, in its substantial aspects, with the requirements established in General Resolution No. 797/2019 of the National Value Commission

e) As regards the Reporting Summary and the Additional Information required by article 12 of Chapter III, Title IV of the Regulations of the National Securities Commission to the individual financial statements, mentioned in sections e) and f) of chapter 1., in what is a matter of our competence, we have no observations to formulate.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

a. The attached financial statements of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept, in their formal aspects, in accordance with current legal provisions.

b. The financial statements and the corresponding inventory of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL are recorded in the "Inventories and Balance Sheets" book, and in what is a matter of our competence, comply with the provisions of the General Law of Companies and with the resolutions of the National Securities Commission.

c. Pursuant to the requirements of the regulations of the National Securities Commission, on the independence of the external auditor, on the quality of the auditing policies applied and the Company's accounting policies, the external auditor's report described above, includes the declaration of having applied the auditing standards in force in the Argentine Republic, which include the independence requirements, and does not include any qualification in relation to the application of said standards, nor discrepancies with regard to professional accounting standards.

d. We have applied the procedures on the prevention of criminal asset laundering and terrorist financing provided for in the corresponding professional standards issued by the Professional Council of Economic Sciences of the Córdoba Province (CPCECba.).

e. We also declare that in the exercise of legality control that is our responsibility, we have applied the different procedures described in article No. 294 of the General Law of Companies No. 19,550, which we consider necessary according to the circumstances (including assistance to meetings of the Board of Directors and Shareholders' Meeting), having no observations to make in this regard.

Córdoba City, Province of Córdoba, March 10th, 2023.

Accountant Victor Jorge Aramburu
President
Statutory Audit Committee

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