2023 Annual report and Financial statements

As of December 31st 2023.
63rd Fiscal Year

ARCOR group

2023 Annual report and Financial statements

63rd Fiscal Year

A message from our Chairman

2023 was characterized by the continuity of the global economic recovery, after the COVID-19 pandemic. In this regard, global inflation followed a downward trend and, due to the tightening policies of the central banks from the main economic powers, employment and activity were less affected than expected.

The International Monetary Fund indicates in their *World Economic Outlook Update*[1] that global growth was 3.1% in 2023. As for the United States and China, the two preeminent powers of the world economy, the agency estimated a growth in economic activity of 2.5% and 5.2% of GDP, respectively.

In Latin America, following the preliminary assessment from ECLAC[2], the region continues to show low levels of growth, with an estimated rate of 2.2% for 2023. As for the main economies of the region, Brazil evidenced a growth rate of 3.0%, while Mexico exhibited a rate of 3.6%. For its part, the GDP growth in Chile is estimated at approximately 0.1%.

In Argentina, the contraction of the economy was attributed to reduced investment stemming from macroeconomic and political uncertainties. Additionally, the downturn in exports, exacerbated by a seasonal drought that affected the entire agricultural export sector, further amplified existing macroeconomic imbalances. Consequently, the country is grappling with elevated inflation rates and a currency devaluation that reached 356.3%. Moreover, as indicated by the Consumer Price Index from INDEC [National Statistics Bureau], the year-on-year variation was 211.4%.

As evidenced by the data, this implied an extremely complex scenario for the country in which Arcor Group performs a large part of its businesses. There was a general drop in consumption as a result of the loss of the consumers' purchasing power, and this had an impact on the sales of our company, which decreased by 1.6% in Argentine pesos. Precisely, sales to customers in Argentina accounted for 68.3% of the group's consolidated sales, while sales to customers abroad, which include exports to third parties from Argentina, accounted for 31.7% of consolidated sales.

In this context, in April, I had the immense privilege to start my role as the Chairman of the company, a position that I accepted with great enthusiasm and pride. I was accompanied in this challenge by a new Board of Directors and a new management structure, and their members were present at every stage of this year.

It is worth noting that, although mass consumption businesses (Confectionery, Chocolates, Food, Ice Cream, Cookies and Functional Products) experienced a decrease in the volumes sold in some categories, they maintained and even increased the volumes of other categories whose consumption is more related to impulse buying or consumption "on the go". This achievement is the result of permanent innovation in order to create new products and advertising campaigns that lead the market.

On the other hand, the volumes of industrial businesses increased, as in the case of Agribusiness, with regard to the sale of syrup, starch, specialties and by-products.

In turn, the Packaging division experienced difficulties in maintaining the flow of supply for essential raw materials and imported inputs due to regulatory restrictions. In the corrugated cardboard segment, sales had an overall contraction compared to the previous year. However, the production of sack Kraft paper continued consolidating its growth and the flexible-packaging business managed to increase its sales by tons.

Businesses across Latin America maintained an upward trajectory, particularly in categories related to impulse buying and out-of-home consumption. This trend was evident in Brazil, where there was notable growth in Confectionery and Chocolate sales, and in Chile and Peru, where Confectionery sales volumes increased as well. Additionally, the Cookies business in Chile also experienced growth. However, business performance in the various countries of our Southern Subsidiaries was affected by conditions specific to the context of each country and, therefore, the results were diverse.

In addition, we continue working to realize our digital vision and enhance business objectives through the implementation of technology and digital-business models that bring food trends closer to consumers and customers in all geographies, in a more personalized way and aligned with digital consumption habits. In this sense, the group continued to support the development of our platforms Tokin and arcorencasa.com, with the aim of improving our supply chain and our reach to consumers.

Undoubtedly, this 2023 was a challenging year since we had to resort to our creativity to overcome new obstacles and to our flexibility to constantly adapt to changing scenarios. Despite the adversities, we have achieved several milestones and we remain committed to our path of company growth and evolution, fulfilling our objectives across all businesses, countries and areas of the group.

Once again, we embrace the future with the entrepreneurial spirit that defines us, focusing on supporting the development of the communities we serve. Guided by our 2030 Sustainability Strategy, known as "A Better Life", we reaffirm our commitment to the United Nations Global Compact.

Alfredo Gustavo Pagani
Chairman Arcor Group

[1] Source: International Monetary Fund, *World Economic Outlook Update*. January 2024.

[2] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2023* (LC/PUB.2023/22-P). Santiago, 2023.

We are Arcor Group

At Arcor Group, we make nutrition trends accessible so that everyone can live a better life. For that reason, we are continuously innovating in our three business units: Consumer food products, Agribusiness and Packaging, carrying out a sustainable management as our way of being, doing and growing.

In every decision we make, we are committed to quality, reaching people with our leading brands in more than 100 countries.

Through Bagley Latin America S.A., the joint venture formed with Danone Group, we are leaders in the production of cookies, alfajores and cereals in Latin America.

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, and we are convinced that integrating different cultures enriches our world view.

Consumer food products

As market leaders of consumer food products, we are strongly committed to offer quality food in different categories:

- Food.
- Confectionery.
- Chocolates.
- Cookies, Snacks and cereals.
- Ice-creams.
- Functional Businesses.

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

Main food company in Argentina

1st world producer of hard candies

Leading cookie, alfajor and cereal company in Latin America

(Through Bagley Latin America S.A., a partnership with Danone Group for the Cookie, Alfajor and Cereal businesses in Latin America.)

Present in +100 countries

Leading brands in each category

Agribusiness

Arcor Group Agribusiness Division provides solutions in ingredients for industries such as: food, beverages, paper, corrugated cardboard, personal and home care, and animal nutrition, among others, seeking to add value to the agribusiness processes.

In 2021 we created a strategic partnership with Ingredion*, world leading company in ingredients since 1906, in order to promote the manufacturing, commercialization and distribution in Argentina, Chile, Uruguay and other Latin American countries. Nowadays, we have six production plants intended to corn milling and one sugar mill.

La Providencia sugar mill has a manufacturing capacity of 1.55 million tons of sugar cane per year, and we produce 11 MW of renewable energy from 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.

San Pedro Complex processes 210 tons of corn a day in order to obtain dry grinding by-products. As a result, it is one of the argentine leaders in the production of ethyl alcohol from cereals.
Corn wet milling has a wide geographical coverage through its 5 plants located in Buenos Aires (Baradero and Chacabuco), Córdoba (Arroyito) and Tucumán (Lules), and it also has the largest milling capacity in the region that is 3,750 tons a day.

We produce: common and muscovado sugar, ethyl alcohol from cereals, flour, semolina, corn oil, fructose, maltose, glucose and mixture syrups, corn native and modified starches, maltodextrines, caramel coloring and a wide range of ingredients used in different industries.

* 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.

Arcor Group in the World

North America

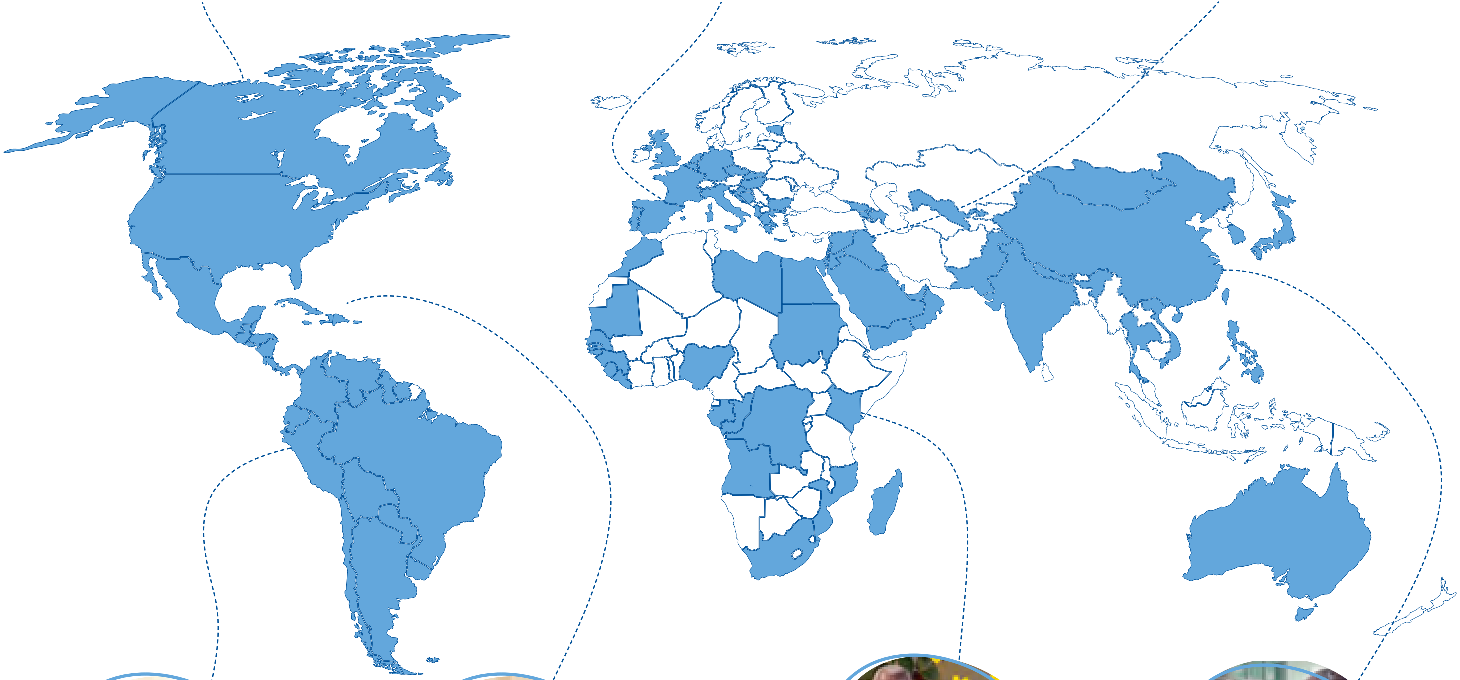
United States, Canada, Mexico

Europe

Spain, Bulgaria, Macedonia, Albania, Estonia, The Netherlands, United Kingdom, Belarus, Croatia, Belgium, Germany, Hungary, Portugal, Andorra, France, Italy, Bosnia and Herzegovina, Latvia, Lithuania, Greece

Middle East

Israel, Lebanon, Jordan, Iraq, Syria, Azerbaijan, Georgia, Armenia



South America

Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Bolivia, Colombia, Ecuador, Venezuela, Guyana, Surinam

Central America and the Caribbean

Honduras, El Salvador, Costa Rica, Guatemala, Panama, Nicaragua, Belize, Aruba, Barbados, Haiti, Jamaica, Dominican Republic, Puerto Rico, Trinidad and Tobago, Cuba, Curacao, Saint Vincent, Saint Lucia, Granada, Netherlands Antilles

Africa

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

Asia and Oceania

Australia, China, Bahrain, India, Japan, Kuwait, Mongolia, Oman, Philippines, Saudi Arabia, South Korea, Thailand, United Arab Emirates, Vietnam, Taiwan, Yemen

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))

Brazil
Corporate names:
Arcor do Brasil Ltda.
Bagley do Brasil Alimentos Ltda.
Commercial offices:
San Pablo, Brazil
Minas 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:
México D.F., México

USA
Corporate names:
Arcor USA Inc.
Commercial offices:
Miami, USA.

Europe

Spain
Corporate names:
Arcor Alimentos Internacional S.L., Sociedad Unipersonal
Commercial offices:
Barcelona, Spain

Africa

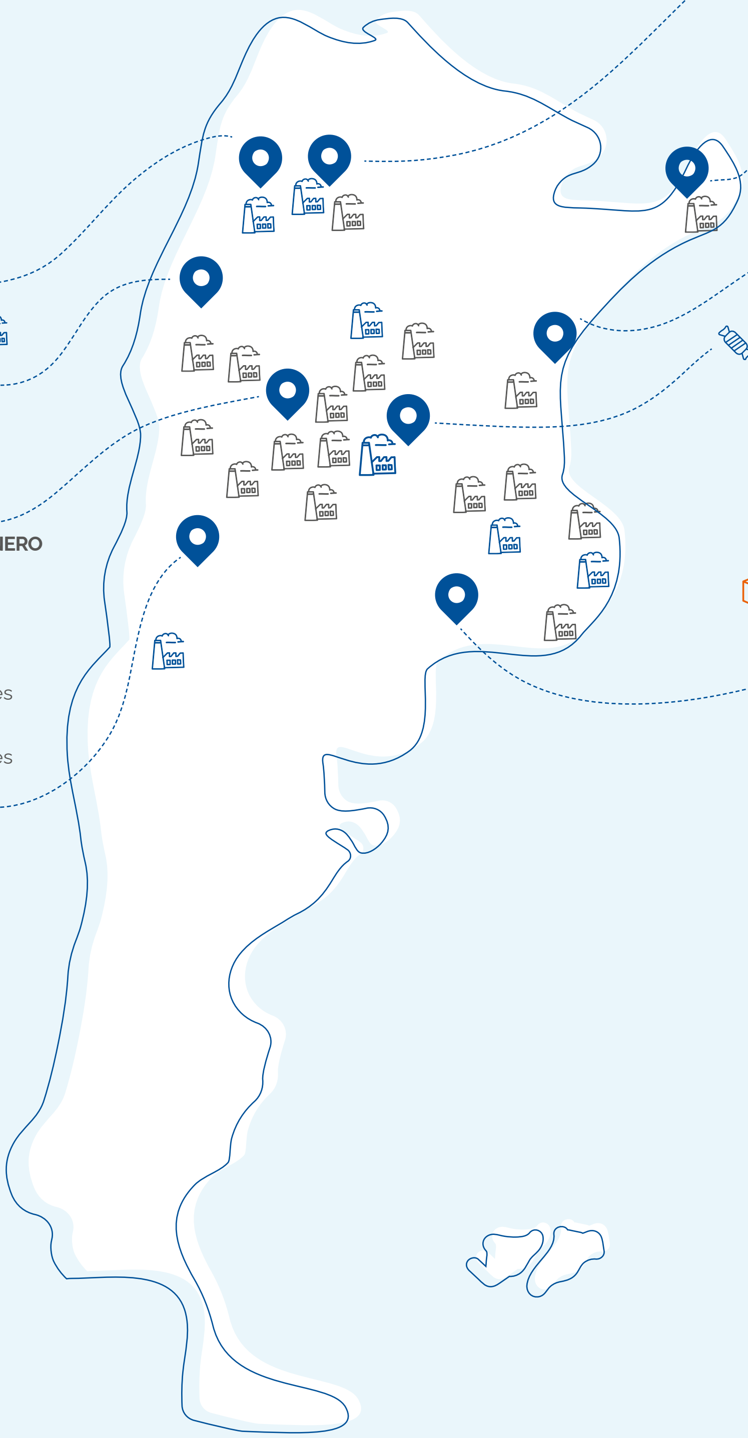
Angola
Corporate names:
DULCERIA NACIONAL, LDA.
Commercial offices:
Luanda, Angola

Asia

China
Corporate names:
Arcor Trading (Shanghái) CO., LTD.
Commercial offices:
Shanghái, China

+45 industrial plants throughout 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 | Tambo | Industrial plant | Complexes with more than one industrial plant

Latin America

Africa

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.

Integrity

We obtain results through transparent, coherent and responsible behavior.

Entrepreneurial Spirit

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

Human Relations

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

Proximity to the Consumer and Commitment Throughout the Value Chain

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

Quality

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

Results Oriented

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

Innovation

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

Sustainability

A BETTER life

Sustainability is our way of being, doing and growing

We see 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 economic value, raising economic, social and environmental value in the long term.

Following the United Nations Sustainable Development agenda and, inspired by our corporate goal, 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

Workplace well-being

Communities and value chain development

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

Circular material flow

Annual report and Financial statements

63rd Fiscal Year

To our shareholders

The Management is pleased to submit for your consideration the Report, the Inventory, the Individual Financial Statements, the Consolidated Financial Statements of Arcor Group, the Auditor's Reports, the Auditing Commission's Report and the proposal for the Result of the Fiscal Year No. 63, between January 1 and December 31, 2023.

General Considerations

The year 2023 stood out for the continuation of the global economic recovery following the COVID-19 pandemic and the Russian invasion of Ukraine. Global inflation fell faster than expected after peaking in 2022 and the measures taken affected employment and economic activity in major powers less than expected, thanks to the tightening of policies by central banks that kept inflation expectations anchored.

The decrease in inflation generated an increase in market expectations regarding the reduction of monetary policy interest rates, contributing to the decrease in long-term interest rates. Despite this, long-term borrowing costs remain high in both advanced economies and emerging markets. In some countries where inflation has declined, such as Brazil and Chile, whose central banks tightened their monetary policy earlier than other countries, interest rates have fallen since the second half of 2023. However, the central banks of the main developed countries still maintain restrictive monetary policies because inflation levels remain above established goals.

In this context, IMF projections included in the *World Economic Outlook Update*[1] indicate that global growth was 3.1% in 2023. Likewise, for the main engines of the world economy, the United States and China, the IMF estimated a growth in economic activity of 2.5% and 5.2% of GDP, respectively.

Regarding Latin America, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) preliminary overview[2] mentions that the region continues to show low levels of growth, with an estimated rate of 2.2% for the year 2023.

The spaces for modifying fiscal and monetary policies remain limited in the countries of the region. Although sovereign debt levels have decreased, they are still high, which, added to the increase in the cost of external and internal financing, restricts fiscal space. In the monetary sphere, inflation in many countries in the region continues to decline, but monetary policy maintains a restrictive bias due to the possible effects on capital flows and the exchange rate, considering the high interest rates still in force in developed countries.

According to the ECLAC's report, the main economies in the region, Brazil and Mexico, showed growth of 3.0% and 3.6%, respectively. In the case of Chile, it is estimated that its GDP growth was approximately 0.1%.

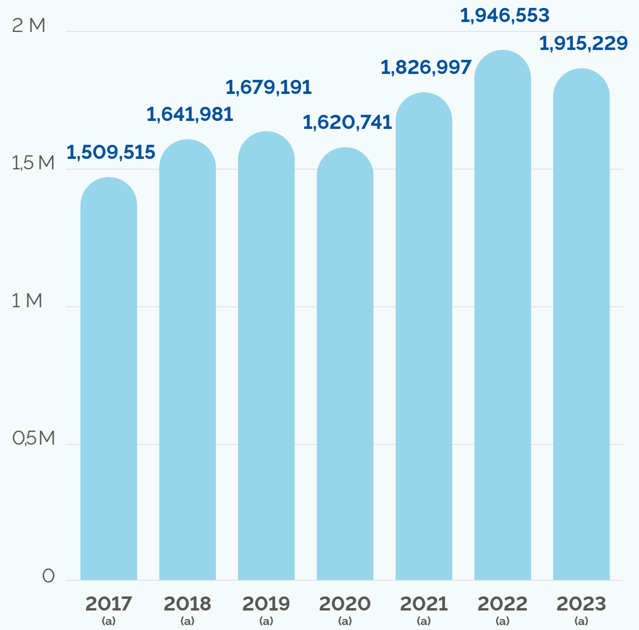
In contrast, Argentina's economy contracted in 2023 due to the combined impact of falling investment and exports. The decrease in investment was associated with growing macroeconomic and political uncertainty, while the drop in exports was attributed to one of the most important droughts in recent decades, which affected the agro-export complex and augmented macroeconomic imbalances that already existed in the country. It is estimated that GDP will close the year with a drop of 2.5%.

During 2023, in addition to the situations mentioned above, the persistence of high levels of inflation and devaluation of the local currency in Argentina stood out. The year-on-year variation, according to the National Institute of Statistics and Censuses (INDEC, asper its initials in Spanish) CPI (Consumer Price Index), was 211.4%, while the devaluation of the currency reached 356.3%.

[1] Source: International Monetary Fund, *World Economic Outlook Update*, January 2024.

[2] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2023 (LC/PUB.2023/22-P), Santiago, 2023.

Evolution of sales



[(a)] In constant currency of December, 2023

Economy and Business

The Group closed fiscal year No. 63, between January 1 and December 31, 2023 with consolidated sales of ARS 1,915,229 million. Compared to the previous year, sales decreased by 1.6% in pesos. 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 the consolidated sales.

2023 was once again characterized as being extremely complex, especially in Argentina, the main scenario for the development of the Group's businesses. A general drop in consumption was observed, caused by the effects of inflation and the loss of consumer purchasing power, which affected most of the categories in which we participate. In addition, the inability to translate the increase in expenses and costs into prices, the devaluation of the currency and the supply problems during the year impacted our operating profitability.

In this context, the Group achieved a consolidated operating result of ARS 108,172.4 million, which represents a deterioration compared to the previous year since, expressed in terms of sales, it represents 5.6%, while in 2022 it was 6.8%. The difficulty in maintaining operating margins at the levels of the previous year was mainly caused by the increase in the structure of consolidated costs and expenses over the increase in revenues, especially in our businesses in Argentina.

It should be noted that, in addition to the deterioration in operational performance, the final result has been affected at the financial results level due to a significant devaluation of the Argentine currency during December 2023. Furthermore, the increase in inflation compared to the previous year generates a higher net monetary position result.

As a consequence of the above, at the end of the year, a final result of ARS 26,052 million was obtained, which expressed in terms of sales represents 1.4%, while the previous year was 5.7%.

In relation to performance, consumer food products businesses (Confectionery, Chocolate, Ice-Cream, Cookies and Functional Products) experienced a decrease in volumes sold in some categories, although they managed to maintain and even increase the volume of other categories whose consumption is more related with impulse, indulgence, and on the go consumption. The performance of those categories driven by the launch of new products and associated advertising campaigns stands out.

The volumes of industrial businesses increased, mainly in Agribusiness with regard to sales of syrups, starches, specialties, and byproducts. Regarding Packaging sales, they had a diverse behavior, depending on each business branch in which they participated, where the performance was characterized by difficulties in maintaining the supply flow of raw materials and imported inputs due to regulatory restrictions. In the corrugated cardboard segment, sales had an overall reduction compared to the previous year. The industrial bags business, leveraged by the integration into the production of Sack Kraft papers, continued to consolidate its growth. The flexible packaging business managed to increase its sales by tons with a greater participation of third-party clients in its portfolio.

Regarding the performance of the rest of the Latin American businesses, during 2023 the recovery of activity levels compared to the previous year continued, even reaching, in some countries, levels that were similar to the pre-pandemic years. In particular, the greater consumption of impulse categories and consumption outside home stands out, as was the case of the Candy and Chocolates business in Brazil. In the same sense, in the Andean Region, volume increases were also observed with respect to the Candy business from Chile and Peru, as well as for the Cookies business from Chile. In the case of the countries of the Southern Subsidiaries region, which includes Uruguay, Paraguay and Bolivia, business performance was affected by conditions specific to the context of each country and, therefore, the results were diverse.

For more than 72 years we have assumed the commitment to produce food with sustainable management, offering the highest quality from the fields to the table of our consumers. This commitment is reflected in the careful production and selection of our raw materials, in the spirit of constant innovation to improve every detail of our processes, and in the solid consideration of sustainability in every decision we make.

Arcor shows its commitment to sustainability in its mission and vision, values, as well as in its corporate purpose, in the corporate Code of Ethics and Conduct, and also in all associated policies and procedures. Arcor Group has a 2030 Sustainability Strategy, *Vivir Mejor* (A Better Life), which is aligned to the United Nations Sustainable Development Goals (SDGs) and establishes our commitment to producing sustainable food, promoting people's prosperity and preserving sustainability, allowing all people to have a better life. Through nine priority commitments organized into three pillars, 'A Better Life' seeks to guide the Group's efforts to help the business grow while leaving a positive footprint on people and the planet: Producing sustainable food (healthy and affordable nutrition, quality at every step, and regenerative agriculture), promoting people's prosperity (inclusion, diversity and equity, workplace well-being, and community and value chain development), promoting a living planet (water care, action for climate and biodiversity, and circular economy of materials).

In addition, we continue working on making real our digital vision to foster the achievement of business objectives through technology and digital models that bring food trends closer to consumers and clients of all geographies in a more personalized way and aligned with the habits of digital consumption. Our initiatives have also allowed us to enhance business models based on these new digital abilities, such as the extension of Tokin's platform and the customization of arcorencasa.com. We also enabled these new technologies to boost our supply chain, with the optimization of planning, the digitalization of manufacturing, and the automation of support processes.

Future Perspectives

The IMF[3] estimates that the world economy will grow at 3.1% annually in 2024, which represents an improvement over the organization's previous report and this is due to greater-than-expected resilience in the United States and several emerging and developing market economies, as well as a fiscal stimulus in China. However, growth projections are lower than the historical average, partly due to high monetary policy interest rates to combat inflation, the withdrawal of fiscal support in an environment of high debt, and low underlying productivity growth.

Downside risks to projections are significant and include possible further escalations in commodity prices due to geopolitical conflicts, such as continued attacks in the Red Sea, or further persistence in underlying inflation, which could extend restrictive monetary conditions. In addition, risks could arise for the financial and exchange stability of emerging economies given the increase in the debt levels of these economies in recent years.

In the United States, growth of around 2.1% is expected in 2024 and 1.7% in 2025, while China's economy is expected to grow 4.6% annually in 2024 and 4.1% in 2025.

In Latin America, ECLAC[4] published in its preliminary report that it projects an average GDP growth of 1.9% in 2024, maintaining the dynamic of low growth and slowdown in job creation. In the aforementioned report, for the main economies in the region, Brazil and Mexico, their GDP growth is expected to be 1.6% and 2.5%, respectively. In the case of Chile, GDP growth of 1.9% is expected.

Locally, the Market Expectations Survey (REM, as per its initials in Spanish) published by the Central Bank of the Argentine Republic in early February 2024, projects an annual inflation of 227%. Likewise, in relation to other macroeconomic variables relevant to our businesses, those participating in the survey project a currency devaluation of 110% and a decline of the Gross Domestic Product of 3.0%.

Considering these perspectives, our actions are focused on our vision: to be a leading food and candy company in Latin America and a well-known company abroad, standing out for our sustainable practices and our ability to generate new businesses and strategic partnership projects. We will continue to deepen our digital vision to enhance businesses and promote the development of the abilities that leverage them, both in technology and digital talent and in new ways of working and getting organized.

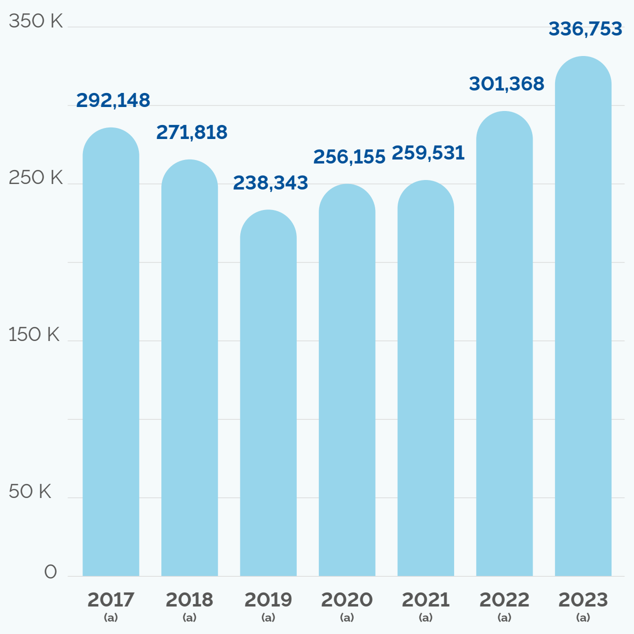
In this sense, we will continue with the strategy that we have followed in recent years, focusing on our main businesses: Packaging, Agribusiness and, particularly, Consumer Food Products (Candy, Chocolates, Ice-Cream, Cookies and Crackers, Food and Functional Products).

Additionally, another pillar will be focused on prioritizing liquidity and an adequate financing structure with the purpose of ensuring compliance with our obligations and commitments, as well as properly managing our working capital and the containment of fixed expenses to obtain the funds required to carry out operations and investment projects.

[3] Source: International Monetary Fund, World Economic Outlook Update, January 2024.

[4] Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2023 (LC/PUB.2023/22-P), Santiago, 2023.

Changes in Equity Attributable to the Company's Shareholders



(a) In constant currency of December, 2023

Business Analysis

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 brand portfolio. The following business segments also stand out:

Regarding Food, we are leaders in the Argentine market. Our main products are jams, solid sweets, sauces, tomatoes, canned vegetables and fish, desserts, drinks, powdered juices, premixes, polenta, dry pasta, dressings, oils and spices, leading most of the segments in which we participate.

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

With respect to Chocolates, we are leaders in the Argentine market, where we market the brands with the longest history and the most valued by consumers (Bon o Bon, Aguila, Rocklets, and Cofler). Arcor manufactures a wide variety of chocolates, such as bonbons and bite-size chocolates, tablets, sugar-coated chocolate, baking chocolate and pastry products, chocolates for children, chocolate-coated wafers, chocolate bars and seasonal products for relevant dates such as Easter, Halloween, Christmas, among others.

As to Cookies and Crackers, we are leaders in the region through Bagley Latinoamérica S.A., together with our ally Grupo Danone, marketing cereals, cereal cookies, assorted and filled cookies, *alfajores*, cereal bars and snacks, among other products.

Regarding Ice-Creams, we managed to transform chocolates and sweets into creamy and refreshing products. The power of our brands and the extensive distribution network is the formula that allowed us to achieve market leadership in this category, which was sustained thanks to the constant launch of new products, flavors, and presentations.

As regards Functional Products, together with Laboratorios Bagó, we market our line of dietary supplements that help people incorporate the necessary nutrients into their daily diet.

Agribusiness

We are leaders in corn processing and cereal ethyl alcohol production. Our main products are: white granulated sugar, organic sugar, milk, ethyl alcohol from cereals, fructose, maltose, glucose, corn starch, corn flour, semolina, corn oil and a significant number of corn by-products that are used for animal feed.

Packaging

With the aim of leading the corrugated cardboard, paper, and flexible packaging markets in Argentina, we are one of the most important packaging solutions companies in the Region. Within our products, we mainly market corrugated cardboard packaging, cardboard packaging, paper bags and flexible packaging using several printing technologies, recycled papers, Kraft Liner Board and Kraft Sack, plastic extrusion, bioplastics, and we develop forestry activity.

Below, the most relevant events of the different Arcor Group businesses corresponding to the year ended December 31, 2023 are briefly detailed.

Argentina - Confectionery and Chocolates

In 2023, the Confectionery and Chocolates Business reached an amount of sales to third parties of ARS 350,495.0 million, while in the previous year sales amounted to ARS 348,020.5 million, both values expressed in constant currency.

The context in which the business operated during 2023 was complex in economic terms, especially due to the uncertainty generated by high inflation in Argentina. The business faced supply problems during the year due to restrictions on imports of inputs. The most affected categories were wrapped chewing gums and hard candies.

Despite the complex context, the confectionery market remained stable. Gratification continues to gain relevance and favors the consumption of indulgent products where the growth of "soft" categories (chewy candies, gummies, chewing gums) has deepened over "hard" ones (candies, lollipops, nougats, etc.). Through innovation and cost efficiency, along with consistent work on our brands and the value generated in them, the business managed to defend its market position, highlighting performance in certain categories.

Among the main launches, the gum candy segment stands out, where innovations continued in the Mogul portfolio, which experienced a record year with relevant growth. The brand focused on the innovation and expansion of its portfolio. A new exclusive line was also installed to boost growth in the Extruded candy subsegment. Additionally, our growth in "*Palotes*" stands out in a significant way, seeking to capture space and be leaders in this category.

Halloween represented a great year with growth in sales, with a completely renewed and differentiated portfolio that allowed us to offer dynamism to the channel within our challenging national economic context.

Regarding the chewing gum category, despite difficulties in supplying imported inputs, we were able to keep volumes, highlighting the Topline brand that successfully developed new presentations such as Topline Turbo Mint, the only sugar-free candied chewing gum on the market with distinctive characteristics of extra freshness and extra crunch.

Also noteworthy is the performance of the Menthoplus candy segment with excellent performance in all lines and the entry into a new category of sugar-free compressed tablets, which has a lot of potential.

Arcor Group continues its strategic alliance with Laboratorios Bagó, sharing its experiences and track record 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 consumers incorporate the nutrients needed for an adequate daily diet.

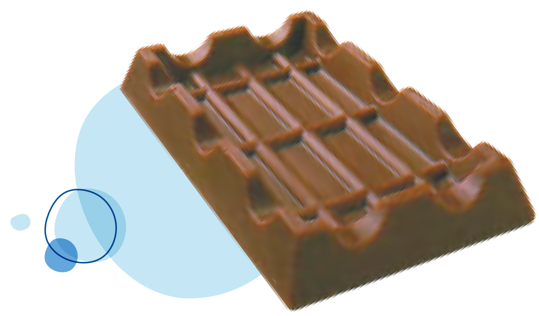
Within the same complex context that affected the consumer businesses, and with the condition of operating in a market of impulse and high value compared to other categories of consumer food products, the Chocolates business ended the year 2023 with a drop in the sales volume -in line with the market decline. Despite this, it kept its leadership in the different segments.

The chocolates segment stood out for achieving a growth in the sales volume in home consumption categories, thanks to the performance of Assorted Boxes. This was achieved thanks to the communication campaign and the dynamics carried out in all channels. Additionally, the coated wafers category increased compared to the previous year, mainly leveraged by the development of the Graffiti brand. Finally, the volume growth in the spreadable fillings segment stands out.

In all cases, work continued with 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 were focused on the Arroyito, Recreo, Colonia Caroya, and San Luis plants, with the purpose of expanding their productive capacity and increasing operational efficiency in the production plants. In addition, other infrastructure investments were carried out associated with lighting and building improvements in general.

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



Argentina - Agribusiness

Sales to third parties for the year 2023 amounted to ARS 234,583.6 million, while in the previous year they reached a total of ARS 244,893.3 million, both values expressed in constant currency.

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

The strategic alliance with Grupo Ingredion helped us achieve another year of growth in sales volumes of syrups, starches, specialties, and by-products. The industrial plants located in Chacabuco and Baradero, province of Buenos Aires, incorporated core and specialty products into our portfolio, as well as the possibility of expanding ingredients beyond those derived from corn, allowing us to provide innovative solutions to beverage and food producers, paper and corrugated cardboard, personal care, and other industries.

In a complex context, due to the general situation of the country and the volatility of input costs that affect the business, we worked on efficiencies that have a positive impact, and good performance was achieved during the year. The results obtained show solidity, the ability to adapt, and the sustained growth of the business, despite the adverse context and high uncertainty in macroeconomic matters, which impacts business costs and the levels of global competitiveness of the industry.

Among the main investments in the plants, the ones associated with improving productivity in the operation and automation stand out in Arroyito, which help us strengthen control and reliability. At the Lules plant, investments were made regarding infrastructure, operational efficiency, and industrial water consumption reduction. Similarly, at the Chacabuco and Baradero plants, investments were focused on improving building facilities and on the execution of projects that improve global infrastructure and increase production capacity.

In the harvest, La Providencia mill presented an increase in ground tons of cane compared to the previous year, as a result of the weather conditions improving during the harvest period, which allowed to obtain a greater volume of cane per cultivated hectare. This greater cane grinding led to greater sugar production. Despite this, the sugar yields per ton of cane obtained during 2023 were lower than those in 2022. During 2023, sugar marketing was oriented to the domestic market. In the case of molasses, export volumes were maintained and the production of organic sugar continued for sale in the international market.

Industrial investments in the mill were aimed at improving the infrastructure, equipment and necessary adjustments in the facilities. The ISO 14001, ISO 9001 certifications were maintained, and in terms of food safety, the FSSC 22000 certification was maintained, a standard that is required to sell to the United States and Global GAP (Good Agricultural Practices) in its own sugarcane crops.

The business also maintained the certification under the ISO 45001, ISO 14001, ISO 9001, BRC and HACCP standards at the plants in Arroyito, Lules and San Pedro, in order to continue with the standards required to be eligible as certified suppliers to our main customers. The plants in Baradero and Chacabuco also maintained their certifications under ISO 9001, ISO 14001, ISO 45001 and FSSC 22000 standards.

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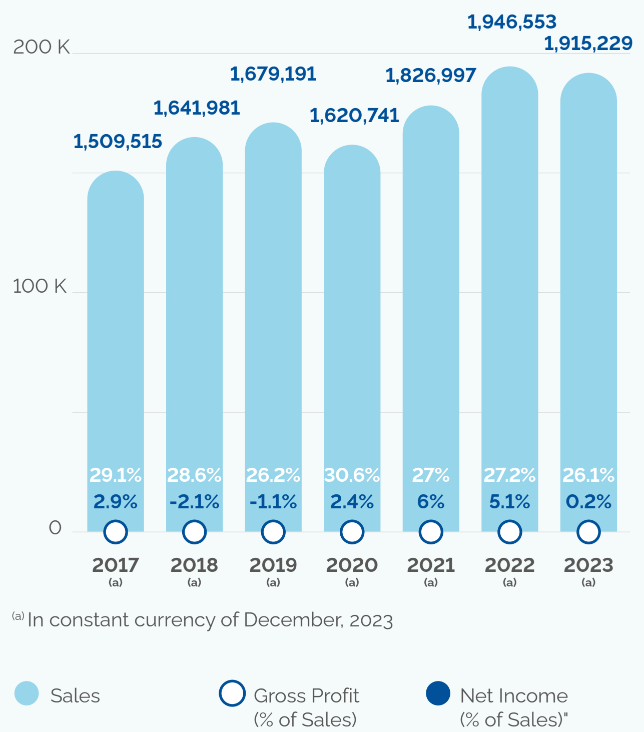
Evolution of Sales (in millions of ARS), and Gross and Net Income As % of Sales



[a] In constant currency of December, 2023

Argentina - Packaging

Sales to third parties of the Packaging business in 2023 in Argentina were ARS 311,927.7 million, compared to ARS 344,038.8 million in 2022, both figures expressed in constant currency.

The Packaging business is characterized by its focus on customer service, ongoing innovation, productivity, quality and environmental preservation.

During 2023, the Packaging business sales behaved differently depending on each business segment in which it participated, where the performance had as a common denominator the difficulties in maintaining a normal supply flow of raw materials and imported inputs due to the restrictions that were imposed in Argentina through prior authorization requirements both to import and to be able to cancel these operations upon expiration.

In the corrugated cardboard segment, sales had an overall contraction compared to the previous year, influenced by a significant drop in the beverage items where the wine industry saw its production affected by climate issues, and fruit growing due to the exit of lemon producers from fresh fruit business, changing their destination towards industrial processing. These declines, as well as those in the economy in general, could be softened by the incorporation of new clients in other lines of business. Concerning the industrial bags business, leveraged by vertical integration in the production of Sack Kraft papers, it continued to consolidate the brand both from the point of view of quality and the level of service perceived by customers. The flexible packaging business managed to increase its sales by tons with a greater participation of third-party clients in its portfolio.

In all businesses, efforts continued to focus on the level of services to our clients, caring for and strengthening the relationship with them and providing adequate supply of the entire product portfolio, in a context of restriction on imports that had an impact in the normal development of the supply of inputs.

Industrial investments were focused on modernizing industrial plants and increasing productivity. Likewise, the business has a Sustainability Policy made up of commitments to guide its sustainable management, which continuously works on the safety of processes, with activities and investments directed towards its compliance.

During 2023, ISO 45001, ISO 14001 and ISO 9001 certifications were maintained at the Arroyito, Luján, Paraná, San Luis, San Juan, Quilmes and Villa del Totoral plants. At the Ranelagh plant, ISO 14001 and ISO 9001 were maintained and the new ISO 45001 standard was certified. The ISO 14001 and ISO 9001 certifications were maintained at the Misiones plant. The FSSC 22000 certification was maintained at the Flexible Packaging plants in Luján and Villa del Totoral and at the Bags plant in San Luis and San Juan.

Argentina - Food

Sales to third parties in 2023 within the Food Business amounted to ARS 147,760.3 million, while in 2022 they were ARS 147,583.9 million, both figures expressed in constant currency.

The Food Business' high-quality product offering 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 on the Argentine family table for more than 100 years.

During 2023, a general drop in consumption was observed, caused by the effects of inflation and the loss of consumer purchasing power that affected some of the categories in which we participate. In this context, the Food business had a decrease in the volume sold compared to the previous year. Among the categories that had a positive performance in tons despite the context are polenta, beverages, flavors and powdered juices.

Regarding launches, we expanded the tomato portfolio with the return of La Campagnola extract and innovations in sauces with Arcor ready-to-use pink and *bolognese* sauce. With respect to jams, La Campagnola's "Selection" line continues improving with the launch of blueberry, a new relevant flavor for this segment. In baking premixes, Aguila muffins were launched, and in small premixes, we launched BC raspberry flavored jelly.

The communication actions were focused on reinforcing the message *"Arcor no da lo mismo"* (At Arcor, we care), highlighting the best of the raw material that we bring to the tables of all Argentines, without the use of additives. In the case of La Campagnola brand, a comprehensive *"Estamos en Campagnola"* (We are at Campagnola) campaign was carried out, in which the quality and the extensive brand's portfolio were highlighted.

Among the main industrial investments, the modernization of the conveyor system at the San Juan plant and other projects related to civil works and infrastructure in general for the industrial complexes of Mar del Plata, San Rafael, Villa Mercedes and San Juan stand out.

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

Argentina - Cookies and Crackers

In 2023, sales to third parties in the Packaging business in Argentina amounted to ARS 321,668.7 million, compared to ARS 323,836.1 million in 2022, both figures expressed in constant currency.

The business is a leader in the cookies, crackers, *alfajores* and cereal bars segments, marketing quality and variety products aimed at children, adolescents, and adults, through the offer generated in all its industrial plants in the country.

In 2023, the cookies and crackers market presented a slight increase in sales volume compared to the previous year, mainly driven by the growth of indulgent segments, despite the context of falling consumer purchasing power. In addition, sales of second brands and private labels continued to be relevant.

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 impulse segments such as baked snacks, snacks, *alfajores* and the development of core brands such as Chocolinas and Saladix stood out.

As a business strategy, market leadership will continue to be strengthened through the growth of core brands, through a strong commercial dynamic aimed at achieving effective communication and actions directed towards our consumers.

Advertising campaigns and investment in new developments were focused on core brands such as: Chocolinas, Saladix, Cereal Mix, and the main launches carried out during the year were: new Chocolinas, new Saladix, new Cereal Mix flourless Snacks and new Breakfast Cereals.

Among industrial investments, the main business investments include the installation of new equipment in the Villa Mercedes plant, packing and palletizing automation in one of the lines at the Córdoba plant, the increase in capacity in one of the highest production lines at the Salto plant, as well as the implementation of improvements in the packaging process to increase capacity in one of Totoral's line.

During 2023, the 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.

Brasil – Confectionery and Chocolates

Sales to third parties of the Confectionery and Chocolates business in 2023 amounted to ARS 86,503.1 million, compared to ARS 84,224.6 million the previous year, both values expressed in constant currency.

The performance of the business presented a slight decrease in sales volume compared to the previous year. A recovery in post-pandemic consumption is observed, with an increase in the frequency of purchases and consumption outside our consumers' home. This consumption development was mainly driven by bundled products, which corresponds to new consumer behavior. The growth in the Wholesale, Distributor and Cash & Carry channels is also highlighted.

The confectionery segments that showed the greatest growth were soft candies, hard candies, and especially chewing gum, thanks to the development of the Topline brand in new regions of Brazil.

The main launches focused on continuing with the development of products in the chewing gum, lollipops and candy segment. Regarding chewing gums, Poosh Conect, a group of 4 balloon gums with assorted *tutti frutti* and grape flavors, stood out, while in lollipops the launches of the Big Big Max double-sized lollipops filled with bubble gum, and the new Plutonita witch-head lollipop, with very good performance in the Halloween season stood out. To end the year, Butter Toffees Intense was launched.

Meanwhile, the launch of the 7Belo chewy candy allowed us to continue with the brand's strategy of having a unique flavor in different presentations that seeks to satisfy different markets.

The communication actions in our broad portfolio were focused mainly on seasonal periods such as Halloween and the June holidays, 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 on social networks.

In the Chocolates business, the growth in sales of chocolates and assorted boxes stood out due to important launches, investments and commercial actions in these categories.

2023 began with the process of repositioning the Arcor brand in the chocolate market and establishing a new portfolio in Brazil. The main launches focused on Arcor's Special line with 60-gram tablets, and on the launch of the Block brand, through 38-gram, 140-gram, and 300- gram presentations to promote the perception of a superior quality within Arcor products. The Bon o Bon brand underwent a category expansion with the launch of the Bon o Bon Snack which let us expand the distribution of this brand to new points of sale and strengthen our market presence.

Our line of dark chocolates is now called Inspiration, a name that allows us to work with flavor inspirations and different launches were made in high cocoa, coffee, among others.

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

Among the industrial investments, the adjustments made in some lines for the launch of new products and expansion of production capacity of certain strategic products stand out, especially at the Bragança plant. Likewise, improvements were carried out in infrastructure, automation at the end of the line, and other investments in our facilities to adapt to safety standards.

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

Brasil - Cookies and Crackers

In 2023, sales to third parties amounted to ARS 86,374.8 million, while in the previous year they reached a total of ARS 77,182.2 million, both values expressed in constant currency.

In 2023, the cookies and crackers market presented a slight decrease in sales volume compared to the previous year. In this context, this business in Brazil was able to achieve sales volume growth compared to the previous year, highlighting the performance of products from the Triunfo, Salpet, Cereal Mix, Tortuguita, and Passion brands. In addition, Arcor products began to be marketed with filled cookies and special wafers with the 7Belo and AMOR brands, and, also, the Bon o Bon cookie, which is an innovative product launch in the local market.

Tortuguita continues to be one of the main growth drivers of the business, leveraged by square fillings. It is an iconic brand, highly recognized by consumers in the country. For this reason, we are continually working on strategic positioning on different scenarios, with actions that solidify our presence in the digital environment with the character, and with a new communication and campaign *Invasão Tortuguita*.

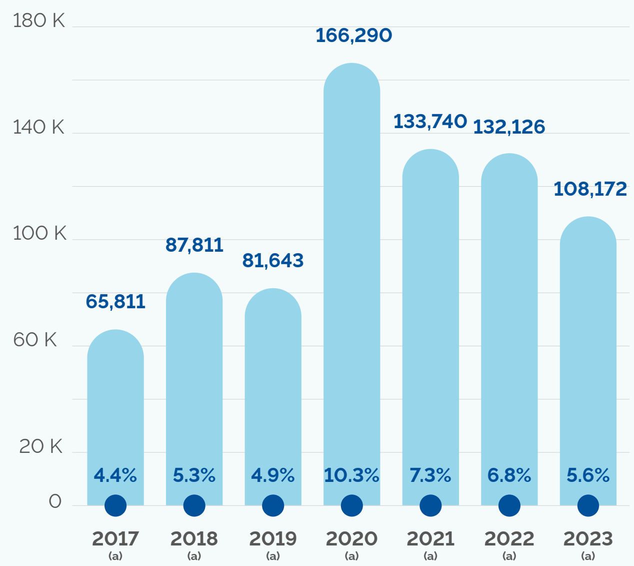
The main launches focused mainly on cookies with Arcor brands (7Belo, Amor and Bon o Bon) that began sales during the second half of the year under a strategy that follows the market trend of strong brands and products with added value.

During the year, other launches in the Aymoré and Triunfo brands stood out, with cornstarch-flavored cookies in two presentations.

Among the industrial investments in infrastructure, improvements in industrial systems and upgrades of some lines of the Contagem plant stand out. In Campinas, building improvements and modernization of administrative offices were carried out. In addition, in both plants, several works were carried out to comply with safety regulations.

In terms of food quality and safety, the Contagem and Campinas plants maintained the certifications of ISO 45001, ISO 14001, ISO 9001 and BRC and HACCP food safety standards.

Evolution of Operating Income (in Millions of ARS)



[a] In constant currency of December, 2023

Operating Income
As a % of Sales

Andean Region - Confectionery and Chocolates

Sales to third parties for the year 2023 amounted to ARS 89,791.7 million, while in the previous year they reached a total of ARS 84,918.9 million, both values expressed in constant currency.

The countries in this region had an improvement in their performance with a general recovery in sales within impulse categories. Economic activity and, therefore, consumption showed similar growth in the countries of the region. According to ECLAC, the increase in GDP reached 0.1% in Chile, 0.3% in Peru and 1.9% in Ecuador,

In Chile, the recovery of chewing gum and a drop in chocolates stands out, returning to pre-pandemic consumption habits with an increase in impulsive formats and a decrease in family formats. 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 points of sale.

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

During the year, actions and launches were carried out with the aim of promoting core brands, expanding the coverage and mix of impulse products. In the chewing gum segment, a strong communication and trade plan stands out in the traditional channel, with a strong placement of displays nationwide. In the candy segment, the good performance of hard candies stands out, especially the Alka brand, with an increase in market coverage and innovative launches such as Alka 2 Menthol and Cherry.

In the Chocolates category, a decrease in volume was observed compared to the previous year. However, the leadership of Bon o Bon stands out, with a strong development of seasonal products, with special gift launches and customer loyalty at the point of sale based on the development of innovative displays for different types of customers which helped it increase its market positioning.

Among the main investments, the start-up of a packaging line for doypack formats stood out. During the year, ISO 45001, ISO 14001 and ISO 9001 certifications were maintained the business managed to keep applicable food safety standards in compliance with the BRC certification.

Within the region, the market in Peru managed to grow compared to the previous year. The sales growth of our subsidiary was higher than the market's growth, both for the domestic market and in exports, leveraged by greater demand from businesses in Chile, Ecuador, Bolivia and Paraguay.

Our subsidiary maintained its portfolio strategy focused on confectionery and chocolates, in addition to continuing with the development of food, cookies and crackers, with the aim of directing 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 2023 Topline Inka Kola remained active within the Arcor-Coca Cola brand agreement, achieving a significant share within the segment.

Sales in Ecuador in 2023 remained at similar levels to those of the previous year. During this period, the portfolio optimization strategy continued, focusing on the development and growth of Confectionery and Chocolates and streamlining Cookies, Crackers and Food with lower profitability and performance. This allowed the subsidiary's profitability margins to improve and achieve growth in main lines such as chocolates, gummies and candied sweets, candies and chewing gums.

Andean Region - Cookies and Crackers

In 2023, sales to third parties amounted to ARS 40,573.9 million, compared to ARS 32,578.0 million the previous year, both values expressed in constant currency.

During the year, growth in sales volume was achieved, driven by a significant growth in Coated Cookies -due to an increase in the production capacity that allowed us to meet market demand- and by the recovery of Crackers. This performance was possible thanks to different marketing actions and launches, such as the one the white chocolate Bon o Bon cookie.

Sales in the Distributors and Wholesalers channel had quite a good performance based on the continuity of the investment plan in furniture and displays, reaching a coverage of 55 thousand points of sale, and the largest share of the portfolio of Cookies and Crackers within the channel. Sales in the Supermarket channel also grew.

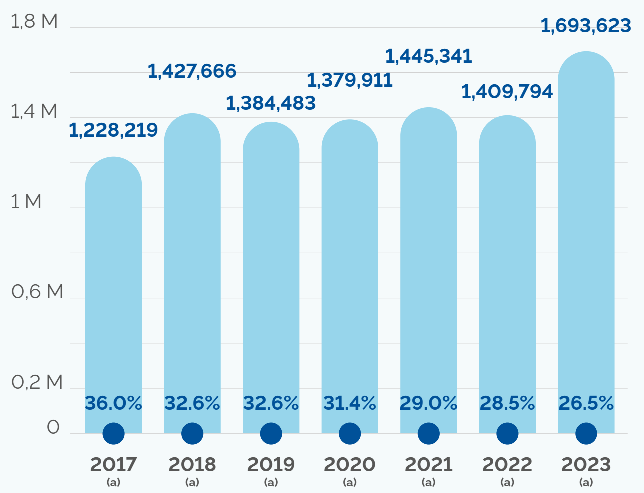
During the year, cookies were launched in different segments. The entry into the segment of cookies filled with Tortini and mini Chubi towards the end of 2022 had a relevant impact on the performance of 2023. Regarding *alfajores* Bon o Bon, the growth trend was maintained thanks to extensive coverage. In the case of Mini Selz cookies, there was a high-impact campaign with the sponsorship of the national rugby team, with millions of visits in the communication of social networks.

We entered the sandwich segment, with the launch of Mogul cookies (filled with marshmallows) and then with mini DEUs in vanilla flavors filled with strawberry and chocolate.

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

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

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



[a] In constant currency of December, 2023

Total Assets   PPE / Assets %

Andean Region - Packaging

At the end of 2023, sales to third parties were ARS 56,816.5 million, while the previous year they amounted to ARS 86,572.4 million, both values expressed in constant currency.

During 2023, a decline in sales volume was observed compared to the previous year, mainly due to supply restructuring, lower sales in the main fruit and vegetable markets because of climate issues, decreased consumption and excess customer stock, which caused demand shrinkage.

The business strategy focuses on the penetration of products with high added value in the fruit market (preprint, offset, high quality print ads). Regarding the industrial market, the focus remains on increasing participation with important clients and opening new volume accounts that allow greater differentiation.

Among the investments in the industrial area, the launch of installed machinery at the end of 2022 stands out, which allowed us to increase the productive offer and improve the process of printed products.

In the Chilean industrial complex, the certifications on environmental management systems and quality standards ISO 14001 and ISO 9001, and the standards on food safety FSSC 22000 and on occupational health and safety ISO 45001 were maintained. We also maintained the PEFC certification to ensure that the raw materials and manufactured products come from sustainable sources.

Southern Subsidiaries

In 2023, sales to third parties within the Southern Subsidiaries segment amounted to ARS 79,029.6 million, compared to ARS 73,178.7 million the previous year, both figures stated in constant currency.

The performance of our businesses in the countries of the region was affected by conditions specific to the context of each country and, therefore, the results were different. As published by ECLAC in its report, the increase in GDP reached 4.5% in Paraguay, 2.2% in Bolivia, while in Uruguay a GDP growth of 1.0% was observed.

The Bolivian subsidiary ended with an increase in volumes compared to the previous year, although it didn't achieve the levels prior to the COVID-19 pandemic. It was also affected by 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 marketing of scheduled purchase and impulse consumer products stepped up, as a result of the recovery of activities and events, achieving a balance in the subsidiary's businesses. The main commercial actions were focused on key brands on special days, such as Bon o Bon for Mother's Day and Valentine's Day, and new events such as national holidays, along with a special edition in th Sweetness Month. In addition, Topline 7 was launched, through actions at night events focusing on targets and points of sale. Arcor had a strong presence on social networks with dynamic and fun videos for the consumer.

Our subsidiary in Paraguay had a slight decrease in its sales volume during the year compared to the previous year, to a great extent due to the complex economic context generated by difficulties in supply, mainly from Argentina, and other local factors, such as the devaluation of the local currency, increased costs, and a drop in consumption in the border area.

Differentiated work at the point of sale, campaigns and launches continued to be key to sales and market growth in some categories.

The Confectionery, Chocolates, Cookies, Crackers and Ice-Cream businesses were the ones that stood out the most. The planned launches were completed, highlighting Arcor Tablets of 20 g., Alfajor Tatín Simple, Alfajor Block Triple, Menthoplus 2 Late, Barra Rocklets, Mini Cofler Block and Block Duo, along with the entry into the category of ring cookies with Tortuguitas and 1-liter juices, among others.

The main commercial actions focused on Bon o Bon, Topline, Tortuguita, Cofler Block brands and the Ice-Cream season. In addition, always active participation in all seasonal days (Valentine's Day, Easter, Mother's Day, Children's Day, Halloween, and Christmas). With the purpose of maintaining and gaining room in modern channels, we kept on working on commercial agreements with the main supermarket chains, the Biggie's chain, and main service stations.

Our subsidiary in Uruguay also registered a drop in sales volume compared to the previous year, mainly due to supply problems and a decline in consumption in the border area related to the economic exchange context in Argentina. The focus continued on core brands like Bon o Bon, Aguila, BC Topline, Cofler, Rocklets and Mogul. Throughout 2023, work was carried out on the distribution channel in the Montevideo and Canelones area, giving a new boost to the sales of warehouse and pharmacy channels, kiosks and service stations. Launches with significant growth were possible in the gummy candies, baked snacks, crackers, assorted cookies, ice-cream, canned tomatoes, *alfajores*, pastas and the Simple nutritional product line segments.

Other International Markets

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

The markets in which we operate showed a recovery in volumes in most regions. This growth was leveraged by Block, Bon o Bon, Mogul, Menthoplus and Arcor brands.

This growth in sales occurred in a context of great complexity, in a world where political conflicts, lower economic growth, and war posed a major challenge for global export operations.

In this particular context, the maritime transport market, after the strong increases in previous years, showed a marked decline. Likewise, increases in raw material costs were observed along with devaluations lower than inflation, and even exchange rate appreciations in producing countries, which caused an increase in production costs in USD, while our clients' currencies were devalued. These factors had an impact on the competitiveness of our products and profitability margins.

The operation in the United States consolidates its sales growth for the third consecutive year. Private label operations with customers from the Dollar channel were significant. On the other hand, sales of Arcor-branded products continue growing, focusing on strategic brands such as Bon or Bon and developing new clients in strategic areas of the country.

In Mexico, we continue with the sustained growth both in the local market and in exports. In the domestic market, this was possible mainly due to the focus on the Bon o Bon brand, expanding the coverage of the Wholesale channel and positioning it as one of our main brands. At the commercial level, the incorporation of the Bon or Bon snack bar stands out with quite good results and the launch of Mogul gummies in the Wholesale channel strengthened with a visibility plan executed by the marketing area, in which the main focuses were exhibition and tasting at a national level.

Despite the above, during 2023, the general performance of the business in Mexico was negatively affected by the appreciation of the local currency which, added to the increase in costs of certain inputs, produced a reduction in profitability, especially in exports.

At the industrial level, different investments were made at the Toluca plant to support its growth and the modernization of production lines. New wrappers, end-of-lines improvements, and related systems were added. During 2023, the aforementioned plant maintained ISO 14001, ISO 9001, ISO 45001 certifications and BRC and HACCP food safety standards.

In June 2022, the largest chocolate, confectionery, cookies factory in Angola was inaugurated. This factory was launched in partnership with Dulcería Nacional, jointly settled 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 sound investment, this 12,000 m2 industrial warehouse was built, which has state-of-the-art equipment and responds to the best world-class practices and Arcor Group's own quality standards. It began with the production of Bon o Bon, cookies, crackers and confectionery.

During 2023, all production lines were operated, generating business growth. This is considered the first step of a long-term development in the African continent.

Angola is an important market for Arcor. We have been exporting to this destination for 30 years and this step helps us have an industrial presence in the region and deepen the Group's internationalization. In a first stage, this operation will allow us to diversify the product offering in the local market and, in the future, it will supply all the 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's plants to supply the industrial operation in Angola.

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Agreements with Mastellone Hermanos S.A. and its Shareholders

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

Since then, certain shareholders of Mastellone Hermanos S.A., in exercise of their pre-emptive rights under the master agreement entered into in 2015, sold a portion of their capital stock during the time elapsed. All acquisitions were completed in equal parts by Arcor S.A.I.C. and its subsidiary Bagley Argentina S.A., which, jointly, own a 48.6767% interest in Mastellone Hermanos S.A.'s capital stock. Since the conception of this alliance, the results obtained by the dairy business to date have not lived up to our expectations as investors.

Kamay Ventures - Investment Alliance with Coca-Cola Argentina

As part of the business innovation and entrepreneurial spirit inherent to the Group, Kamay Ventures was launched in 2019, in alliance with Coca-Cola Argentina. Both big companies, which boast market leadership in several food and beverage segments, launched this fund which seeks to finance and give advice to start-ups with innovative projects that allow us to promote solutions in Digital Commerce (e-commerce and m-commerce); Fintech; Digital S&OP (Consumer Intelligence), IOT (distribution, packaging and logistics); Ag-Tech (primary production, trading and sustainability); Applied Biotechnology – Nutritional Healthcare; and Environment (recyclables collection).

It is the first open corporate venture capital fund created in Argentina for these kinds of projects, and is independently managed by Overboost.

During 2023, Grupo Bimbo has joined the fund as a new investor, consolidating Kamay Venture's concept of being the first multi-corporate capital fund, made up of companies from different industries that center on mass consumption.

Since its birth, Kamay Ventures has injected capital into many different start-ups, mainly from Latam, and these are the ones that stand out:

- **Arqlite**, which transforms plastic waste into construction material;
- **Auravant**, a digital precision agriculture platform for more efficient and sustainable food production;
- **Wiagro**, a complete post-harvest traceability platform based on IoT devices connected to grain storage facilities. It allows farmers to monitor products and their conservation status.
- **Retrypay**, a fintech that offers e-commerce sites the possibility of optimizing payment acceptance rates;
- **AltScore**, an Ecuadorian fintech which applies machine learning and artificial intelligence for customers to be able to offer consumer loans, with the aim of improving access to credit in Latin America;
- **Kilimo**, a digital platform that powers irrigation practices through artificial intelligence, helping companies achieve their neutral water goals;
- **Aerialoop**, a drone airline specialized in delivering packages in the 'middle mile' for its customers on the ground;
- **Zippin**, a platform that provides technological solutions to facilitate shipping management by connecting logistics operators;
- **Ruedata**, a SaaS platform that allows complete monitoring of the life cycle of a fleet's tires;
- **Webee**, an integrated platform that monitors assets, production, energy, and water to optimize performance, reduce costs, downtime and C02 emissions in industrial operations;
- **INI**, a software/hardware infrastructure as-a-service platform that helps companies that want to be fintech to enable their payments ecosystem without losing the core focus of their businesses;
- **Bacu**, a technology-driven solution for restaurants that streamlines all operations;
- **Nude**, a B-Corp that creates healthy, clean and sustainable oat-based dairy products;
- **Sensei**, a Portuguese startup that offers autonomous store technology based on next-generation computer vision and machine learning; and
- **Sensify**, a SaaS platform that reports in real time the metrics of commercial refrigerators/freezers at each point of sale in the industry.

Functional Areas

Finance

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

The year 2023 was once again characterized as being extremely complex, particularly in Argentina, with high inflation rates and strong exchange rate pressure that led to a significant devaluation of the Argentine peso towards the end of the year. Within this context of high uncertainty and 2023's presidential elections, the greatest efforts were made to maintain the Group's liquidity and reduce exposure to exchange rate movements, through a strategy of reducing debt in dollars and currency hedging contracts in the futures market. The constant changes in exchange controls in Argentina, which during the last quarter of the year affected all companies' foreign trade operations, had an impact on the normal flow of payments with our suppliers abroad.

Regarding the financing structure, an extension of terms of debt maturities in short-term local currency was achieved with operations longer than 12 months. For this, new series of Negotiable Obligations was issued under favorable conditions and under the program approved by the National Securities Commission. Three of them in local currency (Class 19, 20 and 22) and one in dollars (Class 21) to end the refinancing of the Class 9 international bond, of which the remaining amount of approximately USD 128 M was canceled during the first semester.

With an eye towards financial sustainability, the assistance and development channels of value chains with the Group's suppliers remained operational, allowing them to access more stable sources of financing through banking entities.

Additionally, during the second half of this year, the Group accessed its first sustainable loan with the international bank Rabobank. Said loan included improvements in rates through a mechanism for meeting sustainability objectives for the years 2023, 2024 and 2025.

Regarding our operations abroad, the loans obtained from the Group's subsidiary in Brazil to finance its strategic investment projects stand out.

Besides, the migration to the Kyriba treasury management tool was completed, with the aim of streamlining and automating processes, mainly in the area of operations and changes.

With the objective of keeping the Group's financing banking and capital market channels, fluent communication was maintained with both the financial institutions and the Company's bondholders thanks to local and international meetings.

Continuing with what has been done in recent years, the main financial objectives will be focused on keeping the strategy of privileging cash generation, maintaining adequate liquidity levels and extending the maturity profile of the debt denominated in Argentine pesos.

Administration and Technology

Further with our defined strategy, digital transformation continues to be the driver of the 2023 initiatives and projects to enhance digital capabilities and technologies, agile development, and the change in speed during their adoption. In 2023, work continued on the Tokin platform to provide an excellent experience to point-of-sale users and provide benefits that encourage continued purchasing. On the other hand, in the B2C segment, we continued with the continuous improvement of our site **arcorencasa.com**, incorporating all the feedback we received from our consumers.

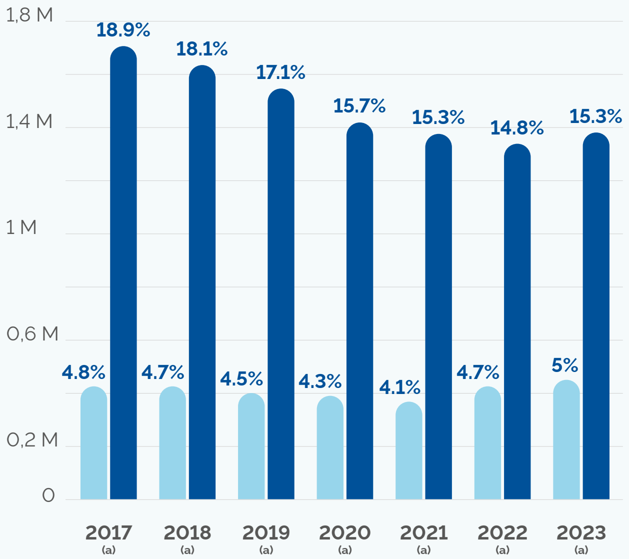
In this context, in relation to commercial processes, the integration of the B2B customer portal, ArcorNet, continued for the entire region. ArcorNet was born in Arcor Argentina, now reaching the rest of the Group's countries and including special functionalities for the International Division.

In 2023, the expansion of the practice of advanced analytics, artificial intelligence and generative artificial intelligence also continued, adding several models to the ones already developed. And the micro-segmentation and suggested order platform was expanded to Chile, with the aim of obtaining the same benefits as in Argentina. Also, to reinforce the objective of being a data-oriented company and enhance decision-making in all areas, multiple Business Intelligence cells were organized while continuing with the training and development of key users.

In terms of process automation, together with the Administration area, automatic reconciliation solutions were implemented and the development of robots (RPA) for multiple processes continued, seeking to achieve the best administrative management practices and improvements in the control environment. In addition, we started a project to implement the Oracle FCCS tool to optimize the activities associated with the consolidation and reporting of the Group's accounting and financial information.

The Industry 4.0 project also continued at the Salto, Caroya and Arroyito plants, focusing on improvements that allow optimization of the plants' operation while adding value with these technologies.

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



[a] In constant currency of December, 2023

Administrative Expenses Marketing Expenses

Regarding plant maintenance management, Siemens Comos was implemented in the plants that belonged to the agro-industrial business. And the expansion of the new auxiliary materials management model was carried out with the aim of optimizing the management of the valued stock of warehouses in all plants in Argentina. For logistics processes, optimization projects continued, integrating warehouse technologies with management systems, introducing numerous improvements to transportation processes and inventory management, both in Argentina and abroad. The implementation of Oracle OTM Brazil for Sales operations and the systems support to move the logistics operations to the new distribution center that our subsidiary in Mexico incorporated was highlighted.

For HR processes, a new operating model was designed and the Oracle HCM tool was implemented in HR operations in Brazil, representing a relevant advance towards the integration and digitalization of processes. This project will be extended to the rest of the countries.

Additionally, with the aim of complying with the tax and regulatory requirements of the different countries where we operate, numerous projects on this topic were successfully executed in a timely manner.

Digital transformation is still the backbone of our strategy. In 2024, we will continue centering on improvements in production processes through digitalization and automated data capture; improvements in administrative and back-office processes with RPA, budgeting tools, smart portals for suppliers and customers and process mining technology; improvements in planning, distribution, and marketing processes through the use of advanced analytics to optimize the operation of the chain and for price management. Finally, we will continue working on the optimization of our IT infrastructure based on Cloud Architecture to improve the observability, automation and resilience of our technological platform.

Human Resources

During 2023, the Human Resources area implemented actions and processes at a global level, with the purpose of continuing with the development of its collaborators, improving organizational well-being and working on cultural evolution. In each of our initiatives, mixed modalities were considered -virtual and in-person- capitalizing the benefits provided by digital tools, but fostering spaces for meeting and connection.

Driven by the creation of value and equal opportunities, in 2023 we continued with our training internship programs in the workplace and opportunities for those in the first steps of their work life cycle throughout Argentina. The internship selection process continuously incorporates talent from all university and tertiary course of studies in the country, reaching a total of 143 active interns at all company bases at the end of the year. Over the years, we have recruited a significant percentage of the interns who participate in the program.

With the conviction that diversity enhances our perspective of the world, benefits our teams, and strengthens the entire organization, since 2021, we have determinedly promoted our Strategic Plan for Diversity and Inclusion (PEDI, as per its initials in Spanish). Additionally, since 2022, we took an important step by incorporating three new pillars to our PEDI: Generations, Sexual Diversity and Races, and Ethnicities. These elements are added to the approach that Arcor Group has been promoting since 2012, embracing "People with Disabilities" and "Gender Equality."

With the advice of the Diversity Committee, and through the action of the voluntary Operating Committee, we have drawn up an action plan to address these pillars that ranges from a first phase of awareness, through training processes, building habits, and recognition. Depending on the evolution of each pillar, we move forward toward the definition of actions, processes and benefits, considering the natural cultural evolution of these topics in our organization, in society, and in our teams.

We concentrated on creating career acceleration programs for women in the company, not only in leadership positions, but also seeking equity in all areas, such as the "More Women in Maintenance" Program, launched in Brazil, and the "Encounters that Inspire" Program, held in Argentina. Additionally, among our highlighted initiatives, we can mention a training and awareness workshop for the inclusion of people with disabilities and a workshop to work on the Generations dimension, taught by market experts, both aimed at collaborators in the Human Resources community.

In this sense, the third edition of the "+ Women Leaders" Mentoring Program was also carried out, designed to enhance the

development and visibility of Arcor Group collaborators. This program seeks to promote career development practices with a gender perspective, connecting company leaders and collaborators.

Additionally, to promote the culture of self-development and the construction of new skills, through different digital and in-person courses and programs, in 2023, 8 new contents were incorporated into the Arcor University Platform. At a general level, considering all the Arcor Group's training initiatives, 145,858 hours dedicated to learning were recorded this year.

Understanding the challenges that the context generates for us in terms of leadership, during 2023 specific training programs were developed to address this need. These programs included leaders from different functional, commercial, Southern Subsidiaries, and international business areas.

Likewise, the 9th edition of strategic resource planning was completed. Its objective was to identify the company's talents and prepare them to fill more strategic positions. During this cycle, 2,446 employee potential estimates were completed and 1,344 employees were mapped as successors, of which 109 were promoted to management positions during this period, internally covering 86% of the Group's management positions.

Within the framework of our internal development guidelines, we have an open search process through which we encourage the growth of those collaborators who are part of Arcor Group and who wish to take on new challenges within the company.

In addition, we continue consolidating our guidance, encouragement, and performance recognition process, leveraging the concept of multiple feedback, adding views from internal clients, peers, and reports. In 2023, the Performance Management System included 4,922 employees distributed in all countries.

The well-being of our collaborators is framed within a management strategy sustained over time, based on addressing the result of the perceptions of each member of our organization about the organizational conditions and their teams. In this sense, during the year pulse surveys were carried out in different Businesses/ Areas of the company, as a complement to the general survey of 2022, to generate closeness with collaborators and gain deeper information in the topics surveyed.

Quality

During 2023 we developed activities in accordance with what is defined in the 2021-2025 Strategic Plan, maintaining the achievements and quality standards achieved and the level of interaction and communication with interested parties, and implementing new activities associated with our set goals.

By incorporating the **value of quality** into the corporate philosophy, we assume our commitment to achieving "maximum quality, listening to the voice of our clients and consumers at each stage of the value chain, to achieve the experience they expect with our products."

This strategy is aligned with our Sustainability Policy within the Pillar "Produce Sustainable Food" and with our Comprehensive Management System Policy, by considering the creation of value in our Strategic Plan.

The content of our Strategic Plan focuses on the following four initiatives: "Grow" in every step with our suppliers from the beginning of the value chain, "Add" value in our operations, "Reach" our clients and consumers with what they expect through the marketing chain and "Build loyalty" with our clients and consumers.

Within the initiative "GROW in every step with our suppliers from the beginning of the value chain", we work to reduce the **risks associated** with the supply chain and have reliable suppliers who share our management philosophy. During 2023, we continued with the evaluation, monitoring and development of suppliers, maintaining our achievements and quality and safety standards reached.

For the "ADD Value to our Operations" initiative, during 2023 we continued with the implementation of management systems certifications of the plants that make up the Group and the incorporation of new certifications regarding food safety.

Through the strategic initiative "REACH our customers and consumers with what they expect through the marketing chain", we managed quality from the logistics system, in our own and third-party warehouses, in transportation, and in each of the marketing channels of each region. We worked to improve the processes associated with keeping the product in optimal conditions to guarantee its integrity until it reaches the hands of the consumer to meet their requirements and expectations.

To get closer to our clients and consumers, we continued working on our strategic initiative "BUILD LOYALTY with our clients and consumers." During 2023, the existing contact channels were maintained, considering new consumer profiles. In the pursuit of optimizing the quality of service to our consumers and clients, in Argentina, improvements were made to the integrated social media monitoring and telephone service. We managed to maintain our levels of attention and service, building loyalty among our after sales channel with clients and consumers. The development of customer service in new businesses was also supported, mainly in e-commerce *Arcor en Casa* and Angola.

Regarding everything related to Food Legislation, the close monitoring of the effective implementation of the Law for the Promotion of Healthy Eating *(Ley de Promoción de Alimentación Saludable)* in Argentina represented one of the relevant work points in 2023. Consequently, the internal and external articulation to guarantee compliance and adequate interpretation of the requirements derived from the law was another critical management point. In a context of intense supervision by the national health authority, there was thorough verification of compliance by NGOs and consumer associations at points of sale, social networks, and mass media.

It is also important to highlight that during the year there were several changes regarding the legislation of different marketing destinations of the products that were analyzed and reported. These changes were related to the use of ingredients, components, trans fatty acids, and partially hydrogenated oils, GMO status, HALAL, specific certifications, contaminants, allergens, among others. Likewise, work was carried out on the regulatory vision of nutritional issues carried out on the agendas of the Nutrition and Healthy Living Habits Committee *(Comité de Nutrición y Hábitos de Vida Saludable)*, and intensive monitoring of publications and recommendations from WHO, JECFA on disqualifying nutrients was also carried out.

Sustainability

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

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

Arcor Group has a 2030 Sustainability Strategy, *Vivir Mejor* (A Better Life), which is aligned to the United Nations Sustainable Development Goals (SDGs) and establishes our commitment to producing sustainable food, promoting people's prosperity and preserving sustainability, allowing all people to have a better life. Through nine priority commitments organized into three pillars, 'A Better Life' seeks to guide Arcor's efforts to help the business grow while leaving a positive footprint on people and the planet:

Produce Sustainable Food

1. Healthy and affordable food. During 2023, progress was made in a review of the initiatives included in the Diet & Healthy Living Habits Strategy: Food for a Better Life, focused on the three pillars of action that the company fosters with the aim of promoting a varied, balanced, inclusive, and accessible diet: products that evolve to offer the best options, alliances, and knowledge to innovate and actions to promote habits of healthy living. Within the framework of the product pillar, 48 initiatives for continuous nutritional improvement and development of new products were promoted throughout the year.

2. Quality in every step. Within the framework of the Quality Strategy: Value in every step, during 2023, new Global Food Safety Initiative (GFSI) audits were passed in which 29 of the Group's industrial plants achieved BRC certification.

3. Regenerative agriculture. In 2023, the initiatives of the Sustainable Agriculture Program continued to be promoted, aimed at encouraging a sustainable supply of the main agricultural raw materials that Arcor Group produces and buys. Within the framework of this initiative, the certification of 280,000 corn and wheat hectares (from 13 producers) was achieved under the SAI-FSA sustainable production standard; Recertification of the BONSUCRO standard was achieved for the production on more than 5,100 hectares of sugar cane, more than 84,000 tons of certified organic sugar cane under the USDA-NOP standard was achieved, own fruit production was re-certified under Global GAP on 275 hectares, and 196,800 tons of wood were processed and certified under PEFC for the production of paper. Furthermore, within the framework of the Agro+30 initiative, together with CREA and the company UPL, a project was launched to measure organic carbon in soil in 9 productive chains in 4 regions of Argentina (sugar cane, meat, tomato, stone fruits, grapevines, citrus, complete cycle livestock, forestry and rotation (corn, wheat, soybeans) that favor the development of management strategies to increase organic carbon in the soil.

Promote People's Prosperity

1. Inclusion, diversity and equity. The company's Diversity Strategy continued to be promoted, boosted by the Diversity Committee to foster a diverse internal culture, working on the following focuses: gender equity, inclusion of people with disabilities, generations, sexual diversity (LGBTIQ+), races, and ethnicities. Based on the activities promoted, during 2023, 42% of the company's new hires were women, 36% of management vacancies were covered by women, and 1.5% of the total staff is made up of people with disabilities.

2. Well-being at work. Different programs continued to be implemented aimed at promoting the safety, health and well-being of employees in industrial operations: Comprehensive Cultural Evolution Program, Ergonomics Program, 6C Risk Program. Based on these initiatives promoted, accidents were reduced by 5% compared to 2022.

3. Development of communities and value chain. Within the framework of the Community Impact Management Strategy implemented by Arcor Group for the last 15 years, during 2023 progress was made in the formation of the Local Community Relations Committee at the Rio Das Pedras plant (Brazil). Thanks to this, the number of Community Relations Committees working with Arcor Group's operations in Argentina, Chile, Mexico and Brazil grew to 30. Their aim is to promote a company-community link that generates favorable conditions for the development of the industrial activity of the Group.

Preserve the Planet's Sustainability

1. Water care. In 2023, progress was made in the implementation of the Water Strategy, aimed at promoting an increasingly efficient use of this resource. Based on the improvements promoted during the year, a reduction in specific water consumption of 8% was achieved compared to 2022. In those operations located in high water risk regions, the reduction in specific water consumption was close to 15%.

2. Action for the environment and biodiversity. In 2023, a comprehensive review of the Climate Change Strategy began, with the objective of completing the inventory of Arcor Group's greenhouse gas emissions, including Scope 3 emissions to advance with the review of climate change goals in accordance with international standards on this matter. As a complement to this process, progress was made in the certification of Cartocor's emissions inventory and the certification of the Papel Misionero plant as Carbon Neutral was achieved, being the first Arcor Group plant to achieve this objective. On the other hand, within the framework of the Biodiversity Strategy, a fauna survey was carried out in forest production areas and the Papel Misionero reserve allowed the identification of 29 species of mammals, including those threatened and in danger of extinction thanks to more than 50 camera traps.

3. Circular use of materials. During 2023, progress continued with the Zero Burial Program by 2025 and 5 of the new plants in Argentina (Caroya, Quilmes, Totoral, Córdoba and Baradero) achieved the goal of not sending waste to landfill. With this progress made, there are 13 plants that meet this condition throughout the Arcor Group. Finally, in line with the initiatives and policies linked to the packaging of the Group's mass consumption products, during 2023 pilot initiatives were promoted for the post-consumer recovery and recycling of long-life and polyethylene packaging.

On the other hand, considering that all the commitments of the 2030 Sustainability Strategy are based on integrity, respect for human rights and innovation as the basis to promote the actions carried out, during 2023 progress was made in the formalization of a Policy of Commitment to Human Rights applicable to the entire Arcor Group. The commitments linked to the rights related to labor practices, preservation of the environment, information and confidentiality, communities and integrity were reflected there.

To accompany the implementation of the 2030 Sustainability Strategy, and the initiatives linked to each of the commitments, progress continued with the implementation of the 2022/23 Plan aimed at integrating sustainability in all the company's businesses in a transversal manner, through three axes of action:

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

Within this framework, during 2023 progress was made in the development and systematization of a dashboard of 20 corporate goals for 2025 and 2030, which consider 6 of the 9 commitments of the Strategy: Quality in Every Step; Inclusion, Diversity and Equity; Workplace Well-Being; Development of Communities and the Value Chain; Water Care; Circular Use of Materials.

Finally, a sustainability governance and management system continued to be promoted transversally in all businesses and corporate areas of the company. The Corporate Sustainability Committee met 3 times throughout the year to monitor the progress of each of the strategies promoted to address the defined commitments. In turn, the Group's businesses promoted 996 initiatives through their Sustainability Operational Plans and 3,818 employees were covered by sustainability objectives that impacted their variable remuneration.

More information, including indicators that are monitored within the framework of the sustainability strategy, is available in the Arcor Group's 2023 Sustainability Report published at www.arcor.com and in control organizations (CNV and BYMA).

Relations with the Community

The management of community impacts of industrial bases is one of the initiatives of the Sustainability Committee and is one of the commitments of the 2030 Sustainability Strategy. Arcor Group assumes itself as an actor co-responsible for the comprehensive development of the communities in which it participates.

During 2023, the coverage of the Corporate Programs and local initiatives managed by the 30 Local Community Relations Committees that are formed in Argentina, Chile, Brazil and Mexico was expanded.

To strengthen ties with the actors in the communities of which we are part, we participated in various articulation spaces, considering them key to the company's role as a social and economic actor.

During this period, communication opportunities were generated for the presentation of the results of the Perception Studies carried out in 14 territories of Argentina during 2022, calling on the actors who participated in said instance to share conclusions about how the community and the territory are perceived, what problems are identified, and how the company and its relationship with the territory are considered.

The alliance was also strengthened with the Argentine Business Association *(Asociación Empresaria Argentina)*, with whom the Mentoring Project is implemented for young secondary students from public and private schools in the provinces of San Luis, San Juan, and the city of Luján. Based on the commitment assumed by the company since its inception with the education of children, in 2023 young people and adults took part in the implementation of the Connecting Program *(Programa de Vinculación)* with Technical Schools through which 300 young people completed internships in our industrial plants.

In the Cuyo Region, participation was maintained in spaces convened by the Provincial Commissions for the Prevention and Eradication of Child Labor (COPRETI, as per its initials in Spanish), mainly in the province of San Juan. Likewise, we continue participating nationally in the Network of Companies Against Child Labor *(Red de Empresas contra el Trabajo Infantil)*.

At the La Providencia Mill and at the Misky Complex, a Social Organizations Strengthening Program was carried out with the purpose of providing them with tools to enhance their development, action, management, articulation, project design and impact management abilities. 45 people participated, representing 25 social organizations that belonged to 12 areas.

During this period, the signing of an agreement with the National University of Córdoba (UNC) and the Municipality of Arroyito to create the first Arroyito Higher Studies Center (CESA, as per its initials in Spanish) stood out, which favored access to university higher education for 95 young people and adults. At Arcor Recreo, through the industrial work group made up of local companies and the municipality, the need to work on improving the local educational offer was identified, so Mobile Classrooms were installed, in agreement with the Ministry of Education of the Province of Catamarca. Training was directed to industrial occupations, and the target was young people and adults from the community. In 2023, 60 people attended the Basic Welding course.

On the other hand, through the Product Donation Program, 1,017,111 kilos were donated in Argentina to organizations that work to facilitate access to food for the most poverty-stricken sectors. At the same time, considering the social and economic situation of the country, the "Special New Year's Eve Action" *(Acción Especial Fin de Año)* initiative was implemented for the third consecutive year, with the objective of accompanying different organizations that provide direct food assistance to urban sectors in vulnerable situations. In December, non-perishable and Christmas products were donated to cover 60 thousand portions of lunches/dinners and snacks in Córdoba and the district of Tigre, province of Buenos Aires.

The Responsible Inclusive Purchasing Program (CIR, as per its initials in Spanish) continued to expand its coverage through the incorporation of new suppliers and new purchases made at a corporate level and in the different bases of operation.

The "Being Part" *(Ser Parte)* Environmental Training Program was developed again in person, reaching this year 2,471 boys and girls of primary school age from Argentina and Chile, who attend 12 schools neighboring the company's operational bases.

Likewise, the Visitors Program to industrial plants continued to be implemented, and, during 2023, the company received more than 16,000 people, mainly children, adolescents and young people.

Regional Social Investment in Childhood

At Arcor Group, we are committed to the respect and promotion of children's rights. 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 aimed at contributing to making education a tool for equal opportunities for boys and girls.

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

- **Childhood and Comprehensive Development in Early Years:** It helps strengthen early childhood services, care settings and education through the development and training of adult role models and support to the material conditions of institutions working with children.

- **Childhood and Healthy Life:** It contributes to the promotion of healthy lifestyle habits in childhood, through support for projects in the communities, training and education instances for adult role models in educational spaces, positioning and dissemination the topic.

Likewise, and as a transversal strategy to this action, the Childhood in the Public Agenda axis is fostered, aimed at promoting reflection, visibility and improvement of the situation of children in Latin America.

During 2023, 156 initiatives were supported and promoted in Argentina, Brazil, Chile and other countries in the region, through which 356,517 boys and girls were reached, and 40,777 people linked to childhood issues were trained. Meanwhile, 426,587 people participated digitally and 3,250,826 people from the mass public were reached.

More information at
www.fundacionarcor.org
www.fundacionarcor.cl
www.institutoarcor.org.br

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

In 2023, the total amount allocated to social investment and impact management in the community amounted, in thousands of pesos, to ARS 1,662,313, of which ARS 1,170,289 were channeled through product donations. In addition, ARS255,824 was allocated to carry out different community outreach initiatives.

In turn, ARS 236,200 was allocated for the Regional Social Investment actions carried out by the 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 Statement of Changes in Individual Equity for the year ended December 31, 2023 shows in the Unappropriated Earnings item a positive balance of ARS 1,573,823, which includes, among other items, the result of fiscal year, in thousands of pesos, ARS 4,608,707 (profit).

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

1. Not setting up the Legal Reserve due to the fulfillment of the percentage required by the General Companies Law;
2. Not distributing dividends to Shareholders;
3. Allocating the remaining balance of Unappropriated Retained Earnings, that is, the sum in thousands of pesos of ARS 1,573,823 to increase the Special Reserve for Future Dividends.

[5] Figures expressed in thousands of pesos. Furthermore, these figures do not include investments made in the Human Resources area or in 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, the distribution of profits will be considered in the currency of the date on which the Shareholders' Meeting will be held, by reference to the price index prevailing on the month prior to the meeting.

Directors' fees and Management's Compensation Policy

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

Regarding Management's Compensation Policy, the Company has established a compensation arrangement made up of a fixed portion and a variable portion. The fixed compensation is related to the responsibility level required for the position and market competitiveness; The variable compensation is related to the goals set at the beginning of the fiscal year and the degree of compliance therewith during performance throughout the fiscal year. In addition, the Company has created a special Retirement Plan for Directors (who work under an employment contract with the Company) and another one for General Managers of the Company based in Argentina. Besides, a pension plan (benefits) has been established and communicated, which includes, among others, management teams. The Company does not have stock option plans established for its personnel.

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, 2025.

President:
Mr. Alfredo Gustavo PAGANI

Vice President:
Mr. Mario Enrique PAGANI

Regular Directors:
Mr. Víctor Daniel MARTIN
Mr. Alejandro Fabián FERNÁNDEZ
Mr. Nicolás Enrique MARTIN
Mrs. Andrea Cecilia PAGANI
Mr. Fernán Osvaldo MARTÍNEZ
Mr. Alejandro ASRIN

Alternate Directors:
Mrs. Lilia María PAGANI
Mrs. Karina Ana Mercedes PAGANI
Mrs. Marcela Carolina GIAI

c) Audit Committee

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

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

d) Statutory Audit Committee

The Company's Statutory Audit Committee is made up of three regular statutory auditors and three alternate statutory auditors, appointed by the Shareholders' Meeting for a three fiscal-year term of office. They may be indefinitely reelected, according to the Corporate Bylaws. The statutory auditors' terms of office expire on December 31, 2025.

Regular Statutory Auditors:
Mr. Víctor Jorge ARAMBURU
Mr. Gabriel Horacio GROSSO
Mr. Carlos Gabriel GAIDO

Regular Statutory Auditors:
Mr. Alcides Marcelo Francisco TESTA
Mr. Daniel Alberto BERGESE
Mrs. Cristina Beatriz VAUDAGNA

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 2023 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 and Board of Directors 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. Propose on a non-binding basis, considering the criteria approved by the Board of Directors, Directors, members of the Committees and Senior Management, who, where appropriate and if applicable, must be put for consideration by the Board of Directors, so that it submits them to the Shareholders' Assembly.

i) Finance, Investments and Strategies Committee

In 2010, a Finance, Investments and Strategies Committee was set up, but in 2023 the Board of Directors approved to separate the functions of this committee, creating on the one hand a Finance and Strategies Committee, and on the other hand an Investment Committee. Among its functions are the review of the annual budget, the evaluation of alternative sources of financing, investment plans, and new businesses.

j) Ethics and Conduct Committee

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

k) 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 (corporate initiatives led by the Arcor Sustainability Committee, initiatives of the Operational Plans of the businesses and corporate areas, and initiatives, projects and programs promoted by the Sustainability Committee) review it, reorder it and annually prioritize the initiatives that comprise it; and
- Ensuring that adequate communication policies are in place and that they are effective in building and protecting Arcor's reputation as a sustainable company.

l) Procurement Committee

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

m) Investment Committee

It was set up in 2023, and its most relevant functions include analyzing and suggesting investment plans to the Board of Directors, and carrying out detailed monitoring of each and every one of the investments that are approved.

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

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

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

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

1. Comparative Balance Sheet Data - Adjusted Values

	2023 %	2022 %	2021 %
Current Assets / Total Assets	23.95	23.04	24.11
Non-current Assets / Total Assets	76.05	76.96	75.89
Current Liabilities / Total Liabilities + Shareholders' Equity	37.48	43.89	27.05
Current Liabilities / Total Liabilities + Shareholders' Equity	31.28	31.84	27.41

2. Comparative Expenses and Revenues Data Relative to Sales

	2023 %	2022 %
Gross Income	29.90	30.71
Marketing Expenses	(17.00)	(16.69)
Administrative Expenses	(9.66)	(9.18)
Other Income / Expenses, Net	(0.25)	(1.42)
Income from Investments in Companies	2.53	6.52
Net Financial Income (Expense)	(3.57)	8.56
Income Tax	(1.25)	(3.65)
Net Income / (Loss) for the Fiscal Year	0.69	14.85

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

The main investments of Arcor S.A.I.C. recognized during the fiscal year ended December 31, 2023 were as follows:

ITEM	AMOUNT IN THOUSANDS OF ARS
Land and Constructions	31,991
Machinery and Facilities	149,669
Furniture, Tools, Vehicles and Other Equipment	1,457,335
Construction Works and Equipment in Transit	16,274,890

Relationships with Parent, Subsidiaries, Associates and Joint Control Companies

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	-
ARCOR DE PERÚ S.A. Paid-in Shares: PEN	-	-
ARCOR DO BRASIL LTDA. Paid-in Shares: BRL	2,449	-
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	-
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	-
CARTOCOR CHILE S.A. Paid-in Shares: CLP	6,356,394	-
CARTOCOR S.A. Paid-in Shares: ARS	13,684,528	-
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I. Paid-in Shares: ARS	2,510,416,143	103,784
DULCERÍA NACIONAL, LDA. Paid-in Shares: AOA	-	-
GAP INVERSORA S.A. Paid-in Shares: ARS	40,073	5,484
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	-
INGRECOR S.A. Paid-in Shares: ARS	-	-
INGREDION URUGUAY S.A. Paid-in Shares: ARS	-	-
MASTELLONE HERMANOS S.A. Paid-in Shares: ARS	159,165,436	-
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 CREDITS	OTHER LIABILITIES
	IN THOUSANDS OF ARS				
	-	134,761	-	-	-
	23,396,712	319,162	3,029,575	8,092,844	829,836
	-	624,985	341,831	-	-
	-	2,247,176	844,087	-	-
	-	5,478,798	226,490	-	-
	-	1,832,349	17,818	-	-
	-	1,780,927	75,808	-	-
	32,418,730	8,796,004	1,118,209	-	-
	-	82,234	-	-	-
	-	-	13,911	-	-
	-	-	-	-	-
	-	-	-	-	-
	50,588,690	1,610,605	1,603,780	-	-
	-	9,289	12,484	-	-
	-	3,552,858	31,633	448,413	-
	-	-	-	-	-
	-	-	2,072,226	-	-
	-	269	1,444,579	-	-
	-	1,741,602	-	-	-
	-	-	-	-	-
	-	2,953,838	1,718,780	-	-
	-	-	-	-	-
	-	154,669	82,831	-	-
	-	7,250	-	-	-
	10,834,523	152,633	43,215	-	-
	-	899,293	-	-	-
	-	59,589	-	-	-
	-	973,808	260,588	-	-

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

COMPANIES	SALES OF GOODS AND SERVICES	RECOVERY OF EXPENSES
	IN THOUSANDS OF ARS	
ARCOR ALIMENTOS BOLIVIA S.A.	5,963,126	29,164
ARCOR ALIMENTOS INTERNACIONAL S.L., Sociedad Unipersonal	943,754	
ARCOR DE PERÚ S.A.	1,209,606	4,759
ARCOR DO BRASIL LTDA.	1,743,146	-
ARCOR U.S.A. INC.	11,085,556	-
ARCORPAR S.A.	9,877,655	3,878
ARDION S.A.	5,995,931	105,779
BAGLEY ARGENTINA S.A.	61,029,457	660,151
BAGLEY CHILE S.A.	191,491	-
CARTOCOR CHILE S.A.	-	-
CARTOCOR S.A.	9,236,583	650,341
CONSTRUCTORA MEDITERRÁNEA S.A.C.I.F.I.	1,729	2,793
DULCERÍA NACIONAL, LDA.	1,750,178	-
GAP INVERSORA S.A.	-	-
GAP REGIONAL SERVICES S.A.	-	-
GRUPO ARCOR S.A.	1,629	-
INDUSTRIA DE ALIMENTOS DOS EN UNO S.A.	8,185,254	-
INGRECOR S.A.	12,528,347	2,985,163
MASTELLONE HERMANOS S.A.	401,171	-
MUNDO DULCE S.A. DE C.V.	23,406	-
PAPEL MISIONERO S.A.I.F.C.	1,014,531	92,117
UNIDAL ECUADOR S.A.	1,324,251	-
UNIDAL MÉXICO S.A. DE C.V.	104,517	-
VAN DAM S.A.	5,477,844	7,963

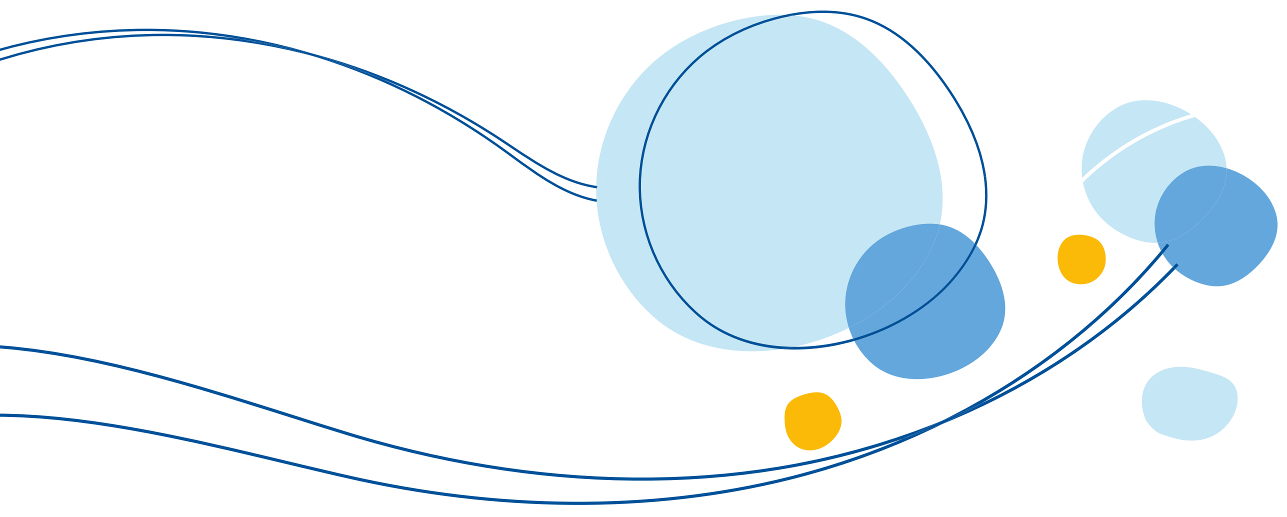
We submit for the consideration of the Shareholders the Annual Report and related Documentation. The notes referred to above relate to the Separate Financial Statements for the fiscal year ended December 31, 2023. We kindly request your approval of the Board of Directors' conduct of business.

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

City of Córdoba, March 8, 2024.

THE BOARD OF DIRECTORS

PURCHASE OF GOODS	PURCHASE OF SERVICES	OTHER INCOME	OTHER EXPENSES	INTEREST EARNED	INTEREST PAID
		IN THOUSANDS OF ARS			
-	-	-	-	-	-
	911,531			239,083	750,194
222,376	-	-	-	-	-
1,097,943	-	-	-	-	-
-	-	-	216,300	-	-
-	-	-	-	-	-
372,229	-	-	-	-	-
1,108,435	676,519	-	-		(11,787,328)
-	-	45,225	-	-	-
-	-	-	-	-	-
31,206,402	156,394	-	-	-	(13,751,015)
-	129,178	4,152	-	(50,858)	-
-	-	-	-	-	-
-	-	-	-	(2,658)	-
-	968,257	-	-	-	-
-	-	-	-	-	-
	-	-	-	-	-
18,265,654	-	-	-	824	-
4,367,594	4,093	-	-	-	-
-	-	-	-	-	-
139,868	-	-	-	-	(3,349,928)
-	-	-	-	-	-
-	-	-	-	-	-
-	109,403	-	-	-	-



Annex I to Arcor S.A.I.C. Annual Report

For the fiscal year ended on December 31, 2023

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 S.A.I.C", the "Company") approved the following Corporate Philosophy, which was updated in 2021 and added a Goal:

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

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

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

(4) Values: (i) Integrity: We obtain results through transparent, coherent and responsible behavior. (ii) Entrepreneurial Spirit: our pioneers' entrepreneurship, passion and commitment continue being our inspiration source. For that reason, we foster an internal culture that encourages continuous growth. (iii) Closeness to consumers and commitment to the value chain: we are a company closely committed to suppliers, employees and shareholders as well as customers, consumers and the general community. We are convinced that sustainable growth includes the entire value chain. (iv) Human Bonding: We believe that growth in only possible through confidence bonds. That is why we promote a collaborative environment of fraternity in the company, as well as in the community where we develop our daily life. (v) Diversity: We are convinced that diversity enriches our understanding of the world. That is why we promote a diverse internal culture in which the fusion of different views is an opportunity to grow; (vi) Quality: We take on the commitment of producing top quality products, and listening to our clients and consumers in each stage of the value chain in order to achieve offering them the products that they wish; (vii) Results orientation: Our actions are oriented to achieve results that ensure sustainable growth of the business; (viii) Innovation: we integrate science, research and creativity to continuously innovate in our products and services.

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

In line with the Mission, Vision, Goal and Values mentioned above, it has been established as a general strategy for ARCOR S.A.I.C., that the focus should be on the main businesses: Packaging, Agribusiness and, especially, Consumer food products (Confectionary, Chocolates, Ice cream, Cookies, Food and Functional Products).

Additionally, another pillar will focus on prioritizing liquidity and a healthy financing structure in order to ensure compliance with our obligations, as well as proper management of working capital and fixed costs containment, with the purpose of obtaining the required funds to carry out the operations and investment 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) **To produce sustainable food.** Sustainable products are manufactured 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. To that end, we are committed to:

   1. **Healthy and accessible food.** Providing with the best alternatives for 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 to adopt healthier habits.
   2. **Quality every step.** 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 an 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) **To foster the prosperity of people.** To foster the prosperity of people, based on inclusion, diversity, and equity to establish confidence relationships, ensuring the well-being of every worker. 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. To that end, we are committed to:

   4. **Inclusion, diversity and equity.** Fostering a respectful and tolerant work 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.** Favoring 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 work environments for all the collaborators, adapting to the challenges of the future.
6. **Development of the communities and the value chain.** Promoting 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) **To preserve the sustainability of the planet.** Preserving the sustainability of the planet by taking care of the water, taking measures in favor of climate and biodiversity, and promoting a circular business model for our raw materials and waste in order to make a contribution to the improvement of ecosystems. Thus, the company commits to:

7. **Water care.** Using water in a more efficient way every time, returning water to the environment in a safe way and preserving the water sources used in every step of the value chain. In this way, the company follows productive practices that are respectful to the environment.
8. **Action for the environment and biodiversity.** Carrying 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.** Promoting 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 limitations of the planet.

The commitments take on as part of the Sustainability Strategy 2030 are based on Integrity, the respect for Human Rights and Innovation as the basis for all the actions that the company carries out. In 2023, the entirety of the Arcor Group adopted a Policy of Commitment to Human Rights which applies to its work practices, the protection of the environment, information and confidentiality, communities and integrity.

In order to move forward with the implementation of the Sustainability Strategy 2030, Arcor Group's Sustainability Committee also designed the 2022-23 Plan, aimed at advancing sustainability across all businesses through three axes of action:

- **Sustainable businesses.** Boosting strategies to create economic, social and environmental value across 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 or brands and products.

- **Sustainable leadership.** Developing 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 (OP) and the Budget (B) 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 OP and B 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 Director and the Business Manager, the pertinent information is collected and summarized 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 the managers and directors involved in the preparation of OP and B participate. Once this process is finished, there is a call for a meeting of the Board of Directors to submit the OP and B for consideration. At said meeting, the main variables, guidelines and risks considered are ratified, and the OP and B 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, OP and B 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 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 relevant management charts, as well as the corresponding functions and competencies for each position, along with the reporting lines.

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

At the same time, the Company's senior management supports decisions on corporate risk management based on 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) The monthly issuance and communication of a results report to key 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, within the strategies outline 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.'s 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.

7.- Investors Committee. Established in 2023, its main functions are to analyse and recommend investment plans to the Board of Directors.

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 S.A.I.C, 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 (CNV, by its Spanish acronym), 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 Arcor S.A.I.C.'s 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 this responsibility, the Chairman calls the directors' meetings in advance, 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 a member as well as the leader of the Audit Committee, the Finance, Investments and Strategies Committee, the Human Resources Committee, and the Sustainability Committee.

As for the Ethics and Conduct Committee, in accordance with its regulations, a director is its chairman, and their functions are to lead meetings and ensure compliance with agreements.

Moreover, as explained in point 9, the Company has a specific management group 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 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 during the Shareholders' Meeting and by 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 continuous training. Besides, the Human Resources Committee is in charge of elaborating, updating and controlling 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. is a source of constant interest for the Board and senior management in order to achieve 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 Spanish acronym). 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 in 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 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. They were both appointed to hold the position for three fiscal years during the Meeting held on April 28th, 2023. One of them has been a member of the Board of Directors of the Company since November, 2017 and the other one, who is also independent, has been a member since August 2021.

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 throughout this document. It is made up of the Vice-president of the Board, two directors (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 approved the Criteria for Selecting and Nominating Directors of ARCOR S.A.I.C., which stipulate a series of guidelines to be followed when proposing, in a non-binding nature, that the Shareholders consider a candidate to integrate the Board of Directors of the Company. One of such guidelines states that it should be assessed whether the candidate has the capacity to become a member of a challenging team while maintaining a constructive, diverse and trust environment.

Based on such criteria and considering the recommendation made by the Human Resources Committee, a proposal is presented to the Shareholders' Meeting for analysis. The appointment of the members of the Board of Directors is an exclusive faculty of the Shareholders, 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 they are provided with relevant company information, visits to plants and offices, and meetings with key organization personnel are organized. This is done 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 their 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 by the Vice-President of the, two directors (both 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 depends on 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 fulfilment throughout such year. The variable remuneration is affected by at least 10% by the accomplishment of the Sustainability objectives, 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 whether 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 Hays Guide (a guide followed by the salary and structure administration arising from the Hays job evaluation method implemented for the entire company) for each position, supported by file cards and descriptions of positions made with the global Hays Salary System. Moreover, the Company has established and disclosed 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 pension plans establish eligibility standards that include certain preestablished requirements and the adherence to them by the employee. Besides, 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 audits, risk management, regulatory compliance and external audits. 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 the management and the Board of Directors to efficiently steer the company toward 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 audits. In order to evaluate and audit internal controls, corporate governance processes and company risk management, this audit must be independent and objective and its reporting lines must be clearly established.

XV. The Audit Committee will be composed by 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 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. The OP and the B are prepared based on the strategy and reports of the managers and Committees of Arcor Group, as discussed in point 2 of this Report. The OP and B set the Company short term objectives and associated risks.

The Company has the Ethics and Conduct, Audit, Finance and Strategies, Human Resources, Purchase, Sustainability and Investment Committees, which conducts assessments and reports 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 Ethics and Conduct Committee is in charge of assessing and resolving situations that arise in relation to the compliance with the Code of Ethics and Conduct. The Finance 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. Lastly, the Investment Committee is in charge of assessing the Group's investment plans and follow up on them.

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, it 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 the 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 processes it audits.

Further, in compliance with International Financial Information Regulations, Financial Statements approved by the Board of Directors include a specific note on Financial Risk Management, which 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.

In 2023, the Board of Directors approved a Commodities Risk Management Policy whose goal is to specify collaborators involved in the Risk Management process and what their responsibilities are. The goal of Risk Management is to help reduce uncertainty regarding cash flow and total costs of the businesses of the company. The risks mentioned in this document stem from the volatility of the price of the commodities used as main raw materials.

Arcor Group manages its industrial operations according to documented guidelines through a software system called GLOBALISO, which has wide access from staff, meets the international requirements established for this issue, and has been evaluated on multiple occasions by external audits of standards such as ISO 9001, ISO 14001, ISO 45001, FSSC, and BRC. The 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's 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 like Safety Management and Occupational Health Systems (ISO 45001), Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001), Food Safety System Certification (FSSC22000), Good Manufacturing Practices (BPM, by its initials in Spanish), BRC Global Standard for Food Safety, Hazard Analysis Critical Control Point (HACCP), International Featured Standards (IFS) and Good Agricultural Practices (BPA, by its initials in Spanish), as well as improvement tools such as Total Productive Maintenance (TPM), the Japanese philosophy focused on self-management of people and loss reduction; 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 axes 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's processes.

Customers are subjected 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, through its Agro Sustainable Program, the Company aims to guarantee the sustainable supply of the main raw materials that the company processes (corn, wheat, sugarcane, milk, forest material, fruit and vegetables), fostering 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.

Within the program, Arcor Group has achieved the following agriculture and forestry management certifications:
- BONSUCRO: Since 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, through the REconocer program, the Company has implemented a system to assess and manage 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 Audits are independent of the remaining operational areas of the company.

The Internal Audits 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 audits 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 Audits 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 Audits 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 Audits are independent of the remaining operational areas of the company.

A training plan for the members of the Internal Audit Managements 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. This committee is coordinated by the Internal Audits Corporate Manager and the Dairy Businesses General Manager is a member as well.

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 code.

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 audits 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 auditing 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 foster 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 complemented by specific procedures and regulations and are applied and communicated both to the members of the administration body and to all of 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, which appoints a person within the company to regularly develop, coordinate, supervise and assess the efficacy of the program. The program establishes: (i) periodic ethics, integrity and compliance training to directors, managers and employees; (ii) internal channels to complain about 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 Ethics and Conduct Committee 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 submittal, in an anonymous and confidential way, of enquiries or facts that may expose a violation to the Code of Ethics and Conduct—such information shall only be used for professional purposes. The source's identity shall only be revealed should legal authorities require it.

The service of receiving and analyzing complaints is internal, and is the responsibility of the Internal Audits 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 reports annually 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 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's 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. Thereon, it was established that the aforementioned Code of Ethics will be periodically revised and updated in order to include every legal provision in force and to consider best practices in the matter.

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 interest 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 interest 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 they 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 interest with the company, in order to find the resolution of said conflict. In those situations where possible conflicts of interest 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, including those who perform the general management and those who carry out sensitive tasks of the Company, must complete a sworn personal statement about the potential conflicts of interest that may interfere with 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 the data 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 the protection and treatment of Arcor Group's 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), where users can access 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 news about product launches. 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 auditing 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 coordinates all corporate aspects of Arcor Group, such as planning matters for Board meetings, as well as making available the relevant reports and documents with due anticipation, and dividend payments. Said management is in 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 Management and Finance, Public Affairs and Press, Institutional Communication and Marketing Services, Sustainability, and Associations Management work jointly to provide information and answer questions to stakeholders, among whom 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 this end, 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 building 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; the Government; regulatory and auditing organizations; opinion leaders; unions; civil society organizations; the 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 of Arcor's 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:
- The 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 Networks (Facebook, Instagram, Twitter, YouTube, LinkedIn).
- Customer Service.
- The website arcorencasa.com, for contact with clients and sales.
- The ArcorBuy Portal, for contact with Suppliers.
- The ArcorNet, ArcorNet 2.0 and Tokin Portals, for contact with Distributors.
- The Ethical Line.
- Its e-mail address: 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:

- Recognizing 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 managing 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.
- Promoting and managing 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 according to the company's business strategy and the needs of our different stakeholders. In this context, 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 Audit 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 it deems 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 the Financial Statements, the Annual Report, the Sustainability Report, Proposals for the implementation of results and remuneration to the Board of Directors, among others, are made available to shareholders in advance. The company also discloses every relevant fact or situation that substantially affects the placement of the company's negotiable securities or the course of their 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 foresees 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.

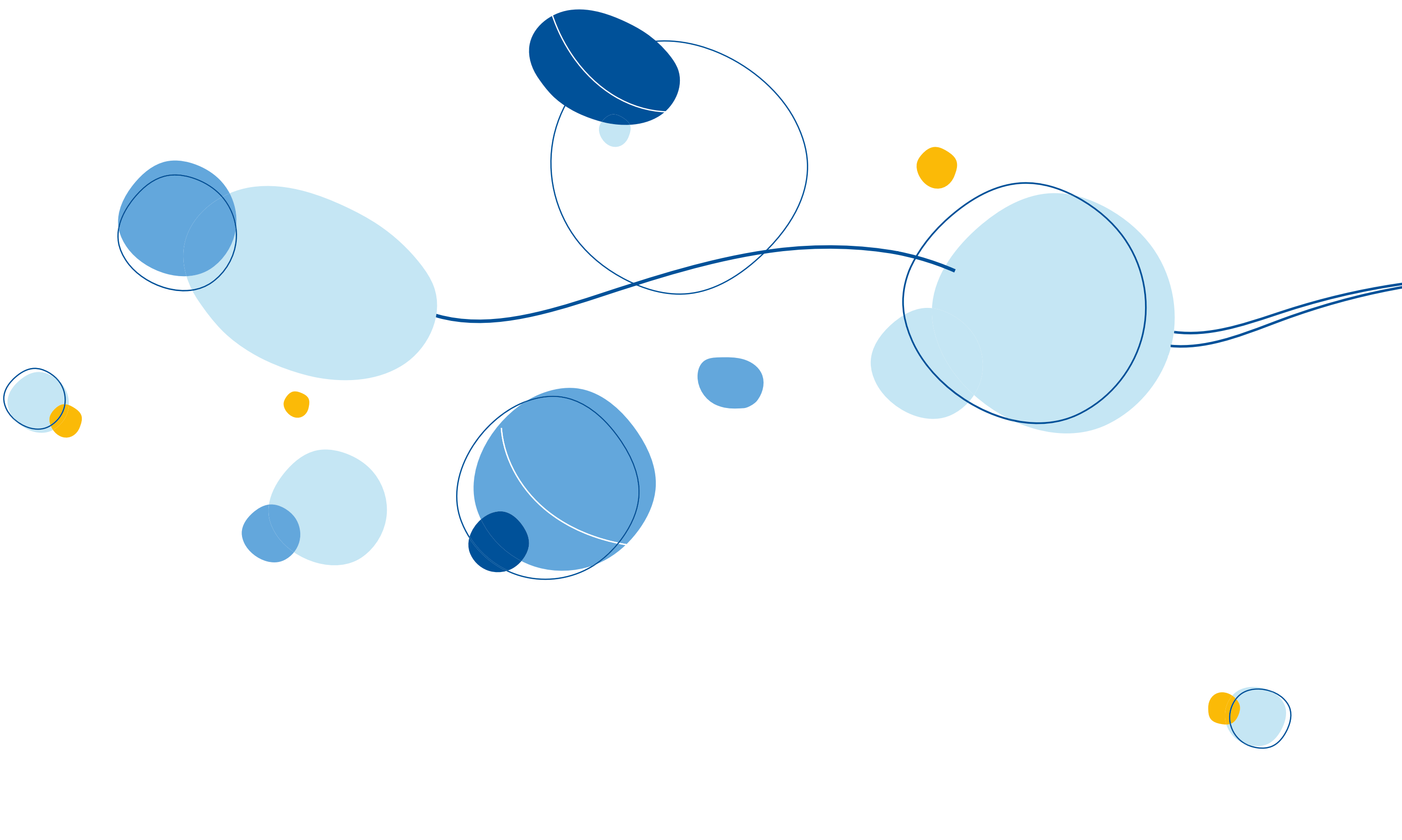
Annually, the Board of Directors submits the destination of the results of the fiscal year and of the Company's reserves for consideration of the Shareholders' Meeting. The board also states in the Annual Report and other relevant documents its proposal for the distribution of dividends and the limitations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

THE BOARD OF DIRECTORS

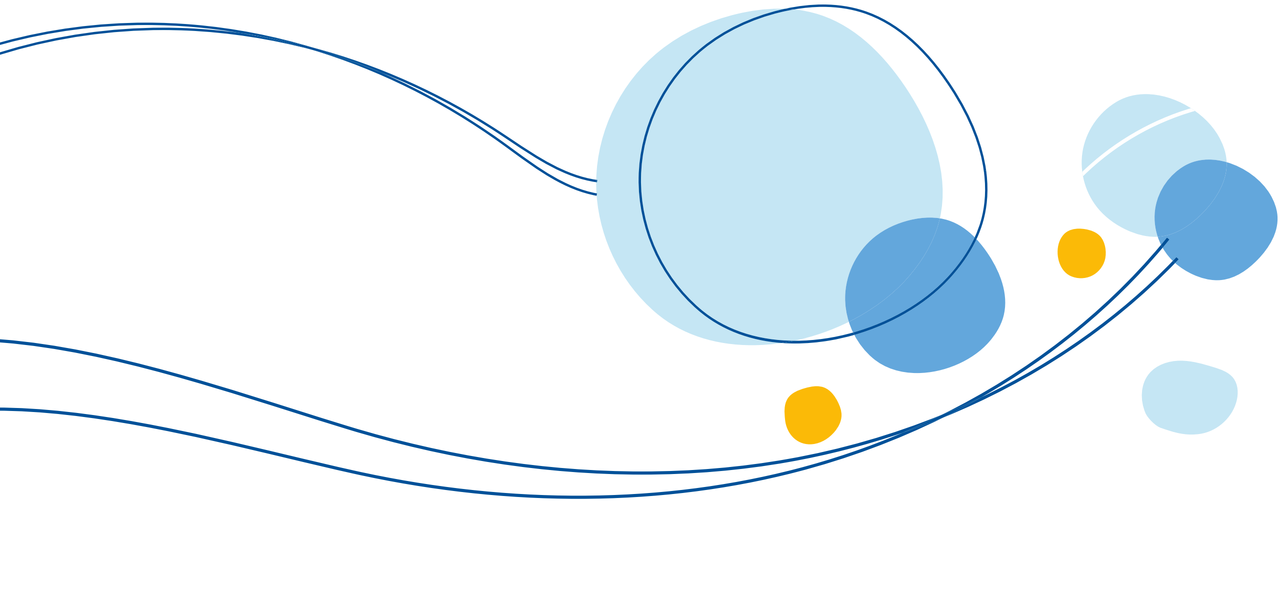
Víctor Daniel Martin
Director

Alejandro Fabián Fernández
Director



Consolidated Financial Statements

For the years ended
December 31, 2023
and 2022



Consolidated Financial Statements

As of December 31, 2023 and 2022

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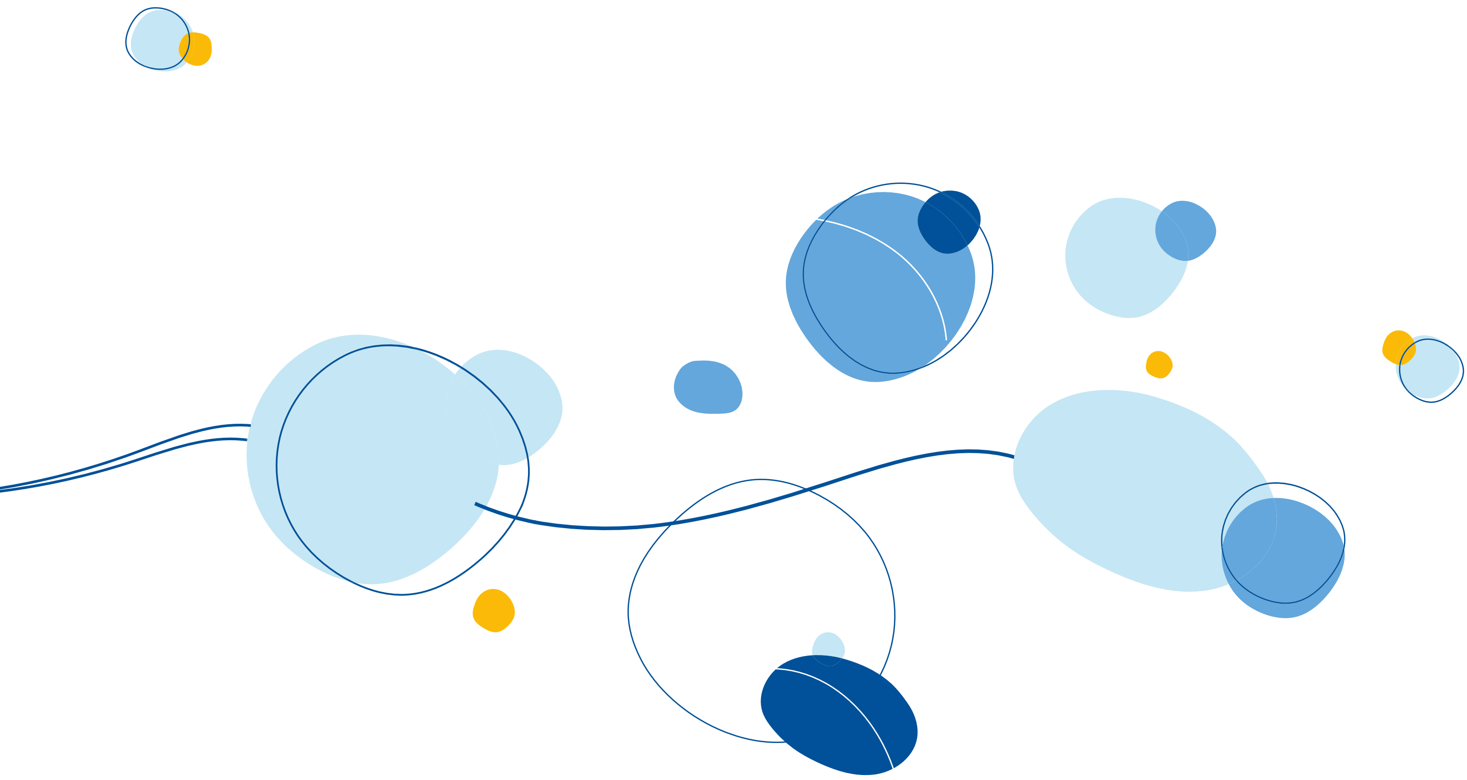

Consolidated Financial Statements

As of December 31, 2023 and 2022

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 / 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 28.8.
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.
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
CPI	Consumer Price Index.
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).
GDP	Gross Domestic Product.
IAS	International Accounting Standards.
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Interpretations Committee, IFRIC.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
INDEC	The Spanish acronym for Instituto Nacional de Estadística y Censos (National Institute of Statistics and Census).
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.
MXN	Mexican Peso.
PEN	Peruvian Sol.
PYG	Paraguayan Guarani.
RG / CNV	General Resolutions issued by the CNV.
RMB	Renminbi.
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.
The company / Arcor S.A.I.C.	Indistinctively, Arcor Sociedad Anónima, Industrial y Comercial.
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.
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, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2023	12.31.2022
Sales of Goods and Services	28	1,915,228,985	1,946,553,498
Costs of Goods Sold and Services Rendered	29	(1,415,042,728)	(1,414,158,908)
SUBTOTAL		**500,186,257**	**532,394,590**
Income (Loss) from Biological Assets	32	(977,598)	(2,298,245)
GROSS PROFIT		**499,208,659**	**530,096,345**
Selling Expenses	30	(293,088,559)	(287,303,809)
Administrative expenses	30	(95,404,409)	(91,798,723)
Other Income / (Expenses), Net	33	(2,543,304)	(18,868,127)
OPERATING INCOME		**108,172,387**	**132,125,686**
Financial income	34	(30,087,535)	(14,109,550)
Financial Expenses	34	(101,725,162)	(739,247)
Gain on Net Monetary Position	34	102,466,212	66,484,115
NET FINANCIAL INCOME (EXPENSE), NET		**(29,346,485)**	**51,635,318**
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	(8,647,902)	(7,780,511)
INCOME BEFORE INCOME TAX		**70,178,000**	**175,980,493**
Income Tax	35	(44,126,149)	(65,803,323)
NET INCOME FOR THE FISCAL YEAR		**26,051,851**	**110,177,170**
Income Attributable to:			
Company's Shareholders		4,608,707	99,772,645
Non-controlling Interest		21,443,144	10,404,525
TOTAL		**26,051,851**	**110,177,170**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	36	0.06584	1.42532

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

Victor Jorge Aramburu Chairman Statutory Audit Committee	Alejandro Fabián Fernández Director	Victor Daniel Martin Director	See our report dated March 8, 2024 PRICE WATERHOUSE & CO. S.R.L. (Partner) C.P.C.E.C N° 21.00004.3 Cr. Guillermo M. Bosio Public Accountant (UNC) Professional License 10.17540.4 C.P.C.E. Cba.

Consolidated Balance Sheet

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED	
		12.31.2023	12.31.2022
NET INCOME FOR THE FISCAL YEAR		**26,051,851**	**110,177,170**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that May Be Subsequently Reclassified to Income / (Loss)			
Currency Translation Differences of Companies	20	110,289,024	(23,261,599)
Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences	20 and 34	-	22,449
SUBTOTAL		**110,289,024**	**(23,239,150)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**110,289,024**	**(23,239,150)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	9	(23,661)	(15,097)
Actuarial (Loss) / Income from Defined Benefit Plans	24	(4,743,125)	(2,350,494)
Tax Effect	35	1,631,810	823,178
SUBTOTAL		**(3,134,976)**	**(1,542,413)**
Total Items that Will Not Be Reclassified to Income / (Loss)		**(3,134,976)**	**(1,542,413)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**107,154,048**	**(24,781,563)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**133,205,899**	**85,395,607**
Other Comprehensive Income (Loss) for the Year Attributable to:			
Company's shareholders		86,670,156	(21,352,451)
Non-Controlling Interest		20,483,892	(3,429,112)
TOTAL		**107,154,048**	**(24,781,563)**
Total Comprehensive Income (Loss) for the Year Attributable to:			
Company's shareholders		91,278,863	78,420,194
Non-Controlling Interest		41,927,036	6,975,413
TOTAL		**133,205,899**	**85,395,607**

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

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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

Consolidated Balance Sheet

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2023	12.31.2022
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	448,330,019	402,363,690
Right-of-use Assets	6	21,891,560	11,612,099
Investment Properties	7	2,047,206	2,032,900
Intangible Assets	8	74,628,912	73,993,465
Investments in Associates and Joint Ventures	9	70,681,136	76,315,539
Biological Assets	10	6,004,635	9,984,249
Deferred Tax Assets	11	14,207,180	8,668,185
Other Investments	12	18,251	13,998
Derivative Financial Instruments	15	25,651,862	-
Other Receivables	13	33,105,015	21,271,978
Trade Receivables	13	-	121,446
TOTAL NON-CURRENT ASSETS		**696,565,776**	**606,377,549**
CURRENT ASSETS			
Biological Assets	10	7,091,392	6,193,079
Inventories	14	430,247,953	391,673,435
Derivative Financial Instruments	15	-	6,351,735
Other Receivables	13	95,384,963	86,718,551
Trade Receivables	13	285,410,973	239,102,903
Other Investments	12	85,043,498	2,715,428
Cash and Cash Equivalents	16	93,878,129	70,661,549
TOTAL CURRENT ASSETS		**997,056,908**	**803,416,680**
TOTAL ASSETS		**1,693,622,684**	**1,409,794,229**

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

Víctor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Víctor Daniel Martin
Director

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

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

Consolidated Balance Sheet

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2023	12.31.2022
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	18	700,000	700,000
Capital Adjustment		67,276,901	67,276,901
Parent Company's Treasury Shares		(14,957)	(14,957)
Legal Reserve	17	13,595,380	13,595,380
Optional Reserve for Future Investments		226,835,176	162,200,830
Special Reserve for Future Dividends		5,802,857	28,163,102
Special Reserve for IFRS Adoption	17	7,181,447	7,181,447
Unappropriated Retained Earnings	19	1,573,823	98,167,932
Other Equity Components	20	13,802,654	(75,902,661)
SUBTOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		**336,753,281**	**301,367,974**
Non-controlling Interest	21	226,271,441	187,975,100
TOTAL EQUITY		**563,024,722**	**489,343,074**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	22	298,823,023	182,460,930
Lease Liabilities	23	14,979,969	6,206,952
Derivative Financial Instruments	15	-	1,920,305
Deferred Tax Liabilities	11	62,735,917	69,566,418
Employee Retirement Benefits Obligations	24	25,405,898	24,094,986
Provisions	25	1,823,884	2,538,614
Trade Payables and Other Liabilities	26	15,170,383	3,732,840
TOTAL NON-CURRENT LIABILITIES		**418,939,074**	**290,521,045**
CURRENT LIABILITIES			
Loans	22	197,598,713	205,759,713
Lease Liabilities	23	8,754,768	6,055,493
Derivative Financial Instruments	15	-	232,849
Income Tax Payable		5,941,222	4,187,497
Employee Retirement Benefits Obligations	24	3,055,903	3,650,548
Provisions	25	440,623	902,668
Advances from Customers		6,255,785	5,435,661
Trade Payables and Other Liabilities	26	489,611,874	403,705,681
TOTAL CURRENT LIABILITIES		**711,658,888**	**629,930,110**
TOTAL LIABILITIES		**1,130,597,962**	**920,451,155**
TOTAL EQUITY AND LIABILITIES		**1,693,622,684**	**1,409,794,229**

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

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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

Consolidated Statement of Changes in Equity

For the years ended December 31, 2023 and 2022
(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
BALANCE AS OF JANUARY 01, 2023	700,000	67,276,901	(14,957)	13,595,380	162,200,830
Net income for the Year		-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income/(Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves [2]	-	-	-	-	64,634,346
Cash Dividends [2]	-	-	-	-	-
Forfeited Dividends [3]	-	-	-	-	-
Balance as of December 31, 2023	**700,000**	**67,276,901**	**(14,957)**	**13,595,380**	**226,835,176**

[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 28, 2023 and the Ordinary and Extraordinary General Shareholders' Meeting hel Arcorpar S.A. in the amount of ARS 647,217, Papel Misionero S.A.I.F.C in the amount of ARS 228,703 and Arcor Alimentos Bolivia S.A. in the amount of ARS 18,218.

[3] According to the terms of Section 40 of the Company's Bylaws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 y

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

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
BALANCE AS OF JANUARY 01, 2022	700,000	67,276,901	(14,957)	13,595,380	105,786,950
Net income for the Year		-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income/(Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves [2]	-	-	-	-	56,413,880
Cash Dividends [2]	-	-	-	-	-
Forfeited Dividends [3]	-	-	-	-	-
Balance as of December 31, 2022	**700,000**	**67,276,901**	**(14,957)**	**13,595,380**	**162,200,830**

[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 t in the amount of ARS 28,883 and Mundo Dulce S.A. de C.V. in the amount of ARS 264,320.

[3] According to the terms of Section 40 of the Company's Bylaws, dividends that have not been cashed or claimed will be forfeited in favor of the Company within 5 y

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

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UNAPPROPRIATED RETAINED EARNINGS			OTHER EQUITY COMPONENTS			
SPECIAL RESERVE FOR FUTURE DIVIDENDS	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
28,163,102	7,181,447	98,167,932	(75,902,661)	301,367,974	187,975,100	489,343,074
-	-	4,608,707	-	4,608,707	21,443,144	26,051,851
-	-	(3,035,159)	89,705,315	86,670,156	20,483,892	107,154,048
-	**-**	**1,573,548**	**89,705,315**	**91,278,863**	**41,927,036**	**133,205,899**
-	-	(64,634,346)	-	-	-	-
(22,360,245)	-	(33,533,586)	-	(55,893,831)	(3,630,695)	(59,524,526)
-	-	275	-	275	-	275
5,802,857	**7,181,447**	**1,573,823**	**13,802,654**	**336,753,281**	**226,271,441**	**563,024,722**

ld on September 13, 2023. The non-controlling interest includes the distribution of dividends by the subsidiaries Ingrear Holding S.A. in the amount of ARS 2,728,058,

years from the date on which such dividends were made available.

UNAPPROPRIATED RETAINED EARNINGS			OTHER EQUITY COMPONENTS			
SPECIAL RESERVE FOR FUTURE DIVIDENDS	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
10,094,682	7,181,447	111,065,545	(56,155,072)	259,530,876	182,409,604	441,940,480
-	-	99,772,645	-	99,772,645	10,404,525	110,177,170
-	-	(1,604,862)	(19,747,589)	(21,352,451)	(3,429,112)	(24,781,563)
-	**-**	**98,167,783**	**(19,747,589)**	**78,420,194**	**6,975,413**	**85,395,607**
18,068,420	-	(74,482,300)	-	-	-	-
-	-	(36,583,245)	-	(36,583,245)	(1,409,917)	(37,993,162)
-	-	149	-	149	-	149
28,163,102	**7,181,447**	**98,167,932**	**(75,902,661)**	**301,367,974**	**187,975,100**	**489,343,074**

the subsidiaries Arcorpar S.A. in the amount of ARS 1,116,714, Arcor Alimentos Bolivia S.A.

years from the date on which such dividends were made available.

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2023	12.31.2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		26,051,851	110,177,170
Income Tax	35	44,126,149	65,803,323
Adjustments for:			
Depreciation of Property, Plant and Equipment and Investment Properties	30	38,878,713	41,455,825
Depreciation of Right-of-use Assets	30	8,511,762	6,850,040
Amortization of Intangible Assets	30	1,398,975	1,152,162
Provisions Deducted from Assets and Included in Liabilities, Net		5,384,818	4,204,418
Provisions Increase for Provisions for depreciation of property, plant and equipment	5	161,418	3,527,174
Provisions for Depreciation of Property, Plant and Equipment	5	(400,479)	-
Net Financial Income (Expense)	34	29,346,485	(51,635,318)
Income (Loss) from Investments in Associates, Joint Ventures and Others	9	8,647,902	7,780,511
Gain (Loss) from Disposal of Property, Plant and Equipment and Investment	33	(1,300,542)	(407,661)
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	10	(856,962)	2,094,286
Derecognition of Bearer Plants	5	324,039	297,855
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	6 y 23	(9,360)	(7,465)
Adjustments Subtotal:		**90,086,769**	**15,311,827**
Net Receipts / (Payments) from Derivative Financial Instruments Related to Operating Activities	15	(259,936)	2,694
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(7,734,779)	(6,304,457)
Income Tax Payments		(55,238,834)	(51,840,047)
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**97,031,220**	**133,150,510**
Net Changes in Operating Assets and Liabilities			
Trade receivables		(15,943,821)	(65,325,461)
Other receivables		(33,178,142)	(44,632,205)
Inventories		18,910,256	(55,070,244)
Trade accounts payable and other payables		143,657,990	193,494,313
Provisions		(1,114,829)	(1,228,387)
Net Cash Flow Provided by Operating Activities		**209,362,674**	**160,388,526**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases and advances of property, plant and equipment, intangible assets and others		(42,779,229)	(33,562,653)
Cash Inflows from Disposal of Property, Plant and Equipment and Investment Properties		2,157,590	581,286
Capital Contributions in Joint Venture	9	(91)	-
Net change in financial receivables from joint ventures		-	(1,946,941)
Payments for purchase of shares		-	(1,045,024)
Net cash inflows from payments for acquisitions of financial investments		(73,769,125)	186,331
Net Cash Flows (Used In) Financing Activities	**16**	**(114,390,855)**	**(35,787,001)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows from Bank Loans	22	90,124,830	237,417,654
Repayment of Bank Loans	22	(53,364,053)	(246,405,460)
Inflows from Notes Issued	22	112,270,193	-
Debt Repayment in respect of Notes	22	(69,013,486)	(59,466,534)
Net Changes in Short-term Loans	22	32,132,268	55,149,627
Payments of Principal on Lease Liabilities	23	(8,865,704)	(6,746,675)
Payments of Interest on Lease Liabilities	23	(611,889)	(633,577)
Payment of Interest and Other Financial Expenses	22	(123,949,628)	(79,872,633)
Net Payments from Derivative Financial Instruments Related to Financing Activities		(8,225,647)	(12,872,153)
Distribution of Dividends		(53,232,405)	(34,107,327)
Net Cash Flows (Used In) Financing Activities	**16**	**(82,735,521)**	**(147,537,078)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**12,236,298**	**22,935,553**
Cash and Cash Equivalents at the Beginning of the Year	**16**	**70,661,549**	**117,730,394**
Exchange Differences and Currency Translation Effect on Cash and Cash Equivalents		13,981,751	(20,964,087)
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(3,001,469)	(3,169,205)
Net Increase / (Decrease) in Cash and Cash Equivalents		12,236,298	(22,935,553)
Cash and Cash Equivalents at Year-End	**16**	**93,878,129**	**70,661,549**

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

Victor Jorge Aramburu
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Statutory Audit Committee

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Director

Victor Daniel Martin
Director

See our report dated March 8, 2024
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Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(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, Peru and Angola, 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 Cba., 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. No. 2,426 dated March 8, 2024.

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 due to political and economic events, both locally and internationally.

The year 2023 was marked by the continuation of the global economic recovery following the COVID-19 pandemic and the Russian invasion of Ukraine. Global inflation declined faster than expected after peaking in 2022, thanks to policy tightening by central banks, which kept inflation expectations anchored. The decline in inflation led to an increase in market expectations of lower monetary policy interest rates. However, long-term loan costs remain high, as the central banks of the main developed countries still maintain restrictive monetary policies as inflation levels remain above the established targets.

At the local level, Argentina's economy experienced a recession combined with high inflation which, paired with the outbreak of the pandemic, complicated de situation. In addition, the drought that affected the región during 2022 and 2023 led to a significant decline in agricultural production, lower exports and a subsequent decrease in foreign currency income.

In 2023, the high levels of inflation and devaluation of the local currency continued. In the case of inflation, the 12-month percentage change according to INDEC's CPI was 211.4%, while the currency devaluation amounted to 356.3%. It should be noted that during the month of December, the devaluation of the local currency amounted to 124%, going from ARS 360,50 to ARS 808,45.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 1. General Information

1.3 Economic context

On December 10, 2023, a new President took office in Argentina. Among his goals is to establish a new economic order, for which he intends to carry out a wide-ranging reform of laws and regulations. The new gorvernment's plan aims to move forward by deeply deregulaing the economy and implementing structural reforms.

Among its first measures, the government issued an emergency decree that annuls or modifies about 300 laws and introduces labor market and customs code reforms, as well as changes to the status of state-owned companies, among other modifications. Although the decree is required to to go through Congress, its terms are partially binding since December 29, 2023, considering a series of legal actions that have granted the suspesion of certain modifications.

As of December 31, 2023, the situation is as follows:
- Restrictions to the oficial currency market are maintained.
- The current export promotion scheme is maintained. Nevertheless, 20 percent of exports could be liquidated though the parallel FX market.
- Decree No. 29/2023 increased the Tax for an Inclusive and Solidary Argentina ("PAIS Tax") to 17.5% on the import of certain goods and servcies.

The context of volatily and uncertainty continues at the date of issuance of these financial statements. In this regard, the Group permanently monitors the evolution of the variables that affect businesses in order to define posible action steps and adopt and identify eventual impacts on its equity and financial position and therefore these financial statements should be read in light of these circumstances.

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.

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(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.1 Basis for Preparation

The 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, 2022 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, 2023:

Amendments to IAS 1, "Presentation of Financial Statements": This amendment requires that companies disclose material accounting policies, instead of significant accounting policies. The application of this amendment has not generated impacts on these consolidated financial statements.

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 application of this amendment has not generated impacts on these consolidated financial statements.

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 application of these amendments has not generated impacts on these consolidated financial statements.

Amendments to IAS 12, "International Tax Reform": These amendments introduce a temporary tax exemption to the accounting for deferred taxes derived from the Organisation for Economic Co-operation and Development (OECD) international tax reform. They also introduce specific disclosure requirements for affected. The application of these amendments has not generated impacts on these consolidated financial statements.

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Victor Jorge Aramburu Chairman Statutory Audit Committee	Alejandro Fabián Fernández Director	Victor Daniel Martin Director	(Partner) C.P.C.E.C N° 21.00004.3 Cr. Guillermo M. Bosio Public Accountant (UNC) Professional License 10.17540.4 C.P.C.E. Cba.

Note 2. Accounting Standards and Basis for Preparation

2.2 Changes to Accounting Policies. New Accounting Standards

(b) New standards, amendments and interpretations published that have not become effective yet for the fiscal years beginning on or after january 1, 2023 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 IFRS 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.

Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements": These amensments require disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. These amendments were published in May, 2023, and will become effective for anual reporting periods beginning on or after 1 January, 2024.

Amendments to IAS 21, "Lack of Exchangeability": The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. These amendments were published in August, 2023, and will become effective for annual reporting periods beginning on or after 1 January 2025. Early application is permitted.

CNV General Resolution No. 972/2023 indicates that the early application of IFRS Accounting Standards and/or its modifications will not be admitted, unless the CNV specifically admits it.

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 (*)			
					12.31.2023		12.31.2022	
					DIRECT	DIRECT AND INDIRECT	DIRECT	DIRECT AND INDIRECT
Arcor Alimentos Bolivia S.A.	Bolivia	BOB	BOB	12.31.2023	-	99.00000	-	99.00000
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1][2]	Spain	EUR	EUR	12.31.2023	100.00000	100.00000	100.00000	100.00000
Arcor de Perú S.A.	Peru	PEN	PEN	12.31.2023	-	99.97123	-	99.97123
Arcor do Brasil Ltda.	Brazil	BRL	BRL	12.31.2023	0.00046	100.00000	0.00046	100.00000
Arcor Trading (Shanghai) Co. Ltd.	China	RMB	RMB	12.31.2023	-	100.00000	-	100.00000
Arcor U.S.A., Inc.	USA	USD	USD	12.31.2023	-	100.00000	-	100.00000
Arcorpar S.A.	Paraguay	PYG	PYG	12.31.2023	-	50.00000	-	50.00000
Ardion S.A.	Argentina	ARS	ARS	12.31.2023	-	51.00000	-	51.00000
Bagley Argentina S.A.	Argentina	ARS	ARS	12.31.2023	0.00401	50.64.327	0.00401	50.64327
Bagley Chile S.A.	Chile	CLP	CLP	12.31.2023	-	50.84.330	-	50.84330
Bagley do Brasil Alimentos Ltda.	Brazil	BRL	BRL	12.31.2023	-	51.00000	-	51.00000
Bagley Latinoamérica S.A.[3]	Spain	EUR	EUR	12.31.2023	51.00000	51.00000	51.00000	51.00000
Cartocor Chile S.A.[4]	Chile	CLP	CLP	12.31.2023	28.07196	99.99763	28.07196	99.99763
Cartocor de Perú S.A.	Peru	PEN	PEN	12.31.2023	-	99.99760	-	99.99760
Cartocor S.A.[5]	Argentina	ARS	ARS	12.31.2023	99.99678	99.99683	99.99678	99.99683
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2023	99.99867	99.99869	99.99780	99.99783
GAP Regional Services S.A.	Uruguay	UYU	USD	12.31.2023	-	100.00000	-	100.00000
Industria de Alimentos Dos en Uno S.A.[6]	Chile	CLP	CLP	12.31.2023	-	100.00000	-	100.00000
Ingrear Holding S.A.[7]	Argentina	ARS	ARS	12.31.2023	51.00000	51.00000	51.00000	51.00000
Ingrecor S.A.	Argentina	ARS	ARS	12.31.2023	-	51.00000	-	51.00000
Ingredion Chile S.A.	Chile	CLP	CLP	12.31.2023	-	51.00000	-	51.00000
Ingredion Uruguay S.A.	Uruguay	UYU	USD	12.31.2023	-	51.00000	-	51.00000
Mundo Dulce S.A. de C.V.	Mexico	MXN	MXN	12.31.2023	-	49.99992	-	49.99992
Papel Misionero S.A.I.F.C.	Argentina	ARS	ARS	12.31.2023	-	96.06842	-	96.06842
Unidal Ecuador S.A.	Ecuador	USD	USD	12.31.2023	-	99.98159	-	99.98159
Unidal México S.A. de C.V.[8]	Mexico	MXN	MXN	12.31.2023	-	99.99984	-	99.99984
Van Dam S.A.	Uruguay	UYU	UYU	12.31.2023	-	100.00000	-	100.00000

(*) Percentage of interest in capital stock and voting rights.

(1) See "Merge of Arcor Alimentos Internacional, S.L., Sociedad Unipersonal and Arcor A.G. (S.A., Ltd.)" on Note 40.

(2) It consolidates the accounts of Arcor Alimentos Bolivia S.A. and Arcor Trading (Shanghai) Co. Ltd., Arcor do Brasil Ltda., Arcorpar S.A., GAP Regional Services S.A., Industria de Alimentos Dos en Uno S.A., Unidal México S.A. de C.V. y 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) It consolidates the accounts of Ingrecor S.A., Ardion S.A., Ingredion Chile S.A., and Ingredion Uruguay S.A.

(8) It consolidates the accounts of Mundo Dulce S.A. de C.V.

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Victor Daniel Martin
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Note 2. Accounting Standards and Basis for Preparation

2.3 Equity Interests in Subsidiaries, Associates and Joint Ventures

(a) Subsidiaries

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.

(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.

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Note 2. Accounting Standards and Basis for Preparation

2.3 Equity Interests in Subsidiaries, Associates and Joint Ventures

(c) Joint Ventures

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.

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, the aforementioned legal entity 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.

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Note 2. Accounting Standards and Basis for Preparation

2.5 Información financiera en economías de alta inflación

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 211.41% as of December 31, 2023 and 94.79% as of December 31, 2022.

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.

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.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(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 closing exchange rates used for currency translation purposes are as follows:

	LOCAL CURRENCY PER EACH ARS	
CURRENCY	12.31.2023	12.31.2022
AOA	1.0290	2.8464
BOB	0.0086	0.0393
BRL	0.0060	0.0295
CLP	1.0890	4.8365
RMB	0.0088	0.0394
USD	0.0012	0.0057
EUR	0.0011	0.0053
MXN	0.0210	0.1094
PYG	9.0429	41.4762
PEN	0.0046	0.0216
UYU	0.0484	0.0053

(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 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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(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.6 Foreign Currency Translation

(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 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 The Group's 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.

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.

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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.

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.

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Note 2. Accounting Standards and Basis for Preparation

2.10 Intangible Assets

(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.

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

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Victor Daniel Martin
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For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.12 Biological Assets

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 consolidated 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 2.7). 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.

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Note 2. Accounting Standards and Basis for Preparation

2.12 Biological Assets

(c) Sugarcane Sown Land

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).

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

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

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

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Note 2. Accounting Standards and Basis for Preparation

2.12 Biological Assets

(e) Grain Sown Land

Primarily consists of land sown with corn and soybean. Biological products from corn sown land are primarily meant to be transformed into fodder to feed 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.

(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.

Note 2. Accounting Standards and Basis for Preparation

2.12 Biological Assets

(f) Tree plantations

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

2.13 Financial Assets

2.13.1 Classification

The Group classifies its financial assets into the following categories:

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

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

(i) Financial assets at amortized cost

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

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

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

(ii) Financial assets at fair value

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

2.13.2 Recognition and Measurement

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

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

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

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Note 2. Accounting Standards and Basis for Preparation

2.13 Financial Assets

2.13.2 Recognition and Measurement

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

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.

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.

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Note 2. Accounting Standards and Basis for Preparation

2.14 Derivative Financial Instruments and Hedging Activities

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.

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.

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Note 2. Accounting Standards and Basis for Preparation

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.

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.

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Note 2. Accounting Standards and Basis for Preparation

2.21 Income Tax and Minimum Presumed Income Tax

- Income Tax – Deferred Tax Method

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.

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

- **Other Civil and Commercial Lawsuits, 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.

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Note 2. Accounting Standards and Basis for Preparation

2.23 Provisions

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.

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.

Note 2. Accounting Standards and Basis for Preparation

2.26 Recognition of Revenues from Sales

(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 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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Statutory Audit Committee

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Director

Victor Daniel Martin
Director

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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. Provision consumption charges are recognized in "Depreciation of Property, Plant and Equipment" (Note 30).

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

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

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

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

(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

(b) Recoverability of Intangible Assets

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.

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 fulfilment 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) Recoverability of the Investment in Mastellone Hermanos S.A.

The Group assesses the recoverability of its investment in Mastellone Hermanos S.A. when events or changes in the prevailing circumstances indicate that, subsequent to initial recognition of each investment, the estimated future cash flows of the associate could be significantly and adversely affected. The Company considers that the carrying amount of the investment in that associate is impaired when its recoverable value, calculated as the difference between the present value of the estimated cash flows expected to be generated by the associate and its net financial indebtedness, is lower than its carrying amount.

Since goodwill and other assets with indefinite useful life identified at the time of each acquired interest that comprise the carrying amount of the investment in Mastellone Hermanos S.A. are not separately recognized (Note 42), 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 42).

Note 3. Significant Accounting Criteria and Estimates

(i) Fair value of call and put options on Mastellone Hermanos S.A. shares.

The call and put options on Mastellone Hermanos S.A. shares provided for in the transaction described in Note 42 are derivative financial instruments that must be estimated at fair value, in accordance with IFRS 9. Since there are no similar financial instruments with observable quotations in public markets, the fair value is estimated by the Group. with the assistance of specialists. using the "Montecarlo Simulation" method. This method is based on assumptions and information that also require a high degree of estimation, such as: the fair value of the shares of the associate, the projection over time during the reporting period of such options contractually foreseen considering the volatility of similar instruments, the projection of the gains and losses of Mastellone Hermanos S.A. and of certain macroeconomic variables (inflation, exchange rates, interest rates, among others) in such period and possible scenarios of opportunity for the exercise of the aforementioned options.

Also, in accordance with IFRS 13, the fair value estimate must also consider the exposure to non-performance risk.

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), (v) Southern Subsidiaries (including Uruguay, Paraguay and Bolivia), (vi) Agribusiness Overseas (including Uruguay and Chile), and (vii) the Other Countries and Businesses. The Group's industrial plants and commercial units are based in these locations. Further, in some geographic segments, the Group is organized according to the following types of products: (i) Confectionery and Chocolates; (ii) Cookies and Crackers; (iii) Food Products; (iv) Packaging; (v) Agribusiness; and (vi) Other Industrial Products.

Within the Other Countries and Businesses segment, the Group recognizes under the item "Income (Loss) from Investments in Associates, Joint Ventures and Others" its share of profit or loss in the dairy business from its investment in the associate Mastellone Hermanos S.A.

The revenues from the confectionery and chocolates, cookies and crackers, and food segments derive from sales to distributors, wholesalers, supermarkets, and others. In the countries where the Group has commercial offices, sales are made in the currencies of those countries. Exports are generally denominated in USD. The main costs related to the confectionery and chocolates, cookies and crackers, and food segments are those incurred in raw materials, packaging, labor and freight. The main raw materials for the products of those segments are sugar, corn (and its by-products), cocoa (and its by-products), flour, corrugated cardboard, flexible packaging, milk and fruit.

The packaging segment revenues primarily derive from sales of flexible packaging, virgin paper, cardboard bags, and corrugated cardboard to fruit and vegetables producers and industrial customers in Argentina and Chile.

The agribusiness, packaging and other industrial products segments are part of the Group's vertical integration. The products from these business segments are sold to third parties, or otherwise used primarily as raw materials for the Confectionery and Chocolates, Cookies And Crackers, and Food Products.

Víctor Jorge Aramburu Chairman Statutory Audit Committee	Alejandro Fabián Fernández Director	Víctor Daniel Martín Director	See our report dated March 8, 2024 PRICE WATERHOUSE & CO. S.R.L. (Partner) C.P.C.E.C N° 21.00004.3 Cr. Guillermo M. Bosio Public Accountant (UNC) Professional License 10.17540.4 C.P.C.E. Cba.

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 4. Segment Reporting

The Board of Directors and senior management assess the performance of the operating segments by measuring: (i) sales; and (ii) operating income. For purposes of such measurement, the Group considered the following aspects:

- 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:

	12.31.2023	12.31.2022
Operating Income	**108,172,387**	**132,125,686**
Financial Income	(30,087,535)	(14,109,550)
Financial Expenses	(101,725,162)	(739,247)
Gain on Net Monetary Position	102,466,212	66,484,115
Income (Loss) from Investments in Associates, Joint Ventures and Others	(8,647,902)	(7,780,511)
INCOME BEFORE INCOME TAX	**70,178,000**	**175,980,493**

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Notes to the Consolidated Financial Statements

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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:

	12.31.2023							
	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIAR-IES	AGRIBUSI-NESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, Plant and Equipment[1]	325,150,990	33,227,902	61,217,769	25,256,037	3,207,025	260,755	9,541	448,330,019
Right-of-Use Assets	10,134,101	3,420,321	2,383,470	4,828,244	311,069	612,700	201,655	21,891,560
Investment Properties	1,390,279	199,645	346,095	-	111,187	-	-	2,047,206
Intangible Assets	69,931,553	3,822,651	288,253	41,426	545,029	-	-	74,628,912
Investments in Associates and Joint Ventures[2]	70,681,136	-	-	-	-	-	-	70,681,136
Biological Assets	6,004,635	-	-	-	-	-	-	6,004,635
Deferred Tax Assets	25,651,862	-	-	-	-	-	-	25,651,862
Other Investments [1]	12,376	-	5,972,810	6,314,556	1,376,245	86,571	444,622	14,207,180
Other Investments	622	-	-	-	10,783	6,846	-	18,251
Trade Receivables [3]	6,596,592	15,522,081	4,769,937	6,216,405	-	-	-	33,105,015
TOTAL NON-CURRENT ASSETS	**515,554,146**	**56,192,600**	**74,978,334**	**42,656,668**	**5,561,338**	**966,872**	**655,818**	**696,565,776**

	12.31.2022							
	ARGENTINA	BRAZIL	ANDEAN REGION	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIAR-IES	AGRIBUSI-NESS OVERSEAS	OTHER COUNTRIES	TOTAL
Property, Plant and Equipment [1]	326,952,206	18,544,540	40,350,434	14,265,148	2,019,989	228,847	2,526	402,363,690
Right-of-Use Assets	7,821,206	1,395,726	867,174	434,018	310,950	682,546	100,479	11,612,099
Investment Properties	1,344,882	370,008	241,939	-	76,071	-	-	2,032,900
Intangible Assets	70,911,445	2,467,242	238,261	13,387	363,130	-	-	73,993,465
Investments in Associates and Joint Ventures[2]	72,044,173	-	-	4,271,366	-	-	-	76,315,539
Biological Assets	9,984,249	-	-	-	-	-	-	9,984,249
Deferred Tax Assets [1]	319,517	-	3,970,771	3,661,709	697,631	18,557	-	8,668,185
Other Investments	1,937	-	-	-	7,377	4,684	-	13,998
Other Receivables [3]	5,038,640	11,950,007	63,013	4,220,318	-	-	-	21,271,978
Trade Receivables	-	121,446	-	-	-	-	-	121,446
TOTAL NON-CURRENT ASSETS	**494,418,255**	**34,848,969**	**45,731,592**	**26,865,946**	**3,475,148**	**934,634**	**103,005**	**606,377,549**

(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:

	12.31.2023			12.31.2022		
	ARGENTINA	ABROAD	TOTAL	ARGENTINA	ABROAD	TOTAL
Sales	1,307,390,495	607,838,490	1,915,228,985	1,328,872,264	617,681,234	1,946,553,498

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Note 4. Segment Reporting

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS	OTHER INDUSTRIAL PRODUCTS	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties (1)	350,495,025	321,668,738	147,760,272	311,927,709	234,583,551	437,104	86,503,051	86,374,776
Inter-segment Sales	110,315,187	16,482,199	6,793,248	53,776,193	93,306,725	17,121,790	7,165,177	4,973,776
TOTAL SALES	**460,810,212**	**338,150,937**	**154,553,520**	**365,703,902**	**327,890,276**	**17,558,894**	**93,668,228**	**91,348,552**
OPERATING INCOME (LOSS)	**13,218,412**	**17,311,979**	**(4,906,635)**	**53,435,638**	**15,171,891**	**1,997,296**	**3,407,151**	**2,400,583**
Depreciation and Amortization Income Tax	(10,389,098)	(6,411,234)	(2,409,964)	(10,343,584)	(8,562,627)	(842,305)	(1,378,839)	(1,779,128)
Depreciation of Property, Plant and Equipment (2)	-	-	248,230	-	152,249	-	-	-
Income Tax	(10,347,768)	(13,054,537)	2,120,424	(12,120,957)	(9,360,619)	730,346	(413,326)	(15,429)
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

(1) It includes sales of goods and services to associates.
(2) The charge to results is included within the operating result of the corresponding segments.

	ARGENTINA						BRAZIL	
	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	FOOD PRODUCTS	PACKAGING	AGRIBUSINESS	OTHER INDUSTRIAL PRODUCTS	CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS
Sales to Third Parties (1)	348,020,535	323,836,116	147,583,949	344,038,805	244,893,316	577,957	84,224,576	77,182,223
Inter-segment Sales	108,090,904	16,426,224	6,994,144	70,967,728	83,605,619	20,203,549	7,529,753	3,999,633
TOTAL SALES	**456,111,439**	**340,262,340**	**154,578,093**	**415,006,533**	**328,498,935**	**20,781,506**	**91,754,329**	**81,181,856**
OPERATING INCOME (LOSS)	**25,917,400**	**25,549,711**	**(10,996,950)**	**49,879,523**	**11,828,894**	**3,348,292**	**2,493,021**	**(3,444,732)**
Depreciation and Amortization Income Tax	(9,403,270)	(5,855,314)	(2,684,876)	(13,693,902)	(8,293,919)	(861,964)	(1,356,489)	(1,738,125)
Depreciation of Property, Plant and Equipment (2)	-	-	(2,499,417)	-	(1,027,757)	-	-	-
Income Tax	(25,300,131)	(14,313,924)	984,774	(18,019,893)	(2,589,149)	(74,361)	(855,568)	-
Income (Loss) from Investments in Associates, Joint Ventures and Others	-	-	-	-	-	-	-	-

(1) It includes sales of goods and services to associates.
(2) The charge to results is included within the operating result of the corresponding segments.

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ANDEAN REGION								
CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS (2)	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2022
89,791,690	40,573,918	56,816,483	91,434,346	79,029,645	17,706,304	126,373	-	1,915,228,985
13,196,498	1,047,049	2,125,583	1,360,680	207,826	116,133	1,785,233	(329,773,297)	-
102,988,188	**41,620,967**	**58,942,066**	**92,795,026**	**79,237,471**	**17,822,437**	**1,911,606**	**(329,773,297)**	**1,915,228,985**
4,154,887	3,282,727	(7,625,498)	(862,461)	5,825,517	1,527,315	(166,415)	-	108,172,387
(2,180,437)	(667,510)	(887,647)	(1,551,110)	(603,952)	(276,224)	(105,312)	-	(48,388,971)
-	-	-	-	-	-	-	-	400,479
(431,662)	(733,080)	1,613,710	(768,562)	(643,100)	(375,888)	(325,701)	-	(44,126,149)
-	-	-	(2,031,408)	-	-	(6,616,494)	-	(8,647,902)

ANDEAN REGION								
CONFECTIONERY AND CHOCOLATES	COOKIES AND CRACKERS	PACKAGING	NORTHERN, CENTER AND OVERSEAS	SOUTHERN SUBSIDIARIES	AGRIBUSINESS OVERSEAS(2)	OTHER COUNTRIES AND BUSINESSES	ADJUSTMENTS AND ELIMINATIONS	TOTAL AS OF 12.31.2022
84,918,912	32,578,010	86,572,384	79,066,968	73,178,716	19,835,020	46,011	-	1,946,553,498
11,856,955	3,196,503	2,069,637	1,075,431	163,944	468,883	794,680	(337,443,587)	-
96,775,867	**35,774,513**	**88,642,021**	**80,142,399**	**73,342,660**	**20,303,903**	**840,691**	**(337,443,587)**	**1,946,553,498**
4,989,401	889,935	12,312,949	(899,616)	7,769,826	2,904,555	(416,523)	-	132,125,686
(2,130,854)	(542,740)	(823,595)	(1,127,131)	(578,483)	(296,582)	(70,783)	-	(49,458,027)
-	-	-	-	-	-	-	-	(3,527,174)
1,677,030	266,113	(2,758,739)	(2,636,542)	(882,707)	(675,091)	(625,135)	-	(65,803,323)
-	-	-	(947,383)	-	-	(6,833,128)	-	(7,780,511)

Víctor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Víctor Daniel Martin
Director

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

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(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	**34,177,634**	**329,754,485**	**3,156,962**	**721,606,154**	**91,005,969**	**25,678,064**	**1,205,379,268**
Additions (1)	-	601,200	-	882,467	5,015,378	39,538,096	46,037,141
Transfers	-	5,605,458	514,975	19,770,047	1,357,619	(27,248,099)	-
Deletions (2)	(15,385)	(382,230)	(740,902)	(3,276,650)	(3,851,994)	-	(8,267,161)
Currency Translation Effect	3,198,131	63,945,819	-	142,460,879	11,622,073	5,939,169	227,166,071
Original Value at Year-end	**37,360,380**	**399,524,732**	**2,931,035**	**881,442,897**	**105,149,045**	**43,907,230**	**1,470,315,319**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	**-**	**(198,987,987)**	**(1,523,830)**	**(531,611,929)**	**(67,364,658)**	**-**	**(799,488,404)**
Deletions (2)	-	371,184	416,863	3,198,117	1,212,918	-	5,199,082
Currency Translation Effect	-	(52,248,341)	-	(123,675,181)	(9,406,896)	-	(185,330,418)
Depreciation for the Year (3)	-	(10,666,805)	(490,502)	(22,747,131)	(5,173,009)	-	(39,077,447)
Accumulated Depreciation at Year-end	**-**	**(261,531,949)**	**(1,597,469)**	**(674,836,124)**	**(80,731,645)**	**-**	**(1,018,697,187)**
Balance at beginning of year	**(26,022)**	**(436,706)**	**-**	**(2,796,275)**	**(90,996)**	**(177,175)**	**(3,527,174)**
Increases (4)	-	-	-	(16,708)	(15,957)	(128,753)	(161,418)
Consumptions (3)	-	40,885	-	312,705	46,889	-	400,479
Balance at year-end	**(26,022)**	**(395,821)**	**-**	**(2,500,278)**	**(60,064)**	**(305,928)**	**(3,288,113)**
TOTAL AS OF 12.31.2023	**37,334,358**	**137,596,962**	**1,333,566**	**204,106,495**	**24,357,336**	**43,601,302**	**448,330,019**

(1) The additions for the year include capitalized amount to ARS 311,917.

(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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Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 5. Property, Plant and Equipment

	LAND	BUILDINGS	BEARER PLANTS	MACHINERY AND FACILITIES	FURNITURE, TOOLS, VEHICLES AND OTHER EQUIPMENT	WORKS IN PROGRESS AND EQUIPMENT IN TRANSIT	TOTAL
COST							
Original Value at the Beginning of the Year	**34,527,426**	**327,358,192**	**4,468,949**	**731,327,869**	**86,691,500**	**30,885,251**	**1,215,259,187**
Additions	316,330	619,421	-	1,526,938	5,993,432	28,056,350	36,512,471
Transfers	-	7,911,967	809,425	21,994,301	1,896,653	(32,612,346)	-
Deletions [2]	(8,865)	(69,905)	(2,121,412)	(21,582,080)	(2,022,490)	-	(25,804,752)
Currency Translation Effect	(657,257)	(6,065,190)	-	(11,660,874)	(1,553,126)	(651,191)	(20,587,638)
Original Value at Year-end	**34,177,634**	**329,754,485**	**3,156,962**	**721,606,154**	**91,005,969**	**25,678,064**	**1,205,379,268**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	**-**	**(191,046,102)**	**(2,936,024)**	**(537,509,333)**	**(64,794,981)**	**-**	**(796,286,440)**
Deletions [2]	-	60,529	1,823,557	21,499,042	1,470,395	-	24,853,523
Currency Translation Effect	-	2,781,760	-	9,023,812	1,292,037	-	13,097,609
Depreciation for the Year [3]	-	(10,784,174)	(411,363)	(24,625,450)	(5,332,109)	-	(41,153,096)
Accumulated Depreciation at Year-end	**-**	**(198,987,987)**	**(1,523,830)**	**(531,611,929)**	**(67,364,658)**	**-**	**(799,488,404)**
Allowance for impairment of property, plant and equipment							
Balance at beginning of year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increases [4]	(26,022)	(436,706)	-	(2,796,275)	(90,996)	(177,175)	(3,527,174)
Balance at year-end	**(26,022)**	**(436,706)**	**-**	**(2,796,275)**	**(90,996)**	**(177,175)**	**(3,527,174)**
TOTAL AS OF 12.31.2022	**34,151,612**	**130,329,792**	**1,633,132**	**187,197,950**	**23,550,315**	**25,500,889**	**402,363,690**

(1) The additions for the year include capitalized amount to ARS 337.357.

(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

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, 2023 and 2022, 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, 2023:

SUBSIDIARIES	OPERATING SEGMENT (NOTE 3)	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE
Arcor do Brasil Ltda.	Confectionery and chocolates - Brazil	16,444,280	-
Bagley do Brasil Ltda.	Cookies and crackers - Brazil	16,783,622	-
Cartocor de Perú S.A.	Packaging - Andean Region	1,452,883	-
Cartocor S.A.	Packaging - Argentina	10,725,618	-
Arcor S.A.I.C.	Food Business - Argentina	2,289,692	(2,289,692)
Arcor S.A.I.C.	Agribusiness - Argentina	998,421	(998,421)

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 554.5%, 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 138.5%, 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 83 basis points (from 14.65% to 15.48%), or a decrease in projected cash flows by 3.5% 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.

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CARRYING VALUE AS OF 12.31.2022	METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
16,444,280 16,783,622 1,452,883	Net realizable value	The Group hires independent appraisal specialists to determine such values.
10,725,618	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: 16 years (average useful life). - Discount rate: 14.65% 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: 11 years (average useful life). - Discount rate: 11.88% 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: 5 years (average useful life). - Discount rate: 11.88% per year.

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For the years ended December 31, 2023 and 2022
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Note 5. Property, Plant and Equipment

Property, Plant and Equipment Impairment Tests

As of December 31, 2022:

SUBSIDIARIES	OPERATING SEGMENT (NOTE 3)	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE
Arcor do Brasil Ltda.	Confectionery and chocolates – Brazil	8,812,695	-
Bagley do Brasil Ltda.	Cookies and crackers – Brasil	9,731,845	-
Cartocor de Perú S.A.	Packaging – Andean Region	973,513	-
Cartocor S.A.	Packaging – Argentina	11,333,127	-
Arcor S.A.I.C.	Alimentos – Argentina	2,499,417	(2,499,417)
Arcor S.A.I.C.	Agronegocios – Argentina	1,027,757	(1,027,757)

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.

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CARRYING VALUE AS OF 12.31.2022	METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
8,812,695 9,731,845 973,513	Net realizable value	The Group hires independent appraisal specialists to determine such values.
11,333,127	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 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.

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(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	**4,732,223**	**14,331,689**	**4,878,687**	**23,942,599**
Additions	1,598,180	6,498,196	5,255,021	13,351,397
Adjustments to Variable Leases	2,122,041	708,501	(745,952)	2,084,590
Deletions [(1)]	(598,856)	(2,027,462)	(1,175,456)	(3,801,774)
Currency Translation Effect	-	5,660,773	1,559,990	7,220,763
Original Value at Year-end	**7,853,588**	**25,171,697**	**9,772,290**	**42,797,575**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(2,338,485)**	**(7,878,600)**	**(2,113,415)**	**(12,330,500)**
Deletions [(1)]	598,856	2,023,447	1,121,373	3,743,676
Currency Translation Effect	-	(2,687,424)	(380,593)	(3,068,017)
Depreciation for the Year [(2)]	(2,258,783)	(5,159,312)	(1,833,079)	(9,251,174)
Accumulated Depreciation at Year-end	**(3,998,412)**	**(13,701,889)**	**(3,205,714)**	**(20,906,015)**
TOTAL AS OF 12.31.2023	**3,855,176**	**11,469,808**	**6,566,576**	**21,891,560**

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
COST				
Original Value at the Beginning of the Year	**3,693,668**	**17,523,649**	**3,184,841**	**24,402,158**
Additions	1,042,780	2,547,878	2,247,454	5,838,112
Adjustments to Variable Leases	471,154	(56,779)	(249,238)	165,137
Deletions [(1)]	(475,379)	(5,111,635)	(222,024)	(5,809,038)
Currency Translation Effect	-	(571,424)	(82,346)	(653,770)
Original Value at Year-end	**4,732,223**	**14,331,689**	**4,878,687**	**23,942,599**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	(1,948,362)	(8,290,942)	(1,075,247)	(11,314,551)
Deletions [(1)]	475,379	5,086,763	220,131	5,782,273
Currency Translation Effect	178,141	188,471	(45,908)	320,704
Depreciation for the Year [(2)]	(1,043,643)	(4,862,892)	(1,212,391)	(7,118,926)
Accumulated Depreciation at Year-end	**(2,338,485)**	**(7,878,600)**	**(2,113,415)**	**(12,330,500)**
TOTAL AS OF 12.31.2022	**2,393,738**	**6,453,089**	**2,765,272**	**11,612,099**

(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.

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For the years ended December 31, 2023 and 2022
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Note 7. Investment Properties Note 7. Investment Properties

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

	12.31.2023	12.31.2022
	LANDS AND CONSTRUCTIONS	
COST		
Original value at the beginning of the year	**3,664,237**	**3,751,062**
Additions	46,078	-
Deletions[1]	(221,692)	(21,730)
Currency translation effects	192,940	(65,095)
Original Value at Year-end	**3,681,563**	**3,664,237**
Depreciation		
Accumulated depreciation at the beginning of the year	**(1,631,337)**	**(1,630,889)**
Currency translation effects	(2,214)	393
Depreciation of the year [2]	(806)	(841)
Accumulated depreciation at Year-end	**(1,634,357)**	**(1,631,337)**
TOTAL	**2,047,206**	**2,032,900**

(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.
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, 2023 and 2022, their fair value of these assets amounted to ARS 63,099,231 and ARS 55,949,431, 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, 2023 and 2022 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	**16,939,213**	**52,542,615**	**12,092,023**	**81,573,851**
Additions	-	-	354,600	354,600
Currency translation effect	1,323,686	236,317	833,786	2,393,789
Original Value at Year-end	**18,262,899**	**52,778,932**	**13,280,409**	**84,322,240**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(7,580,386)**	**(7,580,386)**
Currency Translation Effect	-	-	(713,967)	(713,967)
Amortization for the Year[1]	-	-	(1,398,975)	(1,398,975)
Accumulated Amortization at Year-end	**-**	**-**	**(9,693,328)**	**(9,693,328)**
TOTAL AS OF 12.31.2023	**18,262,899**	**52,778,932**	**3,587,081**	**74,628,912**

	BRANDS	GOODWILL	SOFTWARE AND RELATED LICENSES	TOTAL
COST				
Original Value at the Beginning of the Year	**17,066,109**	**52,565,188**	**10,403,150**	**80,034,447**
Additions	-	-	1,807,796	1,807,796
Currency translation effect	(126,896)	(22,573)	(118,923)	(268,392)
Original Value at Year-end	**16,939,213**	**52,542,615**	**12,092,023**	**81,573,851**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(6,512,263)**	**(6,512,263)**
Currency Translation Effect	-	-	84,039	84,039
Amortization for the Year [1]	-	-	(1,152,162)	(1,152,162)
Accumulated Amortization at Year-end	**-**	**-**	**(7,580,386)**	**(7,580,386)**
TOTAL AS OF 12.31.2022	**16,939,213**	**52,542,615**	**4,511,637**	**73,993,465**

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

The useful life of the components of this item is disclosed in Note 2.10.

Research and development expenses which do not qualify for capitalization are charged to income for the year. As of December 31, 2023 and 2022, such expenses totaled ARS 7,150,281 and ARS 6,928,761, respectively.

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Director

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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:

	12.31.2023	12.31.2022
Cookies and Crackers Argentina	26,829,523	26,829,523
Confectionery and Chocolates Argentina	22,021,019	22,021,019
Packaging Argentina	3,226,459	3,226,459
Subtotal – Goodwill corresponding to segments in Argentina	**52,077,001**	**52,077,001**
Southern Subsidiaries	545,029	363,130
Confectionery and Chocolates Andean Region	156,902	102,484
Subtotal – Goodwill corresponding to segments abroad	**701,931**	**465,614**
TOTAL -GOODWILL EXPOSED IN INTANGIBLE ASSETS	**52,778,932**	**52,542,615**
Rest of the Countries and Businesses - Mastellone Hermanos S.A.[1]	15,345,842	15,345,842
TOTAL	**68,124,774**	**67,888,457**

[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:

	12.31.2023	12.31.2022
Cookies and Crackers Argentina	7,416,765	7,416,765
Confectionery and Chocolates Argentina	382,007	382,007
Packaging Argentina	6,839,399	6,839,399
Subtotal – Brands corresponding to segments in Argentina	**14,638,171**	**14,638,171**
Confectionery and Chocolates Brazil	2,405,489	1,527,047
Cookies and Crackers Brazil	1,219,239	773,995
Subtotal - Brands corresponding to segments abroad	**3,624,728**	**2,301,042**
TOTAL	**18,262,899**	**16,939,213**

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

- Argentina: 11.5% and 15.0%;
- Brazil: 6% and 7%;
- Andean Region: 4.5% and 6.0%;
- Southern Subsidiaries: 4.5% and 6.0%.

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 12,31,2023	CARRYING AMOUNT AS OF 12,31,2022
GAP Inversora S.A.	Associate	Argentina	Financial and investment activities	1.60000	82	75
Mastellone Hermanos S.A.	Associate	Argentina	Industrialization and commercialization of milk products, by-products and derivatives (1)	48.67670	70,681,054	72,044,098
Tucor DMCC	Joint Venture	United Arab Emirates	Financial and investment activities(2)	50.00000	(645,808)	4,271,366
SUBTOTAL					**70.035.328**	**76.315.539**
Balances are expensed under Trades Payable and Other Liabilities (Note 26)					645.808	-
TOTAL					**70.681.136**	**76.315.539**

(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 12.31.2023
Balances at the Beginning of the Year	**76.315.539**	**-**	**76.315.539**
Capital Contribution	91	-	91
Income (Loss) from Investments in Associates, Joint Ventures(1)	(6.616.494)	(2.031.408)	(8.647.902)
Changes in Translation Reserve (2)	5.277.027	(2.885.766)	2.391.261
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans (3)	(23.661)	-	(23.661)
Transfers to/from Items	(4.271.366)	4.271.366	-
BALANCES AT YEAR-END	**70.681.136**	**(645.808)**	**70.035.328**

	INVESTMENT IN ASSOCIATES AND JOINT VENTURES	TRADE PAYABLES AND OTHER LIABILITIES	TOTAL AS OF 12.31.2022
Balances at the Beginning of the Year	**86.425.586**	**-**	**86.425.586**
Income (Loss) from Investments in Associates, Joint Ventures(1)	(7.780.511)	-	(7.780.511)
Changes in Translation Reserve (2)	(2.314.439)	-	(2.314.439)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans (3)	(15.097)	-	(15.097)
BALANCES AT YEAR-END	**76.315.539**	**-**	**76.315.539**

(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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Note 9. Investments in Associates and Joint Ventures

The following table shows the financial information as of December 31, 2023, as required by IFRS 12:

	SUMMARY FINANCIAL POSITION					SUMMARY PROFIT & LOSS				
COMPANY	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]	10	2	-	7	5	-	-	(7)	1	(5)
Mastellone Hermanos S.A.[2]	261,716	188,962	185,376	106,597	158,702	654,516	181,966	(13,189)	39,443	26,254
Tucor DMCC[3]	26,216	9,053	11,369	22,304	1,596	6,276	(2,013)	(4,286)	(6,539)	(10,826)

(1) Financial information from the financial statements as of December 31, 2023.

(2) Financial information from the consolidated financial statements as of December 31, 2023. 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 42).

(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:

	12.31.2023	12.31.2022
Gain (Loss) on Investment in Gap Inversora S.A. (Associate)	(108)	(128)
Gain (Loss) on Investment in Mastellone Hermanos S.A. (Associate) (Note 42)	(3,909,842)	5,558,100
Changes in Higher and Lower Values of Identifiable Assets and Liabilities Mastellone Hermanos S.A. (Note 42)	323,348	786,189
Increase in allowance for devaluation of investment in Mastellone Hermanos S.A. (Note 42).	(3,029,892)	(13,177,289)
Gain (Loss) on Investment in Tucor DMCC (Joint Venture) (Note 41)	(2,031,408)	(947,383)
TOTAL	**(8,647,902)**	**(7,780,511)**

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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 42) 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.(*)	**158,701,223**	**(13,188,245)**	**39,441,367**
Equity interest owned by Arcor Group		48.6767%	
Mastellone Hermanos S.A.'s figures attributable to Arcor Group	**77,250,592**	**(6,419,608)**	**19,198,770**
Items to reconcile Arcor Group's equity interest			
Difference in valuation of Property, Plant and Equipment, Other Assets, Investment Properties and Intangible Assets [(1)]	(46,592,148)	3,860,568	(21,418,104)
Tax effect of measurement differences	16,307,250	(1,350,802)	7,496,340
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(164,864)	-	-
Subtotal - Share of Mastellone Hermanos S.A.'s equity and profit and loss at carrying amounts, based on Arcor Group's measurement criteria	**46,800,830**	**(3,909,842)**	**5,277,006**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid [(1)(3)]	24,741,564	323,348	(23,664)
Recognition of goodwill [(2)]	15,345,842	-	-
Increase in allowance for devaluation of investment in Mastellone Hermanos S.A.	(16,207,182)	(3,029,892)	-
Arcor Group's figures as per its financial statements	**70,681,054**	**(6,616,386)**	**5,253,342**

(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, 2023.
(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.

(*) 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 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, 2023	-	-	-	2,380,456	7,603,793	9,984,249
Total Current as of January 1, 2023	1,259,141	956,118	2,959,518	499,621	518,681	6,193,079
TOTAL AS OF JANUARY 1, 2023	**1,259,141**	**956,118**	**2,959,518**	**2,880,077**	**8,122,474**	**16,177,328**
Additions at Cost	1,604,450	2,034,807	4,653,259	-	1,157,978	9,450,494
Initial Recognition and Changes in Fair Value [3]	527,817	(112,302)	2,595,572	857,072	(3,011,197)	856,962
Harvest of Biological Products [4]	(2,644,635)	(2,080,605)	(6,823,087)	-	(1,186,205)	(12,734,532)
Deletion due to Sale of Biological Assets [5]	-	-	-	(654,225)	-	(654,225)
TOTAL AS OF DECEMBER 31, 2023	**746,773**	**798,018**	**3,385,262**	**3,082,924**	**5,083,050**	**13,096,027**
Total Non-current as of December 31, 2023	-	-	-	2,334,204	3,670,431	6,004,635
Total Current as of December 31, 2023	746,773	798,018	3,385,262	748,720	1,412,619	7,091,392

	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	-	-	-	3,854,018	7,982,125	11,836,143
Total Current as of January 1, 2022	1,087,258	1,211,921	3,012,081	685,066	1,847,828	7,844,154
TOTAL AS OF JANUARY 1, 2022	**1,087,258**	**1,211,921**	**3,012,081**	**4,539,084**	**9,829,953**	**19,680,297**
Additions at Cost	1,543,045	2,100,463	4,075,265	-	859,246	8,578,019
Initial Recognition and Changes in Fair Value [3]	1,191,100	1,299,520	(1,592,155)	(933,648)	(2,059,103)	(2,094,286)
Harvest of Biological Products [4]	(2,562,262)	(3,655,786)	(2,535,673)	-	(507,622)	(9,261,343)
Deletion due to Sale of Biological Assets [5]	-	-	-	(725,359)	-	(725,359)
TOTAL AS OF DECEMBER 31, 2022	**1,259,141**	**956,118**	**2,959,518**	**2,880,077**	**8,122,474**	**16,177,328**
Total Non-current as of December 31, 2022	-	-	-	2,380,456	7,603,793	9,984,249
Total Current as of December 31, 2022	1,259,141	956,118	2,959,518	499,621	518,681	6,193,079

(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.

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Note 10. Biological Assets

The following tables show information as of December 31, 2023 and 2022 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, 2023, as per biological asset	6,607 Tn.	9,485 Tn.	(1)15,027 Tn.	(3)239,068 Tn.	(4)140,817 Tn.
Area intended for biological assets as of 12.31.2023	267 Has.	5,923 Has.	-	5,179 Has.	5,787 Has.
Quantity of biological assets as of 12.31.2023 (heads)	-	-	(2)5,706	-	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months	(5)17 years

(1) Tons of fluid milk.
(2) Out of the total, 3,158 are dairy cattle heads, and the remaining 2,548 are beef cattle heads.
(3) Tons of sugar cane.
(4) Tons of wood.
(5) Average logging age.

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	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.	(1)16,733 Tn.	(3)187,569 Tn.	(4)52,512 Tn.
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)	-	-	(2)5,967	-	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months	(5)17 years

(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) Average logging age.

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, 2023 and 2022, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	746,773	746,773
Dairy or Beef Cattle	-	3,082,924	-	3,082,924
Tree Plantations (1)	-	-	4,135,100	4,135,100
Total Biological Assets as of 12.31.2023	**-**	**3,082,924**	**4,881,873**	**7,964,797**

(1) Out of total tree plantations as of December 2023 (ARS 5,083,050), ARS 4,135,100 were measured at fair value net of harvest costs, and ARS 947,950 were measured at cost (Note 2.12).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	1,259,141	1,259,141
Dairy or Beef Cattle	-	2,880,077	-	2,880,077
Tree Plantations (1)	-	-	7,194,215	7,194,215
Total Biological Assets as of 12.31.2022	**-**	**2,880,077**	**8,453,356**	**11,333,433**

(1) Out of total tree plantations as of December 31, 2022 (ARS 8,122,474), ARS 7,194,215 were measured at fair value net of harvest costs, and ARS 928,259 were measured at cost (Note 2.12).

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Note 10. Biological Assets

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 12.31.2023	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	746,773	1,259,141	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 12.31.2023	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Tree Plantations	4,135,100	7,194,215	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, 2023:

	BALANCE AT THE BEGINNING OF THE YEAR	TRANSLATION DIFFERENCE	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2023
Assets					
Tax Loss Carry-forwards	6,572,679	3,033,549	(673,448)	-	8,932,780
Trade and Other Receivables	1,524,714	961,264	(141,708)	-	2,344,270
Inventories	430,757	2,626,774	1,847,956	-	4,905,487
Property, Plant and Equipment and Investment Properties	(1,627,566)	(1,754,383)	(876,582)	-	(4,258,531)
Intangible Assets	420,164	178,482	(3,264)	-	595,382
Right-of-use Assets	(155,794)	(1,216,058)	(541,353)	-	(1,913,205)
Provisions	654,715	716,617	635,077	-	2,006,409
Trade Payables and Other Liabilities	680,723	(413,811)	(468,891)	(175,920)	(377,899)
Lease Liabilities	167,793	1,249,998	554,696	-	1,972,487
Subtotal – Deferred Assets	**8,668,185**	**5,382,432**	**332,483**	**(175,920)**	**14,207,180**
Liabilities					
Tax Loss Carry-forwards	798,327	(80,042)	2,154,648	-	2,872,933
Trade and Other Receivables	(1,569,256)	59,254	482,092	-	(1,027,910)
Inventories	(8,644,401)	(66,232)	(9,906,075)	-	(18,616,708)
Biological Assets	(1,448,385)	-	(325,834)	-	(1,774,219)
Property, Plant and Equipment and Investment Properties	(51,207,496)	(163,299)	919,846	-	(50,450,949)
Cash and Cash Equivalents and Other Investments	(79,786)	-	(2,758,198)	-	(2,837,984)
Investments in Associates and Joint Ventures	213,865	-	74,152	-	288,017
Intangible Assets	(6,241,600)	9,344	544,445	-	(5,687,811)
Right-of-use Assets	(2,746,450)	(51,390)	(896,321)	-	(3,694,161)
Provisions	542,802	855,287	(510,132)	-	887,957
Trade Payables and Other Liabilities	4,333,995	(1,131,925)	(1,510,197)	1,807,730	3,499,603
Deferred (Income) / Losses - Law No. 27,541	(10,627,630)	-	8,549,808	-	(2,077,822)
Deferred Losses - Law No. 27,541	1,266,900	-	(1,023,460)	-	243,440
Lease Liabilities	2,867,130	38,199	1,273,335	-	4,178,664
Loans	2,975,567	-	8,485,466	-	11,461,033
Subtotal – Deferred Liabilities	**(69,566,418)**	**(530,804)**	**5,553,575**	**1,807,730**	**(62,735,917)**
Total Deferred Tax Assets / Liabilities, Net	**(60,898,233)**	**4,851,628**	**5,886,058**	**1,631,810**	**(48,528,737)**

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(Figures stated in thousands of Argentine pesos)

Note 11. Deferred Tax Assets / Liabilities

The following table shows the breakdown of and changes in deferred tax assets and liabilities as of December 31, 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	6,756,783	(876,030)	691,926	-	6,572,679
Trade and Other Receivables	1,648,377	(81,732)	(41,931)	-	1,524,714
Inventories	91,672	20,042	319,043	-	430,757
Property, Plant and Equipment and Investment Properties	(1,556,640)	234,518	(305,444)	-	(1,627,566)
Intangible Assets	422,580	(55,231)	52,815	-	420,164
Right-of-use Assets	(332,499)	339,185	(162,480)	-	(155,794)
Provisions	732,658	119,605	(197,548)	-	654,715
Trade Payables and Other Liabilities	188,476	(24,760)	588,196	(71,189)	680,723
Lease Liabilities	365,555	(348,608)	150,846	-	167,793
Subtotal – Deferred Assets	**8,316,962**	**(673,011)**	**1,095,423**	**(71,189)**	**8,668,185**
Liabilities					
Tax Loss Carry-forwards	468,774	(142,274)	471,827	-	798,327
Trade and Other Receivables	(623,423)	1,046	(946,879)	-	(1,569,256)
Inventories	(5,649,803)	(71,857)	(2,922,741)	-	(8,644,401)
Biological Assets	(2,012,002)	-	563,617	-	(1,448,385)
Property, Plant and Equipment and Investment Properties	(53,001,528)	71,811	1,722,221	-	(51,207,496)
Cash and Cash Equivalents and Other Investments	1,300,849	-	(1,380,635)	-	(79,786)
Investments in Associates and Joint Ventures	142,796	-	71,069	-	213,865
Intangible Assets	(5,834,269)	-	(407,331)	-	(6,241,600)
Right-of-use Assets	(2,908,055)	10,230	151,375	-	(2,746,450)
Provisions	1,537,871	(7,589)	(987,480)	-	542,802
Trade Payables and Other Liabilities	6,652,408	117,731	(3,330,511)	894,367	4,333,995
Deferred (Income) / Losses - Law No, 27,541	(28,797,484)	-	18,169,854	-	(10,627,630)
Deferred Losses - Law No, 27,541	3,458,967	-	(2,192,067)	-	1,266,900
Lease Liabilities	2,988,255	(10,233)	(110,892)	-	2,867,130
Loans	387,984	-	2,587,583	-	2,975,567
Subtotal – Deferred Liabilities	**(81,888,660)**	**(31,135)**	**11,459,010**	**894,367**	**(69,566,418)**
Total Deferred Tax Assets / Liabilities, Net	**(73,571,698)**	**(704,146)**	**12,554,433**	**823,178**	**(60,898,233)**

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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	12.31.2023	12.31.2022
Angola	20.00%	20.00%
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%
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, 2023, broken down by company and applicable statute of limitation:

COMPANIES	STATUTE OF LIMITATION EXPIRES IN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2024	2025	2026 ONWARDS	WITHOUT STATUTE OF LIMITATION			
Arcor S.A.I.C.[1]	-	-	5,392,985	-	5,392,985	35%	1,887,545
Arcor U.S.A., Inc.[2]	-	-	3,006,697	-	3,006,697	21%	631,406
Ardion S.A.[1]	-	-	1,412,772	-	1,412,772	35%	494,470
Bagley Latinoamerica S.A.[2]	-	-	-	5,672,871	5,672,871	25%	1,418,218
Cartocor S.A.[1]	-	-	1,291,751	-	1,291,751	35%	452,113
Industria de Alimentos Dos en Uno S.A.[2]	-	-	-	17,800,100	17,800,100	27%	4,806,027
Ingredion Chile S.A.[1]	-	-	-	143,723	143,723	27%	38,805
Unidal Ecuador S.A.[2]	-	-	267,742	-	267,742	25%	66,936
Unidal México S.A. de C.V.[2]	-	-	6,700,643	-	6,700,643	30%	2,010,193
TOTAL	**-**	**-**	**18,072,590**	**23,616,694**	**41,689,284**		**11,805,713**

[1] They are part of deferred tax liabilities.
[2] They are part of deferred tax assets.

Further, the following table shows the Group's main deferred tax assets not recognized by the Group as of December 31, 2023:

COUNTRY	AT TAXABLE BASE LEVEL	TAX RATES	UNRECOGNIZED DEFERRED TAX ASSETS
Argentina	338,711	35%	118,549
Brazil	33,047,162	34%	11,236,035
Spain	3,144,784	25%	786,196
Mexico	7,288,683	30%	2,186,605
Total	**43,819,340**		**14,327,385**

As of December 31, 2023, 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 (ARS 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, 2022, stated in constant currency at year-end, broken down by company and applicable statute of limitation:

COMPANIES	AÑO DE PRESCRIPCIÓN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2023	2024	2025 ONWARDS	WITHOUT STATUTE OF LIMITATIONS			
Arcor U.S.A., Inc.(1)	-	-	1,916,670	-	1,916,670	21%	402,501
Bagley Chile S.A.(1)	-	-	-	2,877,335	2,877,335	27%	776,880
Bagley Latinoamerica S.A. (2)	-	-	-	3,193,311	3,193,311	25%	798,328
Industria de Alimentos Dos en Uno S.A.(1)	-	-	-	14,676,642	14,676,642	27%	3,962,693
Unidal México S.A. de C.V.(1)	-	-	4,768,682	-	4,768,682	30%	1,430,605
TOTAL	**-**	**-**	**6,685,352**	**20,747,288**	**27,432,640**		**7,371,007**

(1) They are part of deferred tax liabilities.
(2) They are part of deferred tax assets.

Further, the following table shows the Group's main deferred tax assets not recognized by the Group as of December 31, 2022, stated in constant currency::

COUNTRY	AT TAXABLE BASE LEVEL	TAX RATES	UNRECOGNIZED DEFERRED TAX ASSETS
Argentina	813,665	35%	284,782
Brazil	102,911,389	34%	34,989,872
Spain	2,816,807	25%	704,202
Mexico	2,411,768	30%	723,531
Total	**108,953,629**		**36,702,387**

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 188,361 (ARS 538,175 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:

	12.31.2023	12.31.2022
Non-current		
Other	18,251	13,998
TOTAL NON-CURRENT	**18,251**	**13,998**
Current		
Notes[1]	-	2,715,428
Other Financial Assets at Fair Value[2]	85,043,498	-
TOTAL CURRENT	**85,043,498**	**2,715,428**
TOTAL	**85,061,749**	**2,729,426**

(1) As of December 2022, primarily attributable to holdings of Class H Notes issued by the associate Mastellone Hermanos S.A. During December 2023, at scheduled maturity, the associate cancelled such Notes. (Note 42).

(2) Primarily attributable to mutual funds.

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Note 13. Trade and other Receivables

The tables below show the breakdown of trade and other receivables:

Trade Receivables

	12.31.2023	12.31.2022
Non-current		
Trade Receivables from Third Parties	-	121,446
TOTAL NON-CURRENT	**-**	**121,446**
Current		
Trade Receivables from Third Parties	262,857,371	207,166,015
Documentary Credits	25,236,781	35,169,389
Accounts Receivable from Related Parties (Note 38)[(1)]	4,373,782	1,280,278
Doubtful Accounts and Receivables in Litigation	5,369,612	3,913,130
Less: Allowance for Impairment of Receivables	(12,426,573)	(8,425,909)
TOTAL CURRENT	**285,410,973**	**239,102,903**
TOTAL TRADE RECEIVABLES	**285,410,973**	**239,224,349**

Other Receivables

	12.31.2023	12.31.2022
Non-current		
Tax Credits [(1)]	19,873,915	13,778,860
Security Deposits	1,256,033	908,529
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	4,601,922	2,527,973
Prepaid Expenses	89,837	158,450
Financial Receivables from Related Parties (Note 38)	6,161,203	4,056,112
Miscellaneous	1,355,775	582,563
Less: Allowance for Impairment of Other Bad Debts	(233,670)	(740,509)
TOTAL NON-CURRENT	**33,105,015**	**21,271,978**
Current		
Refunds Receivable	2,802,946	2,782,340
Security Deposits	1,446,235	1,002,110
Tax Credits [(1)]	52,281,847	35,994,177
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	29,759,982	40,339,889
Financial Receivables from Related Parties (Note 38)	5,797	8,178
Prepaid Expenses	7,685,456	5,633,766
Other Receivables from Related Parties (Note 38)	448,413	306,793
Miscellaneous	1,003,211	710,976
Less: Allowance for Impairment of Other Bad Debts	(48,924)	(59,678)
TOTAL CURRENT	**95,384,963**	**86,718,551**
TOTAL OTHER CREDITS	**128,489,978**	**107,990,529**

(1) Tax credits from PIS (Programas de Integração Social) and COFINS (Contribuição para Financiamento da Seguridade Social) were recognized by the subsidiaries Arcor do Brasil Ltda. and Bagley do Brasil Alimentos Ltda. When in 2021, the judgment rendered by the Brazilian Supreme Court – STF (Superior Tribunal Federal) 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. The subsidiaries had a legal claim for the period ranging from January 2015 to April 2019. As of December 31, 2023, there are no balances for such tax credits due to their utilization, while as of December 31, 2022 the balance of such tax credit amounts to ARS 5,352,658, of which ARS 2,400,081 are shown under Non-Current Assets and ARS 2,952,577 under 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:

	12.31.2023	12.31.2022
To Fall Due	744,291	1,114,179
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**744,291**	**1,114,179**
Up to three months	356,019	1,276,189
From three to six months	246,264	237,059
From six to twelve months	1,827,016	281,450
More than one year	9,252,983	5,517,032
SUBTOTAL PAST DUE INCLUDED IN THE ALLOWANCE	**11,682,282**	**7,311,730**
TOTAL	**12,426,573**	**8,425,909**

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

	12.31.2023	12.31.2022
From three to six months	2,700,216	4,339,646
From six to twelve months	4,632,491	1,355,570
More than one year	5,354,904	2,367,240
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**12,687,611**	**8,062,456**

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:

	12.31.2023	12.31.2022
ARS	145,694,645	169,623,738
BOB	2,871,329	2,079,742
BRL	66,086,748	45,046,710
CLP	61,001,273	48,629,555
EUR	1,330,139	641,528
MXN	19,432,436	8,595,960
PEN	1,912,981	1,948,123
PYG	9,764,843	5,358,407
RMB	135,976	98,719
USD	98,084,796	59,923,731
UYU	7,585,785	5,268,665
TOTAL	**413,900,951**	**347,214,878**

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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]	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**8,425,909**	**8,072,200**	**800,187**	**1,636,749**
Increases	2,270,187	2,315,879	14,666	7,932
Decreases	(1,135,043)	(736,728)	(8,962)	(221)
Uses	(292,353)	(27,102)	(5,064)	(81,365)
Effects of Restatement and Currency Translation	3,157,873	(1,198,340)	(518,233)	(762,908)
BALANCE AT YEAR-END	**12,426,573**	**8,425,909**	**282,594**	**800,187**

(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:

	12.31.2023	12.31.2022
Raw Materials and Materials	247,244,553	238,923,787
Raw Materials and Materials in Transit	18,651,889	15,690,561
Work in Process[1]	14,114,941	14,373,814
Finished Products	168,623,246	137,633,111
Less: Allowance for Impairment of Inventories	(18,386,676)	(14,947,838)
TOTAL	**430,247,953**	**391,673,435**

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

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**14,947,838**	**14,134,042**
Increases[1]	10,230,189	5,728,770
Decreases [1]	(7,322,341)	(4,130,050)
Uses	(490,867)	(660,661)
Currency Translation Effect	1,021,857	(124,263)
BALANCE AT YEAR-END	**18,386,676**	**14,947,838**

(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 42)	25,651,862	-
TOTAL NON-CURRENT	**25,651,862**	**-**
TOTAL AS OF 12.31.2023	**25,651,862**	**-**

	ASSETS	LIABILITIES
Non-current		
Mastellone Hermanos S.A.'s Options (Note 42)	-	1,920,305
TOTAL NON-CURRENT	**-**	**1,920,305**
Current		
Foreign currency term agreements	6,351,735	232,849
TOTAL CURRENT	**6,351,735**	**232,849**
TOTAL AS OF 12.31.2022	**6,351,735**	**2,153,154**

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, 2023 and 2022:

OPEN POSITIONS AT THE PERIOD END							FIGURES AS OF 12.31.2023			
COMPANIES	TYPE OF TRANSACTION	CURRENCY OF THE ITEMS HEDGED	CURRENCY OF THE HEDGING INSTRUMENT	NUMBER OF CONTRACTS	TOTAL AMOUNT IN TRANSACTION CURRENCY	WEIGHTED AVERAGE PRICE (*)	FINANCIAL ASSET	FINANCIAL LIABILITY	NET ASSET (LIABILITY)	(LOSS)/GAIN IN CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (**)
Arcor S.A.I.C. (***)	Purchase	ARS	USD	-	-	-	-	-	-	(28,393,508)
Bagley Chile S.A. (***)	Purchase	CLP	USD	-	-	-	-	-	-	(4,932)
Industria en Alimentos Dos en Uno S.A. (***)	Purchase	CLP	USD	-	-	-	-	-	-	(48,173)
TOTAL AS OF 12.31.2023							**-**	**-**	**-**	**(28,446,613)**

OPEN POSITIONS AT THE PERIOD END							FIGURES AS OF 12.31.2022			
COMPANIES	TYPE OF TRANSACTION	CURRENCY OF THE ITEMS HEDGED	CURRENCY OF THE HEDGING INSTRUMENT	NUMBER OF CONTRACTS	TOTAL AMOUNT IN TRANSACTION CURRENCY	WEIGHTED AVERAGE PRICE (*)	FINANCIAL ASSET	FINANCIAL LIABILITY	NET ASSET (LIABILITY)	(LOSS)/GAIN IN CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (**)
Arcor S.A.I.C.	Purchase (1)	ARS	USD	2	67,500	208,40	6,351,735	(51,803)	6,299,932	(12,001,442)
Bagley Chile S.A.	Purchase (2)	CLP	USD	3	2,400	895,98	-	(60,348)	(60,348)	(57,685)
Ingredion Chile S.A.(***)	Sale	CLP	USD	-	-	-	-	-	-	(41,181)
Ingredion Chile S.A. (***)	Purchase	CLP	USD	-	-	-	-	-	-	43,401
Industria en Alimentos Dos en Uno S.A.	Purchase (3)	CLP	USD	3	4,800	895,98	-	(120,698)	(120,698)	(115,373)
Unidal México S.A. de C.V. (***)	Sale	MXN	USD	-	-	-	-	-	-	288,479
TOTAL AL 12.31.2022							**6,351,735**	**(232,849)**	**6,118,886**	**(11,883,801)**

(*) Local currency of the item hedged 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.

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Note 15. Derivative Financial Instruments

Mastellone Hermanos S.A.'s Call and Put Options

The transaction with Mastellone Hermanos S.A. and its shareholders described in Note 42 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.

Note 16. Statement of Cash Flows – Additional Information

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Cash and Bank Deposits at Sight	43,065,507	35,770,807
Time Deposits	26,948,149	14,599,289
Financial Assets at Fair Value[1]	23,864,473	20,291,453
TOTAL	**93,878,129**	**70,661,549**

[1] Mainly mutual funds recognized under "Cash and Cash Equivalents."

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

	12.31.2023	12.31.2022
USD	46,516,492	37,003,076
ARS	26,192,848	22,484,479
MXN	4,254,526	3,752,447
BRL	3,148,281	1,303,960
CLP	7,856,921	2,667,135
PYG	921,483	1,066,450
UYU	747,882	1,310,005
BOB	3,055,603	174,376
Other Currencies	1,184,093	899,621
TOTAL	**93,878,129**	**70,661,549**

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Notes to the Consolidated Financial Statements

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Note 16. Statement of Cash Flows – Additional Information

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

	ACTIVITY	12.31.2023	12.31.2022
Addition of PP&E Items and Intangible Assets Not Settled at Year-End	Investment	(5,508,591)	(4,469,556)
Additions of Right-of-use Assets and Adjustments to Variable Leases (Note 6)	Investment	(15,435,987)	(6,003,249)
Deletions of Right-of-use Assets (Note 6)	Investment	58,098	26,765
Deletions of Investment Properties Not Settled at Year-End	Investment	488,536	11,936,012
Advance Payments for PP&E Wired to Suppliers via Financial Entities	Investment	(3,802,707)	-
Financial Expenses Capitalized in Eligible Assets (Note 34)	Investment	(311,917)	(337,357)
Income (Loss) from Exchange of Class 9 Notes (Note 22)	Financing	-	11,936,012
Reduction Due to Receivables Assignment (Note 22)	Financing	-	(159,143)
Confirming Operations (Note 22)	Financing	91,018	2,685,949
Additions of Liabilities and Adjustments to Variable Leases (Note 23)	Financing	15,435,987	6,003,249
Deletions of Lease Liabilities (Note 23)	Financing	(67,458)	(34,230)
Cash Dividends Not Settled at Year-end	Financing	(1,489,761)	(6,350)
Bank Loans Credited to Suppliers of PP&E (Note 22)	Financing	3,802,707	-

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 7,181,447 (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:

	2023	2022	2021
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, 2023, 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.

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Note 19. Unappropriated Retained Earnings

The following tables show the changes in unappropriated retained earnings for the years ended December 31, 2023 and 2022, respectively:

	TOTAL AS OF 12.31.2023
Balance at the Beginning of the Year	**98,167,932**
Net Income for the Year Attributable to the Company's Shareholders	4,608,707
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	(3,035,159)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(64,634,346)
Distribution of Dividends [1]	(33,533,586)
Forfeited Dividends [2]	275
BALANCE AT YEAR-END	**1,573,823**

[1] S As per the Ordinary and Extraordinary General Shareholders' Meeting held on April 28, 2023.

[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 12.31.2022
Balance at the Beginning of the Year	**111,065,545**
Net Income for the Year Attributable to the Company's Shareholders	99,772,645
Actuarial Gains from Defined Benefit Plans Attributable to the Company's Shareholders	(1,604,862)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(56,413,880)
- Special Reserve for Future Dividends [1]	(18,068,420)
Distribution of Dividends [1]	(36,583,245)
Forfeited Dividends [2]	149
BALANCE AT YEAR-END	**98,167,932**

[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.

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	**(75,902,661)**	**(75,902,661)**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	89,705,315	89,705,315
TOTAL AS OF 12.31.2023	**13,802,654**	**13,802,654**

	TRANSLATION RESERVE	TOTAL
Balance at the Beginning of the Year	**(56,155,072)**	**(56,155,072)**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders[1]	(19,770,038)	(19,770,038)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 34) [1]	22,449	22,449
TOTAL AS OF 12.31.2022	**(75,902,661)**	**(75,902,661)**

[1] Resulting from the sale of shares of subsidiary Industria Dos en Uno de Colombia Ltda. The offsetting entry of such reclassification is disclosed under the item "Net Financial Income (Expense)" in this 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 12.31.2023
Balance at the Beginning of the Year	**187,975,100**
Share of Profit (Loss) for the Year	21,443,144
Share of Translation Differences of Companies	20,583,709
Share of Actuarial Gains from Defined Benefit Plans	(99,817)
Cash Dividends (1)	(3,630,695)
BALANCE AT YEAR-END	**226,271,441**

(1) It primarily includes the distribution of dividends by the subsidiaries Ingrear Holding S.A. in the amount of ARS 2,728,058, Arcorpar S.A. in the amount of ARS 647,217, Papel Misionero S.A.I.F.C. in the amount of ARS 228,703 and Arcor Alimentos Bolivia S.A. in the amount of ARS 18,218.

	TOTAL AL 31,12,2022
Balance at the Beginning of the Year	**182,409,604**
Share of Profit (Loss) for the Year	10,404,525
Share of Translation Differences of Companies	(3,491,561)
Share of Actuarial Gains from Defined Benefit Plans	62,449
Cash Dividends (1)	(1,409,917)
BALANCE AT YEAR-END	**187,975,100**

(1) It primarily includes the distribution of dividends by the subsidiaries Arcorpar S.A. in the amount of ARS 1,116,714, Arcor Alimentos Bolivia S.A. in the amount of ARS 28,883 and Mundo Dulce S.A. de C.V. in the amount of ARS 264,320.

Note 22. Loans

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-current		
Bank Loans	20,887,501	13,970,358
Notes	277,935,522	168,490,572
TOTAL NON-CURRENT	**298,823,023**	**182,460,930**
Current		
Loans	121,425,336	122,228,934
Notes	71,940,917	80,446,437
Confirming Operations	3,935,575	2,765,247
Discount of Documents	296,885	319,095
TOTAL CURRENT	**197,598,713**	**205,759,713**
TOTAL	**496,421,736**	**388,220,643**

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Note 22. Loans

The following tables show the changes to this item

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2023
BALANCE AT THE BEGINNING OF THE YEAR			**388,220,643**
Borrowed Loans[1]	202,395,023	3,802,707	206,197,730
Loan Repayment – Principal	(122,377,539)	-	(122,377,539)
Loan repayment – Interest	(122,225,952)	-	(122,225,952)
Financing Origination Payments	(1,723,676)	-	(1,723,676)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	32,132,268	-	32,132,268
Confirming Operations Net Variation	-	91,018	91,018
Accrued Financing Origination Expenses [2] [3]	-	(2,290,411)	(2,290,411)
Accrued Interest [2]	-	(4,161,419)	(4,161,419)
Accrued Exchange Differences	-	107,542,222	107,542,222
Currency Translation Effect	-	15,016,852	15,016,852
BALANCE AT YEAR-END			**496,421,736**

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2022
BALANCE AT THE BEGINNING OF THE YEAR			**503,975,342**
Borrowed Loans	237,417,654	-	237,417,654
Income (Loss) from Exchange of Class 9 Notes [2]	-	11,936,012	11,936,012
Loan Repayment – Principal	(305,871,994)	-	(305,871,994)
Payment for Financial Debt	(1,045,024)	-	(1,045,024)
Loan repayment – Interest	(77,273,097)	-	(77,273,097)
Payments for Financing Origination Expenses	(2,599,536)	-	(2,599,536)
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	55,149,627	-	55,149,627
Derecognition due to receivable assignment	-	(159,143)	(159,143)
Confirming Operations Net Variation	-	2,685,949	2,685,949
Accrued Financing Origination Expenses [2] [3]	-	1,589,805	1,589,805
Accrued Interest [2]	-	9,696,405	9,696,405
Exchange Differences	-	(45,123,018)	(45,123,018)
Currency Translation Effect	-	(2,158,339)	(2,158,339)
BALANCE AT YEAR-END			**388,220,643**

(1) "Non-Cash Items" corresponds to borrowed bank loans by subsidiary Arcor do Brasil Ltda., credited directly to suppliers of Property, plant and equipment (Note 16).

(2) In note 34, it is part of the financial expenses disclosed in the item "Banks, Notes and Financing Expenses."

(3) 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, 2023:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank loans	18,596,956	796,511	1,494,034	-	20,887,501
Notes	152,651,157	63,143,127	62,141,238	-	277,935,522
TOTAL AS OF 12.31.2023	171,248,113	63,939,638	63,635,272	-	298,823,023

CURRENT	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans (1)	89,247,829	15,667,289	12,322,928	4,187,290	121,425,336
Notes	8,901,841	12,544,242	2,946,261	47,548,573	71,940,917
Discount of documents	296,885	-	-	-	296,885
Confirming operations	3,935,575	-	-	-	3,935,575
TOTAL AS OF 12.31.2023	102,382,130	28,211,531	15,269,189	51,735,863	197,598,713

(1) See "Subsequent events" within this note.

- Balances as of December 31, 2022:

NON-CURRENT	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank loans	13,970,358	-	-	-	13,970,358
Notes	23,177,903	59,818,154	85,494,515	-	168,490,572
TOTAL AS OF 12.31.2022	37,148,261	59,818,154	85,494,515	-	182,460,930

CURRENT	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	94,408,943	9,005,962	15,385,677	3,428,352	122,228,934
Notes	4,380,096	3,299,626	70,584,295	2,182,420	80,446,437
Discount of documents	319,095	-	-	-	319,095
Confirming operations	2,765,247	-	-	-	2,765,247
TOTAL AS OF 12.31.2022	101,873,381	12,305,588	85,969,972	5,610,772	205,759,713

The tables below show the carrying amount and the fair value of loans as of December 31, 2023 and 2022:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	142,312,837	141,728,971
Notes (1)	349,876,439	360,862,482
Discount of documents	296,885	296,885
Confirming operations	3,935,575	3,935,575
TOTAL AS OF 12.31.2023	496,421,736	506,823,913
Bank Loans	136,199,292	135,443,669
Notes (1)	248,937,009	249,892,822
Discount of documents	319,095	319,095
Confirming operations	2,765,247	2,765,247
TOTAL AS OF 12.31.2022	388,220,643	388,420,833

(1) In the case of Class 18 Notes, it includes the effects of the loss recorded as a result of the exchange for the Class 9 Notes, described in paragraph c of this note.

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Note 22. Loans

"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, 2023 and 2022, as explained in Note 39.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at fair value				
Bank loans	-	141,728,971	-	141,728,971
Notes	-	360,862,482	-	360,862,482
Confirming operations	-	3,935,575	-	3,935,575
Discount of documents	-	296,885	-	296,885
Total Loans at Fair Value as of 12.31.2023	**-**	**506,823,913**	**-**	**506,823,913**
Loans at fair value				
Bank loans	-	135,443,669	-	135,443,669
Notes	226,320,114	23,572,708	-	249,892,822
Confirming operations	-	2,765,247	-	2,765,247
Discount of documents	-	319,095	-	319,095
Total Loans at Fair Value as of 12.31.2022	**226,320,114**	**162,100,719**	**-**	**388,420,833**

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

	12.31.2023	12.31.2022
ARS [1]	118,480,601	122,414,220
BRL	19,249,635	13,629,696
CLP	871,153	2,319,514
EUR	22,296,025	-
USD	335,524,322	249,857,213
TOTAL	**496,421,736**	**388,220,643**

[1] Includes Class 17 Notes, denominated in UVAs but repayable in ARS. As of December 31, 2023 and December 31, 2022, the balance of these Notes amounted to ARS 12,912,467 y ARS 16,349,720, 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.

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Note 22. Loans

Confirming Operations

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).

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).

(Figures stated in thousands of Argentine pesos)

Note 22. Loans

a.2. Main Terms of Notes Outstanding and/or Settled during the Current Year

	NOTES 9 NOTES[1]	ADDITIONAL CLASS 9 NOTES[1]
Final Principal Amount of the Issue	USD 350,000 (2)	USD 150,000 (2)
Issue Date	July 6, 2016	June 19, 2017
Issue Price	100% of principal amount	106.625% of principal amount
Currency	USD	
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal 6% fixed rate.
Applicable margin	N/A	
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue).	May 3, 2021 (73 months from the date of issue)
Date of Authorization by CNV's Issuers Division	June 21, 2016	June 9, 2017
Interest Payment Date	On a biannual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.	On a biannual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.

(1) Fully paid by virtue of the exchange and redemption of Class 9 Notes described in paragraphs c. and d. of this NOTE. As of December 31, 2023 there are no balanc

(2) Paid in full at the respective principal maturities.

	CLASS 18 NOTES (3)	CLASS 19 NOTES
Final Principal Amount of the Issue	USD 265,428	ARS 8,459,677
Issue Date	November 9, 2022	May 12, 2023
Issue Price	100% of principal amount.	
Currency	USD	ARS
Interest Rate	Annual nominal 8.25% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.
Applicable margin	N/A	0.99% nominal annual rate.
Repayment and Maturity Date	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.	May 12, 2024 (12 months from the date of issue).
Date of Authorization by CNV's Issuers Division	October 4, 2022	May 8, 2023
Interest Payment Date	On a biannual basis, in arrears, on April 9 and October 9 of each year, until maturity, starting April 9, 2023.	On a quarterly basis, in arrears, from August 12, 2023 to May 12, 2024.

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	CLASS 16 NOTES[2]	CLASS 17 NOTES
	ARS 1,500,000	27,864 UVA (equal to ARS 2,500,000 considering the UVA value as of the date of issue)
	October 20, 2021	
	100% of principal amount	
	ARS	UVA/ARS
	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal fixed rate of 0.98 %.
	2.97% nominal annual rate.	N/A
	Three consecutive payments, the first one due on October 20, 2022 (12 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on January 20, 2023 (15 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on April 20, 2023 (18 months from the date of issue) for a sum equal to 34% of the principal amount.	October 20, 2025 (48 months from the date of issue)
	October 13, 2021	
	On a quarterly basis, in arrears, on January 20, 2022, April 20, 2022, July 20, 2022, October 20, 2022, January 20, 2023 and April 20, 2023.	On a quarterly basis, in arrears, from January 20, 2022 to October 20, 2025.

es due on these Notes.

	CLASS 20 NOTES	CLASS 21 NOTES	CLASS 22 NOTES
	ARS 13,540,323	USD 77,000	ARS 17,000,000
	May 12, 2023	May 22, 2023	October 6, 2023
		100% of principal amount.	
	ARS	USD	ARS
	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal 3.5% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin..
	3.95% nominal annual rate.	N/A	3.49% nominal annual rate.
	May 12, 2024 (12 months from the date of issue).	November 22, 2025 (30 months from the date of issue).	October 6, 2024 (12 months from the date of issue)
	May 8, 2023	May 10, 2023	September 29, 2023
	On a quarterly basis, in arrears, from August 12, 2023 to May 12, 2025.	On a biannual basis, in arrears, on November 22 and May 22 each year, until maturity. The first payment was due on November 22, 2023.	On a quarterly basis, in arrears, on January 6 and April 6, 2024, July 6, 2024 and October 6, 2024

(Figures stated in thousands of Argentine pesos)

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, 2023:

	CLASS 18 NOTES	
	12.31.2023	12.31.2022
Consolidated Adjusted EBITDA (1)	168,159,126	183,756,644
Consolidated Fixed Charges (2)	(9,080,545)	33,580,646
Fixed-Charge Coverage Ratio (3)	(18.52)	5.47

(1) 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) 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. As described in NOTE 2.5, the financial income included under "Consolidated Fixed Charges" is stated in real terms, eliminating the respective inflationary hedges.

(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 18.

These covenants and limitations were fully honored as of December 31, 2023.

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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)	
						12.31.2023	12.31.2022
ARS 1,000	Variable (3)	11.04.2021	11.04.2023	Upon maturity	Quarterly	-	3,114
ARS 2,800	Variable (4)	08.30.2021	08.30.2023	In 5 instalments (4)	Monthly	-	5,232
USD 25 (1)	3% Annual rate	07.06.2022	01.08.2024	Upon maturity	Quarterly	20,211	13,792
ARS 3,250 (2)	49.25% Anual rate	07.06.2022	07.06.2023	Upon maturity	Monthly	-	10,121
ARS 3,250 (2)	Variable (5)	07.06.2023	07.05.2024	Upon maturity	Monthly	3,250	-
ARS 5000	Variable (5)	07.06.2023	07.29.2024	Upon maturity	Monthly	5,000	-
ARS 2,150	Variable (5)	06.07.2023	07.05.2024	Upon maturity	Monthly	2,150	-
ARS 5000	Variable (5)	09.07.2023	03.07.2024	Upon maturity	Monthly	5,000	-
ARS 3,000	Variable (6)	10.10.2023	10.06.2024	Upon maturity	Quarterly	3,000	-

(1) See "subsequent events" within this note.
(2) The original loan, obtained on July 6, 2022, stipulated an amortization payable at maturity (scheduled for July 6, 2023) and a fixed interest rate. On said maturity date, a renewal was agreed, for the same principal amount, with amortization at maturity (scheduled for July 5, 2024) and a variable interest rate.
(3) BADLARi (BADLAR plus the turnover tax allocation ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin.
(4) The rate as from August 2022 became variable BADLAR plus 4.25% for the remaining term to maturity, which operated in August 2023.
(5) BADLAR rate of the business day prior to the beginning of the interest period plus margin of 2.5%.
(6) Simple arithmetic mean of the BADLAR rate in the period between the eighth business day prior to the beginning of each interest period and the eighth business day prior to the maturity thereof.

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 REPAID CLASS 9 NOTES (USD)	ACCEPTANCE RATE	CONSIDERATION SCHEME		
			CASH CONSIDERATION (USD)	CONSIDERATION 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

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 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 11,936,012, recorded under "Financial expenses" in these consolidated statements given that, resulting from the analysis carried out by the Group on the basis of IFRS 9, the exchange of financial instruments modified the original debt.

d. Redemption of Class 9 Notes

On April 24, 2023, the Company informed the markets that, as provided in the Terms and Conditions of the Notes, it was going to early redeem in full the outstanding Class 9 Notes for a par value of USD 127.9 million. Such Notes were redeemed on May 25, 2023 at a redemption price of 100% of the principal amount, together with accrued and unpaid interest.

e. Subsidiaries' Long-Term Loans

e.1. Arcor Alimentos Internacional, S.L., Sociedad Unipersonal

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)	
						12.31.2023	12.31.2022
EUR 20 (1)	Fixed (2)	05.19.2023	05.09.2025	Upon maturity (3)	Biannually	17,800	-

(1) The loan establishes certain conditions and commitments to be met by the Company, including compliance with specific financial ratios (consolidated financial indebtedness to EBITDA ratio and consolidated interest coverage ratio). As of December 31, 2023, the subsidiary fully met these conditions and obligations.
(2) The interest rate is updated biannually on the basis of the EURIBOR rate, including a margin of 2.7%.
(3) The financing agreement provides for the possibility of minimum prepayments of EUR 5 million after 6 months from the origination date.

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For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 22. Loans

e. Subsidiaries' Long-Term Loans

e.2. 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)	
						12.31.2023	12.31.2022
BRL 5		10.26.2020	10.28.2024	Monthly as from May 2021	Monthly	198	227
BRL 9		03.20.2023	03.20.2024	Upon maturity	Upon maturity	1,497	-
BRL 15	Variable (1)	11.22.2023	05.22.2024	Upon maturity	Upon maturity	2,412	-
BRL 6		12.07.2023	06.07.2024	Upon maturity	Upon maturity	1,048	-
BRL 11		12.15.2023	12.18.2024	Biannually	Biannually	1,747	-
EUR 0.24		01.16.2023	12.30.2024	Biannually	Biannually	218	-
EUR 1		07.12.2023	06.15.2028	Biannually (3)	Biannually	891	-
EUR 1,5		08.21.2023	07.25.2028	Biannually (3)	Biannually	1,321	-
EUR 0,3	Fixed (2)	09.06.2023	08.10.2028	Biannually (3)	Biannually	272	-
EUR 0,6		11.07.2023	10.11.2028	Biannually (3)	Biannually	506	-
EUR 0,2		11.29.2023	11.02.2028	Biannually (3)	Biannually	182	-
EUR 0,5		12.28.2023	12.01.2028	Biannually (3)	Biannually	412	-

(1) Calculated based on a % of the interbank certificate of deposit rate.
(2) Fixed interest rates oscilate between 6.85% and 6.99%.
(3) It contains a one-year grace period.

Additionally, during the last quarter of 2023, the subsidiary obtained a line of credit granted by a local bank with a principal amount of EUR 20.9 million (such funds have not been disbursed as of the closing date), in order to finance part of an investment project to expand the production plant. The loan establishes certain conditions and commitments to be met by the subsidiary, including compliance with specific financial ratios ("Net financial debt / Adjusted EBITDA" and "Adjusted free cash flow / Debt service"). As of December 31, 2023, the subsidiary fully met such conditions and obligations.

e.3. Bagley do Brasil Ltda.

PRINCIPAL AMOUNT (IN MILLIONS)	RATE	DATE OF BORROWING	DATE OF MATURITY	PRINCIPAL REPAYMENT	INTEREST PAYMENT	OUTSTANDING PRINCIPAL AMOUNT IN ARS (IN MILLIONS)	
						12.31.2023	12.31.2022
BRL 10		01.13.2023	01.18.2024	Biannually	Biannually	832	-
BRL 15		02.09.2023	02.18.2024	Biannually	Biannually	1,248	-
BRL 7		02.16.2023	02.18.2024	Biannually	Biannually	582	-
BRL 8	Variable (1)	06.19.2023	06.10.2024	Biannually	Biannually	690	-
BRL 6		07.18.2023	07.18.2024	Biannually	Biannually	965	-
BRL 15		08.17.2023	02.14.2024	Upon maturity	Upon maturity	2,496	-
BRL 5		12.08.2023	06.10.2024	Biannually	Biannually	799	-

(1) Calculated based on a % of the interbank certificate of deposit rate.

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Note 22. Loans

f. Subsequent Events in Connection with Loans

Renewal of USD 25 million loan
In relation to the loan granted by a local bank for a principal amount of USD 25 million and maturing on January 8, 2024, as described in section b. of this NOTE, on that date the Company agreed to renew the principal, with full repayment at maturity, which will be made on July 8, 2025, and interest at a fixed rate of 4.5% per annum to be paid in 6 quarterly installments.

Line of credit with Coöperatieve Rabobank U.A.
On January 25, 2024, the Company together with its subsidiaries Arcor Alimentos Internacional S.L., Sociedad Unipersonal and Cartocor S.A. entered into a financing agreement with the bank Coöperatieve Rabobank U.A. which establishes the availability of a credit line for a maximum capital amount of USD 40 million, which may be used by any of said companies, being the same co-debtors among themselves. At the date of issuance of these financial statements, the Group has received disbursements of funds amounting to USD 21.9 million.

Note 23. Lease Liabilities

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

	12.31.2023	12.31.2022
Non-current	**14,979,969**	**6,206,952**
Current	8,754,768	6,055,493
TOTAL	**23,734,737**	**12,262,445**
Balance at the Beginning of the Year	**12,262,445**	**13,770,191**
Additions	13,351,397	5,838,112
Deletions(1)	(67,458)	(34,230)
Adjustments to Variable Leases	2,084,590	165,137
Interest Expense and Exchange Differences Accrued	1,269,567	265,269
Payments Made During the Year	(9,477,593)	(7,380,252)
Currency Translation Effect	4,311,789	(361,782)
BALANCE AT YEAR-END	**23,734,737**	**12,262,445**

(1) The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the consolidated statement of income (Note 33).

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Note 24. Employee Retirement Benefits Obligations

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-current		
Early Retirement Benefits	1,428,978	2,175,434
Retirement Bonuses[(a)]	8,946,762	5,566,384
Pension Plans [(b)]	15,030,158	16,353,168
TOTAL NON-CURRENT	**25,405,898**	**24,094,986**
Current		
Early Retirement Benefits	2,352,440	2,942,512
Retirement Bonuses [(a)]	98,788	75,627
Pension Plans [(b)]	604,675	632,409
TOTAL CURRENT	**3,055,903**	**3,650,548**
TOTAL	**28,461,801**	**27,745,534**

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

	12.31.2023	12.31.2022
Amount Charged to Income		
Early Retirement Benefits	2,120,225	187,268
Retirement Bonuses [(a)]	2,557,656	(1,437,175)
Pension Plans – Defined Contributions [(b)]	(192,900)	(1,560,570)
Subtotal	**4,484,981**	**(2,810,477)**
Charge to Other Comprehensive Income		
Retirement Bonuses [(a)]	368,899	281,438
Pension Plans [(b)]	4,374,226	2,069,056
Subtotal	**4,743,125**	**2,350,494**
Translation Difference	710,153	1,479,135
Subtotal - Amounts Charged to Other Comprehensive Income	**5,453,278**	**3,829,629**
TOTAL	**9,938,259**	**1,019,152**

(a) Retirement bonuses

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

	31.12.2023	31.12.2022
Balance at the Beginning of the Year	**5.642.011**	**5.811.433**
Cost [(a)]	2.375.232	411.120
Interests [(1)]	182.424	(1.848.295)
Actuarial (Gain) / Loss	368.899	281.438
Benefits Paid to Plan Participants	(231.251)	(72.658)
Translation Difference	708.235	1.058.973
BALANCE AT YEAR-END	**9.045.550**	**5.642.011**

[(1)] Interest charges are stated in real terms, segregating the inflationary component, as described in Note 2.5.

The portion expected to be settled within twelve months from the date of these financial statements is ARS 98,778.

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Note 24. Employee Retirement Benefits Obligations

(b) Pension Plans

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

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**16,985,577**	**19,329,502**
Cost[a]	4,420,210	2,613,641
Interests [1]	(4,613,110)	(4,174,211)
Actuarial Loss	4,374,226	2,069,056
Benefits Paid to Participants	(5,750,436)	(3,040,412)
Translation Difference	218,366	188,001
BALANCE AT YEAR-END	**15,634,833**	**16,985,577**

[1] Interest charges are stated in real terms, segregating the inflationary component, as described in NOTE 2.5.

The portion expected to be settled within twelve months from the date of these financial statements is ARS 604,675.

Below is a detail of the amounts charged to the consolidated statement of income for the years ended December 31, 2023 and 2022:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost[1] [3]	4,420,210	7,847,909	2,375,232	14,643,351
Interests [2]	(4,613,110)	(5,727,684)	182,424	(10,158,370)
Subtotal – Amounts Charged to Income for the Year	**-192,9000**	**2,120,225**	**2,557,656**	**4,484,981**
Actuarial Loss	4,374,226	-	368,899	4,743,125
Translation Difference	218,366	(216,448)	708,235	710,153
Subtotal - Loss through Other Comprehensive Income	**4,592,592**	**(216,448)**	**1,077,134**	**5,453,278**
TOTAL AS OF 12.31.2023	**4,399,692**	**1,903,777**	**3,634,790**	**9,938,259**

[1] Out of total cost, ARS 8,110,311, ARS 1,198,895 and ARS 5,334,145 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 4,420,210 accrued during the year.

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

[3] Under pension plans, the amount charged to income of ARS 180,204 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 4,240,006 is reported under "Salaries, Wages and Other Benefits" (Note 31).

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [1] [3]	2,613,641	5,926,994	411,120	8,951,755
Interests [2]	(4,174,211)	(5,739,726)	(1,848,295)	(11,762,232)
Subtotal – Amounts Charged to Income for the Year	**(1,560,570)**	**187,268**	**(1,437,175)**	**(2,810,477)**
Actuarial Loss	2,069,056	-	281,438	2,350,494
Translation Difference	188,001	232,161	1,058,973	1,479,135
Subtotal - Loss through Other Comprehensive Income	**2,257,057**	**232,161**	**1,340,411**	**3,829,629**
TOTAL AS OF 12.31.2022	**696,487**	**419,429**	**(96,764)**	**1,019,152**

[1] Out of total cost, ARS 5,080,930, ARS 864,960 and ARS 3,005,865 are reported in "Cost of Sales", "Selling Expenses" and "Administrative Expenses," respectively. The item Pension Plans includes the cost of past services for ARS 2,613,641 accrued during the year.

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

[3] Under pension plans, the amount charged to income of ARS 401,295 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 2,212,346 is reported under "Salaries, Wages and Other Benefits" (Note 31).

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Note 24. Employee Retirement Benefits Obligations

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

	12,31,2023	12,31,2022
Argentina	3,044,634	3,650,812
Chile	2,316,885	-
Ecuador[(a)]	508,565	361,565
Mexico	3,175,466	1,629,634
TOTAL	**9,045,550**	**5,642,011**

In "Retirement bonuses", the assumptions regarding the future mortality rate are established based on actuarial techniques according to published statistics and experience in each territory. The main actuarial assumptions used for 2023 and 2022 were as follows:

FISCAL YEAR ENDED 12,31,2023	ARGENTINA	CHILE	ECUADOR	MEXICO
Mortality table	G,A,M, 83	CB-2014 y RV-2014	IESS 2002	EMSSA 09
Disability table	P,D,T, 85	P,D,T, 85	IESS 2002	IMSS 1997
Ordinary retirement age for men/women	65 / 60 years	65 / 60 years	25 years' seniority	65 years on ave,
Actual discount rate per year	5.0%	5.53%	4.83%	9.60%

FISCAL YEAR ENDED 12,31,2022	ARGENTINA	ECUADOR	MÉXICO
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 ave,
Actual discount rate per year	5.0%	4.71%	8.21%

As of December 31, 2023, 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 (266,105) and ARS 245,894, respectively.

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 (251,814) and ARS 234,580, respectively.

Note 25. Provisions

The following table shows the breakdown of the item:

	12,31,2023	12,31,2022
Non-Current		
For Labor Lawsuits	1,630,529	2,219,832
For Other Civil and Commercial Lawsuits and Other Contingencies	193,355	318,782
TOTAL NON-CURRENT	**1,823,884**	**2,538,614**
Non-Current		
For Labor Lawsuits	357,757	738,182
For Other Civil and Commercial Lawsuits and Other Contingencies	82,866	164,486
TOTAL NON-CURRENT	**440,623**	**902,668**
TOTAL	**2,264,507**	**3,441,282**

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Note 25. Provisions

The changes in this item are as follows:

	LABOR LAWSUITS [1]		OTHER CIVIL AND COMMERCIAL LAWSUITS AND OTHER CONTINGENCIES[2]	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**2,958,014**	**4,524,896**	**483,268**	**884,200**
Increases	1,924,673	1,739,470	273,630	150,995
Decreases	(2,153,327)	(2,038,135)	(19,424)	(125,341)
Payments	(1,027,267)	(1,228,388)	(87,562)	-
Effect of Currency Translation and Restatement	286,193	(39,829)	(373,691)	(426,586)
BALANCE AT YEAR-END	**1,988,286**	**2,958,014**	**276,221**	**483,268**

[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.

Note 26. Trade Payables and Other Liabilities

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-Current		
Trade Payables		
- Third Parties	4,542,874	3,650,115
Salaries and Social Security Contributions	9,981,701	82,725
Other Liabilities		
- Related Parties (Note 9)	645,808	-
TOTAL NON-CURRENT	**15,170,383**	**3,732,840**
Current		
Trade Payables		
- Third Parties	385,400,984	292,318,337
- Related Parties (Note 38)	920,735	529,959
- Note Payable	7,053,643	11,202,930
Tax Liabilities	23,613,257	15,486,125
Salaries and Social Security Contributions	67,103,057	81,662,537
Other Liabilities		
- Third Parties	84,361	28,769
- Related Parties (Note 38)	1,694,155	248,491
Confirming Operations (Note 22)	3,741,682	2,228,533
TOTAL CURRENT	**489,611,874**	**403,705,681**
TOTAL	**504,782,257**	**407,438,521**

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Note 26. Trade Payables and Other Liabilities

Subsequent Events Connected to Trade Payables and Other Liabilities

The greater exchange restrictions prevailing in the Argentine economy during the last months of 2023 caused an increase in the Group's liabilities in foreign currency originated thorugh import operations. In this regard, it should be noted that:

- In January 2024, as per the AFIP and the Secretariat of Commerce's joint General Resolution 5466/2023, the Group presented its information corresponding to the Commercial Debt Registry for Imports with Foreign Suppliers (the Registry) in which it externalized a debt for imports with an officialization date prior to December 13, 2023 of USD 149.4 million (equivalent to ARS 120. 784,094), which includes a debt of USD 7.9 million with related parties located abroad that are part of the Group (equivalent to ARS 6,371,042) and which, consequently, was eliminated for the purpose of preparing these consolidated financial statements. It should be noted that, of such debt, USD 99.5 million (equivalent to ARS 80,460,619) were past due at the end of the year, while the remaining USD 49.9 million (equivalent to ARS 40,323,475) were balances to be paid.

- In January and February 2024, the Group subscribed Series 1 and 2 of the Bonds for the Reconstruction of a Free Argentina (BOPREAL) for USD 53.9 million (USD 25.8 million corresponding to Series 1 and USD 28.1 million corresponding to Series 2), with a subscription cost of ARS 44,322,172 (ARS 20,923,072 corresponding to Series 1 and ARS 23,399,100 corresponding to Series 2). These instruments, provided for in BCRA Communication "B" 12695, are expressed in USD and were subscribed in ARS. Series 1 has two amortizations due on April 30, 2027 and October 31, 2027 (each for 50% of its nominal value), and accrues interest payable semiannually as from October 31, 2024 at a nominal annual rate of 5%. Series 2, on the other hand, is scheduled to be amortized in 12 (twelve) consecutive monthly installments, the first of which matures on July 31, 2024 and does not accrue interest. .

The Group continues to analyze different alternatives to access the foreign currency necessary to pay the aforementioned commercial debt in compliance with the regulations in force.

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:

	12.31.2023	12.31.2022
IT Services	190,078	1,137,110
Logistics Services	765,220	3,387,050
Production Services	2,501,420	1,701,752
TOTAL	**3,456,718**	**6,225,912**

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Note 27. Commitments and Pledged Collateral

(b) Other Pledged Collateral and Restricted Assets

						ARS			
COMPANY	CREDITOR/ BENEFICIARY	ORIGINAL CURRENCY	TYPE OF COLLATERAL	COLLATERAL	MAXIMUM GUARANTEED AMOUNT	ARCOR DO BRASIL LTDA.	CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2023	CARRYING AMOUNT OF LOAN GRANTED AS OF 12.31.2022	CARRYING AMOUNT OF PLEDGED COLLATERAL AS OF 12.31.2022
Arcor do Brasil Ltda.	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety	Surety Insurance	15,000	-	-	-	-
Bagley do Brasil Alimentos Ltda.	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety	Surety Insurance	45,000	-	-	-	-
	Itaú Unibanco S.A.	BRL	Surety	Discount of Documents	N/A	203,319	203,319	-	-
Cartocor S.A	Banco Santander S.A.	ARS	Surety	Discount of Documents	N/A	66,244	66,244	87,293	87,293
	BBVA Banco Francés S.A.	ARS	Surety		N/A	27,322	27,322	200,291	200,291
	Banco de la Nación Argentina	ARS	Surety		N/A	-	-	31,511	31,511

Within the scope of currency contracts, the Group pledged financial instruments, which are shown as "Derivative Financial Instruments." As of December 31, 2023 there was no pledge collateral for financial instruments. As of December 31, 2022 it amounted to ARS 6,351,735.

(c) Restricted Assets

For the construction of the production plant in Angola (Note 41), Angoalissar - Comércio e Indústria LDA (hereinafter Angoalissar), a member of the Webcor Group, took a loan in local currency (AOA) with a local bank, and transferred part of the funds to Dulcería Nacional, LDA. for an amount of approximately AOA 10,045 million. In August 2020, Arcor AG (S.A., Ltd.) and Alison Industry Ltd., subsidiaries of the Company and of the Webcor Group, respectively, became subsidiary debtors for up to a maximum of 50% each of the debt contracted by Angoalissar and transferred to Dulcería Nacional, LDA. As described in Note 40 to the consolidated financial statements as of December 31, 2022, Arcor A.G. (S.A., Ltd.) was merged with Arcor Alimentos Internacional S.L., Sociedad Unipersonal.

Additionally, in May 2023, Angoalissar transferred the rights and obligations of the total loan taken with the local banking entity to Dulcería Nacional, LDA and, as collateral, Dulcería Nacional, LDA constituted in favor of the local banking entity a real right of pledge over certain assets, mainly productive equipment, for a value of AOA 11,375 million (equivalent to ARS 11,055 as of December 31, 2023), leaving without effect the collaterals described in the preceding paragraph.

As of December 31, 2023, the principal amount owed by Dulcería Nacional, LDA amounts to approximately AOA 12,609 million (equivalent to ARS 12,253).

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Note 27. Commitments and Pledged Collateral

(d) Potential Commitments

Pursuant to tolling agreements entered into by the Company with third parties, as of December 31, 2023 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., 23,170,135. As of December 31, 2022 such inventories amounted to ARS 14,199,045.

Also, the Company holds in its warehouses as of December 31, 2023, inventories of finished products for sale owned by third parties for a total amount of ARS 314,014 (excluding other related companies' inventories). As of December 31, 2022, inventories amounted to ARS 204,596.

Pursuant to a supply contract entered into with third parties by the subsidiary Papel Misionero S.A.I.F.C., as of December 31, 2023 and 2022, standing resinous pine flight is pending to be harvested, for an amount of ARS 80,159 and 238,031, respectively.

Note 28. Sales of Goods and Services

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Sales of Goods Net of Discounts and Rebates		
- Third Parties	1,907,360,958	1,940,091,553
- Related Parties (Note 38)	4,804,378	4,307,895
Sales of Services		
- Third Parties	2,600,193	2,135,833
- Related Parties (Note 38)	463,456	18,217
TOTAL	**1,915,228,985**	**1,946,553,498**

Note 29. Cost of Goods Sold and Services Rendered

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Inventories at the Beginning of the Year (Note 14)	391,673,435	336,107,813
Purchases for the Year	908,078,497	995,531,939
Transfers of Biological Products from the Agricultural Activity (Note 32)	11,630,776	9,577,027
Production Expenses (Note 30)	544,506,555	530,560,182
Sales of By-products	(53,386,216)	(55,468,160)
Export Refunds(1)	(4,140,733)	(4,725,468)
Currency Translation Effect	46,928,367	(5,750,990)
Inventories at Year-End (Note 14)	(430,247,953)	(391,673,435)
BALANCE AT YEAR-END	**1,415,042,728**	**1,414,158,908**

(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:

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 8)	1,398,975	1,152,162
Operating Leases/Rentals	8,141,760	7,992,097
Quality and Environment	4,423,916	4,204,819
Fuels and lubricants	5,228,012	6,016,156
Maintenance of Property, Plant and Equipment, and Investment Properties	59,002,858	60,001,682
Depreciation of Property, Plant and Equipment and Investment Properties (Notes 5 and 7) (*)	38,478,234	41,455,825
Depreciation of Right-of-use Assets (Note 6) (*)	8,511,762	6,850,040
Export Duties	6,146,363	6,621,268
Electricity, Gas and Communications	64,282,526	59,164,435
Freight and Haulage	96,464,412	97,280,967
Export and Import Expenses	9,011,550	10,154,844
Travelling Expenses and Per Diem	7,665,946	7,162,722
Services Fees	9,189,659	9,314,788
Direct Taxes	34,539,203	33,607,434
Taxes, Rates and Contributions	5,910,967	5,753,892
Publicity and Advertising	27,627,607	25,754,250
Managers', Directors', and Statutory Auditors' Fees	4,658,927	6,247,890
Insurance	7,508,309	7,167,714
Bank Services	3,640,104	2,397,721
Third-Party Services	56,504,390	53,662,401
Systems and Application Software	14,389,767	13,818,531
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	437,212,272	420,657,159
Bad Debts	1,135,144	1,579,151
Loss on Labor and Other Lawsuits	1,084,094	994,344
Loss on Other Miscellaneous Provisions	254,206	25,654
(Recovery) / Loss due to Other Receivables	3,526	6,549
Other General Expenses	34,094,204	33,623,549
TOTAL	**946,508,693**	**922,668,044**

(*) 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)

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 8)	526,767	408,667
Operating Leases/Rentals	3,039,172	2,977,886
Calidad y medio ambiente	4,401,049	4,192,363
Fuels and Lubricants	4,280,428	4,979,679
Maintenance of Property, Plant and Equipment	56,597,471	56,683,101
Depreciation of Property, Plant and Equipment (Note 5)	35,707,212	38,175,921
Depreciation of Right-of-use Assets (Note 6)	1,445,550	1,248,692
Electricity, Gas and Communications	61,939,257	56,514,188
Freight and Haulage	15,751,139	14,637,427
Travelling Expenses and Per Diem	2,349,896	2,122,966
Services Fees	2,682,247	2,634,935
Taxes, Rates and Contributions	2,821,389	3,061,655
Insurance	5,670,133	4,909,233
Third-party Services	28,101,031	26,620,854
Systems and Application Software	3,713,816	2,939,134
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	299,111,416	292,292,973
Loss on Labor and Other Lawsuits	959,576	926,734
(Recovery) / Loss due to Other Miscellaneous Provisions	180,161	5,397
(Recovery) / Loss due to Other Receivables	1,819	1,626
Other General Expenses	15,227,026	15,226,751
TOTAL	**544,506,555**	**530,560,182**

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Note 30. Information about Expenses by Function and Nature

(a) Biological Assets Production Expenses (Note 32)

	12.31.2023	12.31.2022
Operating Leases/Rentals	656,340	417,174
Quality and Environment	22,867	12,456
Fuels and lubricants	335,249	305,089
Maintenance of Property, Plant and Equipment, and Investment Properties	200,804	893,329
Depreciation of Property, Plant and Equipment and Investment Properties (Note 5) (*)	492,740	838,437
Depreciation of Right-of-use Assets (Note 6) (*)	1,540,907	778,603
Electricity, Gas and Communications	153,731	144,720
Freight and Haulage	234,550	297,590
Travelling Expenses and Per Diem	16,093	23,231
Services Fees	52,908	62,833
Taxes, Rates and Contributions	140,648	180,398
Insurance	6,910	3,301
Third-Party Services	2,240,156	2,195,682
Systems and Application Software	14,157	3,762
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	2,131,185	2,068,338
Loss on Labor and Other Lawsuits	316	162
Other General Expenses	4,733,614	4,335,555
TOTAL	**12,973,175**	**12,560,660**

(*) 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

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 8)	168,292	173,965
Operating Leases/Rentals	4,012,785	4,060,943
Fuels and Lubricants	556,009	658,674
Maintenance of Property, Plant and Equipment	1,811,423	1,747,698
Depreciation of Property, Plant and Equipment (Note 5)	1,812,043	1,892,767
Depreciation of Right-of-use Assets (Note 6)	4,980,681	4,329,127
Export Duties	6,146,363	6,621,268
Electricity, Gas and Communications	1,094,588	1,321,739
Freight and Haulage	80,478,723	82,345,950
Export and Import Expenses	9,011,550	10,154,844
Travelling Expenses and Per Diem	3,674,576	3,190,863
Services Fees	1,664,097	1,165,306
Direct Taxes	34,539,203	33,607,434
Taxes, Rates and Contributions	1,453,860	1,270,386
Publicity and Advertising	27,627,607	25,754,250
Insurance	887,788	840,810
Third-party Services	23,364,244	22,005,842
Systems and Application Software	5,452,460	5,489,731
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	71,158,533	67,042,765
Bad Debts	1,135,144	1,579,151
Loss on Labor and Other Lawsuits	112,974	55,758
Loss on Other Miscellaneous Provisions	49,211	43,597
(Recovery) / Loss due to Other Receivables	1,707	4,923
Other General Expenses	11,894,698	11,946,018
TOTAL	**293,088,559**	**287,303,809**

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(Figures stated in thousands of Argentine pesos)

Note 30. Information about Expenses by Function and Nature

(d) Administrative Expenses

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 8)	703,916	569,530
Operating Leases/Rentals	433,386	535,814
Fuels and Lubricants	56,326	72,714
Maintenance of Property, Plant and Equipment	351,088	660,567
Depreciation of Property, Plant and Equipment (Note 5)	465,433	547,859
Depreciation of Right-of-use Assets (Note 6)	544,624	493,618
Electricity, Gas and Communications	1,092,792	1,181,857
Travelling Expenses and Per Diem	1,625,381	1,825,662
Services Fees	4,777,295	5,443,602
Taxes, Rates and Contributions	1,466,823	1,200,490
Managers', Directors' and Statutory Auditors' Fees	4,658,927	6,247,890
Insurance	943,478	1,414,370
Bank Services	3,640,104	2,397,721
Third-party Services	2,350,034	2,467,579
Systems and Application Software	5,209,334	5,385,904
Salaries, Wages, Social Security Charges and Other Benefits (Note 31)	64,811,138	59,253,083
Loss on Labor and Other Lawsuits	11,228	11,690
Loss / (Recovery) on Other Miscellaneous Provisions	24,834	(23,340)
Other General Expenses	2,238,268	2,112,113
TOTAL	**95,404,409**	**91,798,723**

(e) Investment Property Maintenance Expenses (Note 33)

	12.31.2023	12.31.2022
Operating Leases/Rentals	77	280
Maintenance of Investment Properties	42,072	16,987
Depreciation of Investment Properties (Note 7)	806	841
Electricity, Gas and Communications	2,158	1,931
Services Fees	13,112	8,112
Taxes, Rates and Contributions	28,247	40,963
Third-party Services	448,925	372,444
Other General Expenses	598	3,112
TOTAL	**535,995**	**444,670**

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Note 31. Salaries, Wages, Social Security Charges and Other Benefits

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Salaries, Wages and Social Security Contributions[1]	422,749,125	412,106,699
Early Retirement Benefits (Note 24)	7,847,909	5,926,994
Pension Plans (Note 24)	4,240,006	2,212,346
Retirement Bonus (Note 24)	2,375,232	411,120
TOTAL	**437,212,272**	**420,657,159**

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

Note 32. Income (loss) from Biological Assets

The following tables show the income (loss) from the main biological assets as of December 31, 2023:

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2023
Sales of Biological Assets and Products	99,871	3,730,054	-	654,225	514,368	4,998,518
Cost of Sales of Biological Assets	-	-	-	(654,225)	-	(654,225)
Cost of Sales of Biological Products	(99,871)	(2,914,848)	-	-	(332,701)	(3,347,420)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**815,206**	**-**	**-**	**181,667**	**996,873**
Harvest of Biological Products[1]	2,644,635	2,080,605	6,823,087	3,032,420	1,186,205	15,766,952
Initial Recognition and Changes in Fair Value of Biological Products[2]	(843,262)	-	-	857,072	(3,560,817)	(3,547,007)
Derecognition of Bearer Plants	-	-	(324,039)	-	-	(324,039)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(1,273,556)	(2,192,907)	(4,227,515)	-	(636,585)	(8,330,563)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(4,642,612)	-	(4,642,612)
Subtotal - Production Costs of Biological Assets	**(1,273,556)**	**(2,192,907)**	**(4,227,515)**	**(4,642,612)**	**(636,585)**	**(12,973,175)**
Consumption of Harvested Biological Products	-	-	-	(897,202)	-	(897,202)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**527,817**	**702,904**	**2,271,533**	**(1,650,322)**	**(2,829,530)**	**(977,598)**

(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, 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	909,553	3,206,826	-	725,359	271,127	5,112,865
Cost of Sales of Biological Assets	-	-	-	(725,359)	-	(725,359)
Cost of Sales of Biological Products	(909,553)	(1,580,107)	-	-	(118,263)	(2,607,923)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**1,626,719**	**-**	**-**	**152,864**	**1,779,583**
Harvest of Biological Products [1]	2,562,262	3,655,786	2,535,673	3,414,293	507,622	12,675,636
Initial Recognition and Changes in Fair Value of Biological Products [2]	(40,838)	-	-	(933,648)	(2,356,257)	(3,330,743)
Derecognition of Bearer Plants	-	-	(297,855)	-	-	(297,855)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 30)	(1,330,324)	(2,356,266)	(4,127,828)	-	(210,468)	(8,024,886)
Production Expenses of Biological Assets for the Livestock Activities (Note 30)	-	-	-	(4,535,774)	-	(4,535,774)
Subtotal - Production Costs of Biological Assets	**(1,330,324)**	**(2,356,266)**	**(4,127,828)**	**(4,535,774)**	**(210,468)**	**(12,560,660)**
Consumption of Harvested Biological Products	-	-	-	(564,206)	-	(564,206)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**1,191,100**	**2,926,239**	**(1,890,010)**	**(2,619,335)**	**(1,906,239)**	**(2,298,245)**

(1) Measured at fair value at the point of harvest.
(2) For agricultural activities, it represents the changes in fair value of biological assets not yet harvested/logged at year-end.

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Note 32. Income (loss) from Biological Assets

The production of biological assets is primarily intended to be transferred from agricultural to industrial production, as detailed below:

	BIOLOGICAL ASSETS GENERATED BY AGRICULTURAL PRODUCTION						
	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TREE PLANTATIONS	TOTAL AS OF 12.31.2023	TOTAL AS OF 12.31.2022
Opening Inventories of Biological Products	-	492,784	-	-	-	492,784	492,784
Harvest of Biological Products	2,644,635	2,080,605	6,823,087	3,032,420	1,186,205	15,766,952	12,675,636
Cost of Sales of Biological Products	(99,871)	(2,914,848)	-	-	(332,701)	(3,347,420)	(2,607,923)
Internal Transfers	-	(897,202)	-	897,202	-	-	-
Consumption of Harvested Biological Products (Foffer)	-	-	-	(897,202)	-	(897,202)	(564,206)
Subtotal	**2,544,764**	**(1,238,661)**	**6,823,087**	**3,032,420**	**853,504**	**12,015,114**	**9,996,291**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities (1)	-	(384,338)	-	-	-	(384,338)	(419,264)
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2023 (Note 29)	**2,544,764**	**(1,622,999)**	**6,823,087**	**3,032,420**	**853,504**	**11,630,776**	
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2022 (Note 29)	**1,652,709**	**1,584,993**	**2,535,671**	**3,414,295**	**389,359**		**9,577,027**

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

Note 33. Other Income / (expenses), net

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Tax on Bank Credits and Debits	(15,056,682)	(15,803,284)
Net (Disbursements) out of Income Accrued Provided by Investment Properties(1)	(424,588)	(324,814)
Income on Disposal of Property, Plant and Equipment and Investment Properties	1,300,542	407,661
Depreciation of Property, Plant and Equipment Elements (Note 5)	(161,418)	(3,527,174)
PAIS Tax (2)	(2,418,896)	(230,666)
Other Income from Differentiated Settlement of Exports (3)	11,748,870	-
Others	2,468,868	610,150
TOTAL	**(2,543,304)**	**(18,868,127)**

(1) Includes maintenance expenses of investment properties for the year ended December 31, 2023 and 2022 for ARS 535,995 and ARS 444,670, respectively (Note 30).

(2) Tax on Certain Foreign Currency Transactions ("PAIS Tax").

(3) In Argentina, by means of decree 549/2023 dated October 23, 2023, the National Executive Power (PEN) established that until November 17, 2023, 70% of exports should be settled through the Foreign Exchange Market (MLC), and the remaining 30% through sale and purchase transactions with marketable securities acquired in foreign currency and sold in local currency. Subsequently, decree 597/2023 of the PEN extended the validity of decree 549/2023 until December 10, 2023, and established that the percentage for settlement through sale and purchase transactions of marketable securities amounted to 50%. Finally, on December 13, 2023, through the issuance of decree 28/2023, the PEN allowed exporters to settle 20% of the foreign currency through sale and purchase transactions with marketable securities acquired in foreign currency and sold in local currency. The excess income received for the portion settled through the purchase and sale of marketable securities is included in "Other income/(expense), net" in these consolidated statements of income.

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Note 34. Net Financial Income (expense), net

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

	12.31.2023	12.31.2022
Financial Income		
Interests:		
- Cash Equivalents	360,281	339,039
- Ordinary Explicit and Implicit	(60,437,678)	(50,227,842)
- Finance Charges with Related Parties (Note 38)	149,261	105,380
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 42)	27,572,167	6,412,304
- Other Financial Instruments	2,268,434	-
Exchange Differences	-	29,261,569
Subtotal - Financial Income	**(30,087,535)**	**(14,109,550)**
Financial Expenses		
Interests:		
- Banks, Notes and Financing Expenses (Note 22)[(1)(2)]	6,451,830	(23,222,222)
- Finance Leases	(466,449)	(441,022)
- Explicit and Implicit	66,801,079	33,306,552
Changes in the Fair Value of Financial Instruments		
- Other Financial Instruments	-	(10,697,463)
	-	(22,449)
Reclassification of Translation Differences due to Corporate Reorganizations within the Group	(174,823,539)	-
Exchange Differences	**(102,037,079)**	**(1,076,604)**
Subtotal		
Amounts Capitalized in Eligible Assets	311,917	337,357
Subtotal - Financial Expenses	**(101,725,162)**	**(739,247)**
Gain on Net monetary Position	**102,466,212**	**66,484,115**
TOTAL	**(29,346,485)**	**51,635,318**

(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 11,936,012 for the exchange of Class 9 Notes and Class 18 Notes described in Note 22, inc. c.

As expressed on Note 2.5, these financial statements are expressed en real terms, thus eliminating respective inflation hedges.

Note 35. Income Tax

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

	12.31.2023	12.31.2022
Current Income Tax	(50,012,207)	(78,357,756)
Income Tax - Deferred Tax Method (Note 11)[(1)]	5,886,058	12,554,433
Subtotal – Income Tax Charged to the Statement of Income	**(44,126,149)**	**(65,803,323)**
Income Tax - Deferred Tax Method (Notes 11, 19 and 20)	1,631,810	823,178
Subtotal – Income Tax Charged to Other Comprehensive Income	**1,631,810**	**823,178**
TOTAL INCOME TAX EXPENSE	**(42,494,339)**	**(64,980,145)**

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Note 35. Income Tax

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:

	12.31.2023	12.31.2022
Income for the Year before Tax	**70,178,000**	**175,980,493**
Income Tax Rate	35%	35%
Income Tax Calculated at the Company's Effective Tax Rate	**(24,562,300)**	**(61,593,173)**
Permanent Differences and Other Reconciling Items		
Non-taxable Income	2,601,704	1,482,649
(Non-deductible Expenses), Net	(6,038,131)	(1,113,366)
Special Deductions	74,100	156,373
Changes in Unrecognized Deferred Assets	(484,829)	(3,289,193)
Income (Loss) from Changes in Fair Value of Mastellone Hermanos S.A.'s Options (Note 42)	9,650,258	2,244,306
Effect of Tax Rate Adjustment [(1)]	746,654	2,774,670
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	(21,301,994)	(4,282,961)
Effect of Application of the Inflation Adjustment for Tax Purposes	(55,216,034)	(30,926,519)
Effect of Restatement Law No. 27,430 on Tax Bases [(2)]	54,122,414	32,706,513
Effect of Progressive Tax Rates, Law No. 27,630	23,597	78,151
Income (Loss) from Investments in Associates and Joint Ventures (Note 9)	(3,026,766)	(2,723,179)
Net Tax Effect of Distributed or Presumptive Dividends or Dividends Payables in Future Years [(3)]	(708,739)	(1,581,340)
Unfavorable result from the subsidiary Brazil's binding consultation.	-	(855,568)
Effect of Translation Differences Reclassified to Income (Loss) on Corporate Reorganizations within the Group (Note 34 and 40)	-	(50)
Others, Net	(6,083)	1,119,364
Permanent Differences at the Tax Rate	**(19,563,849)**	**(4,210,150)**
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(44,126,149)**	**(65,803,323)**
Current Income Tax	(50,012,207)	(78,357,756)
Income Tax - Deferred Tax Method	5,886,058	12,554,433
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(44,126,149)**	**(65,803,323)**

(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.

(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) As of December 31, 2022, it primarily includes the tax effects resulting from the merger of the subsidiary Arcor A.G. (S.A., Ltd.) into the subsidiary ARA-LI and from the sale of the capital stock of the subsidiary Industria Dos en Uno de Colombia Ltda. (note 40)

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Note 35. Income Tax

- Changes in the Income Tax Rate

In June 2021, Law No. 27,630 was enacted in Argentina, modifying Income Tax Law No. 7,430 (2017 tax reform), establishing a new staggered income tax rate structure divided into three segments, based on the level of accumulated net taxable income, and without incorporating changes in the "additional tax" rates on dividends or profits distributed to individuals, undivided estates or beneficiaries abroad.

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.

For the fiscal years 2023 and 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 14.3 million and 7.6 million, respectively;
- 30% for the second bracket, on accumulated net taxable income up to 143.0 million and 76.0 million, respectively;
- 35% on accumulated net taxable income in excess of 143.0 million and 76.0 million, respectively.

- 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 105 through 108 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, 2021 to December 31, 2023 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, 2023. Based on the above-described application scheme, as of December 31, 2022, 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.

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Note 35. Income Tax

- Inflation Adjustment for Tax Purposes in Argentina

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 2022 tax period made during the month of May 2023, and for the calculation of the current income tax charge for the year ended December 31, 2023, 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.

- 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, 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. Consequently, such subsidiaries are entitled to update the tax bases of their revalued assets for purposes of computing the depreciation charge in the determination of income tax.

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 855,568.

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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 2023 and 2022, 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,

	YEAR ENDED	
	12.31.2023	12.31.2022
Net Income for the Year Attributable to the Company's Shareholders	4,608,707	99,772,645
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.06584**	**1.42532**

Note 37. Dividends per Share

Dividends paid by the Company to its shareholders in 2023 amounted to ARS 28,490,000 (or ARS 55,893,831 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 28, 2023 and September 13, 2023, at which time shareholders resolved to pay dividends in the amount of 14,000,000 (or ARS 33,533,586 in constant currency) and ARS 14,490,000 (or ARS 22,360,245), respectively, Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0,79848,

Dividends paid by the Company to its shareholders in 2022 amounted to ARS 7,000,000 (or ARS 36,583,245 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meeting 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 0,52262,

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	12.31.2023	12.31.2022
Dulcería Nacional, LDA, [1]	Joint Venture	1,852,331	1,106,363
Logística La Serenísima S,A, [2]	Indirect Associate	2,746	8,455
Mastellone Hermanos S,A,	Associate	2,841,494	3,062,962
Mastellone San Luis S,A, [2]	Indirect Associate	107,807	130,115
TOTAL		**4,804,378**	**4,307,895**

Sales of Services

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Dulcería Nacional, LDA, [1]	Joint Venture	86,307	-
Grupo Arcor S,A, [2]	Parent	1,629	2,046
Mastellone Hermanos S,A,	Associate	375,520	16,171
TOTAL		**463,456**	**18,217**

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

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Statutory Audit Committee

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(Figures stated in thousands of Argentine pesos)

Note 38. Transactions and Balances with Related Parties

(b) Sales of Goods and Services

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Mastellone de Paraguay S.A. [1]	Indirect Associate	1,761,912	2,026,987
Mastellone Hermanos S.A.	Associate	5,892,435	1,641,778
TOTAL		7,654,347	3,668,765

(1) A company controlled by Mastellone Hermanos S.A.

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Mastellone Hermanos S.A.	Associate	4,093	4,528
TOTAL		4,093	4,528

(c) Expenses with Related Parties

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Contributions to Fundación Arcor	Other	164,975	427,373
Contributions to Fundación Arcor Chile[1]	Other	70,951	63,412
Contributions to Instituto Arcor Brasil	Other	87,105	79,748
TOTAL		323,031	570,533

(d) Financial Interest Income (Note 34)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
GAP Inversora S.A.	Associate	(2,658)	(635)
Other Related Parties[1]	Other	(3,637)	(3,410)
Tucor DMCC	Joint Venture	155,556	109,425
TOTAL		149,261	105,380

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

Accounts Receivable (Note 13)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Dulcería Nacional, LDA. [1]	Joint Venture	3,824,025	826,059
Grupo Arcor S.A.	Parent	269	-
Logística La Serenísima S.A. [2]	Indirect Associate	-	296
Mastellone Hermanos S.A.	Associate	548,364	436,983
Mastellone San Luis S.A. [2]	Indirect Associate	1,124	16,940
TOTAL		4,373,782	1,280,278

(1) A company controlled by Tucor DMCC.
(2) A company controlled by Mastellone Hermanos S.A.

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Note 38. Transactions and Balances with Related Parties

Other Receivables (Note 13)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Dulcería Nacional, LDA. (1)	Joint Venture	448,413	306,793
TOTAL		**448,413**	**306,793**

(1) A company controlled by Tucor DMCC.

Accounts Payable and Other Liabilities (Note 26)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Dulcería Nacional, LDA. (1)	Joint Venture	333,578	21,587
Grupo Arcor S.A. (2)	Parent	1,444,579	-
Mastellone de Paraguay S.A. (3)	Indirect Associate	283,924	240,178
Mastellone Hermanos S.A.	Associate	303,233	268,194
Other Related Parties	Other	65,865	64,371
Directors' Fees Payable	Other	183,711	184,120
TOTAL		**2,614,890**	**778,450**

(1) A company controlled by Tucor DMCC

(2) It corresponds to dividens distributed according to the Ordinary and Extraordinary General Shareholders' Meeting of September 13, 2023, outstanding at year-end.

(3) 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.

(f) Loans Granted (Note 13)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
GAP Inversora S.A. (2)	Associate	5,484	6,476
Other Related Parties	Other	5,797	8,178
Tucor DMCC	Joint Venture	6,155,719	4,049,636
TOTAL		**6,167,000**	**4,064,290**

(g) Employee Benefits

The compensation and other benefits paid or payable to the Board of Directors and key management personnel as of December 31, 2023 and 2022 amounted to ARS 29,067,235 and ARS 28,244,845, respectively.

Key management personnel are individuals having authority and responsibility for planning, managing and controlling the Group's activities.

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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, 2023:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables[1]	18,109,861	-	-	18,109,861
Trade Receivables	285,410,973	-	-	285,410,973
Other Investments [2]	-	85,043,498	-	85,043,498
Derivative Financial Instruments	-	25,651,862	-	25,651,862
Cash and Cash Equivalents	-	93,878,129	-	93,878,129
TOTAL AS OF 12.31.2023	**303,520,834**	**204,573,489**	**-**	**508,094,323**
Liabilities as per Balance Sheet				
Loans	496,421,736	-	-	496,421,736
Financial Lease Liabilities	23,734,737	-	-	23,734,737
Trade Payables and Other Liabilities[1]	459,791,179	20,732,013	-	480,523,192
TOTAL AS OF 12.31.2023	**979,947,652**	**20,732,013**	**-**	**1,000,679,665**

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

- 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]	14,855,409	-	-	14,855,409
Trade Receivables	239,224,349	-	-	239,224,349
Other Investments [1]	-	2,715,428	-	2,715,428
Derivative Financial Instruments	-	6,351,735	-	6,351,735
Cash and Cash Equivalents	-	70,661,549	-	70,661,549
TOTAL AS OF 12.31.2023	**254,079,758**	**79,728,712**	**-**	**333,808,470**
Liabilities as per Balance Sheet				
Loans	388,220,643	-	-	388,220,643
Financial Lease Liabilities	12,262,445	-	-	12,262,445
Derivative Financial Instruments	-	2,153,154	-	2,153,154
Trade Payables and Other Liabilities	373,512,445	18,439,951	-	391,952,396
TOTAL AS OF 12.31.2023	**773,995,533**	**20,593,105**	**-**	**794,588,638**

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

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Note 39. Financial Risk Management

39.2 Fair Value Hierarchies

The tables below show financial instruments measured at fair value, classified by hierarchy, according to the measurement method used. The different levels were defined as follows:

- Level 1: (Unadjusted) quoted prices for identical assets and liabilities in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs), which requires that the Group prepare its own hypothesis and assumptions.

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

- As of December 31, 2023:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	-	-	25,651,862	25,651,862
Other Investments	85,043,498	-	-	85,043,498
Cash and Cash Equivalents	93,878,129	-	-	93,878,129
Total Assets	**178,921,627**	**-**	**25,651,862**	**204,573,489**
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	-	-	-	-
Trade Payables and Other Liabilities	-	20,732,013	-	20,732,013
Total Liabilities	**-**	**20,732,013**	**-**	**20,732,013**

(1) It only includes financial liabilities under IFRS 7.

- As of December 31, 2022:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	6,351,735	-	-	6,351,735
Other Investments	2,715,428	-	-	2,715,428
Cash and Cash Equivalents	70,661,549	-	-	70,661,549
Total Assets	**79,728,712**	**-**	**-**	**79,728,712**
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	51,803	181,046	1,920,305	2,153,154
Trade Payables and Other Liabilities[1]	-	18,439,951	-	18,439,951
Total Liabilities	**51,803**	**18,620,997**	**1,920,305**	**20,593,105**

(2) It only includes financial liabilities under IFRS 7.

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Note 39. Financial Risk Management

39.2 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 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.

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.

39.2.1 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, 2023 and 2022, 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. For mutual funds and government securities with characteristics described in Note 2.17 to be included in the "Cash and cash Equivalents" item of these consolidated financial statements. 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) Other Investments

For mutual funds and government securities with characteristics described in Note 2.17 to be included in the "Other Investments" item of these consolidated financial statements. 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.

(c) 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.

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Note 39. Financial Risk Management

39.2 Fair Value Hierarchies

39.2.1 Fair Value of Assets and Liabilities Measured at Fair Value

(c) Derivative Financial Instruments

(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 (Montecarlo Simulation), as detailed in Note 15.

Such models include unobservable market inputs; therefore, valuation is classified as Level 3.

(d) Accounts Payable and Other Liabilities – Cereal Purchase Contracts with Price to be Fixed

As of December 31, 2023 and 2022 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.

39.2.2 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.

39.3 Fair Value Calculation

(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).

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Note 39. Financial Risk Management

39.3 Fair Value Calculation

(c) Loans

(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.

39.5 Market Risk

39.5.1 Exchange Rate and Indexation Risk

The Group manufactures and sells its products in various countries around the world and, therefore, is exposed to the risk of exchange rate fluctuations. Additionally, as disclosed in NOTE 22 to these consolidated financial statements, the Group has financial liabilities in UVA (Class 17 Notes), and therefore it is also exposed to the risk of restatement of such financial liabilities, which are payable in ARS but subject to the variation of such index. The exchange rate and restatement risk arises from:

• **Operating and Investment Activities**

Operating income and loss are generally expressed in the functional currency of the originating country. However, exports and imports (especially raw materials, materials and items of property, plant and equipment) are expressed in other currencies, mainly in USD and EUR. Consequently, the Group is exposed to exchange rate fluctuations on recognized financial assets or liabilities arising from these transactions.

Considering only this net currency exposure at December 31, 2023 and 2022, the Group estimates that the impact of a simultaneous 10% favorable/unfavorable movement of the main exchange rates, all other variables held constant, would result in a gain/loss in nominal terms (i.e. without eliminating the inflation hedge) before taxes of approximately ARS 5,147,478 and ARS 1,946,503, 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, 2023 and 2022, 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 33,337,692 and ARS 21,071,358, 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.

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Note 39. Financial Risk Management

39.5 Market Risk

39.5.1 Exchange Rate and Indexation Risk

Considering only this net monetary exposure as of December 31, 2023 and 2022, 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 1,296,084 and ARS 1,602,974, 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.

As of December 31, 2023 y 2022, 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 2,089,777 and ARS 1,868,153, 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, 2023 and 2022, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2023		12.31.2022	
	ARS	%	ARS	%
Fixed Rate	358,946,717	72	365,753,656	94
Variable Rate	137,475,019	28	22,466,987	6
TOTAL	**496,421,736**	**100**	**388,220,643**	**100**

Considering that at the reporting period end, only 28% 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 388,411.

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Note 39. Financial Risk Management

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.

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.

(Figures stated in thousands of Argentine pesos)

Note 39. Financial Risk Management

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, 2023 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, quoted prices, exchange rates and interest rates prevailing as of December 31, 2023 and 2022, 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 22)	496,421,736	260,942,385	194,994,316	138,387,664	-	594,324,365
Lease Liabilities (Note 23)	23,734,737	9,436,521	6,917,123	7,255,191	2,739,953	26,348,788
Trade Payables and Other Liabilities[1]	480,523,192	473,377,442	12,548,877	1,983,529	-	487,909,848
TOTAL AS OF 12.31.2023	**1,000,679,665**	**743,756,348**	**214,460,316**	**147,626,384**	**2,739,953**	**1,108,583,001**

	CARRYING AMOUNT	CONTRACTUAL MATURITY DATES				TOTAL
		LESS THAN ONE YEAR [3]	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS OLD	
Loans (Note 22)	388,220,643	223,249,186	47,456,713	160,763,277	-	431,469,176
Lease Liabilities (Note 23)	12,262,445	6,378,594	3,377,375	3,167,474	-	12,923,443
Derivative Financial Instruments (Note 15)	232,849	232,849	-	-	-	232,849
Trade Payables and Other Liabilities [1]	391,952,396	394,472,528	1,309,024	2,438,789	-	398,220,341
TOTAL AS OF 12.31.2022	**792,668,333**	**624,333,157**	**52,143,112**	**166,369,540**	**-**	**842,845,809**

(1) It only includes financial liabilities under IFRS 7.
(2) See Note 22. Subsequent Events in Connection with Loans
(3) 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 42 to these consolidated financial statements.

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Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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(Partner)
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(Figures stated in thousands of Argentine pesos)

Note 39. Financial Risk Management

39.8 Capital Risk Management

The Group's capital management goals include: (i) ensure the maintenance of a strong credit rating; (ii) ensure a healthy capitalization level to safeguard the business" ability to continue as a going concern, generating returns for the shareholders; (iii) maintain an optimal financing structure to reduce the cost of capital, and (iv) fulfill the commitments undertaken under some loan agreements.

In order to maintain or adjust the capital structure, the Group may, among other actions, adjust the amount of dividends payable to its shareholders, reimburse capital to its shareholders, issue new equity or sell assets to reduce its indebtedness level.

In line with industry practices, the Group monitors its capital on the basis of its indebtedness ratio. This ratio is calculated by dividing net financial indebtedness by total equity. Net financial indebtedness is equal to total loans and lease liabilities (including current and non-current, as shown in the consolidated balance sheet) less cash and cash equivalents.

The indebtedness ratios as of December 31, 2023 and 2023 arise from the following table:

	12.31.2023	12.31.2022
Loans (Note 22)	496,421,736	388,220,643
Lease Liabilities (Note 23)	23,734,737	12,262,445
(Less) Cash and Cash Equivalents (Note 16)	(93,878,129)	(70,661,549)
(Less) Other Investments (Note 12)	(85,061,749)	(2,729,426)
Net Indebtedness	341,216,595	327,092,113
Total Equity	**563,024,722**	**489,343,074**
Total Capitalization	904,241,317	816,435,187
INDEBTEDNESS RATIO	**0.6060**	**0.6684**

Note 40. Corporate Reorganizations

Merger by Arcor Alimentos Internacional, S.L., Sociedad Unipersonal's acquisition of Arcor A.G. (S.A., Ltd.)

Further with the Group's corporate reorganization, in order to unify the majority of the shares held by the foreign subsidiaries in Arcor Alimentos Internacional, S.L., Sociedad Unipersonal, (hereinafter, ARALI), the Board of Directors of ARALI subscribed, on April 20, 2022, a Joint Merger Plan together with the Sole Director of Arcor A.G. (S.A., Ltd.), so as to carry out a transnational merger in which ARALI acquires Arcor A.G. (S.A., Ltd.), being Arcor S.A.I.C. the holder of 100% of the capital stock and votes of both companies.

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.

As a result of the aforementioned corporate reorganization, neither the financial situation nor the consolidated statements of income of the Group have been significantly impacted.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

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. Likewise, Tucor is the parent company of Dulcería Nacional, Lda. (hereinafter, "Dulcería Nacional"), a corporation incorporated in Angola, which carries out the industrial operation.

In 2020 and 2021, Arcor A.G. (S.A., Ltd.), subsequently acquired by ARALI in 2022 (Note 40) made capital contributions to Tucor in the amount of USD 14.3 million approximately.

During the second quarter of 2022, Dulcería Nacional's industrial operations began with the inauguration of the aforementioned industrial plant in Luanda, Angola. It began by producing bonbons, cookies, crackers and candies.

In 2023, all production lines were up and running, growing the business as a first step to a long-term development in Africa. 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.

As per this agreement, certain semi-finished products and raw materials are 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).

Note 42. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

On December 3 and 4, 2015, Arcor S.A.I.C., together with its subsidiary Bagley Argentina S.A. (jointly, the "Investors"), entered in to an investment agreement with Mastellone Hermanos S.A. ("Mastellone") and its shareholders, which was formalized as follows:

(i) "Offer to enter into a Share Subscription Agreement" issued by Mastellone and its shareholders and accepted by the Investors. Under this agreement:
- Arcor S.A.I.C. and Bagley Argentina S.A. made an irrevocable contribution, in equal parts, for USD 50 million convertible into shares of Mastellone representing a 20.16% interest in the capital stock and voting rights in Mastellone Hermanos S.A.
- Mastellone and its shareholders granted to Investors an "irrevocable option to subscribe additional shares of stock" to be exercised in January 2017. Concurrently, Investors granted to Mastellone an option requiring the additional subscription of shares of stock to be exercised in February 2017. The exercise price of these options was set at the equivalent in pesos of USD 35 million. In exchange for this additional subscription and subject to compliance with certain conditions, Mastellone committed to issuing shares in favor of Investors representing 12.37% of the new capital stock and voting rights.
- Indemnities are available to Investors for certain contingencies that might give rise to losses in Mastellone. These indemnities were good through December 2021.

(ii) "Offer to subscribe a Share Purchase issued by certain shareholders of Mastellone and accepted by Investors: Under this agreement, Arcor S.A.I.C. and Bagley Argentina S.A. purchased, on an equal basis, common shares representing approximately 4.99% of Mastellone's capital stock prior to the subscription described in paragraph (i) above, at a price of approximately USD 9.9 million.

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Note 42. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

(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 2020-2026 *(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 2026 *(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.

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.

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Note 42. Investment in Mastellone Hermanos S.A.

Summary of Transactions

DATE	TRANSACTION	AGREEMENT	NUMBER OF "E" CLASS SHARES [1]
12.03.2015	Purchase of shares by the Arcor Group	Offer to subscribe a Share Purchase	22,831,140
02.23.2016	Capitalization of irrevocable contributions	Offer to enter into a Share Subscription Agreement	115,542,240
01.17.2017	Exercise by the Arcor Group of additional stock subscription option and capitalization of irrevocable contributions	Offer to enter into a Share Subscription Agreement	80,879,568
04.18.2017	Exercise of the first put option by the Selling Shareholders with the consequent purchase of shares by the Arcor Group.	Offer to enter into a Call and Put Option Agreement	31,818,189
02.01.2018			12,110,844
06.01.2018			15,713,746
05.31.2019			2,310,000
10.24.2019			28,654,477
05.05.2020			3,928,438
06.18.2020			
TOTALS			**318,330,872**

[1] Valor nominal 1 ARS y derecho a 1 voto.

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EQUITY	PRICE PAID(EQUIVALENT IN USD)	ACCOUNTING APPROACH
4.9900%	USD 9.9 million approximately.	The investment was valued at cost since the conditions of significant influence required by IAS 28 were not met.
19.1552%	USD 50 million.	Upon approval of the suspensive condition to which it was subject, the irrevocable contributions were capitalized with the following accounting effects: - Recording of the investment in Mastellone by the equity method due to the existence of significant influence over the associate, which is based on its shareholding and the rights it has to intervene in the administration and management of Mastellone, resulting from the effective entry into force of the aforementioned "Shareholders' Agreement". - Accounting for the initial recognition at fair value at the aforementioned date, in accordance with IFRS 9, of the derivative financial instruments (assets and liabilities) resulting from the additional subscription options, first and second put options and call option described above. These fair values were estimated using models based on observable market data and the Company's own assumptions and assumptions.
9.3813%	USD 35 million.	Irrevocable contribution on account of future subscription of shares, capitalized by the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone once the approval of the Brazilian Antitrust Authority was obtained. The accounting approach of this investment implied the recording of the additional shareholding incorporated by the equity method provided for in IAS 28.
4.8654%	USD 13.8 million approximately.	The accounting approach of these investments implied the recording of the additional shareholding incorporated by the equity method provided for in IAS 28.
1.8519%	USD 5.2 million approximately.	
2.4028%	USD 6.8 million approximately.	
0.3532%	USD 1.0 million approximately.	
4.3816%	USD 12.4 million approximately.	
0.6007%	USD 1.7 million approximately.	
0.6946%	USD 2.0 million approximately.	
48.6767%		

(Figures stated in thousands of Argentine pesos)

Note 42. Investment in Mastellone Hermanos S.A.

Recognition in Arcor Group's Financial Statements as of December 31, 2023 and 2022.

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022 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*) were measured at their fair value as of December 31, 2023 and 2022 and are disclosed in non-current assets for ARS 25,651,862 and in non-current liabilities ARS 1,920,305, respectively under the caption "Derivative Financial Instruments" (Note 15). 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 (Note 34).

The following table summarizes the changes in the Group's investment in Mastellone Hermanos S.A. during the year ended December 31, 2023:

		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	21,245,686	(1,780,886)	2,617,556	22,082,356
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities[1]	13,336,226	75,250	(11,738)	13,399,738
Goodwill	882,402	-	-	882,402
Subtotal - 24.1452% Interest in Mastellone Hermanos S.A.	**35,464,314**	**(1,705,636)**	**2,605,818**	**36,364,496**
Investments made in 2017				
Equity Interest in Mastellone at Carrying Amount	12,384,736	(1,082,746)	1,544,476	12,846,466
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities [1]	6,635,984	47,276	(6,926)	6,676,334
Goodwill	11,171,858	-	-	11,171,858
Subtotal - 14.2466% Interest in Mastellone Hermanos S.A.	**30,192,578**	**(1,035,470)**	**1,537,550**	**30,694,658**
Investments made in 2018				
Equity Interest in Mastellone at Carrying Amount	3,775,712	(333,910)	461,252	3,903,054
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities [1]	2,229,504	49,186	(2,068)	2,276,622
Goodwill	1,586,468	-	-	1,586,468
Subtotal - 4.2547% Interest in Mastellone Hermanos S.A.	**7,591,684**	**(284,724)**	**459,184**	**7,766,144**
Investments made in 2019				
Equity Interest in Mastellone at Carrying Amount	6,290,800	(557,994)	513,302	6,246,108
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities [1]	1,821,208	100,314	(2,302)	1,919,220
Goodwill	1,449,028	-	-	1,449,028
Subtotal - 4.7349% Interest en Mastellone Hermanos S.A.	**9,561,036**	**(457,680)**	**511,000**	**9,614,356**
Investments made in 2020				
Equity Interest in Mastellone at Carrying Amount	1,736,732	(154,306)	140,420	1,722,846
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities [1]	418,958	51,322	(630)	469,650
Goodwill	256,086	-	-	256,086
Subtotal - 1.2953% Interest in Mastellone Hermanos S.A.	**2,411,776**	**(102,984)**	**139,790**	**2,448,582**
SUBTOTAL – INVESTMENTS IN ASSOCIATES	**85,221,388**	**(3,586,494)**	**5,253,342**	**86,888,236**
Depreciation of investments - Mastellone Hermanos S.A.	(13,177,290)	(3,029,892)	-	(16,207,182)
TOTAL – INVESTMENTS IN ASSOCIATES	**72,044,098**	**(6,616,386)**	**5,253,342**	**70,681,054**

(1) It includes the recognition of certain assets and liabilities that Mastellone Hermanos S.A. does not have recorded in its financial statements (mainly brands developed by the associate) and certain adjustments made by the Group to measure the identifiable assets and liabilities of the associate at fair value at the date of each acquisition or using the Arcor Group's accounting criteria and policies.

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For the years ended December 31, 2023 and 2022
(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, 2023 and 2022 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	IN MILLIONS OF ARS	
	12.31.2023	12.31.2022
Revenues	654,516	676,263
Cost of sales	(472,550)	(491,143)
Gross Profit	**181,966**	**185,120**
Selling Expenses	(168,420)	(164,417)
Administrative Expenses	(22,537)	(21,453)
Other gains and losses	2,364	321
Investment Income	865	(237)
Financial Costs	(12,561)	(12,896)
Exchange Differences	(40,790)	11,768
Other Financial Loss	4,792	(307)
Gain on Net Monetary Position	27,115	16,076
Excess of Restated Value over Revaluation of Assets Measured at Fair Value Revenues	(3,368)	(3,402)
Income / (Loss) before Income Tax	**(30,574)**	**10,573**
Income Tax	17,385	(6,343)
NET (LOSS) FOR THE YEAR	**(13,189)**	**4,230**
Net (Loss) Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	(13,189)	4,230
Non-controlling Interest	-	-
TOTAL	**(13,189)**	**4,230**

Below is also a detail of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2023 and 2022, as it arises from said consolidated financial statements:

	IN MILLIONS OF ARS	
	12.31.2023	12.31.2022
Cash and Cash Equivalents	24,066	13,577
Current Loans	(25,460)	(7,265)
Current Lease Liabilities	(1,093)	(589)
Non-current Loans	(113,749)	(103,502)
Non-current Lease Liabilities	(5,491)	(3,232)
TOTAL NET FINANCIAL DEBT	**(121,727)**	**(101,011)**

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Note 42. Investment in Mastellone Hermanos S.A.

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

Below is a detail of the associate's main loans as of December 31, 2023:

- Class "G" Notes for an aggregate amount of ARS 84.851 million (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 "I" Notes for an aggregate amount of ARS 17.716 million (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, 2022 and 2023, the associate 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 began 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%.

Repayment of Class "H" Notes

Regarding the Class "H" Notes issued on June 25, 2021 for a principal amount equivalent to USD 11.9 million and maturing on December 25, 2023, it should be noted that the associate repaid the principal amount due upon maturity in ARS at the exchange rate applicable on the respective date.

Uncertainty over Income Tax Treatments

As shown in its consolidated financial statements as of December 31, 2023, the associate Mastellone Hermanos S.A., presents an uncertainty over tax treatments, under the terms of IFRIC 23, in relation to the tax treatment adopted on the inflation adjustment of accumulated tax loss carryforwards. In this regard, the associate has completed the corresponding analysis together with its expert tax advisors in the matter and they have concluded that they have solid arguments to reach a favorable resolution, so it has recognized such losses at their inflation-adjusted value in order to offset the taxable income determined for the 2022 tax year in the respective tax return filing. In addition, it applied the same criterion to estimate the current and deferred income tax charge recorded in the year ended December 31, 2023. As a result of the foregoing:

- Mastellone Hermanos S.A., recognized a gain of 11.506 million, disclosed under the item Income tax in the consolidated statement of income as of December 31, 2023.
- The Group recognized this result for the purpose of valuing its investment in the associate Mastellone Hermanos S.A., using the equity method and estimating the allowance for impairment resulting from the comparison of such book value with its respective recoverable value.

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(Figures stated in thousands of Argentine pesos)

Note 42. Investment in Mastellone Hermanos S.A.

Recoverability Tests of the Investment in Associates

The assessment of the recoverable value requires the use of estimates and is based on projected cash flows prepared on the basis of Mastellone Hermanos S.A.'s financial budget for the following year and on the basis of the associate's projections covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of the business.

The key variables are related to gross margins, changes in the associate's working capital, and the investment levels required to reach the expected production volumes, with the projected profitability levels.

Such variables were determined on the basis of past performance, other external sources of information and the associate's market development expectations. In this respect, based on the knowledge of the associate's business conditions, the Group's accounting policy used for purposes of the impairment analysis:

- It considers two potential scenarios concerning the gross margin—a conservative scenario and a best-case scenario. As of December 31, 2023 and 2022, gross margin projections for each period are 16% and 10% higher in the best-case scenario than in the conservative scenario, respectively.
- 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 Group's estimates, the recoverable value of its investment as of December 31, 2023 was estimated, in the base scenario, to be 18.7% 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 1.8%. Therefore, in accordance with the accounting policy used by the Group, a total impairment of ARS 16,207,182 was recorded. As of December 31, 2022, the recoverable value of its investment 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 13,177,290 was recorded.

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, 2023 and 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, 2023	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2022
Decrease in Discount Rate	From 14.45% p.a. to 13.52% p.a.: 93 basis points	From 13.75% p.a. to 12.64% p.a.: 111 basis points
Increase in Growth Rate	From 3.50% p.a. to 5.52% p.a.: 202 basis points	From 3.50% p.a. to 5.88% p.a.: 238 basis points
Increase in Estimated Net Cash Flows	12.6%	11.0%

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Víctor Daniel Martín
Director

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Note 43. Subsequent Events

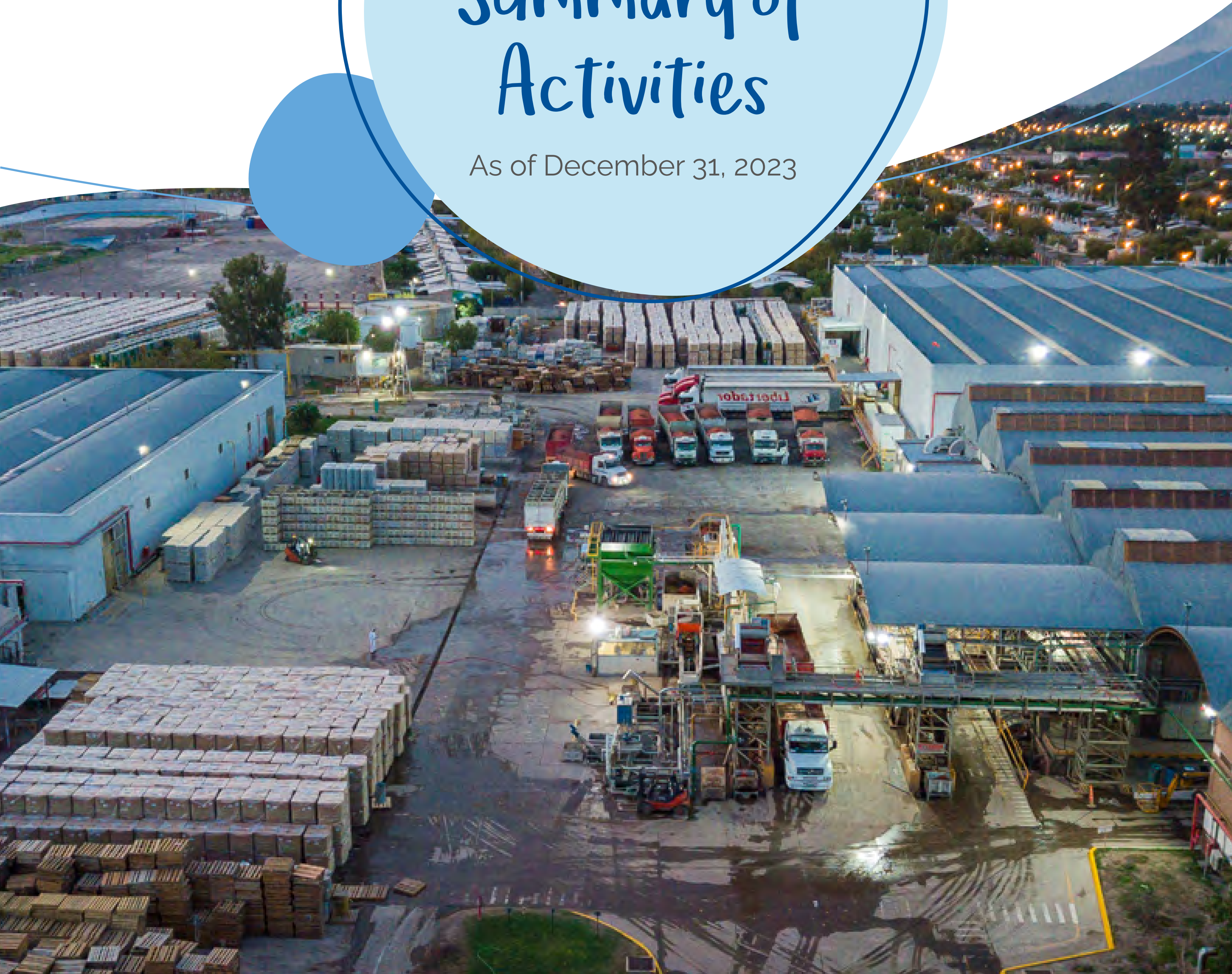
On February 29, 2024, the Company approved the incorporation of a new subsidiary to be located in Dubai, United Arab Emirates, which will be 100% controlled by Arcor Alimentos Internacional S.L. (hereinafter ARALI). The investment required for this new project will be approximately USD 500,000 (five hundred thousand dollars) and the disbursements will be made by ARALI.

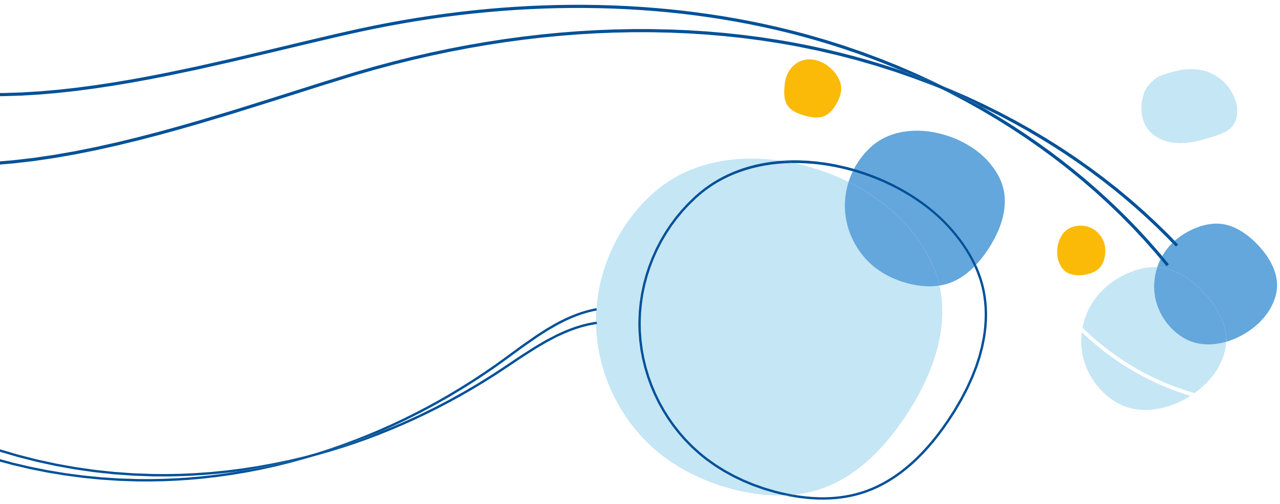
The subsidiary will offer new products for the Middle East markets, enabling the Group to get even closer to customers' needs and to continue to promote our brands in the region. To this end, this subsidiary will market products mainly manufactured in the Group's production plants in Latin America.

In addition to the aforementioned and to what is mentioned in Note 22, after December 31, 2023, no events or circumstances have occurred that significantly affect the Group's equity position, results of operations and cash flows.

Consolidated Summary of Activities

As of December 31, 2023





Consolidated Summary of Activities

For the fiscal year ended December 31, 2023. Presented on a comparative basis.
(Figures stated in thousands of Argentine pesos)

I. Discussion on Arcor Group's Activities

Preliminary Considerations

The Group ended fiscal year No. 63, from January 1 to December 31, 2023, with consolidated sales of ARS 1,915,229.0 million. Compared to the previous year, sales decreased by 1.6% in pesos. Sales to customers domiciled in Argentina accounted for 68.3% of the group's consolidated sales, and sales to customers domiciled abroad, which include exports to third parties from Argentina, accounted for 31.7% of consolidated sales.

2023 was once again an extremely complex year, especially in Argentina, the main scenario for the development of the Group's business. There was a general drop in consumption due to inflation and the loss of consumer purchasing power, which affected most of the categories in which we participate. In addition, the impossibility to transfer the increase in expenses and costs to prices, the currency devaluation and the supply problems during the year had an impact on our operating profitability.

Against this backdrop, the Group achieved a consolidated operating income of ARS 108,172.4 million, which represents a deterioration with respect to the previous year since, expressed in sales terms, it represents 5.6%, while in 2022 it was 6.8%. The difficulty in maintaining operating margins at the levels of the previous year was mainly caused by the increase in the consolidated cost structure and expenses over the increase in revenues, especially in our businesses in Argentina.

It should be noted that, in addition to the deterioration of operating performance, the final income has been affected at the level of financial results due to the significant devaluation of the Argentine currency that happened in December 2023. In addition, the increase in inflation with respect to the previous year generates a higher net monetary position result.

As a consequence of the above, at the end of the year, the final income was ARS 26,051.9 million, which, expressed in terms of sales, represents 1.4%, while the previous year it was 5.7%.

Regarding performance, the Consumer Food Products businesses (Confectionery, Chocolates, Ice Cream, Biscuits and Functional Products) experienced a decrease in the volumes sold in some categories, although they managed to maintain and even increase the volume of other categories whose consumption relates more to indulgence and "on the go" products.

Industrial business volumes increased, mainly in Agribusiness in terms of sales of syrups, starches, specialties and by-products. As for Packaging sales, they had a diverse behavior, depending on each branch of business in which it participated, where performance had as a common denominator the difficulties in maintaining the supply flow of raw materials and imported inputs necessary due to regulatory restrictions.

Regarding the performance of the rest of the businesses in Latin America, during 2023, activity levels continued to recover in comparison to the previous year, even reaching, in some countries, similar levels to those observed before the pandemic. It is worth noting the higher consumption of impulse categories and out-of-home consumption, as was the case of the Confectionery and Chocolates business in Brazil. Similarly, in the Andean Region, volume increases were also observed in Chile and Peru in the Confectionery business, as well as in the Cookies and Crackers business in Chile. In the case of the countries in the Southern Subsidiaries region, which includes Uruguay, Paraguay and Bolivia, business performance was affected by conditions specific to the context of each country and, therefore, results varied.

For more than 72 years we have been committed to producing food with sustainable management, giving the finest quality from the field to the table of our consumers.

Arcor expresses its commitment to sustainability in its mission and vision, values, as well as in its corporate purpose, in the corporate Code of Ethics and Conduct, as well as in all associated policies and procedures. Arcor Group's 2030 Sutainability Strategy, "Living Better", 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.

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Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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Consolidated Summary of Activities

For the fiscal year ended December 31, 2023. Presented on a comparative basis.
(Figures stated in thousands of Argentine pesos)

i. Comentario sobre las actividades del Grupo Arcor

Preliminary Considerations

Further, we continue to work on materializing our digital vision to support business goals through technology and digital models that bring consumers and customers in all geographies closer to food trends in a more personalized way and aligned with digital consumption habits. Our initiatives have also enabled us to leverage business models based on these new digital capabilities, such as the extension of the Tokin platform and by personalizing arcorencasa.com. We also enabled these new technologies to optimize our supply chain, with the optimization of planning, the digitization of manufacturing and the automation of support processes.

Investments and Performance

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

• Machinery and Facilities	882,467
• Furniture, Tools, Vehicles and Other Equipment	5,015,378
• Land and Constructions	601,200
• Works in Progress and Equipment in Transit	39,538,096
TOTAL INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**46,037,141**

ii. Comparative Consolidated Balance Sheet Structure

	12.31.2023	12.31.2022	12.31.2021	12.31.2020	12.31.2019
Non-current Assets	696,565,776	606,377,549	646,499,480	663,161,130	692,009,513
Current Assets	997,056,908	803,416,680	798,842,002	716,749,603	692,473,134
Total Assets	**1,693,622,684**	**1,409,794,229**	**1,445,341,482**	**1,379,910,733**	**1,384,482,647**
Non-current Liabilities	418,939,074	290,521,045	488,471,688	519,037,243	525,727,244
Current Liabilities	711,658,888	629,930,110	514,929,299	460,689,574	485,915,208
Total Liabilities	**1,130,597,962**	**920,451,155**	**1,003,400,987**	**979,726,817**	**1,011,642,452**
Equity Attributable to the Company's Shareholders	336,753,281	301,367,974	259,530,883	256,154,835	238,342,845
Non-controlling Interest	226,271,441	187,975,100	182,409,612	144,029,081	134,497,350
Total Equity	**563,024,722**	**489,343,074**	**441,940,495**	**400,183,916**	**372,840,195**
Total Liabilities and Equity	**1,693,622,684**	**1,409,794,229**	**1,445,341,482**	**1,379,910,733**	**1,384,482,647**

iii. Comparative Consolidated Profit & Loss Structure

	PROFIT / (LOSS)				
	12.31.2023	12.31.2022	12.31.2021	12.31.2020	12.31.2019
Operating Income	108,172,387	132,125,686	133,739,528	166,290,163	81,643,411
Net Financial Income (Expense)	(29,346,485)	51,635,318	80,304,193	(59,453,078)	(54,100,391)
Income (Loss) from Investments in Associates and Joint Ventures	(8,647,902)	(7,780,511)	(5,554,139)	(7,887,316)	9,256,520
Net Income before Income Tax	**70,178,000**	**175,980,493**	**208,489,582**	**98,949,769**	**36,799,540**
Income Tax	(44,126,149)	(65,803,323)	(87,664,403)	(49,123,641)	(38,595,653)
Net Income / (Loss) for the Year	**26,051,851**	**110,177,170**	**120,825,179**	**49,826,128**	**(1,796,113)**
Other Comprehensive Income (Loss) for the Year	107,154,048	(24,781,563)	(76,574,418)	(1,845,856)	(4,940,695)
Total Comprehensive Income / (Loss) for the Year	**133,205,899**	**85,395,607**	**44,250,761**	**47,980,272**	**(6,736,808)**
Total Comprehensive Income / (Loss) for the Year Attributable:					
Company's Shareholders	91,278,863	78,420,194	45,042,656	37,204,717	(22,989,767)
Non-controlling Interest	41,927,036	6,975,413	(791,895)	10,775,555	16,252,959
Total	**133,205,899**	**85,395,607**	**44,250,761**	**47,980,272**	**(6,736,808)**

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Consolidated Summary of Activities

For the fiscal year ended December 31, 2023. Presented on a comparative basis.
(Figures stated in thousands of Argentine pesos)

IV. Comparative Cash Flow Structure

	CASH INFLOWS / (OUTFLOWS)				
	12.31.2023	12.31.2022	12.31.2021	12.31.2020	12.31.2019
Operating Activities	209,362,674	160,388,526	105,397,169	198,707,446	163,369,795
Investing Activities	(114,390,855)	(35,787,001)	(36,635,197)	(27,134,367)	(44,588,323)
Financing Activities	(82,735,521)	(147,537,078)	(58,384,807)	(163,540,708)	(82,561,771)
NET INCREASE / (DECREASE) IN CASH	**12,236,298**	**(22,935,553)**	**10,377,165**	**8,032,371**	**36,219,701**

V. Comparative Statistical Data vs. the same periods in the four previous years

a) Consumer Food Product Divisions

	4Q 2023 TONS	4Q 2022 TONS	4Q 2021 TONS	4Q 2020 TONS	4Q 2019 TONS
Production Volume	171,373	174,669	169,991	167,741	154,894
Sales Volume - Local Market	163,477	163,748	166,122	151,459	151,540
Sales Volume - Exports	8,105	8,246	7,638	7,676	8,494

	ACCUMULATED AS OF 12.31.2023 TONS	ACCUMULATED AS OF 12.31.2022 TONS	ACCUMULATED AS OF 31.12.2021 TONS	ACCUMULATED AS OF 31.12.2020 TONS	ACCUMULATED AS OF 31.12.2019 TONS
Production Volume	797,558	805,945	772,172	709,326	726,453
Sales Volume - Local Market	770,555	771,717	735,938	685,613	713,638
Sales Volume - Exports	28,540	30,326	29,103	22,931	28,918

b) Industrial Divisions

	4Q 2023 TONS	4Q 2022 TONS	4Q 2021 TONS	4Q 2020 TONS	4Q 2019 TONS
Production Volume	645,993	586,884	570,800	326,656	353,156
Sales Volume - Local Market	450,404	442,775	431,575	231,846	226,289
Sales Volume - Exports	43,069	36,983	51,574	21,726	23,344

	ACCUMULATED AS OF 12.31.2023 TONS	ACCUMULATED AS OF 12.31.2022 TONS	ACCUMULATED AS OF 31.12.2021 TONS	ACCUMULATED AS OF 31.12.2020 TONS	ACCUMULATED AS OF 31.12.2019 TONS
Production Volume	2,625,275	2,494,394	1,927,410	1,471,492	1,404,059
Sales Volume - Local Market	1,790,491	1,752,105	1,263,567	952,453	869,229
Sales Volume - Exports	144,926	173,027	133,920	76,665	93,767

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Consolidated Summary of Activities

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(Figures stated in thousands of Argentine pesos)

Vi. Consolidated Main Ratios

	12.31.2023	12.31.2022	12.31.2021	12.31.2020	12.31.2019
· Liquidity Ratio	1.4	1.3	1.6	1.6	1.4
· Solvency Ratio	0.5	0.5	0.4	0.4	0.4
· Non-current-to-Total Assets Ratio	0.4	0.4	0.4	0.5	0.5
· Indebtedness Ratio	2.0	1.9	2.3	2.4	2.7
· Profitability Ratio	5.0%	23.7%	28.7%	12.9%	(0.5)%

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 liabilities / Total equity
Profitability Ratio	Net profit for the year / Average total equity

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Vii. Outlook

According to the IMF's[1] estimates , in 2024 the global economy will grow at an anual pace of 3.1%, an improvement in comparison with theor previous forecast. This is because of a greater-than-expected resilience by the United States and several big, emerging and developing market economies, as well as the tax incentives in China. However, the growth forecast is lower tan the historical mean, partly due to the high interest rate policies to combat inflation, the withdrawal of tax support in an environment of high indebtedness and low underlying productivity growth.

The downward risks in projections are significant and include potential price surges in raw materials due to geopolitical conflicts such as the continuous attacks in the Red Sea, or a higher persistence of the underlying inflation, which could extend restrictive monetary conditions. In addition, risks could arise for the financial and exchange rate stability of emerging economies given the increase in the levels of indebtedness of these economies in recent years.

The United States is anticipated to experience growth of approximately 2.1% in 2024 and 1.7% in 2025. The Chinese economy is projected to expand by 4.6% annually in 2024 and 4.1% 2025.

Concerning the countries of the Latin American region, ECLAC[2] published in its preliminary overview that it expects a GDP growth rate of 1.9% per year in 2024, maintaining the dynamics of low growth and slowdown in employment generation. The report forecasts GDP growth of 1.6% and 2.5% for the region's main economies, Brazil and Mexico, respectively. In the case of Chile, a GDP growth of approximately 1.9% 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 2024, overall inflation is expected to hit an annual rate of 227%. On the other hand, concerning other macroeconomic variables relevant to our businesses, those who participate in such survey estimate that currency devaluation will reach 110% and Gross Domestic Product (GDP) will contract 3.0%.

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. We will continue to deepen our digital vision to empower businesses and foster the development of the capabilities that leverage them, both in technology and digital talent, and in new ways of working and organizing ourselves.

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).

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, 2024.

[2] Source: Economic Commission for Latin America (ECLA), *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2023 (LC/PUB.2022/18-P), Santiago, 2023.

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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, 2023, 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 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, 2023, as well as its consolidated comprehensive income statement and consolidated cash flows for the year then ended, according to the 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 number 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 "Responsibilities of the auditors with respect to the audit of 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 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

Key audit topics entail 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, 2023, and as shown in notes 9 and 42 to the consolidated financial statements, the Group's investment in the associated company named Mastellone Hermanos S.A. totals ARS 70,681 million and involved the acknowledgement of results for ARS 6616 million (loss) and other comprehensive results for ARS 5253 million (profit). The Group assesses its investment in the associated company Mastellone Hermanos S.A. by means of 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 employs 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 the 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 completeness of 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 the 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 Annual Report and the reporting summary.

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 insights obtained from said process, or if for any other reason there appears to be a material misstatement. Based on our work, if we consider that, within the scope of 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 of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards 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, for disclosing (if applicable) issues related to this matter and for 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 in their entirety 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 support 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 implemented 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 evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and conduct of the Group's audit. We are solely responsible for our audit opinion.

We communicated with the Board of Directors of 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 of 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, the actions taken to eliminate those risks or the precautions implemented.

Among the issues that have been communicated to the Board of Directors of 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 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, 2023 and 2022:

	Thousands of ARS	
	31 Dec 23	31 Dec 22
Assets	1,693,622,684	1,409,794,229
Liabilities	1,130,597,962	920,451,155
Equity	563,024,722	489,343,074

c.2) consolidated income statements and other comprehensive income statements for the financial periods that ended on December 31, 2023 and 2022, which show a comprehensive overall gain of ARS 133,205,899 and ARS 85,395,607 (both figures expressed in thousands of ARS), respectively;

d) as of December 31, 2023, 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 3,056,244,533.94 (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, 2023, represent:
   - e.1) 96.56% 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) 47.87% 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) 46.73% 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;

Issued in the city of Córdoba, Argentina, on the 8th day of March, 2024.

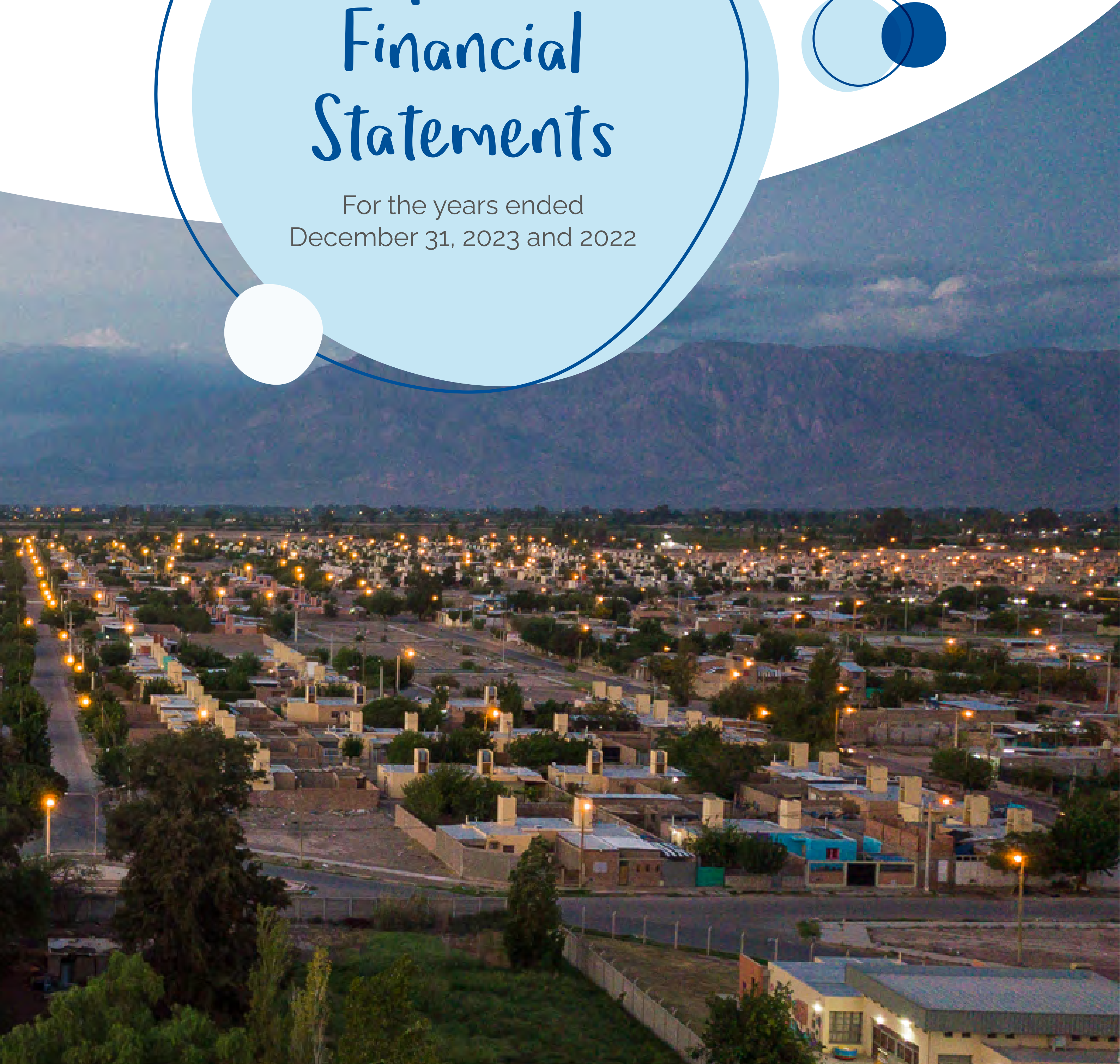
PRICE WATERHOUSE & CO. S.R.L.

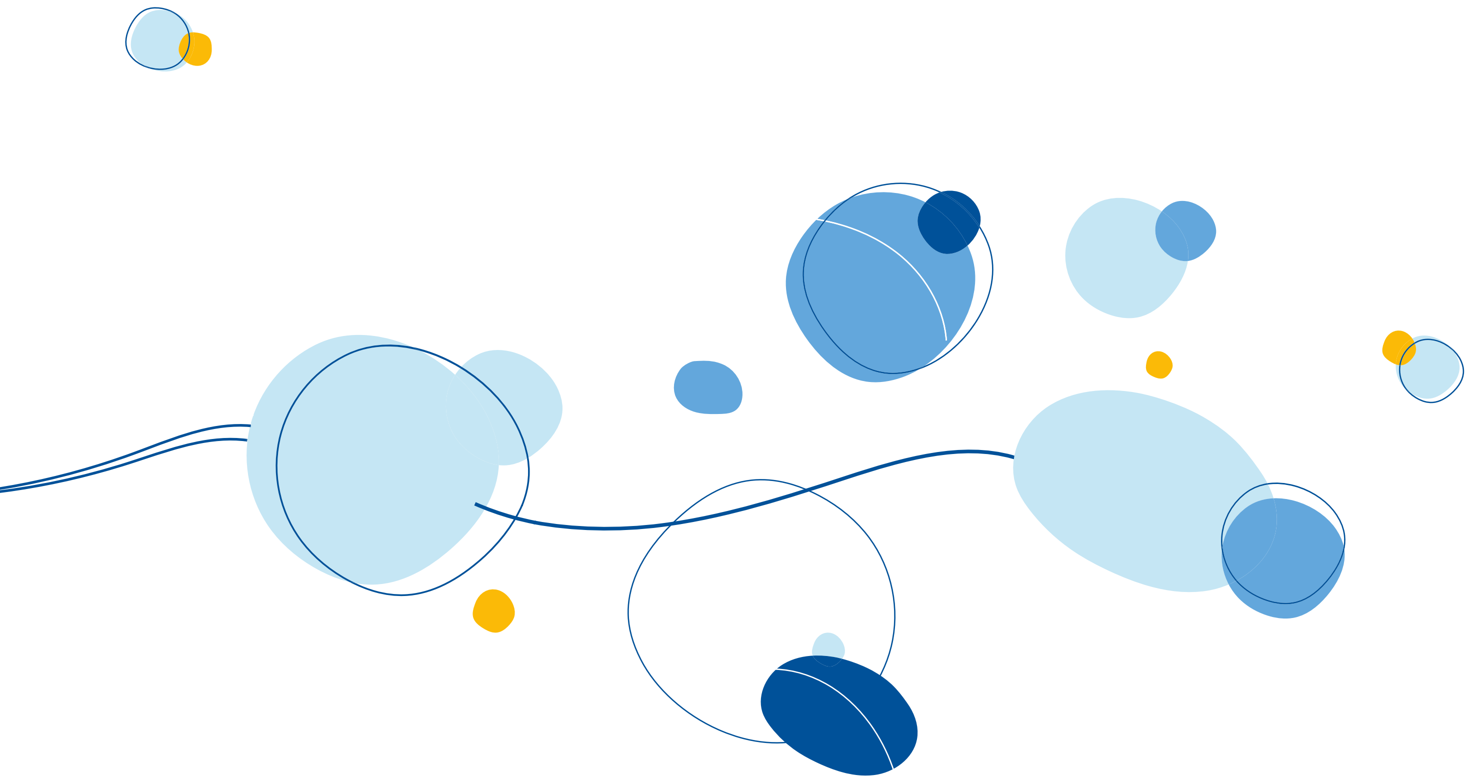
(Partner)
Professional Council in Economic
Sciences, Córdoba. Number
21.00004.3

Guillermo M. Bosio
Certified Public Accountant
(National University of Córdoba)
Prof. Licence N° 10.17540.4
Professional Council in Economic
Sciences, Córdoba

Separate Financial Statements

For the years ended
December 31, 2023 and 2022





Separate Financial Statements

As of December 31, 2023 and 2022

Contents

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C N° 21.00004.3
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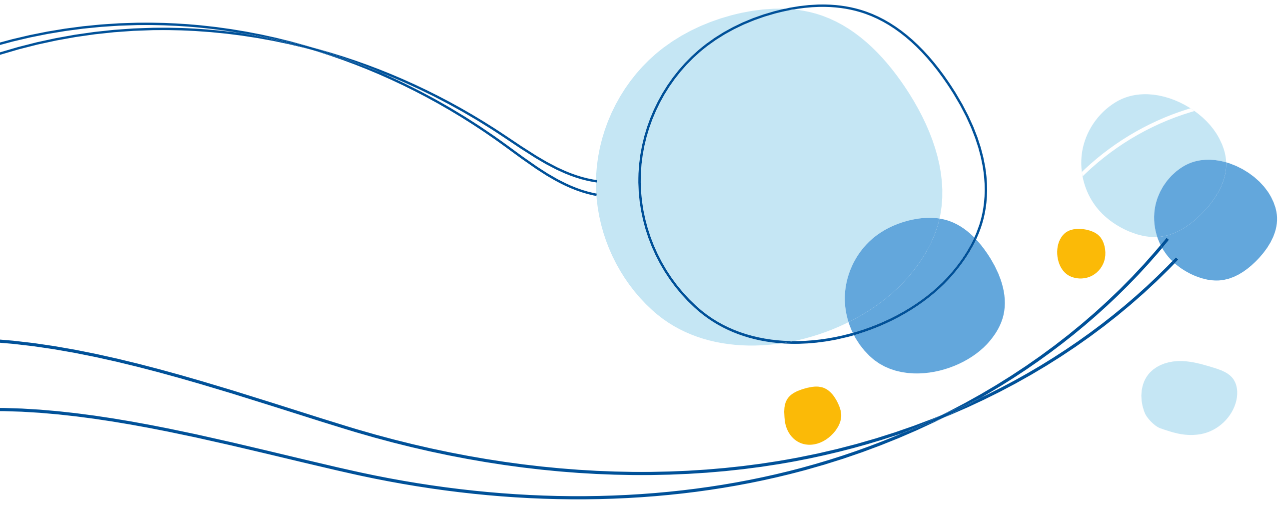

Separate Financial Statements

As of December 31, 2023 and 2022

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 / Arcor	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 28.8.
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.
CHF	Swiss franc.
CLP	Chilean Peso.
CNV	The Argentine National Securities Commission.
CPI	Consumer Price Index.
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).
IAS	International Accounting Standards.
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Interpretations Committee, IFRIC.
IFRIC	International Financial Reporting Interpretation Committee.
IFRS	International Financial Reporting Standards.
IFRS	International Financial Reporting Standards
INDEC	The Spanish acronym for Instituto Nacional de Estadística y Censos (National Institute of Statistics and Census).
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.
MNX	Mexican Peso.
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.
The Company / Arcor S.A.I.C.	Indistinctively, Arcor Sociedad Anónima, Industrial y Comercial.
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.
UYU	Uruguayan Peso.
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.

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, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2023	12.31.2022
Sales of Goods and Services	26	666,719,098	671,933,559
Costs of Goods Sold and Services Rendered	27	(469,252,558)	(465,213,576)
SUBTOTAL		**197,466,540**	**206,719,983**
Income (Loss) from Biological Assets	30	1,858,596	(393,595)
GROSS PROFIT		**199,325,136**	**206,326,388**
Selling Expenses	28	(113,329,432)	(112,176,958)
Administrative expenses	28	(64,410,811)	(61,661,606)
Other Income / (Expenses), Net	31	(1,658,867)	(9,512,424)
OPERATING INCOME		**19,926,026**	**22,975,400**
Financial income	32	(3,182,832)	13,779,278
Financial Expenses	32	(82,123,635)	(4,068,762)
Gain on Net Monetary Position	32	61,479,225	47,812,941
NET FINANCIAL INCOME (EXPENSE), NET		**(23,827,242)**	**57,523,457**
Income (Loss) from Investments in Associates, Joint Ventures and Others	8	16,850,677	43,793,067
INCOME BEFORE INCOME TAX		**12,949,461**	**124,291,924**
Income Tax	33	(8,340,754)	(24,519,279)
NET INCOME FOR THE FISCAL YEAR		**4,608,707**	**99,772,645**
Earnings per Share Attributable to the Company's Shareholders			
Basic and Diluted Earnings per Share	34	0.06584	1.42532

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

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.
(Partner)
C.P.C.E.C N° 21.00004.3
Cr. Guillermo M. Bosio
Public Accountant (UNC)
Professional License 10.17540.4
C.P.C.E. Cba.

Separate Statement Of Income

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	FOR THE FISCAL YEAR ENDED 12.31.2023	12.31.2022
NET INCOME FOR THE FISCAL YEAR		4,608,707	99,772,645
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	89,705,315	(19,770,038)
Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences	8 and 19	-	22,449
SUBTOTAL		**89,705,315**	**(19,747,589)**
Total Items that May Be Subsequently Reclassified to Income / (Loss)		**89,705,315**	**(19,747,589)**
Items that Will Not Be Reclassified to Income / (Loss)			
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans		(280,440)	(382,801)
Actuarial (Loss) / Income from Defined Benefit Plans	22	(4,238,029)	(1,880,095)
Tax Effect	33	1,483,310	658,034
SUBTOTAL		**(3,035,159)**	**(1,604,862)**
Total Items that Will Not Be Reclassified to Income / (Loss)		**(3,035,159)**	**(1,604,862)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**86,670,156**	**(21,352,451)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**91,278,863**	**78,420,194**

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Separate Balance Sheet

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

ASSETS	NOTES	12.31.2023	12.31.2022
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	105,264,052	99,993,552
Right-of-use Assets	5	9,204,087	7,050,903
Investment Properties	6	1,316,124	1,270,559
Intangible Assets	7	27,761,811	28,014,631
Investments in Associates and Joint Ventures	8	648,569,923	582,118,518
Biological Assets	9	2,334,204	2,380,456
Other Investments	11	257	800
Derivative Financial Instruments	14	12,825,931	-
Other Receivables	12	11,522,751	7,585,629
TOTAL NON-CURRENT ASSETS		**818,799,140**	**728,415,048**
CURRENT ASSETS			
Biological Assets	9	5,678,773	5,603,395
Inventories	13	150,009,650	134,006,214
Derivative Financial Instruments	14	-	6,351,735
Other Receivables	12	29,645,098	16,173,654
Trade Receivables	12	56,637,612	52,538,063
Cash and Cash Equivalents	15	15,841,284	3,449,503
TOTAL CURRENT ASSETS		**257,812,417**	**218,122,564**
TOTAL ASSETS		**1,076,611,557**	**946,537,612**

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, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

LIABILITIES AND EQUITY	NOTES	12.31.2023	12.31.2022
EQUITY			
Capital and Reserves Attributable to the Company's Shareholders			
Capital Stock - Outstanding Common Shares	17	700,000	700,000
Capital Adjustment		67,276,901	67,276,901
Parent Company's Treasury Shares		(14,957)	(14,957)
Legal Reserve	16	13,595,380	13,595,380
Optional Reserve for Future Investments		226,835,176	162,200,830
Special Reserve for Future Dividends		5,802,857	28,163,102
Special Reserve for IFRS Adoption	16	7,181,447	7,181,447
Unappropriated Retained Earnings	18	1,573,823	98,167,932
Other Equity Components	19	13,802,654	(75,902,661)
TOTAL EQUITY		**336,753,281**	**301,367,974**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	20	294,627,787	182,335,198
Lease Liabilities	21	5,547,921	3,769,353
Derivative Financial Instruments	14	-	960,153
Deferred Tax Liabilities	10	11,032,570	24,207,665
Employee Retirement Benefits Obligations	22	13,840,402	16,735,695
Provisions	23	630,965	1,231,387
Trade Payables and Other Liabilities	24	10,629,303	538,661
TOTAL NON-CURRENT LIABILITIES		**336,308,948**	**229,778,112**
CURRENT LIABILITIES			
Loans	20	267,360,245	270,684,667
Lease Liabilities	21	4,793,407	3,610,479
Derivative Financial Instruments	14	-	51,803
Income Tax Payable		-	2,554,667
Employee Retirement Benefits Obligations	22	2,078,003	2,315,409
Provisions	23	270,413	527,736
Advances from Customers		315,856	1,596,605
Trade Payables and Other Liabilities	24	128,731,404	134,050,160
TOTAL CURRENT LIABILITIES		**403,549,328**	**415,391,526**
TOTAL LIABILITIES		**739,858,276**	**645,169,638**
TOTAL EQUITY AND LIABILITIES		**1,076,611,557**	**946,537,612**

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

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

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Separate Statement of Changes in Equity

For the years ended December 31, 2023 and 2022
(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
BALANCE AS OF JANUARY 01, 2023	700,000	67,276,901	(14,957)	13,595,380	162,200,830
Net income for the Year	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves (2)	-	-	-	-	64,634,346
Cash Dividends (2)	-	-	-	-	-
Forfeited Dividends (3)	-	-	-	-	-
Balance as of December 31, 2023	**700,000**	**67,276,901**	**(14,957)**	**13,595,380**	**226,835,176**

(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 28, 2023 and the Ordinary and Extraordinary General Shareholders' Meeting held on September 13, 2023.

(3) According to the terms of Section 40 of the Company's Bylaws, 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.

ITEMS	SHAREHOLDERS' CONTRIBUTIONS		PARENT COMPANY'S TREASURY SHARES	RETAINED EARNINGS	
	CAPITAL STOCK OUTSTANDING COMMON SHARES	CAPITAL ADJUSTMENT (1)		RESERVA LEGAL (NOTA 16)	OPTIONAL RESERVE FOR FUTURE INVESTMENTS
BALANCE AS OF JANUARY 01, 2022	700,000	67,276,901	(14,957)	13,595,380	105,786,950
Net income for the Year	-	-	-	-	-
Other Comprehensive Income (Loss) for the Year	-	-	-	-	-
Comprehensive Income / (Loss) for the Year	**-**	**-**	**-**	**-**	**-**
Setting-up of Reserves (2)	-	-	-	-	56,413,880
Cash Dividends (2)	-	-	-	-	-
Forfeited Dividends (3)	-	-	-	-	-
Balance as of December 31, 2022	**700,000**	**67,276,901**	**(14,957)**	**13,595,380**	**162,200,830**

(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 Bylaws, 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.

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.

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RETAINED EARNINGS			OTHER EQUITY COMPONENTS	
SPECIAL RESERVE FOR FUTURE DIVIDENDS	SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 16)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 18)	TRANSLATION RESERVE (NOTE 19)	TOTAL EQUITY
28,163,102	7,181,447	98,167,932	(75,902,661)	301,367,974
-	-	4,608,707	-	4,608,707
-	-	(3,035,159)	89,705,315	86,670,156
-	**-**	**1,573,548**	**89,705,315**	**91,278,863**
-	-	(64,634,346)	-	-
(22,360,245)	-	(33,533,586)	-	(55,893,831)
-	-	275	-	275
5,802,857	**7,181,447**	**1,573,823**	**13,802,654**	**336,753,281**

RETAINED EARNINGS			OTHER EQUITY COMPONENTS	
SPECIAL RESERVE FOR FUTURE DIVIDENDS	SPECIAL RESERVE FOR IFRS ADOPTION (NOTE 16)	UNAPPROPRIATED RETAINED EARNINGS (NOTE 18)	TRANSLATION RESERVE (NOTE 19)	TOTAL EQUITY
10,094,682	7,181,447	111,065,545	(56,155,072)	259,530,876
-	-	99,772,645	-	99,772,645
-	-	(1,604,862)	(19,747,589)	(21,352,451)
-	**-**	**98,167,783**	**(19,747,589)**	**78,420,194**
18,068,420	-	(74,482,300)	-	-
-	-	(36,583,245)	-	(36,583,245)
-	-	149	-	149
28,163,102	**7,181,447**	**98,167,932**	**(75,902,661)**	**301,367,974**

Separate Statement of Cash Flows

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

	NOTES	12.31.2023	12.31.2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Fiscal Year		**4,608,707**	**99,772,645**
Income Tax	33	8,340,754	24,519,279
Adjustments for:			
Depreciation of Property, Plant and Equipment and Investment Properties	28	12,191,063	11,914,580
Depreciation of Right-of-use Assets	28	5,214,335	4,166,484
Amortization of Intangible Assets	28	565,073	470,786
Provisions Deducted from Assets and Included in Liabilities, Net		620,137	252,935
Provisions Increase for Provisions for depreciation of property, plant and equipment	4	161,418	3,527,174
Provisions for Depreciation of Property, Plant and Equipment	4	(400,479)	-
Net Financial Income (Expense)	32	23,827,242	(57,523,457)
Income (Loss) from Investments in Associates, Joint Ventures and Others	8	(16,850,677)	(43,793,067)
Gain (Loss) from Disposal of Property, Plant and Equipment and Investment	9	(3,891,250)	36,772
Gain (Loss) on Initial Recognition of and Changes in Fair Value of Biological Assets	31	(469,286)	(420,301)
Derecognition of Bearer Plants	4	324,039	297,855
Gain (Loss) on Derecognition of Right-of-use Assets Net of Derecognition of Lease Liabilities	5 and 21	4,480	1,943
Adjustments Subtotal:		**21,296,095**	**(81,068,296)**
Payments for Acquisitions Net of Receipts from Sales of Biological Assets		(6,505,797)	(5,445,212)
Income Tax Payments		(26,392,111)	(24,082,735)
Subtotal - Cash Flow from Operations Before Net Changes in Operating Assets and Liabilities		**1,347,648**	**13,695,681**
Changes in Operating Assets and Liabilities			
Trade receivables		(16,645,706)	(17,159,679)
Other receivables		(66,900,675)	(4,824,474)
Inventories		(4,646,219)	(3,596,650)
Trade accounts payable and other payables		95,871,209	82,012,622
Advances from Customers		(1,280,753)	(222,858)
Provisions		(126,998)	(231,996)
Net Cash Flow Provided by Operating Activities		**7,618,506**	**69,672,646**
Payments for purchases and advances of property, plant and equipment, intangible assets and others			
Cash Inflows from Disposal of Property, Plant and Equipment and Investment Properties		(16,538,600)	(15,019,549)
Net Changes in Financial Receivables with Related Parties		463,470	254,604
Realized Capital Contributions		(68,831)	10,311,265
Payment for Acquisition of Shares		(1,746,249)	(1,482,730)
Receipts of Dividends and Other Proceeds from Investments in Companies		41,648,745	-
Payments for Purchase of Shares	20	-	(1,045,024)
Net Cash Flows (Used in) investing Activities	**15**	**23,758,535**	**(6,981,434)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows from Bank Loans	20	41,818,092	18,506,273
Repayment of Bank Loans	20	(16,483,507)	(27,290,612)
Net Changes in Short-term Loans	20	38,656,597	42,768,541
Net Changes in Loans with Related Parties	20	46,289,897	83,093,732
Inflows from Notes Issued	20	112,270,193	-
Debt Repayment in respect of Notes	20	(69,013,486)	(59,466,534)
Net Payments from Derivative Financial Instruments Related to Financing Activities	14	(8,225,647)	(12,872,153)
Payments of Principal on Lease Liabilities	21	(5,587,283)	(4,030,718)
Payments of Interest on Lease Liabilities	21	(230,703)	(394,164)
Payment of Interest and Other Financial Expenses	20	(118,749,939)	(73,578,025)
Distribution of Dividends		(50,904,294)	(32,785,766)
Net Cash Flows (Used In) Financing Activities	**15**	**(30,160,080)**	**(66,049,426)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,216,961**	**(3,358,214)**
Cash and Cash Equivalents at the Beginning of the Year	**15**	**3,449,503**	**6,717,402**
Exchange Differences and Currency Translation Effect on Cash and Cash Equivalents		11,439,843	489,900
(Loss) on Net Monetary Position from Cash and Cash Equivalents		(265,023)	(399,585)
Net Increase / (Decrease) in Cash and Cash Equivalents		1,216,961	(3,358,214)
Cash and Cash Equivalents at Year-end	**15**	**15,841,284**	**3,449,503**

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

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

See our report dated March 8, 2024
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Notes to the Separate Financial Statements

For the years ended December 31, 2023 and 2022
(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, Peru and Angola, 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 September 13, 2023, and was registered with the Public Registry – Protocol of Contracts and Dissolutions –under Registration No. 76– A56, in Cba., on September 15, 2023. 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 separated financial statements were approved by Minutes of Board of Directors' Meeting No. No. 2,426 dated March 8, 2024.

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 due to political and economic events, both locally and internationally.

The year 2023 was marked by the continuation of the global economic recovery following the COVID-19 pandemic and the Russian invasion of Ukraine. Global inflation declined faster than expected after peaking in 2022, thanks to policy tightening by central banks, which kept inflation expectations anchored. The decline in inflation led to an increase in market expectations of lower monetary policy interest rates. However, long-term loan costs remain high, as the central banks of the main developed countries still maintain restrictive monetary policies as inflation levels remain above the established targets.

At the local level, Argentina's economy experienced a recession combined with high inflation which, paired with the outbreak of the pandemic, complicated de situation. In addition, the drought that affected the región during 2022 and 2023 led to a significant decline in agricultural production, lower exports and a subsequent decrease in foreign currency income.

In 2023, the high levels of inflation and devaluation of the local currency continued. In the case of inflation, the 12-month percentage change according to INDEC's CPI was 211.4%, while the currency devaluation amounted to 356.3%. It should be noted that during the month of December, the devaluation of the local currency amounted to 124%, going from ARS 360.50 to ARS 808.45.

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Víctor Jorge Aramburu Chairman Statutory Audit Committee	Alejandro Fabián Fernández Director	Víctor Daniel Martín Director	(Partner) C.P.C.E.C N° 21.00004.3 Cr. Guillermo M. Bosio Public Accountant (UNC) Professional License 10.17540.4 C.P.C.E. Cba.

Notes to the Separate Financial Statements

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 1. General Information

1.3 Economic context

On December 10, 2023, a new President took office in Argentina. Among his goals is to establish a new economic order, for which he intends to carry out a wide-ranging reform of laws and regulations. The new gorvernment's plan aims to move forward by deeply deregulaing the economy and implementing structural reforms.

Among its first measures, the government issued an emergency decree that annuls or modifies about 300 laws and introduces labor market and customs code reforms, as well as changes to the status of state-owned companies, among other modifications. Although the decree is required to to go through Congress, its terms are partially binding since December 29, 2023, considering a series of legal actions that have granted the suspesion of certain modifications.

As of December 31, 2023, the situation is as follows:
- Restrictions to the oficial currency market are maintained.
- The current export promotion scheme is maintained. Nevertheless, 20 percent of exports could be liquidated though the parallel FX market.
- Decree No. 29/2023 increased the Tax for an Inclusive and Solidary Argentina ("PAIS Tax") to 17.5% on the import of certain goods and servcies.

The context of volatily and uncertainty continues at the date of issuance of these financial statements. In this regard, the Group permanently monitors the evolution of the variables that affect businesses in order to define posible action steps and adopt and identify eventual impacts on its equity and financial position and therefore these financial statements should be read in light of these circumstances.

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 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. (based on the provisions of TR No. 26, as amended by TR Nos. 29, 38 and 43), and reflect the full, explicit and unreserved adoption of the aforementioned 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 statement. The preparation of these separate financial statements in accordance with IFRS requires that the Company make estimates and assessments that affect the reported amounts of assets and liabilities, and of contingent assets and liabilities disclosed as of the date of these separate financial statements as well as recorded income and expenses.

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Note 2. Accounting Standards and Basis for Preparation

2.1 Basis for Preparation

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 separate financial statements.

The figures as of December 31, 2022 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 2.9 to these separate financial statements. Where applicable, certain reclassifications were made for comparative purposes.

Going Concern

As of the date of these separate financial statements, there are no uncertainties as to developments or circumstances that may call into question the likelihood that the 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, 2023:

Amendments to IAS 1, "Presentation of Financial Statements": This amendment requires that companies disclose material accounting policies, instead of significant accounting policies. The application of this amendment has not generated impacts on these separate financial statements.

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 application of this amendment has not generated impacts on these separate financial statements.

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 application of these amendments has not generated impacts on these separate financial statements.

Amendments to IAS 12, "International Tax Reform": These amendments introduce a temporary tax extemption to the accounting for deferred taxes derived from the Organisation for Economic Co-operation and Development (OECD) international tax reform. They also introduce specific disclosure requirements for affected. The application of these amendments has not generated impacts on these separate financial statements.

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.2 Changes to Accounting Policies. New Accounting Standards

(b) New standards, amendments and interpretations published that have not become effective yet for the fiscal years beginning on or after january 1, 2023 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 IFRS 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.

Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements": These amensments require disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. These amendments were published in May, 2023, and will become effective for anual reporting periods beginning on or after 1 January, 2024.

Amendments to IAS 21, "Lack of Exchangeability": The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. These amendments were published in August, 2023, and will become effective for annual reporting periods beginning on or after 1 January 2025. Early application is permitted.

CNV General Resolution No. 972/2023 indicates that the early application of IFRS Accounting Standards and/or its modifications will not be admitted, unless the CNV specifically admits it.

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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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.

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.

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Note 2. Accounting Standards and Basis for Preparation

2.4 Leases

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.

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. 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.

Note 2. Accounting Standards and Basis for Preparation

2.6 Intangible Assets

(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 separate 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.

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.

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Note 2. Accounting Standards and Basis for Preparation

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 separate as from the time on which control is transferred to the Company, and are excluded from consolidation on the date such control ceases.

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

According to the terms of IAS 27 and 28, in these separate financial statements, investments in subsidiaries and associates are accounted for using the "equity method."

In using the equity method, investments are initially recognized at cost. Such amount is then increased or decreased to recognize the investor's share of the entity's gains or losses subsequent to the date of acquisition/organization. Besides, the identifiable net assets and contingent liabilities acquired in the initial investment in a subsidiary and/or associate are originally recognized at fair value as of the investment date. Where applicable, the value of equity interests in subsidiaries and associates includes the goodwill recognized on such date. When the Company's share of losses is equal to or higher than the value of its equity interest in such entities, the Company will not recognize additional losses, except to the extent there is a legal or assumed obligation of providing funds or making payment on account thereof.

The share of gains and losses of subsidiaries and associates is charged to "Income from Investments in Companies and Others" in the statement of income. The share of other comprehensive income (loss) of subsidiaries and associates is charged to "Share of Other Comprehensive Income (Loss) of Companies," in the statement of other 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.

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(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.8 Equity Interests in Subsidiaries and Associates

The table below details the subsidiaries and associates that were valued using the equity method:

COMPANIES	COUNTRY	LOCAL CURRENCY	FUNCTIONAL CURRENCY	CLOSING DATE	PERCENTAGE OF INTEREST (*)	
					12.31.2023 DIRECT	12.31.2022 DIRECT
Arcor Alimentos Internacional S.L. Sociedad Unipersonal (1)(2)	Spain	EUR	EUR	12.31.2023	100.00000	100.00000
Arcor do Brasil Ltda.	Brazil	BRL	BRL	12.31.2023	0.00046	0.00046
Bagley Argentina S.A. (3)	Argentina	ARS	ARS	12.31.2023	0.00401	0.00401
Bagley Latinoamérica S.A. (4)	Spain	EUR	EUR	12.31.2023	51.00000	51.00000
Cartocor Chile S.A. (5)	Chile	CLP	CLP	12.31.2023	28.07196	28.07196
Cartocor S.A. (6)	Argentina	ARS	ARS	12.31.2023	99.99678	99.99678
Constructora Mediterránea S.A.C.I.F.I.	Argentina	ARS	ARS	12.31.2023	99.99867	99.99780
GAP Inversora S.A.	Argentina	ARS	ARS	12.31.2023	1.60000	1.60000
Ingrear Holding S.A. (7)	Argentina	ARS	ARS	12.31.2023	51.00000	51.00000
Mastellone Hermanos S.A. (8)	Argentina	ARS	ARS	12.31.2023	24.33837	24.33837

(*) Percentage of interest in capital stock and voting rights.

(1) See "Merge of Arcor Alimentos Internacional, S.L., Sociedad Unipersonal and Arcor A.G. (S.A., Ltd.)" on 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) Its investments in Ardion S.A., Ingredion Chile S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method.

(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 adjustments booked to measure the associate's identifiable assets and liabilities as of the date of initial application of the equity method.

Inter-company transactions, balances, profits and losses included in the final balances of assets arising from transactions between group companies were eliminated for purposes of calculating income from investments in companies.

The financial statements used in measuring investments using the equity method were prepared as of a closing date consistent with that of the respective separate financial statements, encompassing equal periods, and were prepared using valuation criteria consistent with those used by the Company or suitable to such end.

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Note 2. Accounting Standards and Basis for Preparation

2.9 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.

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, the aforementioned legal entity 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, 2023 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 separate 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 separate 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 separate financial statements was 211.41% as of December 31, 2023 and 94.79% as of December 31, 2022.

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

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

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(Figures stated in thousands of Argentine pesos)

Note 2. Accounting Standards and Basis for Preparation

2.9 Financial Reporting in Hyperinflationary Economies

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.

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

CURRENCY	LOCAL CURRENCY PER EACH ARS	
	12.31.2023	12.31.2022
AOA	1.0290	2.8464
BOB	0.0086	0.0393
BRL	0.0060	0.0295
CLP	1.0890	4.8365
RMB	0.0088	0.0394
USD	0.0012	0.0057
EUR	0.0011	0.0053
MXN	0.0210	0.1094
PYG	9.0429	41.4762
PEN	0.0046	0.0216
UYU	0.0484	0.2264

(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.

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Note 2. Accounting Standards and Basis for Preparation

2.10 Foreign Currency Translation

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

The results of operations and financial position of the 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) (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.

(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.

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Note 2. Accounting Standards and Basis for Preparation

2.11 Biological Assets

(a) Dairy Cattle

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 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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For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

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.

<u>(i) Financial assets at amortized cost</u>

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

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

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

<u>(ii) Financial assets at fair value</u>

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

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Note 2. Accounting Standards and Basis for Preparation

2.12 Financial Assets

2.12.2 Recognition and Measurement

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

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

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

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.

Note 2. Accounting Standards and Basis for Preparation

2.13 Derivative Financial Instruments and Hedging Activities

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 27). Further, it is worth noting that Mastellone Hermanos S.A.'s call and put options resulting from the transaction described in Note 41 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.

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.

Note 2. Accounting Standards and Basis for Preparation

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.

2.20 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.

Note 2. Accounting Standards and Basis for Preparation

2.20 Income Tax

- 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.

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.

Note 2. Accounting Standards and Basis for Preparation

2.21 Employee Benefits

(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.

(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.

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Statutory Audit Committee

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Director

Víctor Daniel Martin
Director

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Note 2. Accounting Standards and Basis for Preparation

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

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

2.23 Distribution of Dividends

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

2.24 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

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

The Company recognizes revenues when amounts can be measured reliably, when the control over the products has been transferred or the services have been delivered, 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.

Note 2. Accounting Standards and Basis for Preparation

2.24 Recognition of Revenues from Sales

(a) Revenues from Sales of Goods and Services Rendered

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.

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.

Note 2. Accounting Standards and Basis for Preparation

2.24 Recognition of Revenues from Sales

(b) Interest

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

(c) Rental Income

Rental income is recognized in the 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. Depreciation of property, plant and equipment is recognized under "Depreciation of property, plant and equipment" (Note 28).

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.

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Statutory Audit Committee

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Victor Daniel Martin
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Note 3. Significant Accounting Criteria and Estimates

(a) Recoverability of Property, Plant and Equipment Items

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.

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.

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Note 3. Significant Accounting Criteria and Estimates

(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.

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

(f) Revenue Recognition - Discounts and Rebates

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

(g) Fair Value of 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) 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.

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Note 3. Significant Accounting Criteria and Estimates

(h) 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 41), 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 41).

(i) Fair value of call and put options on Mastellone Hermanos S.A. shares.

The call and put options on Mastellone Hermanos S.A. shares provided for in the transaction described in Note 42 are derivative financial instruments that must be estimated at fair value, in accordance with IFRS 9. Since there are no similar financial instruments with observable quotations in public markets, the fair value is estimated by the Group. with the assistance of specialists. using the "Montecarlo Simulation" method. This method is based on assumptions and information that also require a high degree of estimation, such as: the fair value of the shares of the associate, the projection over time during the reporting period of such options contractually foreseen considering the volatility of similar instruments, the projection of the gains and losses of Mastellone Hermanos S.A. and of certain macroeconomic variables (inflation, exchange rates, interest rates, among others) in such period and possible scenarios of opportunity for the exercise of the aforementioned options.

Also, in accordance with IFRS 13, the fair value estimate must also consider the exposure to non-performance risk.

(Figures stated in thousands of Argentine pesos)

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	7,751,849	125,652,066	3,156,962	221,019,222	36,229,595	9,443,910	403,253,604
Additions(1)	-	31,991	-	149,669	1,457,335	16,274,890	17,913,885
Transfers	-	2,439,849	514,975	10,075,093	423,992	(13,453,909)	-
Deletions(2)	-	(218,462)	(740,902)	(875,303)	(938,214)	-	(2,772,881)
Original Value at Year-end	**7,751,849**	**127,905,444**	**2,931,035**	**230,368,681**	**37,172,708**	**12,264,891**	**418,394,608**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	**-**	**(87,464,461)**	**(1,523,830)**	**(179,263,504)**	**(31,481,083)**	**-**	**(299,732,878)**
Deletions(2)	-	203,079	416,863	875,303	755,662	-	2,250,907
Depreciation for the Year(3)	-	(3,345,885)	(490,502)	(6,344,187)	(2,179,898)	-	(12,360,472)
Accumulated Depreciation at Year-end	**-**	**(90,607,267)**	**(1,597,469)**	**(184,732,388)**	**(32,905,319)**	**-**	**(309,842,443)**
Allowance for Impairment of Property, Plant and Equipment							
Balance at Beginning of Year	**(26,022)**	**(436,706)**	**-**	**(2,796,275)**	**(90,996)**	**(177,175)**	**(3,527,174)**
Increases (4)	-	-	-	(16,708)	(15,957)	(128,753)	(161,418)
Consumptions (3)	-	40,885	-	312,705	46,889	-	400,479
Balance at Year-End	**(26,022)**	**(395,821)**	**-**	**(2,500,278)**	**(60,064)**	**(305,928)**	**(3,288,113)**
TOTAL AS OF 12.31.2023	**7,725,827**	**36,902,356**	**1,333,566**	**43,136,015**	**4,207,325**	**11,958,963**	**105,264,052**

(1) Additions include capitalized amounts of ARS 123,857.

(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 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.

The useful life of the components of this item is disclosed in Note 2.3.

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For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

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	7,435,518	122,283,022	4,468,949	218,297,751	34,108,062	6,581,532	393,174,834
Additions (1)	316,331	132,183	-	519,219	2,032,810	10,913,801	13,914,344
Transfers	-	3,236,861	809,425	3,139,122	866,015	(8,051,423)	-
Deletions (2)	-	-	(2,121,412)	(936,870)	(777,292)	-	(3,835,574)
Original Value at Year-end	**7,751,849**	**125,652,066**	**3,156,962**	**221,019,222**	**36,229,595**	**9,443,910**	**403,253,604**
Depreciation							
Accumulated Depreciation at the Beginning of the Year	**-**	**(84,134,542)**	**(2,936,024)**	**(174,681,611)**	**(29,659,223)**	**-**	**(291,411,400)**
Deletions (2)	-	-	1,823,557	927,509	538,056	-	3,289,122
Depreciation for the Year (3)	-	(3,329,919)	(411,363)	(5,509,402)	(2,359,916)	-	(11,610,600)
Accumulated Depreciation at Year-end	**-**	**(87,464,461)**	**(1,523,830)**	**(179,263,504)**	**(31,481,083)**	**-**	**(299,732,878)**
Allowance for Impairment of Property, Plant and Equipment							
Balance at Beginning of Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increases (4)	(26,022)	(436,706)	-	(2,796,275)	(90,996)	(177,175)	(3,527,174)
Balance at Year-End	**(26,022)**	**(436,706)**	**-**	**(2,796,275)**	**(90,996)**	**(177,175)**	**(3,527,174)**
TOTAL AS OF 12.31.2022	**7,725,827**	**37,750,899**	**1,633,132**	**38,959,443**	**4,657,516**	**9,266,735**	**99,993,552**

(1) Additions include capitalized amounts of ARS 171,034.

(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 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.

The useful life of the components of this item is disclosed in Note 2.3.

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(Partner)
C.P.C.E.C N° 21.00004.3
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(Figures stated in thousands of Argentine pesos)

Note 4. Property, Plant and Equipment

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, 2023 and 2022, 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, 2023:

OPERATING SEGMENT	CARRYING VALUE SUBJECT TO EVALUATION	IMPAIRMENT ALLOWANCE	CARRYING VALUE AS OF 12.31.2023	METHOD OF ESTIMATING RECOVERABLE VALUE	REMARKS
Food Products	2,289,692	(2,289,692)	-	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: 11 years (average useful life). - Discount rate: 11.88% per year.
Agribusiness	998,421	(998,421)	-	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: 5 years (average useful life). - Discount rate: 11.88% 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 554.5%, 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 138.5%, 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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Victor Daniel Martin
Director

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Note 4. Property, Plant and Equipment

Property, Plant and Equipment Impairment Tests

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	OBSERVACIONES
Food Products	2,499,417	(2,499,417)	-	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	1,027,757	(1,027,757)	-	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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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	**4,732,217**	**6,161,210**	**2,781,951**	**13,675,378**
Additions	1,598,180	2,145,826	2,137,290	5,881,296
Adjustments to Variable Leases	2,122,042	700,540	(591,544)	2,231,038
Deletions (1)	(598,856)	(439,534)	(222,065)	(1,260,455)
Original Value at Year-end	**7,853,583**	**8,568,042**	**4,105,632**	**20,527,257**
Depreciation				
Accumulated Depreciation at the Beginning of the Year	**(2,516,380)**	**(3,185,392)**	**(922,703)**	**(6,624,475)**
Deletions (1)	598,856	439,534	200,270	1,238,660
Depreciation for the Year (2)	(2,258,783)	(2,754,445)	(924,127)	(5,937,355)
Accumulated Depreciation at Year-end	**(4,176,307)**	**(5,500,303)**	**(1,646,560)**	**(11,323,170)**
TOTAL AS OF 12.31.2023	**3,677,276**	**3,067,739**	**2,459,072**	**9,204,087**

	LAND	BUILDING AND FACILITIES	MACHINERY AND VEHICLES	TOTAL
Cost				
Original Value at the Beginning of the Year	**3,693,665**	**9,867,801**	**1,722,455**	**15,283,921**
Additions	1,042,779	901,686	1,449,159	3,393,624
Adjustments to Variable Leases	471,154	(35,556)	(233,243)	202,355
Deletions (1)	(475,381)	(4,572,721)	(156,420)	(5,204,522)
Original Value at Year-end	**4,732,217**	**6,161,210**	**2,781,951**	**13,675,378**
Depreciation				
Accumulated Depreciation at the Beginning of the Year		**(4,988,255)**	**(462,260)**	**(7,398,874)**
Deletions (1)	(1)	4,570,778	156,420	5,202,579
Depreciation for the Year (2)	(2)	(2,767,915)	(616,863)	(4,428,180)
Accumulated Depreciation at Year-end	**(2,516,380)**	**(3,185,392)**	**(922,703)**	**(6,624,475)**
TOTAL AS OF 12.31.2022	**2,215,837**	**2,975,818**	**1,859,248**	**7,050,903**

(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 28.

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Note 6. Investment Properties

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

	12.31.2023	12.31.2022
	LANDS AND CONSTRUCTIONS	
Cost		
Original value at the beginning of the year	2,898,031	2,898,137
Additions	46,078	-
Deletions [1]	(513)	(106)
Original Value at Year-end	**2,943,596**	**2,898,031**
Depreciation		
Accumulated depreciation at the beginning of the year	(1,627,472)	(1,627,472)
Accumulated depreciation at Year-end	**(1,627,472)**	**(1,627,472)**
TOTAL	**1,316,124**	**1,270,559**

[1] The accounting allocations of the deletions for the year are reported in "Other income/ (expenses), Net" in the consolidated 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, 2023 and 2022, their fair value of these assets amounted to ARS 61,106,481 and ARS 53,523,416, 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, 2023 and 2022 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	**382,007**	**25,640,110**	**6,952,182**	**32,974,299**
Additions	-	-	312,253	312,253
Original Value at Year-end	**382,007**	**25,640,110**	**7,264,435**	**33,286,552**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(4,959,668)**	**(4,959,668)**
Amortization for the Year (1)	-	-	(565,073)	(565,073)
Accumulated Amortization at Year-end	**-**	**-**	**(5,524,741)**	**(5,524,741)**
TOTAL AS OF 12.31.2023	**382,007**	**25,640,110**	**1,739,694**	**27,761,811**
Cost				
Original Value at the Beginning of the Year	**382,007**	**25,640,110**	**6,134,052**	**32,156,169**
Additions	-	-	818,130	818,130
Original Value at Year-end	**382,007**	**25,640,110**	**6,952,182**	**32,974,299**
Amortization				
Accumulated Amortization at the Beginning of the Year	**-**	**-**	**(4,488,882)**	**(4,488,882)**
Amortization for the Year (1)	-	-	(470,786)	(470,786)
Accumulated Amortization at Year-end	**-**	**-**	**(4,959,668)**	**(4,959,668)**
TOTAL AS OF 12.31.2022	**382,007**	**25,640,110**	**1,992,514**	**28,014,631**

(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, 2023 and 2022, such expenses totaled ARS 3,147,627 and ARS 3,392,864, respectively.

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:

	12.31.2023	12.31.2022
Cookies and Crackers Argentina	3,619,091	3,619,091
Confectionery and Chocolates Argentina	22,021,019	22,021,019
Subtotal - Goodwill corresponding to segments in Argentina	**25,640,110**	**25,640,110**
Southern Subsidiaries(1)	545,029	363,130
Packaging Argentina (1)	3,226,459	3,226,459
Rest of the Countries and Businesses - Mastellone Hermanos S.A. (1)	7,672,921	7,672,921
TOTAL	**37,084,519**	**36,902,620**

(1) Included in the item "Investment in Associates and Joint Ventures".

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Note 7. Intangible Assets

Recoverability Test for Goodwill and Intangibles with Indefinite Useful Life

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

	12.31.2023	12.31.2022
Confectionery and Chocolates Argentina	382,007	382,007
TOTAL	**382,007**	**382,007**

The discount rates used approximately ranged from 11.5% to 15.0% for the cash generating units based in Argentina, from 4.5% to 6.0% for the ones based in the Southern subsidiaries, and from 13.5% to 15.5% for the ones based in the rest of the countries and businesses.

Long-term growth rates used to extrapolate cash flows beyond the period covered by the budget were equal to 0.9% for cash generating units based in Argentina and 1.0% for the Southern subsidiaries, both in real terms.

No impairment was recognized as a result of these analyses.

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 12.31.2023
Balances at the Beginning of the Year	**582,118,518**	**(21,472)**	**582,097,046**
Capital Contribution	1,696,868	49,381	1,746,249
Dividends	(41,648,745)	-	(41,648,745)
Income (Loss) from Investments in Associates, Joint Ventures	16,978,407	(127,730)	16,850,677
Changes in Translation Reserve (Note 19)	89,705,315	-	89,705,315
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	(280,440)	-	(280,440)
BALANCES AT YEAR-END	**648,569,923**	**(99,821)**	**648,470,102**

	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	**558,955,255**	**(1,978,177)**	**556,977,078**
Deletion due to Sale of Shares	(1,062)	-	(1,062)
Capital Contribution	1,377,527	80,826	1,458,353
Income (Loss) from Investments in Associates, Joint Ventures (2)	43,890,236	(97,169)	43,793,067
Changes in Translation Reserve (Note 19)	(19,747,589)	-	(19,747,589)
Share of Other Comprehensive Income (Loss) on Actuarial Gains of Associates' Defined Benefit Plans	(383,063)	262	(382,801)
Transfers to/from Items	(1,972,786)	1,972,786	-
BALANCES AT YEAR-END	**582,118,518**	**(21,472)**	**582,097,046**

(1) It includes goodwill of investments in non-merged subsidiaries and associates (note 2.6 (a)).
(2) It includes the proceeds from the sale of the total amount of the shares of subsidiary Industria Dos en Uno de Colombia Ltda., ARS (22,449).

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Note 8. Investments in Associates and Joint Ventures

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

	12.31.2023	12.31.2022
Income (Loss) from Investments in Associates and Joint Ventures	19,475,588	51,280,593
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Mastellone Hermanos S.A. (Note 41)	161,674	393,096
Devaluation of investment in Mastellone Hermanos S.A. (Note 41).	(1,514,946)	(6,588,645)
Changes in Higher and Lower Values of Identifiable Assets and Liabilities - Grupo Zucamor	(1,271,639)	(1,291,977)
TOTAL	**16,850,677**	**43,793,067**

			DATA BASED ON THE MOST RECENT FINANCIAL STATEMENTS		
COMPANIES	NOMINAL VALUE	NUMBER OF SHARES	DATE	SHAREHOLDERS' EQUITY	CAPITAL STOCK IN ARS
Arcor Alimentos Internacional S.L., Sociedad Unipersonal [(1) (**) (***)]	1.00	228,614	12.31.2023 [(a)]	190,123,888	(1,879,749)
Arcor do Brasil Ltda.	1.00	2,449	12.31.2023 [(b)]	32,152,588	1,704,817
Bagley Argentina S.A. [(2)]	1.00	9,279	12.31.2023	237,998,692	231,115
Bagley Latinoamérica S.A. [(3) (***)]	1.00	49,700,611	12.31.2023 [(a)]	298,576,353	385,934
Cartocor Chile S.A. [(4)]	-	6,356,394	12.31.2023 [(c)]	53,473,487	173,044
Cartocor S.A. [(5)]	1.00	13,684,528	12.31.2023	185,038,276	13,685
Constructora Mediterránea S.A.C.I.F.I.	0.01	2,510,416,143	12.31.2023	(99,823)	25,104
GAP Inversora S.A.	1.00	40,073	12.31.2023	5,211	2,377
Ingrear Holding S.A. [(6)]	1.00	4,080,000,000	12.31.2023	108,297,191	8,000,000
Mastellone Hermanos S.A. [(7) (****)]	1.00	159,165,436	12.31.2023	158,702	654
SUBTOTAL					
Goodwill from Van Dam S.A.					
Higher Value of Net Assets from Acquisition of Interests in Mastellone Hermanos S.A.					
Goodwill for purchases of in Mastellone Hermanos S.A. shares					
Impairment of investment in Mastellone Hermanos S.A.					
Higher Value of Net Assets from Acquisition of Interests in Grupo Zucamor					
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 "Merger by Arcor Alimentos Internacional, S.L., Sociedad Unipersonal's acquisition of Arcor A.G. (S.A., Ltd.)" in this note.

(***) In the case of Arcor Alimentos Internacional S.L., Sociedad Unipersonal and Bagley Latinoamérica S.A, the financial information under IFRS is 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).

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DATA BASED ON THE MOST RECENT FINANCIAL STATEMENTS								
TRANSLATION DIFFERENCE	OTHER COMPREHEN-SIVE INCOME	INCOME	IMPACT ON IAS 29	ADJUSTED TRANSLATION DIFFERENCE (****)	ADJUSTED INCOME (****)	EQUITY INTEREST IN %	CARRYING AMOUNT AS OF 12.31.2023 (*)	CARRYING AMOUNT AS OF 12.31.2022 (*)
148,313,690	231,930	2,326,697	(86,238,670)	62,075,020	5,584,545	10.000.000	185,097,508	121,072,601
25,611,147	-	477,494	(13,781,765)	11,829,382	1,439,611	0.00046	149	87
6,209,607	(132,762)	23,798,127	-	6,209,607	23,798,127	0.00401	1,408,623	1,448,217
19,031,893	(142,274)	25,714,630	-	19,031,893	25,714,630	5.100.000	150,862,588	128,443,296
42,825,279	(370)	(2,482,625)	(26,548,021)	16,277,258	(3,694,970)	2.807.196	15,011,053	11,479,062
11,743,554	(377,234)	1,223,036	-	11,743,554	1,223,036	9.999.678	183,190,839	209,953,708
-	-	(127,731)	-	-	(127,731)	9.999.780	(99,821)	(21,472)
1,478	(18)	(6,651)	-	1,478	(6,651)	160.000	82	75
3,825,484	(99,309)	12,884,594	-	3,825,484	12,884,594	5.100.000	53,045,265	47,996,394
10,841	28,602	(13,189)	-	10,841	(13,189)	2.433.837	23,400,415	22,716,833
							611,916,701	**543,088,801**
							545,029	363,130
							12,370,782	12,220,940
							7,672,921	7,672,921
							(8,103,591)	(6,588,645)
							20,841,801	22,113,440
							3,226,459	3,226,459
							648,470,102	**582,097,046**
							99,821	21,472
							648,569,923	**582,118,518**

(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) Its investments in Ardion S.A., Ingredion Chile S.A., Ingredion Uruguay S.A. and Ingrecor S.A. are valued by the equity method.

(7) 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. Associate Mastellone Hermanos S.A., expresses their financial statements in thousands of ARS.

Functional currency: (a) EUR, (b) BRL, (c) CLP.

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Note 8. Investments in Associates and Joint Ventures

COMPANIES	COUNTRY	CORE BUSINESS
Arcor Alimentos Internacional S.L., Sociedad Unipersonal	Spain	Investment and service 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 company
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 (*)	**158,701,223**	**(13,188,245)**	**39,441,367**
Arcor S.A.I.C.'s Equity Interest		24.3384%	
Mastellone Hermanos S.A.'s figures attributable to Arcor S.A.I.C.	**38,625,296**	**(3,209,804)**	**9,599,385**
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)	(23,296,074)	1,930,284	(10,709,052)
Tax effect of measurement differences	8,153,625	(675,401)	3,748,170
Derecognition of goodwill recorded by Mastellone Hermanos S.A.	(82,432)	-	-
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.	**23,400,415**	**(1,954,921)**	**2,638,503**
Higher and lower values of identifiable assets and liabilities due to allocation of the price paid (2)(3)	12,370,782	161,674	(11,832)
Recognition of goodwill(2)	7,672,921	-	-
Increase in allowance for impairment of investment in Mastellone Hermanos S.A.	(8,103,591)	(1,514,946)	-
Arcor S.A.I.C's figures as per its financial statements	**35,340,527**	**(3,308,193)**	**2,626,671**

(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, 2023.
(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 41, with their corresponding tax effect. It primarily includes the recognition of the associate's trademarks as of the date of each acquired interest.

(*) For relevant information included in Mastellone Hermanos S.A.'s financial statements, see the additional information disclosed in Note 41.

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Note 8. Investments in Associates and Joint Ventures

Merger by Arcor Alimentos Internacional, S.L., Sociedad Unipersonal's acquisition of Arcor A.G. (S.A., Ltd.)

Further with the Group's corporate reorganization, in order to unify the majority of the shares held by the foreign subsidiaries in Arcor Alimentos Internacional, S.L., Sociedad Unipersonal, (hereinafter, ARALI), the Board of Directors of ARALI subscribed, on April 20, 2022, a Joint Merger Plan together with the Sole Director of Arcor A.G. (S.A., Ltd.), so as to carry out a transnational merger in which ARALI acquires Arcor A.G. (S.A., Ltd.), being Arcor S.A.I.C. the holder of 100% of the capital stock and votes of both companies.

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.

As a result of the aforementioned corporate reorganization, neither the financial situation nor the consolidated statements of income of the Group have been significantly impacted.

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, 2023	-	-	-	2,380,456	2,380,456
Total Current as of January 1, 2023	1,259,141	885,115	2,959,518	499,621	5,603,395
TOTAL AS OF JANUARY 1, 2023	**1,259,141**	**885,115**	**2,959,518**	**2,880,077**	**7,983,851**
Additions at Cost	1,604,450	1,948,414	4,653,259	-	8,206,123
Initial Recognition and Changes in Fair Value [2]	527,817	(89,211)	2,595,572	857,072	3,891,250
Harvest of Biological Products [3]	(2,644,635)	(1,946,300)	(6,823,087)	-	(11,414,022)
Deletion due to Sale of Biological Assets [4]	-	-	-	(654,225)	(654,225)
TOTAL AS OF DECEMBER 31, 2023	**746,773**	**798,018**	**3,385,262**	**3,082,924**	**8,012,977**
Total Non-current as of December 31, 2023	-	-	-	2,334,204	2,334,204
Total Current as of December 31, 2023	746,773	798,018	3,385,262	748,720	5,678,773
Total Non-current as of January 1, 2022	-	-	-	3,854,018	3,854,018
Total Current as of January 1, 2022	1,087,258	1,211,921	3,012,081	685,066	5,996,326
TOTAL AS OF JANUARY 1, 2022	**1,087,258**	**1,211,921**	**3,012,081**	**4,539,084**	**9,850,344**
Additions at Cost	1,543,045	2,031,019	4,075,265	-	7,649,329
Initial Recognition and Changes in Fair Value [2]	1,191,100	1,297,932	(1,592,155)	(933,648)	(36,771)
Harvest of Biological Products [3]	(2,562,262)	(3,655,757)	(2,535,673)	-	(8,753,692)
Deletion due to Sale of Biological Assets [4]	-	-	-	(725,359)	(725,359)
TOTAL AS OF DECEMBER 31, 2022	**1,259,141**	**885,115**	**2,959,518**	**2,880,077**	**7,983,851**
Total Non-current as of December 31, 2022	-	-	-	2,380,456	2,380,456
Total Current as of December 31, 2022	1,259,141	885,115	2,959,518	499,621	5,603,395

(1) Based on the phenological stage reached at year-end, these assets were measured at cost (Note 2.11).

(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.

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Note 9. Biological Assets

The following tables show information as of December 31, 2023 and 2022 relating to the harvest of biological products and quantities, in respect of the main types of biological assets expressed in whole units:

	FRUIT CROPS	GRAIN SOWN LAND	DAIRY OR BEEF CATTLE	SUGARCANE SOWN LAND
Harvest of biological products for the year ended December 31, 2023, as per biological asset	6,607 Tn.	9,485 Tn.	(1)15,027 Tn.	(3)239,068 Tn.
Area intended for biological assets as of 12.31.2023	267 Has.	5,923 Has.	-	5,179 Has.
Quantity of biological assets as of 12.31.2023 (heads)	-	-	(2)5,706	-
Estimated useful lives	7 months	7 months	5 lactation periods	10 months

(1) Tons of fluid milk.
(2) Out of the total, 3,158 are dairy cattle heads, and the remaining 2,548 are beef cattle heads.
(3) Tons of sugar cane.

	FRUIT CROPS	GRAIN SOWN LAND	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.

The fair value measurement method for each of these biological assets is described in Note 2.11 to the consolidated financial statement.

The following tables show the Group's biological assets by fair value level as of December 31, 2023 and 2022, as explained in Note 37.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Biological Assets at Fair Value				
Fruit Crops	-	-	746,773	746,773
Dairy or Beef Cattle	-	3,082,924	-	3,082,924
Total Biological Assets as of 12.31.2023	**-**	**3,082,924**	**746,773**	**3,829,697**
Biological Assets at Fair Value				
Fruit Crops	-	-	1,259,141	1,259,141
Dairy or Beef Cattle	-	2,880,077	-	2,880,077
Total Biological Assets as of 12.31.2022	**-**	**2,880,077**	**1,259,141**	**4,139,218**

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Note 9. Biological Assets

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 12.31.2023	FAIR VALUE AS OF 12.31.2022	MEASUREMENT METHOD	NON-OBSERVABLE INPUTS	RELATIONSHIP BETWEEN NON-OBSERVABLE INPUTS AND FAIR VALUE
Fruit Crops	746,773	1,259,141	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.

Note 10. Deferred Tax Assets / Liabilities

The following table shows the breakdown of and changes in deferred tax assets and liabilities as of December 31, 2023 and December 31, 2022:

	BALANCE AT THE BEGINNING OF THE YEAR	AMOUNT CHARGED TO INCOME	AMOUNT CHARGED TO OTHER COMPREHENSIVE INCOME	BALANCE AS OF 12.31.2023
General Tax Loss Carry-forwards	-	1,887,545	-	1,887,545
Deferred Earnings - Law No. 27,541	(10,627,633)	8,549,810	-	(2,077,823)
Trade and Other Receivables	(56,632)	(194,307)	-	(250,939)
Inventories	(2,573,326)	(6,270,825)	-	(8,844,151)
Provisions	615,550	(300,113)	-	315,437
Trade Payables and Other Liabilities due to Retirement Benefits	6,659,355	(422,003)	1,483,310	7,720,662
Lease Liabilities	2,582,943	1,036,523	-	3,619,466
Loans	2,975,565	8,485,466	-	11,461,031
Biological Assets	(299,472)	(617,539)	-	(917,011)
Right-of-Use Assets	(2,467,816)	(753,613)	-	(3,221,429)
Property, Plant and Equipment and Investment Properties	(20,637,265)	618,675	-	(20,018,590)
Intangible Assets	(541,255)	54,966	-	(486,289)
Investments in Subsidiaries and Associates	213,863	74,153	-	288,016
Other Investments	(51,542)	(456,953)	-	(508,495)
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**(24,207,665)**	**11,691,785**	**1,483,310**	**(11,032,570)**
				BALANCE AS OF 12.31.2022
General Tax Loss Carry-forwards	468,774	(468,774)	-	-
Deferred Earnings - Law No. 27,541	(28,797,487)	18,169,854	-	(10,627,633)
Trade and Other Receivables	33,352	(89,984)	-	(56,632)
Inventories	(2,241,677)	(331,649)	-	(2,573,326)
Provisions	1,015,933	(400,383)	-	615,550
Trade Payables and Other Liabilities due to Retirement Benefits	7,618,152	(1,616,831)	658,034	6,659,355
Lease Liabilities	2,839,449	(256,506)	-	2,582,943
Loans	369,930	2,605,635	-	2,975,565
Biological Assets	(818,037)	518,565	-	(299,472)
Right-of-Use Assets	(2,759,741)	291,925	-	(2,467,816)
Property, Plant and Equipment and Investment Properties	(23,369,808)	2,732,543	-	(20,637,265)
Intangible Assets	(348,543)	(192,712)	-	(541,255)
Investments in Subsidiaries and Associates	142,784	71,079	-	213,863
Other Investments	663	(52,205)	-	(51,542)
TOTAL DEFERRED TAX ASSETS / (LIABILITIES), NET	**(45,846,256)**	**20,980,557**	**658,034**	**(24,207,665)**

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Note 10. Deferred Tax Assets / Liabilities

Below is a detail of tax loss carry-forwards recognized by the Group as of December 31, 2023, broken down by company and applicable statute of limitation:

COMPANIES	STATUTE OF LIMITATION EXPIRES IN				TOTAL	TAX RATE	TOTAL AT THE TAX RATE
	2024	2025	2026 ONWARDS	WITHOUT STATUTE OF LIMITATION			
Arcor S.A.I.C.[1]	-	-	5,392,985	-	5,392,985	35%	1,887,545
TOTAL	**-**	**-**	**5,392,985**	**-**	**5,392,985**		**1,887,545**

[1] They are part of deferred tax liabilities.

As of December 31, 2023, 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 (ARS 172,820 at taxable base level).

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 188,361 (ARS 538,175 at taxable base level).

Note 11. Other Investments

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-Current		
Equity interests	257	800
TOTAL NON-CURRENT	**257**	**800**
TOTAL	**257**	**800**

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Note 12. Trade and other Receivables

The following table shows the breakdown of trade and other receivables:

Trade receivables

	12.31.2023	12.31.2022
Current		
Trade Receivables from third Parties	21,096,296	24,253,337
Documented Credits	2,298,177	4,331,525
Accounts Receivable from Related Parties (Note 36)	33,412,099	24,217,310
Doubtful Accounts and Receivables in Litigation	15,354	31,632
Less: Allowance for Impairment of Receivables	(184,314)	(295,741)
TOTAL CURRENT	**56,637,612**	**52,538,063**
TOTAL TRADE RECEIVABLES	**56,637,612**	**52,538,063**

Other Receivables

	12.31.2023	12.31.2022
Non-current		
Tax Credits	3,467,058	782,166
Security Deposits	90,404	102,148
Advance Payments to Suppliers for Purchases of Items of Property, Plant and Equipment	11,597	1,993,650
Financial Receivables from Related Parties (Note 36)	5,484	6,476
Prepaid Expenses	82,150	133,135
Other Receivables from Related Parties (Note 36)	8,092,843	5,287,119
Less: Allowance for Impairment of Other Bad Debts	(226,785)	(719,065)
TOTAL NON-CURRENT	**11,522,751**	**7,585,629**
Current		
Refunds Receivable	1,280,415	1,036,564
Security Deposits	414,685	244,763
Tax Credits	20,296,958	6,492,373
Advance Payments to Suppliers for the Purchase of Inventories and Other Goods and Services	5,071,474	6,017,131
Financial Receivables from Related Parties (Note 36)	109,581	96,085
Prepaid Expenses	1,984,323	1,958,461
Other Receivables from Related Parties (Note 36)	448,414	306,793
Miscellaneous	57,793	62,630
Less: Allowance for Impairment of Other Bad Debts	(18,545)	(41,146)
TOTAL CURRENT	**29,645,098**	**16,173,654**
TOTAL OTHER RECEIVABLES	**41,167,849**	**23,759,283**

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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:

	12.31.2023	12.31.2022
To Fall Due	20,102	27,043
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**20,102**	**27,043**
Up to three months	11,772	29,347
From three to six months	11,945	79,294
From six to twelve months	1,065	31,156
More than one year	139,430	128,901
SUBTOTAL TO FALL DUE INCLUDED IN THE ALLOWANCE	**164,212**	**268,698**
TOTAL	**184,314**	**295,741**

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

	12.31.2023	12.31.2022
From three to six months	256,046	302,137
From six to twelve months	79,700	134,011
More than one year	47,250	154,427
TOTAL PAST DUE NOT INCLUDED IN THE ALLOWANCE	**382,996**	**590,575**

The balances of the Company's trade and other receivables are denominated in the following currencies:

	12.31.2023	12.31.2022
ARS	60,730,117	53,144,757
EUR	359,357	309,072
USD	36,715,987	22,843,517
TOTAL	**97,805,461**	**76,297,346**

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Note 12. 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]	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**295,741**	**254,601**	**760,211**	**1,559,816**
Increases	80,345	250,967	8,074	2,139
Decreases	(71,731)	(92,442)	(7,778)	-
Uses	(2,391)	(1,121)	(5,064)	(63,094)
Effect of Restatement	(117,650)	(116,264)	(510,113)	(738,650)
BALANCE AT YEAR-END	**184,314**	**295,741**	**245,330**	**760,211**

(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).

Note 13. Inventories

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Raw Materials and Materials	68,271,621	60,176,279
Raw Materials and Materials in Transit	1,920,319	1,532,312
Works in Progress	7,853,845	8,289,030
Finished Products	77,683,831	69,515,239
Less: Allowance for Impairment of Inventories	(5,719,966)	(5,506,646)
TOTAL	**150,009,650**	**134,006,214**

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

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	5,506,646	5,610,613
Increases [1]	1,813,496	795,360
Decreases [1]	(1,585,982)	(878,104)
Uses	(14,194)	(21,223)
BALANCE AT YEAR-END	**5,719,966**	**5,506,646**

(1) The accounting allocation of increases/increases is disclosed in “Other General Expenses” in Note 28.

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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 41)	12,825,931	-
TOTAL NON-CURRENT	**12,825,931**	**-**
TOTAL AS OF 12.31.2023	**12,825,931**	**-**

	ASSETS	LIABILITIES
Non-Current		
Mastellone Hermanos S.A.'s Options (Note 41)	-	960,153
TOTAL NON-CURRENT	**-**	**960,153**
Current		
Currency Forwards	6,351,735	51,803
TOTAL CURRENT	**6,351,735**	**51,803**
TOTAL AS OF 12.31.2022	**6,351,735**	**1,011,956**

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.

Currency Forwards

The following tables set forth the transactions carried out during the years ended December 31, 2023 and 2022:

	OPEN POSITIONS AT THE PERIOD END						FIGURES AS OF 12.31.2023			
COMPANIES	TYPE OF TRANSACTION	CURRENCY OF THE ITEMS HEDGED	CURRENCY OF THE HEDGING INSTRUMENT	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	ARS	USD	-	-	-	-	-	-	(28,393,508)
TOTAL AS OF 12.31.2023							**-**	**-**	**-**	**(28,393,508)**

	OPEN POSITIONS AT THE PERIOD END						FIGURES AS OF 12.31.2022			
COMPANIES	TYPE OF TRANSACTION	CURRENCY OF THE ITEMS HEDGED	CURRENCY OF THE HEDGING INSTRUMENT	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)	ARS	USD	2	67,500	208.40	6,351,735	(51,803)	6,299,932	(12,001,442)
TOTAL AS OF 12.31.2022							**6,351,735**	**(51,803)**	**6,299,932**	**(12,001,442)**

(*) ARS per USD.

(**)Recognized under the item "Net Financial Income (Expense)" in the separate 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.

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Note 14. Derivative Financial Instruments

Mastellone Hermanos S.A.'s Call and Put Options

The transaction with Mastellone Hermanos S.A. and its shareholders described in Note 41 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 according in IFRS 13 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:

	12.31.2023	12.31.2022
Cash and Bank Deposits at Sight	5,616,044	3,449,503
Financial Assets at Fair Value[1]	10,225,240	-
TOTAL	**15,841,284**	**3,449,503**

[1] Mainly mutual funds recognized under "Cash and Cash Equivalents" by its characteristics.

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

	ACTIVITY	12.31.2023	12.31.2022
Addition of PP&E Items and Intangible Assets Not Settled at Year-End	Investment	(1,357,259)	(1,567,425)
Sales of Property, Plant, and Equipment, and Other Assets Contributed to Subsidiaries	Investment	-	46,866
Financial Expenses Capitalized in Eligible Assets (Note 32)	Investment	(123,857)	(171,034)
Exchange of Class 9 Notes Result (Note 20)	Financing	-	11,936,012
Cash Dividends Not Settled at Year-end	Financing	(1,453,979)	(6,349)
Deletions of Right-of-Use Assets (Note 5)	Financing	21,795	1,943
Addition of Right-of-Use Liabilities and Adjustments to Variable Leases (Note 5)	Financing	(8,112,334)	(3,595,979)
Deletions of Lease Liabilities (Note 21)	Financing	(17,315)	-
Additions of Liabilities and Adjustments to Variable Leases (Note 21)	Financing	8,112,334	3,595,979

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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 7,181,447 (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:

	2023	2022	2021
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, 2023, 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, 2023 and 2022, respectively:

	TOTAL AS OF 12.31.2023
Balance at the Beginning of the Year	**98,167,932**
Net Income for the Year	4,608,707
Actuarial Gains from Defined Benefit Plans	(3,035,159)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(64,634,346)
Distribution of Dividends [1]	(33,533,586)
Forfeited Dividends [2]	275
BALANCE AT YEAR-END	**1,573,823**

[1] As per the Ordinary and Extraordinary General Shareholders' Meeting held on April 28, 2023.

[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 12.31.2022
Balance at the Beginning of the Year	**111,065,545**
Net Income for the Year	99,772,645
Actuarial Gains from Defined Benefit Plans	(1,604,862)
Setting-up of Reserves	
- Optional Reserve for Future Investments [1]	(56,413,880)
- Special Reserve for Future Dividends [1]	(18,068,420)
Distribution of Dividends [1]	(36,583,245)
Forfeited Dividends [2]	149
BALANCE AT YEAR-END	**98,167,932**

[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.

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	**(75,902,661)**	**(75,902,661)**
Translation Difference:		
- Translation Difference of Companies Attributable to Shareholders	89,705,315	89,705,315
TOTAL AS OF 12.31.2023	**13,802,654**	**13,802,654**

	RESERVA DE CONVERSIÓN	TOTAL
Balance at the Beginning of the Year	**(56,155,072)**	**(56,155,072)**
Translation Difference:		
- Translation Difference of Companies	(19,770,038)	(19,770,038)
- Reclassification to Net Income for the Fiscal Year of Companies' Translation Differences (Note 8)[1]	22,449	22,449
TOTAL AS OF 12.31.2022	**(75,902,661)**	**(75,902,661)**

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

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Note 20. Loans

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-Current		
Bank Loans	-	13,844,626
Notes	277,935,522	168,490,572
Financial Loans with Related Parties (Note 36)	16,692,265	-
TOTAL NON-CURRENT	**294,627,787**	**182,335,198**
Current		
Bank Loans	94,872,938	99,221,804
Notes	71,940,917	80,446,437
Financial Loans with Related Parties (Note 36)	100,546,390	91,016,426
TOTAL CURRENT	**267,360,245**	**270,684,667**
TOTAL	**561,988,032**	**453,019,865**

The following tables show the changes in this item:

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2023
BALANCE AT BEGINNING OF THE YEAR			**453.019.865**
Borrowed Loans	154,088,285	-	154,088,285
Loan Repayment – Principal	(85,496,993)	-	(85,496,993)
Loan Repayment – Interest	(117,080,149)	-	(117,080,149)
Payments for Origination and Other Financial Expenses	(1,669,790)	-	(1,669,790)
Net Changes in Financial Loans with Related Companies	46,289,897	-	46,289,897
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-End	38,656,597	-	38,656,597
Accrued Financing Origination and Other Expenses [1] [2]	-	(2,344,380)	(2,344,380)
Accrued Interest [1]	-	(35,035,753)	(35,035,753)
Accrued Exchange Differences	-	111,560,453	111,560,453
BALANCE AT YEAR-END			**561,988,032**

	CASH ITEMS	NON-CASH ITEMS	TOTAL AS OF 12.31.2022
BALANCE AT BEGINNING OF THE YEAR			**495,883,951**
Borrowed Loans	18,506,273	-	18,506,273
Income (Loss) from Exchange of Class 9 Notes [1]	-	11,936,012	11,936,012
Loan Repayment – Principal	(86,757,146)	-	(86,757,146)
Financial Indebtedness on Acquisition of Shares (Note 41)	(1,045,024)	-	(1,045,024)
Loan Repayment – Interest	(71,025,315)	-	(71,025,315)
Payments for Financing Origination and Other Expenses	(2,552,710)	-	(2,552,710)
Net Changes in Financial Loans with Related Companies	83,093,732	-	83,093,732
Net Changes in Overdraft Facilities from the Beginning of the Year to Year-end	42,768,541	-	42,768,541
Accrued Financing Origination Expenses [1] [2]	-	1,542,978	1,542,978
Accrued Interest [1]	-	6,315,563	6,315,563
Accrued Exchange Differences	-	(45,646,990)	(45,646,990)
BALANCE AT YEAR-END			**453,019,865**

(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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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, 2023:

NON-CURRENT	WITHOUT TERM	1-2 YEARS	2-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Notes	-	152,651,156	63,143,128	62,141,238	-	277,935,522
Financial Loans with Related Parties (Note 36)	-	16,692,265	-	-	-	16,692,265
TOTAL AS OF 12.31.2023	**-**	**169,343,421**	**63,143,128**	**62,141,238**	**-**	**294,627,787**

CURRENT	WITHOUT TERM	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans[1]	-	72,892,282	8,636,086	10,344,570	3,000,000	94,872,938
Notes	-	8,901,841	12,544,242	2,946,261	47,548,573	71,940,917
Financial Loans with Related Parties (Note 36)	61,423,213	11,881,381	2,534,531	15,815,257	8,892,008	100,546,390
TOTAL AS OF 12.31.2023	**61,423,213**	**93,675,504**	**23,714,859**	**29,106,088**	**59,440,581**	**267,360,245**

(1) See "Subsequent Events" included in this Note.

- 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	-	13,844,626	-	-	-	13,844,626
Notes	-	23,177,903	59,818,154	85,494,515	-	168,490,572
TOTAL AS OF 12.31.2022	**-**	**37,022,529**	**59,818,154**	**85,494,515**	**-**	**182,335,198**

CURRENT	WITHOUT TERM	UP TO 3 MONTHS	3-6 MONTHS	6-9 MONTHS	9 MONTHS TO 1 YEAR	TOTAL
Bank Loans	-	79,939,532	4,145,455	12,010,217	3,126,600	99,221,804
Notes	-	4,380,101	3,299,626	70,584,295	2,182,415	80,446,437
Financial Loans with Related Parties (Note 36)	51,012,888	-	-	13,667,834	26,335,704	91,016,426
TOTAL AS OF 12.31.2022	**51,012,888**	**84,319,633**	**7,445,081**	**96,262,346**	**31,644,719**	**270,684,667**

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

	12.31.2023	12.31.2022
ARS [1]	212,211,121	204,143,245
USD	349,339,192	248,876,620
EUR	437,719	-
TOTAL	**561,988,032**	**453,019,865**

(1) It includes Class 17 Notes, which are denominated in UVAs but are repayable in ARS. As of December 31, 2023 and December 31, 2022, the balance of such notes amounts to ARS 12,912,394 y ARS 16,029,736, respectively.

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Notes to the Separate Financial Statements

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 20. Loans

The tables below show the carrying amount and the fair value of loans as of December 31, 2023 and 2023:

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	94,872,938	94,404,908
Notes[(1)]	349,876,439	360,862,482
Financial Loans with Related Parties	117,238,655	115,415,850
TOTAL AS OF 12.31.2023	**561,988,032**	**570,683,240**

	CARRYING AMOUNT	FAIR VALUE
Bank Loans	113,066,430	112,556,565
Notes[(1)]	248,937,009	249,892,822
Financial Loans with Related Parties	91,016,426	91,016,426
TOTAL AS OF 12.31.2022	**453,019,865**	**453,465,813**

(1) In the case of Class 18 Notes, it includes the effects of the loss recorded as a result of the exchange for the Class 9 Notes, described in paragraph c of this note.

"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, 2023 and 2022, as explained in Note 37.2:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at fair value				
Bank loans	-	94,404,908	-	94,404,908
Notes		360,862,482	-	360,862,482
Financial Loans with Related Parties	-	115,415,850	-	115,415,850
Total Loans at Fair Value as of 12.31.2023	**-**	**570,683,240**	**-**	**570,683,240**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Loans at fair value				
Bank loans	-	112,556,565	-	112,556,565
Notes	226,320,114	23,572,708	-	249,892,822
Financial Loans with Related Parties	-	91,016,426	-	91,016,426
Total Loans at Fair Value as of 12.31.2022	**226,320,114**	**227,145,699**	**-**	**453,465,813**

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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 1.2 billion

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 1.2 billion, 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

	CLASS 9 NOTES[1]	ADDITIONAL CLASS 9 NOTES [1]
Final Principal Amount of the Issue	USD 350,000[2]	USD 150,000 [2]
Issue Date	July 6, 2016	June 19, 2017
Issue Price	100% of principal amount	106.625% of principal amount
Currency	USD	
Interest Rate	Annual nominal 6% fixed rate.	Annual nominal 6% fixed rate.
Applicable margin	N/A	
Repayment and Maturity Date	July 6, 2023 (84 months from the date of issue).	July 6, 2023 (73 months from the date of issue).
Date of Authorization by CNV's Issuers Division	June 21, 2016	June 9, 2017
Interest Payment Date	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.	On a bi-annual basis, in arrears, on January 6 and July 6 each year, until maturity. The first payment was due on January 6, 2017.

[1] Paid in full by virtue of the exchange and redemption of Class 9 Notes described in paragraphs c. and d. of this Note. As of December 31, 2023 there are no balances due on these Notes.

[2] Paid in full at the respective principal maturities.

	CLASS 18 NOTES	CLASS 19 NOTES
Final Principal Amount of the Issue	USD 265,428	ARS 8,459,677
Issue Date	November 9, 2022	May 12, 2023
Issue Price	100% of principal amount.	
Currency	USD	ARS
Interest Rate	Annual nominal 8.25% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.
Applicable margin	N/A	0.99% nominal annual rate.
Repayment and Maturity Date	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.	May 12, 2024 (12 months from the date of issue)
Date of Authorization by CNV's Issuers Division	October 4, 2022	May 8, 2023
Interest Payment Date	On a biannual basis, in arrears, on April 9 and October 9 of each year, until maturity, starting April 9, 2023.	On a quarterly basis, in arrears, from August 12, 2023 to May 12, 2024.

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CLASS 16 NOTES [2]	CLASS 17 NOTES
ARS 1,500,000	27,864 UVA (equal to ARS 2,500,000 considering the UVA value as of the date of issue)
October 20, 2021	
100% of principal amount	
ARS	UVA/ARS
Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal fixed rate of 0.98 %.
2.97% Annual nominal rate	N/A
Three consecutive payments, the first one due on October 20, 2022 (12 months from the date of issue) for a sum equal to 33% of the principal amount; the second one due on January 20, 2023 (15 months from the date of issue) for a sum equal to 33% of the principal amount; and upon maturity, on April 20, 2023 (18 months from the date of issue) for a sum equal to 34% of the principal amount.	October 20, 2025 (48 months from the date of issue)
October 13, 2021	
On a quarterly basis, in arrears, from January 20, 2022, to April 20, 2023.	On a quarterly basis, in arrears, from January 20, 2022 to October 20, 2025.

CLASS 20 NOTES	CLASS 21 NOTES	CLASS 22 NOTES
ARS 13,540,323	USD 77,000	ARS 17,000,000
May 12, 2023	May 22, 2023	October 6, 2023
	100% of principal amount.	
ARS	USD	ARS
Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin.	Annual nominal 3.5% fixed rate.	Annual nominal variable rate equal to the average of BADLAR for the period plus an applicable margin..
3.95% nominal annual rate.	N/A	3.49% nominal annual rate.
May 12, 2025 (24 months from the date of issue).	November 22, 2025 (30 months from the date of issue).	October 6, 2024 (12 months from the date of issue)
May 8, 2023	May 10, 2023	September 29, 2023
On a quarterly basis, in arrears, from August 12, 2023 to May 12, 2025.	On a biannual basis, in arrears, on November 22 and May 22 each year, until maturity. The first payment was due on November 22, 2023.	On a quarterly basis, in arrears, on January 6 and April 6, 2024, July 6, 2024 and October 6, 2024.

(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 Class 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 Class 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, 2023:

	CLASS 18 NOTES	
	12.31.2023	12.31.2022
Consolidated Adjusted EBITDA [(1)]	168,159,126	183,756,644
Consolidated Fixed Charges [(2)]	(9,080,545)	33,580,646
Fixed-Charge Coverage Ratio [(3)]	(18.52)	5.47

(1) 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) 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. As described in NOTE 2.5, the financial income included under "Consolidated Fixed Charges" is stated in real terms, eliminating the respective inflationary hedges.

(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 18.

These covenants and limitations were fully honored as of December 31, 2023.

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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) 12.31.2023	12.31.2022
ARS 1,000	Variable [3]	11.04.2021	11.04.2023	Upon maturity	Quarterly	-	3,114
ARS 2,800	Variable [4]	08.30.2021	08.30.2023	In 5 instalments [4]	Monthly	-	5,232
USD 25 [1]	3% Annual rate	07.06.2022	01.08.2024	Upon maturity	Quarterly	20,211	13,792
ARS 3,250 [2]	49.25% Anual rate	07.06.2022	07.06.2023	Upon maturity	Monthly	-	10,121
ARS 3,250 [2]	Variable [5]	07.06.2023	07.05.2024	Upon maturity	Monthly	3,250	-
ARS 5,000	Variable [5]	07.06.2023	07.29.2024	Upon maturity	Monthly	5,000	-
ARS 2,150	Variable [5]	06.07.2023	07.05.2024	Upon maturity	Monthly	2,150	-
ARS 5,000	Variable [5]	09.07.2023	03.07.2024	Upon maturity	Monthly	5,000	-
ARS 3,000	Variable [6]	10.10.2023	10.06.2024	Upon maturity	Quarterly	3,000	-

(1) See "subsequent events" within this note.

(2) The original loan, obtained on July 6, 2022, stipulated an amortization payable at maturity (scheduled for July 6, 2023) and a fixed interest rate. On said maturity date, a renewal was agreed, for the same principal amount, with amortization at maturity (scheduled for July 5, 2024) and a variable interest rate.

(3) BADLARi (BADLAR plus the turnover tax allocation ratio applicable to the jurisdiction of the Autonomous City of Buenos Aires) plus a 3% margin.

(4) The rate as from August 2022 became variable BADLAR plus 4.25% for the remaining term to maturity, which operated in August 2023.

(5) BADLAR rate of the business day prior to the beginning of the interest period plus margin of 2.5%.

(6) Simple arithmetic mean of the BADLAR rate in the period between the eighth business day prior to the beginning of each interest period and the eighth business day prior to the maturity thereof.

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 REPAID CLASS 9 NOTES (USD)	ACCEPTANCE RATE	CONSIDERATION SCHEME CASH CONSIDERATION (USD)	CONSIDERATION CLASS 18 NOTES (USD)	CONTRAPRESTACIÓN TOTAL(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 (in thousands), 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 11,936,012, recorded under "Financial expenses" in these consolidated statements given that, resulting from the analysis carried out by the Group on the basis of IFRS 9, the exchange of financial instruments modified the original debt.

d. Redemption of Class 9 Notes

On April 24, 2023, the Company informed the markets that, as provided in the Terms and Conditions of the Notes, it was going to early redeem in full the outstanding Class 9 Notes for a par value of USD 127.9 million. Such Notes were redeemed on May 25, 2023 at a redemption price of 100% of the principal amount, together with accrued and unpaid interest.

e. Subsequent Events in Connection with Loans

Renewal of USD 25 Million Loan

In relation to the loan granted by a local bank for a principal amount of USD 25 million and maturing on January 8, 2024, as described in section b. of this NOTE, on that date the Company agreed to renew the principal, with full repayment at maturity, which will be made on July 8, 2025, and interest at a fixed rate of 4.5% per annum to be paid in 6 quarterly installments.

Line of credit with Coöperatieve Rabobank U.A.

On January 25, 2024, the Company together with its subsidiaries Arcor Alimentos Internacional S.L., Sociedad Unipersonal and Cartocor S.A. entered into a financing agreement with the bank Coöperatieve Rabobank U.A. which establishes the availability of a credit line for a maximum capital amount of USD 40 million, which may be used by any of said companies, being the same co-debtors among themselves. At the date of issuance of these financial statements, the Group has received disbursements of funds amounting to USD 11 million.

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Notes to the Separate Financial Statements

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Note 21. Lease Liabilities

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

	12.31.2023	12.31.2022
Non-current	5,547,921	3,769,353
Current[(1)]	4,793,407	3,610,479
TOTAL	**10,341,328**	**7,379,832**

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**7,379,832**	**8,112,714**
Additions	5,881,296	3,393,624
Deletions[(1)]	(17,315)	-
Adjustments to Variable Leases	2,231,038	202,355
Interest Expense and Exchange Differences Accrued	684,463	96,021
Payments Made During the Year	(5,817,986)	(4,424,882)
BALANCE AT YEAR-END	**10,341,328**	**7,379,832**

(1) The accounting allocation of deletions for the year is reported in "Other Income / (Expenses), Net" in the separate statement of income (Note 31).

Note 22. Employee Retirement Benefits Obligations

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Non-Current		
Early Retirement Benefits	575,764	1,132,777
Retirement Bonuses[(a)]	1,627,382	1,934,293
Pension Plans [(b)]	11,637,256	13,668,625
TOTAL NON-CURRENT	**13,840,402**	**16,735,695**
Current		
Early Retirement Benefits	1,556,766	1,813,233
Retirement Bonuses [(a)]	29,680	11,323
Pension Plans [(b)]	491,557	490,853
TOTAL CURRENT	**2,078,003**	**2,315,409**
TOTAL	**15,918,405**	**19,051,104**

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Note 22. Employee Retirement Benefits Obligations

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

	12.31.2023	12.31.2022
Amount Charged to Income		
Early Retirement Benefits	1,270,241	218,376
Retirement Bonuses[a]	(643,377)	(280,176)
Pension Plans - Defined Contributions [b]	(405,467)	(1,043,294)
Subtotal	**221,397**	**(1,105,094)**
Charge to Other Comprehensive Income		
Retirement Bonuses [a]	362,343	393,808
Pension Plans [b]	3,875,686	1,486,287
Subtotal	**4,238,029**	**1,880,095**
TOTAL	**4,459,426**	**775,001**

(a) Retirement bonuses

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

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**1,945,616**	**1,844,925**
Cost	108,739	94,082
Interests[1]	(752,116)	(374,258)
Actuarial (Gain) / Loss	362,343	393,808
Benefits Paid to Plan Participants	(7,520)	(12,941)
BALANCE AT YEAR-END	**1,657,062**	**1,945,616**

[1] Interest charges are stated in real terms, segregating the inflationary component, as described in Note 2.9.

The portion expected to be settled within twelve months from the date of these separate financial statements is ARS 29,680.

(b) Pension Plans

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

	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**14,159,478**	**16,550,077**
Cost	4,013,238	2,272,519
Interests[1]	(4,418,705)	(3,315,813)
Actuarial (Gain) / Loss	3,875,686	1,486,287
Benefits Paid to Plan Participants	(5,500,884)	(2,833,592)
BALANCE AT YEAR-END	**12,128,813**	**14,159,478**

[1] Interest charges are stated in real terms, segregating the inflationary component, as described in Note 2.9.

The portion expected to be settled within twelve months from the date of these financial statements is ARS 491,557.

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Note 22. Employee Retirement Benefits Obligations

Below is a detail of the amounts charged to the separate statement of income for the year ended December 31, 2023:

	PENSION PLANS	EARLY RETIREMENT BENEFITS	RETIREMENT BONUSES	TOTAL
Cost [(1)(3)]	4,013,238	5,471,611	108,739	9,593,588
Interests [(2)]	(4,418,705)	(4,201,370)	(752,116)	(9,372,191)
Subtotal – Amounts Charged to Income for the Year	**(405,467)**	**1,270,241**	**(643,377)**	**221,397**
Actuarial Loss	3,875,686	-	362,343	4,238,029
Subtotal - Loss through Other Comprehensive Income	**3,875,686**	**-**	**362,343**	**4,238,029**
TOTAL AS OF 12.31.2023	**3,470,219**	**1,270,241**	**(281,034)**	**4,459,426**

(1) Out of total cost, ARS 3,593,021, ARS 946,378 and ARS 5,054,189 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 180,204 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 3,833,034 is reported under "Salaries, Wages and Other Benefits" (Note 29).

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)]	2,272,519	3,735,705	94,082	6,102,306
Interests [(2)]	(3,315,813)	(3,517,329)	(374,258)	(7,207,400)
Subtotal – Amounts Charged to Income for the Year	**(1,043,294)**	**218,376**	**(280,176)**	**(1,105,094)**
Actuarial Loss	1,486,287	-	393,808	1,880,095
Subtotal - Loss through Other Comprehensive Income	**1,486,287**	**-**	**393,808**	**1,880,095**
TOTAL AS OF 12.31.2022	**442,993**	**218,376**	**113,632**	**775,001**

(1) Out of total cost, ARS 2,833,645, ARS 710,283 and ARS 2,558,378 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 401,292 is reported under "Managers', Directors' and Statutory Auditors' Fees" and the amount of ARS 1,871,227 is reported under "Salaries, Wages and Other Benefits" (Note 29).

In "Retirement bonuses", the assumptions regarding the future mortality rate are established based on actuarial techniques according to published statistics and experience in each territory. The main actuarial assumptions used were as follows:

	12.31.2023	12.31.2022
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, 2023, 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 (147,883) and ARS 136,166, respectively.

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 (201,798) and ARS 174,441, respectively.

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Note 23. Provisions

The changes in this item are as follows:

	12.31.2023	12.31.2022
Non-Current		
For Labor Lawsuits	486,678	985,882
For Other Civil and Commercial Lawsuits and Other Contingencies	144,287	245,505
TOTAL NON-CURRENT	**630,965**	**1,231,387**
Current		
For Labor Lawsuits	208,576	422,521
For Other Civil and Commercial Lawsuits and Other Contingencies	61,837	105,215
TOTAL CURRENT	**270,413**	**527,736**
TOTAL	**901,378**	**1,759,123**

The changes in this item are as follows:

	LABOR LAWSUITS [1]		OTHER CIVIL AND COMMERCIAL LAWSUITS AND OTHER CONTINGENCIES [2]	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Balance at the Beginning of the Year	**1,408,403**	**2,203,994**	**350,720**	**699,462**
Increases	673,853	592,338	208,244	87,082
Decreases	(1,260,004)	(1,155,933)	(17,898)	(105,284)
Payments	(126,998)	(231,996)	-	-
Effect of Restatement	-	-	(334,942)	(330,540)
BALANCE AT YEAR-END	**695,254**	**1,408,403**	**206,124**	**350,720**

[1] The accounting allocation of increases and increases is disclosed in Note 28 and 32.

[2] The accounting allocation of increases and decreases in other provisions 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:

	12.31.2023	12.31.2022
Non-Current		
Trade Payables		
- Third Parties	575,819	517,189
Salaries and Social Security Contributions	9,953,663	-
Other Liabilities		
- Related Parties (Note 8)	99,821	21,472
TOTAL NON-CURRENT	**10,629,303**	**538,661**
Current		
Trade Payables		
- Third Parties	84,624,141	70,966,710
- Related Parties (Note 36)	12,323,102	9,016,840
- Note Payable	4,772,577	7,109,994
Tax Liabilities	3,882,209	4,234,670
Salaries and Social Security Contributions	21,650,827	42,700,680
Other Liabilities		
- Third Parties	9,178	12,030
- Related Parties (Note 36)	1,469,370	9,236
TOTAL CURRENT	**128,731,404**	**134,050,160**
TOTAL	**139,360,707**	**134,588,821**

Subsequent Events Connected to Trade Payables and Other Liabilities

The greater exchange restrictions prevailing in the Argentine economy during the last months of 2023 caused an increase in the Group's liabilities in foreign currency originated thorugh import operations. In this regard, it should be noted that:

- In January 2024, as per the AFIP and the Secretariat of Commerce's joint General Resolution 5466/2023, the Group presented its information corresponding to the *Commercial Debt Registry for Imports with Foreign Suppliers* (the Registry) in which it externalized a debt for imports with an officialization date prior to December 13, 2023 of USD 51.3 million (equivalent to ARS 41,436,410), which includes a debt of USD 4.8 million with related parties located abroad that are part of the Group (equivalent to ARS 3,898,537. Finally, USD 32.3 million (equivalent to ARS 26,100,863) were past due at the end of the year, while the remaining USD 19 million (equivalent to ARS 15,335,547) were balances to be paid.

- In January and February 2024, the Group subscribed Series 1 and 2 of the Bonds for the Reconstruction of a Free Argentina (BOPREAL) for USD 20.3 million (USD 6 million corresponding to Series 1 and USD 14.2 million corresponding to Series 2), with a subscription cost of ARS 16,737,965 (ARS 4,898,870 corresponding to Series 1 and ARS 11,839,095 corresponding to Series 2). These instruments, provided for in BCRA Communication "B" 12695, are expressed in USD and were subscribed in ARS. Series 1 has two amortizations due on April 30, 2027 and October 31, 2027 (each for 50% of its nominal value), and accrues interest payable semiannually as from October 31, 2024 at a nominal annual rate of 5%. Series 2, on the other hand, is scheduled to be amortized in 12 (twelve) consecutive monthly installments, the first of which matures on July 31, 2024 and does not accrue interest.

The Group continues to analyze different alternatives to access the foreign currency necessary to pay the aforementioned commercial debt in compliance with the regulations in force.

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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 separate balance sheet:

	12.31.2023	12.31.2022
IT Services	143,055	872,751
Logistics Services	765,220	3,387,050
TOTAL	**908,275**	**4,259,801**

(b) Collateral pledged for loans granted to subsidiaries

As of December 31, 2023, the Company has no 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.	Swiss Re Corporate Solutions Brasil Seguros S.A.	BRL	Surety	Seguro de Caución	15,000

Within the scope of currency contracts, the Group pledged financial instruments, which are shown as "Derivative Financial Instruments." As of December 31, 2022 there was no pledge collateral for financial instruments. As of December 31, 2022 it amounted to ARS 6,351,735.

(d) Restricted Assets

As part of the Joint Venture agreement with Ingredion Argentina S.R.L. 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 2,914.

(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, 2023, certain pieces of equipment owned by Bagley Argentina S.A. are located at the Company's facilities, with a residual value of ARS 70,613. The Company has assumed the custody of these assets and has also committed to maintaining insurance policies to cover them. As of December 31, 2022, they amounted to ARS 101,775.

Pursuant to certain toll manufacturing agreements entered into by the Company and third parties, as of December 31, 2023, 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 23,170,135. As of December 31, 2022, such inventories amounted to ARS 14,199,045.

Further, as of December 31, 2023, the Company also held in its warehouses inventories of finished products for sale owned by third parties for a total amount of ARS 314,014. As of December 31, 2022, these inventories amounted to ARS 204,596.

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Note 26. Sales of Goods and Services

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Sales of Goods		
- Third Parties	527,204,149	536,705,777
- Related Parties (Note 36)	81,918,318	76,264,785
Sales of Services		
- Third Parties	1,425,790	1,362,380
- Related Parties (Note 36)	56,170,841	57,600,617
TOTAL	**666,719,098**	**671,933,559**

Note 27. Cost of Goods Sold and Services Rendered

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Inventories at the Beginning of the Year (Note 13)	134,006,214	122,893,909
Purchases of the Year	298,430,938	289,463,816
Transfer of Biological Products from the Agricultural Activity (Note 30)	10,774,953	9,187,668
Production Expenses (Note 28)	179,128,158	180,116,158
Sales of By-Products	(712,785)	(458,688)
Export Refunds (1)	(2,365,270)	(1,983,073)
Inventories at Year-End (Note 13)	(150,009,650)	(134,006,214)
BALANCE AT YEAR-END	**469,252,558**	**465,213,576**

(1) Net of the effect of (losses) / recovery of provisions for export refunds.

Víctor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Víctor Daniel Martín
Director

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

(Figures stated in thousands of Argentine pesos)

Note 28. Information about Expenses by Function and Nature

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 7)	565,073	470,786
Operating Leases/Rentals	3,908,243	3,855,550
Quality and Environment	1,637,531	1,569,388
Fuels and Lubricants	1,571,099	1,746,125
Maintenance of Property, Plant and Equipment	16,020,343	19,162,292
Depreciation of Property, Plant and Equipment (Note 4)[*]	11,790,584	11,914,580
Depreciation of Right-of-use Assets (Note 5)[*]	5,214,335	4,166,484
Export Duties	3,174,543	3,117,661
Electricity, Gas and Communications	20,596,748	21,511,607
Freight and Haulage	23,839,409	23,945,382
Export and Import Expenses	2,999,888	3,132,546
Traveling Expenses and Per Diem	3,440,488	3,367,295
Services Fees	5,032,352	5,181,551
Direct Taxes	14,333,251	14,474,582
Taxes, Rates and Contributions	1,331,353	1,563,781
Publicity and Advertising	8,597,688	8,803,787
Managers', Directors' and Statutory Auditors' Fees	3,618,726	5,510,143
Insurance	1,973,189	1,959,562
Bank Services	793,268	755,095
Third-party Services	24,989,452	24,305,532
Systems and Application Software	10,759,021	9,651,994
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	190,169,656	183,095,938
Bad Debts	8,614	158,525
Loss on Labor and Other Lawsuits	191,844	193,730
Loss (Recovery) on Other Miscellaneous Provisions	190,346	(18,202)
Loss due to Other Receivables	1,819	1,626
Other General Expenses	12,833,991	13,153,085
TOTAL	**369,582,854**	**366,750,425**

[*] 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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Notes to the Separate Financial Statements

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(Figures stated in thousands of Argentine pesos)

Note 28. Information about Expenses by Function and Nature

(a) Production Expenses (Note 27)

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 8)	310,656	233,138
Operating Leases/Rentals	966,499	1,201,526
Quality and Environment	1,614,664	1,556,932
Fuels and Lubricants	1,001,035	1,103,759
Maintenance of property, plant and equipment and investment prop.	14,608,393	16,634,129
Property, plant and equipment dep. and investment prop. (Note 4)(*)	10,155,389	9,691,239
Depreciation of Right-of-use Assets (Note 5)(*)	850,932	797,876
Electricity, Gas and Communications	19,354,050	19,960,713
Freight and Haulage	8,634,891	7,871,794
Traveling Expenses and Per Diem	876,679	818,572
Services Fees	1,107,915	1,150,262
Taxes, Rates and Contributions	600,989	724,120
Insurance	1,437,022	1,350,916
Third-party Services	8,747,213	8,460,519
Systems and Application Software	2,439,461	1,439,778
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	104,708,875	104,701,723
Loss on Labor and Other Lawsuits	94,493	117,298
(Recovery) / Loss due to Other Miscellaneous Provisions	133,667	(7,605)
Loss due to Other Receivables	1,819	1,626
Other General Expenses	1,483,516	2,307,843
TOTAL	**179,128,158**	**180,116,158**

(b) Biological Assets Production Expenses (Note 30)

	12.31.2023	12.31.2022
Operating Leases/Rentals	656,340	417,174
Quality and Environment	22,867	12,456
Fuels and Lubricants	334,361	305,052
Maintenance of Property, Plant and Equipment and Investment Prop.	197,534	885,161
Property, Plant and Equipment dep. and Investment Prop. (Note)(*)	465,062	837,901
Depreciation of Right-of-use Assets (Note 5)(*)	1,540,907	778,572
Electricity, Gas and Communications	153,513	144,228
Freight and Haulage	222,108	297,590
Traveling Expenses and Per Diem	16,824	24,860
Services Fees	49,228	61,079
Taxes, Rates and Contributions	137,702	177,213
Insurance	6,910	3,301
Third-party Services	1,763,967	2,055,231
Systems and Application Software	14,157	3,762
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	2,018,423	2,016,436
(Recovery) / Loss on Labor and Other Lawsuits	(101)	44
Other General Expenses	4,579,392	4,331,691
TOTAL	**12,179,194**	**12,351,751**

(*) 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

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 7)	148,961	155,072
Operating Leases/Rentals	2,239,162	2,025,473
Fuels and Lubricants	199,514	289,690
Maintenance of Property, Plant and Equipment	1,003,166	1,088,018
Depreciation of Property, Plant and Equipment (Note 4)(*)	807,212	864,863
Depreciation of Right-of-use Assets (Note 5)(*)	2,515,134	2,310,028
Export Duties	3,174,543	3,117,661
Electricity, Gas and Communications	572,659	802,199
Freight and Haulage	14,982,410	15,775,998
Export and Import Expenses	2,999,888	3,132,546
Traveling Expenses and Per Diem	1,526,043	1,234,632
Services Fees	2,015,878	1,489,637
Direct Taxes	14,333,251	14,474,582
Taxes, Rates and Contributions	486,668	538,103
Publicity and Advertising	8,597,688	8,803,787
Insurance	381,498	401,183
Third-party Services	13,197,188	12,558,133
Systems and Application Software	4,982,330	5,101,552
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	33,182,917	32,439,577
Bad Debts	8,614	158,525
Loss on Labor and Other Lawsuits	96,992	74,878
Loss on Other Miscellaneous Provisions	38,302	5,524
Other Miscellaneous Expenses	5,839,414	5,335,297
TOTAL	**113,329,432**	**112,176,958**

(*) The difference between notes is attributable to the process of capitalizing and uncapitalizing depreciation included in the cost of biological assets.

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For the years ended December 31, 2023 and 2022
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Note 28. Information about Expenses by Function and Nature

(d) Administrative Expenses

	12.31.2023	12.31.2022
Amortization of Intangible Assets (Note 7)	105,456	82,576
Operating Leases/Rentals	46,165	211,268
Fuels and Lubricants	36,189	47,624
Maintenance of Property, Plant and Equipment	169,178	537,997
Depreciation of Property, Plant and Equipment (Note 4)(*)	362,921	520,577
Depreciation of Right-of-use Assets (Note 5)(*)	307,362	280,008
Electricity, Gas and Communications	514,298	602,412
Traveling Expenses and Per Diem	1,020,942	1,289,231
Services Fees	1,846,219	2,472,461
Taxes, Rates and Contributions	77,747	83,382
Managers', Directors' and Statutory Auditors' Fees	3,618,726	5,510,143
Insurance	147,759	204,162
Bank Services	793,268	755,095
Third-party Services	832,159	859,205
Systems and Application Software	3,323,073	3,106,902
Salaries, Wages, Social Security Charges and Other Benefits (Note 29)	50,259,441	43,938,202
Loss on Labor and Other Lawsuits	460	1,510
Loss / (Recovery) on Other Miscellaneous Provisions	18,377	(16,121)
Other General Expenses	931,071	1,174,972
TOTAL	**64,410,811**	**61,661,606**

(*) 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)

	12.31.2023	12.31.2022
Operating Leases/Rentals	77	109
Maintenance of Investment Properties	42,072	16,987
Electricity, Gas and Communications	2,228	2,055
Services Fees	13,112	8,112
Taxes, Rates and Contributions	28,247	40,963
Third-party Services	448,925	372,444
Other General Expenses	598	3,282
TOTAL	**535,259**	**443,952**

Note 29. Salaries, Wages, Social Security Charges and other Benefits

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Salaries, Wages and Social Security Contributions(1)	180,756,272	177,394,924
Early Retirement Benefits (Note 22)	5,471,611	3,735,705
Pension Plans (Note 22)	3,833,034	1,871,227
Retirement Bonus (Note 22)	108,739	94,082
TOTAL	**190,169,656**	**183,095,938**

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

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(Figures stated in thousands of Argentine pesos)

Note 30. Income (loss) from Biological Assets

The following tables show the income (loss) from the main biological assets:

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2023
Sales of Biological Assets and Products	99,871	3,581,641	-	654,225	4,335,737
Cost of Sales of Biological Assets	-	-	-	(654,225)	(654,225)
Cost of Sales of Biological Products	(99,871)	(2,782,862)	-	-	(2,882,733)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**798,779**	**-**	**-**	**798,779**
Harvest of Biological Products	2,644,635	1,946,300	6,823,087	3,032,420	14,446,442
Changes in Fair Value of Biological Products	(843,262)	-	-	857,072	13,810
Derecognition of Bearer Plants	-	-	(324,039)	-	(324,039)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 28)	(1,273,556)	(2,035,511)	(4,227,515)	-	(7,536,582)
Production Expenses of Biological Assets for the Livestock Activities (Note 28)	-	-	-	(4,642,612)	(4,642,612)
Subtotal - Production Costs of Biological Assets	**(1,273,556)**	**(2,035,511)**	**(4,227,515)**	**(4,642,612)**	**(12,179,194)**
Consumption of Harvested Biological Products	-	-	-	(897,202)	(897,202)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**527,817**	**709,568**	**2,271,533**	**(1,650,322)**	**1,858,596**

	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2022
Sales of Biological Assets and Products	909,553	3,206,825	-	725,359	4,841,737
Cost of Sales of Biological Assets	-	-	-	(725,359)	(725,359)
Cost of Sales of Biological Products	(909,553)	(1,580,107)	-	-	(2,489,660)
Subtotal - Income (Loss) on Sales of Biological Products	**-**	**1,626,718**	**-**	**-**	**1,626,718**
Harvest of Biological Products [1]	2,562,262	3,655,757	2,535,673	3,414,293	12,167,985
Changes in Fair Value of Biological Products	(40,838)	-	-	(933,648)	(974,486)
Derecognition of Bearer Plants	-	-	(297,855)	-	(297,855)
Production Expenses of Biological Assets for the Agricultural and Forestry Activities (Note 28)	(1,330,324)	(2,357,825)	(4,127,828)	-	(7,815,977)
Production Expenses of Biological Assets for the Livestock Activities (Note 28)	-	-	-	(4,535,774)	(4,535,774)
Subtotal - Production Costs of Biological Assets	**(1,330,324)**	**(2,357,825)**	**(4,127,828)**	**(4,535,774)**	**(12,351,751)**
Consumption of Harvested Biological Products	-	-	-	(564,206)	(564,206)
TOTAL INCOME (LOSS) FROM BIOLOGICAL ASSETS	**1,191,100**	**2,924,650**	**(1,890,010)**	**(2,619,335)**	**(393,595)**

[1] Measured at fair value at the point of harvest.

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Notes to the Separate Financial Statements

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(Figures stated in thousands of Argentine pesos)

Note 30. Income (loss) from Biological Assets

The production of biological assets is primarily intended to be transferred from agricultural to industrial production, as detailed below:

	BIOLOGICAL ASSETS GENERATED BY AGRICULTURAL PRODUCTION					
	FRUIT CROPS	GRAIN SOWN LAND	SUGARCANE SOWN LAND	DAIRY OR BEEF CATTLE	TOTAL AS OF 12.31.2023	TOTAL AS OF 12.31.2022
Opening Inventories of Biological Products	-	492,784	-	-	492,784	492,784
Harvest of Biological Products	2,644,635	1,946,300	6,823,087	3,032,420	14,446,442	12,167,985
Cost of Sales of Biological Products	(99,871)	(2,782,862)	-	-	(2,882,733)	(2,489,660)
Internal Transfers	-	(897,202)	-	897,202	-	-
Consumption of Harvested Biological Products (Foffer)	-	-	-	(897,202)	(897,202)	(564,206)
Subtotal	**2,544,764**	**(1,240,980)**	**6,823,087**	**3,032,420**	**11,159,291**	**9,606,903**
Closing Inventories of Harvested Biological Products Not Transferred to Industrial Activities	-	(384,338)	-	-	(384,338)	(419,235)
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2023 (Note 27)	**2,544,764**	**(1,625,318)**	**6,823,087**	**3,032,420**	**10,774,953**	
TOTAL TRANSFER OF BIOLOGICAL PRODUCTS AS OF 12.31.2022 (Note 27)	**1,652,709**	**1,584,993**	**2,535,671**	**3,414,295**		**9,187,668**

(1) Included in "Raw Materials and Materials" (Note 13).

Note 31. Other Income / (expenses), Net

The following table shows the breakdown of this item:

	12.31.2023	12.31.2022
Tax on Bank Credits and Debits	(6,224,469)	(6,590,413)
Net (Disbursements) out of Income Accrued Provided by Investment Properties[1]	(433,568)	(321,609)
Income on Disposal of Property, Plant and Equipment and Investment Properties	469,286	420,301
Depreciation of Property, Plant and Equipment Elements (Note 4)	(161,418)	(3,527,174)
PAIS Tax [2]	(1,459,909)	(206,236)
Other Income from Differentiated Settlement of Exports [3]	4,976,495	-
Other	1,174,716	712,707
TOTAL	**(1,658,867)**	**(9,512,424)**

(1) It includes maintenance expenses of investment properties for the year ended December 31, 2023 and 2022 for ARS 535,259 and ARS 444,952, respectively (Note 28).

(2) Tax on Certain Foreign Currency Transactions ("PAIS Tax").

(3) In Argentina, by means of decree 549/2023 dated October 23, 2023, the National Executive Power (PEN) established that until November 17, 2023, 70% of exports should be settled through the Foreign Exchange Market (MLC), and the remaining 30% through sale and purchase transactions with marketable securities acquired in foreign currency and sold in local currency. Subsequently, decree 597/2023 of the PEN extended the validity of decree 549/2023 until December 10, 2023, and established that the percentage for settlement through sale and purchase transactions of marketable securities amounted to 50%. Finally, on December 13, 2023, through the issuance of decree 28/2023, the PEN allowed exporters to settle 20% of the foreign currency through sale and purchase transactions with marketable securities acquired in foreign currency and sold in local currency. The excess income received for the portion settled through the purchase and sale of marketable securities is included in "Other income/(expense), net" in these separate statements of income.

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Note 32. Net Financial Income (expense), Net

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

	12.31.2023	12.31.2022
Financial Income		
Interests:		
- Cash Equivalents	2,847	925
- Ordinary Explicit and Implicit	(29,105,052)	(24,218,334)
- Finance Charges with Related Parties	182,754	348,129
Changes in the Fair Value of Financial Instruments		
- Mastellone Hermanos S.A.'s Options (Note 41)	13,786,084	3,206,150
- Other Financial Instruments	11,950,535	870,876
Exchange Differences	-	33,571,532
Subtotal - Financial Income	**(3,182,832)**	**13,779,278**
Financial Expenses		
Interests:		
- Bank. Notes and Financing Expenses	9,242,056	(21,799,299)
- Finance Leases	(47,604)	(181,124)
- Explicit and Implicit	22,893,162	15,735,881
- Finance Charges with Related Parties	28,138,077	2,004,746
Exchange Differences	(142,473,183)	-
Subtotal	**(82,247,492)**	**(4,239,796)**
Amounts Capitalized in Eligible Assets	123,857	171,034
Subtotal – Financial Expenses	**(82,123,635)**	**(4,068,762)**
Gain on Net monetary Position	**61,479,225**	**47,812,941**
TOTAL	**(23,827,242)**	**57,523,457**

(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 11,936,012 for the Class 9 Notes and Class 18 Notes exchange described in Note 20, c).

As expressed on Note 2.5, these financial statements are expressed en real terms, thus eliminating respective inflation hedges.

Note 33. Income Tax

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

	12.31.2023	12.31.2022
Income Tax - Deferred Tax Method (Note 10)	11,691,785	20,980,557
Current Income Tax	(20,065,075)	(45,116,680)
Current Taxes from Alleged Dividends Subject to Tax Abroad	32,536	(383,156)
Subtotal – Income Tax Charged to the Statement of Income	**(8,340,754)**	**(24,519,279)**
Income Tax - Deferred Tax Method (Notes 10, 18 and 19)	1,483,310	658,034
Subtotal – Income Tax Charged to Other Comprehensive Income	**1,483,310**	**658,034**
TOTAL INCOME TAX EXPENSE	**(6,857,444)**	**(23,861,245)**

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Note 33. Income Tax

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:

	12.31.2023	12.31.2022
Income for the Year before Tax	**12,949,461**	**124,291,924**
Income Tax Rate	35%	35%
Income Tax Calculated at the Company's Effective Tax Rate	**(4,532,311)**	**(43,502,173)**
Permanent Differences and Other Reconciling Items		
Non-deductible Expenses	(4,717,728)	(342,595)
Non-taxable Income and Special Deductions	74,360	77,961
Income from Investments in Subsidiaries and Associates	5,897,737	15,327,575
Income (Loss) from Changes in Fair Value of Mastellone Hermanos S.A.'s Options	4,825,129	1,122,151
Effect of Tax Rate Adjustment	(95,363,221)	(67,135,097)
Effect of Restatement Law No. 27,430 on Tax Bases	11,707,626	6,829,615
Effect of Restatement on Carrying Amounts that Do Not Affect the Deferred Position	73,744,055	63,336,363
Current Taxes from Alleged Dividends Subject to Tax Abroad	32,537	(383,156)
Tax Effect in Argentina of Alleged Dividends Subject to Tax Abroad	(11,388)	134,105
Effect of Progressive Tax Rates, Law No. 27,630	-	13,026
Others, Net	2,450	2,946
TOTAL INCOME TAX EXPENSE CHARGED TO INCOME	**(8,340,754)**	**(24,519,279)**

(1) 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.

- Changes in the Income Tax Rate

In June 2021, Law No. 27,630 was enacted in Argentina, modifying Income Tax Law No. 7,430 (2017 tax reform), establishing a new staggered income tax rate structure divided into three segments, based on the level of accumulated net taxable income, and without incorporating changes in the "additional tax" rates on dividends or profits distributed to individuals, undivided estates or beneficiaries abroad.

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.

For the fiscal years 2023 and 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 14.3 million and 7.6 million, respectively;
- 30% for the second bracket, on accumulated net taxable income up to 143.0 million and 76.0 million, respectively;
- 35% on accumulated net taxable income in excess of 143.0 million and 76.0 million, respectively.

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C.P.C.E.C N° 21.00004.3
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Note 33. Income Tax

- Inflation Adjustment for Tax Purposes in Argentina

Pursuant to the terms of Law No. 27,430, the inflation adjustment for tax purposes established in Sections 105 through 108 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, 2021 to December 31, 2023 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, 2023. Based on the above-described application scheme, as of December 31, 2022, 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 2022 tax period made during the month of May 2023, and for the calculation of the current income tax charge for the year ended December 31, 2023, 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 separate 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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Statutory Audit Committee

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Director

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Director

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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 2023 and 2022, 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.

	YEAR ENDED	
	12.31.2023	12.31.2022
Net Income for the Year	4,608,707	99,772,645
Outstanding Common Shares	70,000,000,000	70,000,000,000
BASIC AND DILUTED EARNINGS PER SHARE	**0.06584**	**1.42532**

Note 35. Dividends per share

Dividends paid by the Company to its shareholders in 2023 amounted to ARS 28,490,000 (or ARS 55,893,831 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meetings held on April 28, 2023 and September 13, 2023, at which time shareholders resolved to pay dividends in the amount of ARS 14,000,000 (or ARS 33,533,586 in constant currency) and ARS 14,490,000 (or ARS 22,360,245), respectively. Based on the number of shares outstanding at the balance sheet date, dividends per share adjusted for inflation amount to ARS 0.79848.

Dividends paid by the Company to its shareholders in 2022 amounted to ARS 7,000,000 (or ARS 36,583,245 in constant currency), as determined at the Ordinary and Extraordinary General Shareholders' Meeting 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 0.52262.

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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	
		12.31.2023	12.31.2022	12.31.2023	12.31.2022
Arcor Alimentos Bolivia S.A.	Subsidiary	5,963,126	6,411,027	-	-
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[(1)]	Subsidiary	943,754	660,919	-	-
Arcor de Perú S.A.	Subsidiary	1,209,606	1,259,052	-	-
Arcor do Brasil Ltda.	Subsidiary	1,696,334	1,491,758	46,811	41,551
Arcor U.S.A., Inc.	Subsidiary	11,085,556	7,146,120	-	-
Arcorpar S.A.	Subsidiary	9,877,655	8,972,822	-	-
Ardion S.A.	Subsidiary	934,913	459,628	5,061,018	4,400,230
Bagley Argentina S.A.	Subsidiary	21,596,089	19,527,072	39,433,368	41,300,473
Bagley Chile S.A.	Subsidiary	191,491	283,107	-	-
Cartocor S.A.	Subsidiary	3,166,974	3,942,710	6,069,608	6,817,965
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	-	-	1,729	2,096
Dulcería Nacional, LDA.	Joint Venture	1,750,178	881,966	-	-
Grupo Arcor S.A.	Parent	-	-	1,629	2,046
Industria de Alimentos Dos en Uno S.A.	Subsidiary	8,154,046	9,212,867	31,208	27,700
Ingrecor S.A.	Subsidiary	8,447,926	7,841,484	4,080,421	3,984,367
Mastellone Hermanos S.A.	Associate	25,650	29,998	375,520	15,424
Mundo Dulce S.A. de C.V.	Subsidiary	-	-	23,406	20,774
Papel Misionero S.A.I.F.C.	Subsidiary	13,940	14,312	1,000,591	947,576
Unidal Ecuador S.A.	Subsidiary	1,324,251	1,926,047	-	-
Unidal México S.A. de C.V.	Subsidiary	58,985	145,969	45,532	40,415
Van Dam S.A.	Subsidiary	5,477,844	6,057,927	-	-
TOTAL		**81,918,318**	**76,264,785**	**56,170,841**	**57,600,617**

(1) Note 8.

Other Income

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Bagley Argentina S.A.	Subsidiary	-	9,962
Bagley Chile S.A.	Subsidiary	45,225	22,499
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	4,152	4,484
TOTAL		**49,377**	**36,945**

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Note 36. Transactions and balances with related parties

(a) Sales of Goods, Services, Other Revenues, and Recovery of Expenses

Recovery of Expenses

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Bolivia S.A.	Subsidiary	29,164	10,149
Arcor de Perú S.A.	Subsidiary	4,759	10,812
Arcorpar S.A.	Subsidiary	3,878	12,080
Ardion S.A.	Subsidiary	105,779	-
Bagley Argentina S.A.	Subsidiary	660,151	681,267
Cartocor S.A.	Subsidiary	650,341	694,560
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	2,793	3,192
Ingrecor S.A.	Subsidiary	2,985,163	3,023,899
Papel Misionero S.A.I.F.C.	Subsidiary	92,117	90,025
Van Dam S.A.	Subsidiary	7,963	13,154
TOTAL		**4,542,108**	**4,539,138**

(b) Purchases of Goods, Services and Other Disbursements

Purchase of Goods

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor de Perú S.A.	Subsidiary	222,376	152,098
Arcor do Brasil Ltda.	Subsidiary	1,097,943	951,322
Ardion S.A.	Subsidiary	372,229	432,010
Bagley Argentina S.A.	Subsidiary	1,108,435	886,687
Cartocor S.A.	Subsidiary	31,206,402	35,422,367
Industria de Alimentos Dos en Uno S.A.	Subsidiary	-	43,015
Ingrecor S.A.	Subsidiary	18,265,654	18,690,846
Mastellone Hermanos S.A.	Associate	4,367,594	500,413
Papel Misionero S.A.I.F.C.	Subsidiary	139,868	139,333
TOTAL		**56,780,501**	**57,218,091**

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Note 36. Transactions and balances with related parties

(b) Purchases of Goods, Services and Other Disbursements

Purchase of Services

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L., Sociedad Unipersonal [1]	Subsidiary	911,531	748,319
Bagley Argentina S.A.	Subsidiary	676,519	770,927
Cartocor S.A.	Subsidiary	156,394	345,893
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	129,178	148,348
GAP Regional Services S.A.	Subsidiary	968,257	561,446
Mastellone Hermanos S.A.	Associate	4,093	4,528
Van Dam S.A.	Subsidiary	109,403	69,505
TOTAL		**2,955,375**	**2,648,966**

[1] Note 8.

Other Expenses

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor U.S.A., Inc.	Subsidiary	216,300	20,120
Contributions to Fundación Arcor	Other	159,643	420,133
TOTAL		**375,943**	**440,253**

(c) Financial Interests (Note 32)

Interest Income

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	239,083	285,813
Bagley Argentina S.A.	Subsidiary	-	(13,419)
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	(50,858)	(7,511)
GAP Inversora S.A.	Associate	(2,658)	(635)
Ingrecor S.A.	Subsidiary	824	87,291
Other Related Parties	Other	(3,637)	(3,410)
TOTAL		**182,754**	**348,129**

[1] Note 8.

Interest Expese

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	750,194	32,797
Bagley Argentina S.A.	Subsidiary	(11,787,328)	821,481
Cartocor S.A.	Subsidiary	(13,751,015)	(337,709)
Papel Misionero S.A.I.F.C.	Subsidiary	(3,349,928)	(2,521,315)
TOTAL		**(28,138,077)**	**(2,004,746)**

[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	12.31.2023	12.31.2022
Arcor Alimentos Bolivia S.A.	Subsidiary	134,761	51,012
Arcor Alimentos Internacional S.L., Sociedad Unipersonal[1]	Subsidiary	319,162	309,025
Arcor de Perú S.A.	Subsidiary	624,985	467,993
Arcor do Brasil Ltda.	Subsidiary	2,247,176	1,519,632
Arcor U.S.A., Inc.	Subsidiary	5,478,798	1,232,987
Arcorpar S.A.	Subsidiary	1,832,349	1,254,876
Ardion S.A.	Subsidiary	1,780,927	543,802
Bagley Argentina S.A.	Subsidiary	8,796,004	9,611,301
Bagley Chile S.A.	Subsidiary	82,234	51,233
Cartocor S.A.	Subsidiary	1,610,605	1,109,184
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	9,289	17,971
Dulcería Nacional, LDA.	Jint Venture	3,552,858	798,237
Grupo Arcor S.A.	Parent	269	-
Industria de Alimentos Dos en Uno S.A.	Subsidiary	1,741,602	2,164,414
Ingrecor S.A.	Subsidiary	2,953,838	3,702,970
Mastellone Hermanos S.A.	Associate	154,669	19,793
Mundo Dulce S.A. de C.V.	Subsidiary	7,250	4,967
Papel Misionero S.A.I.F.C.	Subsidiary	152,633	146,116
Unidal Ecuador S.A.	Subsidiary	899,293	869,824
Unidal México S.A. de C.V.	Subsidiary	59,589	27,691
Van Dam S.A.	Subsidiary	973,808	314,282
TOTAL		**33,412,099**	**24,217,310**

[1] Note 8.

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Note 36. Transactions and balances with related parties

(d) Trade receivables and payables recorded for trade operations

Trade Payables and Other Liabilities (Note 24)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L., Sociedad Unipersonal (1)	Subsidiary	3,029,575	996,296
Arcor de Perú S.A.	Subsidiary	341,831	163,417
Arcor do Brasil Ltda.	Subsidiary	844,087	541,485
Arcor U.S.A., Inc.	Subsidiary	226,490	34,379
Arcorpar S.A.	Subsidiary	17,818	-
Ardion S.A.	Subsidiary	75,808	7,496
Bagley Argentina S.A.	Subsidiary	1,118,209	474,532
Bagley do Brasil Alimentos Ltda.	Subsidiary	13,911	9,227
Cartocor S.A.	Subsidiary	1,603,780	2,987,813
Constructora Mediterránea S.A.C.I.F.I.	Subsidiary	12,484	14,424
Dulcería Nacional, LDA.	Joint Venture	31,633	21,587
GAP Regional Services S.A.	Subsidiary	2,072,226	816,508
Grupo Arcor S.A. (2)	Parent	1,444,579	-
Ingrecor S.A.	Subsidiary	1,718,780	2,154,732
Mastellone Hermanos S.A.	Associate	82,831	50,576
Directors' remuneration payable for services	Other	12,424	-
Other Related Parties	Other	12,367	9,236
Papel Misionero S.A.I.F.C.	Subsidiary	43,215	63,820
Van Dam S.A.	Subsidiary	260,588	69,507
TOTAL		**12,962,636**	**8,415,035**

(1) Note 8.

(2) It corresponds to dividens distributed according to the Ordinary and Extraordinary General Shareholders' Meeting of September 13, 2023, outstanding at year-end.

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	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L.. Sociedad Unipersonal (1)(2)(3)	Subsidiary	8,092,844	5,287,119
Dulcería Nacional. LDA.	Joint Venture	448,413	306,793
TOTAL		**8,541,257**	**5,593,912**

(1) Note 8.

(2) Cesión de crédito de Arcor S,A,I,C con Arcor A,G, (S,A,,Ltd,) por venta de bienes de uso a Tucor DMCC, Ver nota 40,

(3) Expuesto en el rubro"Otros Créditos" – No corriente,

(f) Other Liabilities

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L.. Sociedad Unipersonal (1)	Subsidiary	829,836	611,041
TOTAL		**829,836**	**611,041**

(1) Note 8.

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Note 36. Transactions and balances with related parties

(g) Loans Granted (Note 12)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Constructora Mediterránea S,A,C,I,F,I,	Subsidiary	103,784	87,907
GAP Inversora S,A,	Associate	5,484	6,476
Other Related Parties	Other	5,797	8,178
TOTAL		115,065	102,561

(h) Loans Received (Note 20)

	TYPE OF RELATIONSHIP	12.31.2023	12.31.2022
Arcor Alimentos Internacional S.L.. Sociedad Unipersonal (1)	Subsidiary	23,396,712	1,341,765
Bagley Argentina S.A.	Subsidiary	32,418,730	49,922,289
Cartocor S.A. (1)	Subsidiary	50,588,690	29,713,879
Papel Misionero S.A.I.F.C.	Subsidiary	10,834,523	10,038,493
TOTAL		117,238,655	91,016,426

(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, 2023 and 2022 amounted to ARS 26,688,919 and ARS 25,313,054, 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, 2023:

	AMORTIZED COST	FAIR VALUE		TOTAL
		THROUGH PROFIT OR LOSS	THROUGH OTHER COMPREHENSIVE INCOME	
Assets as per Balance Sheet				
Other Receivables[1]	12,251,721	-	-	12,251,721
Trade Receivables	56,637,612	-	-	56,637,612
Derivative Financial Instruments	-	12,825,931	-	12,825,931
Cash and Cash Equivalents	-	15,841,284	-	15,841,284
TOTAL AS OF 12.31.2023	**68,889,333**	**28,667,215**	**-**	**97,556,548**
Liabilities as per Balance Sheet				
Loans	561,988,032	-	-	561,988,032
Financial Lease Liabilities	10,341,328	-	-	10,341,328
Trade Payables and Other Liabilities[1]	134,001,705	1,376,972	-	135,378,677
TOTAL AS OF 12.31.2023	**706,331,065**	**1,376,972**	**-**	**707,708,037**

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

- 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]	8,256,709	-	-	8,256,709
Trade Receivables	52,538,063	-	-	52,538,063
Derivative Financial Instruments	-	6,351,735	-	6,351,735
Cash and Cash Equivalents	-	3,449,503	-	3,449,503
TOTAL AS OF 12.31.2022	**60,794,772**	**9,801,238**	**-**	**70,596,010**
Liabilities as per Balance Sheet				
Loans	453,019,865	-	-	453,019,865
Financial Lease Liabilities	7,379,832	-	-	7,379,832
Derivative Financial Instruments	-	1,011,956	-	1,011,956
Trade Payables and Other Liabilities [1]	128,081,739	2,250,940	-	130,332,679
TOTAL AS OF 12.31.2022	**588,481,436**	**3,262,896**	**-**	**591,744,332**

[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, 2023:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	-	-	12,825,931	12,825,931
Cash and Cash Equivalents	15,841,284	-	-	15,841,284
Total Assets	**15,841,284**	**-**	**12,825,931**	**28,667,215**
Liabilities				
Financial Liabilities at Fair Value				
Trade Payables and Other Liabilities (1)	-	1,376,972	-	1,376,972
Total Liabilities	**-**	**1,376,972**	**-**	**1,376,972**

(1) It only includes financial liabilities under IFRS 7.

- As of December 31, 2022:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial Assets at Fair Value				
Derivative Financial Instruments	6,351,735	-	-	6,351,735
Cash and Cash Equivalents	3,449,503	-	-	3,449,503
Total Assets	**9,801,238**	**-**	**-**	**9,801,238**
Liabilities				
Financial Liabilities at Fair Value				
Derivative Financial Instruments	51,803	-	960,153	1,011,956
Trade Payables and Other Liabilities (1)	-	2,250,940	-	2,250,940
Total Liabilities	**51,803**	**2,250,940**	**960,153**	**3,262,896**

(1) It only includes financial liabilities under IFRS 7.

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Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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(Partner)
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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, 2023 and 2022, 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 with the characteristics described in Note 2.16 are also included in this item within these sepate financial statements. 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) Other Investments

For mutual funds and government securities with characteristics described in Note 2.16 to be included in the "Other Investments" item of these separate financial statements. Their value was estimated using information from active markets, with holdings of government securities and shares in mutual funds being measured at their quoted prices at the reporting period-end. Therefore, their fair value was included in Level 1.

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Note 37. Financial risk management

37.3 Fair Value Estimate

37.3.1 Fair Value of Financial Assets and Liabilities Measured at Fair Value

(c) Derivative Financial Instruments

(i) Currency Forwards

The fair value of currency forwards is determined using observable quoted prices at year-end for each specific contract. Therefore, their fair value is included in 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 option valuation models (Montecarlo Simulation), as detailed in Note 14.

Such models include unobservable market inputs; therefore, valuation is classified as Level 3.

(d) Accounts Payable and Other Liabilities – Cereal Purchase Contracts with Price to be Fixed

As of December 31, 2023 and 2022 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.

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.

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Note 37. Financial risk management

37.3 Fair Value Estimate

37.3.2 Fair Value of Financial Assets and Liabilities Measured at Amortized Cost

(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.

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.

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Note 37. Financial risk management

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. Whereas 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, in the current fiscal year the net asset position ended up a liability.

Considering only this net monetary exposure as of December 31, 2023 and 2022, 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 1,948,263 and ARS 861,839, respectively.

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, 2023 and 2022, 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 35,172,261 y ARS 21,204,871, 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, 2023 and 2022, 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 1,296,084 y ARS 1,602,974, 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	CURRENT EXCHANGE RATE	AMOUNT IN LOCAL CURRENCY AS OF		
					12.31.2023	12.31.2022
ASSETS						
NON-CURRENT ASSETS						
Other Receivables	10,048	USD	805,4500	8,092,843	8,092,843	5,287,119
TOTAL NON-CURRENT ASSETS					**8,092,843**	**5,287,119**
CURRENT ASSETS						
Other Receivables	2,476	USD	805,4500	1,993,943	1,993,943	1,356,773
Trade Receivables	33,061	USD	805,4500	26,629,201		
	404	EUR	889,3779	359,357	26,988,558	16,508,697
Derivative Financial Instruments	-	-	-	-	-	1,515,434
Cash and Cash Equivalents	5,152	USD	805,4500	4,149,625		
	779	EUR	889,3779	692,543	4,842,168	3,290,363
TOTAL CURRENT ASSETS					**33,824,669**	**22,671,267**
TOTAL ASSETS					**41,917,512**	**27,958,386**
LIABILITIES						
NON-CURRENT LIABILITIES						
Loans	331,815	USD	808,4500	268,255,750	268,255,750	166,284,871
Lease Liabilities	1,365	USD	808,4500	1,103,801	1,103,801	1,220,089
Trade Payables and Other Liabilities	600	USD	808,4500	485,070		
	101	EUR	894,7116	90,749	575,819	517,189
TOTAL NON-CURRENT LIABILITIES					**269,935,370**	**168,022,149**
CURRENT LIABILITIES						
Loans	100,295	USD	808,4500	81,083,442		
	489	EUR	894,7116	435,520	81,518,962	82,591,749
Lease Liabilities	1,041	USD	808,4500	841,899	841,899	706,496
Trade Payables and Other Liabilities	66,447	USD	808,4500	53,718,765		
	6,553	EUR	894,7116	5,862,769		
	254	CHF	963,1210	244,251		
	79	SEK	81,0135	6,416		
	9,581	RMB	116,1201	1,112,507	60,944,708	34,623,486
TOTAL CURRENT LIABILITIES					**143,305,569**	**117,921,731**
TOTAL LIABILITIES					**413,240,939**	**285,943,880**

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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, 2023 and 2022, 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 137,697 y ARS 225,095, respectivamente.

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, 2023 and 2023, the ratio of fixed-rate loans to variable-rate loans is summarized in the following table:

TYPE OF LOAN	12.31.2023		12.31.2022	
	ARS	%	ARS	%
Fixed Rate	345,809,441	62	349,476,951	77
Variable Rate	216,178,591	38	103,542,914	23
TOTAL	**561,988,032**	**100**	**453,019,865**	**100**

Considering that at the end of the reporting period, only 38% 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 335,357.

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Note 37. Financial risk management

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.

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.

For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 37. Financial risk management

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.

The following tables show the Company's financial liabilities grouped by maturities, considering the time remaining to maturity from December 31, 2023 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, 2023 and 2022, 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)	561,988,032	350,331,528	194,087,420	135,814,830	-	680,233,778
Lease Liabilities (Note 21)	10,341,328	4,894,533	3,322,489	2,677,413	-	10,894,435
Trade Payables and Other Liabilities[1]	135,378,677	127,358,717	10,533,335	-	-	137,892,052
TOTAL AS OF 12.31.2023	**707,708,037**	**482,584,778**	**207,943,244**	**138,492,243**	**-**	**829,020,265**

	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)	453,019,865	287,520,119	47,325,432	160,763,277	-	495,608,828
Lease Liabilities (Note 21)	7,379,832	3,785,976	1,939,920	2,051,918	-	7,777,814
Derivative Financial Instruments (Note 14)	51,803	51,803	-	-	-	51,803
Trade Payables and Other Liabilities[1]	130,332,679	132,068,536	519,920	-	-	132,588,456
TOTAL AS OF 12.31.2022	**590,784,179**	**423,426,434**	**49,785,272**	**162,815,195**	**-**	**636,026,901**

(1) It only includes financial liabilities under IFRS 7.
(2) See Note 20. Subsequent Events in Connection with Loans
(3) 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 41). The cash flows that could be derived during the year from such options are described in Note 41 to these separate financial statements.

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Note 37. Financial risk management

37.8 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 separate balance sheet) less cash and cash equivalents.

The indebtedness ratios as of December 31, 2023 and 2023 arise from the following table:

	12.31.2023	12.31.2022
Loans (Note 22)	561,988,032	453,019,865
Lease Liabilities (Note 21)	10,341,328	7,379,832
(Less) Cash and Cash Equivalents (Note 15)	(15,841,284)	(3,449,503)
Net Indebtedness	556,488,076	456,950,194
Total Equity	336,753,281	301,367,974
Total Capitalization	893,241,357	758,318,168
INDEBTEDNESS RATIO	**1.6525**	**1.5163**

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 336,753,281, 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 217,960, required for "Settlement and Clearing Agents" by article 13 of Chapter II in Title VII of the CNV Resolution.

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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. Likewise, Tucor is the parent company of Dulcería Nacional, Lda. (hereinafter, "Dulcería Nacional"), a corporation incorporated in Angola, which carries out the industrial operation.

In 2020 and 2021, Arcor A.G. (S.A., Ltd.), subsequently acquired by ARALI in 2022 (Note 8) made capital contributions to Tucor in the amount of USD 14.3 million approximately.

During the second quarter of 2022, Dulcería Nacional's industrial operations began with the inauguration of the aforementioned industrial plant in Luanda, Angola. It began by producing bonbons, cookies, crackers and candies.

In 2023, all production lines were up and running, growing the business as a first step to a long-term development in Africa. 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.

As per this agreement, certain semi-finished products and raw materials are exported from Arcor Argentina Group's plants in Argentina, to supply such operation.

In these separate financial statements, the Group considered Tucor as a "joint venture" pursuant to the terms of IFRS 11 "Joint Arrangements." Accordingly, the investment in such entity was valued using the equity method (Note 8).

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Note 41. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

On December 3 and 4, 2015, Arcor S.A.I.C., together with its subsidiary Bagley Argentina S.A. (jointly, the "Investors"), entered in to an investment agreement with Mastellone Hermanos S.A. ("Mastellone") and its shareholders, which was formalized as follows:

(i) "Offer to enter into a Share Subscription Agreement" issued by Mastellone and its shareholders and accepted by the Investors. Under this agreement:

- Arcor S.A.I.C. and Bagley Argentina S.A. made an irrevocable contribution, in equal parts, for USD 50 million convertible into shares of Mastellone representing a 20.16% interest in the capital stock and voting rights in Mastellone Hermanos S.A.
- Mastellone and its shareholders granted to Investors an "irrevocable option to subscribe additional shares of stock" to be exercised in January 2017. Concurrently, Investors granted to Mastellone an option requiring the additional subscription of shares of stock to be exercised in February 2017. The exercise price of these options was set at the equivalent in pesos of USD 35 million. In exchange for this additional subscription and subject to compliance with certain conditions, Mastellone committed to issuing shares in favor of Investors representing 12.37% of the new capital stock and voting rights.
- Indemnities are available to Investors for certain contingencies that might give rise to losses in Mastellone. These indemnities were good through December 2021.

(ii) "Offer to subscribe a Share Purchase issued by certain shareholders of Mastellone and accepted by Investors: Under this agreement, Arcor S.A.I.C. and Bagley Argentina S.A. purchased, on an equal basis, common shares representing approximately 4.99% of Mastellone's capital stock prior to the subscription described in paragraph (i) above, at a price of approximately USD 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.

Víctor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Víctor Daniel Martin
Director

See our report dated March 8, 2024
PRICE WATERHOUSE & CO. S.R.L.
(Partner)
C.P.C.E.C N° 21,00004.3
Cr. Guillermo M. Bosio
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Note 41. Investment in Mastellone Hermanos S.A.

Agreements with Mastellone Hermanos S.A. and its Shareholders

(iv) "Offer to enter into a Call and Put Option Agreement" issued by Mastellone and its shareholders and accepted by Investors. Under this agreement:

- Bagley Latinoamérica S.A., Bagley Argentina S.A. and Arcor S.A.I.C. granted to Mastellone's shareholders a right 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 2020-2026 *(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 2026 *(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.

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 (1) 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.

Víctor Jorge Aramburu
Chairman
Statutory Audit Committee

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Director

Víctor Daniel Martín
Director

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(Figures stated in thousands of Argentine pesos)

Note 41. Investment in Mastellone Hermanos S.A.

Summary of Transactions

DATE	TRANSACTION	REFERENCE AGREEMENT	NUMBER OF "E" CLASS SHARES [1]	EQUITY
12.03.2015	Purchase of shares by the Arcor Group	Offer to subscribe a Share Purchase	11,415,570	2.4950%
02.23.2016	Capitalization of irrevocable contributions	Offer to enter into a Share Subscription Agreement	57,771,120	9.5776%
01.17.2017	Exercise by the Arcor Group of additional stock subscription option and capitalization of irrevocable contributions	Offer to enter into a Share Subscription Agreement	40,439,784	4.6907%
04.18.2017	Exercise of the first put option by the Selling Shareholders with the consequent purchase of shares by the Arcor Group.	Offer to enter into a Call and Put Option Agreement	15,909,095	2.4327%
02.01.2018			6,055,422	0.9260%
06.01.2018			7,856,873	1.2014%
05.31.2019			1,155,000	0.1766%
10.24.2019			14,327,239	2.1908%
05.05.2020			1,964,219	0.3004%
06.18.2020				0.3473%
TOTAL			**159,165,436**	**24.3384%**

[1] Nominal value ARS 1 and the right to 1 vote.

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PRICE PAID (EQUIVALENT IN USD)	TRATAMIENTO CONTABLE
USD 4.95 million approximately.	The investment was valued at cost since the conditions of significant influence required by IAS 28 were not met.
USD 25 million.	Upon approval of the suspensive condition to which it was subject, the irrevocable contributions were capitalized with the following accounting effects: - Recording of the investment in Mastellone by the equity method due to the existence of significant influence over the associate, which is based on its shareholding and the rights it has to intervene in the administration and management of Mastellone, resulting from the effective entry into force of the aforementioned "Shareholders' Agreement". - Accounting for the initial recognition at fair value at the aforementioned date, in accordance with IFRS 9, of the derivative financial instruments (assets and liabilities) resulting from the additional subscription options, first and second put options and call option described above. These fair values were estimated using models based on observable market data and the Company's own assumptions and assumptions.
USD 17.5 million.	Irrevocable contribution on account of future subscription of shares, capitalized by the Ordinary and Extraordinary General Shareholders' Meeting of Mastellone once the approval of the Brazilian Antitrust Authority was obtained. The accounting approach of this investment implied the recording of the additional shareholding incorporated by the equity method provided for in IAS 28.
USD 6.9 million approximately.	The accounting approach of these investments implied the recording of the additional shareholding incorporated by the equity method provided for in IAS 28.
USD 2.6 million approximately.	
USD 3.4 million approximately.	
USD 0.5 million approximately.	
USD 6.2 million approximately.	
USD 0.85 million approximately.	
USD 1.0 million approximately.	

(Figures stated in thousands of Argentine pesos)

Note 41. Investment in Mastellone Hermanos S.A.

Recognition in Arcor Group's Financial Statements as of December 31, 2023 and 2022.

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022 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*) were measured at their fair value as of December 31, 2023 and 2022 and are disclosed in non-current assets for ARS 12,825,931 and in non-current liabilities ARS 960,153, respectively under the caption "Derivative Financial Instruments" (Note 15). 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 (Note 32).

The following table summarizes the changes in the Group's investment in Mastellone Hermanos S.A. during the year ended December 31, 2023:

		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	10,622,843	(890,443)	1,308,778	11,041,178
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities (1)	6,668,113	37,625	(5,869)	6,699,869
Goodwill	441,201	-	-	441,201
Subtotal - 12.0726% Interest in Mastellone Hermanos S.A.	**17,732,157**	**(852,818)**	**1,302,909**	**18,182,248**
Investments made in 2017				
Equity Interest in Mastellone at Carrying Amount	6,192,368	(541,373)	772,238	6,423,233
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities (1)	3,317,992	23,638	(3,463)	3,338,167
Goodwill	5,585,929	-	-	5,585,929
Subtotal - 7.1234% Interest in Mastellone Hermanos S.A.	**15,096,289**	**(517,735)**	**768,775**	**15,347,329**
Investments made in 2018				
Equity Interest in Mastellone at Carrying Amount	1,887,856	(166,955)	230,626	1,951,527
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities (1)	1,114,752	24,593	(1,034)	1,138,311
Goodwill	793,234	-	-	793,234
Subtotal - 2.1274% Interest in Mastellone Hermanos S.A.	**3,795,842**	**(142,362)**	**229,592**	**3,883,072**
Investments made in 2019				
Equity Interest in Mastellone at Carrying Amount	3,145,400	(278,997)	256,651	3,123,054
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities (1)	910,604	50,157	(1,151)	959,610
Goodwill	724,514	-	-	724,514
Subtotal - 2.3674% Interest en Mastellone Hermanos S.A.	**4,780,518**	**(228,840)**	**255,500**	**4,807,178**
Investments made in 2020				
Equity Interest in Mastellone at Carrying Amount	868,366	(77,153)	70,210	861,423
Recognition of Higher and Lower Values of Identifiable Assets and Liabilities (1)	209,479	25,661	(315)	234,825
Goodwill	128,043	-	-	128,043
Subtotal - 0.6476% Interest in Mastellone Hermanos S.A.	**1,205,888**	**(51,492)**	**69,895**	**1,224,291**
SUBTOTAL - INVESTMENTS IN ASSOCIATES	**42,610,694**	**(1,793,247)**	**2,626,671**	**43,444,118**
Depreciation of investments - Mastellone Hermanos S.A.	(6,588,645)	(1,514,946)	-	(8,103,591)
TOTAL - INVESTMENTS IN ASSOCIATES	**36,022,049**	**(3,308,193)**	**2,626,671**	**35,340,527**

(1) It includes the recognition of certain assets and liabilities that Mastellone Hermanos S.A. does not have recorded in its financial statements (mainly brands developed by the associate) and certain adjustments made by the Group to measure the identifiable assets and liabilities of the associate at fair value at the date of each acquisition or using the Arcor Group's accounting criteria and policies.

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

See our report dated March 8, 2024
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For the years ended December 31, 2023 and 2022
(Figures stated in thousands of Argentine pesos)

Note 41. 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, 2023 and 2022 of Mastellone Hermanos S.A., as arising from the associate's consolidated financial statements approved by its Board of Directors.

	IN MILLIONS OF ARS	
	12.31.2023	12.31.2022
Revenues	654,516	676,263
Cost of sales	(472,550)	(491,143)
Gross Profit	**181,966**	**185,120**
Selling Expenses	(168,420)	(164,417)
Administrative Expenses	(22,537)	(21,453)
Investment Income	2,364	321
Financial Costs	865	(237)
Exchange Differences	(12,561)	(12,896)
Other Financial Loss	(40,790)	11,768
Gain on Net Monetary Position	4,792	(307)
Excess of Restated Value over Revaluation of Assets Measured at Fair Value	27,115	16,076
Revenues	(3,368)	(3,402)
Income / (Loss) before Income Tax	**(30,574)**	**10,573**
Income Tax	17,385	(6,343)
NET (LOSS) FOR THE YEAR	**(13,189)**	**4,230**
Net (Loss) Attributable to:		
Mastellone Hermanos S.A.'s Shareholders	(13,189)	4,230
Non-controlling Interest	-	-
TOTAL	**(13,189)**	**4,230**

Below is also a detail of Mastellone Hermanos S.A.'s net financial indebtedness as of December 31, 2023 and 2022, as it arises from said consolidated financial statements:

	IN MILLIONS OF ARS	
	12.31.2023	12.31.2022
Cash and Cash Equivalents	24,066	13,577
Current Loans	(25,460)	(7,265)
Current Lease Liabilities	(1,093)	(589)
Non-current Loans	(113,749)	(103,502)
Non-current Lease Liabilities	(5,491)	(3,232)
Total - Financial Debt, Net	**(121,727)**	**(101,011)**

Victor Jorge Aramburu
Chairman
Statutory Audit Committee

Alejandro Fabián Fernández
Director

Victor Daniel Martin
Director

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Note 41. Investment in Mastellone Hermanos S.A.

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

Below is a detail of the associate's main loans as of December 31, 2023:

- Class "G" Notes for an aggregate amount of ARS 84.851 billion (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 "I" Notes for an aggregate amount of ARS 17.716 billion (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, 2022 and 2023, the associate 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 began 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%.

Repayment of Class "H" Notes

Regarding the Class "H" Notes issued on June 25, 2021 for a principal amount equivalent to USD 11.9 million and maturing on December 25, 2023, it should be noted that the associate repaid the principal amount due upon maturity in ARS at the exchange rate applicable on the respective date.

Uncertainty over Income Tax Treatments

As shown in its consolidated financial statements as of December 31, 2023, the associate Mastellone Hermanos S.A., presents an uncertainty over tax treatments, under the terms of IFRIC 23, in relation to the tax treatment adopted on the inflation adjustment of accumulated tax loss carryforwards. In this regard, the associate has completed the corresponding analysis together with its expert tax advisors in the matter and they have concluded that they have solid arguments to reach a favorable resolution, so it has recognized such losses at their inflation-adjusted value in order to offset the taxable income determined for the 2022 tax year in the respective tax return filing. In addition, it applied the same criterion to estimate the current and deferred income tax charge recorded in the year ended December 31, 2023. As a result of the foregoing:

- Mastellone Hermanos S.A., recognized a gain of 11.506 billion, disclosed under the item Income tax in the consolidated statement of income as of December 31, 2023.

- The Group recognized this result for the purpose of valuing its investment in the associate Mastellone Hermanos S.A., using the equity method and estimating the allowance for impairment resulting from the comparison of such book value with its respective recoverable value.

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.

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(Figures stated in thousands of Argentine pesos)

Note 41. 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 Group's accounting policy used for purposes of the impairment analysis:

- It considers two potential scenarios concerning the gross margin—a conservative scenario and a best-case scenario. As of December 31, 2023 and 2022, gross margin projections for each period are 16% and 10% higher in the best-case scenario than in the conservative scenario, respectively.
- 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 Group's estimates, the recoverable value of its investment as of December 31, 2023 was estimated, in the base scenario, to be 18.7% 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 1.8%. Therefore, in accordance with the accounting policy used by the Group, a total impairment of ARS 16,207,182 was recorded, with ARS 8,103,591 payable to the Company's shareholdres. As of December 31, 2022, the recoverable value of its investment 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 13,177,290 was recorded. With ARS 6,588,645 payable to the Company's shareholders.

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, 2023 and 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, 2023	EFFECT ON THE RECOVERABLE VALUE AS OF DECEMBER 31, 2022
Decrease in Discount Rate	From 14.45% p.a. to 13.52% p.a.: 93 basis points	From 13.75% p.a. to 12.64% p.a.: 111 basis points
Increase in Growth Rate	From 3.50% p.a. to 5.52% p.a.: 202 basis points	From 3.50% p.a. to 5.88% p.a.: 238 basis points
Increase in Estimated Net Cash Flows	12.6%	11.0%

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Note 42. Subsequent Events

On February 29, 2024, the Company approved the incorporation of a new subsidiary to be located in Dubai, United Arab Emirates, which will be 100% controlled by Arcor Alimentos Internacional S.L. (hereinafter ARALI). The investment required for this new project will be approximately USD 500,000 (five hundred thousand dollars) and the disbursements will be made by ARALI.

The subsidiary will offer new products for the Middle East markets, enabling the Group to get even closer to customers' needs and to continue to promote our brands in the region. To this end, this subsidiary will market products mainly manufactured in the Group's production plants in Latin America.

In addition to the aforementioned and to what is mentioned in Note 20, after December 31, 2023, no events or circumstances have occurred that significantly affect the Group's equity position, results of operations and cash flows.

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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 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, 2023, 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 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, 2023, as well as its individual comprehensive income statement and individual cash flows for the year then ended, according to the 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 number 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 "Responsibilities of the auditors with respect to the audit of 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,

Key audit matters

Key audit topics entail 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, 2023, and as shown in notes 8 and 41 to the individual financial statements, the Society's investment in the associated company named Mastellone Hermanos S,A, totals ARS 35,341 million and involved the acknowledgement of results for ARS 3308 million (loss) and other comprehensive results for ARS 2627 million (profit), The Society assesses its investment in the associated company Mastellone Hermanos S,A, by means of 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 employs 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 the 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 completeness of 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 the 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 insights obtained from said process, or if for any other reason there appears to be a material misstatement, Based on our work, if we consider that, within the scope of 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, for disclosing (if applicable) issues related to this matter and for 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 in their entirety 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 support 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 implemented 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 obtain sufficient and appropriate evidence in relation to the accounting information of the entities or business activities within the Group to express an opinion on the financial statements, We are responsible for the direction, supervision and conduct of the Group's audit, We are solely responsible for our audit opinion,

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, 2023 and 2022:

	Thousands of ARS	
	31 Dec 23	31 Dec 22
Assets	1,076,611,557	946,537,612
Liabilities	739,858,276	645,169,638
Equity	336,753,281	301,367,974

c,2) individual income statements and other comprehensive income statements for the financial periods that ended on December 31, 2023 and 2022, which show a comprehensive overall gain of ARS 91,278,863 and ARS 78,420,194 (both figures expressed in thousands of ARS), respectively;

d) as of December 31, 2023, 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 3,056,244,533,94 (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, 2023, represent:

e,1) 96,56% 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) 47,87% 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) 46,73% 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,

Issued in the city of Córdoba, Argentina, on the 8th day of March, 2024,

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)
Prof, Licence N° 10,17540,4
Professional Council in Economic Sciences, Córdoba

REPORT OF THE SUPERVISORY COMMITTEE

To the Shareholders of:
ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL
Avenida Fulvio Salvador Pagani 487
City of Arroyito, Province of Córdoba

In accordance with the provisions of section 5 of Article 294 of the General Law of Business Corporations no, 19550 and the Regulations of the National Securities Commission of Argentina, in our capacity as members of the Supervisory Committee of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, we have examined the following documents detailed in Chapter 1,

1, DOCUMENTS EXAMINED

a) Consolidated financial statements:

- Consolidated financial statement as at December 31, 2023,
- Consolidated income statement and other consolidated comprehensive-income statements for the financial period that ended on December 31, 2023,
- Consolidated statement as regards changes in equity for the financial period that ended on December 31, 2023,
- Consolidated cash flows for the financial period that ended on December 31, 2023,
- Selected explanatory notes to the consolidated financial statements for the financial period that ended on December 31, 2023,

b) Individual financial statements:

- Individual financial statement as at December 31, 2023,
- Individual income statement and other individual comprehensive-income statements for the financial period that ended on December 31, 2023,
- Individual statement as regards changes in equity for the financial period that ended on December 31, 2023,
- Individual cash flows for the financial period that ended on December 31, 2023,
- Selected explanatory notes to the individual financial statements for the financial period that ended on December 31, 2023,

c) Inventory and Annual Report from the Board of Directors for the economic period that ended on December 31, 2023,

d) Information on the degree of compliance with the Corporate Governance Code included in the Appendix of the Annual Report prepared by the Administration of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL,

e) Consolidated Reporting Summary for the financial period that ended on December 31, 2023, as 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 financial period that ended on December 31, 2023, as 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 economic period that ended on December 31, 2022, are an integral part of the financial statements referred to above and should therefore be considered in relation to those financial statements,

2, RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors of the Society is responsible for preparing and issuing the abovementioned financial statements in the performance of their exclusive functions and in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards, and incorporated by the National Securities Commission of Argentina (CNV) into its regulations and subsequently approved by the Professional Council in Economic Sciences of Córdoba (CPCECba), as approved by the International Accounting Standards Board (IASB), Therefore, the Board is responsible for the preparation and presentation of the financial statements referred to in paragraph 1, and for such internal control mechanisms as the Board deems necessary in order to ensure that said statements are free from material misstatements, Our responsibility is to report on these documents based on the review we have conducted within our scope, as detailed below,

3, RESPONSIBILITY OF THE SUPERVISORY COMMITTEE

Our work was carried out in accordance with the current Statutory Audit Committee rules established in Technical Resolution no, 15 (amended by Technical Resolution no, 45) from the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), These rules require that the assessment of the consolidated and individual financial statements be carried out in accordance with the auditing standards in force established in Technical Resolution No, 32/2012 from FACPCE, and include the verification of the reasonableness of the substantial information in the documents examined and its consistency with other information on the corporate decisions of which we have become aware, set out in the respective minutes of the Board of Directors' Meeting and the Shareholders' Meeting, as well as the verification of the adequacy of such decisions to the law and the bylaws in relation to their formal and documentary aspects, These standards require us to comply with ethical requirements,

To perform our professional duties on the documents detailed in items a) and b) from Chapter 1, we reviewed the work conducted by Price Waterhouse & Co, S,R,L,, external auditors of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, We can state that the audit followed current auditing standards,

An audit requires the auditor to plan and execute their duties with the aim of obtaining a reasonable degree of assurance that the financial statements are free from any untruthful statements or material misstatements, An audit includes selectively examining the elements of judgment that support the information revealed in the financial statements, as well as evaluating the accounting standards applied, assessing the significant estimates made by the Board of Directors of the Society, and reviewing the presentation of the financial statements taken as a whole, Given that the Supervisory Committee is not responsible for conducting management-level controls, our assessment did not encompass the business criteria and decisions made by different areas of the Society, since these matters fall under the exclusive responsibility of the Board of Directors, We believe that our work and the report from the external auditor of the Society provide a reasonable basis for our conclusions,

As regards the Annual Report from the Board of Directors, the Reporting Summary and the Additional information to the notes to the individual financial statements for the financial period that ended on December 31, 2023, we have verified that these documents contain the information required by Article 66 of the General Law of Business Corporations, by Article 4 of Chapter III, Title IV and Article 12 of Chapter III, Title IV of the Regulations of the National Securities Commission of Argentina, and that, within the scope of our competence, the numerical data are consistent with the accounting records of the Society and other relevant documentation,

Moreover, we reviewed the Report on the degree of compliance with the Corporate Governance Code, included in the Appendix of the Annual Report prepared by the Board of Directors, in accordance with the provisions of General Resolution 797/2019 from the National Securities Commission of Argentina,

4, OPINION OF THE SUPERVISORY COMMITTEE

Based on the work we have performed, within the scope set out in previous paragraphs, we are able to express the following opinion:

a) The figures from the consolidated financial statements referred to in Chapter 1 of this report present fairly, in all material respects, the consolidated financial position as at December 31, 2023, as well as its consolidated comprehensive-income statement and consolidated cash flows for the year then ended, according to the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards, and by the Professional Council in Economic Sciences of Córdoba (CPCECba), as approved by the International Accounting Standards Board (IASB),

b) The figures from the individual financial statements referred to in Chapter 1 of this report present fairly, in all material respects, the individual financial position as at December 31, 2023, as well as its individual comprehensive-income statement and individual cash flows for the year then ended, according to the professional accounting standards outlined in Technical Resolution 26 from the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), adopted and approved by the Professional Council in Economic Sciences of Córdoba (CPCECba) for the preparation of the individual financial statements of a controlling entity,

c) Similarly, as regards Inventory and Annual Report from the Board of Directors for the economic period that ended on December 31, 2023, we have no comments to make within the scope of our competence, The Annual Report contains the information required by Article 66 of the General Law of Business Corporations and the numerical data are consistent with the Society's accounting records and other relevant documentation,

d) Regarding the information on the degree of compliance with the Corporate Governance Code, included in the Appendix of the Annual Report prepared by the Administration of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL, an entity mentioned in item d) of Chapter 1 of this document, and based on the tasks performed and within the scope of our competence, we can state that the information provided has been prepared reliably and adequately, in its substantial aspects, in line with the requirements outlined in General Resolution 797/2019 from the National Securities Commission of Argentina,

e) With respect to the Reporting Summary and the Additional information required by Article 12 of Chapter III, Title IV of the Regulations of the National Securities Commission of Argentina for the individual financial statements, mentioned in items e) and f) of Chapter 1, we have no comments to make within the scope of our competence,

5, REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

a, The accompanying financial statements from ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL arise from accounting records kept, in their formal aspects, in accordance with the legal provisions in force,

b, The financial statements and the corresponding inventory of ARCOR SOCIEDAD ANÓNIMA, INDUSTRIAL Y COMERCIAL are recorded in the book "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,

c, In accordance with the requirements arising from the standards of the National Securities Commission of Argentina regarding the independence of external auditors, the quality of audit policies applied by the auditor, and the accounting policies of the Society, the report of the external auditor mentioned above includes a statement affirming the application of current auditing standards in the Argentine Republic; these standards encompass the independence requirements, Moreover, the report does not contain any caveats related to the application of the aforementioned standards, nor discrepancies with professional accounting standards, d, We have implemented the procedures for the prevention of money laundering crime assets and financing to terrorist activities stipulated in the corresponding professional standards issued by the Professional Council in Economic Sciences of Córdoba (CPCECba),

e, We also state that in the exercise of the control of legality that is within our competence, we have applied different procedures described in Article 294 of the General Law of Business Corporations no, 19550, which we deem necessary in line with the circumstances (including attendance at the Board of Directors' Meeting and the Shareholders' Meeting), We have no comments to make in this regard,

In the City of Córdoba, Province of Córdoba, March 8, 2024,

Cr, Victor Jorge Aramburu
President
Supervisory Committee

arcor.com