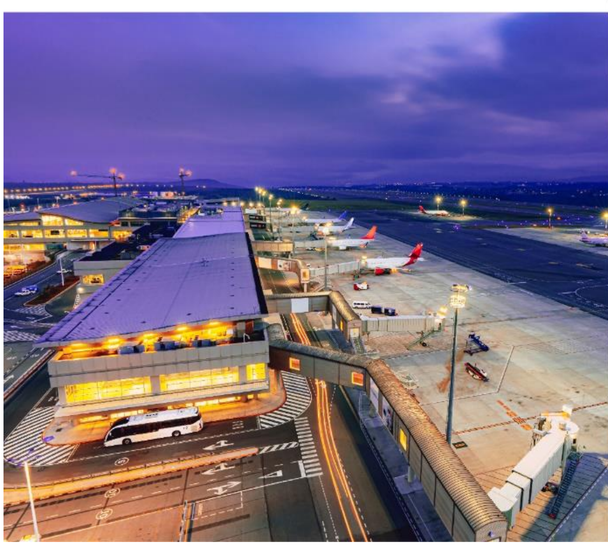
GRUPO ARGOS S.A.

SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023 AND 2022



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CERTIFICATION OF THE LEGAL REPRESENTATIVE OF THE COMPANY

Medellin 23 February 2024

To the Shareholders of Grupo Argos S.A.

In my capacity as Legal Representative, I hereby certify that the Separate Financial Statements as of the closing date of 31 December 2023 that are being disclosed do not contain defects, inaccuracies or material errors that would prevent knowing the true financial position or the transactions performed by Grupo Argos S.A. during the corresponding period.

Jorge Mario Velásquez Jaramillo
CEO
Legal Representative

CERTIFICATION OF LEGAL REPRESENTATIVE AND THE ACCOUNTANT OF THE COMPANY

Medellin, 23 February 2024

To the Shareholders of Grupo Argos S.A.

The undersigned Legal Representative and the Accountant of Grupo Argos S.A. (hereinafter the Company), certify that the Separate Financial Statements of the Company as at 31 December 2023 and 2022, have been faithfully taken from the accounting records and before making them available to you and third parties, the following statements contained therein have been verified:

a) Assets and liabilities included in the Company's financial statements as at 31 December 2023 and 2022 exist and all transactions included in said statements have been made during the years ended on those dates.

b) The economic events completed by the Company during the years ended 31 December 2023 and 2022 have been recognized in the financial statements.

c) Assets represent probable future economic benefits (rights), and liabilities represent probable future economic sacrifices (obligations), obtained or at the expense of the Company as at 31 December 2023 and 2022.

d) All items have been recognized at their appropriate values in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

e) All economic events affecting the Company have been correctly classified, described and disclosed in the financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal Representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration 69447-T

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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders
Grupo Argos S.A.:

Report on the Audit of the Separate Financial Statements

Opinion

I have audited the separate financial statements of Grupo Argos S.A. (the Company), which comprise the separate statement of financial position as of December 31, 2023 and the separate statements of income and comprehensive income, changes in equity, and cash flows for the year then ended and its respective notes, which include significant accounting policies and other explanatory information.

In my opinion, the aforementioned separate financial statements, prepared with information faithfully taken from the books and attached to this Report, present fairly, in all material respects, the separate financial position of the Company as at December 31 of 2023, the separate results of its operations and its separate cash flows for the year ending on that date, in accordance with Accounting and Financial Information Standards accepted in Colombia, applied on a basis consistent with that of the preceding year.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory *Auditor's Responsibilities for the Audit of Separate Financial Statements"* section of my Report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements that are relevant to my audit of the separate financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the above mentioned IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the separate financial statements of the current period. These matters were addressed in the context of my audit of the separate financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Assessment of the recoverability of investments in subsidiaries and a significant associate
(See Notes 15 and 16 to the separate financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Company's separate statement of financial position as at December 31, 2023 includes investments in subsidiaries and a significant associate for $12.484.915 million COP, representing 63,7% of the Company's total assets.

I have identified the assessment of the recoverability of these investments as a Key Audit Matter because it involves significant judgment in identifying impairment indicators for these investments. Additionally, due to the materiality of the balance, it is considered one of the areas of greatest audit attention.</td><td>My audit procedures to evaluate the recoverability of investments in subsidiaries and a significant associate included, among others, the following:

– Identification of events, facts, and/or circumstances that indicated the existence of objective evidence of impairment of the investments, based on the impairment tests of the different cash-generating units in the context of the audit of the separate financial statements.

– Evaluation of the work performed by the audit team of significant Subsidiaries in relation to the identification of objective evidence of impairment in the underlying assets in the investees.

– Professionals with relevant industry expertise and experience assisted me in: (1) evaluating the key assumptions used in the impairment test performed by the Company on its investment in this significant associate, including input data; (2) performing independent recalculations supported with information obtained from external sources on the discount rate and macroeconomic variables used; and (3) comparing the result of the calculations obtained, with those performed by the Company.</td></tr>
</table>

<table>
<tr><th colspan="2">Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 – Investment Properties
(See Note 14 to the separate financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Company's separate statement of financial position as at December 31, 2023 includes a significant amount of investment properties for $1.958.064 million COP, mainly represented in land measured at fair value through profit or loss.

The Company engages qualified external experts for the periodic determination of the fair value of its investment properties, who employ significant judgments in the determination of key valuation assumptions such as: the use of market comparables, estimated future cash flows, discount rates applied, and expected market growth.

The main reasons for considering this a Key Audit Matter are: (1) there was significant judgment by the Company to determine the key assumptions for the valuation of investment properties; and (2) there was significant judgment and audit effort to evaluate the evidence obtained related to the appraisals performed, as well as the audit effort involving the use of professionals with specialized skills and knowledge in real estate valuation.</td><td>My audit procedures to assess the valuation of investment properties in accordance with IAS 40 included, among others, the following:

– Evaluation of the design, implementation, and operating effectiveness of the key control established by the Company to determine and recognize for accounting purposes the fair value of investment properties, specifically in the review and approval by the Real Estate Strategy Department, of the appraisals performed by external professionals with expertise in real estate valuation engaged by the Company.

– Evaluation of the competition and capacity of the external professionals engaged by the Company, who determined the fair value of the investment properties.

– Involvement of a professional with relevant knowledge and experience in real estate valuation, who assisted me in the evaluation of the key assumptions used by the external professionals engaged by the Company to determine the fair value of investment properties, and whether the procedures and techniques applied are in accordance with IFRS 13 - Fair Value Measurement, and with the International Valuation Standards.</td></tr>
</table>

Other Matters

The separate financial statements as at and for the year ended December 31, 2022 are presented solely for comparative purposes. These were audited by myself and in my Report dated February 28, 2023, I expressed an unqualified opinion thereon

Other Information

The Management is responsible for the *other information*. The *other information* comprises information included in the integrated report but does not include the separate financial statements and my corresponding Audit Report, nor the management report on which I pronounce myself in the "*Report on Other Legal And Regulatory Requirements*" section, in accordance with the provisions of Article 38 of Law 222 of 1995. The information contained in the integrated report is expected to be available to me after the date of this Audit Report.

My opinion on the separate financial statements does not cover the other information and I do not express any form of assurance conclusion on it.

In connection with my audit of the separate financial statements, my responsibility is to read the other identified information when available and, in doing so, consider whether there is a material inconsistency between that information and the separate financial statements, or my knowledge obtained in the audit, or whether in any way, there appears to be a material misstatement

When I read the contents of the integrated report, if I were to conclude that there is a material misstatement in that other information, I am required to report this fact to Those Charged With Governance and describe the applicable actions.

Responsibilities of Management and those charged with the Company's governance in relation for the separate financial statements

The Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing, and maintaining such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Statutory Auditor's Responsibilities in relation to the Audit of the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I were to conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events so as to achieve a fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Entities or business activities within the Group to express an opinion on the Group's financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate with Those Charged with the Company's Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I also provide Those Charged with Governance with confirmation that I have complied with relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that might reasonably be considered to bear on my independence and, where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, I determine the matters that were of most significance in the audit of the current period's separate financial statements and, therefore, are the Key Audit Matters. I describe these matters in my Auditor's Report unless law or regulation prevents public disclosure about the matter or when, in extremely exceptional circumstances, I determine that a matter should not be communicated in my Report because the adverse consequences of doing so would reasonably outweigh the benefits to the public interest of such communication.

Report on Other Legal and Regulatory Requirements

Based on my test results, in my opinion, during 2023:

a) The bookkeeping of the Company has been kept in accordance with legal regulations and accounting techniques.

b) The transactions recorded in the ledgers are in accordance with the bylaws and the decisions of the General Shareholders' Meeting.

c) Correspondence, account vouchers, minute books, and share registry books are duly kept and maintained.

d) There is a concordance between the accompanying financial statements and the Management Report prepared by the administrators, which includes the Management's acknowledgment of the free circulation of invoices issued by vendors or suppliers.

e) The information contained in the returns of contribution to the Comprehensive Social Security System, particularly that related to affiliates and their contribution base income, has been taken from the accounting records and supporting documentation. The Company is up to date in its contributions to the Comprehensive Social Security System.

In order to comply with the requirements of Articles 1.2.1.2. and 1.2.1.5. of the Single Regulatory Decree 2420 of 2015, in development of the responsibilities of the Statutory Auditor contained in numerals 1°) and 3°) of Article 209 of the Commercial Code, related to the evaluation of whether the acts of the Company's administrators are in accordance with the bylaws and the orders or instructions of the General Shareholders' Meeting and whether there are adequate measures of internal control, and conservation and custody of the Company's assets or those of third parties in its possession, I issued a separate report dated February 23, 2024.

(Original version Spanish and signed by)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Grupo Argos S.A.
Registration 43668 - T
Member of KPMG S.A.S.

February 23, 2024

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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT ON COMPLIANCE WITH THE 1ST) AND 3RD) NUMERALS OF ARTICLE 209 OF THE COMMERCIAL CODE

To the Shareholders
Grupo Argos S.A.:

Description of the Main Subject Matter

As part of my duties as Statutory Auditor and in compliance with Articles 1.2.1.2 and 1.2.1.5 of Single Regulatory Decree 2420 of 2015, amended by Articles 4 and 5 of Decree 2496 of 2015, respectively, I must report on compliance with numerals 1°) and 3°) of Article 209 of the Commercial Code, detailed as follows, by Grupo Argos S.A., hereinafter "the Company," as of December 31, 2023, in the form of a conclusion of independent reasonable assurance that the Management's performance has complied with the provisions of the bylaws and the General Shareholders' Meeting and that there are adequate internal control measures, in all material respects, in accordance with the criteria indicated in the paragraph entitled "*Criteria*" of this Report:

1st) Whether the acts of the Company's Management are in accordance with the bylaws and the orders or instructions of the General Shareholders' Meeting, and

3rd) Whether the internal control measures, and the conservation and custody measures of the Company's assets or those of third parties in its possession are in place and adequate.

Responsibility of Management

The Company's Management is responsible for compliance with the bylaws and the decisions of the General Shareholders' Meeting and for designing, implementing, and maintaining adequate internal control measures and measures for the conservation and custody of the Company's assets or those of third parties in its possession, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia.

Responsibility of Statutory Auditor

My responsibility is to examine whether the acts of the Company's Management are in accordance with the bylaws and the orders or instructions of the General Shareholders' Meeting, and whether the internal control measures, and conservation and custody measures of the Company's assets or those of third parties in its possession are adequate, and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. I performed my procedures in accordance with the International Standard on Assurance Engagements 3000 accepted in Colombia (ISAE 3000, issued by the International Auditing and Assurance Standards Board [IAASB] and translated into Spanish in 2018). Such

Standard requires that I plan and perform the procedures that I consider necessary to obtain reasonable assurance about the compliance of the acts of management with the bylaws and the decisions of the General Shareholders' Meeting and about whether there are adequate measures of internal control —which include the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism—, and conservation and custody measures of the Company's assets or those of third parties in its possession, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia, in all material respects.

The Accounting Firm to which I belong, and which appointed me as Statutory Auditor of the Company, applies International Quality Control Standard No. 1 and, consequently, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, and applicable legal and regulatory professional standards.

I have complied with the independence and ethics requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants - IESBA, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on my professional judgment, including the assessment of the risk that the acts of management do not comply with the bylaws and decisions of General Shareholders' Meeting and that the internal control measures, which include the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism, and conservation and custody measures of the Company's assets or those of third parties in its possession are not adequately designed and implemented, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia.

This reasonable assurance engagement includes obtaining evidence for the year ended December 31, 20223. The procedures include:

- Obtaining a written representation from the Management as to whether the acts of the administrators are in accordance with the bylaws and the decisions of the General Shareholders' meeting and as to whether there are adequate internal control measures, and conservation and custody measures of the Company's assets or those of third parties in its possession, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia.

- Review of the Company's bylaws and verification of compliance with said bylaws.

- Obtaining a certification from the Management on the meetings of the General Shareholders' Meeting, documented in the minutes.

- Reading of the minutes of the General Shareholders' Meeting and the bylaws, and verification of whether the acts of management are in compliance with the same.

- Inquiries with the Management on changes or draft amendments to the Company's bylaws during the period covered, and validation of their implementation.

- Evaluation of the existence and adequacy of internal control measures —which include the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism—, and conservation and custody measures of the Company's assets or those of third parties in its possession, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia, which includes:

  - Testing of the design, implementation, and operating effectiveness of the relevant controls of the components of internal control over financial reporting, which include the requirements of External Circular 012 of 2022, included in Chapter I, Title V of Section III of the Basic Legal Circular of the Financial Superintendence of Colombia and the elements established by the Company, such as control environment, risk assessment process by the Entity, information systems, control activities, and monitoring of controls.

  - Evaluation of the design, implementation, and operating effectiveness of the relevant manual controls over key business processes related to significant accounts in the financial statements.

  - Verification of proper compliance with the rules and instructions on the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that effective controls may exist at the date of my examination that may change in that condition in future periods because my Report is based on selective testing and because the evaluation of internal control is susceptible to becoming inadequate due to changes in conditions or because the degree of compliance with policies and procedures may deteriorate. Moreover, inherent limitations of internal control include human error, failures due to collusion by two or more persons, or inappropriate override of controls by the Management.

Criteria

The criteria considered for the evaluation of the matters mentioned in the *"Description of the Main Subject Matter"* paragraph, include: a) the Company's bylaws and the minutes of the General Shareholders' Meeting and, b) the internal control components implemented by the Company, such as the control environment, risk assessment procedures, its information and communications systems and the monitoring of controls by Management and Those Charged with Governance, which are based on the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations set forth in this Report. I believe that the audit evidence I have obtained provides a reasonable assurance basis for my conclusion expressed hereafter:

In my opinion, the acts of management are in accordance with the bylaws and the decisions of the General Shareholders' Meeting, and the measures of internal control, which include the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism, and conservation and custody of the Company's assets or those of third parties in its possession are adequate, in all material respects, in accordance with the requirements of the internal control system implemented by the Management and Section III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendence of Colombia.

(Original version Spanish and signed by)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Grupo Argos S.A.
Registration 43668 - T
Member of KPMG S.A.S.

February 23, 2024

Grupo Argos S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	410,866	72,319
Derivative financial instruments	7	9,936	3,521
Other financial assets	11	43,954	180,827
Trade and other receivables, net	8	328,287	249,639
Inventories, net	9	293,414	268,832
Tax assets	10	79,583	12,556
Prepaid expenses and other non-financial assets	12	24,178	32,209
CURRENT ASSETS		**1,190,218**	**819,903**
Non-current assets held for sale	17	2,035,970	64,617
TOTAL CURRENT ASSETS		**3,226,188**	**884,520**
NON-CURRENT ASSETS			
Trade and other receivables, net	8	127,049	112,593
Right-of-use assets of property, plant and equipment	19	4,970	7,021
Property, plant and equipment, net	13	2,546	1,491
Investment property	14	1,958,064	2,020,317
Investments in associates and joint ventures	15	5,360,686	5,346,383
Investments in subsidiaries	16	8,109,749	10,512,565
Other financial assets	11	818,528	2,078,396
Prepaid expenses and other non-financial assets	12	2,353	1,548
TOTAL NON-CURRENT ASSETS		**16,383,945**	**20,080,314**
TOTAL ASSETS		**19,610,133**	**20,964,834**

Grupo Argos S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December |Figures stated in millions of Colombian pesos

	Notes	2023	2022
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities	18	26,841	8,920
Lease liabilities	19	1,318	3,706
Employee Benefits Liabilities	20	16,519	13,907
Provisions	21	257	5,255
Trade and other payables	22	139,079	148,922
Tax liabilities	10	21,602	2,135
Derivative financial instruments	7	1	-
Bonds and compound financial instruments	23	145,326	10,357
Other non-financial liabilities	24	163,814	175,533
TOTAL CURRENT LIABILITIES		**514,757**	**368,735**
NON-CURRENT LIABILITIES			
Financial liabilities	18	620,814	392,297
Lease liabilities	19	4,149	3,617
Deferred tax, net	10	622,842	557,402
Employee Benefits Liabilities	20	2,040	1,646
Derivative financial instruments	7	1,805	-
Bonds and compound financial instruments	23	860,778	994,367
TOTAL NON-CURRENT LIABILITIES		**2,112,428**	**1,949,329**
TOTAL LIABILITIES		**2,627,185**	**2,318,064**
EQUITY			
Share capital	25	54,697	54,697
Additional paid-in capital	25	1,503,373	1,503,373
Treasury shares	26	(68,994)	-
Retained earnings		8,480,217	8,473,522
Reserves	27	3,094,653	3,241,099
Profit for the year		789,341	345,789
Other components of equity	28	352,533	300,068
Other comprehensive income	27	2,777,128	4,728,222
TOTAL EQUITY		**16,982,948**	**18,646,770**
TOTAL LIABILITIES AND EQUITY		**19,610,133**	**20,964,834**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal Representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration 69447-T

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(See report of 23 February 2024)

Grupo Argos S.A.

SEPARATE STATEMENT OF PROFIT OR LOSS

Years ended as at 31 December| Figures stated in millions of Colombian pesos, except net profit per share

	Notes	2023	2022
Income from financial activity	30	618,222	142,454
Income from real estate business	30	306,780	298,851
Equity-accounted investees net in the results of subsidiaries	30	502,214	337,881
REVENUE	30	**1,427,216**	**779,186**
Cost of ordinary activities	31	(298,839)	(112,955)
GROSS PROFIT		**1,128,377**	**666,231**
Administrative expenses	32	(169,872)	(188,531)
Selling expenses	33	(1,255)	(2,279)
STRUCTURE EXPENSES		**(171,127)**	**(190,810)**
Other expenses, net	35	(15,025)	(13,422)
PROFIT FROM OPERATING ACTIVITIES		**942,225**	**461,999**
Finance income	36	182,000	59,359
Finance expenses	36	(265,364)	(168,032)
Foreign exchange difference, net	36	(23,067)	3,468
PROFIT BEFORE TAX		**835,794**	**356,794**
Income tax	10	(46,453)	(11,005)
PROFIT FOR THE YEAR		**789,341**	**345,789**
NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (*)			
Attributable to shareholders			
Basic	37	909.47	398
Diluted	37	909.47	398

(*) Figures stated in Colombian pesos.

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Grupo Argos S.A.

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

Years ended as at 31 December| Figures stated in millions of Colombian pesos

	Notes	2023	2022
PROFIT FOR THE YEAR		**789,341**	**345,789**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**27.2**	**39,616**	**635,338**
Gains of equity investments		298,951	716,509
Deferred tax on equity investments		(24,917)	(269,596)
Remeasurement of employee defined benefit liabilities		(4,872)	(9,248)
Net interests in other comprehensive income of subsidiaries		(229,546)	197,673
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**27.2**	**(1,990,608)**	**1,079,556**
Net gains from instruments under cash flow hedges		(5,183)	1,947
Deferred tax of cash flow hedging instruments		1,687	(759)
Net interests in other comprehensive income of subsidiaries		(1,987,112)	1,078,368
OTHER COMPREHENSIVE INCOME, NET OF TAX	**27.2**	**(1,950,992)**	**1,714,894**
TOTAL COMPREHENSIVE INCOME		**(1,161,651)**	**2,060,683**

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Grupo Argos S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY

Years ended as at 31 December| Figures stated in millions of Colombian pesos

	Notes	Share capital and additional paid-in capital	Treasury shares	Legal reserve	Other reserves	Other comprehensive income	Retained earnings and profit for the year	Other components of equity	Total Equity
Balance as at 1 January 2022		**1,558,070**	**-**	**29,665**	**3,309,958**	**3,012,156**	**8,924,492**	**275,290**	**17,109,631**
Profit for the year		-	-	-	-	-	345,789	-	345,789
Other comprehensive income for the year, net of tax	27.2	-	-	-	-	1,714,894	-	-	1,714,894
Comprehensive income for the period 2022		**-**	**-**	**-**	**-**	**1,714,894**	**345,789**	**-**	**2,060,683**
Ordinary cash dividends declared	29	-	-	-	-	-	(328,814)	-	(328,814)
Preferential cash dividends declared	29	-	-	-	-	-	(105,914)	-	(105,914)
Constitution of reserves	27.1	-	-	-	6,900	-	(6,900)	-	-
Release of reserves	27.1	-	-	-	(105,424)	-	105,424	-	-
Transfers to retained earnings	27.2	-	-	-	-	1,172	(1,172)	-	-
Effect of change in income tax rate in Colombia		-	-	-	-	-	(112,082)	-	(112,082)
Other Variations	28	-	-	-	-	-	(1,512)	24,778	23,266
Balance as at 31 December 2022		**1,558,070**	**-**	**29,665**	**3,211,434**	**4,728,222**	**8,819,311**	**300,068**	**18,646,770**
Balance as at 1 January 2023		**1,558,070**	**-**	**29,665**	**3,211,434**	**4,728,222**	**8,819,311**	**300,068**	**18,646,770**
Profit for the year		-	-	-	-	-	789,341	-	789,341
Other comprehensive income for the year, net of tax	27.2	-	-	-	-	(1,950,992)	-	-	(1,950,992)
Comprehensive income for the period 2023		**-**	**-**	**-**	**-**	**(1,950,992)**	**789,341**	**-**	**(1,161,651)**
Repurchase of ordinary shares	26	-	(56,522)	-	1,145	-	-	-	(55,377)
Repurchase of preferential shares	26	-	(6,484)	-	206	-	-	-	(6,278)
Ordinary cash dividends declared	29	-	-	-	-	-	(377,835)	-	(377,835)
Preferred cash dividends declared	29	-	-	-	-	-	(121,739)	-	(121,739)
Constitution of reserves	27.1	-	-	-	8,163	-	(8,163)	-	-
Release of reserves	27.1	-	-	-	(161,948)	-	161,948	-	-
Transfers to retained earnings	27.2	-	-	-	-	(102)	102	-	-
Other Variations	28	-	(5,988)	-	5,988	-	6,593	52,465	59,058
Balance as at 31 December 2023		**1,558,070**	**(68,994)**	**29,665**	**3,064,988**	**2,777,128**	**9,269,558**	**352,533**	**16,982,948**

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Grupo Argos S.A.

SEPARATE STATEMENT OF CASH FLOWS

Years ended as at 31 December| Figures stated in millions of Colombian pesos

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		**789,341**	**345,789**
Adjustments by:			
Dividend and equity income		(251,927)	(143,615)
Income tax	10.3	46,453	11,005
Equity-accounted investees net in the results of subsidiaries	30	(502,214)	(337,881)
Finance expenses, net recognized through profit or loss		113,596	74,632
Profit (loss) recognized in respect to employee benefits and provisions		(103)	750
Profit on disposal of non-current assets	16	(256,540)	(2)
Gain on fair value measurement		(72,241)	(88,272)
Depreciation and amortization of non-current assets	32	2,430	13,858
Impairment of financial assets, net		323	595
Impairment of non-current assets and inventory, net		328	-
Foreign exchange gains and losses recognized on financial instruments, net	36	23,067	(3,468)
Other adjustments		(5,570)	(898)
		(113,057)	**(127,507)**
CHANGES IN WORKING CAPITAL OF:			
Trade and other receivables		9,272	(10,507)
Inventories		63,493	53,322
Other assets		(777)	(22,000)
Trade and other payables		(25,498)	24,320
Provisions	21	(1,271)	(449)
Other Liabilities		(837)	56,611
CASH FLOWS USED IN OPERATING ACTIVITIES		**(68,675)**	**(26,210)**
Dividends received and income from other interests	15,16	992,632	802,790
Income tax (paid) reimbursed		(40,541)	9,721
NET CASH FLOWS FROM OPERATING ACTIVITIES		**883,416**	**786,301**

Grupo Argos S.A.

SEPARATE STATEMENT OF CASH FLOWS

Years ended as at 31 December| Figures stated in millions of Colombian pesos

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial interest received		107,466	39,636
Acquisition of property, plant and equipment	13	(1,443)	-
Proceeds from the sale of property, plant and equipment		20	-
Acquisition of investment property	14	(11,701)	(5,246)
Proceeds from the sale of investment property		-	800
Acquisition of subsidiaries		-	(12,282)
Proceeds from the sale of interests in subsidiaries	30	274,554	13,052
Proceeds from the sale of interests in associates and joint ventures		-	256
Acquisition of financial assets	6	(534,510)	(364,571)
Proceeds from the sale of financial assets	6	230,000	144,247
Loans granted to third parties		-	(10,821)
Proceeds from repayment of loans granted to third parties		7,269	17,854
Contribution refunds	11	52	11,191
NET CASH FLOW GENERATED (USED) IN INVESTING ACTIVITIES		**71,707**	**(165,884)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of ordinary shares	26	(56,523)	-
Repurchase of preferential shares	26	(6,484)	-
Payment of bonds		-	(95,107)
Increase in other financing instruments	6	767,065	43,385
Decrease in other financing instruments	6	(538,649)	(43,756)
Payment of lease liabilities		(1,845)	(1,826)
Purchase of ownership interests in subsidiaries that do not result in gaining control	16	(54,137)	-
Payments from financial derivative arrangements with hedging of finance liabilities		-	10,790
Dividends paid on ordinary shares	6	(365,620)	(246,854)
Dividends paid on preferential shares	6	(116,539)	(78,630)
Interest paid		(221,338)	(152,177)
Other cash outflows		(180)	30
NET CASH FLOW (USED) IN FINANCING ACTIVITIES	**7.7**	**(594,250)**	**(564,205)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**360,873**	**56,212**
Cash and cash equivalents at the beginning of the period	6	72,319	16,237
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(22,326)	(130)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**410,866**	**72,319**

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

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Grupo Argos S.A.

NOTES TO SEPARATE FINANCIAL STATEMENTS

As at 31 December 2023 and 2022
(Figures stated in millions of Colombian pesos, except where otherwise indicated)

NOTE 1: OVERVIEW

Grupo Argos S.A. (hereinafter the company) is a Colombian company incorporated by public deed No. 472 of 27 February 1934, of the Second Notary of Medellín. Its main domicile is in the city of Medellin (Colombia), with address Carrera 43A 1A sur 143. Its term expires on 27 February 2033, extendable.

The purpose of the Company is to invest in all types of movable and immovable property, and especially in shares, quotas or parts of interests or any other kind of participation in companies, bodies, organizations, funds, or any other legal entity that permits investment of resources. It may also invest in fixed or variable income papers or documents, whether they are registered on the public securities market. In any case, the issuers and/or receivers of the investment may be public, private, or mixed, national, or foreign. The Company can form civil or commercial companies of any kind or join as a partner those already established. The association permitted by this provision may include companies whose activity is different from its own if it is convenient for its interests.

In addition, the company has sufficient capacity to act as a promoter, investor, structurer, or developer of real estate projects of any kind, for which it may acquire movable or immovable assets necessary for the development of the corporate business, which may have the character of fixed or movable assets according to their purpose.

Grupo Argos S.A. is the parent company of Grupo Empresarial Argos and, through its subsidiaries, it participates in strategic sectors of the economy: cement, energy, concessions and large-scale infrastructure, coal and real estate.

Its legal status corresponds to an anonymous company, registered in the Colombian Stock Exchange with a solid investment portfolio. The company has strategic investments in companies whose shares and bonds are listed on the stock exchange, such as Cementos Argos S.A. and Celsia S.A., as well as in companies with bonds listed in the stock market as Odinsa S.A., whose shares were listed in the Colombian Stock Market until 13 March 2018, and other companies not listed. In the Colombian stock market, Grupo Argos S.A. is an issuer of ordinary and preferential shares, targeting the public represented by strategic investors, private investment funds, pension funds, brokerage firms and investors in general (individuals and companies), interested in participating in the country's stock market.

On 23 February 2024 the Board of Directors authorized the issuance of the Separate Financial Statements of the Company for the year ended 31 December 2023 and their respective comparatives.

NOTE 2: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Compliance status

The Separate Financial Statements (hereinafter referred to as the "Financial Statements") for the period ended as of 31 December 2023 and 31 December 2022, have been prepared in accordance with the Accepted Financial Reporting and Accounting Standards in Colombia (NCIF), which are based on International Financial Reporting Standards (IFRS), along with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB, by its acronym in English) to the second half of 2020 and the incorporation of the amendment to the IFRS - 16 Leases: rent reductions related to Covid-19 issued in 2020. The NCIF were established by Law 1314 of 2009, regulated by Decree 2420 of 2015, amended on 23 December 2015 by Regulatory Decree 2496, on 22 December 2016 by Regulatory Decree 2131, on 22 December 2017 by Regulatory Decree 2170, on 28 December 2018 by Regulatory Decree 2483 and on 13 December 2019 by Regulatory Decree 2270, on 5 November 2020 by Decree 1432, on 19 August 2021 by Decree 938, and on 5 August 2022 by Decree 1611.

Additionally, in compliance with laws, decrees and other regulations in force, the Company applies the following accounting criteria issued specifically for Colombia by the regulatory entities:

- Decree 2617 of 29 December 2022, which establishes an accounting alternative to mitigate the effects of the change in the income tax rate and the change in the occasional gains tax rate for the taxable period 2022. This alternative consists in that the value of the deferred tax derived from the changes in these rates introduced by Law 2277 of 2022, which must be reflected in the result of the 2022 period, may be recognized in the entity's equity in the retained earnings of previous years. Those who choose this alternative shall disclose it in the notes to the financial statements indicating its effect on the financial information.

- Decree 1311 of 20 October 2021, whereby an accounting alternative is established to mitigate the effects of the change in the income tax rate in the taxable period 2021. This alternative consists in the value of the deferred tax derived from the change in the income tax rate, generated by the amendment of article 240 of the Colombian Tax Code introduced by article 7 of Law 2155 of 2021, which must be reflected in the result of the 2021 period, that may be recognized within the equity of the entity in the retained earnings of previous years. Those who choose this alternative shall disclose it in the notes to the financial statements indicating its effect on the financial information.

- External Circular Letter 36 of 2014 of the Superintendence of Finance of Colombia by means of which it indicates the accounting treatment of positive net differences generated in the first application of the NCIF (Colombian Financial Reporting Standards), may not be distributed to wipe out losses, make capitalization processes, distribute profits and/or dividends, or be recognized as reserves and may only be available when they have been effectively made with third parties, different from those who are related parties, according with the principles of the NCIF. Negative net differences shall not count towards the legal controls applicable to preparers of financial information issuing securities subject to control.

- Decree 2496 of 23 December 2015, which determines that the parameters for establishing post-employment benefits in accordance with IAS 19, Employee Benefits, should correspond to Decree 2783 of 2001 as the best market approximation. For the year 2016, Decree 2131 of 22 December 2016, eliminated the obligation to apply these assumptions for the measurement of post-employment benefits, and continues to be applicable only for financial disclosure purposes. Decree 1625 of 2016 determines that the calculation of pension liabilities must be disclosed in accordance with the parameters established in that standard and in the case of partial pension commutations in accordance with Decree 1833 of 2016 and the differences with the calculation made in accordance with IAS 19 Employee Benefits.

The Separate Financial statements have been prepared in compliance with the legal provisions to which the Company is subject as an independent legal entity; some accounting principles may differ from those applied in the consolidated financial statements and, additionally, do not include the adjustments and eliminations necessary for the presentation of the consolidated financial position and consolidated comprehensive income of the Company and its subsidiaries. Consequently, the separate financial statements should be read in conjunction with the consolidated financial statements of Grupo Argos and its subsidiaries. Investments in subsidiary companies are recorded as Equity-accounted investees as indicated below.

For legal purposes in Colombia, the Separate Financial Statements are the main financial statements.

2.2 Going concern basis

The Separate Financial Statements have been prepared on a going concern basis and there are no material uncertainties at 31 December 2023 related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The Company has the required liquidity and solvency to continue operating the business for the foreseeable future.

Financial indicators or criteria for establishing equity impairment and insolvency risks

According to the provisions of Article 1 of Decree 1378 of 28 October 2021, the Company performed the analysis of the reference indicators to establish equity impairment and insolvency risks, concluding that at the end of December 2023 there are no indications of non-compliance with the going concern basis:

Indicator	Dimension	Formula	December 2023	Conclusion
Negative equity position	equity impairment	Total equity < $0	Total equity for the year 2023 $16,982,948	The Company remains in compliance with the guidelines of the going concern basis by the equity position indicator.
Two Consecutive Closing Periods with negative profit for the year	equity impairment	(Profit of previous year < 0) and (Profit of last year < 0)	Profit at December 2022 $345,789 > 0 and profit at December 2023 $789,341 > 0	The Company remains in compliance with the guidelines of the going concern basis by the profit for the year indicator.
Two consecutive closing periods with current ratio below 1.0	Insolvency Risk	(Current Assets / Current Liabilities < 1.0, for the previous year) and (Current Assets / Current Liabilities < 1.0, for the last year)	Current ratio for the year 2022 ($884,520 / $368,735) = 2.40 > 1 and current ratio for the year 2023 ($3,226,188 / $514,757) 6.27 > 1	The Company remains in compliance with the guidelines of the going concern basis by the current ratio indicator.

2.3 Basis of preparation

The Company has defined in its bylaws to make an audit of its accounts, prepare, and distribute general purpose financial statements once a year, as of 31 December of each period. For legal purposes in Colombia, the annual Separate Financial Statements are the basis for the distribution of dividends and other appropriations, are expressed in Colombian pesos as this is the functional currency, which corresponds to the currency of the main economic environment in which the Company operates, and the presentation currency for all purposes, rounded to the nearest million, unless otherwise indicated.

The Company's Separated Financial Statements as of 31 December 2023 and 2022, have been prepared on an accrual basis of accounting, except for the statement of cash flows. The measurement basis is historical cost; however, some financial instruments, such as finance assets and liabilities designated at fair value, investment property, and associates considered as investment entities, are measured at fair value at the end of each reporting period, the land and buildings component of property, plant and equipment for administrative use is measured at revalued cost every four years as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services in the initial measurement.

The Company must make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue, costs and expenses, and their respective disclosures at the date of the separated Financial Statements. Note 4 provides details of the significant accounting judgments and key sources of estimates used by the Company.

Fair value measurements

The Company measures financial instruments, such as derivatives and financial assets and liabilities designated for measurement at fair value, non-financial assets, such as investment property, and associates considered investment entities at fair value. Likewise, it uses fair value measurements to determine the revalued value of land and buildings for administrative use classified as property, plant and equipment at the revaluation date.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value of some financial assets and liabilities and of investment property is determined at a date near the date of presentation of the financial statements for recognition and disclosure.

Judgments include inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place:

- In the main market of the asset or liability, or
- In the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market must be accessible by the Company.

In estimating fair value, the Company considers the characteristics of the asset or liability if market participants consider those characteristics when making the valuation at the measurement date. Fair value for measurement and/or disclosure purposes in the separate financial statements is determined on the basis indicated, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, if any, lease transactions, within the scope of IFRS 16 Leases, and measurements that have certain similarities to fair value but are not, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient inputs are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2 or 3 based on the extent to which the inputs to those measurements are observable, and in accordance with the significance of those inputs to the measurements, which are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities for which the entity has access at the measurement date.
- Level 2 inputs are those other than the quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable data for an asset or liability, that shall reflect the assumptions that market participants would use in pricing the asset or liability including the assumptions on risk.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers between levels in the hierarchy have occurred by reassessing the categorization (based on the lowest level of input data that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has an established control framework regarding measurement of fair value. This includes a valuation team that has the primary responsibility of overseeing all significant fair value measurements, including Level 3 fair values, who report directly to the Vice President of Finance, and in the case of the valuation of investment property, to the Urban Development Business Management.

Independent valuation firms are involved on a recurring basis in the valuation of major assets, such as investment property, and in specific cases for relevant non-recurring valuations. The selection criteria for these firms include their extensive experience and knowledge of the market, reputation, and independence.

The valuation team regularly reviews significant unobservable inputs, the procedures used for the determination of fair value and changes in fair value measurements from period to period. Also, if the determination of fair value was made by independent third parties, the valuation team evaluates the evidence obtained from the third parties to support the conclusion that valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified, as well as the valuation techniques to be used for each case.

For the purposes of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy, as explained above.

Disclosures related to fair value for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

- Financial assets and liabilities - Note 7.5 Fair value
- Investment property - Note 14 Investment property
- Investments classified for sale - Note 17: Non-current assets held for sale

The Company has applied the accounting policies, judgements, estimates and significant accounting assumptions described in Note 2 Basis of presentation and significant accounting policies and Note 4 Significant accounting judgements and key sources of estimates. The judgments include inputs such as exchange rate risk, cost escalation risk, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

The Financial Statements were prepared to comply with legal reporting requirements to which the Company is subject as a separate legal entity and, therefore, do not consolidate the assets, liabilities, equity or profit or loss of subordinate companies, nor do they include the adjustments or eliminations necessary for the presentation of the consolidated financial position and results of the Company and its subordinates. Investment in these companies are recorded as Equity-accounted investees as indicated below. These should be read together with the Consolidated Financial Statements.

Differences between the consolidated controlling equity of the business group and the equity of the Company

The controlling equity of the Consolidated Financial Statements of Grupo Argos presents differences compared to its separate equity mainly due to the selection, since the adoption of the Accounting and Financial Reporting Standards Accepted in Colombia - NCIF, of the subsequent measurement model for associates and joint ventures, which for the separate financial statement is at cost in accordance with paragraph 10 of IAS 27 Separate Financial Statements, while for the consolidated financial statement it is through the use of the equity method. The cost model selected for associates and joint ventures in the separate financial statements makes it possible to reflect the results obtained by the Holding Company that would be eligible for distribution.

The difference in the measurement models causes the following adjustments, among others, to be made in the consolidated financial statement: (a) elimination of dividends from associates and joint ventures recognized in the separate financial statements, (b) application of the equity method of associates and joint ventures in the consolidated financial statements, (c) recording of the deferred tax associated with the application of the equity method in the consolidated financial statements and (d) recognition of a higher or lower cost on sale of investments (together with the associated effects from the realization of the components of other comprehensive income in the result for the period or in retained earnings, as applicable), when there is disposition and/or contribution of associates and joint ventures in the consolidated financial statements.

Additionally, there are differences between the consolidated controlling equity of the business group and the equity of the Company, since current accounting standards require adjustments in the consolidated financial statements such as: (a) write-off of profits or losses resulting from transactions between the companies that are part of the business group, which may in turn give rise to deferred tax expenses or income, (b) recognition in the controlling equity, when there are increases or decreases in the interest in subsidiaries without obtaining or losing control, of the differences between the value at which non-controlling interests are adjusted and the fair value of the consideration paid or received and (c) recognition of those differences arising from a change in the use of an asset at the consolidated level.

2.4 Significant accounting policies

Below are the significant accounting policies applied by the Company in the preparation of its separated financial statements:

2.4.1 Cash and cash equivalents

Cash and cash equivalents in the separated statement of financial position and the separate statement of cash flows include cash and cash equivalents and highly liquid investments that are readily convertible to a specified amount of cash and are subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition.

Interest income generated by cash equivalents is recognized through profit for the period.

2.4.2 Financial assets

Upon initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income - debt instruments; fair value through other comprehensive income - equity instruments; or fair value through profit or loss.

Financial assets are initially recognized at fair value; for financial assets measured at amortized cost, directly attributable transaction costs are included. Financial assets are not reclassified after initial recognition, unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company subsequently measures financial assets at amortized cost or fair value, depending on the business model for managing the financial assets and the characteristics of the contractual cash flows of the instrument.

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold it to obtain the contractual cash flows and the terms of the business model give rise on specific dates to cash flows that are solely payments of principal and interest on the value of the outstanding principal.

Financial assets other than those at amortized cost are subsequently measured at: (i) fair value through other comprehensive income (OCI), if they are debt instruments that are held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the amount of principal; and (ii) fair value through profit or loss, being these all other financial assets that do not meet the criteria for classification at amortized cost or at fair value through other comprehensive income (OCI). This category includes all derivative financial assets. However, the Company may elect at initial recognition and on an irrevocable basis, to present gains or losses from measuring financial assets at fair value through other comprehensive income (OCI), for investments in equity instruments that are not held for trading purposes, on an investment-by-investment basis.

The Company has chosen to measure some of its investments in equity instruments at fair value through other comprehensive income (OCI). In the disposal of investments at fair value through other comprehensive income (OCI), the accumulated value of the gains or losses is transferred directly to retained earnings, not reclassified to profit or loss. Dividends received in cash from these investments are recognized in the statement of income.

2.4.2.1 Impairment of financial assets

The Company records expected credit losses on its debt securities, trade receivables, contract assets and lease receivables at the end of the reporting period. In the calculation of expected credit losses under IFRS 9 Financial Instruments, the Company applies a simplified approach on a collective basis which allows it not to track changes in credit risk, but rather to recognize a loss provision based on expected credit losses over the useful life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected useful life of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Company recognizes an individual impairment loss provision and excludes the item from collective evaluation under the expected credit loss model.

The Company has established an impairment matrix based on experience regarding payment collection, an increase in the number of past due payments in the portfolio that exceeds the average credit period, as well as observable changes in local and national economic conditions that are related to default. For trade receivables, which are reported net, said impairment is recorded in a separate account and the loss is recognized through administrative and selling expenses in the Company's separate statement of income. When there is confirmation that the receivable will not be recoverable, the carrying amount of the account receivable is derecognized against the associated provision.

2.4.2.2 Subsequent measurement and profit and loss

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized through profit or loss. Any gain or loss from derecognition is recognized through profit or loss.
Debt investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized through profit or loss. Other net gains and losses are recognized through other comprehensive income (OCI). On disposal of these assets, the accumulated gains and losses in OCI are reclassified to profit or loss.
Equity investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of income unless the dividend clearly represents a recovery of a portion for the investment cost. Other net gains and losses are recognized through other comprehensive income OCI and are never reclassified through profit or loss.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized through profit or loss.

2.4.2.3 Derecognition of financial assets

A financial asset, or a portion thereof, is derecognized from the separated statement of financial position when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred, and the transfer qualifies for derecognition.

A financial asset is transferred if the contractual entitlements to receive the cash flows of an asset have been transferred or if the contractual rights to receive the cash flows of the financial asset are retained but the entity assumes a contractual obligation to pay them to one or more recipients. When the Company transfers a financial asset, it shall assess the extent to which it retains the risks and rewards of ownership.

When a financial asset or part of it is derecognized, the difference between its carrying amount and the sum of the consideration received (including any new asset obtained less any liability assumed) must be recognized through profit or loss. The accumulated loss or gain that has been recognized directly through equity within other comprehensive income (OCI), and is related to financial assets derecognized, must be reclassified to retained earnings.

2.4.3 Inventories

Are classified as inventories those goods acquired with the intention of selling them in the ordinary course of business or of consuming them in the process of providing services, or those that were classified as investment property in the acquisition and are then intended for sale in the ordinary course of business.

The inventory is initially measured at cost of acquisition plus expenses and disbursements necessary to place the asset in condition to be sold. The Company recognizes a decrease in the value of inventories if the cost is higher than the net realizable value. When a real estate inventory is transferred from investment property to inventories, the transfer is made at fair value, which corresponds to the new cost of the inventory for purposes of applying IAS 2 Inventories.

The Company classifies inventories into current and non-current according to their business cycle. That is, according to the time that elapses from the purchase or classification of a real estate property as an inventory through its realization. Generally, inventory items are realized within the financial year when sale conditions do not require prior execution of development work by the Company and delivery of the property is agreed over periods of up to one year. In these cases, they are classified as current inventories. Otherwise, they are classified as non-current inventories.

Net realizable value is the estimated selling price in the normal course of business, less estimated costs of completion and estimated costs necessary to make the sale. Inventories include mainly costs for lots, urbanization works, and real estate for sale.

The Company shall recognize inventories when sold, at book value, as costs in the period in which the corresponding income is recognized.

Disbursements for the maintenance of inventories are presented as operating expenses.

Property tax corresponding to inventories of real estate for sale of Grupo Argos S.A. shall be recognized in full as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia.

2.4.4 Intangible Assets

Intangible assets are recorded at cost in accordance with IAS 38 Intangible Assets. those with indefinite useful life are not amortized, and those with defined useful life are amortized based on the straight-line method over their estimated lifespans. The estimated useful life and the method of amortization are reviewed at the end of each reporting period, with the effect of any changes in the estimate recorded on a prospective basis. At the end of each period, the Company assesses intangible assets with definite useful life to determine whether they exhibit impairment signs and performs impairment test for intangibles with indefinite lifespans.

Subsequent expenditures on intangible assets are capitalized only when future economic benefits increase, incorporated into the specific asset related to these expenditures. All other expenditures, including those to generate goodwill and trademarks internally, are recognized through profit or loss when incurred.

Amortization begins when the asset is available for use, it is calculated on the cost of the asset less its residual value on a straight-line basis or by the unit-of-production method over the asset's estimated useful life and is recognized through profit or loss in the administrative and selling expenses item, and impairment is recognized in the statement of income in the other expenses item.

Amortization of intangible assets for rights on concession contracts is also recognized through profit or loss, even if the Company maintains an investment associated with such rights.

Estimated useful life and amortization methods, for the current and comparative period, of the Company's intangible assets are as follows:

Intangible	Useful life	Useful life ranges in years	Depreciation method
Patents, licenses, and software	Finite	3 to 5 years	Straight-line
Concessions, franchises, and rights	Finite	10 years	Straight-line
Intangible assets in progress	Indeterminate		

1. **Separately acquired intangible assets.** The cost of separately acquired intangible assets comprises their purchase price, including non-recoverable indirect taxes, after deduction of any discount or markdown, and includes any costs directly attributable to preparing the asset for its intended use.

   When payment for an intangible asset is deferred beyond normal credit terms, its cost is the equivalent of the cash price, and the difference between the amount and total payments is recognized as interest expense over the period of the credit unless it is capitalized in accordance with IAS 23 - Borrowing Costs.

2. **Internally generated intangible assets. Disbursements arising from research activities are recognized as an expense in the period in which they are incurred.**

   An internally generated intangible asset resulting from development activities, or from the development phase of an internal project, is recognized if and only if the following conditions are met:

   - It is technically possible to complete production of the intangible asset so that it can be made available for use or sale.
   - The intention is to complete the intangible asset, for use or sale.
   - There is capacity to use or sell the intangible asset.
   - The intangible asset will generate probable future economic benefits.
   - Availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset.
   - That the expenditure attributable to the intangible asset during its development can be measured reliably.

The amount initially recognized for an internally generated intangible asset is the sum of the expenditure incurred from the time the asset meets the conditions for recognition. When an internally generated intangible asset cannot be recognized, development expenditure is charged to profit or loss the period in which it is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net proceeds from the sale and the carrying amount of the asset, are recognized through profit or loss at the time the asset is derecognized.

2.4.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Company assesses the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered any impairment. If so, the recoverable amount of the asset is calculated to determine the extent of the impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. When a reasonable and consistent basis for allocation is identified, common assets are also allocated to the individual cash-generating units or allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be identified.

Intangible assets with an indefinite useful life or not yet available for use should be tested for impairment annually, or with a higher frequently if there is any indication that they may be impaired.

The Company determines the recoverable amount of an asset or cash-generating unit by comparing the higher between:

- Its fair value less selling costs.
- Its value in use.

If either of these two values exceeds the book value of the asset under analysis, no impairment is considered, and it is not necessary to estimate the other.

Sometimes it is not possible to determine the fair value of the asset less selling costs. In this case the entity could use the asset's value in use as its recoverable amount.

If there is no reason to believe that an asset's value in use significantly exceeds its fair value less selling costs, the latter is its recoverable amount.

The recoverable amount of an individual asset cannot be determined when:

- The asset's value in use cannot be estimated to be close to its fair value less selling costs (for example, when future cash flows from continuing use of the asset cannot be determined because they are negligible).

- The asset does not generate cash inflows that are largely independent of those from other assets.

In such cases, the value in use and, therefore, the recoverable amount, may be determined only for the cash-generating unit.

Criteria for estimating fair value

The Company uses an appropriate valuation model, or an indicator of the fair value of assets, to determine fair value and must consider the following criteria, with evidence supporting those estimates:

- The existence of a price within a formal commitment to sell, in a transaction carried out under conditions of mutual independence, adjusted by the incremental costs directly attributable to the sale or disposal of the asset.

- If there is no formal commitment to sell, but the asset is traded in an active market, fair value is the market price less selling or disposal costs.

- If there is neither a firm sale agreement nor an active market, fair value is calculated based on the best information available to reflect the value that the Company can obtain (such as replacement cost at new less impairment) at the date of the statement of financial position, in an arm's length transaction between knowledgeable, willing parties, after deducting selling or disposal costs. To determine this value, the Company considers the results of recent transactions with similar assets in the same sector.

For cases in which it is not possible to estimate the fair value reliably, the recoverable value is the value in use.

Criteria for the estimation of value in use

The following elements should be reflected in the calculation of the value in use:

- The estimated future cash flows of the asset or cash-generating unit, based on the time the Company expects to use the asset or the period of the cash-generating unit, if defined.
- The expectations about possible variations in the amount or timing of those future cash flows.
- The time value of money.
- The price for the uncertainty inherent in the asset.
- Other factors, such as the illiquidity that market participants would reflect in pricing the future cash flows that the Company expects to derive from the asset.

The following variables should be excluded from the estimate of future cash flows that the Company expects to obtain:

- Cash outflows relating to obligations recorded as liabilities or costs and expenses generated during construction of the asset.
- Future cash inflows or outflows that are expected to arise from a future restructuring in which the Company is not yet committed; or the improvement or increase in the asset's performance.
- Flows related to tax payments or payments related to the financing of the asset.
- Cash inflows from other assets that are largely independent of the cash inflows from the asset in question.

Future cash flows are discounted to their present value using a pre-tax discount rate corresponding to current market rates and that reflects the time value of money and the risks specific to the cash-generating unit or group of cash-generating units.

If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately through profit or loss, except if the asset is recorded under the revaluation model, in which case the impairment loss must be considered as a decrease in the revaluation, until it is completely exhausted if necessary, and any outstanding impairment must be recorded against profit or loss.

The Company assesses whether previously recognized impairment losses no longer exist or have decreased; in this case, the carrying amount of the cash-generating unit or groups of cash-generating units is increased to the revised estimate of the recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment been previously recognized. This reversal is recognized as income in the statement of income for the period, except for goodwill, the impairment of which is not reversed under any circumstance.

2.4.6 Property, plant and equipment, net

Property, plant and equipment includes the value of land, buildings, and constructions, machinery, furniture and office equipment, computer, communications and transportation equipment and other facilities owned by the Company, that are used in the operation of the entity.

The Company recognizes an item of property, plant and equipment when it is probable that the asset will generate future economic benefits, it is expected to be used over a period of more than one year, all risks and rewards inherent to the asset have been received and its value can be reliably measured.

The initial recognition of property, plant and equipment is recorded at acquisition cost, which includes professional fees, direct dismantling and removal costs (when applicable) and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy, as well as any other directly attributable expenses, less trade discounts, rebates, and other similar items. Such properties are classified in the appropriate categories of property, plant and equipment upon completion and when they are ready for their intended use.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment, if any, except for the homogeneous group of land and buildings for administrative use, which are measured by the revaluation model, which is applied every four years. Properties under construction for production or service provision purposes are recorded at cost, less any recognized impairment loss.

Depreciation begins when the asset is available for use, and is calculated on a straight-line basis over the estimated technical useful life of the asset as follows:

Constructions and buildings	40 to 80 years
Machinery, furniture and office, computer and communication equipment	3 to 30 years
Transport equipment	3 to 10 years

An item of property, plant and equipment shall be derecognized on disposal or when future economic benefits are no longer expected to arise from the continuing use of the asset. The gain or loss arising from the decommissioning or disposal of a property, plant and equipment asset is calculated as the difference between the gain or loss on the sale of the asset and the asset's carrying amount and recognized through profit or loss.

Estimates of the residual values, useful lives and depreciation methods of assets are reviewed and adjusted prospectively at each financial year end, if required.

Provisions for decommissioning, restoration, and rehabilitation

The Company recognizes a provision as part of the cost of an item of property, plant and equipment when there is a legal or implicit obligation to dismantle an asset or restore the site where it was built or operated, equivalent to the present value of the estimated future costs that are expected to be incurred to perform the dismantlement or restoration.

The provision for dismantling or restoration is recognized at the present value of estimated future expenditures to settle the obligation. Cash flows are discounted at a risk-free pre-tax rate when their inherent risks have already been incorporated in the flows.

The estimate of future cash flows for dismantling or restoration are reviewed periodically. Changes in the estimate, expected dates of disbursements, or in the discount rate used to discount the flows are recognized as an increase or decrease in the cost of decommissioning included in the property, plant and equipment item. The change in the value of the provision associated with the passing of time is recognized as a finance expense in the statement of income.

2.4.7 Investment property

Investment property are those real estate properties held to generate value and/or to lease, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes.

An investment property is initially measured at cost, which comprises: the purchase price and all costs directly attributable to the investment property. The cost of investment property built by the Company includes materials, direct labor and other directly attributable costs to bring the asset to its intended use by management, including capitalizable borrowing costs.

Costs arising from the maintenance of the asset are excluded from the initial recognition of an investment property. Such costs should be recognized through profit or loss of the period in which they are incurred. Also, should be excluded:

- Commissioning costs (unless necessary to bring the investment property into use conditions).
- Operating losses incurred before the investment property achieves the planned level of occupancy.
- Abnormal amounts of waste materials, labor, or other resources incurred in the construction or development of the property.
- Expenses for routine maintenance of investment property.

In its subsequent measurement, the Company measures investment property under the fair value model, i.e., taking as a reference the price that will be received upon disposal of the asset in a market transaction, at a given measurement date.

For the determination of fair value, the Company hires independent experts with recognized professional capacity and experience in the valuation of real estate.

Changes in the fair value of investment property is recognized through profit or loss in the period in which they arise.

Subsequent disbursements related to additions to investment property that are capitalizable correspond to:

- The purchase price of lots that increase the area of investment property.
- Costs of new construction that generate a higher fair value of the property.

Such values must be regarded by independent experts in the valuation immediately following the additions.

Investment property may be transferred to property, plant and equipment or inventories; at the time of transfer, they are reclassified to their fair value, which becomes the cost for accounting purposes.

An investment property will be transferred to inventory when the Company establishes plans for its real estate development as inventory, that is, when it has formally applied for urbanization, construction, subdivision, subdivision and/or public space intervention licenses, to prepare a property for sale on an individual basis, either directly or through agreements with potential buyers.

However, in the case of parceling licenses that do not allow their execution in phases, the Company will review the portion of lots on which it contemplates the intention to begin a specific development plan to facilitate its disposition as an urbanized lot and that portion will be the one to be reclassified to inventory.

An investment property is withdrawn or derecognized from the statement of financial position at the time of its disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Disposal of investment property may occur either by sale or by incorporation into a financial lease. Any gain or loss on the sale of investment property (calculated as the difference between the consideration obtained on disposal and the carrying amount of the asset) is recognized through profit or loss in the period in which the withdrawal or disposal occurs. When an investment property that was previously classified as property, plant and equipment is sold, any amount included in the revaluation reserve in other comprehensive income (OCI) is transferred to retained earnings.

Disbursements for maintenance of investment property are presented as operating expenses.

Property tax corresponding to investment property of Grupo Argos S.A. will be recognized in its entirety as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia.

2.4.8 Investments in associates and joint arrangements

An associate is an entity over which the Company exercises significant influence, i.e., the power to participate in the financial policy and operating decisions of the investee without having control or joint control.

A joint arrangement is one in which there is joint control, i.e., decisions on relevant activities require the unanimous consent of the parties sharing control and may be a joint venture or a joint operation.

A joint venture is an arrangement whereby the parties involved are entitled to the net assets.

A joint operation is an arrangement whereby the parties involved are entitled to assets and income and obligations in respect of liabilities and expenses relating to the terms of the arrangement.

The Company has elected to account for investments in associates and joint ventures at cost in its separate financial statements, in accordance with the measurement models permitted by IAS 27. Therefore, it recognizes investments in associates and joint ventures under the cost method; subsequently, they continue at cost except for associates considered as investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

The Company Recognizes a joint operation, when the contractual arrangement is structured through a separate vehicle or otherwise, by assessing the entitlements granted to the Company over the assets and obligations with respect to the liabilities relating to the arrangement and does not grant rights to the net assets of the arrangement.

In recognizing a joint operation, the Company considers aspects such as the legal form of the separate vehicle, the terms of the contractual arrangement and, where appropriate, other factors and circumstances.

The contractual arrangement in which the Company participates should establish the entitlements of the parties to the assets and the obligations with respect to the liabilities relating to the arrangement, the entitlements to income and the obligations with respect to the expenses corresponding to the parties.

The Company should Recognize the following in its separate financial statements in relation to its participation in a joint operation:

- Its assets, including its interest in jointly held assets.
- Its liabilities, including its share of jointly incurred liabilities.
- Its income, including its share of jointly earned income.
- It expenses, including its share of jointly incurred expenses.

The Company must account for the assets, liabilities, income and expenses relating to its participation in a joint operation, in accordance with the applicable policies and the terms of the arrangement.

When the Company is a joint operator and performs sales transactions or contributions of assets to a joint operation, it should account for the transaction as follows:

- Recognize gains and losses from this transaction only to the extent of the other parties' interests in the joint operation.
- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, the Company recognizes all losses.

When the Company is a joint operator and enters a transaction to purchase assets from a joint operation, it must account for the transaction as follows:

- It Recognizes its share of the profits and losses only when it resells those assets to a third party.

- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, its share of those losses must be recognized.

When the Company is a party to a joint operation, but does not have joint control over it, it should account for its interest in the joint venture in the manner described above only if it is entitled to the assets and obligations in respect of the liabilities relating to the joint operation.

The Company impairs a net investment in an associate or joint venture if, and only if, objective evidence indicates that one or more events, which occurred after initial recognition, have had an impact on the future cash flows of the net investment and that impact can be reliably estimated. The following events make it possible to establish whether there is objective evidence that these investments may be impaired:

- Significant financial difficulties of the associate or joint Venture;
- Breaches of the contract, such as defaults or delays in payment by the associate or joint Venture;
- The granting of concessions to associates and joint ventures that would not have been granted in other circumstances;
- It becomes probable that the associate or joint venture will enter bankruptcy or other form of financial reorganization;
- The disappearance of an active market for the net investment due to the associate's or joint venture's financial difficulties;
- Significant changes with adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates; or
- A significant and prolonged decline in the fair value of an investment in an associate or joint venture that is an equity instrument below its cost.

2.4.9 Investments in subsidiaries

The Company controls an investee when it has power over, is exposed to, or is entitled to, variable returns from its involvement in the investee and can influence those returns through its power over the investee. The Company assesses whether it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above. In assessing control, it considers existing substantive voting rights, contractual arrangements between the entity and other parties, and the rights and ability to appoint and remove key management personnel, among other aspects. When the Company has less than most of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Company considers all relevant facts and circumstances in assessing whether voting rights in an investee are sufficient to confer power on the investee, including:

- The size of the Company's voting rights relative to the size and dispersion of the percentages of other voting rights holders.
- Potential voting rights held by the Company, other shareholders, or other parties.
- Rights arising from contractual agreements.
- Any additional facts or circumstances indicating that the Company has, or does not have, the actual ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

Investments in subsidiaries are accounted for in the separated financial statements using the equity method, unless the investment or a portion thereof is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in subsidiaries are initially recorded in the separated statement of financial position at cost and are subsequently adjusted to account for the Company's share of profit or loss and other comprehensive income (OCI).

2.4.10 Borrowing costs

Borrowing costs attributed directly to the acquisition, construction or production of qualifying assets, which are assets that require a substantial time span before they are ready to use or sale (more than one year), are added to the cost of these assets until such time as they are ready to use or sale. The Company considers that a substantial time span is one that is greater than one year.

Income received from the temporary investment of resources pending use in the construction or production of qualifying assets is deducted from Borrowing Costs to be capitalized as an increase in the cost of the asset.

All other borrowing costs are recognized in profit or loss during the period in which they are incurred.

2.4.11 Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount is recovered through a sale transaction rather than through continuing use. These assets or groups of assets are presented separately as current assets and liabilities in the statement of financial position at the lower of carrying amount or fair value less selling costs and are not depreciated or amortized from the date of classification.

Any impairment loss recognized on a group of assets for disposal is allocated first to the goodwill associated with that group of assets, when applicable, and then to the other assigned assets pro rata based on their book value. This loss is not distributed to financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment on the initial classification of assets as held for sale and subsequent gains and losses arising from the remeasurement are recognized through profit or loss.

The condition for the classification of an asset as a non-current asset held for sale (or disposal group) is met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its current state subject only to terms that are customary and adapted for sales of such assets (or disposal group). Management must be committed to the sale, which should be recognized as a completed sale within one year of the date of classification.

When there is a sales plan involving the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale provided that the above-described criteria are met, regardless of whether a non-controlling interest in its former subsidiary will be retained after the sale.

When the Company is committed to a sales plan that involves the sale of an investment, or a portion of an investment, in a subsidiary, associate or joint venture, the investment or the portion of the investment to be sold is classified as held for sale when the above-described criteria are met.

The Company discontinues the use of the equity method in subsidiaries in relation to the portion that is classified as held for sale. Any retained portion of an investment in a subsidiary that is not classified as held for sale continues to be accounted for under the equity method; if at the time of sale of the retained portion of the subsidiary there is a loss of control, the use of the equity method is discontinued and any retained interest in the subsidiary is recognized in accordance with the applicable regulations following its classification.

In case the Company commits to distribute an asset (or disposal group) to the owners, that non-current asset (or disposal group) is classified as held for distribution to the owners. For this to be the case, the assets must be available for immediate distribution in their current condition, and the distribution must be highly probable, i.e., activities to complete the distribution must have commenced and be expected to be completed within one year from the date of classification.

The measurement criteria of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are not applicable to investment property measured at fair value, financial assets within the scope of IFRS 9 Financial Instruments, deferred tax assets, assets arising from employee benefits, among others indicated by this IFRS.

Income, costs, and expenses from a discontinued operation are presented separately from those from continuing operations, in a single item after income tax, in the statement of comprehensive income for the current and comparative periods of the previous year.

2.4.12 Leases

The Company recognizes leases, subleases and contracts with similar characteristics and circumstances considering the capacity of the lessor or lessee, the underlying asset and the term of the arrangement.

At the beginning of an arrangement, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period in exchange of a consideration. To assess whether a contract transfers the right to control the use of identified assets, the Company uses the definition of a lease in IFRS 16 Leases.

a. **The Company as lessee.** As the lessee, at the commencement or amendment of a contract containing a lease component, the Company assigns the consideration in the contract to each lease component based on its relative independent prices.

   The Company initially recognizes at the commencement date of the lease a right-of-use asset representing the right to use the underlying asset of the contract and a lease liability representing its obligation to make the payments agreed in the contract.

   Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted with the remeasurements of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made before the inception date of the contract less any lease incentives received.

   Unless the Company is reasonably confident of obtaining ownership of the leased asset at the end of the lease term, assets recognized for the right of use are amortized on a straight-line basis over the lease term. Right-of-use assets are subject to impairment. Right-of-use assets are subject to impairment. Right-of-use assets associated with investment property are measured initially at cost, and subsequently at fair value, in accordance with the Company's accounting policy for subsequent measurement of investment property.

   At the commencement date of the lease, the Company recognizes lease liabilities measured at present value of the lease payments to be made over the term of the lease. Lease payments include fixed payments (including essentially fixed payments) less lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise price of a purchase option when the Company has reasonable assurance that it will be exercised and penalties for cancellation of the lease, if the term of the lease reflects that the Company will exercise an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

   In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the value of the lease liabilities is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the term of the lease, a change in the fixed payments in substance of the lease, or a change in assessment to acquire the underlying asset.

The Company recognizes the depreciation expense for right-of-use assets and allocates the lease payments between the finance expense and the reduction of the lease obligations. Finance expense is charged directly to income, unless it is directly attributable to qualifying assets, in which case it is capitalized in accordance with the general policy for borrowing costs.

The Company presents the right-of-use assets and lease liabilities separately in the separate statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Company presents interest expense on lease liabilities separately from the depreciation charge on the leased right-of-use assets. Interest expense on the lease liability is a component of finance costs, which are presented separately in the separate statement of profit or loss.

In the separate statement of cash flows, the Company classifies cash payments for principal and interest on lease payments as financing activities and payments for short-term leases and low-value asset leases as operating activities.

Short-term leases and low-value asset leases

The Company recognizes lease payments for contracts with a lease term of 12 months or less and without a purchasing option, or contracts with an underlying asset of low value (i.e., assets with a new value of USD 3,500 or less for operating assets and USD 5,000 or less for administrative assets) as lease expense less related lease incentives on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative of the time pattern of the lessee's benefit.

b. **The Company as a lessor.** At the commencement or amendment of a contract containing a lease component, the Company assigns the consideration in the contract to each lease component based on its relative independent prices.

   As the lessor, at the commencement of the lease, the Company classifies the leases as finance or operating leases, assessing the extent to which risks and rewards of ownership of the asset affect it. The Company classifies a lease as a finance lease when substantially all the risks and rewards of ownership are transferred, and as an operating lease when substantially all the risks and rewards of ownership are not transferred.

   The Company Recognizes amounts owed by lessees under finance leases as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated over the accounting periods to reflect a consistent and regular rate of return on the outstanding Company's net investment in the leases.

   Lease income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease.

2.4.13 Finance liabilities and equity instruments

a. **Classification as debt or equity.** Debt and equity instruments are classified as financial liabilities or equity, in accordance with the substance of the contractual arrangement and the definitions of financial liability and equity instrument.

b. **Equity instruments.** An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the value received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly from equity.

   The repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in the results of the purchase, sale, issue, or cancellation of own equity instruments.

c. **Compound instruments.** Components of compound instruments, such as mandatory convertible bonds issued by the Company, are classified separately as finance liabilities and equity, depending on the substance of the contractual arrangement and the definitions of financial liability and equity instrument. A conversion option that will be cancelled through the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's equity instruments is considered an equity instrument.

   At the date of issue, the fair value of the liability component is calculated using the prevailing market interest rate for similar non-convertible debt. This amount is recorded as a liability on an amortized cost basis, using the effective interest method, until it is extinguished upon conversion or upon maturity of the instrument.

   The portion classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument. This value is recognized and included in equity, net of income tax effects, and cannot be measured subsequently. Additionally, the portion classified as equity remains in equity until it has been exercised, in which case, the balance recognized through equity is transferred to additional paid-in capital. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognized through equity is transferred to Retained earnings. No gain or loss should be recognized through profit or loss upon conversion or expiration of the conversion option.

   Transaction costs related to the issuance of convertible instruments are allocated to the liability and equity components, in proportion to the distribution of the gross amounts received. Transaction costs related to the equity component are recognized directly in equity.

   Transaction costs related to the liability component are included in the book value of the liability and are amortized over the life of the convertible instruments using the effective interest rate method.

d. **Finance liabilities.** Are classified at fair value through profit or loss or at amortized cost, using the effective interest method. The Company determines the classification of finance liabilities at initial recognition.

   i.Finance liabilities at fair value through profit or loss

   A finance liability is classified as held for negotiation if:

   - It has been acquired primarily for the purpose of short-term repurchase.
   - At initial recognition it forms part of a portfolio of financial instruments managed by the Company and there is evidence of a recent current pattern of short-term profits.
   - It is a derivative that has not been designated as a hedging instrument or as financial guarantee.
   - It is an embedded derivative that is recognized separately, unless it is designated as an effective hedging instrument.

   A financial liability that is not held for negotiation could also be designated as a financial liability at fair value through profit or loss at initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that may arise.
- The finance liability forms part of a group of finance assets or liabilities, or both, which is managed - and its performance is evaluated - on the fair value basis, in accordance with the risk management documented by the Company in its investment strategy, with the information provided internally on that basis.
- It is part of an arrangement that contains one or more embedded instruments. IFRS 9 Financial Instruments allows the entire combined contract to be designated at fair value through profit or loss.

Finance liabilities at fair value through profit or loss are recorded at fair value, with any gain or loss arising from the remeasurement recognized through the results of the period. The net gain or loss recognized through profit or loss incorporates any interest paid on the finance liability. The fair value is determined in the manner described in the fair value measurement policy, described in section 2.

ii. Other finance liabilities. Other finance liabilities (including borrowings, trade payables and others) are subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating the finance expense over the term. The effective interest rate is the discount rate that exactly matches the cash flows receivable or payable (including all fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial liability, or when appropriate, a shorter period, with the net carrying amount at initial recognition.

iii. Finance derivatives. The Company holds financial derivative instruments to cover its exposures to foreign currency and interest rate risk. Finance derivatives are measured at fair value through profit or loss. Some derivatives embedded in other financial instruments or contracts (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and are not recorded at fair value.

Certain transactions with derivatives that do not qualify for hedge accounting are treated and reported as derivatives held for negotiating, even though they provide an effective hedge for managing risk positions.

Derecognition of finance liabilities. The Company derecognizes a financial liability if, and only if, the obligations expire, are cancelled, or fulfilled. The difference between the carrying amount of the derecognized finance liability and the consideration paid and payable is recognized through profit or loss.

When an existing finance liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through the statement of income. In the opposite case, where there is no substantial change in the terms of the liability, such replacement or modification is not treated as a derecognition of the original liability but as a modification of the existing liability, and it is necessary to calculate the present value of the future contractual cash flows under the new conditions discounted at the effective interest rate of the original liability. The difference between the carrying amount of the original liability and the present value of the modified cash flows is recognized in the statement of income.

The terms will be materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received, and using the original effective interest rate for discounting, differs by at least 10 percent from the discounted present value of the cash flows remaining on the original finance liability.

For replacements or modifications of liabilities that are not accounted for as a derecognition, the costs and fees paid by the Group will adjust the carrying amount of the liability and will be amortized over the remaining life of the modified liability.

2.4.14 Hedge accounting

The Company continues applying the hedge accounting requirements of IAS 39 Financial Instruments: Recognition and Measurement, in accordance with the exceptions permitted by the adoption of IFRS 9 Financial Instruments.

For derivatives that qualify for hedge accounting, at the inception of the hedging relationship, the Company designates and formally documents the relationship, the risk management objective, and the strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the effectiveness of changes in the fair value of the hedging instrument in offsetting the exposure to changes in the fair value of the hedged item or in the cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have been effective over the reporting periods for which they were designated.

For hedge accounting purposes and those applicable to the Company, hedges are classified and accounted for as follows, once the criteria for hedge accounting are met:

1. **Fair value hedges.** When hedging exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

   Change in the fair value of a derivative that is a hedging instrument is recognized in the statement of comprehensive income in the statement of income section, as finance cost or income. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the statement of comprehensive income in the statement of income section as finance cost or finance income.

2. **Cash flow hedges.** When hedging exposure to changes in cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable forecast transaction, or to exchange rate risk in an unrecognized firm commitment.

   The purpose of cash flow hedge accounting is to recognize in other comprehensive income (OCI), the changes in fair value of the hedging instrument to apply them to the statement of income when and at the rate that the hedged item affects them.

   The effective portion of the gain or loss on the measurement of the hedging instrument is immediately recognized through other comprehensive income (OCI). Only the ineffective portion of the derivative is recognized in the profit or loss account as they arise, as finance cost.

   The amounts recognized through other comprehensive income (OCI) are reclassified to income when the hedged transaction affects income, when the hedged finance income or expense is recognized, or when the forecasted transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized through other comprehensive income (OCI) are reclassified to the initial book value of the non-finance asset or liability. If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized through other comprehensive income is reclassified to profit or loss.

   If the hedging instrument expires or is sold, terminated, or exercised without a successive replacement or renewal of a hedging instrument by another hedging instrument, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized through other comprehensive income (OCI) remains there until the forecast transaction or firm commitment affects profit or loss.

3. **Hedges of net investment in a foreign operation.** When hedging differences in foreign currency arising between the functional currency of the foreign operation and the functional currency of the controlling company, regardless of whether the net investment is held directly or through an intermediate controlling company.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized through other comprehensive income (OCI) to the extent that the hedge is effective and presented in the equity translation reserve. To the extent that the hedge is not effective, such differences are recognized through profit or loss. When part of the hedge of a net investment is eliminated, the corresponding amount recognized through other comprehensive income (OCI) is transferred to income as part of the gain or loss on disposal.

2.4.15 Employee benefits

Post-employment benefit and defined contribution plans.

The Company Recognizes liabilities for pension, pension securities and bonds, retirement premiums and other post-employment benefits in accordance with the requirements of IAS 19 Employee Benefits.

The Company recognizes benefit plans classified as contribution plans in profit or loss as an administrative, sales or cost of goods sold as the related service is rendered. Contributions paid in advance are recognized as an asset, to the extent that a cash refund or reduction in future payments is available.

The Company recognizes benefit plans classified as defined benefit plans as an asset or liability in the separate statement of financial position. This is done by the difference between the fair value of the plan assets and the present value of the plan obligation of said plan, using the Projected Credit Unit Method to determine the present value of its defined benefit obligation and the related current service cost, and where applicable, past service cost, at least annually. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, constitutes the published listing price.

The Projected Credit Unit treats each period of service as generating an additional unit of benefit entitlement and measures each unit separately to conform to the final liability. The Company discounts the total value of the obligation for post-employment benefits, even if a portion of the obligation is to be paid within 12 months of the reporting period.

Actuarial gains or losses, returns on plan assets and changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets), are recognized through other comprehensive income (OCI). Actuarial gains or losses include the effects of changes in actuarial assumptions as well as experience adjustments. The net interest on the net defined benefit liability (asset) comprises interest income on the plan assets, interest costs on the defined benefit obligation and interest expense on the effect of the asset ceiling.
Current service cost, past service cost, any settlement or curtailment of the plan are recognized in the statement of income in the period in which they arise.

The estimate of the post-employment benefit liability is made by an independent actuary.

Short-term benefits

Are those values that the Company intends to pay to employees within 12 months after the end of the period in which the employee has rendered services, some examples are salaries, wages, bonuses, vacations, paid absences, among others.

The Company records short-term benefits in the reporting period based on the undiscounted amount of the balances expected to be paid in consideration of the work performed by the employee.

Termination benefits

Correspond to the benefits granted to employees when it is decided to terminate the employment contract before the normal retirement date, or when the employee accepts an offer of benefits in exchange for the termination of the employment contract. Termination benefits are recognized as an expense in the results of the period when the Company cannot withdraw the offer related to the benefits or when the Company recognizes the costs for a restructuring, whichever occurs first. If the benefits are not expected to be settled in full within 12 months after the end of the reporting period, they are discounted.

2.4.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation because of a past event and it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the value of the obligation. In cases where the provision is expected to be partially or fully reimbursed, the reimbursement is recognized as a separate asset only in cases where such reimbursement is practically certain, and the amount of the receivable can be reliably measured.

Provisions are measured by the Company's best estimate of future expenditures required to settle the present obligation and are discounted using a discount rate according to the nature of the obligation. The provision expense is presented in the separated statement of income, net of any reimbursement. The increase in the provision due to the passing of time is recognized as a finance expense in the statement of income.

The Company recognizes present obligations arising from an onerous contract as provisions for the lesser of expected costs to terminate the contract or the expected net cost to continue with the contract. An onerous contract is one in which the unavoidable costs of fulfilling the obligations involved exceed the economic benefits expected to be received from the contract. The Company recognizes any impairment loss on the assets associated with the contract.

A restructuring provision is recognized when the Company has approved a detailed and formal restructuring plan and the restructuring itself has commenced or has been publicly announced. Future operating costs are not provisioned.

Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control are not recognized in the separate statement of financial position but are disclosed as contingent liabilities.

2.4.17 Taxes

Income tax expense represents the sum of current and deferred tax.

a. **Current income tax.** Current income tax assets and liabilities for the period are measured at amounts expected to be recovered or paid to the tax authority. The tax expense is recognized as current, in accordance with the comparison made between the taxable income and the accounting profit or loss affected by the income tax rate for the current year and in accordance with the provisions of the country's tax regulations. Until 2020, current tax expense included at least the amount settled by the presumptive income system in those periods in which there was no taxable income, which was zero or less than 1.5% of the taxable equity (1.5% for 2019, 0.5% for 2020 and 0% from 2021 and onward) for companies located in Colombia. The tax rates and regulations used to compute such values are those enacted or approved at the end of the reporting period and that generate taxable income.

   Current tax assets and liabilities are offset for presentation purposes at the end of each annual period, if they are related to the same tax authority, there is a legal right to do so, and the Company intends to settle them simultaneously.

b. **Deferred tax.** Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred tax liability is generally recognized for all temporary tax differences. The deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the entity can charge the deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that does not affect either taxable profit or accounting profit.

The Company recognizes a deferred tax liability for taxable temporary differences relating to investments in subsidiaries and associates, and interests in joint ventures, except where it can control the reversal of the temporary difference and where there is a possibility that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized and that there is a possibility that the temporary difference will reverse in the foreseeable future.

The carrying amount of a deferred tax asset should be reviewed at the end of each reporting period and reduced if the Company considers it probable that sufficient taxable profit will not be available in the future to allow the asset to be recovered in full or in part.

Deferred tax assets and liabilities should be measured using the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the end of the reporting period.

Measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the way the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset for presentation purposes at the closing of each period, if they are related to the same tax authority, there is a legal right to do so, and the Company intends to settle them simultaneously.

2.4.18 Foreign currency

Transactions in currencies other than the entity's functional currency (foreign currency) are recorded using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rates prevailing at the date the fair value was determined. Non-monetary items that are measured at historical cost are not retranslated.

Exchange differences on monetary items are recognized in the results of operations in the period in which they arise, except for:

- Exchange differences arising from loans denominated in foreign currencies related to assets under construction for future productive use, which are included in the cost of such assets as an adjustment to interest costs on such loans denominated in foreign currencies, provided they do not exceed the borrowing costs of a liability with similar characteristics in the functional currency.
- Exchange rate differences arising from transactions related to exchange rate risk hedges.
- Equity instruments measured at fair value through other comprehensive income (except in the case of impairment when foreign currency differences that have been recognized through other comprehensive income (OCI) are reclassified to income).
- A financial liability designated as a hedge of the net investment in a foreign operation provided that the hedging is effective.
- Cash flow hedges provided the hedging is effective, which are recognized through other comprehensive income (OCI).

2.4.19 Income recognition

The Company's income arises mainly from the sale of goods, the rendering of services, returns on investments and the equity method on investments. Its obligations from contracts with customers are fulfilled at a given time and revenue recognition is made at that time.

Most of the Company's revenue arise from fixed-price contracts and, therefore, the value of revenue to be obtained from each contract is determined by reference to those fixed prices.

Exceptionally, income from a small number of leases and easements contracts is determined in relation to the volume of mineral material extracted by the lessee and the beneficiary of the easement.

Also, in most contracts, there is no judgment involved in assigning the contract price because there is a fixed unit price for each good or service sold. Therefore, the assignment of the transaction price is the total contract price divided by the number of units (for the sale of goods) or services delivered (for the rendering of services). When the sales prices of each good or service are different, the determination of the price is established by reference to the independent sales prices of each good or service, when it is possible to separate them.

a. **Sale of goods.** A single performance obligation is established for the sale of goods. The Company recognizes revenue when the obligation is satisfied, i.e., when control of the goods or services underlying the performance obligation has been transferred to the customer, at some point in time. This performance obligation is fulfilled at the time of delivery of the asset to the customer. There is no significant financing component associated with the sale of goods. Revenue is reduced by discounts or rebates and other similar allowances estimated for the customers.

   The Company sells developed property with revenue generally recognized over time, since the customer receives the benefits of the performance obligation as the asset is partially delivered. In these cases the Company recognizes revenue based on the progress of the percentage of the asset delivered, which is estimated by comparing the costs executed at the date of the project with the total budgeted costs.

b. **Rendering of services.** The Company provides certain services that are sold on their own under contracts with customers or grouped together with the sale of goods to a customer. In both scenarios, revenue from service contracts is satisfied at some point in time.

   The Company provides some services for the development of lots whose performance obligation is fulfilled over time and income is recognized at the time when progress is made in fulfilling the obligation. In these contracts, advance payments are required before the service is provided.

c. **Income from dividends and interests.** Dividend income from investments is recognized once the rights to receive said payment have been established. In the case of subsidiaries, it is recorded as a reduction in value of the investment. For all other equity investments, it is recorded through profit or loss.

   Interest income on a financial asset is recognized when it is probable that the Company will receive the economic benefits associated with the transaction and the value of the income from ordinary activities can be measured reliably. Interest income is recorded on a time basis, with reference to the principal outstanding and the applicable effective interest rate.

d. **Income from equity method.** Corresponds to the recognition of the participation in the results of subsidiaries. This is recognized at the end of the reporting period considering the percentage of equity interest and the profits or losses obtained by the subsidiaries.

e. **Lease income.** The policy for recognition of income from investment property under operating leases is described in the lease policy.

f. **Contract balances**

Contract assets: a contract asset is the right to receive consideration in exchange for goods or services transferred to the customer, when that right is conditional on a different variable being present over time. If the Company transfers control of goods or services to a customer before the customer pays the consideration, a contract asset is recognized for the consideration earned that is conditional on the performance of one or more variables.

Trade receivables: a receivable represents the Company's unconditional right to a consideration for the transfer of goods or services to a customer. It is unconditional because only the passing of time is required for payment of the consideration.

Contract Liabilities: a contract liability is the obligation to transfer goods or services to a customer for which the Company has previously received consideration from the customer. The payment of a consideration by a customer before the Company transfers goods or services to the customer is recognized as a contract liability at the time the payment is made or when the payment is due (whichever occurs first). Contract liabilities are recognized as income once the Company transfers the goods or services to the customer.

2.4.20 Materiality

In accordance with IAS 1 Presentation of Financial Statements, the Company considers information to be material if its omission or inappropriate expression could influence the decisions of users of the separated financial information.

2.4.21 Statement of cash flows

The Company prepares the separate statement of cash flows using the indirect method based on net profit (loss), broken down into three sections:

a. **Cash flows from operating activities:** flows from operations that constitute the company's main source of revenue, and from those activities that cannot be classified as investing or financing activities. These flows include, among others, taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates, joint ventures and financial instruments.

b. **Cash flows from investing activities:** correspond to flows from the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents. These flows include, among others, flows related to the acquisition of subsidiaries, associates and joint ventures (excluding for subsidiaries, transaction costs that are presented as cash flows from operating activities), contingent considerations paid for business combinations during the measurement period and up to the amount of the identified liability, cash flows from sales of subsidiaries with loss of control, associates and joint ventures; acquisitions and disposals of intangible assets and property, plant and equipment (including transaction costs and deferred payments at the time of receipt or delivery of the flows), and interest received from investments.

c. **Cash flows from financing activities:** flows from activities that result in a change in the Company's capital structure, whether by the Company's own resources or from third parties. These flows include, among others, issues of equity instruments, obtaining and repayment of loans, issuance of bonds and commercial papers and their cancellation, derivatives hedging financial liabilities, and dividend payments.

The Company considers that those transactions that result in compensation for obligations in its charge with claims in its favor, as in the case of payments of financial obligations with collections of dividends receivable, constitute monetary transactions since they have required the use of cash and should be reflected in the corresponding activities in the Consolidated Statement of Cash Flows.

The foregoing applies even when the debtors, acting on behalf of the Company, have made payments directly to the Company's creditors and when the Company does the same to settle its obligations.

On the other hand, when these types of transactions occur in-kind, i.e., when they do not involve the use of cash, they will be considered as non-cash transactions and will not be reflected in the Statement of Cash Flows and will be subject to disclosure.

2.4.22 Related parties

For the purposes of IAS 24 Related Party Disclosures, the Company considers as related parties its associates and joint ventures, the entities that exercise joint control or significant influence over Grupo Argos S.A., its subsidiaries and the key management personnel, which includes members of the Board of Directors, Nomination and Remuneration Committee, Audit, Finance and risks Committee, Sustainability and Corporate Governance Committee, Steering Committee (formed by the President and Vice Presidents), and any Committee that reports directly to the Boards of Directors of Grupo Argos S.A. and its subsidiaries, as well as corporate business managers who have the capacity to direct, plan and control activities.

Transactions between related parties are any transfer of resources, services and obligations between the Company and a related party, as well as outstanding balances between them at the date of preparation of the consolidated financial statements, including any commitments and guarantees given or received between them.

Related party disclosures are provided according to the categories established by IAS 24 Related Party Disclosures, which correspond to transactions with: (a) the parent, (b) entities with joint control or significant influence over the entity, (c) subsidiaries, (d) associates, (e) joint ventures, (f) key management personnel and (g) other related parties. Likewise, items of a similar nature are grouped together for disclosure purposes.

The characteristics of transactions with related parties do not differ from those with third parties and do not imply differences between market prices for similar transactions.

NOTE 3: STANDARDS ISSUED BY THE IASB

3.1 Incorporated in Colombia

3.1.1 Standards Incorporated in Colombia as of 1 January 2023 – Regulatory Decree 938 of 19 August 2021.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 1 - Presentation of Financial Statements	Classifications of Liabilities as Current or Non-Current	Paragraphs 72A, 75A, 76A, 768, and 139U are incorporated; paragraph 139D is deleted and paragraphs 69,73,74 and 76 are amended. The requirement to classify a liability as current is amended by establishing that a liability is classified as current when it does not have the right at the end of the reporting period to defer settlement of the liability, for at least twelve months after the reporting period. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 16 - Property, Plant and Equipment	Proceeds Before Intended Use	Paragraphs 17 and 74 are amended and paragraphs 20a, 74a, 80D and 81N are incorporated. As of the effective date of the amendment, the proceeds from the sale of items (e.g., test products) obtained before the property, plant and related equipment is available for its intended use are no longer deducted from the cost. Instead, such income will be recognized in profit or loss, along with the production costs of those items. Likewise, companies must clearly distinguish (in their financial statements or in disclosures) between the income and costs of producing and selling items obtained before the intended use of the property, plant and equipment from the income and costs generated because of the ordinary activities of the entity. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Amendment to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	Onerous contracts: cost of fulfilling a contract	Paragraphs 68A, 94A and 105 are added, and paragraph 69 is amended. It is clarified that the cost of fulfilling a contract comprises costs directly related to the contract (direct labor and material costs, and the allocation of costs directly related to the contract). The effect of the application of the amendment will not restate comparative information. Instead, the cumulative effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Amendment to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement	Reform of the Benchmark Interest Rate	Paragraphs 6.8.1 to 6.8.12 of IFRS 9 are added, regarding temporary exceptions to the application of specific hedge accounting requirements. Paragraphs 102A to 102N and 108G are incorporated, regarding temporary exceptions to the application of the specific hedge accounting requirements of IAS 39. Paragraphs 24H on uncertainty arising from the reform of the benchmark interest rate, 44DE and 44DF of IFRS 7 are incorporated. A hedging relationship is directly affected by the reform of the benchmark interest rate only if the reform gives rise to

Financial Reporting Standard	Subject of the amendment	Detail
		uncertainties on such rate designated as a hedged risk or on the timing or amount of cash flows based on such rate. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. Early application of the Reference Interest Rate is allowed as from fiscal year 2021.
Amendment to IFRS 3 Business Combinations	Reference to the Conceptual Framework	Amendment to the references to align them with the conceptual framework issued by IASB in 2018 and incorporated to the Colombian regulatory framework. In this sense, the identifiable assets acquired, and liabilities assumed in a business combination, at the transaction date, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework. Paragraphs 21A, 21B and 21C are incorporated regarding the exceptions to the recognition principle for liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21. Paragraph 23A is incorporated to define a contingent asset and clarify that the acquirer in a business combination shall not recognize a contingent asset at the acquisition date. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Annual improvements to IFRS Financial Information Standards 2018-2020	Amendments approved by the IASB	**IFRS 1 First-time Adoption of International Financial Reporting Standards:** Subsidiary adopting IFRS for the first time. Paragraph D13A of IFRS 1 is added, incorporating an exemption for subsidiaries that adopt IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the parent company (paragraph D16 "a" of IFRS 1) so it may measure the foreign exchange differences due to cumulative translation for the carrying amount of such item in the consolidated financial statements of the parent company (also applies to associates and joint ventures). **IFRS 9 Financial Instruments:** Fees on the "10% test" regarding derecognition of finance liabilities. A text is added to paragraph B3.3.6, and paragraph B3.3.6A is added, to clarify the recognition of fees paid (to profit or loss if it is a derecognition of the liability, or as a reduction in the value of the liability if it is not treated as a derecognition). **IAS 41 Agriculture:** Taxes on fair value measurements. The phrase "nor cash flows for tax" is removed from paragraph 22 of IAS 41. This because "*prior to Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the*

Financial Reporting Standard	Subject of the amendment	Detail
		use of a pre-tax discount rate to discount those cash flows". This aligns the requirements of IAS 41 with those of IFRS 13. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. **IFRS 4 Insurance Contracts:** Paragraphs 20_A, 20_J and 20_O are amended to authorize the temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for annual periods beginning before 1 January 2023 (due to the new international requirement contained in IFRS 17 as from that date).
IFRS 9 Financial Instruments	Reform to benchmark interest rate phase 2	Adds paragraphs 5.4.5 to 5.49 Changes in the basis for the determination of contractual cash flows because of the reform of the benchmark interest rate (measurement at amortized cost), 6.8.13 Termination of the application of the temporary exception in hedge accounting, 6.9.1 to 6.9.13 Additional temporary exceptions arising from the reform of the benchmark interest rate, 7.1.10 Effective date, and 7.2.43 to 7.2.46 Transition for the reform of the benchmark interest rate Phase 2 to IFRS 9. **Amendment to IAS 39 Financial Instruments: Recognition and Measurement:** Paragraph 102M Termination of the application of the temporary exception in hedge accounting, paragraphs 102_O to 102_Z3 Additional temporary exceptions arising from the reform of the benchmark interest rate and 108H to 108K Effective date and transition, and new headings are added. **Amendment to IFRS 7 Financial Instruments: Disclosures:** Paragraphs 24_I, 24_J Additional disclosures related to the reform of the benchmark interest rate, 44GG and 44HH Effective date and transition, and new headings are added. **Amendment to IFRS 4 Insurance Contracts:** Paragraphs 20R and 20S Changes in the basis for determining contractual cash flows because of the reform of the benchmark interest rate, and paragraphs 50 and 51 Effective date and transition, and new headings are added. **Amendment to IFRS 16 Leases:** Paragraphs 104 to 106 Temporary exception arising from benchmark interest rate reform are amended, and paragraphs C20C and C20D Benchmark interest rate reform phase 2 are added. These amendments apply from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. Early application of the Benchmark Interest Rate is allowed from fiscal year 2021.

3.1.2 Standards Incorporated in Colombia as of 1 January 2024 – Regulatory Decree 1611 of 5 August 2022.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 1 Presentation of Financial Statements and Practice Statement No. 2 Making Materiality Judgments	Disclosure of accounting policies	Companies must disclose material information about their accounting policies, and in that sense, the amendment requires the application of the concept of materiality to the disclosures of accounting policies. This amendment will be effective for annual periods beginning on or after 1 January 2023, with early adoption allowed.
Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of accounting estimates	The amendment clarifies how companies should differentiate changes in accounting policies from changes in accounting estimates. This considering that only the effects of changes in estimates are to be applied prospectively. This amendment will be effective for annual periods beginning on or after 1 January 2023, with early adoption allowed.
Amendment to IFRS 16 Leases	Covid-19-Related Rent Concessions beyond 30 June 2021	The amendment extended the availability of the practical expedient for the accounting treatment of rent concessions granted to lessees as a direct consequence of the COVID-19 pandemic of paragraph 46A of IFRS 16 for one year. The 2021 amendment resulted in the practical expedient being applied to lease concessions for which any reduction in lease payments affects only payments originally payable on or before 30 June 2022, provided that the other conditions for applying the practical expedient are met. It is indicated that lessees who have applied the initial practical expedient should also apply the extended scope of the practical expedient proposed in this second amendment for leases with similar characteristics and circumstances. This proposal cannot be applied by lessees that have already established an accounting policy of not applying the practical expedient to eligible lease concessions with similar characteristics and circumstances. This amendment will be effective for annual periods beginning on or beyond 1 April 2021. Early adoption is allowed, including in financial statements not yet authorized for issue as of 31 March 2022. The application of this amendment shall be made retrospectively, with the cumulative effect of initial application recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. The disclosure in paragraph 28(f) of IAS 8 is not required.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 12 Income Taxes	Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	The amendment clarifies how companies should account for deferred taxes on transactions such as leases and decommissioning provisions. IAS 12 - Income Taxes specifies how an entity accounts for income taxes, including deferred taxes, which represent taxes payable or recoverable in future periods. Under given circumstances, entities are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning provisions, transactions for which entities initially recognize both an asset and a liability. The amendment clarifies that the exemption does not apply, and entities are required to recognize deferred taxes on leases and decommissioning provisions. This amendment will be effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is allowed, in which case this fact must be disclosed. An entity shall apply this amendment to transactions occurring on or after the beginning of the earliest comparative period presented. This amendment became effective for annual periods beginning on or after 1 April 2021.

The Company has not chosen for early application of these standards.

The Company will quantify the impact on the Separate Financial Statements in a timely manner, so that once these standards become effective, all the necessary activities for their implementation are being advanced.

3.2 Issued by the IASB not incorporated in Colombia

The following standards have been issued by the IASB, but have not yet been incorporated by Decree in Colombia:

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 17 Insurance Contracts	It seeks to unify the delivery of results from insurance sector entities around the world.	They combine features of a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information on these features, IFRS 17 Insurance Contracts: ▪ Combines current measurement of future cash flows with recognition of benefits over the period in which the services are provided under the contract.

Financial Reporting Standard	Subject of the amendment	Detail
		▪ Presents the results of the insurance service (including the presentation of insurance income) separately from the income or expense of the insurance finance; and ▪ Requires an entity to make an accounting policy choice to recognize all insurance finance income or expense through profit or loss, or to recognize part of that income or expense in other comprehensive income (OCI). In June 2020, the International Accounting Standards Board (IASB) issued the amendment to IFRS 17 Insurance Contracts which is intended to assist companies in the implementation of this standard and make it easier for them to explain their financial performance. The fundamental principles of the standard issued in May 2017 remain unaffected. The amendments, which respond to stakeholder comments, are designed to: a) reduce costs by simplifying some requirements of the standard, b) make financial performance easier to explain, and c) ease the transition as it defers the effective date to 2023 and provides additional relief by reducing the effort required for first-time application. As of the amendment issued in June 2020, IFRS 17 Insurance Contracts is effective as of 1 January 2023, allowing its early application, provided that IFRS 9 is also applied. If it were to be applied early, this fact must be disclosed. If applied early, this fact must be disclosed.
Initial Application of IFRS 17 and IFRS 9 Comparative Information	Adds a transition option relating to comparative information on financial assets, which is presented at the time of initial application of IFRS 17.	In December 2021, the International Accounting Standards Board (IASB) issued the amendment to IFRS 17 for the purpose of permitting an entity, when first applying IFRS 17 and IFRS 9 at the same time, to use the classification overlay for a financial asset to present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. When applying the classification overlay to a financial asset, an entity is not required to use the impairment requirements in Section 5.5. of IFRS 9.
Amendment to IFRS 16 Leases	Lease liabilities on a sale and leaseback.	The amendments require a seller-lessee to subsequently measure lease liabilities arising from a sale-leaseback transaction so that it does not recognize any amount of gain or loss that relates to the right-of-use it retains.
Amendments to IAS 1	Non-Current Liabilities with Covenants.	In October 2022, the International Accounting Standards Board (IASB, by its acronym in English) issued the amendments to IAS 1 for the purpose of improving the information an entity provides on liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to it meeting the conditions specified in the loan arrangement (liabilities with

Financial Reporting Standard	Subject of the amendment	Detail
		covenants; and responds to their concerns about the results of applying the amendments in Classification of Liabilities as Current or Non-Current issued in 2020. The IASB decided to amend the requirements of IAS 1 on: a. The classification of liabilities with covenants as current or non-current. The information to be disclosed on non-current liabilities with covenants.
Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures.	Supplier Finance Arrangements	In May 2023, the International Accounting Standards Board (IASB) issued Supplier financing arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments supplement the requirements already contained in IFRS and require disclosure: • Terms and conditions of the financing arrangements. • The amount of the liabilities that form part of the arrangements by breaking down the amounts for which the suppliers have already received payments from the financial suppliers, and indicating where the liabilities are on the balance sheet. • Payment due date ranges. • Liquidity risk and concentration risk information.
Amendments to IAS 12 Income taxes	International Tax Reform	In May 2023, the International Accounting Standards Board (IASB) issued the amendment International Tax Reform related to the Pillar 2 model rules established by the Organization for Economic Cooperation and Development (OECD), which aims to address the fiscal challenges arising from the digitization of the economy. The amendment introduces a temporary exception to the requirements for recognizing and disclosing deferred tax asset and liability information related to income taxes of the Pillar 2; and disclosure requirements specific to affected entities.
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Absence of Convertibility	In August 2023, the International Accounting Standards Board (IASB) issued the Absence of Convertibility amendment, which aims to ensure that entities apply a consistent approach when evaluating whether a currency is convertible into another currency and, where not possible, determining the exchange rate to be used, the accounting requirements to be applied and the information to be disclosed. The amendments apply to annual periods beginning on or after 1 January 2025. Early application is allowed. However, an entity shall not restate comparative information.

The Company will quantify the impact on the separated financial statements in a timely manner, so that once the Decree incorporating this standard into the Colombian Technical Regulations Framework is issued, all the necessary activities for its implementation are being advanced.

As at 31 December 2023 the Company has chosen not to adopt any standards or improvements to standards in advance.

NOTE 4: SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION

In applying the Company's accounting policies, which are described in Note 2 Basis of presentation and significant accounting policies, the management must make judgements and estimates that affect the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed regularly by the management. Revisions to accounting estimates are recognized in the period of revision, if the revision only affects that period, or in future periods if the revision affects both the current period and subsequent periods.

4.1 Significant judgements and estimates when applying accounting policies that do not present a significant risk of significantly affecting the subsequent period

In accordance with paragraph 122 of IAS 1 Presentation of Financial Statements, the following are the judgements and significant estimates made by the Management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognized in the Financial Statements. These judgements and estimates differ from the estimates referred to in paragraph 125 of the same IAS, since in the Management's opinion they are not identified as presenting a significant risk of causing significant adjustments in the subsequent accounting period.

4.1.1 Interests in other entities

The Company has equity investments in companies that under Colombian Financial Information Standards are classified as subsidiaries, associates, joint ventures and financial instruments, according to the degree of relationship with the investee: control, significant influence and the type of joint venture. The degree of relationship was determined in accordance with IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements.

The significant judgements and assumptions applied in making this classification are described below:

a. Subsidiaries - Entities over which the Company has control

In determining control, the Company assesses the existence of power over the entity, exposure, or entitlement, to variable returns from its involvement with the entity and the ability to use its power over the entity to influence the value of the returns. Judgement is applied in determining the relevant activities of each entity and the capacity to make decisions about these activities; for this, the purpose and design of the entity is assessed, the activities that most impact its performance are identified and how decisions about the relevant activities are made. The assessment of decision-making considers existing voting rights, potential voting rights, contractual arrangements between the entity and other parties, and the rights and ability to appoint and remove key management personnel, among other aspects. Judgement is also applied in identifying variable returns and exposure to them. Variable returns include, but are not limited to, dividends and other distributions of economic benefits from the entity, remuneration for managing the entity's assets or liabilities, fees and exposure to loss from providing credit or liquidity support.

The judgements and assumptions made to determine that the Company controls a company even when less than half the voting rights are retained are:

(a) Investment in P.A. Ganadería Rio Grande. Management has evaluated the degree of influence that the Company has over this entity and determined that it exercises control over the entity even though it maintains a percentage of ownership equal to 13.39%, given that the Company is exposed to the variable returns from this investment and has the capacity to influence them through the exercise of its power by making relevant decisions.

The judgements and assumptions made to determine that the Company does not control a company even though it holds more than half of the voting rights are:

(b) Consorcio de Mantenimiento Opain (in liquidation process) and PA Contingencias Consorcio Nuevo Dorado. Management has assessed the degree of influence that the Company has over these consortiums and determined that it does not exercise control over them even though it holds a percentage of more than 50%, given that the quorum for financial and administrative decisions requires the favorable vote of all the consortium members, giving rise to a relationship of joint control.

(c) Patrimonio Autónomo Hacienda Niquía. Management assessed the degree of influence that the Company has over this entity and determined that it does not exercise control over it even though it holds an interest of over 50%, since the Company does not have the current capacity to decide on the activities that most impact the entity's performance.

b. Associates - Entities over which the Company has significant influence

Judgment is applied in assessing significant influence. The Company is deemed to have significant influence over an associate when it has the power to intervene in the associate's financial and operating policy decisions. To this end, the Company considers the existence and effect of potential voting rights that may be exercised or converted at that time, including potential voting rights held by other companies, to assess whether it exercises significant influence over an investment. It should not consider those that cannot be exercised or converted until a future date, or until a future event has occurred.

c. Joint arrangements as a joint operation or a joint venture

Once the existence of a joint arrangement is determined by assessing the contractual arrangement in which two or more parties exercise joint control in an arrangement, the Company applies significant judgements and assumptions to determine whether the arrangement is a joint venture or a joint operation; That is, (i) if a joint operation exists despite having a separate vehicle, for example, if the Company is granted rights to the assets and obligations in respect of the liabilities relating to the arrangement and not rights to the net assets of the arrangement; or (ii) if a joint venture exists, through a contractual arrangement that is structured through a separate vehicle or not and grants rights to the net assets of the arrangement but not rights to the assets and obligations relating to the arrangement.

The Company should consider the following in recognizing a joint venture when it is formed through a separate vehicle: (i) the legal form of the separate vehicle; (ii) the terms of the contractual arrangement; and (iii) where appropriate, other factors and circumstances.

4.1.2 Functional currency

Management uses its judgment in determining its functional currency. The determination of the Parent Company's functional currency and each of its investments in subsidiaries, associates and joint ventures is determined by evaluating the principle and indicators set forth in IAS 21 The Effects of Changes in Foreign Exchange Rates.

4.1.3 Hedge accounting

Management applies its judgment to establish whether a hedging relationship meets the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting, as well as the assessment of hedge effectiveness and sources of ineffectiveness. The Company applies fair value and cash flow hedge accounting in its financial statements to hedge primarily foreign currency and interest rate risk. The decision to apply hedge accounting may have a significant impact on the Company's financial statements.

4.1.4 Determination of the term of the lease of contracts with renewal options

Under certain leases, there is the option to lease the assets for additional periods. The Company applies its judgement in assessing whether it is reasonably safe to exercise the renewal option, i.e., it considers all the relevant factors that create an economic incentive to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in the circumstances under its control that affect its ability to exercise (or not exercise) the renewal option. In addition, the Company enters leases contracts that are automatically renewed at the end of the original lease term for another term of the same duration, or on a month-to-month basis, without any action being taken by the Company or the lessor.

4.1.5 Distinction of investment property from inventories

The Company requires the application of professional judgment to determine whether a property meets the requirements to be classified as investment property or to be classified as inventory. Given the nature of the assets currently held by the Company, this classification may be difficult. Therefore, the Company has developed criteria to exercise such judgment in a manner consistent with the standard, such as:

- The separation of whether the property is held for income or capital appreciation or for sale in the ordinary course of operations.
- Land held for undetermined future use is held for capital appreciation and, therefore, is held as investment property.
- The commencement of a development with intent to sell it in the ordinary course of business is considered a change in use and therefore involves the transfer of investment property to inventory.
- When the Company decides to dispose of an investment property without carrying out a specific development, it maintains the asset in investment property until it is derecognized and does not treat it as an inventory item.

4.1.6 Current income tax

The Company recognizes current income tax amounts in the Financial Statements given the volume of transactions. The determination of current tax is based on Management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on Management's ability to integrate complex tax and accounting standards and to consider changes in applicable laws.

An uncertain tax treatment is a tax treatment for which there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law. For legal processes in force, provision is recognized only for processes qualified as probable, and not recognized for those qualified as remote or possible. The probability analysis is based on expert opinions and on the interpretation of the tax regulations in force in the applicable jurisdiction.

4.1.7 Pension plans and other defined post-employment benefits

The liability for pension plans and other post-employment benefits is estimated using the projected credit unit technique, which requires the use of financial and demographic assumptions, including, but not limited to, discount rates, inflation rates, expected salary increases, life expectancy and employee turnover rates. The estimate of the liability, as well as the determination of the values of the assumptions used in the valuation, is made by an independent external actuary, considering the market conditions existing at the measurement date.

Given the long-term horizon of these benefit plans, the estimates are subject to a degree of uncertainty. Any change in actuarial assumptions directly impacts the value of the pension obligation and other post-employment benefits.

4.1.8 Recognition of revenue and costs from construction activities

Since recognition of revenue and costs from construction activities that have not yet been invoiced is related to the execution of contracts, the estimate of the proportion that corresponds to the reporting period is assigned by evaluating the degree of progress of the construction projects through the cost method. These estimates do not normally vary significantly from subsequent actual measurements.

4.1.9 Estimation of useful life, method of amortization and residual values of property, plant and equipment and intangible assets

As described in Note 2 Basis of presentation and significant accounting policies, the Company reviews at least annually the estimated useful lives, the depreciation or amortization method, and residual values of property, plant and equipment and intangible assets. When there is evidence of changes in the conditions or expected use of an item of property, plant and equipment or intangible assets, involving a change in the pattern of consumption of the future economic benefits embodied in the asset, management makes an evaluation of the appropriateness of the depreciation or amortization method used and a new estimate of the useful life of the item. The definition of the depreciation or amortization method, and the estimate of useful lives of property, plant and equipment and intangible assets is determined based on the asset's historical performance, management's expectation of use of the asset and existing legal restrictions on use. The selection of the depreciation or amortization method and the estimation of useful lives requires the judgment of Management.

The accounting policy for property, plant and equipment and intangible assets the estimation pf useful life is indicated.

4.2 Key data on uncertainty in estimates that represent a significant risk of significantly affecting the following period

Following are the assumptions made about the future and other sources of uncertainty used in applying the accounting policies for the preparation of the financial statements for the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following accounting period:

4.2.1 Provisions, contingent assets and liabilities

Certain contingent conditions may exist at the date the financial statements are issued, which may result in a loss for the Company and, in the case of contingent assets, an income for the Company, but will only be resolved in the future when one or more events occur or may occur.

The Company considers that a past event has given rise to a present obligation if, considering all the evidence available at the reporting date, it is probable that a present obligation exists, independent of future events. A provision is recognized when it is more likely than not that an event will occur. Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control are not recognized in the statement of financial position but are disclosed as contingent liabilities; the occurrence of events that are estimated to be remote is not recorded or disclosed. Events giving rise to contingent assets is not recorded but disclosed (Note 21 Provisions and Note 39 Contingent assets and liabilities).

To determine the possibility of the occurrence of a present obligation, the professional judgment of internal and external specialist lawyers is involved. In estimating the provision, management considers assumptions such as, but not limited to, inflation rates, attorneys' fees, estimated duration of the lawsuit, statistical information of processes with similar characteristics, among others.

4.2.2 Impairment of assets, investments in associates and joint ventures, and property, plant and equipment.

The Company assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions present significant changes, whether there is any indication of impairment of assets. If such an indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit.

For assessing the appropriateness of performing the full impairment test, the Company will perform a review of the critical business variables that affect the fair value of the assets in each market. The indicator matrix is defined for each geography or market in which the business is conducted and is reviewed periodically with the different areas to ensure its validity. The general indicators are:

- Observable evidence that the value of the assets has decreased over the period significantly more than would be expected because of the passing of time or normal use.
- Changes in the legal, social, ecologic or market environment that may reduce the value of the asset.
- Changes in prices that affect future income.
- Changes in their capacity to generate income.
- Changes in its total cost.

The purpose of the impairment test is to determine the recoverable amount, which is the higher of fair value less disposal costs and value in use, as mentioned in Note 2 paragraph 2.4.5 Impairment of tangible and intangible assets.

In the case of associates and joint ventures, the events that allow establishing whether there is objective evidence that these investments may be impaired can be seen in note 2.4.8 Investments in associates and joint arrangements.

If there is objective evidence of impairment due to the occurrence of one or more events, an impairment loss on associates and joint ventures will have occurred if the event (or events) causing the loss has an impact on the estimated future cash flows of the investment (Note 11.6 Impairment analysis investments in associates and joint ventures).

4.2.3 Fair value of investment property

To determine the fair value, the Company opted to hire independent experts with recognized professional capacity and experience in the valuation of real estate.

For the valuation process, these experts select one of three approaches: market approach, cost approach, or income approach (Note 10 Investment Property).

4.2.4 Deferred income tax

The Company recognizes deferred income tax amounts in the Financial Statements given the volume of transactions. The determination of deferred tax is based on management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on management's ability to integrate complex tax and accounting standards, to consider changes in applicable laws, and to evaluate, for purposes of recognition of the deferred tax asset, the existence of sufficient taxable income to realize it.

Exception from IAS 12 Income Tax, on investments: The Company applies its judgment not to recognize in its separate financial statements deferred tax liabilities on investments in subsidiaries, considering that it is able to control the timing of the reversal of temporary differences and it is probable that these will not reverse in the foreseeable future, in line with the exception allowed by IAS 12 Income tax on this type of investments.

Note 10 Current and deferred income tax describes more details on deferred tax, as well as the effect of the application of Decree 2617 of 2022 and the alternative of recognizing within equity in retained earnings of prior years, the value of the deferred tax derived from the change in the income tax rate and occasional gains tax.

4.2.5 Fair value of financial instruments

The Company uses assumptions that reflect the most reliable fair value of financial instruments including finance derivatives, which do not have an active market or have no observable market price, using valuation techniques widely known in the market.

Fair value measurements are performed using a fair value hierarchy that reflects the significance of the inputs used in the measurement (Note 2.3 Basis of preparation) for Level 2 and Level 3 inputs Management must apply judgment to select the appropriate valuation method for the asset or liability being measured and maximizes the use of observable inputs.

The assumptions are consistent with market conditions at the measurement date and the information that market participants would consider in estimating the price of the instrument. Management considers that the valuation models selected, and the assumptions used are appropriate in determining the fair value of financial instruments. Notwithstanding the foregoing, the limitations of the valuation models and the parameters required by these models may result in the estimated fair value of an asset or liability not exactly matching the price at which the asset or liability could be delivered or settled at the measurement date. Additionally, changes in internal assumptions and rates used in the valuation may significantly affect the fair value of finance derivatives. The periodicity of the valuation of these instruments is monthly. (Note 7.5 Fair value).

NOTE 5: CHANGE IN POLICIES AND RECLASSIFICATIONS OF ITEMS IN THE FINANCIAL STATEMENTS

5.1 Change in policies

During 2023, the Company made no changes to its accounting policies.

5.2 Reclassification of Items in the Financial Statements

During 2023, the Company did not reclassify its comparative figures.

NOTE 6: CASH AND CASH EQUIVALENTS

The total balance of this item at the end of the reporting period, as shown in the Separated Statement of Cash Flows, can be reconciled to the related items in the Separated Statement of Financial Position as follows:

Breakdown of cash	2023	2022
Cash and banks (1)	25,057	62,991
Cash equivalents (2)	385,809	9,328
Total cash and cash equivalents	**410,866**	**72,319**

(1) During 2023, dividends of $987,147 (2022 $802,790) were received, of which $303,977 was received from the subsidiary Odinsa S.A., Sator S.A.S. $39,863, Cementos Argos S.A. $276,006, Celsia S.A. $163,961 and others for $203,340, and financing instruments were acquired for $767,065, cash inflows were presented for redemption of financial assets of $230,000 (2022 $144,247), sold shares of Opain S.A. for $274,554, and interest for $107,466 (2022 $39,636).

Payments of other financing instruments were made for ($538,649) (2022 ($43,756)), payments for acquisition of financial assets for ($534,510) (2022 ($364,571)), dividends for ($482,159) (2022 ($325,484)), constitution of *Time Deposit* for ($388,572), interest for ($221,338) (2022 ($152,177)), tax payment for ($113,337), Repurchase of shares for ($63,007), purchase of investment interests for ($54,137) and bonds for $0 (2022 ($95,107)) and other payments related to the normal operation of the business.

(2) The following are the cash equivalents held by the Company at the end of the reporting period:

Breakdown of cash equivalents	2023	2022
Fixed-term deposits (*)	373,185	8,185
Trusts and collective investment funds (**)	12,624	1,143
Total cash equivalents	**385,809**	**9,328**

(*) Includes operations of *Time Deposit* $97,365,000 equivalent to $373,185 (2022 $8,185)

(**) Current BTG Pactual liquidity income $11,403 (2022 $10), Valores Bancolombia for $1,004 (2022 $1,062), Corredores Davivienda $209 (2022 $55) and other Trusts and investment funds $8 ($2022 $16).

The Company adjusted its minimum cash and debt amortization policies with excess liquidity, due to changes in market conditions that allowed the use of excess liquidity in investments to be allocated, reducing the cost of debt. (Note 7.3.5 Liquidity risk management).

Cash equivalents correspond to resources available to the Company managed through liquidity funds easily convertible into a determined amount of cash and subject to a minimum risk of value change, with a maturity of three months or less from the date of acquisition, which the Company manages at its discretion, in accordance with its treasury policies.

Significant non-cash transactions

During 2023, the following significant non-cash transactions took place:

- Grupo Argos S.A. recognized the investment in the company Sociedad Portafolio S.A., which corresponds to the spin-off of Grupo Nutresa S.A. registered by Public Deed No. 3838 of 14 December 2023, for $280,926 (Note 17 Non-current Assets held for sale and Note 41 Relevant Events).
- The Company gave as payment in kind the land called San Antonio Santana Isla Barú to the company Barú Partners and Community Entrepreneur S.A.S. for $3,625 (Note 14 Investment property and Note 21 Provisions).

During 2022, the following non-cash transactions took place, which are mainly represented in:

- Contribution in kind of the usufruct of 45,001,357 shares of Grupo de Inversiones Suramericana S.A. with Sator S.A.S. (see Note 16 Investments in subsidiaries).
- Capitalization of the loan for the investment in a subsidiary of the company Summa - Servicios Corporativos Integrales S.A.S. $1,490 (see Note 16 Investments in subsidiaries).
- Collection in shares of the dividends declared by the Fondo Regional de Garantías del Caribe Colombiano S.A. for $37 corresponding to 3,717 shares (see Note 11 Other financial assets).
- Dation in payment of receivables from Promotora de Proyectos S.A. (in liquidation) with 1,643.64 units in the Fondo de Capital Privado Progresa Capital for $10 (see Note 11 Other financial assets and Note 15 Investments in Associates).
- Contribution in kind to P.A. Fideicomiso Hotel Calablanca Barú for $96 (Note 15 Investments in Associates).

At 31 December 2023 and 2022, the Company has no current or non-current restricted cash or cash equivalents

NOTE 7: FINANCIAL INSTRUMENTS

7.1 Capital risk management

The Company's capital structure is based on net financial debt consisting of short- and long-term financial liabilities, bonds, and equity, consisting of issued shares, both preferential and ordinary, reserves, retained earnings and other components of equity, as disclosed in Note 18 Financial obligations, Note 23 Bonds and compound financial instruments, Note 27 Reserves and other comprehensive income, and Note 28 other components of equity.

The Company manages its capital to ensure the ability to continue as going concern. Similarly, it strategically designs an efficient and flexible capital structure, consistent with growth, investment, and credit rating plans. To this end, indicators of leverage, hedging, solvency and profitability have been established. Said structure is reviewed periodically or whenever there are relevant changes in the strategy.

In the same way, the company manages capital risk through the rotation of portfolio assets and the management of healthy debt levels (measured mainly in terms of gross debt / dividends and net debt / portfolio value) that allow it to develop its strategy and seek to maximize the generation of shareholder value.

The Company is not subject to external capital requirements, which is why all leverage decisions and target capital levels are made with the premise of generating value for shareholders, while pursuing the best credit rating. Also, debt term and composition are consistent with the capital cycles of each investment.

7.2 Categories of financial instruments

	2023	2022
Cash and cash equivalents (Note 6)	410,866	72,319
Financial assets measured at fair value through profit or loss (Note 11)	570,157	229,827
Financial assets measured at fair value through other comprehensive income (OCI) (Note 11)	292,325	2,029,396
Financial assets measured at amortized cost (Note 8)	455,336	362,232
Derivatives in hedging relationships	9,936	3,521
Total financial assets	**1,738,620**	**2,697,295**
Financial assets classified as non-current assets held for sale (Note 17)	2,035,970	-
Total financial assets including non-current assets held for sale	**3,774,590**	**2,697,295**
Finance liabilities		
Derivatives in hedging relationships	1,805	-
Finance liabilities measured at amortized cost (Notes 18, 22, and 23)	1,792,838	1,554,863
Total Finance liabilities	**1,794,643**	**1,554,863**

7.2.1 Finance liabilities measured at amortized cost

	2023	2022
Bonds and commercial paper in circulation (Note 23)	995,563	995,112
Financial liabilities (Note 18)	647,655	401,217
Trade and other payables (Note 22)	139,079	148,922
Preferential shares classified as compound financial instruments (Note 23)	10,541	9,612
Total financial liabilities	**1,792,838**	**1,554,863**

At the closing of 2023 and 2022, finance liabilities of the Company correspond to short- and long-term loans, ordinary bonds, suppliers, and payables.

7.2.2 Reclassification of financial assets

During 2023 and 2022, the Company did not make changes in the business model for managing and administering financial assets were made, and therefore no financial assets have been reclassified from the fair value category to amortized cost, or vice versa.

7.2.3 Offsetting of financial assets and liabilities

During 2023 and 2022 the Company, for presentation purposes, did not offset finance assets and liabilities and has no relevant offsetting agreements.

7.3 Financial risk management objectives

The Company's financial policies are defined by the Treasury Committee and managed and seek to ensure a sound financial structure and to maintain the exposure to market risk, liquidity, and credit at tolerable levels, depending on the nature of the operations and in accordance with the policies, exposure limits and attribution defined. The Company is exposed to exchange rate, interest rate, credit, and liquidity risks. The risk is mitigated towards tolerable exposure levels using natural hedging or finance derivatives, to the extent that the market permits. It is not a policy of the Company to use finance derivatives for speculative purposes.

Special operations such as acquisitions and issuance of shares or bonds may temporarily exceed the limit established by management, a situation that is controlled through permanent monitoring of volatility and the execution of investment plans associated with the specific transaction performed.

7.3.1 Market risk

Among the financial risks are market risks. These risks are derived from fluctuations in macroeconomic and microeconomic variables that can generate changes in the value of assets and liabilities, affecting profit and therefore on profitability for shareholders.

Investments in subsidiaries, associates and joint ventures, as well as other financial assets recognized in the Company's financial statements, are exposed to market risk. Investments in subsidiaries, associates and joint ventures are considered as permanent investments, since they are not held for trading purposes, and their accounting recognition is made in accordance with the Company's accounting policies (Note 15 Investments in associates and joint ventures and Note 16 Investments in subsidiaries).

The Company's other financial assets are mainly composed of investments in equity instruments, time deposits, and other securities, some of which are listed on the Colombian Stock Exchange and the New York Stock Exchange and are measured at fair value through profit or loss or other comprehensive income depending on the specific characteristics of each instrument; however, they are not held for trading purposes (Note 11 Other financial assets).

Likewise, the Company has financial obligations, bonds, and compound financial instruments with exposure to market risk, mainly for those instruments whose interest rate is indexed to variable indicators (Note 18 Financial obligations and Note 23 Bonds and compound financial instruments).

The Company is exposed in the management of its financial instruments to risk factors such as exchange rates, interest rates, and price levels, such as stock market price and others. These risks are managed considering the guidelines established in the Company's policies and the exposures to market risks are measured using different quantitative models, such as Value at Risk (VaR), scenario simulation, and sensitivity analysis.

The fair values of these instruments are included in note 7.5 Fair values and 7.6 Description of significant inputs for valuation. The fair values of subsidiaries, associates and joint ventures of those companies whose securities are traded on a stock exchange are disclosed in their respective notes. Additionally, the contractual terms and estimated maturity dates of those instruments for which applicable are disclosed in the specified notes.

The following sections disclose the degree of exposure to different market risk factors to which the Company is exposed (stock price, exchange rate and interest rate).

Sensitivity analysis of financial assets

A 1% variation in the share price of Sociedad Portafolio S.A., the amount of which constitutes the main component of financial assets measured at fair value (Note 11 Other financial assets), would generate variations in other comprehensive income (OCI) of approximately $2,792 (2022 $0). By 2022, there was no investment in this company.

A 1% variation in the share price of Grupo Nutresa S.A., financial asset measured at fair value and classified by the company as Non-current Asset held for sale (Note 17 Non-current assets held for sale and Note 41 Relevant Events), would generate variations in the other comprehensive income (OCI) of approximately $20,360 (2022 $20,133).

7.3.2 Foreign exchange risk management

The Company is exposed to exchange rate risk because of the operations of its subsidiaries with a functional currency other than the Colombian peso, and for transactions carried out in currencies other than its functional currency, fluctuations in exchange rates have a direct impact on cash and on the financial statements. The Company monitors foreign exchange rate risk by analyzing balance and cash flow exposure.

The Company's general policy is to limit the effects of exposure to foreign exchange risk. When the Company makes investment, financing and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument. The following options are available for this purpose:

1. Natural hedges, consisting of taking two positions that are reflected in the assets and liabilities in the statement of financial position, such as a dollar investment and a dollar liability.
2. Financial hedges, realized with derivative instruments such as forwards, futures, options, swaps, among others.

Cash flow exposure is monitored by analyzing the offsetting of income and expenses in foreign currency, seeking to generate equivalent income and expenses during the period to minimize purchases or sales of dollars in the spot market.

The Company's exposure to changes in the exchange rate against the U.S. dollar, based on the nominal amounts of monetary assets and liabilities after incorporating hedges made with derivative financial instruments, is presented below:

Exposure to U.S. dollar and other currencies (In thousands of dollars)	**2023**	**2022**
Monetary assets	138,008	55
Monetary liabilities	(81)	(28)
Net exposure	**137,927**	**27**

Exposure to U.S. dollar and other currencies (In millions of Colombian pesos)	**2023**	**2022**
Monetary assets	527,473	264
Monetary liabilities	(308)	(133)
Net exposure	**527,165**	**131**

7.3.2.1 Foreign currency sensitivity analysis

The Company's general policy is to limit the effects of exposure to foreign exchange risk. When the Company makes investment, financing and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument.

The Company performs sensitivity analysis in order to quantify the impact of exchange rates on its financial statements. In general terms, it benefits from exchange rate differences from the translation of foreign operations by application of the equity method with increases in exchange rates, which is largely explained by the weight of the investments in Cementos Argos S.A., Celsia S.A., Odinsa S.A. and the exposure that these companies have to the markets of the United States, the Caribbean and Ecuador. The hedging structures of the Company allow it to maintain a balanced net position in the statement of income and of financial position.

At the profit or loss level, the Company is mainly exposed to the U.S. dollar currency due to its items in that currency. The following table details the Group's sensitivity to a 20% increase or decrease in the Colombian peso against the relevant foreign currencies after considering the effect of hedge accounting when applicable. 20% represents the sensitivity percentage used when reporting foreign exchange risk internally to key management personnel and represents management's assessment on the reasonable possible change in exchange rates. The sensitivity analysis includes only the outstanding monetary items denominated in foreign currencies and adjusts their translation at the end of the period for a 20% change in exchange rates. A positive figure below indicates an increase in results where the Colombian peso weakens by 20% against the relevant currency. If there were to be a 20% strengthening in the functional currency against the reference currency, then there would be an opposite impact on profit or loss.

The sensitivity analysis to currency translation risk shows that a 20% devaluation of the Colombian peso against the U.S. dollar would have the following impact on income before taxes:

	In millions of Colombian pesos	
	2023	2022
Impact on profit before taxes	(105,433)	26

A 20% strengthening of the Colombian peso against the U.S. dollar would have produced the opposite effect. For the analysis it is assumed that all other variables are constant.

7.3.2.2 Foreign currency derivative contracts

Finance derivatives are recognized in the statement of financial position at their fair values, considering the market curves in force at the valuation date. Accounting for changes in the fair value of derivatives depends on the use of the derivative and its designation as an accounting hedge instrument.

Derivative instruments contracted by the Company to hedge foreign exchange risk are generally designated as cash flow hedge instruments.

At the closing of 2023 and 2022, the Company has no outstanding foreign exchange derivative instruments.

Type of instrument	Hedged item	Underlying rate	Notional value of the underlying - Amount of the derivative instrument 2023	2022	Rate of the derivative instrument	Expiration of the derivative instrument	Fair value of the asset (liability) derivative instrument 2023	2022
Sales forward	Receivable	N/A	USD 30,143,771	-	4,421.31	27/12/2024	9,338	-
Total derivative instruments hedging foreign currency, net							**9,338**	

* Figures stated in millions of Colombian pesos or US dollars.

The breakdown of notional principal amounts and remaining terms of the forward exchange rate contract outstanding at the end of the reporting period is shown in the table below:

	Notional value of the hedged item in Colombian pesos		Fair value of the asset (liability) derivative instrument	
	2023	**2022**	**2023**	**2022**
Fair value hedge				
1 year or less	115,211	-	9,338	-
Foreign currency derivative contracts	115,211	**-**	**9,338**	**-**

7.3.3 Interest rate risk management and inflation indexes

The Company is exposed to interest rate risks because of the disbursement of borrowings at rates that can be variable. This risk is managed based on market readings of the macroeconomic environment and of the counterparties, monitoring risk premiums, investment returns and the cost of debt, in real terms.

Benchmark interest rates in the Colombian financial market that generate exposure to the Company are the CPI and IBR, and the international reference rate SOFR for loans in U.S. dollars, when the company accesses them.

This monitoring is done through the Treasury Committee, considering the cash flow projections in the short and medium term, to establish the efficient index and term compositions. For support, quantitative models are used that allow analyzing the duration, using interest rate curves. Another efficient mechanism for the management of this risk is the interest rate derivatives.

The Company believes that most of its debt should be indexed to indicators such as CPI and Banking Benchmark Indicator, due to the structure of income, costs and expenses. At the closing of 2023, it had financial obligations and bonds payable at face value of $1.61 trillion pesos (2022 $1.38 trillion pesos), with an average life of 4.0 years (2022 5.0 years) and a net cost of debt of 9.4% EAR (2022 12.0% EAR).

The following sensitivity analyses have been determined based on the exposure to interest rates and inflation indexes for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, an analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period has been the liability outstanding for the entire year.

Based on the exposure of the Company's debt to market rates, an increase of 100 PBS (basic points) in the CPI would affect financial expenditure by $9,264 (2022 $9,023); an increase of the same magnitude in the Banking Benchmark Indicator, would increase it by $6,454 (2022 $4,054). These risks have been partially hedged by derivative financial instruments or temporary investments that function as natural hedges. Mitigating the net impact of a 100 PBS increase in CPI or Banking Benchmark Indicator at the closing of 2023 by $6,591 and $5,007 respectively.

7.3.3.1 Contracts arising from interest rates and inflation indexes

Derivative instruments entered by the Company to cover interest rate risk are designated as cash flow hedging instruments. The Company does not hold any derivative instruments to cover this risk that have not been designated as hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 27 Reserves and other comprehensive income (OCI).

The breakdown of outstanding derivative instrument hedging interest rates as at 31 December 2023 and 2022:

			Notional value of the underlying - Amount of the derivative instrument				Fair value of the asset (liability) derivative instrument	
Type of instrument	**Hedged item**	**Underlying rate**	**2023**	**2022**	**Rate of the derivative instrument**	**Expiration of the derivative instrument**	**2023**	**2022**
CPI Swap	Ordinary Bonds	CPI+4.24%	50,000	-	CPI:6.84%	10/12/2024 10/06/2026	229 (935)	- -
CPI Swap	Ordinary Bonds	CPI+4.24%	50,000	-	CPI:6.74%	10/12/2024 10/06/2026	276 (870)	-
Asset Swap	CD	IBR+ 6.6%	5,000	-	IBR:18.38%	18/01/2024	(1)	-
Asset Swap	CD	IBR+ 6.6%	10,000	-	IBR:18.05%	18/07/2024	3	-
Asset Swap	CD	CPI+ 7.3%	35,000	-	CPI:18.90%	24/01/2024	90	-
CPI Swap	Ordinary Bonds	CPI+3.95%	-	85,000	CPI:5.49%	10/06/2023	-	2,344
CPI Swap	Ordinary Bonds	CPI+4.24%	-	100,000	CPI:8.55%	10/12/2023	-	1,177
Total derivative instruments hedging interest rate, net							**(1,208)**	**3,521**

* Figures stated in millions of Colombian pesos or US dollars.

The breakdown of notional principal amounts and remaining terms of the interest rate swap contracts outstanding at the end of the reporting period is shown in the table below:

	Notional value of the hedged item in millions of Colombian pesos		Fair value of the asset (liability) derivative instrument	
Cash flow hedges	**2023**	**2022**	**2023**	**2022**
1 year or less	50,000	185,000	597	3,521
1 to 5 years	100,000	-	(1,805)	-
Total Cash flow hedges	**150,000**	**185,000**	**(1,208)**	**3,521**

7.3.4 Credit risk management

Credit risk is defined as the potential failure to meet contractual obligations arising from the Company's business activities. The Company's cash inflows come from four main sources:

- Dividends from subsidiaries and associates.
- Lot sales.
- Portfolio activities.
- Financial returns.

Of the sources of income for the Company, there are no credit risks on resources coming from divestments, financial returns, and dividends, due to the nature of these flows. In the case of real estate sales, this risk is managed through the following mechanisms:

- Analysis of counterparties and their technical, financial, and administrative qualities, using qualitative and quantitative criteria.
- Disposal policies that require advance payment of a percentage of the value of the property.
- Definition of maximum client concentration thresholds in relation to the total portfolio.
- Contractual clauses and required collaterals.

The Company periodically performs impairment analysis of its financial assets, including an analysis of expected losses in the portfolio. Details of trade current and other receivables are shown in Note 8 trade and other receivables, net. As of 31 December 2022 and 2021, these balances constitute the maximum credit risk exposure.

7.3.5 Liquidity risk management

Liquidity risk is generated when there is no close relationship between the capital structure and the return on investments. This risk is managed based on financial planning and cash management exercises, with permanent monitoring of the cash flow of the Company and working capital needs. Likewise, through the design and monitoring of the capital structure, the Company efficiently plans sources and uses, guaranteeing financial flexibility, risk management and return.

To minimize liquidity risk in the maturities of principal and renewals of financial obligations, the Company monitors the concentration of debt maturities periodically, what allows to manage maturities in advance. In addition, it has a broad portfolio of liquidity providers in different currencies, types of indexes and maturities, including domestic banks, international banks, commercial finance companies, stockbrokers, as well as issuance of bonds and commercial papers in the capital market as a recurring issuer. In addition, the Company has uncommitted credit quotas with domestic and international banks in an amount sufficient to meet any eventuality.

The balance between the distribution of debt by term is another clear objective of the Management, with the goal of not concentrating more than 30% of maturities of financial liabilities in the short term. The duration in years of finance liabilities is monitored every month, and the goal is to maintain the average life level of debt consistent with the return-on-investment cycle of each of the subsidiaries. These debt duration objectives may be affected at specific times by acquisitions, divestitures, or other movements, involving the taking of short-term loans while adjusting the capital structure to the set goals.

In the scenario of uncertainty due to inflationary risks and the consequent increase in debt indexation rates, the Company adjusted its minimum cash and debt amortization policies with liquidity surpluses to seek investment alternatives in AAA-rated fixed rate securities, which serve as a natural hedge against increases in the cost of debt while reducing the need to take new debt in a market with reduced liquidity.

7.3.5.1 Maturity of non-derivative finance liabilities

The maturity profile of the Company's non-derivative finance liabilities previously agreed upon is detailed below. The tables have been designed based on the undiscounted cash flows of the financial liabilities, considering the date on which payments must be made. Additionally, they include both interest and principal cash flows. To the extent that interest is floating rate, the undiscounted amount is derived from the last known interest rate at the end of the reporting period. The contractual maturity is based on the minimum date on which payment must be made:

31 December 2023 and 2022	Weighted average interest rate	3 months to 1 year	1 to 5 years	5 years and more	Total	Book value
Non-interest-bearing		139,079	-	-	139,079	139,079
Variable interest rate instruments	9.4%	358,962	1,470,039	726,003	2,555,004	1,643,218
Other Liabilities		843	3,373	6,325	10,541	10,541
Total 31 December 2023		**498,884**	**1,473,412**	**732,328**	**2,704,624**	**1,792,838**
31 December 2022						
Non-interest-bearing		148,922	97	-	149,019	149,019
Variable interest rate instruments	15.9%	206,071	1,403,673	843,457	2,453,201	1,396,232
Other Liabilities		847	3,389	5,376	9,612	9,612
Total 31 December 2022		**355,840**	**1,407,159**	**848,833**	**2,611,832**	**1,554,863**

7.3.5.2 Maturity of derivative financial assets and liabilities

At the closing of 2023 the Company has no derivative financial assets and liabilities. The detail of the maturity profile of the Company's derivative financial assets and liabilities as of 2023 is as follows:

	1 year or less	1 to 5 years	5 years or more	Total	Book value
31 December 2023					
Forward	9,338	-	-	9,338	9,338
Swaps (net)	597	(1,805)	-	(1,208)	(1,208)
Total (net)	**9,935**	**(1,805)**	**-**	**8,130**	**8,130**

	1 year or less	1 to 5 years	5 years or more	Total	Book value
31 December 2022					
Swaps (net)	3,521	-	-	3,521	3,521
Total (net)	**3,521**	**-**	**-**	**3,521**	**3,521**

7.4 Collaterals

Following is the breakdown of Collateral guarantees for financial assets and liabilities provided by the Company:

Subsidiary	Type of collateral	Description, Concept and Significant Changes of Collateral	Counterparty	Term	Currency	Amount in USD	Pledged amount 2023	Pledged amount 2022
Grupo Argos S.A.	Equity instruments	Correspond to 36,110,000 shares of the issuer Grupo de Inversiones Suramericana S.A. (2022 - 29,963,360 shares). Of the pledged shares, 28,110,000 guarantee Bancolombia credit of $392,200 and 8,000,000 guarantee the credit with Sumitomo Mitsui Bank Corporation of $232,453, granted in February 2023.	Bancolombia/Sumitomo Mitsui Bank Corporation	28-Apr-2026/29-Jan-2027	COP	Not applicable	1,047,190	1,258,461

7.5 Fair value

The following is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments:

	Book value	Fair value	Book value	Fair value
	2023		2022	
Financial assets				
Measured at fair value through OCI				
Equity Investments (a) (1)	2,328,295	2,328,295	2,029,396	2,029,396
Swap derivative financial instruments (5)	505	505	3,521	3,521
Measured at fair value through profit and loss				
Other investments (b) (1)	570,157	570,157	229,827	229,827
Forward and swap derivative financial instruments (5)	9,431	9,431	-	-
Measured at amortized cost				
Cash and cash equivalents	410,866	410,866	72,319	72,319
Trade and other receivables (c) (2) and (3)	455,336	463,095	362,232	362,352
Total financial assets	**3,774,590**	**3,782,349**	**2,697,295**	**2,697,415**
Financial liabilities Measured at fair value through OCI				
Swap derivative financial instruments (5)	1,804	1,804	-	-
Measured at fair value through profit and loss				
Swap derivative financial instruments (5)	1	1	-	-
Measured at amortized cost				
Financial liabilities (2)	647,655	685,347	401,217	372,860
Bonds and securities in circulation (4)	995,563	1,010,224	995,112	925.324
Preferential shares classified as debt (2)	10,541	8,852	9,612	9,612
Trade and other payables (d) (3)	139,079	139,079	148,922	148,922
Total Finance liabilities	**1,794,643**	**1,845,307**	**1,554,863**	**1,456,718**

(a) The variation in equity investments is mainly due to the reclassification from Non-current Assets held for sale to equity investments of the investment in Sociedad Portafolio S.A. for $280,926 (2022 $0), derived from the spin-off of Grupo

Nutresa S.A. recorded by Public Deed No. 3838 of 14 December 2023 and the company's valuation between 15 and 31 December 2023 ($1,720) (2022 $0) (Note 11 Other financial assets, Note 17 Non-current assets held for sale and Note 41 Relevant Events).

Additionally, adjustments for valuation of the shares of Grupo Nutresa S.A. for $22,621 (2022 $717,566), Corporate Venture for ($2,996) (2022 ($1,066)), Fondo de Capital Privado Progresa $120 (2022 $9), 17,468.12 units of the Fondo de Capital Privado Progresa for ($52) were reinstated.

The carrying amount and fair value of equity investments measured at fair value through OCI, includes the amount of $2,035,970 (2022 $0), corresponding to the shares of Grupo Nutresa S.A. classified by the Company as non-current asset held for sale (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

(b) Includes purchase of CD fixed income securities for face value of $445,000 (2022 $180,000), per indexation: $115,000 (2022 $0) at an average fixed rate of 17.42% and maturity between 2024 and 2027 $188,000 (2022 $10,000) indexed to CPI, with an average spread of 7.16% and maturity between 2026 and 2027 $142,000 (2022 $170,000) Banking Benchmark Indicator, with an average spread of 6.25% and maturity in 2027. Additionally, there is a *Time Deposit* USD 10,000,000 par value of $39,509 due in March 2024 and an investment in a Captive Cell through Sura SAC LTD for $45,133. (2022 $45,133).

(c) The increase in receivables at the closing of December 2023 corresponds mainly to a higher balance of dividends decreed by subsidiaries, associates, joint ventures and other interests of $22,547 (2022 $62,818) compared to the previous year.

(d) Balance includes $131,120 (2022 $115,053) for dividends payable.

In section 7.6, numerals (1), (2), (3), (4) and (5) refer to the significant inputs for valuation for each of the instruments described above.

7.6 Description of significant inputs for valuation

Significant inputs used in fair value measurements at 31 December 2023 are as follows:

	Hierarchy Level	Valuation technique	Technical description of valuation	Significant variables
Financial assets				
Measured at fair value through OCI				
Equity investments	1 and 2	Market prices	(1)	Share price and market approach
Derivative financial instruments	2	Fair value	(5)	Swap: Projected CPI and OIS curves
Measured at fair value through profit and loss				
Other financial assets	1 and 2	Prices and market rates	(1)	Market value and Unit Value.
Derivative financial instruments	2	Fair value	(5)	Forward exchange rate COP/USD: COP/USD rate, forward points, USD and COP interest rate. Asset swap: Market Value
Measured at amortized cost				
Trade and other receivables	2	Discounted cash flows	(2) and (3)	The discount rate used corresponds to the effective rate agreed and indexed with the CPI or average debt rate of the Company in the absence of the agreed rate.
Finance liabilities				
Measured at fair value through OCI				

	Hierarchy Level	Valuation technique	Technical description of valuation	Significant variables
Derivative financial instruments	2	Fair value	(5)	Swap: Projected CPI and OIS curves
Measured at fair value through profit and loss				
Derivative financial instruments	2	Fair value	(5)	Asset swap: Market Value
Measured at amortized cost				
Financial liabilities	2	Discounted cash flows	(2)	The discount rate used corresponds to the market rate for loans under similar conditions.
Outstanding Bonds	2	Discounted cash flows	(4)	Discount rate associated with the zero-coupon curve.
Preferential shares classified as debt	2	Discounted cash flows	(2)	The discount rate used corresponds to the Company's average debt rate.
Trade and other payables	2	Discounted cash flows	(3)	The discount rate used corresponds to the effective rate agreed and indexed to the CPI.

The following are the valuation techniques used to measure the Company's financial assets and liabilities at fair value for disclosure purposes:

1) Fair value of these investments is derived from: (a) Quoted market prices: the fair values of these investments are determined by reference to listed quoted prices in active markets (Colombia Stock Exchange) and market approach, for the financial instrument in question; and (b) resources provided by the Company to Sura SAC LTD. for risk management.

2) Market discount rate: future cash flows are discounted to present value at the market rate for loans with similar conditions on the measurement date according to the days of maturity or in its absence at the Company's average debt rate.

3) The Company assessed that the fair values of receivables, dividends receivable and payable, suppliers, payables and other current liabilities approximate their carrying values due largely to the short-term maturities of these instruments. Future cash flows of receivables or payables maturing in more than 12 months are discounted to present value at the market rate for loans in similar conditions at the measurement date, according to the days of maturity.

4) The fair value is calculated by discounting the future cash flows with the zero-coupon curve of the ordinary bonds issued by the Company.

5) The measurement method of the swap financial instrument uses the derivative financial instrument's own cash flows, which are then discounted to their present value. The right is projected using the CPI curve and the obligation is calculated according to the agreed rate and the payment periods during the life of the instrument. Since both flows correspond to future values, they are discounted to present value using the rates of the OIS COP curve (Overnight Index Swap, on the Banking Benchmark Indicator Overnight rate negotiated in the OTC market). The difference between the inflow of the right and the outflow of the obligation represents the net value of the derivative at the evaluated cut-off.

7.7 Reconciliation between changes in assets and liabilities and cash flows arising from financing activities

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Equity	Cash flow from financing activities for finance liabilities
Balance at the beginning of the period 1 January 2023	**401,217**	**1,004,724**	**7,323**	**115,053**	**33,869**	**(3,521)**	**-**	**1,558,665**
Repurchase of ordinary shares	-	-	-	-	-	-	(56,523)	(56,523)
Repurchase of preferential shares	-	-	-	-	-	-	(6,484)	(6,484)
Increase in other financing instruments	767,065	-	-	-	-	-	-	767,065
Decrease in other financing instruments	(538,649)	-	-	-	-	-	-	(538,649)
Payment of lease liabilities	-	-	(1,845)	-	-	-	-	(1,845)
Purchase of shares in subsidiaries that do not give control	-	-	-	-	(54,137)	-	-	(54,137)
Dividends paid on ordinary shares	-	-	-	(365,620)	-	-	-	(365,620)
Dividends paid on preferential shares	-	-	-	(116,539)	-	-	-	(116,539)
Interest paid	(69,396)	(149,998)	(989)	-	(955)	-	-	(221,338)
Other cash outflows	-	-	-	-	(180)	-	-	(180)
Total changes by cash flows from financing activities	**159,020**	**(149,998)**	**(2,834)**	**(482,159)**	**(55,272)**	**-**	**(63,007)**	**(594,250)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	(495)	-	-	-	(329)	-	-	(824)
New leases	-	-	88	-	-	-	-	88
Fair value measurement	-	-	-	-	-	7,504	-	7,504
Interest caused	95,180	151,378	989	-	997	(2,684)	-	245,860
Other changes (*)	(7,267)	-	(99)	498,225	28,695	(9,430)	-	510,124
Total changes other than cash flows in finance liabilities	**87,418**	**151,378**	**978**	**498,225**	**29,363**	**(4,610)**	**-**	**762,752**
Balance at the end of the period 31 December 2023	**647,655**	**1,006,104**	**5,467**	**131,119**	**7,960**	**(8,131)**	**(63,007)**	**1,727,167**

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Cash flow from financing activities for finance liabilities
Balance at the beginning of the period 1 January 2022	**394,837**	**1,098,294**	**6,732**	**5,809**	**5,465**	**(1,353)**	**1,509,784**
Payment of bonds and commercial papers	-	(95,107)	-	-	-	-	(95,107)
Increase in other financing instruments	43,385	-	-	-	-	-	43,385
Decrease in other financing instruments	(43,756)	-	-	-	-	-	(43,756)
Payment of lease liabilities	-	-	(1,826)	-	-	-	(1,826)
Collections from financial derivative contracts with financial liability hedging	-	-	-	-	-	10,790	10,790
Dividends paid on ordinary shares	-	-	-	(246,854)	-	-	(246,854)
Dividends paid on preferential shares	-	-	-	(78,630)	-	-	(78,630)
Interest paid	(29,443)	(122,246)	(486)	-	(2)	-	(152,177)
Other cash outflows	-	-	-	-	30	-	30
Total changes by cash flows from financing activities	**(29,814)**	**(217,353)**	**(2,312)**	**(325,484)**	**(32)**	**10,790**	**(564,205)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	371	-	-	-	19	-	390
Fair value measurement	-	-	-	-	-	(1,947)	(1,947)
New leases	-	-	460	-	-	-	460
Interest caused	35,823	123,783	486	-	687	(11,011)	149,768
Other changes (*)	-	-	1,957	434,728	27,730	-	464,415
Total changes other than cash flows in finance liabilities	**36,194**	**123,783**	**2,903**	**434,728**	**28,436**	**(12,958)**	**613,086**
Balance at the end of the period 31 December 2022	**401,217**	**1,004,724**	**7,323**	**115,053**	**33,869**	**(3,521)**	**1,558,665**

(*) Other changes in dividend liabilities for $434,728,142 correspond to dividends decreed by the General Shareholders' Meeting of the Company in March 2022 (see note 20 Dividends).

NOTE 8: TRADE AND OTHER RECEIVABLES, NET

The balance of current trade and other receivables, net, as at 31 December comprises:

	2023	2022
Trade receivables		
Domestic customers (1)	145,585	142,730
Other receivables		

	2023	2022
Receivables from related parties (Note 38 Related Parties)	284,047	197,096
Income receivable and other debtors (2)	24,085	17,937
Employee receivables (3)	5,182	4,810
Impairment for doubtful accounts	(3,563)	(341)
Total trade and other receivables, net	**455,336**	**362,232**
Current	328,287	249,639
Non-current	127,049	112,593
Total trade and other receivables, net	**455,336**	**362,232**

(1) At the closing of 2023, it mainly comprises the receivable balance of $120,324 for the sale of PEN III (C3 - C4 - E1 - E2 - E3 - E4 - F1 - F2 - F3- F4), Remainder Insignares la Playa, Alejandria Stage V (Block 46 A1), Alejandria Stage III (Block 13), Volador Urvisa, Hacienda Portonao Barú Lot 7A, Alejandria Stage III (Block 21.1), Barú Calablanca Lot E4 and Pajonal Stage III (Blocks 11, 12, 13.1, 13.2, 15.1 and 15.2).

At the closing of 2022, mainly includes the receivable balance of $138,677 from the sale of lots Barú Polonia (Block 21), Pajonal Stage II (Block 7.1, 7.2, 8, 9, 10.1 and 10. 2 of Ribera de Mallorquín II), Alejandría Stage II (Block 2 and 3), Barú Calablanca (lot 2B), Alejandría Stage III (Block 21.2), Lago Alto (Lots 19 and 21) and Pajonal Stage I (Block 3.1 and 3.2).

(2) At the closing of 2023, it corresponds mainly to processes for pro-pro-hospital stamps to the District of Barranquilla for $4,830 (2022 $4,044), other debtors for $3,982 (2022 $3,170) and dividends receivable from Grupo Nutresa S.A. for $15,273 (2022 $10,723).

(3) The balances of accounts receivable from employees do not include balances of key management personnel at the main level, these are grouped in receivables from related parties.

During 2023, there were no transfers of financial assets, nor portfolio endorsed or negotiated with banks or other economic entities.

Long-term receivables are measured at amortized cost under the effective interest rate method and short-term receivables are presented at their nominal amount.

Following is a detail of the maturities for trade and other receivables as of 31 December:

	2023	2022
Unmatured trade receivables	444,642	362,232
Matured trade receivables not impaired (1)	10,694	-
Impaired trade receivables (2)	3,563	341
Total gross receivables	**458,899**	**362,573**
Impairment for doubtful accounts	(3,563)	(341)
Total net receivables	**455,336**	**362,232**

(1) Age of matured but not impaired receivables

Age of matured but not impaired receivables	2023	2022
Matured between 1-30 days (*)	-	-
Matured between 91-180 days	9,462	-
Matured between 181-360	82	-
More than a year	1,150	-

Total matured receivables not impaired	**10,694**	**-**
Average age (days)	**340**	**-**

(2) Age of impaired receivables:

	2023	2022
Between 0-90 days	3,403	215
Between 181-360	58	-
Between 1-3 years	102	126
Total impaired receivables	**3,563**	**341**

The movement in impairment for doubtful accounts at 31 December is detailed below:

	2023	2022
Balance at the beginning of the year	**341**	**1,320**
Impairment losses	3,524	1,385
Derecognition of amounts considered uncollectible	(279)	(1,574)
Recovered balances	(23)	(790)
Balance at the end of year	**3,563**	**341**

NOTE 9: INVENTORIES, NET

The balance of inventories, net, comprises:

	2023	2022
Urbanized lots	285,917	242,387
Real estate for sale (1)	7,406	26,412
Goods not manufactured by the company (2)	91	33
Total inventories, net	**293,414**	**268,832**
Current	293,414	268,832
Total inventories, net	**293,414**	**268,832**

(1) The decrease in real estate corresponds to the sale in 2023 of the asset called Volador Urvisa for $19,006.

(2) As at 31 December 2023, the Company has a balance of $91 (2022 $33) corresponding to corporate apparel available for sale to employees.

The amount of inventories recognized as cost of sale at 31 December 2023 is $160,929 (2022 $112,955) (Note 31 Cost of ordinary activities).

None of the inventory lots are pledged as collateral for liabilities, nor do they have restrictions or encumbrances limiting their disposition.

As at 31 December 2023, the following lots were transferred from the investment property account to the inventory account: Lot 7 Hacienda Portonao Barú for $61,029, leftover Lot 2 to Rebellin for $437 and Land pavas sur project Alejandría Stage V (Blocks 46 A1, 46 A2, 46 B and 54) for $25,595. Additionally, sales were made of the following lots: PEN III (C3 - C4 - E1 - E2 - E3 - E4 - F1 - F2 - F3- F4) for $10,117, leftover Lot 2 to Rebellin for $437, Stage V Alejandría (Block 46 A1) for $3,016, Stage III Alejandría (Block 13) for $14,031, Volador Urvisa for $19,006, Hacienda Portonao Barú Lot 7A for $4,743, Stage III Alejandría (Block 21.1) for $12,550, Barú Calablanca Lot E4 for $5,462 and Stage III Pajonal (Block 11, 12, 13.1, 13.2, 15.1 and 15.2) for $23,662.

As at 31 December 2022, the following lots were transferred from the investment property account to the inventory account: Alejandría Stage III (Predio Pavas Norte Blocks 13, 21.1 and 21. 2), Barú Polonia (Block 20 and 21), Pajonal Stage II (Predio Pajonal Blocks 7, 8, 9 and 10), Pradomar (lot Punto E), Pajonal Stage III (Block 11, 12, 13.1, 13.2, 14.1, 14.2, 15.1, 15.2, 15,3 and 16) and Volador Urvisa for $126,075. Additionally, the following lots were sold: Barú Polonia (Block 21), Pajonal Stage II (Block 7.1, 7.2, 8, 9, 10.1 and 10. 2 of Ribera de Mallorquín II), Alejandría Stage II (Block 2 and 3), Barú Calablanca (lot 2B), Alejandría Stage III (Block 21.2), Lago Alto (Lot 19 and 21) and Pajonal Stage I (Block 3.1 and 3.2) for $70,393.

NOTE 10: CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax presented in the separate statement of financial position as of December 31 corresponds to:

	2023	2022
Current tax assets	79,583	12,556
Current tax liabilities	(21,602)	2,135
Total current tax, net	**57,981**	**10,421**

	2023	2022
Deferred tax asset	358,359	259,893
Deferred tax liability	(981,201)	(817,295)
Total deferred tax liability	**(622,842)**	**(557,402)**

The Company offsets its tax assets and liabilities for presentation purposes if they are related to the same tax authority, there is a legal right to do so, and it intends to settle them simultaneously.

10.1 Current tax assets

Current tax assets at 31 December comprise:

	2023	2022
Recoverable balance in private liquidation of income tax (*)	71,034	12,556
Dividend withholdings made	8,549	-
Total current tax assets	**79,583**	**12,556**

At 2023 current tax assets consist mainly of:

- Self-withholdings for $72,350 (2022 $15,929).
- Withholding at source made to the Company for $2,713 (2022 $1,512).
- Withholding at source for dividends made to the Company for $8.549 (2022 $0),
- Current income tax liability ($4,067) (2022 $(4,924)).
- Balance in favor private liquidation income Industrias Metalúrgicas Apollo (liquidated) $38 (2022 $38).

10.2 Current tax liabilities

Current tax liabilities at 31 December comprise:

	2023	2022
Self-withholdings	21,602	2,135
Total current tax liabilities	**21,602**	**2,135**

The tax liability of $21,602 corresponds to self-withholdings made to the income for the month of December that were mainly generated by taxed dividends received from the company Cementos Argos and sales of lot inventories (2022 $2,135).

Tax provisions applicable and in force

Income tax in Colombia is settled at a rate of 35% for 2023 according to Law 2277 of 2022. In the 2022 taxable period, income tax was settled at a rate of 35% in accordance with Law 2155 of 2021.

Tax income for occasional gains tax is taxed at the rate of 15% and 10% for 2023 and 2022, respectively, due to the amendments introduced by Law 2277 of 2022.

As of the 2021 taxable year, the presumptive income rate is zero percent (0%) in accordance with the provisions of Law 2010 of 2019.

Other relevant provisions:

- For 2023, the minimum basis for determining tax is 0.0% of the net worth on the last day of the immediately preceding taxable year.

- Companies may offset tax losses against ordinary net income obtained in the following twelve periods, without prejudice to the presumptive income for the year. Tax losses generated before the entry into force of Law 1819 of 2016 may be offset without any time limitation.

- Excess of presumptive income over ordinary income may be offset with the ordinary net income, within the following five years, adjusted for inflation until taxable year 2016.

- From 2004 income taxpayers who enter transactions with economic associates or related parties abroad are required to determine for income tax and supplementary tax purposes the transfer pricing study, in accordance with current regulations.

- Companies may apply tax discounts for taxes paid abroad, donations, and for paid industry and commerce tax, and others.

Tax reform Law 2277 of 2022.

On 13 December the Colombian National Government issued Law 2277 of 2022, which adopts a tax reform for equality and social justice, with the purpose of supporting social spending.

The following is a summary of the main aspects of the reform to the Colombian tax regime for the years 2023 and following years:

- The general income tax rate for legal entities is kept at 35%.

- A 5% surtax is established for financial institutions, insurance and reinsurance companies, stock exchange brokers and other companies in the sector that obtain an annual net income of more than 120,000 Colombian Tax Value Units (UTV). This surtax will apply for five years starting in 2023.

- It establishes additional points to the income tax rate for companies in the coal and oil extractive sector, which will be between 5 and 10 points for coal and up to 15 points for oil, depending on the average international price of the last 120 months.

- A minimum tax rate of 15% is established, which requires calculating the effective tax rate based on the taxes paid and the adjusted accounting profit. If the effective tax rate is lower than 15%, the tax must be adjusted to reach this rate. It is allowed to partially adjust the accounting profit with the equity method, the non-taxable income or occasional earnings, some exempt income and the offset of tax losses and excess of presumptive income. This minimum tax applies to any legal entity taxing income tax in Colombia, except foreign entities without residence in the country. Additionally, taxpayers resident in Colombia whose financial statements are subject to consolidation in Colombia must calculate the minimum taxation rate and the adjustment to the tax following the special procedure introduced in paragraph 6 of Article 240 of the Colombian Tax Code. The minimum tax will not apply, among others, to concession contracts and Public-Private Partnerships that determine their income in accordance with the provisions of Article 32 of the Colombian Tax Code. It will also not apply when the adjusted profits are less than or equal to zero.

- An addition of 3 points to the income tax rate is established for companies whose main economic activity is energy generation from water sources, establishing that such surtax may not be transferred to the price. It will be in force between the years 2023 and 2026.

- •For duty-free zones, it is established that income from exports will maintain the 20% rate and income from sales to the rest of the national customs territory will be taxed at the 35% rate. This modification will apply as from the year 2024. Likewise, it is established that the current industrial users of the duty-free zone shall subscribe between the years 2023 and 2024 an agreement of internationalization and maximum sales to the national customs territory, according to the regulations of the Colombian Government.

- Occasional gains rate is increased from 10% to 15% for both legal entities and individuals.

- It is expressly established that royalties will not be deductible, nor may they be treated as a cost. Provision (paragraph 1 of Article 19 of Law 2277 of 2022) that was declared unenforceable by the Constitutional Court by judgment C-489 of 16 November 2023.

Dividend tax:

- Dividends received by resident individuals, from distribution of profits that have been considered as non-taxable income or occasional gain, go from a single rate of 10% on the excess of the first 300 annual Colombian Tax Value Units to a progressive rate of 0% to 39%, since they will form the taxable base with the other income received by the individual. The withholding at source will be 15% for dividend payments in excess of 1,090 Colombian Tax Value Units a year.

- A 19% tax discount is incorporated in favor of resident individuals when they receive dividends in excess of 1,090 Colombian Tax Value Units a year.

- For dividends paid to non-resident individuals, from distribution of profits that have been considered as non-taxable income or occasional gain, the withholding at source increases from 10% to 20%.

- The special rate for dividends or interests received by national companies, coming from distribution of profits that have been considered as non-taxable income or occasional gain, increases from 7.5% to 10% and the exception in its application continues when dealing with payments between companies of a business group or in a situation of registered control and in companies qualified as Colombian Holding Companies (CHC).

Other matters:

- A general limit of 3% of the taxpayer's net income is established to the sum of discounts for investments in control, conservation, and improvement of the environment and to the deduction for payments for the financing of studies to employees and their family group, among others.

- The possibility of 50% of the industry and commerce tax paid as a tax discount is repealed. As from the year 2023 it shall only be allowed as a deduction.

- Within the framework of the carbon tax, a tax on coal is introduced, except for coking coal, at a rate of $52,215 per ton applicable as from 2023 in a gradual manner starting at $0 for 2023 and 2024 and reaching the full rate as from 2028. This tax will be deductible from income. Likewise, those that are certified as carbon neutral are established as not subject to the carbon tax but said benefit may not exceed 50% of the tax that is caused.

- The treatment as non-taxable income or occasional gain for the proceeds from the sale of shares registered in the Colombian stock exchange continues, but the limit of sale is modified from 10% to 3% of the outstanding shares of the respective company, per taxable year.

- A stamp tax applicable to sales of real estate is established at a rate of 1.5% for sales between 20,000 and 50,000 Colombian Tax Value Units and 3% for those over 50,000 Colombian Tax Value Units.

- The amounts of penalty for not reporting information of article 651 of the Colombian Tax Code are reduced from 15,000 to 7,500 Colombian Tax Value Units as maximum penalty.

10.3 Income tax recognized through profit or loss for the period

	2023	2022
Current Tax		
For the current year	4,067	4,924
Previous year adjustment	176	-
Total current tax expense	**4,243**	**4,924**
Deferred Tax		
Changes in temporary differences	726	89,920
Changes in tax laws and rates	-	(95,612)
Losses, tax credits and excess presumptive income used, net	41,484	11,773
Total deferred tax expense for the year	**42,210**	**6,081**
Total tax expense related to continuing operations	**46,453**	**11,005**

The determination of the effective rate applicable to the Company is as follows:

Income tax	**2023**	**2022**
Earnings before income tax and discontinued operations	835,794	356,794
Income Tax (Current + Deferred)	**46,453**	**11,005**
Effective tax rate	5.56%	3.08%

In compliance with the provisions of paragraph 6 of article 240 of the Colombian Tax Code, the calculation of the Group's Adjusted Tax Rate (TAG) was made, whose result is 28.85% for the year 2023, so it was not necessary to recognize an adjustment to income tax expense, while the result of the Adjusted Effective Tax Rate according to the minimum tax system is greater than 15%.

The reconciliation between earnings before taxes and taxable liquid income is as follows:

Reconciliation of the effective tax rate	Reconciliation of current accounting and fiscal tax	Deferred tax for the year	Reconciliation of the effective tax rate	Reconciliation of current accounting and fiscal tax	Deferred tax for the year	Reconciliation of the effective tax rate
		2023			2022	
Earnings (loss) before income tax and discontinued operations	835,794	-	835,794	356,794	-	356,794
Statutory tax rate in (%)	35%	-	35%	35%	-	35%
Current tax expense at the legal rate applicable to the Company	**292,527**	**-**	**292,527**	**124,878**	**-**	**124,878**
Effect of permanent tax differences and others						
Untaxed dividends and shares	(283,841)	-	(283,841)	(266,351)	-	(266,351)
Sale of listed investments and untaxed fixed assets	(89,782)	-	(89,782)	(1)	-	(1)
Non-deductible expenses	62,746	-	62,746	88,084	-	88,084
Income from measurement at fair value and other untaxed income	(199,632)	-	(199,632)	(162,069)	-	(162,069)
Expenses or other similar items not taxed	222,225	-	222,225	220,383	-	220,383
Effect of temporary differences						
Receivables, other items	-	(1,949)	(1,949)	-	21,434	21,434
Investments	-	(302,335)	(302,335)	-	(273)	(273)
Property, plant and equipment	-	294,561	294,561	-	(25,550)	(25,550)
Financial liabilities	-	(989)	(989)	-	306	306
Employee benefits	-	(65)	(65)	-	152	152
Provisions	-	3,870	3,870	-	(2,395)	(2,395)
Other items	-	49,117	49,117	-	12,407	12,407
	4,243	**42,210**	**46,453**	**4,924**	**6,081**	**11,005**

Current tax and deferred tax in profit or loss	2023	2022
Deferred Tax	42,210	6,081
Current tax for this year	4,243	4,924
occasional gains tax	-	-
Adjustment of current tax estimate for previous years	-	-
Current and deferred tax	**46,453**	**11,005**
Effective tax rate (in %)	5.56%	3.08%

The income tax rate applicable to the 2023 taxable period is 35% (2022 35%). The Company's effective tax rate is 5.56% (2022 3.08%).

10.4 Income tax recognized directly in equity and other comprehensive income (OCI)

Balances of deferred taxes recognized through equity, generated by temporary differences of transactions recognized through Other Comprehensive Income are detailed as follows:

	2023	2022

Deferred Tax		
Cash flow hedges	(455)	1,232
Valuation of financial instruments (1)	294,625	269,708
Total deferred tax recognized through other comprehensive income (OCI)	**294,170**	**270,940**
Effect of change in income and occasional gains tax rate (*)	-	96,935
Total deferred tax recognized in equity	**-**	**96,935**
Total deferred tax recognized through equity and other comprehensive income (OCI)	**294,170**	**367,875**

(*) Does not include the effect of the application of the equity method of subsidiaries.

(1) Due to the effect of the valuation of financial instruments and the changes introduced by Law 2277 of 2022, as of 31 December 2023, the deferred tax of the investment in Grupo Nutresa Alimentos for the value of $267,002 and for Sociedad Portafolio S.A. $27,024 and $598 for other investments. For hedging instruments ($455).

With the issuance of Law 2277 of 13 December 2022, through which tax reform is adopted for equality and social justice, it was generated a direct and immediate impact on the Company due to the increase in the income tax rate for occasional gains from the 2023 taxable year from 10% to 15% and the introduction of additional points to the rental rate for coal extractive companies that was reflected through the recognition of the increase in deferred tax on temporary differences whose reversal will imply taxation on this modality.

Decree 2617 of 29 December 2022 established the alternative of recognizing the value of the deferred tax derived from the change in the income tax rate and the additional points for companies in the coal mining sector, within equity in the retained earnings of previous years. This recognition was only given in 2022 and by 2023, the value recognized in the results of previous fiscal years as a result of the rate change is $0.

For its part, the situation for the year 2022 was as follows:

In accordance with the foregoing, the Company opted for the remeasurement of deferred tax in application of the following paragraphs: 46, 47 and 80 of IAS 12 and in accordance with Decree 2617 of 29 December 2022, applied the permitted alternative and, therefore, the financial statements were impacted by an increase in the deferred tax liability, as well as a reduction in the retained earnings of previous fiscal years in the amount of $96,935 as a result of the change in the rate on temporary items of own tax.

Likewise, in the recognition of the equity method of its subsidiaries, the Company presented a reduction in the retained earnings of previous years in the amount of $16,470, as a consequence of the application of the aforementioned exception.

10.5 Deferred tax assets and liabilities

Below is the balance of deferred tax assets and liabilities, which is presented net in non-current liabilities:

	2023	2022
Deferred tax asset	358,359	259,893
Deferred tax liability	(981,201)	(817,295)
Total deferred tax liability	**(622,842)**	**(557,402)**

Changes in deferred tax assets and liabilities are as follows:

2023	Opening Balance	Included in profit or loss	Included in other comprehensive income	Other changes	Closing balance
Current assets	(56,263)	1,948	-	-	(54,315)
Associates and joint ventures	(6,181)	3,497	-	-	(2,684)
Other equity investments	(336,386)	(1,763)	(24,917)	-	(363,066)
Property, plant and equipment	39,196	793	-	-	39,989
Investment property	(337,459)	6,935	-	-	(330,524)
Intangible Assets	1,869	(15)	-	-	1,854
Other non-current assets	1,335	(8,246)	-	-	(6,911)
Provisions	6,222	(3,871)	-	-	2,351
Employee benefits	-149	65	-	-	(84)
Finance liabilities	378	(69)	1,687	-	1,996
Deferred tax without tax credits	**(687,438)**	**(726)**	**(23,230)**	**-**	**(711,394)**
Tax losses	123,461	(34,909)	-	-	88,552
Excess presumptive income	6,575	(6,575)	-	-	-
Tax Credits	**130,036**	**(41,484)**	**-**	**-**	**88,552**
Total deferred tax	**(557,402)**	**(42,210)**	**(23,230)**	**-**	**(622,842)**

2022	Opening Balance	Included in profit or loss	Included in other comprehensive income	Other changes	Closing balance
Current assets	(34,829)	(21,434)	-	-	(56,263)
Associates and joint ventures	(13,113)	7,420	-	(488)	(6,181)
Other equity investments	(39,965)	(7,147)	(269,596)	(19,678)	(336,386)
Property, plant and equipment	39,341	(145)	-	-	39,196
Investment property	(287,656)	25,695	-	(75,498)	(337,459)
Intangible Assets	1,854	15	-	-	1,869
Other non-current assets	2,094	(759)	-	-	1,335
Provisions	3,827	2,395	-	-	6,222
Employee benefits	3	(152)	-	-	-149
Finance liabilities	1,443	(306)	(759)	-	378
	(327,001)	**5,582**	**(270,355)**	**(95,664)**	**(687,438)**
Tax losses	104,499	18,962	-	-	123,461
Excess presumptive income	37,200	(30,625)	-	-	6,575
	141,699	**(11,663)**	**-**	**-**	**130,036**
	(185,302)	**(6,081)**	**(270,355)**	**(95,664)**	**(557,402)**

10.6 Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, excess presumptive income, unused tax losses are:

Unused losses and tax credits	2023	2022
Up to twelve years	73,680	159,929
No time limit	169,590	199,962

Total Unused losses and tax credits	**243,270**	**359,891**
Excess presumptive income over ordinary liquid income		
More than one year and up to five years	-	-
Total unused tax benefits	**243,270**	**359,891**

In 2023, there is a deferred tax on unused tax benefits of $243,270 (2022 $359,891), due to its probable expectation of use.

Unused Tax Benefits	**2023**	**2022**
Amount of tax shields on which deferred tax was calculated	243,270	359,891
Amount of tax shields for which no deferred tax was calculated	-	-
Total unused tax benefits	**243,270**	**359,891**

Tax shields were offset in 2023 for $143,578 (2022 $60,582). Tax shields were recognized for $26,957 as a result of the correction of the income statements for 2020 and 2021 and a lower compensation in 2022.

Finality of declarations

Currently in Colombia the general term of finality of tax returns is three (3) years from the expiration of the period to declare. In the case of returns where tax losses are determined or compensated, finality depends on the year of filing:

Year of presentation	Term of finality
Until 2016	Statements in which losses were liquidated and/or offset become final within five (5) years of filing.
2017 to 2019	For returns that resulted in tax losses, the finality is twelve (12) years; if tax losses were offset, the finality is six (6) years.
From 2020 onwards	For returns in which tax losses are liquidated and/or offset, the finality is five (5) years.

For the returns submitted by taxpayers subject to the transfer pricing regime, the term of finality shall be five (5) years.

Likewise, the declarations in which favorable balances are presented will acquire finality if within three (3) years after the date of submission of the request for return or offsetting, no special requirement has been notified. When said balance in favor is imputed in subsequent period statements, finality is acquired within three (3) years following the expiration date of the term to be declared.

Likewise, the income statement will be final if, after the term to review the declaration, it is not notified.

Tax returns for the years 2016, 2017, 2018, 2019, 2020, 2021, and 2022 are subject to review by the tax authority as they have not yet become final. Management and the tax legal advisers consider that the amount recorded as taxes payable is sufficient to cover any liabilities that may be established with respect to those years.

10.7 Unrecognized taxable temporary differences from investments in subsidiaries, associates and joint ventures

Fiscal figures are detailed below:

	2023	2022
Investments in subsidiaries (*)	2,427,289	4,561,241
Investments in associates and joint ventures	2,852,566	2,866,654

(*) Includes temporary differences generated in Grupo Argos S.A. by investments in subsidiaries held directly.

In accordance with paragraph 39 of IAS 12 Income Taxes, the Company applied the deferred tax recognition exception to investments in subsidiaries, associates, and joint ventures in which the timing of the reversal of the temporary difference is controlled and it is not likely to reverse in the foreseeable future.

NOTE 11: OTHER FINANCIAL ASSETS

The following table shows the composition of the other financial assets at the end of the periods:

	2023	2022
Financial assets at fair value through profit or loss (1)	570,157	229,827
Financial assets at fair value through other comprehensive income (2)	292,325	2,029,396
Total Other financial assets	**862,482**	**2,259,223**
Current	43,954	180,827
Non-current	818,528	2,078,396
Total Other financial assets	**862,482**	**2,259,223**

(1) Financial assets measured at fair value through profit or loss are as follows:

Investments measured at fair value through profit or loss	2023	2022
Term Certificates of Deposit (CD) and *Time Deposit* (a)	530,080	180,827
Other investments (b)	40,073	48,999
Other financial assets (c)	4	1
Total investments measured at fair value through profit or loss	**570,157**	**229,827**

(a) As at 31 December 2023, CDs are held with Colombian banks and *Time Deposit* with foreign banks for $530,080 (2022 $135,756), during the twelve-month period securities with a net effect of $349,253 were acquired and canceled with the objective of taking advantage of current market rates and in line with the required minimum cash Company treasury strategy. These securities have a redemption date between January 2024 and February 2027 and with financing companies $0 (2022 $45,071) with redemption date as of May 2023.

(b) As at 31 December 2023, it corresponds to the investment of $40,073 (2022 $48,999) delivered as capital by the Company to a Captive Cell through Sura SAC LTD.

According to the operation of the Cell, the resources invested in Sura SAC LTD. in the cell do not meet the condition of obtaining contractual cash flows with specific dates of payment of principal and interest, therefore, they were classified as an investment measured at fair value through profit or loss of the year. In the event of a claim, any obligation will be supported by the resources existing in the captive company cell, a situation in which the change in the fair value of the financial asset resulting from the claim will be recognized, charged to Profit for the year. In the event that the claim involves a greater obligation of the resources existing in the cell, an obligation in favor of Sura SAC LTD must be recognized for the resources that must be paid and that are not covered by what is maintained in the cell.

(c) As at 31 December 2023, an autonomous equity was constituted for the value of $2 in order to guarantee compliance with the obligations agreed in the credit agreement with Banco Sumitomo Mitsui Banking Corporation, and an autonomous equity was constituted for the value of $1 in order to be the custodian of the shares resulting from the agreement to transfer the investment of Grupo Nutresa S.A. in exchange for the shares of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

(2) Financial assets measured at fair value through other comprehensive income are detailed below (2)

	2023	2022
Sociedad Portafolio S.A. (a)	279,206	-
Other investments (b)	13,119	16,048
Grupo Nutresa S.A. (c)	-	2,013,348
Total non-current	**292,325**	**2,029,396**

(a) As at 31 December 2023, the investment in the company Sociedad Portafolio S.A. amounts to $279,206, of which $280,926 corresponds to the spin-off of Grupo Nutresa S.A., registered in Public Deed No. 3838 signed on 14 December 2023 and ($1,720) for the movements recorded in this investment for the valuations calculated through the reference price formula in the period between 15 and 31 December. (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

(b) The balance of the other investments comprises:

Investments measured at fair value through OCI	2023	2022
Quantela INC. (*)	7,387	9,296
Occipital INC.(*)	4,204	5,291
Plaza Mayor Medellín Convenciones y Exposiciones (**)	507	507
Fondo Regional de Garantías del Caribe Colombiano S.A. (**)	461	461
Triple A Barranquilla S.A. E.S.P. (**)	252	252
Fondo de Capital Privado Progresa Capital (*)	155	88
Aeropuerto de Barranquilla S.A. (**)	153	153
Total investments measured at fair value through OCI	**13,119**	**16,048**

(*) At 31 December 2023, the movements recorded in the investments correspond to the valuations generated and the update for the foreign exchange difference for the period between January and December. Unlisted investments are valued using financing rounds and the value of the trust unit (Note 7.5 Fair values).

For Fondo de Capital Privado Progresa, a restitution of contributions was made for $52 (2022 $126).

During 2022 for the shares held in Innowatts, the Company chose not to participate in new investment rounds, which generated a negative impact on the measurement of the fair value of the investment by ($2,946). Additionally, for Fondo de Capital Privado Progresa, 1,643.64 units were received for the value of $10, as payment in the liquidation of Promotora de Proyectos S.A. and a $126 restitution of contributions was made, and 42,026 Bird Global INC shares were sold for $41 (USD 8,438.18) whose effects were reflected in the other comprehensive income (OCI) (Note 27.2 Other comprehensive income).

(**) Considering that some investments do not have Level 1 input data (quoted prices) and their figures are not representative, the Company assumes to hold them at cost.

(c) The Company classified the equity investment in Grupo Nutresa S.A. as Non-current Assets held for sale (Note 17 Non-current Assets held for sale and Note 41 Relevant Events).

As at 31 December 2023, the equity investment measured at fair value amounts to $2,035,970 and its valuation is made through other comprehensive income (OCI). The movements recorded in this investment correspond to the valuations generated in the period between January and December using market prices (Colombia Stock Exchange). (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

The dividends recognized in the income from ordinary activities line of the separate statement of income for financial assets measured at fair value through other comprehensive income for the period ended 31 December are listed below:

	Investments held at the end of the period	
	2023	2022
Grupo Nutresa S.A.	61,095	42,891
Fondo Regional de Garantías del Caribe Colombiano S.A.	34	71
Total dividend income	**61,129**	**42,962**

NOTE 12: PREPAID EXPENSES AND OTHER NON-FINANCIAL ASSETS

The balance of prepaid expenses and other non-financial assets at 31 December comprises:

	2023	2022
Prepayment for purchases of services (1)	12,884	19,674
Other current tax assets (2)	9,437	7,573
Employee benefit plan assets, net (3)	2,354	1,548
Insurance (4)	1,482	4,958
Other prepaid expenses	374	4
Total prepaid expenses and other non-financial assets	**26,531**	**33,757**
Current	24,178	32,209
Non-current	2,353	1,548
Total prepaid expenses and other non-financial assets	**26,531**	**33,757**

1. In 2023, corresponds to prepayments of construction contracts for $12,511 (2022 $19,655) and purchase of goods and services for $373 (2022 $19).

2. Corresponds to self-withholdings and favorable balances for industry and commerce taxes of $9,411 (2022 $7,548) and balance in favor in VAT of $26 (2022 $25).

3. In 2023 and 2022, corresponds to resources managed by Protección S.A. to fund the pension gap closure plan, net of the liability of the actuarial calculation of the same benefit (Note 20 Employee Benefits Liabilities).

4. Corresponds to the civil and non-contractual liability insurance policy $1,482 (2022 $4,958).

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

The balance of property, plant and equipment, net as of 31 December, comprises:

	2023	2022
Constructions and buildings	280	290
Transport equipment and other assets	2,008	1,005
Furniture, office, computer and communication equipment	161	85
Machinery and Equipment	97	111
Total property, plant and equipment, net	**2,546**	**1,491**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Transport equipment and other assets	Total
1 January 2023	**350**	**177**	**4,857**	**1,430**	**6,814**
Additions	-	-	107	1,336	1,443
Withdrawals	-	-	(211)	-	(211)
Historical cost	**350**	**177**	**4,753**	**2,766**	**8,046**
1 January 2023	**60**	**66**	**4,772**	**425**	**5,323**
Depreciation of the period	10	14	30	333	387
Withdrawals	-	-	(210)	-	(210)
Depreciation	**70**	**80**	**4,592**	**758**	**5,500**
Total property, plant and equipment at 31 December 2023	**280**	**97**	**161**	**2,008**	**2,546**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Transport equipment and other assets	Total
1 January 2022	**350**	**177**	**4,857**	**1,430**	**6,814**
Historical cost	**350**	**177**	**4,857**	**1,430**	**6,814**
1 January 2022	**51**	**49**	**4,742**	**166**	**5,008**
Depreciation of the period	9	17	30	259	315
Depreciation	**60**	**66**	**4,772**	**425**	**5,323**
Total property, plant and equipment at 31 December 2022	**290**	**111**	**85**	**1,005**	**1,491**

As at 31 December 2023, additions were submitted in the class of ground transportation equipment for a value of $1,336 and in the class of furniture and office, computer and communications equipment for a value of $108 during the fourth quarter of 2023

As at 31 December 2023 and 2022, there was no capitalization of borrowing Costs for construction and buildings.

As at 31 December 2023 and 2022, no property, plant and equipment assets have been pledged as collateral for the fulfillment of obligations or payables to third parties.

The Company has no contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained by third parties for impaired, lost or abandoned property, plant and equipment. The Company has adequate insurance policies to protect its productive assets, whose cover comprises mainly material damages caused by fire, earthquake, weak current, natural disasters, terrorism, and other risks.

The Company has not presented any changes in accounting estimates that have a significant impact on the period affecting residual values, useful lives, and depreciation methods.

NOTE 14: INVESTMENT PROPERTY

The balance of investment property comprises:

	2023	2022
Land	1,957,569	2,019,200
Constructions and buildings	495	1,117
Total	**1,958,064**	**2,020,317**

For determination of the fair value of the investment property, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, the firms used the appropriate valuation techniques for the case, using the guidelines of IFRS 13 Fair Value Measurement and International Valuation Standards (IVS), the most used for the case being the market comparison approach and the residual value approach.

All valuations are made under the comparative market value approach and with the residual value technique. Both valuation methodologies are internationally recognized. The resulting differences in value opinions were reconciled into a final commercial value opinion for the property.

Input data for the fair value estimate is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimate, associated with offer prices, appraisals, or similar property transactions observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as area, access roads, immediate neighborhood, finishes, improvements, state of conservation, among others.

Below are the Company's revenue and expenses directly related to the investment property:

	2023	2022
Lease income of investment Property	2,707	2,628
Direct expenses related to investment property	33,787	32,045
Direct expenses related to investment property that did not generate lease income	20,702	25,659

Reconciliation of investment property

The following is the movement of investment property during the period:

	2023	2022
Book value at 1 January	**2,020,317**	**2,123,104**
Gain from measurement at fair value (Note 30 Revenue) (1)	16,732	18,042
Additions (2)	11,701	5,246
Withdrawal (Note 21 Provisions) (3)	(3,625)	-
Transfers to/from investment property (Note 9 Inventories, net) (4)	(87,061)	(126,075)
Book value at 31 December	**1,958,064**	**2,020,317**

(1) As at 31 December 2023 and 2022, the fair value of investment property was adjusted. In 2023, corresponds to the net income from adjusting the fair value of the investment property of the land: Agua Viva, Bocatocino, Loma China, Pavas Molina, Pajonal, Volador Oriental, Don Jaca, El Morro, Pradomar, Miramar Puerto Colombia, Agua Dulce, Minas Lili, Campo Alegre, Insignares, Barú, Tamalameque, La Pedrera, and Pocihueica $16,732. In 2022, corresponds to the net income from fair value adjustment of investment property of land Agua Viva, Bocatatocino, Loma China, Pavas Molina, Don Jaca, Pocihueica, Pajonal, Pedrera, Volador Oriental, Aguadulce, Campoalegre, El Morro, Minas Lili, Miramar Puerto Colombia, Pradomar, Insignares, Baru, and Tamalameque for $18,042 (Note 30 Revenue).

(2) Correspond to capitalized disbursements for the preparation of the land of Pavas Molina and Miramar in Barranquilla and preparation of the land of Barú with a cut-off at December 2023.

(3) As at 31 December 2023, a partial withdrawal was made due to payment of the land San Antonio Santana located in Barú, to the company Barú Partners and Community Entrepreneur S.A.S. for ($3,625) (Note 21 Provisions).

(4) As at 31 December 2023, the following lots were transferred from the investment property account to the inventory account: Lot 7 Hacienda Portonao Barú ($61,029), Parvas Sur Plot project Alejandría Stage V (Blocks 46 A1, 46 A2, 46 B and 54) ($25,595) and excess Lot 2 to Rebellin ($437), (2022 corresponds to the transfer to inventory of the

following land: Barú Polonia (Blocks 20 and 21), Alejandría Stage III (Block 13, 21.1 and 21.2), Pajonal Stage II (Block 7,8,9 and 10), Pradomar (Lot Point E), Pajonal Stage III (Block 11, 12, 13.1, 13.2, 14.1, 14.2, 15.1, 15.2, 15.3 and 16) and Volador Urvisa) (Note 9 Inventories, net).

As of 31 December 2023 and 2022, the Company has no contractual obligations to acquire, construct, nor develop investment property, nor are there any restrictions on them.

NOTE 15: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

15.1 General information on associates and joint ventures

The general information on associates and joint ventures during the indicated periods is as follows:

Company name associate or joint venture	Main activity	Country	Interests and voting rights (*)		Investment classification	Book value	
			December 2023	December 2022		December 2023	December 2022
Grupo de Inversiones Suramericana S.A.(*)	Financial	Colombia	27.86%	27.86%	Associate	4,375,166	4,375,166
Fondo de Capital Privado Pactia Inmobiliario	Real estate investment	Colombia	37.39%	37.39%	Associate	945,800	931.169
P.A. Fideicomiso Hotel Calablanca Barú	Real estate management	Colombia	20.00%	20.00%	Associate	35,607	35,607
Internacional Ejecutiva de Aviación S.A.S.	Executive air transport	Colombia	25.00%	25.00%	Associate	3,443	3,443
P.A. Contingencias Consorcio Constructor Nuevo Dorado	Resource and Payment Management	Colombia	30.00%	30.00%	Joint venture	664	664
Pactia S.A.S.	Real estate management	Colombia	50.00%	50.00%	Joint venture	5	5
P.A Fideicomiso Operación Hotel Calablanca Barú	Real estate investment in hotels	Colombia	20.00%	20.00%	Associate	1	1
Consorcio Constructor Nuevo Dorado (**)	Construction	Colombia	0.00%	30.00%	Joint venture	-	328
P.A. Hacienda Niquía	Real estate investment in housing	Colombia	51.00%	51.00%	Associate	-	-
Promotora de Proyectos S.A. (**)	Financial	Colombia	0.00%	33.68%	Associate	-	-
Consorcio Mantenimiento Opain (in liquidation)	Roads Maintenance Services	Colombia	30.00%	30.00%	Joint venture	-	-
Total investments in associates and joint ventures						**5,360,686**	**5,346,383**

(*) In relation to the associate Grupo de Inversiones Suramericana S.A., the percentage of share entitled to vote as of December 2023 of 27.86% (2022 27.86%) is different from the percentage of economic share as of December 2023 of 22.45% (2022 22.45%). The foregoing considering that the issuer has shares with preferential dividend and no voting rights. This share percentage, in December 2023 and 2022, includes the shares granted in usufruct to the subsidiary Sator S.A.S., (Note 16 Investments in subsidiaries).

(**) As of December 2023, these companies are liquidated.

All investments in associates and joint ventures are accounted for at cost except for Fondo de Capital Privado Pactia Inmobiliario which is accounted for at fair value. Of these investments, the only one listed on the stock market is Grupo de Inversiones Suramericana S.A. whose stock value at 31 December 2023 for common shares is $29,000 pesos for each common share (2022 $42,000 pesos for each common share). This information is for informational purposes only since the investment in Grupo de Inversiones Suramericana S.A. is recognized, in the Company's Separate Financial Statements, by the acquisition cost. However, the value of the share in the market is less than the book value, no impairment is generated because the business fundamentals and the performed valuation do not show a loss of value.

The value of the unit of Fondo Capital Privado Pactia Inmobiliario is $13,490.90 Colombian pesos (2022 $13,282.19 pesos). The fair value hierarchy of this investment is Level 2, considering that the underlying assets of the fiduciary rights are represented in real estate, which are measured at fair value and the valuation technique used corresponds to technical appraisals carried out by independent evaluators. The value of the properties is updated daily with the changes in the RVU index (Real Value Unit) in accordance with the provisions of Colombian legislation, and subsequently with the realization of a new appraisal for each of the assets to be updated, whose periodicity is annual. These assets include investment property valued at $3,018,800 (2022 $3,671,998).

15.2 Corporate purpose of associates and joint ventures and nature of the relationship

Grupo de Inversiones Suramericana S.A. – Grupo Sura S.A.: Is a company with strategic investments in the banking, insurance, pension, savings, and investment sectors. Its main domicile is in Medellín (Colombia).

With Grupo de Inversiones Suramericana S.A. significant influence is exercised through its position to nominate the members of the Board of Directors to be elected by the Shareholders' Meeting, in accordance with the legal provisions in Colombia. This is a relevant investment for Grupo Argos S.A. given its expansion in the region, its leadership in the insurance, pension, banking and investment markets, its financial strength, and the demographic evolution in the geographies where it is located. In addition, it has a policy of corporate responsibility and citizenship, complying with the highest standards in social, environmental, economic and governance matters.

Fondo de Capital Privado Pactia Inmobiliario: A closed-end private equity fund which is made up of all the resources transferred to the fund by the contributors in kind and in money. The private equity fund is the sole trust holder and beneficiary of Patrimonio Autónomo Pactia.

The fund's main objective is to make long-term strategic investments in assets for economic exploitation and to obtain an attractive return for its investors with a moderate level of risk. Each of the real estate assets in which the fund invests has a defined management, business and brand strategy, whose focus is the generation of value for the fund. This Fund is managed according to the instructions given by the professional manager Pactia S.A.S. Its main domicile is in Colombia.

The fund has a duration of 30 years extendable for an additional 10-year period. The alliance between Grupo Argos S.A., Conconcreto S.A. and Protección S.A. is developed through the delivery of contributions represented by real estate and cash to Fiduciaria Bancolombia S.A., who acts as the manager company.

Consorcio Constructor Nuevo Dorado (liquidated): Its corporate purpose is the execution of the EPC construction contract for the modernization and expansion of El Dorado International Airport; To this end, it may carry out all the activities and perform all the necessary and complementary acts, including, but not limited to, the conclusion of any type of contract, the acquisition of fixed assets and, in general, the goods and inputs necessary for the provision of the services under its responsibility, the opening of current accounts, the conclusion of guarantee contracts and the rendering of services that are accessory or complementary to those that constitute its main object, on the understanding that the Consortium will be entitled to participate in all the necessary and convenient operations that complement its main object. The liquidation process began in October 2019 and as of December 2023, this company is liquidated.

The Consorcio Constructor Nuevo Dorado is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the percentage of participation of each consortium member.

Patrimonio Autónomo Hacienda Niquía – P.A. Niquía: Alliance between Grupo Argos S.A., Londoño Gómez S.A.S., Arquitectura y Concreto S.A.S. and Situm S.A.S. (merged with Grupo Argos S.A. in 2017), which aims to execute the Hacienda Niquía project. It acts solely and exclusively through its spokesperson and administrator Fiduciaria Bancolombia S.A. The binding agreement was signed on 6 December 2013, which defines the general terms and conditions of the alliance, including the rules for the contribution of assets. Its main domicile is in Medellin (Colombia).

Internacional Ejecutiva de Aviación S.A.S. – IEA S.A.S.: Its main corporate purpose is the provision of public, unscheduled commercial air transport services for passengers and cargo, including the performance of charter flights on domestic and international routes in accordance with the regulations in force and international conventions on civil aviation, as well as the performance of activities and services complementary and related to such air transport service. Likewise, the company may provide all ground handling and aircraft handling services at the airport, in accordance with the national and international regulations in force. Its main domicile is in Medellin (Colombia).

Consorcio Mantenimiento Opain (in liquidation): The purpose of the consortium formed under the civil consortium modality is to provide maintenance services for the works that are part of the modernization and expansion stage of Bogota's El Dorado International Airport, as well as complementary works and services, in accordance with the definitions set forth in this agreement and those applicable under the Concession Contract and the EPC Contract. The process of liquidation was initiated on 25 January 2020.

The services to be provided by the consortium will be executed directly by the parties, without prejudice to the possibility of subcontracting them to third parties.

The Consorcio Mantenimiento Opain is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the Interests of each consortium member.

Promotora de Proyectos S.A.(liquidated): Its main corporate purpose is to undertake activities that will make public and private investment more dynamic, generate employment and foreign currency, replace imports, increase investment in the industrial, agro-industrial, commercial, and service sectors and contribute to the creation and consolidation of companies. Its main domicile is in Medellin (Colombia). The Board of Directors is made up of five principal members and five alternate members. The Company has two principal and two alternate members. As of December 2023, this company is liquidated.

Pactia S.A.S.: Its main corporate purpose is the professional management and administration of a portfolio of real estate assets, regardless of their legal form, including, but not limited to, the operation and lease of shopping centers, corporate buildings, warehouses, distribution centers, logistics parks, hotels, and other similar projects. Its main domicile is in Medellín (Colombia). The Board of Directors is comprised of four principal members, the Company participates with two principal members and two alternate members.

P.A Contingencias Consorcio Constructor Nuevo Dorado: Its purpose is to carry out reception and management of the resources to make restitutions in favor of the Trustors and/or payments in favor of third parties according to the contingencies that may arise from the liquidation of the Consorcio Constructor Nuevo Dorado.

P.A Fideicomiso Hotel Calablanca Barú: Its purpose is the Real Estate Managment for the development of the Barú Calablanca Hotel project. This trust is under the management of Alianza Fiduciaria S.A.

P.A Fideicomiso Operación Hotel Calablanca Barú: Its purpose is the development and execution of the administrative activities of trust assets, in addition to obtaining permits, entering contracts, agreements and the management of the resources required to initiate and execute the operational stage of the Calablanca Barú Hotel. This trust is under the management of Patrimonio Autónomo Fiduciaria Corficolombiana S.A.

15.3 Contributions, restitution of contributions, changes in ownership interests and distribution of dividends in associates and joint ventures

Below are the changes in ownership interest in associates and joint ventures during the periods indicated:

Grupo de Inversiones Suramericana S.A.: As at 31 December 2023, cash dividends of $123,582 were received for dividends decreed in 2022 and dividends decreed in 2023 were recognized for $152,016. There were no changes in interests.

Fondo de Capital Privado Pactia Inmobiliario: as of 31 December 2023, la Company received profit distribution of $16,450, no changes in interests.

Pactia S.A.S.: as of 31 December 2023, dividends of $5,122 were recognized, There were no changes in interests.

P.A Fideicomiso Operación Hotel Calablanca Barú: As of 31 December 2023, a $3,232 distribution of returns was decreed, of which $1,050 returns and a $4,434 advance of profits were received. This did not involve changes in interests.

Patrimonio Autónomo Hacienda Niquia- P.A Niquia: As of 31 December 2023, profits of $1,609 were recognized. There were no changes in interests.

Promotora de Proyectos S.A.(liquidated): on 18 January 2023, the final liquidation of the company with minutes 46 of 16 August 2022 was registered in the Chamber of Commerce.

Consorcio Constructor Nuevo Dorado (Liquidated): by means of minutes 212, it was requested to initiate the liquidation of the consortium, said liquidation was completed on 30 November 2023 without any restitution to the consortium members.

During 2022, the following changes in interests of Associates and joint ventures were made:

Patrimonio Autónomo Hacienda Niquia- P.A Niquia: as of 31 December 2022, returns for $1,500 were recognized.

Pactia S.A.S.: In March 2022, dividends of $5,500 were recognized.

Grupo de Inversiones Suramericana S.A.: As at 31 December 2022, cash dividends of $69,599 were decreed for years 2021 and 2022.

Fondo de Capital Privado Pactia Inmobiliario: The Company received profit distributions of $20,030 and restitution of contributions of $11,065. In addition, there was an increase in share from 37.13% to 37.39% due to a decrease in outstanding units.

Promotora de Proyectos S.A. (liquidated): As recorded in minutes No. 44 of the extraordinary meeting of shareholders, held on 28 April 2022, the process of dissolution and subsequent liquidation of the company was approved. This process was notarized by public deed No. 1,482 of 11 May 2022, registered with the Chamber of Commerce on 19 May 2022.

P.A Fideicomiso Hotel Calablanca Barú: Equity share was updated to 20%; The decrease in interests by 1.04% corresponds to the dilution generated by the signing of the subscription contract on the Trust between the Company, Architecture and Concreto S.A.S and the PEI. In addition, a contribution of $96 was made for the construction of the hotel pier. with such contribution interests are not modified since all the trustors contributed in the proportion of their Interests. Likewise, because of the signing of said agreement, the classification of the investment became Associate, as well as the P.A. Fideicomiso Operación Hotel Calablanca Barú.

15.4 Summary financial information

Summary financial information included in the following tables represents the values reported to the Company by its most significant associates or joint ventures to be presented in its financial statements and has been prepared according to the Accounting and Financial Reporting Standards accepted in Colombia.

	Grupo de Inversiones Suramericana S.A. (i)	FCP Pactia Inmobiliario (iii)	Other Associates and Joint Ventures
December 2023			
Current assets	Not applicable	819,417	99,046
Non-current assets	Not applicable	3,103,798	328,295
Total assets	**93,517,447**	**3,923,215**	**427,341**
Current liabilities	Not applicable	182,408	97,651
Non-current liabilities	Not applicable	1,070,990	107,524
Total liabilities	**61,069,539**	**1,253,398**	**205,175**
Equity	**32,447,908**	**2,669,817**	**222,166**
Revenue	35,529,206	400,551	123,765
Net income from continuing operations	2,032,389	127,589	40,464
Net income after discontinued operations	1,934,978	127,589	40,464
Other comprehensive income	(4,580,535)	(17,762)	551
Total comprehensive income	**(2,645,557)**	**109,827**	**41,015**
Dividends paid to the owner	123,582	16,450	12,215

	Grupo de Inversiones Suramericana S.A. (i) (ii)	FCP Pactia Inmobiliario (iii)	Other Associates and Joint Ventures
December 2022			
Current assets	Not applicable	244,402	115,138
Non-current assets	Not applicable	3,657,056	340,416
Total assets	**98,393,465**	**3,901,458**	**455,553**
Current liabilities	Not applicable	166,237	89,110
Non-current liabilities	Not applicable	1,115,304	155,819
Total liabilities	**62,611,643**	**1,281,541**	**244,929**
Equity	**35,781,822**	**2,619,917**	**210,624**
Revenue	29,185,795	392,334	120,941
Net income from continuing operations	2,328,398	242,777	11,022
Net income after discontinued operations	2,345,341	242,777	11,022
Other comprehensive income	4,346,126	37,852	(1,371)
Total comprehensive income	**6,691,467**	**280,629**	**9,651**
Dividends paid to the owner	69,599	20,030	7,000

(i) The associate Grupo de Inversiones Suramericana S.A. presents the statement of financial position by order of liquidity, therefore the breakdown of current and non-current assets and liabilities is not included.

(i) The comparative financial information of the associate Grupo de Inversiones Suramericana S.A. presented reclassifications in its comparative statement of income and in other comprehensive income, according to the latest official financial statements issued by such entity, which do not affect the total profit or loss.

(iii) The financial statements presented for the Fondo de Capital Privado Pactia Inmobiliario for purposes of this disclosure correspond to the Fund's consolidated financial statements prepared for consolidation purposes. The unit value used for purposes of the Fund's fair value accounting recognition is calculated from the Fund's separate financial statements.

Additional summary financial information for significant associates and joint ventures is broken down below:

	Grupo de Inversiones Suramericana S.A. (i)	FCP Pactia Inmobiliario (iii)	Other Associates and Joint Ventures
December 2023			
Cash and cash equivalents	3,305,577	60,022	32,723
Current finance liabilities (1)	Not applicable	182,408	50,595
Non-current finance liabilities (1)	Not applicable	1,070,990	107,524
Finance liabilities (1)	10,076,618	1,253,398	158,119
Depreciation and amortization expense	625,109	578	11,313
Interest income	2,928,946	13,295	13,613
Interest Expenses	1,128,275	162,577	12,418
Income tax expense	1,569,142	-	8,887

	Grupo de Inversiones Suramericana S.A. (i) (ii)	FCP Pactia Inmobiliario (iii)	Other Associates and Joint Ventures
December 2022			
Cash and cash equivalents	3,569,969	75,699	40,175
Current finance liabilities (1)	Not applicable	105,521	42,063
Non-current finance liabilities (1)	Not applicable	1,115,305	155,761
Finance liabilities (1)	10,560,732	1,220,826	197,824
Depreciation and amortization expense	541,133	531	12,846
Interest income	1,776,168	9,466	97
Interest Expenses	986,102	131,249	9,072
Income tax expense	392,783	-	2,656

(i) The associate Grupo de Inversiones Suramericana S.A. presents the statement of financial position in order of liquidity, and therefore does not include the breakdown of current and non-current assets and liabilities.
(ii) The comparative financial information of the associate Grupo de Inversiones Suramericana S.A. presented reclassifications in its comparative statement of income and other comprehensive income according to the last official financial statements issued by such entity, which do not affect the total profit or loss.
(iii) The financial statements presented for the Fondo de Capital Privado Pactia Inmobiliario for purposes of this disclosure correspond to the Fund's consolidated financial statements prepared for consolidation purposes. The unit value used for purposes of the Fund's fair value accounting recognition is calculated from the Fund's separate financial statements.
(1) trade and other payables are excluded for presentation purposes. The finance liabilities of the associate Fondo de Capital Privado Pactia Inmobiliario include lease liabilities mostly with financial institutions for $901,344 (2022 $904,125).

15.5 Significant restrictions and commitments

There are no significant restrictions on the ability of joint ventures and associated companies to transfer funds for dividends, loan repayments, prepayments, or others.

As at 31 December 2023 and 2022, there are no unrecognized commitments to joint ventures and associates that may result in future cash outflows or other resources.

The following commitments are made to acquire or deliver interests in the associate or joint venture of another party, namely:

- Arrangement between Grupo Argos S.A., JGDB Holding S.A.S., Nugil S.A.S, IHC Capital Holding L.L.C, Grupo Nutresa S.A. and Grupo de Inversiones Suramericana S.A., to transfer investment in the food business of Grupo Nutresa S.A. in exchange for shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A., the company that owned the shares held by Grupo Nutresa S.A. of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. The Framework Arrangement establishes the obligations of each of the parties, as well as the activities and stages that must be completed, sequentially, to carry out the transaction. The share exchange will be made at two times, considering the sum of what was delivered and what was received in the first and second exchanges, Grupo Argos S.A. will receive for each share of Grupo Nutresa 0.74 shares of Grupo de Inversiones Suramericana S.A. and 0.56 shares of Sociedad Portafolio S.A., the new company that owns the portfolio (Note 41 Relevant Events).

- Commitments resulting from the Tender Offer for 23.1% interests in Grupo Nutresa, where the shareholders of Grupo Nutresa S.A. may select one of the following two options: a) cash at a value of USD 12 per share, or b) exchanging its securities for shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A. The exchange establishes that for each share of Grupo Nutresa, the shareholder will receive 0.74 shares of Grupo de Inversiones Suramericana S.A. and 0.56 shares of Sociedad Portafolio S.A.

- On 15 September 2023, some modifications related to the implementation of the Framework Arrangement were announced, which allow that if in the tender offer Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. do not acquire the necessary shares of Grupo Nutresa to complete 13.1% of its share capital, they can make a payment of USD $12 per remaining share, being the same value for other shareholders to be made in the of tender offer.

- Likewise, it was agreed that the tender offer to acquire shares of Grupo Nutresa will be made jointly and severally by Grupo Argos S.A., Grupo de Inversiones Suramericana S.A. and an entity designated by IHC Capital Holding L.L.C, such that Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. offer to acquire, on a pro rata basis, 10.1% of the shares with consideration in cash or in a combination of shares of Grupo de Inversiones Suramericana S.A. and Sociedad Portafolio S.A.; and the entity designated by IHC Capital Holding L.L.C. offers to acquire shares in excess of that percentage, equivalent to 13% (Note 41 Relevant events).

As at 31 December 2023, the stock exchange value of the Company's financial assets pledged as collateral for finance liabilities is $1,047,190 (2022 $1,258,461). These collaterals correspond to 36,110,000 shares of Grupo de Inversiones Suramericana S.A. (2022 - 29,963,360 shares).

15.6 Impairment analysis

The Company assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is objective evidence of impairment of assets. If such evidence exists, the Company tests the assets for impairment. The minimum required tests are currently underway to ensure that they are completed within the annual period.

For publicly traded companies, their fair values were compared with the share prices as of 31 December 2023, subtracting the transaction or sale costs on the stock Exchange.

None of the investments in associates and joint ventures were impaired as of 31 December 2023, because the fundamentals of the businesses analyzed as of 31 December 2023 do not provide objective evidence of impairment of assets. As of 31 December 2023, however, the value of the outstanding shares was lower than the book value, due to the overreaction of the stock markets, none of the investments in associates and joint ventures were impaired.

15.7 Reciprocal interests

In the course of its operations, Grupo de Inversiones Suramericana S.A. and its subsidiaries, and Sociedad Portafolio S.A. in turn have equity interests in Grupo Argos S.A. This crosse equity interests is permitted by Colombian regulations since the shareholders are not subordinate companies of Grupo Argos S.A. The shareholding that the associate Grupo de Inversiones Suramericana S.A. has in Grupo Argos S.A. as of 31 December is as follows:

	% Voting interests on the investment		% Interests with economic right	
	2023	2022	2023	2022
Grupo de Inversiones Suramericana S.A. in Grupo Argos S.A.	36.28%	35.96%	27.42%	27.20%
Grupo Argos S.A. in Grupo de Inversiones Suramericana S.A.	27.86%	27.86%	22.45%	22.45%

The Company holds interests in the associate Grupo de Inversiones Suramericana S.A. recognized at cost in its Separate Financial Statements, as described in Note 2.4.8 Investments in associates and joint arrangements.

Grupo Argos S.A. and Grupo Nutresa S.A. had held reciprocal interests for decades. However, in the development of the Framework Arrangement, Grupo Nutresa S.A. was spun off and transferred the shares of Grupo Argos S.A. to a new company called Sociedad Portafolio S.A. As a consequence of this symmetrical spin-off, Grupo Argos S.A. received the same number of shares of Sociedad Portafolio S.A. that it had of Grupo Nutresa S.A. Thus, Grupo Argos S.A. owns 9.88% (2022 9.88%) of the ordinary shares of Grupo Nutresa S.A. and 9.88% (2022 0%) of Sociedad Portafolio S.A., and Sociedad Portafolio S.A. owns 12.63% (2022 0%) of the ordinary shares of Grupo Argos S.A. and Grupo Nutresa S.A. no longer has shares of Grupo Argos S.A. (2022 12.51%), and Sociedad Portafolio S.A. owns 9.54% (2022 0%) and Grupo Nutresa S.A. owns 0% (2022 9.47%) of the outstanding shares of Grupo Argos S.A. In both cases these interests are recognized as a financial instrument and measured at fair value through Other Comprehensive Income (OCI), as described in note to the financial statements 2.4.2 Financial assets. The investment held by Grupo Argos S.A. in Grupo Nutresa S.A. is classified as a non-current asset held for sale (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

NOTE 16: INVESTMENTS IN SUBSIDIARIES

16.1 Overview and corporate purpose of subsidiaries

The overview of subsidiaries directly held by the Company during the periods indicated is broken down below:

Name of the subsidiary	Main activity	Place of incorporation and operations	Functional Currency	Portion of direct shareholding		Book value	
				December 2023	December 2022	December 2023	December 2022
Cementos Argos S.A.	Cements and related products	Colombia	Colombian Pesos	60.66%	58.77%	4,426,318	5,623,370
Celsia S.A.	Energía	Colombia	Colombian Pesos	52.94%	52.93%	2,059,887	2,729,539
Odinsa S.A.	Engineering and architecture	Colombia	Colombian Pesos	94.99%	94.99%	1,450,194	1,874,246
Sator S.A.S.	Coal mining exploitation	Colombia	Colombian Pesos	97.39%	97.39%	166,055	199,091
P.A. Ganadería Río Grande.	Livestock Business	Colombia	Colombian Pesos	13.39%	13.39%	5,827	5,540
Summa - Servicios Corporativos Integrales S.A.S.	Any lawful activity	Colombia	Colombian Pesos	25.00%	25.00%	1,468	1,444

Name of the subsidiary	Main activity	Place of incorporation and operations	Functional Currency	Portion of direct shareholding		Book value	
				December 2023	December 2022	December 2023	December 2022
Valle Cement Investments Inc.(*)	Financial	British Virgin Islands	US Dollar	0.00%	8.19%	-	79,335
Concretos Argos S.A.S. (*)	Mixes and concretes	Colombia	Colombian Pesos	0.00%	0.00%	-	-
Sociedad Concesionaria Operadora Aeroportuaria Internacional - Opain S.A.(**)	Concessions	Colombia	Colombian Pesos	0.00%	30.00%	-	-
Total						**8,109,749**	**10,512,565**

(*) Control of these companies is held through the subsidiary Cementos Argos S.A.
(**) On 29 June 2023, Once the conditions precedent for closing the operation have been met, the Company lost control by the sale of the investment and the rights associated therewith to Macquarie Asset Management ("MAM").

All investments in subsidiaries are accounted for as equity-accounted investees. Of these investments, the only ones listed on the stock market are Cementos Argos S.A. whose stock value at 31 December 2023 for ordinary shares is $6,110 Colombian pesos for each ordinary share (2022 $3,600 pesos for each ordinary share) and Celsia S.A. whose stock value at 31 December 2023 for each ordinary shares is $2,960 Colombian pesos for each common share (2,022 $2,780 pesos for each ordinary share).

Cementos Argos S.A.: a commercial company incorporated under Colombian law on 14 August 1944. The company's corporate purpose is the exploitation of the cement industry, the production of concrete mixtures and other materials or articles based on cement, lime or clay; the acquisition and sale of minerals or mineral deposits that can be used in the cement industry and its similar industries, of rights to explore and exploit minerals of the aforementioned, whether by concession, privilege, lease or any other title; the provision of port services; acting as a contractor, builder, consultant, controller, designer or planner of civil works or other types, before any public or private entity. The main domicile is in Barranquilla (Colombia) and its term expires on 14 August 2060.

Celsia S.A.: Incorporated under Colombian law on 4 October 2001, its principal place of business is in Medellín (Colombia). The main purpose of the company is to manage, safeguard or increase its assets by means of the promotion and development of industrial or commercial activities, especially through investment in companies or other legal entities, or participation in other types of corporate structures, related to the energy industry, public utilities and their related or complementary activities, or through entities, organizations, funds or any other legal figure, either by participating as a founding member in its incorporation, making subsequent capital contributions or acquiring equity interests. Likewise, it may invest in all types of movable and immovable property, fixed and variable income papers or documents, or any kind of securities, whether they are registered in the public securities market. It may also provide advice on economic, administrative, and financial matters to all types of companies. Its legal duration is until 4 April 2069.

Odinsa S.A.: Incorporated under the Colombian law on 16 July 1992. Its main corporate purpose is the study, implementation, financing and operation of all activities and works of engineering and architecture in all its forms and specialties, inside or outside the country. Its main domicile until May 2016 was Bogotá (Colombia) when it changed its company name and address to Medellín (Colombia), and its term expires on 31 December 2100.

Valle Cement Investments Inc.: Incorporated on 18 December 1998. Its corporate purpose is to make investments of any kind. At present it invests in shares, quotas or interest shares and other types of securities. The term of the company is indefinite. Control of this company is held through Cementos Argos S.A.

By private document dated 17 March 2021, registered in book 9, number 9358 of 29 March 2021, the company changes its name from Valle Cement Investments Ltda. to Valle Cement Investments Inc. and the domicile changes from British Virgin Islands to Panama.

Sator S.A.S.: incorporated under Colombian law on 28 October 1981, its main domicile is in Medellin (Colombia) and its term is indefinite. Its corporate purpose is to perform the prospecting, exploration, exploitation, production, benefit, transformation, acquisition, disposal, marketing and transportation of coal and any other mineral substance associated with coal, import, export, marketing and supply of raw materials, inputs, equipment and machinery required for mining coal and other minerals.

Concretos Argos S.A.S.: Incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transport, benefit, integral use, commercialization, and sale of stone minerals such as: sand, cement, gravel, premixed concrete and prefabricated concrete elements, concrete blocks and any other material and elements of its own, accessories and complementary used in the construction industry. Its domicile is in Bogota (Colombia) and its term is indefinite. Control of this company is held through Cementos Argos S.A.

Summa- Servicios Corporativos Integrales S.A.S.: incorporated on 7 December 2016. Its corporate purpose is to provide specialized business services in Colombia and abroad to companies linked to Grupo Empresarial Argos or to third parties, in any area that can create value for its clients; to provide consulting or intervention services in any of the businesses of the companies that make up Grupo Empresarial Argos or to third parties; to carry out all those acts that are intended to exercise the rights and comply with the obligations, legal or conventional, derived from the existence and activities developed by the society and to carry out any other legal economic activity both in Colombia and abroad. Its main domicile is in Medellin (Colombia).

Patrimonio Autónomo Ganadería Río Grande: Incorporated on 14 August 2017. It executes all activities related to the operation and management of the business of breeding and marketing of livestock, biotechnology, and maintenance of the farms where the heads of livestock are located. Through the execution of a joint account agreement, in which the assets associated with the livestock business were contributed, the Fundación Grupo Argos, as managing participant, manages and operates the assets related to this business on its own.

16.2 Changes in the ownership interests and distribution of dividends in a subsidiary.

As of 31 December 2023, the following changes were made in interests on subsidiaries:

Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S.A.: on 29 September 2022, the Company entered into an agreement with Macquarie Asset Management for the sale of the 30% interests in the company equivalent to 91,770 shares and the rights associated therewith, for the creation of an investment platform focused on the management of airport assets in which the Company will participate through its subsidiary Odinsa S.A.

Once the conditions precedent for the closing of the operation have been met before the corresponding authorities, financial institutions, insurers and shareholders of the concessions, the companies Macquarie Asset Management, Odinsa S.A. and Grupo Argos S.A. announced on 29 June 2023 the perfection of its strategic alliance and reported the start of operations of Odinsa Aeropuertos S.A.S., which was incorporated after the negotiation with Macquarie of the 30% interests that Grupo Argos S.A. had in Opain S.A. for $274,554, the 2.5% of interests of Odinsa S.A. in Opain S.A. for $22,788 and the sale of other assets related to the airport business held by Odinsa S.A., (Note 41 Relevant events). These events involved the Company’s loss of control over the Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. as of June 2023.

Cementos Argos S.A.: shares of $54,051 were acquired, corresponding to 17,928,000 shares, this represents an increase in the share of 1.53%, ordinary dividends for ($1,658) were generated, and a net equity increase of $87,132. In addition, extraordinary dividends decreed at an extraordinary meeting held in June 2023 for ($162,175) were recognized, a net equity increase of $4,262 was recognized because of an indirect increase in interests in accordance with the execution of the repurchase of shares program. Cash dividends of $276,006 were received.

Valle Cement Investments Inc.: During 2023, the sale of 8.19% of the interests represented in 712,836 shares was made for $119,877 (USD 30,143,771) and with a cost to sell investments of ($46,583). (Note 41 Relevant events).

Celsia S.A.: during 2023, recognized a net equity increase of $68 because of an indirect increase in interests in accordance with the execution of the repurchase of shares program. Cash dividends of $163,961 were received.

Sator S.A.S.: Cash dividends of $39,863 were received in 2023. On 30 June 2023, the usufruct on 45,001,357 shares that Grupo de Inversiones Suramericana S.A. had with the Company ended.

Odinsa S.A.: $86 worth of shares were acquired corresponding to 8,581 shares, representing an increase in shareholding of 0.003% and a net equity decrease of ($6). Cash dividends of $303,977 were received.

As of 31 December 2022, the following changes were made in interests on subsidiaries:

Cementos Argos S.A.: shares were acquired for $12,282 corresponding to 3,088,365 shares, which represents an increase in equity of 0.26%, dividends for ($434) and a net equity increase of $11,976. Cash dividends for $144,640 were received. Cash dividends of $144,604 were received.

Celsia S.A.: Cash dividends of $160,422 were received in 2022.

Odinsa S.A.: Cash dividends of $360,957 were received in 2022.

Sator S.A.S.: On 1 March 2022, the General Shareholders' Meeting of Sator S.A.S., approved an issuance of shares without preference rights. The shares were subscribed by Grupo Argos through the contribution in kind of the usufruct over 45,001,357 shares of Grupo de Inversiones Suramericana S.A. Consequently, the interests of Grupo Argos S.A. in Sator S.A.S. increased by 0.63%.

Summa Servicios Corporativos Integrales S.A.S.: By means of minute 65 of 28 April 2022, the capitalization of the company was approved, resulting in a contribution of $1,490, which corresponds to 50 shares of each of the shareholders, therefore, it does not represent a variation in interests.

Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S.A.: On 29 September 2022 an agreement was signed for the constitution of an investment platform focused on the management of airport assets with Macquarie Asset Management and Odinsa S.A. For the perfection of such agreement, the Company will sell to Macquarie Infrastructure Partners V (MIP V) its interests in Opain S.A., Therefore, the investment associated with this participation was reclassified as a non-current asset held for sale (see note 17 Non-current assets held for sale).

16.3 Significant restrictions and commitments

There are no significant restrictions on the ability of direct subsidiaries to transfer funds to the Company in the form of cash dividends, loan repayments, prepayments, or others.

16.4 Impairment analysis

The Company assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is any indication of impairment of assets. If such an indication exists, the Company performs impairment tests on the assets.

For publicly traded companies, the fair values of the shares were compared with the prices of the shares as of 31 December 2023, subtracting the transaction or sale costs on the stock exchange. Although for the investments of Cementos Argos S.A. and Celsia S.A., whose shares are listed on the Colombian Stock Exchange, the market value of the share is lower than the book value, no impairment is generated because the business fundamentals and the valuation performed by the Company do not show any loss of value.

NOTE 17: NON-CURRENT ASSETS HELD FOR SALE

The balance of the non-current assets held for sale corresponds to:

	2023	2022
Investments	2,035,970	64,617
Total Non-current assets held for sale	**2,035,970**	**64,617**

As of 31 December 2023, non-current assets held for sale correspond mainly to the following transactions:

1. Agreement to transfer investment in the food business of Grupo Nutresa S.A. in exchange for shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A., a company holding shares of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A., in accordance with the Framework Arrangement entered on 16 June 2023 between Grupo Argos S.A., JGDB Holding S.A.S., Nugil S.A.S, IHC Capital Holding L.L.C, Grupo Nutresa S.A., and Grupo de Inversiones Suramericana S.A.

2. Agreement between the Company, Odinsa S.A. and Macquarie Asset Management ("MAM"). This agreement was finalized in June 2023, so assets classified as held for sale were disposed of in that period.

The movement of assets classified as held for sale during the period is detailed below:

1. Agreement to transfer investment in the food business of Grupo Nutresa S.A. in exchange for shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A., a company that owns the shares of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A.

On 24 May 2023, the Company signed with JGDB Holding S.A.S, Nugil S.A.S, International Capital Holding L.L.C, AFLAJ Investment L.L.C, Grupo Nutresa S.A., and Grupo de Inversiones Suramericana S.A. (the "Parties"), the Memorandum of Understanding (MOU), to enter a series of transactions that allow JGDB Holding S.A.S. and Nugil S.A.S. to be the majority and controlling shareholders of Grupo Nutresa S.A.

Subsequently, on 16 June 2023, the Framework Arrangement was signed between the Parties that establishes the terms of exchange of Group's interests in Grupo Nutresa S.A.'s food business. Said arrangement establishes that the Company will exchange its shares in the food business of Grupo Nutresa S.A., receiving shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A., a company holding shares of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. (Note 41 Relevant Events).

On 14 December 2023, the spin-off of Grupo Nutresa S.A was recorded by means of Public Deed No. 3838, the company Sociedad Portafolio S.A. being created. The foregoing led to the reclassification of the carrying amount of the investment by $280,926, from non-current assets held for sale to financial instruments measured at fair value through other comprehensive income (Note 11 Other financial assets).

As at 31 December 2023 and 2022, the investment classified as held for sale corresponding to the shares of Grupo Nutresa S.A. is $2,035,970 (2022 $0).

2. Arrangement between Grupo Argos S.A., Odinsa S.A., and Macquarie Asset Management (MAM)

On 29 September 2022, the Company signed an arrangement with Macquarie Asset Management and Odinsa S.A. for the creation of an investment platform focused on airport asset management.

Once the conditions established for the closing of the transaction have been met before the corresponding authorities, financial institutions, insurers and shareholders of the concessions, Macquarie Asset Management (MAM) companies, through its related party Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamerica, Odinsa S.A. and Grupo Argos S.A., announced on 29 June 2023 the consolidation of their strategic alliance and reported the start of operations of the airport platform, in which each has a 50% share.

Odinsa Aeropuertos S.A.S. was incorporated after negotiating with Macquarie Asset Management the 30% that Grupo Argos S.A. had in Opain S.A. for COP 275 billion, the 2.5% shares of Odinsa S.A. in Opain S.A. for COP 23 billion and other assets related to Airports held by Odinsa S.A. (Note 41 Relevant Events).

As at 31 December 2023 and 2022, the balance of non-current assets held for sale under this arrangement is $0 (2022 $64,617), in 2022, intangible assets corresponding to the rights on contracts held over Opain S.A., and the investment in said subsidiary, on which control was lost through the sale on 29 June 2023 to Macquarie Asset Management (Note 41 Relevant Events).

As at 31 December 2023 and 2022, the Company has no non-current assets held for sale classified as discontinued operations.

NOTE 18: FINANCIAL OBLIGATIONS

The balance of financial obligations includes:

	2023	2022
Promissory notes in local currency (1)	647,655	401,120
Other obligations	-	97
Total financial obligations	**647,655**	**401,217**
Current	26,841	8,920
Non-current	620,814	392,297
Total financial obligations	**647,655**	**401,217**

Financial obligations consist of loans acquired in local currency whose nominal balance as of 31 December is $624,653 (2022 $392,200). During the reporting period, a loan was acquired in local currency with Sumitomo Mitsui Bank Corporation for a nominal value of $232,453 and was intended for financing activities.

Of the total 36,110,000 shares of Grupo de Inversiones Suramericana pledged, a total of 28,110,000 shares guarantee the loan with Bancolombia S.A. and 8,000,000 shares guarantee the loan with Sumitomo Mitsui Bank Corporation. (Note 7.4 Collaterals)

The Company's main loans are presented below at their nominal value, expressed in the original currency, and their book values at the end of the reporting period.

				Nominal value (*)		Book value	
Category	Financial Entity	Maturity	Currency	2023	2022	2023	2022
Domestic Banks	Bancolombia S.A.	2026	COP	392,200	392,200	399,625	401,120
Banks Overseas	Sumitomo Mitsui Bank	2027	COP	232,453	-	248,030	-
Total promissory notes in local currency						**647,655**	**401,120**
Total promissory notes in local currency						**647,655**	**401,120**
Current						26,841	8,920
Non-current						620,814	392,200

The book value of financial obligations in local currency by maturity year is as follows:

	2023	2022

Maturity		
Year 2024	26,841	8,920
Year 2025 to 2027	620,814	392,200
Total promissory notes in local currency	**647,655**	**401,120**

The loan with Bancolombia is linked to compliance with ESG indicators on which the Company has been working for more than five years. Grupo Argos must report annually its progress in terms of compliance with the goals previously defined within the loan in terms of gender equity and climate change to benefit from a reduction of up to 100 basis points in the interest rate during the term of the loan, which extends from 2025 to 2026.

On 1 November 2023, addendum No. 2 to the credit agreement with Bancolombia, the modifications did not represent substantially different terms, so the operation did not generate the derecognition of the current liability but its modification in accordance with the Company's accounting policies (Note 2.4.13 Finance liabilities and equity instruments) and did not increase the Company's indebtedness.

NOTE 19: LEASES

19.1 Leases as a lessee

19.1.1 Lease arrangements

The Company performed the evaluation of the lease agreements during 2023 and the terms of the most significant non-cancellable leases vary for building leases, among 8 years, and vehicle leases, 3 years, signed with Leasing Bancolombia S.A., which mature in 2026. Additionally, it was identified that there are no significant lease arrangements that provide restrictions related to dividend distribution, additional indebtedness or to new lease arrangements, nor are there contingent quotas, renewal options or escalation clauses.

As of 31 December 2023, recognized real estate leases are linked to the consumer price index (CPI).

19.1.2 Right-of-use assets and liabilities

The balance of right-of-use lease assets and liabilities comprises:

2023	Right-of-use leased assets					Closing balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Closing balance	
Constructions and buildings	6,353	-	(1,660)	(75)	4,618	5,085
Land transport equipment	668	88	(383)	(21)	352	382
Right-of-use assets/liabilities, net	**7,021**	**88**	**(2,043)**	**(96)**	**4,970**	**5,467**

2022	Right-of-use leased assets					Closing balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Closing balance	
Constructions and buildings (*)	6,354	-	(1,686)	1,685	6,353	6,625
Land transport equipment	369	460	(452)	291	668	698
Right-of-use assets/liabilities, net	**6,723**	**460**	**(2,138)**	**1,976**	**7,021**	**7,323**

Lease liabilities as of 31 December are as follows:

	2023	2022

Lease liabilities		
Current	1,318	3,706
Non-current	4,149	3,617
Total lease liabilities	**5,467**	**7,323**

19.1.3 Items recognized in the statement of income and cash flows from leases

Leases	2023	2022
Interest expense on lease liabilities	989	486
Expenses related to short-term leases	373	780
Expenses related to low value asset leases	466	413
Cash flows from leases (including interest)	(2,834)	(2,312)

19.1.4 Renewal Options

The Company's leases contain renewal options that can be exercised to extend the lease term from one year to six years, and that can be exercised up to one year before the end of the non-cancellable period of the contract.

Generally, the Company can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Company and not by the lessor. The Company assesses at the commencement date of the lease whether it is reasonably safe to exercise the renewal options and considers them in determining the lease term, meanwhile, it reassesses whether there is a significant event or change in the circumstances under its control.

19.2 Leases as a lessor

19.2.1 Financial leases

The Company does not have any financial lease arrangements in which it acts as the lessor.

19.2.2 Operating Leases

The Company enters lease arrangements as lessor mainly on land, constructions, and buildings, mainly on Pajonal, Corporative lot and Hacienda Campo Alegre.

Lease income recognized by the Company during 2023 was $2,707 (2022 $2,923).

NOTE 20: EMPLOYEE BENEFITS LIABILITIES

Employee benefits are classified as:

	2023	2022
Short-term employee benefits	15,987	13,463
Post-employment benefits	2,572	2,090
Total employee benefits	**18,559**	**15,553**
Current	16,519	13,907
Non-current	2,040	1,646
Total employee benefits	**18,559**	**15,553**

20.1 Short-term employee benefits

The following are recognized as short-term employee benefits: vacations, bonuses, extralegal premiums, collective life insurance, health insurance and education policies, among others.

For retired employees in Colombia, a death benefit is granted which is increased in accordance with the Consumer Price Index (CPI), up to the equivalent of five times the current legal minimum monthly wage (SMLV).

20.2 Post-Employment Employee Benefits

The actuarial valuation of plan assets and the present value of the defined benefit obligation is performed annually by independent actuarial consultants. The present value of the defined benefit obligation and the current service cost and related past service cost were measured using the projected credit unit method. The Company's employees belong to a public retirement benefit plan managed by the Government, or a private pension fund. The Company is required to contribute a specific percentage of the payroll costs to the retirement benefit scheme.

Regarding the retirement pensions assumed by the Company, the most recent actuarial valuation of the present value of the defined benefit obligation was performed as of 31 December 2023. The present value of the defined benefit obligation, current service cost and related past service cost were measured using the projected unit credit method.

The amount included in the Statement of Financial Position for the entity's obligation under defined benefit plans, defined contribution plans, the movement in the present value of the benefit obligation in the current year and changes in the fair value of plan assets in the current period are as follows:

	2023	2022
Present value of obligations at 1 January	**45,166**	**36,889**
Cost of current service	1,087	1,078
Interest Expenses	3,911	2,872
Remeasurement of defined benefit plan net of contributions	-	-
Actuarial gain (loss) from changes in:		
Financial assumptions	2,679	(1,498)
Experience assumptions	4,175	6,112
Benefits paid directly by the Company	(8,797)	(287)
Other changes	-	-
Present value of obligations at 31 December	**48,221**	**45,166**
Post-employment benefits		
Retirement benefits	2,355	1,946
Non-pension post-employment benefits	45,866	43,220
Total Post-employment benefits under defined benefit plans	**48,221**	**45,166**
Fair value of plan assets associated with non-pension benefits	(48,218)	(44,768)
Present value of obligations at 31 December, net	**3**	**398**

	2023	2022
Non-pension post-employment benefits		
Present value of obligations at 31 December	45,866	43,220
Fair value of plan assets associated with non-pension benefits	(48,218)	(44,768)
Present value of obligations at 31 December, net (*)	**(2,352)**	**(1,548)**

(*) The excess of plan assets over the post-employment benefit liability is reclassified to other assets (Note 12 Prepaid expenses and other non-financial assets).

	2023	2022
Post-employment benefits		
Present value of pension obligations at 31 December	2,355	1,946
Liabilities for defined contribution plans	217	144
Total Post-employment benefits	**2,572**	**2,090**

Retirement benefit

The retirement benefit is equal to 75% of the average monthly salary, payable for life, subject to the following limits:

- Minimum payment equal to the minimum monthly wage.
- Maximum payment equal to 25 minimum monthly wages.

In addition, two additional payments are made, one in June and one in December. For participants who retire after 25 July 2005, the June payment is eliminated, except for participants who receive less than three minimum wages. After 31 July 2011, all participants who retire are not eligible for the June payment, therefore, they receive only 13 annual payments.

When the participant expects to receive benefits under the Colpensiones, these benefits are deducted from the benefits payable by the Company´s plan, thereby reducing the obligation.

Pensions in payment increase in accordance with inflation. When a participant receives a pension equal to the minimum wage, the pension increases in accordance with increases in the minimum wage.

In the event of the participant's death after retirement, the beneficiary receives 100% of the pension. The beneficiary or beneficiaries are those established by legal provisions.

A funeral allowance benefit is granted to participants who do not receive benefits from Colpensiones, which consists of a single payment equal to the participant's monthly pension, subject to the following limits:

a) Minimum payment of 5 minimum monthly wages.
b) Maximum payment of 10 minimum monthly wages.

Social Security Contribution Benefit

Corresponds to a post-retirement benefit in addition to the statutory pension plan (retirement benefit), in which the Company assumes the payment of health contributions to social security entities. The beneficiary or beneficiaries are those established by legal provisions.

Pension gap at retirement benefit

This benefit consists of the granting of a single premium at the time of separation from the entity to enjoy the old-age pension, the value of which corresponds to the money needed to close the executive's pension gap. This benefit currently has contributions in private pension funds that will be used only when the requirements for obtaining the benefit are met.

The following is the expenditure of defined contributions for 2023 and 2022, which includes the expenditure of compulsory pension contributions and severance payments:

	2023	2022
Defined contribution expenses	2,580	2,138

Main actuarial assumptions

(1) The main actuarial assumptions used to determine defined benefit plan obligations are as follows:

	2023	2022
Discount rate	9.63%	11.85%
Salary increase	4.75%	4.75%
Pension increase	2.25%	2.25%
Inflation rate (%)	3.75%	3.78%

(2) Below is a detail of the mortality rates used to determine plan longevity conditions:

	2023		2022	
Age	Women	Men	Women	Men
35	0.06%	0.11%	0.06%	0.11%
40	0.09%	0.16%	0.09%	0.16%
45	0.13%	0.23%	0.13%	0.23%
50	0.19%	0.34%	0.19%	0.34%
55	0.28%	0.51%	0.28%	0.51%
60	0.43%	0.77%	0.43%	0.77%
65	0.69%	1.27%	0.69%	1.27%
70	1.14%	2.11%	1.14%	2.11%
75	1.92%	3.40%	1.92%	3.40%

Sensitivity analysis

The following table shows the effect of a 1% change in the inflation rate and a 1% change in the discount rate on the defined post-employment benefit plan obligation:

	Total
Change in discount rate	
Increase in discount rate by +1% | The new balance of the pension gap liability would be	46,748
Decrease in the discount rate by -1% | The new balance of the pension gap liability would be	49,860
Change in salary increase rate	
Increase in salary by +1% | The new balance of the pension gap liability would be	47,408
Decrease in salary by -1% | The new balance of the pension gap liability would be	44,458
Change in mortality rate	
Increase in mortality rate by +1% | The new balance of the retirement liability would be	2,278
Decrease in mortality rate by -1% | The new balance of the retirement liability would be	2.440

There was no change in the methods and assumptions used in preparing the sensitivity analysis of previous years.

Expected contributions for the next few years financed from own resources:

	2023
2024	1,526
2025	39,007
2026	484
2027	507

2028	531
Assessment date +6 years to assessment date +10 years (5 years)	3,082

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations under Decree 1625 of 2016 and partial pension commutations under Decree 1833 of 2016 are as follows:

	2023
Inflation rate (%)	8.70%
Discount rate (%)	4.80%
Minimum Wage Increase (%)	8.70%

Below is the difference between the calculation of defined benefit plans and pension commutations, under the methodology described in Decree 2131 of 2016 and the methodology applicable to comply with the technical regulations framework applicable in Colombia, as of 31 December 2023:

	Assumptions Decree 1625 of 2016 (Decree 2131 of 2016)	Assumptions Employee Benefits (IAS 19)	Difference
Present value of defined benefit plan obligations at 31 December 2023	2,598	2,355	(243)
Present value of defined benefit plan obligations at 31 December 2022	2,375	1,946	(429)

NOTE 21: PROVISIONS

The balance of provisions corresponds to:

	2023	2022
Litigation, lawsuits and other contingencies	202	4,494
Decommissioning	55	761
Total current provisions	**257**	**5,255**

The balance at the beginning of the period is $4,494, used in derecognition for payment in kind from the land of San Antonio Santana Isla Barú to the company Barú Partners and Community Entrepreneur S.A.S. of ($3,625), fees, legal expenses, taxes, maintenance and repairs for ($685) and $18 for the return of excess paid from the claim process related to a portion of the San Antonio property located in Barú and exogenous tax information for the year 2016.

The balance at the beginning of the period is $761, used for technical and legal advice and maintenance ($706) required by the Colombian Environmental Licensing Authority (ANLA) for the decommissioning of Tamalameque.

Changes in provisions are as follows:

	Litigation, lawsuits and other contingencies	Decommissioning	Total
1 January 2023	**4,494**	**761**	**5,255**
Reversal	18	-	18
Provisions used	(4,310)	(706)	(5,016)
Total provisions at 31 December 2023	**202**	**55**	**257**

	Litigation, lawsuits and other contingencies	Decommissioning	Total

	Litigation, lawsuits and other contingencies	Decommissioning	Other provisions	Total
1 January 2022	**4,943**	**11**	**51**	**5,005**
Provisions made (1)	-	750	-	750
Provisions used (2)	(449)	-	(51)	(500)
Total provisions at 31 December 2022	**4,494**	**761**	**-**	**5,255**

NOTE 22: TRADE AND OTHER PAYABLES

Trade liabilities and other payables at 31 December comprise:

	2023	2022
Dividends payable	131,120	115,053
Domestic suppliers	5,018	1,287
Payables to related parties (Note 38 Related parties)	1,770	13,215
Other payables	899	19,333
Overseas suppliers	272	34
Total trade liabilities and other payables	**139,079**	**148,922**
Current	139,079	148,922
Total trade liabilities and other payables	**139,079**	**148,922**

The decrease in trade liabilities and other payables corresponds mainly to the fact that in 2023 payments were made for related parties and other payables (Note 38 Related Parties).

The Company has implemented financial risk management policies to ensure that all payables are paid in accordance with pre-agreed credit terms.

NOTE 23: BONDS AND COMPOUND FINANCIAL INSTRUMENTS

Bonds and compound financial instruments are detailed as:

	2023	2022
Bonds and commercial paper in circulation (1)	995,563	995,112
Preferential shares classified as compound financial instruments (2)	10,541	9,612
Total bonds and compound financial instruments	**1,006,104**	**1,004,724**
Current	145,326	10,357
Non-current	860,778	994,367
Total bonds and compound financial instruments	**1,006,104**	**1,004,724**

Below are the nominal values of the outstanding series with their different terms and amounts:
(1)

				Issues standing at:	
Issuer	Placement date	Term	Rate	2023	2022
Bonds					
Grupo Argos S.A.	10/09/2014	15 years	CPI + 4.24% EAR	390,104	390,104
Grupo Argos S.A.	28/08/2019	15 years	CPI + 3.20% EAR	168,535	168,535
Grupo Argos S.A.	28/08/2019	6 years	CPI + 2.44% EAR	157,965	157,965

Grupo Argos S.A.	28/10/2020	7 years	CPI + 2.65% EAR	136,500	136,500
Grupo Argos S.A.	10/09/2014	10 years	CPI + 3.95% EAR	134,818	134,818
Total				**987,922**	**987,922**

The Company's preferential shares entitle the holders to receive a preferred dividend of $4 Colombian pesos per share, which will be paid preferentially with respect to that corresponding to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the dividend received by the holders of the ordinary shares be greater than that declared in favor of the preferential shares.

For subsequent recognition and measurement, the Company identified the debt and equity components by evaluating the contractual terms of the instrument and the obligations as issuer. Given the contractual obligation of the issuer to pay the minimum annual dividend to the holders of the shares, the issuance incorporates a finance liability component. Once this liability is measured, the difference between the value received and the value of the obligation constitutes an equity component. The finance liability component must be measured at least in each interim period and its effects Recognized in profit or loss for the period. The equity component is not subject to subsequent measurement.

The Company determined the liability component by discounting the cash flows corresponding to the minimum preferential dividend, which were calculated in perpetuity. Considering the difficulty of identifying in the market a financial instrument with the same characteristics of the issuance, the discount rate of the financial liability was determined with reference to the average cost of the Company's debt.

At the closing of each reporting period, 210,811,080 outstanding preferential shares (2022 211,827,180 shares).

NOTE 24: OTHER NON-FINANCIAL LIABILITIES

The balance of the other liabilities at December 31 includes:

	2023	2022
Income received in advance (1)	115,376	125,697
Other prepayments and advances received	35,715	33,977
Industry and commerce tax (2)	10,602	8,248
Withholding at source	1,504	4,869
Sales tax withheld	491	2,649
Sales Tax	126	93
Total other non-financial liabilities	**163,814**	**175,533**

(1) The increase during 2023 corresponds to net income related to the costs of urban developments pending execution in the sold lots Palmas del Río, PEN III, Miramar IV, CIC, Lake Alto Stage I, Villa Carolina VIII, Portal Genovés II, Pajonal (San Jose del Norte), Barú, PEN IV, Alejandría Stage I, Santa Isabel, Pajonal Stage I, Barú Polonia, Alejandría Stage II, Alejandría Stage III, Pajonal Stage II (Reb 2), Pajonal Stage III, Alejandría Stage V, net of amortizations of previous periods recognized through income in the current period.

(2) The increase in this item is associated with the sale of lots made during the year 2023.

NOTE 25: SHARE CAPITAL

The balance of the share capital issued comprises:

	2023	2022
Authorized Capital		
1,200,000,000 ordinary shares with a nominal value of $62.5	75,000	75,000

	2023	2022
subscribed and paid capital		
663,331,535 ordinary shares with a nominal value of $62.5 (2022 663,331,535 shares)	41,458	41,458
211,827,180 preferential shares with a nominal value of $62.5 (2022 211,827,180 shares)	13,239	13,239
Total	**54,697**	**54,697**

Preferential shares confer the following rights on the holders:

1) To receive a preferential dividend of $4 Colombian pesos per share, which will be paid in preference to that corresponding to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the dividend received by the holders of the ordinary shares be greater than that declared in favor of the preferential shares.

   In no case may preferential dividend be accumulated for subsequent years. In each case, the first payment of dividends will correspond to those that the Company decrees after the shares are subscribed.

2) To participate jointly with the holders of ordinary shares in the distributable profits, in proportion to their participation in the subscribed capital of the Company, after payment of the preferential dividend and the ordinary dividend that is equal to the preferential dividend.

3) To have priority in the reimbursement of contributions in the liquidation process, provided that the Company's external liabilities have been fully covered.

4) To be called to Shareholders Meetings in the same manner and within the same time limits as the holders of ordinary shares.

5) To participate in Shareholders Meetings and to vote thereat only in the following situations:

   a) When it is a matter of approving modifications that may deteriorate the conditions or rights established for the preferential shares. In this case, the favorable vote of 70% of the shares into which the subscribed capital is divided will be required, including in said percentage and in the same proportion the favorable vote of the preferential shares.

   b) When voting on the conversion of preferential shares into ordinary shares unless the respective regulations specifically regulate the possibility of conversion and the terms on which it is to be made. If it is decided to approve a conversion different from that approved in the regulations or that the regulations have not contemplated this option, the same majority indicated in the preceding paragraph will be applied.

   c) If at the end of a corporate year the company does not generate distributable profits that allow it to cancel the preferential dividend, and the Superintendence of Finance of Colombia, ex-officio or at the request of holders of preferential shares that represent at least 10% of these shares, establishes that benefits that reduce distributable profits have been hidden or distracted, may determine that the owners of these shares participate with voice and vote in the meetings of the shareholders' meeting, until it is verified that the irregularities that gave rise to this measure have disappeared, in accordance with the provisions of Article 64 of Law 222 of 1995.

   d) To exercise the right of inspection in the same cases, terms, and conditions as the holders of ordinary shares.

Ordinary shares held by associates are 236,465,932 shares (2022 236,465,932 shares).

Reconciliation of ordinary and preferential shares

	Number of shares	Share capital	Additional paid-in capital
Reconciliation of ordinary shares			
Balance at 31 December 2022 (1)	663,331,535	41,458	149,167
Balance at 31 December 2023 (1)	663,331,535	41,458	149,167
Reconciliation of preferential shares			
Balance at 31 December 2022 (1)	211,827,180	13,239	1,354,206
Balance as at 31 December 2023	211,827,180	13,239	1,354,206
Total ordinary and preferential shares at 31 December 2022	875,158,715	54,697	1,503,373
Total ordinary and preferential shares at 31 December 2023	875,158,715	54,697	1,503,373

(1) As of December 31, 2023, the company holds 12,626,674 repurchased own shares (2022 5,702,432), of which 11,610,574 (2022 5,702,432) corresponds to ordinary shares and 1,016,100 to preferential shares.

As of December 31, 2023, outstanding ordinary shares are 651,720,961 shares (2022 657,629,103) and preferential shares are 210,811,080 (2022 211,827,180). Treasury shares are 12,626,674 shares (2022 5,702,432).

NOTE 26: TREASURY SHARES

In February 2023, the Company's Board of Directors authorized the start of the execution of the share repurchase program that was approved at the ordinary meeting of the 2020 General Shareholders' Meeting, and that a proposal be submitted at the ordinary meeting of the 2023 General Shareholders' Meeting to advance a new repurchase program for up to $500,000 in order to continue the 2020 program in force that expired in March 2023.

The General Shareholders' Meeting of the Company:

1. Authorized the transfer of $106,000 from reserves for future investments taxed to the reserve for repurchase of shares.

2. Authorized the repurchase of ordinary shares and preferential dividend and non-voting shares of the Company through a repurchase program, up to $500,000, within three years.

3. It empowered the Board of Directors to regulate the Repurchase Program indicated in the previous section, and to define and approve the terms and conditions of the same. The repurchase must be made by means of mechanisms that guarantee equal conditions for all shareholders and the repurchase price for each type of share will be set based on technically recognized procedures, in compliance with current regulations. In the event that the Board of Directors considers that the appropriate internal or market conditions are not presented to carry out the repurchase of shares, the company shall not be obliged to implement, in whole or in part, the repurchase of shares.

During 2023, the Company executed part of the 2020 repurchase of shares program, where it repurchased 5,908,142 ordinary shares for $56,523 and 1,016,100 preferential shares for $6,484, which for control purposes were recognized in the subaccount of own shares repurchased in equity. In turn, $5,988 was transferred from the occasional reserve of future investments corresponding to 5,702,432 of its own shares repurchased from previous years to the aforementioned subaccount, in order to have control over the total repurchased shares.

NOTE 27: RESERVES AND OTHER COMPREHENSIVE INCOME

27.1 Reserves

The balance of reserves at 31 December comprises:

	2023	2022
Legal reserve (1)	29,665	29,665
Mandatory reserves (2)	511,988	405,988
Other occasional reserves (3)	2,553,000	2,805,446
Total reserves	**3,094,653**	**3,241,099**

1. Legal reserve

The Company is required to appropriate 10% of its net annual profits as a legal reserve until the balance of this reserve reaches 50% of the subscribed capital. The reserve is not distributable prior to the liquidation of the Company but must be used to absorb or reduce annual net losses. Appropriations made more than 50% are freely available to the shareholders at the General Shareholders Meeting.

2. Mandatory reserves

Mandatory reserves include the balance of the reserve for the repurchase of shares of $511,988 (2022 $405,988). The General Shareholders' Meeting held on 30 March 2023 approved the transfer of $106,000 from reserves for future investments under reserve for the repurchase of shares.

3. Other occasional reserves

The balance of the other reserves includes:

	2023	2022
Reserve for future investments	2,381,773	2,635,119
Reserves for future expansion	163,427	163,427
Reserves for social responsibility activities	7,800	6,900
Subtotal occasional reserves	**2,553,000**	**2,805,446**

The other occasional reserves are freely available to shareholders.

The General Assembly of Shareholders of Grupo Argos S.A. at the ordinary meeting held on 30 March 2023 released taxed and non-taxed reserves for future investments $155,048, from the reserve intended for social responsibility activities for their disposition the meeting released $6,900 and appropriated $7,800. Transfer was made for repurchased own shares ($5,988). Transfer from reserve for repurchase of shares $106,000 and $363 corresponding to the dividend of 631,772 own shares repurchased as greater value of the appropriation of reserves for future investments.

As of 31 December in accordance with the repurchase of shares program, 6,924,242 shares were purchased for $63,007, generating an increase in the reserve for future investments for $1,351.

The General Shareholders' Meeting of Grupo Argos S.A. at the ordinary meeting held on 24 March 2022 appropriated from the reserves for future investments $98,924 and released $6,500 from the reserve intended for social responsibility activities for their disposition and distribution in 2022. Also, approved the appropriation of reserves for $6,900.

27.2 Other comprehensive income (OCI)

	2023	2022
Gains and losses on equity investments (1)	1,410,348	1,338,919

	2023	2022
Remeasurement of defined benefit liabilities	(25,992)	5,688
Cash flow hedges	23,103	(35,895)
Revaluation of property, plant and equipment	5,644	5,881
Foreign exchange difference on translation of foreign operations	1,364,025	3,413,629
Total other comprehensive income (OCI)	**2,777,128**	**4,728,222**

(1) In 2023, other comprehensive income (OCI) mainly includes gains and losses on equity investments measured at fair value of $1,878,504 and its deferred tax on equity investments of ($267,002) associated with assets classified as non-current assets held for sale corresponding to the shares of Grupo Nutresa S.A. (Note 17 Non-current assets held for sale and Note 41 Relevant Events).

(2) As at 31 December 2023, the Company made reclassifications from other comprehensive income to retained earnings of ($102) for the following items: for the sale of interests in Valle Cement Investments Inc. by means of Equity-accounted investees in subsidiaries due to measurement of obligations for defined benefit by ($77), gains from equity investments of $270 and revaluation of property, plant and equipment of subsidiary for ($295). (Note 16 Investments in subsidiaries and Note 41 Relevant events).

(3) As of 31 December 2023 the Company transferred to profit for the year ($361) for own cash flow hedges (2022 $221) and for the realization by equity-accounted investees for $400 on cash flow hedging instruments on the sale of Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S. A. for $26,710, on the sale of Valle Cement Investments Inc. for $26,710, by equity-accounted investees on cash flow hedges ($162) and foreign exchange difference on translation of foreign operations for ($26,148). (Note 16 Investments in subsidiaries and Note 41 Relevant events).

During 2022, the Company made transfers from other comprehensive income (OCI) to retained earnings of $1,172 corresponding to deferred taxes on equity investments of $201, gains and losses on equity investments from the sale of 42,026 shares of Bird Globlal INC for $1,871, and application of equity-accounted investees in subsidiaries for $900.

Likewise, at 31 December 2023, recognition was made to the other comprehensive income (OCI) for ($1,950,993), detailed as follows:

- Changes in investments measured at fair value: Sociedad Portafolio S.A. $256,357, Grupo Nutresa S.A. $45,471, Fondo de Capital Privado Progresa Capital for $120 and other investments Proyecto Ventures Corporativo ($2,997)

- Net profit on cash flow hedged instruments ($5,183).

- Deferred tax of equity investments ($24,917) and cash flow hedges $1,687.

- Remeasurement of defined benefit liabilities for ($4,872).

- Movements of the equity-accounted investees in subsidiaries: revaluation of property, plant and equipment $58, measurements of defined benefit liabilities ($26,732), gains and losses on equity investments ($202,873), net gains from cash flow hedging instruments $35,941 and foreign exchange difference on translation of foreign operations ($2,023,453).

- Transfers from other comprehensive income to profit for the year of $400, from equity-accounted investees of subsidiaries in cash flow hedging instruments and foreign exchange difference for translation, mentioned in section (3).

NOTE 28: OTHER COMPONENTS OF EQUITY

The balances of other components of equity correspond to equity-accounted investees for other equity variations of subsidiaries, including changes in interests of subsidiaries for transactions with non-controlling interests.

As of 31 December 2023, recognized equity-accounted investees of other equity variations is $38.991, The Company recognized an $87,126 equity increase from the purchase of 17,928,000 shares of Cementos Argos S.A. and 8,511 shares of Odinsa S.A., an equity increase of $4,330 is recognized for the repurchase of shares program corresponding to Cementos Argos S.A and Celsia SA, which represented an increase in net equity share in the investment.

As of 31 December 2022, equity-accounted investees of other equity variations recognized amounted to $12,960, the Company recognized an equity decrease due to dilution of ($158) due to the increase in equity interests of Sator S.A.S., and an equity increase of $11,976 from the purchase of 3,088,365 shares of Cementos Argos S.A., which represented an increase in net equity share in the investment.

NOTE 29: DIVIDENDS

Dividends declared

The General Shareholders' Meeting of Grupo Argos S.A., held on 30 March 2023 (in 2022 held on 24 March), declared dividends on 657,104,864 ordinary shares (2022 657,629,103) of $575 Colombian pesos per share (2022 $500), payable in four quarterly installments of $143.75 pesos per share (2022 $125) as of April 2023 and 2022, respectively, for a total amount of $377,835 ($328,815).

Additionally, preferential dividends corresponding to 211,719,647 preferential shares (2022 211,827,180) were declared at a rate of $575 Colombian pesos per share (2022 $500), payable in four quarterly installments of $143.75 pesos per share (2022 $125), starting in April 2023 and 2022, respectively, for a total amount of $121,739 (2022 $105,914).

Dividends declared 2023	Shares	$ per year per share	2023
Ordinary dividend (*)	657,104,864	575	377.835
Preferential dividend	211,719,647	575	121,739
Total	**868,824,511**		**499,574**

Dividends declared 2022	Shares	$ per year per share	2022
Ordinary dividend (*)	657,629,103	500	328,814
Preferential dividend	211,827,180	500	105,914
Total	**869,456,283**		**434,728**

(*) Does not include 6,226,671 (2022 5,702,432) repurchased ordinary own shares and 107,533 (2022,0) repurchased preferential own shares before the approval of the profit distribution project, given that the Company carries out a process of repurchase of shares. The number of outstanding shares as at 31 December 2023 is different from the number of outstanding shares at the time of the approval of the project by the General Shareholders' Meeting (Note 25 Share Capital).

Dividends paid

As at 31 December 2023 and 2022, ordinary dividends of $365,620 (2022 $246,854) and preferential dividends of $116,539 (2022 $78,630) were paid. In 2023, mainly correspond to the dividends declared in 2022 at the General Shareholders' Meeting of Grupo Argos S.A.

NOTE 30: REVENUE

Below is a breakdown of the Company's revenue:

	2023	2022
Financial Activity (1)	618,222	142,454
Equity-accounted investees net in profit and loss of subsidiaries (2)	502,214	337,881
Real estate (3)	275,417	209,337
Income from valuation of Investment Property (4)	16,732	18,042
Income from valuation of private equity funds (4)	14,631	71,472
Total revenue	**1,427,216**	**779,186**

1) Income from financial activity corresponds to:

    a. Income from the sale of the 30% interests in the Sociedad Concesionaria Operadora Aeroportuaria Internacional – Opain S.A. equivalent to 91,770 shares and the rights associated therewith for $274,554 (Note 41 Relevant Events)

    Income from the sale of the 8.19% interests in Valle Cement Investments Inc equivalent to 712,836 shares for $119,877 (Note 16 Investments in Subsidiaries and Note 41 Relevant Events).

    b. Dividends of $213,145 (2022 $109,655), which were declared by

    - Grupo de Inversiones Suramericana S.A. $152,016 (2022 $66,693).
    - Grupo Nutresa S.A. $61,095 (2022 $42,891).
    - Fondo Regional de Garantías del Caribe Colombiano S.A. $34 (2022 $71).

    c. Income from usufruct of shares contributed to Sator S.A.S. $10,646 (2022 $32,799).

2) As at 31 December 2023, corresponds to the recognition of equity-accounted investees of the following subsidiaries:

	2023	2022
Odinsa S.A.	212,566	94,375
Cementos Argos S.A.	165,810	71,800
Celsia S.A.	102,416	146,328
Sator S.A.S.	14,944	22,086
Valle Cement Investments Inc.	6,168	1,858
Opain S.A.	-	1,247
P.A. Ganadería Río Grande.	287	181
Summa - Servicios Corporativos Integrales S.A.S.	23	6
Total equity-accounted investees	**502,214**	**337,881**

The accumulated variation as of December 2023, of income by net share in profit or loss by equity-accounted investees of subsidiaries comes mainly from Odinsa S.A. by $118,191. Of which, in the framework of the divestment transaction of Airport-related assets correspond to $165,464 (Note 41 Relevant Events). Cementos Argos S.A. presents an increase in profits by net interests of $94,010, primarily associated with the results of its Share Price Recovery Initiative (SPRINT) project executed during 2023.

3) Income from the real estate business as of December 2023 corresponds to:

- Recognition for amortization of deferred income from the following projects Portal Empresarial del Norte III, Miramar IV, Centro Internacional Caribe, Lago Alto, Villa Carolina VIII, Pajonal San José Norte, Barú Calablanca, Portal Empresarial del Norte IV, Alejandría Stage I, Santa Isabel, Pajonal Stage I, Barú Polonia, Alejandría Stage II, Alejandría Stage III, Pajonal Stage II (Ribera Mallorquín II), Pajonal Stage III and Alejandría Stage V and the sale of lots Portal Empresarial del Norte III (C3 - C4 – E1 – E2 – E3 – E4 – F1 – F2 – F3 – F4), Remanente Insignares la Playa, Alejandría Stage V (Block 46 A1), Alejandría Stage III (Block 13),Volador Urvisa, Hacienda Portonao Barú Lot 7A, Alejandría Stage III (Block 21.1), Barú Calablanca Lot E4 and Pajonal Stage III (Blocks 11, 12, 13.1, 13.2, 15.1 and 15.2) for $233.869 (2022 Recognition for amortization of deferred income from the following projects Portal Empresarial del Norte III, Miramar IV, Centro Internacional Caribe, Lago Alto, Villa Carolina VIII, Pajonal San José Norte, Barú Calablanca, Portal Empresarial del Norte IV, Alejandría Stage I, Santa Isabel, Pajonal Stage I, Barú Polonia, Alejandría Stage II, Alejandría Stage III and Pajonal Stage II (Ribera Mallorquín II)) and the sale of Lots Barú Polonia, Pajonal Stage II (Ribera Mallorquín II), Alejandría Stage II, Barú Calablanca, Alejandría Stage I, Lago Alto, Pajonal Stage I and Alejandría Stage III for $172.372).
- Fondo de Capital Privado Pactia Inmobiliario for profits of $16,450 (2022 $20,030).
- Real estate fund profits: Fiduciaria Bogotá (Alameda del Río) $12,369 (2022 $6,930), Patrimonio Autónomo Hacienda Niquia $1,609 (2022 $1,500) and Patrimonio Autónomo Operaciones Hotel Calablanca $3,232 (2022 $0).
- Dividends of Pactia S.A.S. $5,122 (2022 $5,500).
- Lease income $2,707 (2022 $2,923).
- Proceeds from easements $59 (2022 $52).
- Proceeds from guarantee promise to purchase and sale $0 (2022 $30)

4) As of 31 December 2023 and 2022 corresponds to the net income from fair value adjustment of investment property of land Agua Viva, Bocatocino, Loma China, Pavas Molina, Pajonal, Volador Oriental, Don Jaca, El Morro, Pradomar, Miramar Puerto Colombia, Agua Dulce, Minas Lili, Campo Alegre, Insignares, Barú, Tamalameque, La Pedrera, and Pocihueica $16,732 (2022 $18,042).

5) Corresponds to the adjustment for the fair value of the investment in the associate Fondo de Capital Privado Pactia Inmobiliario $14,631 (2022 $71,472).

Outstanding performance obligations

The Company's contracts are primarily for the delivery of goods and the rendering of services within the short and medium term; therefore, revenue related to outstanding performance obligations are expected to be recognized in such time ranges.

Contractual balances from contracts with customers

The balance of receivables, contract assets, and contract liabilities arising from contracts with customers, as of 31 December comprises:

	2023	2022
Trade receivables	145,585	142,730
Contract liabilities	151,092	159,674

NOTE 31: COST OF ORDINARY ACTIVITIES

The cost of ordinary activities at 31 December includes:

	2023	2022

Cost of real estate business (1)	160,929	112,955
Cost of financial activity (2)	137,910	-
Total cost of ordinary activities	**298,839**	**112,955**

(1) As of 31 December 2023, corresponds to the actual costs for urban planning works executed in relation to the deferred income of the lots projects Portal Empresarial del Norte III, Miramar IV, Centro Internacional Caribe, Lago Alto, Villa Carolina VIII, Pajonal San José Norte, Barú Calablanca, Portal Empresarial del Norte IV, Alejandría Stage I, Santa Isabel, Pajonal Stage I, Barú Polonia, Alejandría Stage II, Alejandría Stage III, Pajonal Stage II (Ribera Mallorquín II), Pajonal Stage III and Alejandría Stage V and the sale of lots Portal Empresarial del Norte III (C3 - C4 – E1 – E2 – E3 – E4 – F1 – F2 – F3 – F4), Remanente Insignares la Playa, Alejandría Stage V (Block 46 A1), Alejandría Stage III (Block 13), Volador Urvisa, Hacienda Portonao Barú Lot 7A, Alejandría Stage III (Block 21.1), Barú Calablanca Lot E4 and Pajonal Stage III (Blocks 11, 12, 13.1, 13.2, 15.1 and 15.2) for $159,074 and costs of sale due to transfer of property of the urban development business by $1,855.

At the closing of 2022, Portal Empresarial del Norte III, Miramar IV, Centro Internacional Caribe, Lago Alto, Villa Carolina VIII, Pajonal San José Norte, Barú Calablanca, Portal Empresarial del Norte IV, Alejandría Stage I, Santa Isabel, Pajonal Stage I, Barú Polonia, Alejandría Stage II, Alejandría Stage III and Pajonal Stage II (Ribera Mallorquín II)) and the sale of the lot Barú Polonia (Block 21), Pajonal Stage II (Ribera Mallorquín II Block 7.1, 7.2, 8, 9, 10.1 and 10.2), Alejandría Stage II (Block 2 and 3), Barú Calablanca (Lot 2B), Lago Alto (Lot 19 and 21), Pajonal Stage I (Block 3.1 and 3.2) and Alejandría Stage III (Block 21.2).

(2). Corresponds to selling costs of the shares in the following investments: 30% in the Sociedad Concesionaria Operadora Aeroportuaria Internacional – Opain S.A. equivalent to 91,770 shares and the rights associated therewith for $91,327 and 8.19% in the company Valle Cement Investments Inc equivalent to 712,836 shares for $46,583. (Note 41 Relevant Events).

NOTE 32: ADMINISTRATIVE EXPENSES

Administrative expenses as of 31 December comprise:

	2023	2022
Staff expenses (1)	50,799	46,596
Fees (2)	44,875	54,269
Taxes	31,640	29,860
Services	21,097	21,513
Travel expenses (3)	6,003	4,703
Maintenance and repairs	4,874	4,619
Memberships, insurance and other minor expenses	4,166	7,332
Miscellaneous	3,149	4,588
Depreciation of property, plant and equipment (4)	2,430	2,453
Leases	839	1,193
Amortization (5)	-	11,405
Total administrative expenses	**169,872**	**188,531**

(1) The increase is mainly due to movements in personnel reflected in salaries and premiums for organizational results.

(2) Corresponds mainly to legal and financial advisory fees in the structuring of the Framework Arrangement that regulates the exchange transaction of Grupo Nutresa S.A. shares. (Note 41 Relevant Events).

(3) The increase corresponds to airline tickets and lodging.

(4) Corresponds to the depreciation of right-of-use assets for $2,043 (2022 $2,138), transportation equipment for $315 (2022 $240), furniture and office equipment for $30 (2022 $27), aqueduct, plants, and networks for $18 (2022

$19), machinery and equipment for $14 (2022 $17), constructions and buildings for $10 (2022 $9) and computer and communications equipment for $0 (2022 $3).

(5) The decrease corresponds to the transfer of the intangible asset of Opain S.A. to non-current assets held for sale in 2022 and their subsequent sale in June 2023 (Note 41 Relevant Events).

NOTE 33: SELLING EXPENSES

Selling expenses at 31 December include:

	2023	2022
Staff expenses (1)	835	650
Fees	182	135
Miscellaneous (2)	93	234
Travel expenses	56	41
Services (3)	49	126
Contributions and memberships	18	16
Legal (4)	16	328
Insurance and others	5	3
Taxes (4)	1	746
Total selling expenses	**1,255**	**2,279**

(1) The increase is mainly due to movements in personnel reflected in salaries and bonuses.

(2) The decrease corresponds to the lower value of sponsorships.

(3) The decrease corresponds to publicity and advertising.

(4) The decrease corresponds to the reclassification of the legal transfer costs, for the sales of lots and property of the urban development business.

NOTE 34: EMPLOYEE BENEFITS EXPENSES

The balance of employee benefits expenses incurred during the periods presented for each significant category is as follows:

	2023	2022
Salaries	25,797	22,825
Social security contributions	2,861	2,546
Other Short-term employee benefits	17,765	17,136
Total short-term employee benefits expenses	**46,423**	**42,507**
Post-employment benefits expenses, defined contribution plans	2,580	2,138
Post-employment benefits expenses, defined benefit plans	1,234	1,688
Total post-employment employee benefits expenses	**3,814**	**3,826**
Other staff expenses	1,397	913
Total other employee benefits expenses	**1,397**	**913**
Total selling and administrative employee benefits expenses	**51,634**	**47,246**
Other post-employment and defined benefit plans expenses	-	-
Total employee benefits expenses	**51,634**	**47,246**

The increase in employee benefits expenses corresponds mainly to salaries and bonuses.

NOTE 35: OTHER INCOME (EXPENSES), NET

At 31 December, comprise:

	2023	2022
Other income (1)	1,302	1,191
Gain on reversal of impairment of inventories, investments, receivables (2)	22	791
Total other income	**1,324**	**1,982**
Taxes (3)	(8,606)	(7,776)
Donations	(6,977)	(7,091)
Other Expenses (4)	(764)	(537)
Net loss on disposal of other assets (5)	(2)	-
Total other expenses	**(16,349)**	**(15,404)**
Total Other income (expenses), net	**(15,025)**	**(13,422)**

(1) The increase corresponds mainly to reimbursement of costs and expenses for $714, recoveries of staff expenses $408, recovery of provision for tax exogenous information for the year 2016 $103 and administrative services $77.

(2) The decrease corresponds to a lower portfolio reversal in 2023.

(3) Consists of withholdings assumed for $4,113 (2022 $4,971) and lien on financial movement for $4,493 ($20222,805).

(4) Corresponds mainly to the liquidation of the investment of the Consorcio Constructor Nuevo Dorado by $328 (Note 15 Investments in Associates and Joint Ventures).

(5) Corresponds to the loss due to the decommissioning of computer equipment due to the end of the useful life.

NOTE 36: FINANCE EXPENSES, NET

At 31 December, comprise:

	2023	2022
Interest income (1)	133,131	42,765
Income from valuation of financial instruments (2)	48,869	16,470
Other finance income	-	124
Total finance income	**182,000**	**59,359**
Interest (3)	(250,284)	(156,626)
Loss on valuation of financial instruments (2)	(10,978)	(10,608)
Management and issuance of bonds	(814)	(692)
Bank expenses and commissions	(49)	(106)
Other finance expenses	(3,239)	-
Total Finance expenses	**(265,364)**	**(168,032)**
Foreign exchange difference income (4)	49.918	27,904
Foreign exchange difference expenses (4)	(72,985)	(24,436)

Total foreign exchange difference, net	**(23,067)**	**3,468**
Total Finance expenses, net	**(106,431)**	**(105,205)**

1) Corresponds mainly to interest on cash equivalents and other financial assets for $82,600, receivable from Sator S.A.S. for $15,772 and from other customers for $21,197.

2) It corresponds mainly to the valuation of financial instruments at fair value such as CDs, derivative contracts with domestic banks and amortized cost of financial assets and liabilities.

3) Corresponds mainly to interest generated by bonds and financial liabilities, the variation is due to the increase in CPI and Banking Benchmark Indicator interest rates.

4) Corresponds mainly to the foreign exchange difference of cash and cash equivalents, to the valuation of the Captive Cell investment (Note 11 other financial assets) and Forward derivative contracts.

NOTE 37: EARNINGS PER SHARE

	2023	2022
	Colombian pesos per share	Colombian pesos per share
Basic earnings per share		
From continuing operations	909.47	398
Total basic earnings per share	**909.47**	**398**
Diluted earnings per share		
From continuing operations	909.47	398
Total diluted earnings per share	**909.47**	**398**

37.1 Basic earnings per ordinary share

Earnings and the weighted average number of ordinary shares used in calculating basic earnings per share are as follows:

	2023	2022
Profit for the year attributable to controllers of the company	789,341	345,789
Profit used in the calculation of basic earnings per share	789,341	345,789
Profit used in the calculation of basic earnings per share from continuing operations	789,341	345,789
Weighted average number of ordinary shares for basic earnings per share purposes	867,910,345	869,456,283

37.2 Diluted earnings per share

Profit used in the calculation of diluted earnings per share are as follows:

	2023	2022
Profit used in the calculation of total basic earnings per share	789,341	345,789
Profit used in the calculation of diluted earnings per share	789,341	345,789
Profit used in the calculation of diluted earnings per share from continuing operations	789,341	345,789

The weighted average number of ordinary shares for diluted earnings per share purposes is reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2023	2022
Weighted average number of ordinary shares used in calculation of basic earnings per share	867,910,345	869,456,283
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	867,910,345	869,456,283

NOTE 38: RELATED PARTIES

Transactions with related parties - Income and expenses	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Board Member		Key Management Personnel		Overall Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dividend income	152,016	66,693	21,291	21,530	5,122	5,500	10,646	32,799	-	-	-	-	189,075	126,522
Leases as a lessor	-	-	-	-	-	-	1,751	2,317	-	-	-	-	1,751	2,317
Income from the sale of goods and rendering of services	-	-	-	11	-	-	-	30	-	-	-	-	-	41
Transfers according to financial arrangements to the entity	-	-	-	-	-	-	17,039	9,124	-	-	427	421	17,466	9,545
Total income	**152,016**	**66,693**	**21,291**	**21,541**	**5,122**	**5,500**	**29,436**	**44,270**	**-**	**-**	**427**	**421**	**208,292**	**138,425**
Services received and compensation	3,235	4,757	4,253	3,517	-	-	381	336	1,448	1,063	31,686	26,622	41,003	36,295
Leases as a lessee	-	-	1,507	1,703	-	-	-	-	-	-	-	-	1,507	1,703
Transfers according to financial arrangements from the entity	-	-	830	1,659	-	-	-	-	-	-	-	-	830	1,659
Total expenses	**3,235**	**4,757**	**6,590**	**6,879**	**-**	**-**	**381**	**336**	**1,448**	**1,063**	**31,686**	**26,622**	**43,340**	**39,657**

Transactions with related parties - Receivables and Payables	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Key Management Personnel		Overall Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Business Current Accounts (*)	-	-	-	-	-	-	195,123	81,980	-	-	195,123	81,980
Dividends and/or interests receivable	41,604	16,662	-	-	-	-	40,070	92,110	-	-	81,674	108,772
Management employees receivables	-	-	-	-	-	-	-	-	7,250	6,344	7,250	6,344
Total receivables	**41,604**	**16,662**	**-**	**-**	**-**	**-**	**235,193**	**174,090**	**7,250**	**6,344**	**284,047**	**197,096**
Suppliers related companies	-	-	-	341	-	-	1,770	12,874	-	-	1,770	13,215
Dividends payable	35,514	34,073	-	-	-	-	-	-	-	-	35,514	34,073
Total payables	**35,514**	**34,073**	**-**	**341**	**-**	**-**	**1,770**	**12,874**	**-**	**-**	**37,284**	**47,288**
Right-of-use assets	**-**	**-**	**3,404**	**5,415**	**-**	**-**	**-**	**-**	**-**	**-**	**3,404**	**5,415**
Right-of-use liabilities	**-**	**-**	**4,366**	**5,920**	**-**	**-**	**-**	**-**	**-**	**-**	**4,366**	**5,920**

Outstanding amounts are not guaranteed and will be settled in cash. No collaterals have been given nor received.

These amounts are measured at amortized cost since they have agreed remuneration condition. The rate for these effects on receivables is the cost of the Company's short-term debt plus two hundred additional basis points. For Payables is the cost of the Company's debt.

The Company has provided loans to key management personnel at preferential interest rates, but subsequently makes the valuation of the instrument at comparable market rates.

Transactions between the reporting Company and its related parties are conducted under conditions equivalent to those that exist in transactions between independent parties.

The average term of receivables from related parties with respect to the sale of goods is 30 days, except for companies in liquidation which is 12 months.

(*) As of 31 December 2023, receivables from related parties mainly include $116,448 (2022 $0) from the sale of 712,836 shares of Valle Cement Investment Inc., $68,728 (2022 $66,914) from the sale of 9,704,318 shares of Odinsa S.A. to subsidiary Sator S.A.S. and $9,928 for loans (2022 $15,052).

Payables for key personnel have an average term of 60 days. The average loan term for 2023 and 2022 is 7 years, agreed at a rate of 4.08% EAR.

In 2023, the Company has not received or granted collaterals of balances receivable or payable to related parties, except in the case of loans to key management personnel where the Company is secured on the disbursement made.

Compensation to key management personnel

Compensation given to key management personnel was as follows:

	2023	2022
Short-term benefits	32,410	27,028
Post-employment benefits	724	570
Total Compensation awarded to key management personnel	**33,134**	**27,598**

NOTE 39: CONTINGENT ASSETS AND LIABILITIES

Certain contingent conditions may exist as of the date the financial statements are issued, which may result in income or expense to the Company. These contingencies will be resolved in the future when one or more events occur or the likelihood of occurrence varies. Such contingencies are estimated by Management and its legal advisors. The estimation of contingencies that involve income or an expense necessarily involves an exercise of professional judgment and is subject to opinion. In estimating contingencies in legal proceedings that are pending in favor of or against the Company, the legal advisors evaluate, among other aspects, the merits of the claims, past rulings of the courts in this respect and the status of the proceedings on a case-by-case basis.

The Company believes that these matters will be resolved without any material effect on our operations, financial position, or results of operations.

The most significant contingencies that were not recognized as provisions in the separated financial statements are indicated below:

39.1 Contingent assets

The Company has as of 31 December 2023 the following contingent assets:

- With the Special Industrial and Port District of Barranquilla for $1,271 for pro-hospital stamp processes of which $665 corresponds to Grupo Argos S.A. and $606 correspond to Situm S.A.S. (Company absorbed by Grupo Argos S.A.).

- Process of annulment and reestablishment of rights in which it denied the refund of excess payment corresponding to Unified Property Tax for the 2021 taxable year by Grupo Argos for $90.

- In the real estate business, the following processes are being advanced:

  a. Ownership of Camajoru property in Tubará (Department of Atlántico) for $186.
  b. Annulment and reestablishment of rights against the request for closing and construction of docks of Lot 18 Miramar to the Company for $91.
  c. In turn, the process of claiming damages for inadequate works to the Miramar project for $2,212 and lawsuit for a portion of the Miramar Puerto Colombia property for $900 change to probable status.

39.2 Contingent liabilities

The Company at 31 December 2023 presents the following contingent liabilities with a possible rating:

- For claims of recognition of a $100 employment relationship.

- The Colombian Environmental Licensing Authority (ANLA) issued Order No. 7004 of 31 August 2021, by which an environmental sanction procedure was ordered to be initiated against the Company for an amount between 500 and 1500 Colombian Legal Minimum Monthly Salaries. Later, the Company filed the disclaimers of the project called “Puerto Fluvial en el Río Magdalena” in May 2023 within the legal term and providing documentary evidence.

  By means of Order No. 010551 of 18 December 2023, the requested proofs were accepted, and the process is in the evidentiary stage pending the next action by the Colombian Environmental Licensing Authority, where the Company's responsibility or not will be defined, which must be done by administrative act.

NOTE 40: ISSUES, REPURCHASES, AND REFUNDS OF DEBT OR CAPITAL

During 2023, a loan was acquired at nominal value in local currency for $232,453 associated with $2,066 transaction costs, synthetic credit at face value in foreign currency for USD 8,170,000 equivalent to $38.970 maturing between April and May 2023, REPO for $1,201 maturing in April 2023 and concurrent financial transactions at face value for $23,506 with a $706 collateral constitution due in July 2023, and was acquired concurrently for $2,156,134 maturing in August. At 31 December, there are no simultaneous financial transactions. Financial liabilities (Note 18)

During 2023, the Company repurchased 5,908,142 ordinary shares for $56,523 and 1,016,100 preferential shares for $6,484 (Note 26 Repurchase of shares)

As at December 31, 2022, the fixed-rate series of bonds (5.78% EAR) maturing in August 2022, for a nominal value of $50,000, was paid., of which a $42,000 repurchase had been made, for a total of $92,000. Additionally, A series prepayment was made at variable rate CPI + 3.95%, maturing September 2024 for $2,500.

NOTE 41: RELEVANT EVENTS

41.1 Arrangement to transfer investment in the food business of Grupo Nutresa S.A. in exchange for shares of Grupo de Inversiones Suramericana S.A. and a company holding shares of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A.

On 24 May 2023, a Memorandum of Understanding (MOU) was signed in Madrid, Spain between the Company, JGDB Holding S.A.S, Nugil S.A.S, International Capital Holding L.L.C, AFLAJ Investment L.L.C, Grupo Nutresa S.A., and Grupo de Inversiones Suramericana S.A. (the Parties).

Said MOU established initial terms, on which it was agreed to enter a series of operations between the Parties. These operations will be aimed at JGDB Holding S.A.S. and Nugil S.A.S. result in the majority and controlling shareholders of Grupo Nutresa S.A. with a minimum share of 87% of the voting shares and JGDB Holding S.A.S. and Nugil S.A.S., cease to be direct and indirect shareholders of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. Likewise, Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A., will no longer be shareholders of Grupo Nutresa S.A.'s food business, and Grupo Nutresa S.A. will no longer be a shareholder of Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A.

For the purpose of investors of the ordinary and preferential shares of Grupo Argos S.A. to have sufficient information to make their investment decisions. On 25 May the Superintendence of Finance of Colombia was requested to suspend the negotiation of the share series GRUPOARGOS and PFGRUPOARG, which was granted, and was effective between 25 May 2023 and 15 June 2023, inclusive.

On 16 June 2023, by means of Relevant Information, the Company announced that it signed the Framework Arrangement with the other Parties that established the terms of exchange of its participation in the food business of Grupo Nutresa S.A. This arrangement establishes that the Company will exchange its interests in the food business of Grupo Nutresa S.A., receiving shares of Grupo de Inversiones Suramericana S.A. and interests in the share portfolio of Grupo Nutresa S.A., which in turn is made up of ordinary shares of Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A.

This exchange of shares will be made in two moments when considering the sum of what was delivered and what was received in the first and second exchanges, Grupo Argos S.A. will receive for one share (1.0) of Grupo Nutresa S.A., 0.74 shares of Grupo de Inversiones de Suramericana S.A. and 0.56 shares of Sociedad Portafolio S.A.

Grupo de Inversiones Suramericana S.A. it will receive its own shares in the exchange, generating a decrease in its number of shares outstanding, which will imply that all its shareholders, including Grupo Argos S.A., increase their share percentage.

Considering that the intention of Grupo Argos S.A. is to continue to consolidate as an infrastructure asset manager and not to control Grupo de Inversiones Suramericana S.A., once you receive the shares of that company, that additional interests is transferred to an irrevocable trust that is intended not to exercise political rights, retaining only the economic rights of such shares, until a divestment mechanism or other alternatives are established to capture value on that portfolio.

The Framework Arrangement establishes the obligations of each of the Parties as well as the activities and stages that must be completed, sequentially, to achieve the perfection of the transaction.

The transaction summary is detailed below, which involves a series of steps that have been carried out considering the authorizations of the Corporate Governance bodies, as well as those of law that are necessary, including, but not limited to, those to be given by the Superintendence of Finance of Colombia and other control entities:

Summary of Transaction Steps

1. Grupo Nutresa mirror spin-off

The transaction contemplated submitting for authorization by the shareholders' meeting of Grupo Nutresa S.A. the company's mirror spin-off. This authorization was issued on 18 September 2023. On 28 November 2023, the Financial Superintendence issued Resolution 2058 by means of which it authorized Grupo Nutresa S.A. to make official the statutory reform of corporate reorganization consisting of a symmetrical spin-off by creation, according to the decisions of the Shareholders' Meeting of Grupo Nutresa S.A. On 14 December 2023, Grupo Nutresa S.A. announced the notarization of the statutory reform by means of Public Deed 3838, in accordance with the decisions adopted by the Shareholders' Meeting of said company on 18 September 2023. The Public Deed was registered in the Chamber of Commerce of Medellín for Antioquia, thus establishing Sociedad Portafolio S.A. As a result of the mirror spin-off, two companies were listed on the Colombian Stock Exchange: one that continued to own the operating business (food), and a new company, called Sociedad Portafolio S.A., which owns the investments that Grupo Nutresa S.A. had in Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. For each share of Grupo Nutresa S.A., each shareholder held one share of the food company and received one share of Sociedad Portafolio S.A.

The Company after the spin-off has 45,243,781 shares of Grupo Nutresa S.A. and 45,243,781 of shares of Sociedad Portafolio S.A. equivalent to 9.88% of the outstanding shares of Grupo Nutresa S.A. and of Sociedad Portafolio S.A.

As a result of the spin-off of Grupo Nutresa S.A., there was a change in the Company's shareholdings, from the transfer of the total shares owned by Grupo Nutresa S.A. in Grupo Argos S.A. in favor of Sociedad Portafolio S.A., which corresponds to 12.63% of the outstanding ordinary shares and 9.54% of the total outstanding shares of Grupo Argos S.A.

As at 31 December 2023, after the spin-off of Grupo Nutresa S.A., the Company presents an investment balance in Sociedad Portafolio S.A. for $279,206, which is classified as a financial instrument measured at fair value through Other Comprehensive Income (Note 11 Other financial assets).

2. First Share Exchange

Once the spin-off took place, the Parties made the first share exchange of Grupo Nutresa S.A., where Grupo Argos S.A. exchanged all the shares held in Grupo Nutresa S.A. in exchange for 36,070,836 ordinary shares of Grupo de Inversiones Suramericana S.A. owned by Holding S.A.S., Nugil S.A.S., and IHC Capital Holding L.L.C., and 14,932,413 ordinary shares of Sociedad Portafolio S.A. owned by Nugil S.A.S. (Note 42 Events after the reporting period).

3. Tender offer of up to 23% shares of Grupo Nutresa S.A.

Completed the spin-off, Grupo Argos S.A., Grupo de Inversiones Suramericana S.A., Greystone Holdings S.A., a company designated by IHC Capital Holding L.L.C., JGDB Holding S.A.S., and Nugil S.A.S. jointly and severally, will formulate a tender offer for a share of up to 23.1% of Grupo Nutresa. All shareholders of Grupo Nutresa S.A. will have three options of their choice:

a) To sell for cash at a value of USD 12 per share (considering that, by virtue of the spin-off, they preserve their interests in Sociedad Portafolio S.A.).

b) To exchange its securities of Grupo Nutresa S.A. by shares of Grupo de Inversiones Suramericana S.A. and of the Company Portafolio S.A. For each share of Grupo Nutresa S.A. the shareholder will receive 0.74 shares of Grupo de Inversiones Suramericana S.A. and 0.56 of Sociedad Portafolio S.A.

c) To remain as shareholders in Grupo Nutresa S.A.

Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. will offer to jointly and severally acquire (22% and 78% share respectively) 10.1% of the shares in the offer. Graystone Holdings S.A., meanwhile, will offer to acquire shares in cash at the same price (USD 12 per share) that exceed 10.1% of the outstanding shares, up to a maximum of 13%, thus completing the offer for 23.1% of the outstanding shares of Grupo Nutresa S.A.

4. Second Share Exchange

Once the Tender offer has been completed, Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. will exchange with JGDB Holding S.A.S., Nugil S.A.S., and IHC IHC Capital Holding L.L.C. the interests acquired from Grupo Nutresa S.A. in the Tender Offer or the value equivalent to USD 12 per share until reaching the equivalent of 10.1% of the shareholding of Grupo Nutresa S.A., receiving in exchange shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A. Of the 10.1% remaining to be acquired or paid in cash, Grupo Argos S.A. must acquire 2.2% and Grupo de Inversiones Suramericana S.A. must purchase 7.9%.

5. Post-exchange structure

Once the share exchange is complete, JGDB Holding S.A.S., Nugil S.A.S., and IHC IHC Capital Holding L.L.C. will no longer be shareholders of Grupo de Inversiones Suramericana S.A. For its part, Grupo Nutresa S.A. will not have interests in Grupo Argos S.A. or Grupo de Inversiones Suramericana S.A.

6. Liquidation of Sociedad Portafolio S.A.

Once the share exchange is complete, JGDB Holding S.A.S., Nugil S.A.S., and IHC IHC Capital Holding L.L.C. will no longer be shareholders of Grupo de Inversiones Suramericana S.A. For its part, Grupo Nutresa S.A. will not have interests in Grupo Argos S.A. or Grupo de Inversiones Suramericana S.A.

41.2 New infrastructure investment platform between Odinsa S.A. and Macquarie Asset Management (MAM)

Once the suspensive conditions for the closing of the transaction before the corresponding authorities, financial institutions, insurers and shareholders of the concessions have been fulfilled, the companies Macquarie Asset Management (MAM), through its related company Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica, Odinsa S.A. and Grupo Argos S.A. announced on 29 June 2023 the consolidation of their strategic alliance and informed the start of operations of Odinsa Aeropuertos S.A.S., in which each of them has a 50% interests and includes assets for approximately COP 1.3 trillion.

The platform began its operation focused on the management of the Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S.A. in charge of the El Dorado airport, in which it has 65% interests, and Corporación Quiport S.A., responsible for Mariscal Sucre airport, with a 46.5% proprietary interests.

This new alliance of Odinsa S.A., a subsidiary of the Company and Macquarie Asset Management confirms this global investor’s trust in the organization’s management capacity and in Colombia as an investment destination.

Odinsa Aeropuertos S.A.S. was incorporated after 30% of the Company’s interests in Opain S.A. was negotiated with Macquarie. for COP 275 billion, 2.5% of Odinsa’s interests in Opain S.A. by COP 23 billion and other airport assets held by Odinsa S.A. It should be noted that, given Odinsa S.A.’s extensive capacity, experience, and knowledge of the assets, this company will continue to be the platform manager.

The platform will be able to develop new projects and opportunities in the Americas and will continue to drive private initiatives such as the new Cartagena Airport, El Dorado Max, and Campo de Vuelo El Dorado. In addition, this platform will be responsible for the development of the Private Initiatives (PI) that Odinsa S.A. has been driving in Colombia to strengthen its competitiveness:

The income and cash flow of the operation as of June 2023 is detailed below:

Impact on profit or loss	June 2023
Income from financial activity (1)	274,554
Equity-accounted investees net in profit and loss of subsidiaries (2)	165,464
selling cost of financial activity (3)	(91,327)
Net income from operations	**348,691**

(1) Income from financial activity corresponds to the value of the sale of the investment in Opain S.A. recognized by Macquarie Asset Management (MAM) as the fair value of the 30% interests.
(2) Income from equity-accounted investees net in profit or loss of subsidiaries comes from the subsidiary Odinsa S.A. in relation to the sale of investments and assets to Macquarie Asset Management for the incorporation of the Odinsa Aeropuertos platform.
(3) Selling costs of financial activity includes derecognition of intangible asset rights on contracts of Opain S.A. for ($64,617), the realization of Other Comprehensive Income by Equity-accounted investees on cash flow hedging instruments for ($26,710), and the book value of the investment in Opain S.A. $0.

Impact on cash flow (investing activities)	June 2023
Cash received in the transaction associated with assets involving a loss of control (1)	274,554
Cash received in the transaction associated with assets involving a loss of control	**274,554**

(1) The consideration transferred by the sale of the investment in Opain S.A. recognized by Macquarie Asset Management, as the fair value of the 30% interests was received in cash for USD 66,170,756.09 at an agreed COP/USD rate of $4,149.18 of 21 June 2023, equivalent to $274,554.

41.3 Sale of investment in subsidiary Valle Cement Investments Inc.

On 16 November 2023, it was signed between Valle Cement Investments Inc and Grupo Argos S.A. the sale agreement of 712,836 shares held by the Company in this society. These shares represented 8.19% of the total outstanding shares (2022 8.19%), and the investment was classified as a subsidiary in the Separate Financial Statements.

Valle Cement Investments Inc. because of the transaction acquires its own shares and Cementos Argos S.A. becomes the sole shareholder holding 100% of the company's outstanding shares. The selling price is USD 30,143,771 and will be paid on the earlier of: (i) the closing day of the Transaction Agreement between Cementos Argos, and subsidiaries, and Summit Materials, and (ii) 31 December 2024. The receivable will bear interest at a rate of 8.59% nominal quarter due in USD and payable quarterly.

On 19 January 2024, following the signing of the Transaction Agreement, the Company received the agreed consideration, interest, and price adjustment in accordance with the conditions set forth in the sale agreement.

The results of the operation as of November 2023 are detailed below:

Impact on profit or loss	November 2023
Income from financial activity (1)	119,877
selling cost of financial activity (2)	(46,583)
Net income from operations	**73,294**

(1) Income from financial activity corresponds to the value of the sale of the investment in Valle Cement Investments Inc for USD 30,143,771 at a COP/USD rate of $3,976.84.

(2) Selling costs of financial activity includes the derecognition of the cost of the investment of ($72,893) and the realization of the Other Comprehensive Income from Equity-accounted investees on the foreign exchange difference on translation of foreign operations and the net profit on cash flow hedging instruments of $26,310.

The company elected to establish a hedging relationship on the receivable from Valle Cement Investments Inc that constitutes the hedged item, through a forward derivative financial instrument that allows it to hedge the exchange rate risk to which it is exposed (Note 7.3.2.2 Foreign currency derivative contracts).

NOTE 42: EVENTS AFTER THE REPORTING PERIOD.

Between 31 December 2023 and the date of issuance of the Company's Separate Financial Statements, the following subsequent events considered significant, not subject to adjustment occurred:

1. On 5 January 2024, an Interest Rate Swap (CPI) was signed between the Company and Bancolombia S.A. to hedge the risk associated with indexing the company's current debt. The notional amount of hedge was $100,000 and matures on 10 December 2025.

2. On 9 January 2024, the General Shareholders' Meeting of Sator S.A.S. approved an issuance of shares without preference rights. The shares were subscribed by Grupo Argos S.A. through the contribution in kind of the usufruct over 45,001,357 shares of Grupo de Inversiones Suramericana S.A. Consequently, interests of Grupo Argos S.A. in Sator S.A.S. increased by 0.15% corresponding to the 626,823 shares issued.

3. On 19 January 2024, following the signing of the Transaction Agreement, a precedent condition stipulated in the contract of sale of Valle Cement Investment Inc., the Company received the consideration agreed upon for the sale of said subsidiary's interests for USD 30,143,771, plus the interest agreed for USD 460,275 and the adjustment to the price for USD 512,249 receiving the total cash of USD 31,116,295.

4. Considering the Framework Arrangement entered into on 16 June 2023 between Grupo Argos S.A., JGDB Holding S.A.S., Nugil S.A.S, IHC Capital Holding L.L.C, Grupo Nutresa S.A., and Grupo de Inversiones Suramericana S.A., to transfer the investment in the food business of Grupo Nutresa S.A. in exchange for shares of Grupo de Inversiones Suramericana S.A. and of Sociedad Portafolio S.A., on 6 February 2024 Grupo Argos S.A. made the first exchange of its shares in Grupo Nutresa S.A. by shares of Grupo de Inversiones Suramericana S.A. and Sociedad Portafolio S.A., through which Grupo Argos S.A. exchanged all of the shares held in Grupo Nutresa S.A. in exchange for 36,070,836 ordinary shares of Grupo de Inversiones Suramericana S.A. and 14,932,413 ordinary shares of Sociedad Portafolio S.A.

Grupo de Inversiones Suramericana S.A. received on the exchange own shares whose rights are suspended by legal provision (Art. 396 of the Colombian Code of Commerce). With this transaction, the number of outstanding shares of Grupo de Inversiones Suramericana S.A. decreased, implying that all its shareholders increased their share percentage.

Given the increase in the shareholding of Grupo Argos S.A. in Grupo de Inversiones Suramericana S.A. and considering that Grupo Argos S.A. as an infrastructure holding company does not have the intention nor vocation to become a controlling party of Grupo de Inversiones Suramericana S.A., Grupo Argos S.A. contributed shares of Grupo de Inversiones Suramericana S.A. to a trust that has the irrevocable instruction not to exercise political rights.

Continuing with the execution of the Framework Arrangement and in compliance with the provisions of Decree 079 of 2024, Grupo Argos S.A., Grupo de Inversiones Suramericana S.A., Graystone Holdings S.A., a company designated by IHC International Capital Holding L.L.C., JGDB Holding S.A.S, and Nugil S.A.S will advance the formulation of a tender offer for acquisition of up to the 23.1% of the outstanding shares of Grupo Nutresa S.A., which shall be made jointly and severally with the aim of all shareholders of Grupo Nutresa S.A. The procedures for the tender offer will be carried out within the term provided for in the Decree.

Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. offer to acquire, on a pro rata basis, up to 10.1% of the outstanding shares of Grupo de Inversiones Suramericana S.A. for consideration consisting of a combination of shares of Grupo de Inversiones Suramericana S.A. and Sociedad Portafolio S.A. or USD 12 per share. Graystone Holdings S.A., meanwhile, will offer to acquire shares in cash at the same price (USD 12 per share) that exceed 10.1% of the outstanding shares, up to a maximum of 13%, thus completing the offer for 23.1% of the outstanding shares of Grupo Nutresa S.A. If Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A. fail to acquire 10.1% of the outstanding shares of Grupo Nutresa S.A., they must pay the missing value to complete said interests in cash at a price of USD 12 per remaining share.

Once the tender offer for shares of Grupo Nutresa S.A. has ended. the second exchange will be carried out, with which the parties will complete the operations provided for in the Framework Arrangement.

Given that the investment in Grupo Nutresa S.A. was classified as a financial instrument measured at fair value through other comprehensive income (OCI), the profit generated by the transfer of the shares of Grupo Nutresa S.A. is reflected in retained earnings as a reclassification from the Other Comprehensive Income OCI, while the other effects associated with the transaction are recognized in the Company's statement of income, therefore, both must be considered jointly to visualize the net economic profit of the transaction. The increase in retained earnings would approximately be $1.5 trillion and a negative effect on the separate statement of income of $0.2 trillion, for a net profit of approximately $1.3 trillion.

In accordance with IAS 10 - Events after the reporting period paragraph 22, this subsequent event does not result in adjustments to the figures presented at 31 December 2023 in this Separate Financial Statements.