Empresas Públicas de Medellín E.S.P.

Annual separate financial statements
Under Accounting Standards and
Financial Information Accepted in Colombia (NCIF)

December 31, 2023 and 2022

CERTIFICATION OF FINANCIAL STATEMENTS

Medellín, March 20, 2024

To the Board of Directors of Empresas Públicas de Medellín E.S.P.

We, the undersigned, in our capacity as the Legal Representative and Accountant of Empresas Públicas de Medellín E.S.P., hereby certify that the balances of the Separate Statements of Empresas Públicas de Medellín E.S.P. at December 31, 2023 and 2022, were faithfully taken from the accounting books.

The accounting prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for the Spanish original) and the disclosures faithfully reflect the financial, economic, social and environmental situation of Empresas Públicas de Medellín E.S.P. We certify that the assertions contained in the financial statements were verified, particularly those related to:

The facts, transactions and operations were recognized and carried out by Empresas Públicas de Medellín E.S.P. during the period from January 1 to December 31, 2023.

That economic events are disclosed in accordance with accounting and financial reporting standards accepted in Colombia (NCIF, for the Spanish original) adopted by the Colombian General Accounting Office through Resolution 037/2017, Resolution 056/2020, Resolution 035 and 0197/2021 and Resolution 267 /2022. These accounting and financial reporting standards are based on the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the Interpretations Committee, adopted in Colombia through Decree 2420/2015 and its amendments.

The total value of the assets, liabilities, equity, revenues, expenses and costs were disclosed in the Separate Financial Statements of Empresas Públicas de Medellín E.S.P. at December 31, 2023.

The assets represent existing rights and the liabilities represent obligations on the account of Empresas Públicas de Medellín E.S.P. at December 31, 2023.

The Separate Financial Statements do not contain any defects, inaccuracies or misstatements that would prevent the true financial position and financial performance of the Entity from being known.

John Alberto Maya Salazar
Legal Representative

John Jaime Rodríguez Sosa
Public Accountant
Professional License No. 144842-T

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors:
Empresas Públicas de Medellín E.S.P.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Empresas Públicas de Medellín E.S.P. (Hereinafter "the Entity") which include the separate statement of financial position as of December 31, 2023, and the Statements of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended on that date, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying separate financial statements, taken from the accounting books, reasonably present in all material respects, the Entity's financial position as of December 31, 2023, the result of its operations and its cash flows for the year ended on that date, in accordance with the Accounting and Financial Reporting accepted in Colombia adopted by the General Accounting Office of the Nation through Resolution 037 of 2017, and its subsequent updates.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards accepted in Colombia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Colombia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis Paragraph

Without modifying our opinion, we draw attention to the matters discussed in Note 4.1 to the Separate Financial Statements regarding the Ituango Hydroelectric Project contingency and its impact on the financial statements. The Entity continues to monitor the progress of the project and is taking all appropriate measures and actions to identify and recognize the accounting impact of this contingency and the actions of the regulatory and environmental authorities. The outcome of the impact on the Entity's financial position, results of operations and cash flows is uncertain and will depend on the further development of these events until the completion of the project.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the greatest importance in our audit of the separate financial statements as of December 31, 2023. These matters were covered in the context of our audit of the financial statements as a whole, and in forming our opinion on them, and we do not express a separate opinion on these matters. We have identified the issues described below as the key audit issues to be reported in our report.

Impairment Assessment of Long-Lived Assets – Cash Generating Unit (CGU) Power Generation

As described in Note 11.2 of the separate financial statements, the Entity includes the Cash Generating Unit (CGU) Power Generation EPM.

The Entity used the discounted cash flow model to estimate the value in use of the assets associated with the Power Generation CGU, which required Management to make significant estimates and assumptions related mainly to, (1) the historical behavior and growth rates of certain base variables for the projection; (2) the discount rates applied and macroeconomic variables used; (3) the projection period and (4) the growth gradient in perpetuity.

The main considerations for selecting the impairment assessment of the Power Generation CGU as a key audit matter were: 1) the use of important judgments by the Administration to calculate the use value of the CGU and 2) the progress of the Ituango Hydroelectric project, included within the Power Generation CGU. where there is an impact on the projection of cash flows.

Procedures developed by the audit team

Our audit procedures related to the impairment assessment of long-lived assets – Cash Generating Unit (CGU) Power Generation included the following, but were not limited to:

- We evaluate the design of the controls related to the evaluation of the value of use of the CGU by the Administration.

- We evaluated whether the assumptions used by the Administration were reasonable, considering (i) the current and past performance of the Power Generation CGU, (ii) consistency with external market and industry data.

- We involved specialists with knowledge and experience in valuation who assisted us in: (i) the evaluation of the methodology used to estimate the value in use and the development of independent calculations, and (ii) the evaluation of the following input data and relevant assumptions used in the model: (1) the historical behavior and growth rates of certain base variables for the projection; (2) the discount rates applied and macroeconomic variables used; (3) the projection period and (4) the growth gradient in perpetuity.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management report but does not include the separate financial statements and our accompanying auditors' report.

Deloitte.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of conclusion that provides a reasonable degree of assurance on the other information.

In connection with our audit of the separate financial statements, our responsibility is to read the other information, and in doing so consider whether the other information contained therein is materially inconsistent with the separate financial statements or our knowledge obtained during the audit or appears to contain a material misstatement. If, based on the work we have performed, we conclude that there is material misstatement of the other information, we would be required to report that fact. We have nothing to report on this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Administration is responsible for the preparation and correct presentation of these separate financial statements in accordance with the Accounting and Financial Information Standards Accepted in Colombia adopted by the General Accounting Office of the Nation through Resolution 037 of 2017, and its subsequent updates. , and for the internal control that management considers relevant for the preparation and correct presentation of the financial statements free of material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity's financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Auditing Standards accepted in Colombia 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 financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, the auditor exercises professional judgment and maintains professional skepticism throughout the audit; also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the independent auditor's 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.

VERIFIED

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with 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 the audit.

We also provide those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

As indicated in Note 2.1, the accompanying separate financial statements have been prepared in accordance with the legal provisions in force in Colombia. These financial statements should be read in conjunction with the consolidated financial statements issued separately.

The separate financial statements for the year ended December 31, 2022, which are included for comparative purposes only, were audited by us and in our report of March 27, 2023 we expressed an unqualified opinion.

English translation

These separate financial statements, notes to the separate financial statements and the independent auditor's report were translated into English for the convenience of readers outside Colombia from financial statements originally issued in Spanish.

Deloitte & Touche Ltda.

DELOITTE & TOUCHE S.A.S.
March 20, 2024.

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022

Figures expressed in millions of Colombian pesos

	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment, net	5	34,034,084	31,439,635
Investment property	6	179,149	169,288
Goodwill	7	260,950	260,950
Other intangible assets	7	728,484	617,800
Right-of-use assets	14	2,449,432	2,320,213
Investments in subsidiaries	8	12,007,858	12,264,415
Investments in associates	9	1,670,971	1,373,449
Investments in joint ventures	10	99	99
Trade and other receivables	12	2,061,131	1,462,492
Other financial assets	13	2,300,744	2,990,535
Other assets	16	139,587	108,525
Cash and cash equivalents (restricted)	18	40,591	56,615
Total non-current assets		**55,873,080**	**53,064,016**
Current assets			
Inventories	17	204,322	195,617
Trade and other receivables	12	4,433,696	3,300,166
Current tax assets	39	459,336	340,687
Other financial assets	13	110,605	382,396
Other assets	16	188,667	158,486
Cash and cash equivalents	18	1,430,239	2,027,834
Total current assets		**6,826,865**	**6,405,186**
Total assets		**62,699,945**	**59,469,202**
Liabilities and Equity			
Equity			
Issued capital		67	67
Reserves	19	1,070,645	1,459,906
Accumulated other comprehensive income	20	2,073,289	3,851,230
Retained earnings	19	22,487,773	20,814,391
Net profit for the period	19	3,765,281	3,035,956
Other components of equity		55,508	64,305
Total equity		**29,452,563**	**29,225,855**

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022

Figures expressed in millions of Colombian pesos

	Notes	2023	2022
Liabilities			
Non-current liabilities			
Loans and borrowings	21 and 41	17,177,083	19,120,702
Trade and other payables	22	9,345	8,093
Other financial liabilities	23	3,997,950	2,808,878
Employee benefits	25	409,130	285,502
Income tax payable	39	29,980	29,980
Deferred tax liabilities	39	2,384,073	1,982,785
Provisions	27	1,777,068	712,137
Other liabilities	28	30,634	31,741
Total non-current liabilities		**25,815,263**	**24,979,818**
Current liabilities			
Loans and borrowings	21 and 41	2,908,001	1,324,693
Trade and other payables	22	1,906,736	1,565,937
Other financial liabilities	23	561,884	536,815
Employee benefits	25	249,536	209,035
Income tax payable	39	26,047	26,047
Taxes, contributions and rates payable	26	275,357	259,252
Provisions	27	289,406	439,283
Other liabilities	28	1,215,152	902,467
Total current liabilities		**7,432,119**	**5,263,529**
Total liabilities		**33,247,382**	**30,243,347**
Total liabilities and equity		**62,699,945**	**59,469,202**

The accompanying notes are an integral part of the Separated Financial Statements

John Alberto Maya Salazar
General Manager
Certification Attached

Diana Rúa Jaramillo
Executive Vice-President of Finance
and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
Professional Card N° 14482-T
Certification Attached

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

Figures expressed in millions of Colombian pesos

	Notes	2023	2022
Rendering of services	30	16,009,742	13,121,382
Leases	30	80,463	80,063
Sale of goods	30	12,755	9,043
Ordinary activities revenue		**16,102,960**	**13,210,488**
Income from sale of assets	32	1,718	613
Other income	31	123,055	253,346
Total revenue		**16,227,733**	**13,464,447**
Costs of services rendered	33	(8,846,660)	(7,098,482)
Administrative expenses	34	(2,130,943)	(1,219,985)
Net impairment loss on accounts receivable	12	(138,152)	(215,877)
Other expenses	35	(50,085)	(40,666)
Finance income	36.1	631,613	267,633
Finance expenses	36.2	(2,671,439)	(1,777,638)
Net foreign exchange difference	37	184,023	(90,580)
Equity method in subsidiaries	8	1,555,779	1,600,935
Share of results of equity investments	38	198,430	(975,812)
Profit for the period before taxes		**4,960,299**	**3,913,975**
Income tax	39	(1,195,018)	(878,019)
Profit for the period after taxes		**3,765,281**	**3,035,956**
Net profit for the period		**3,765,281**	**3,035,956**
Other comprenhensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	20 and 39	(99,482)	52,230
Equity investments measured at fair value through equity	20 and 39	(539,451)	(136,838)
Equity method in subsidiaries - NRRP	20 and 39	(418,621)	(67,399)
Income tax related to components that will not be reclassified	20 and 39	118,503	(290,514)
		(939,051)	**(442,521)**
Items that will be reclassified subsequently to profit or loss:			
Cash flow hedges:	20 and 39	**448,394**	**(596,324)**
Reclassified to profit or loss for the period		(2,095,091)	328,945
Reclassification Adjustment		2,543,485	(925,269)
Equity method in subsidiaries	20 and 39	**(1,301,438)**	**1,010,644**
Result recognized in the period		(1,301,438)	1,010,644
Hedges of net investments in foreign operations	20 and 39	**283,752**	**(216,145)**
Result recognized in the period of Hedges of net investments in foreign businesses		283,752	(216,145)
Income tax related to the components that may be reclassified	20 and 39	**(251,334)**	**288,328**
Result recognized in the period		369,746	(91,580)
Reclassification adjustment		(621,080)	379,908
		(820,626)	**486,504**
Other comprehensive income for the period, net of taxes	**39**	**(1,759,677)**	**43,982**
Total comprehensive income for the period		**2,005,605**	**3,079,938**

The accompanying notes are an integral part of the Separated Financial Statements

John Alberto Maya Salazar
General Manager
Certification Attached

Diana Rúa Jaramillo
Executive Vice-President of Finance
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EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

Figures expressed in millions of Colombian pesos

					Other comprehensive income						
	Issued capital	Reserves (note 19)	Retained earnings (note 19)	Other components of equity	Equity investments (note 20)	Defined benefit plans (note 20)	Cash flow hedges (note 20)	Hedges of net investments in foreign operations (note 20)	Reclassification of property, plant and equipment to investment property (note 20)	Accumulated share in other comprehensive income of associates and joint ventures business (note 20)	Total
Balance at January 1, 2022	67	1,552,992	22,576,829	64,341	3,037,953	2,144	(343,034)	(61,509)	12,079	1,215,372	28,057,234
Net profit for the period	-	-	3,035,956	-	-	-	-	-	-	-	3,035,956
Other comprehensive income of the period, net of income tax	-	-	-	-	(407,312)	32,191	(307,996)	(216,145)	-	943,244	43,982
Comprehensive income for the period	**-**	**-**	**3,035,956**	**-**	**(407,312)**	**32,191**	**(307,996)**	**(216,145)**	**-**	**943,244**	**3,079,938**
Surpluses or dividends decreed	-	-	(1,850,776)	-	-	-	-	-	-	-	(1,850,776)
Movement of reserves	-	(93,086)	93,086	-	-	-	-	-	-	-	-
Transfers to retained earnings	-	-	(4,748)	(35)	-	-	-	-	-	(55,757)	(60,540)
Balance at December 31, 2022	67	1,459,906	23,850,347	64,305	2,630,641	34,335	(651,030)	(277,654)	12,079	2,102,859	29,225,855
Balance at January 1, 2023	67	1,459,906	23,850,347	64,305	2,630,641	34,335	(651,030)	(277,654)	12,079	2,102,859	29,225,855
Net profit for the period	-	-	3,765,281	-	-	-	-	-	-	-	3,765,281
Other comprehensive income of the period, net of income tax	-	-	-	-	(456,790)	(63,640)	197,060	283,752	-	(1,720,059)	(1,759,677)
Comprehensive income for the period	**-**	**-**	**3,765,281**	**-**	**(456,790)**	**(63,640)**	**197,060**	**283,752**	**-**	**(1,720,059)**	**2,005,604**
Surpluses or dividends decreed	-	-	(1,748,005)	-	-	-	-	-	-	-	(1,748,005)
Movement of reserves	-	(389,261)	389,261	-	-	-	-	-	-	-	-
Equity method on variations in equity	-	-	(3,830)	(8,797)	-	-	-	-	-	(18,264)	(30,891)
Balance at December 31, 2023	67	1,070,645	26,253,054	55,508	2,173,851	(29,305)	(453,970)	6,098	12,079	364,536	29,452,563

The accompanying notes are an integral part of the Separated Financial Statements

John Alberto Maya Salazar
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EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

SEPARATE STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

Figures expressed in millions of Colombian pesos

	Notes	2023	2022
Cash flows from operating activities:			
Net result for the period		**3,765,281**	**3,035,956**
Adjustments to reconcile the net profit for the period to the net cash flows used in operating activities:		**3,232,324**	**2,902,928**
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	33 and 34	951,023	706,841
Net impairment loss on accounts receivable	12	138,152	215,877
Impairment of investments in associates and joint ventures	11	-	1,060,968
Write-down of inventories, net	35	134	115
Result due to foreign exchange difference	37	(184,023)	90,580
Result due to valuation of investment property	6	(9,863)	(17,122)
Result for valuation of financial instruments and hedge accounting	36	(253,078)	13,254
Result of compensation for activities associated with investment flows		(94)	-
Provisions, post-employment and long-term defined benefit plans	34	894,410	233,281
Provisions for tax, insurance and reinsurance obligations and financial updating	36.2	104,750	79,211
Applied Government subventions	31	(47)	(78)
Deferred income tax	39.3	268,457	(20,595)
Current income tax	39.3	926,561	898,614
Share of loss of equity-accounted investees	8	(1,555,779)	(1,600,935)
Interest and yield income	36.1	(207,072)	(181,419)
Interest and commission expenses	36.2	2,395,225	1,598,960
Result due to disposal of property, plant and equipment, right-of-use assets, intangibles and investment property	32 and 35	78	(439)
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments	32 and 35	12,834	10,292
Result from disposal of financial instruments		19	-
Result from disposal of investments in subsidiaries		(20,289)	-
Non-cash recoveries	31	(50,914)	(99,321)
Dividend income from investments	10 and 13	(178,160)	(85,156)
		6,997,605	**5,938,884**
Net changes in operating assets and liabilities:			
Change in inventories		(8,506)	(12,778)
Change in trade and other receivables		(1,721,511)	(1,019,299)
Change in other assets		233,721	(420,467)
Change in creditors and other accounts payable		403,671	75,833
Change in employee benefits		35,336	11,525
Change in provisions		(309,751)	(353,605)
Change in other liabilities		23,953	1,016,586
Cash generated from operating activities		**5,654,518**	**5,236,679**
Interest paid		(2,434,079)	(1,651,703)
Income tax paid		(1,045,210)	(917,495)
Income tax refund		-	690
Net cash provided by operating activities		**2,175,229**	**2,668,171**
Cash flows from investing activities:			
Acquisition and capitalization of subsidiaries or businesses	8	(902,043)	(4,757)
Purchase of property, plant and equipment	5	(3,112,979)	(3,425,307)
Disposal of property, plant and equipment	5 and 32	478	840
Purchase of intangible assets	7	(83,107)	(79,834)
Disposal of intangible assets		4	1
Disposal of investment properties	6	-	175
Purchase of investments in financial assets	13	(212,600)	(160,088)
Disposal of investments in financial assets	13	473,753	351,682
Dividends received from associates and joint ventures	8 and 9	452,526	502,839
Other dividends received	13	178,175	76,973
Loans to related parties		155,305	223,022
Compensation received for activities associated with investment flows	5	-	2,521,064
Other cash flows from investment activities		5,577	(2,894)
Net cash flow used in investing activities		**(3,044,911)**	**3,716**
Cash from financing activities:			
Proceeds from loans and borrowings	21	3,038,546	1,706,272
Repayments of loans and borrowings	21	(980,928)	(2,079,859)
Transaction costs due to issuance of debt instruments	21	(18,381)	(26,657)
Payments of liabilities for financial leasing	23	(15,546)	(14,252)
Surpluses paid	19	(1,748,005)	(1,850,775)
Capital subventions	31	47	78
Payments of capital of derivatives designated as cash flow hedges	13	-	37,239
Payment of pension bonds	23	(43,278)	(57,329)
Other cash from financing activities		(3,260)	1,504
Net cash flows used in financing activities		**229,195**	**(2,283,779)**
Net increase in cash and cash equivalents		**(640,487)**	**388,108**
Effects of variations in foreign exchange rates in the cash and cash equivalents		26,867	(101,746)
Cash and cash equivalents at beginning of the period		2,084,449	1,798,087
Cash and cash equivalents at end of the year	18	**1,470,830**	**2,084,449**
Restricted cash	18	121,701	97,542

The accompanying notes are an integral part of the Separated Financial Statements

John Alberto Maya Salazar
General Manager
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Index to the notes to the separate financial statements

Note 1. Reporting entity ... 7

Note 2. Significant accounting policies ... 9

Note 3. Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements. ... 37

Note 4. Significant transactions carried out and other relevant aspects that occurred during the period 40

Note 5. Property, plant and equipment, net ... 41

Note 6. Investment property ... 47

Note 7. Goodwill and other intangible assets ... 48

Note 8. Investments in subsidiaries ... 51

Note 9. Investments in associates ... 57

Note 10. Investments in joint ventures ... 58

Note 11. Impairment of non-financial assets ... 58

Note 12. Trade and other receivables ... 60

Note 13. Other financial assets ... 64

Note 14. Right-of-use assets ... 66

Note 15. Guarantee ... 68

Note 16. Other assets ... 69

Note 17. Inventories ... 69

Note 18. Cash and cash equivalents ... 70

Note 19. Equity ... 72

Note 20. Accumulated other comprehensive income ... 73

Note 21. Loans and borrowings ... 76

Note 22. Trade and other payables ... 79

Note 23. Other financial liabilities ... 79

Note 24. Derivatives and hedges ... 80

Note 25. Employee benefits ... 82

Note 26. Taxes, contributions and rates payable ... 88

Note 27. Provisions ... 89
Note 28. Other liabilities ... 110
Note 29. Changes in liabilities from financing activities ... 111
Note 30. Ordinary activities revenue ... 112
Note 31. Other income ... 114
Note 32. Income from sale of assets ... 114
Note 33. Costs of services rendered ... 115
Note 34. Administrative expenses ... 116
Note 35. Other expenses ... 117
Note 36. Finance income and expenses ... 117
Note 37. Net foreign exchange difference ... 119
Note 38. Share of result of equity investments ... 120
Note 39. Income tax ... 120
Note 40. Disclosure of related parties ... 128
Note 41. Capital management ... 129
Note 42. Financial risk management objectives and policies ... 130
Note 43. Fair value measurement on a recurring and non-recurring basis ... 139
Note 44. Service concession arrangement ... 142
Note 45. Events after the reporting period ... 143

Notes to the separate financial statements of Empresas Públicas de Medellín E.S.P. for the periods ended December 31, 2023 and 2022.

(In millions of Colombian pesos, except when otherwise indicated)

Note 1. Reporting entity

Empresas Públicas de Medellín E.S.P. (hereinafter "EPM") is the parent company of a multi-Latin business group established of 44 companies and 6 structured entities[1]; with presence in the provision of public services in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.

EPM is a decentralized entity of the municipal order, created in Colombia through Agreement 58 of August 6, 1955 of the Administrative Council of Medellín, as an autonomous public establishment. It was transformed into an industrial and commercial company of the State of the municipal order, by Agreement 069 of December 10, 1997 of the Council of Medellín. Due to its legal nature, EPM is endowed with administrative, financial autonomy and its own equity, in accordance with Article 85 of Law 489 of 1998. The capital with which it was constituted and operates, as well as its equity, is public nature, its sole owner being the Municipality of Medellín. Its main address is at Carrera 58 No. 42-125 in Medellín, Colombia. It does not have an established term of duration.

EPM provides residential public services of aqueduct, sewage, energy, and distribution of fuel gas. It can also provide the residential public services of cleaning, treatment, and use of garbage, as well as the complementary activities of one of these public services.

EPM offers its services through the following operating segments: Electricity Generation, Distribution and Transmission; Distribution and Marketing of Natural Gas; Water provision; Wastewater Management; Solid Waste Management. Additionally, the Others Segment includes the participation in the telecommunications business, through the associate UNE EPM Telecomunicaciones S.A. and its subsidiaries: Edatel S.A. E.S.P., Orbitel Servicios Internacionales S.A. - OSI, Cinco Telecom Corporation - CTC and Colombia Móvil S.A.; and the associate Inversiones Telco S.A.S. and its subsidiary Emtelco S.A.; offering voice, data, Internet, professional services, data center, among others.

EPM's separate financial statements for the year ended December 31, 2023, were authorized by the Board of Directors for their publication on March 20, 2024.

1.1 Legal and regulatory framework

The provision of residential public services in Colombia is mainly regulated by Law 142 of 1994, Public Services Law, and Law 143 of 1994, Electricity Law.

- The functions of control, inspection and surveillance of the entities that provide residential public services are exercised by the Superintendence of Residential Public Services (SSPD).
- Because it is an issuer of Bonds, EPM is subject to the control of the Financial Superintendence of Colombia under Decree 2555 of 2010, by which the regulations regarding the financial, insurance and stock market sectors are collected and reissued, and other provisions are issued, it establishes that the SIMEV is the set of human, technical and management resources that the Financial Superintendence of Colombia will use to allow and facilitate the supply of information to the market. Among these tools is the National Registry of Securities and Issuers - RNVE, whose purpose is to keep a

[1] Autonomous Assets of Social Financing of EPM (until November), CHEC, EDEQ, ESSA, CENS, Credieegsa S.A. and Somos, under International Financial Reporting Standards (IFRS) adopted in Colombia, are considered structured entities that are part of the scope of the consolidation of financial statements of the EPM Group.

record of issuers of securities and the issues they make. When issuing bonds, EPM is subject to the control of this Superintendency and to the regulations that are requested for financial information purposes for its issuance, especially External Circular 038 of 2015 whose reference is: Modification of the terms for the transmission of the Interim Quarterly and Year-End Financial Statements under IFRS adopted in Colombia, Individual or Separate and Consolidated and its report in XBRL language (extensible Business Reporting Language) and which was modified by External Circulars 008, 017 and 037 of 2016; Additionally, External Circulars 031 of 2021 on social and environmental issues, including climate issues and 012 of 2022 on periodic information, in development of Decree 151 of 2021.

For accounting purposes, EPM is governed by the accounting standards issued by the National Accounting Office, these standards are based on the IFRS issued by the IASB, as well as the interpretations issued by the IFRIC, as described in the accounting policies section.

For administering the health service as employee benefits, the figure of the Adapted Health Company, is supervised by the National Health Superintendence.

As a decentralized municipal entity, EPM is subject to the political control of the Administrative Council of Medellin, the fiscal control of the Medellin General Comptroller's Office, and the disciplinary control of the Office of the Attorney General of the Nation.

1.2 Regulation commisions

Law 142 of 1994, in its articles 68 and 69, delegates to the regulation commissions the presidential function of establishing general policies for administration and control of efficiency in residential public services.

These entities are the following:

- The Energy and Gas Regulation Commission (CREG), a technical body attached to the Ministry of Mines and Energy (MME), which regulates energy sales rates and aspects related to the operation of the Wholesale Energy Market (MEM) and, more in general, with the provision of electricity, gas and liquid fuel services.
- The Commission for the Regulation of Drinking Water and Basic Sanitation (CRA) regulates the rates of aqueduct, sewerage and cleaning and their conditions of provision in the market. It is a special administrative unit, attached to the Ministry of Housing, City and Territory.

1.2.1 Regulation by sector

1.2.1.1 Activities of the aqueduct, sewage and cleaning sector

Law 142 of 1994, Public Services Law, defined the aqueduct, sewerage and cleaning services:

Aqueduct: also called home public drinking water service. Activity that consists of the municipal distribution of water suitable for human consumption, including its connection and measurement. Includes complementary activities such as water collection and processing, treatment, storage, conduction, and transportation.

Sewage: an activity that consists of the municipal collection of waste, mainly liquid, through pipes and conduits. Includes complementary activities of transport, treatment and final disposal of such waste.

Cleaning: an activity that consists of the municipal collection of waste, mainly solid. Includes complementary activities of transport, treatment, use and final disposal of such waste.

For the first two services, the tariff framework is established in Resolutions CRA 688 of 2014, 735 of 2015, 821 of 2017 and 908 of 2019, compiled in Resolution CRA 943 of 2021. For the public sanitation service, in resolution CRA 720 of 2015, compiled in Resolution CRA 943 of 2021. These regulations establish quality and hedge indicators, encourage compliance with goals and define remuneration mechanisms to guarantee the financial sufficiency of the company.

1.2.1.2 Activities of the electricity sector

Law 143 of 1994 segmented the electric power service into four activities: generation, transmission, distribution, and commercialization, which can be developed by independent companies. The legal framework is intended to supply the demand for electricity under economic and financial viability criteria and promote an efficient, safe and reliable operation of the sector.

Generation: consists of the production of electricity from different sources (conventional or non-conventional), whether that activity is carried out exclusively or in combination with one or more other activities in the electricity sector, whichever of them is the main activity.

Transmission: the national transmission activity is the transport of energy in the National Transmission System (hereinafter STN for its initials in Spanish). It is made up of a set of lines, with their corresponding connection equipment, which operate at voltages equal to or greater than 220 kV. The National Transmitter is the legal entity that operates and transports electricity in the STN or has established a company whose purpose is the development of that activity.

Distribution: consists of transporting electrical energy through a set of lines and substations, with their associated equipment, which operate at voltages less than 220 kV.

Commercialization: an activity consisting of the purchase of electricity in the wholesale market and its sale to other market agents or to regulated and non-regulated end users, whether this activity is carried out exclusively or combined with other activities in the electricity sector, whichever is the main activity.

1.2.1.3 Activities of the natural gas sector

Law 142 of 1994 defined the legal framework for the provision of residential public services, an area in which natural gas is defined as a public service.

Gas: is the set of activities related to the distribution of fuel gas, by pipeline or other means, from a large volume storage site or from a central gas pipeline to the installation of a final consumer, including its connection and measurement. This Law will also apply to complementary commercialization activities from the production and transportation of gas through the main gas pipeline, or by other means, from the generation site to the one where it is connected to a secondary network.

Note 2. Significant accounting policies

2.1 Basis for the preparation of financial statements

The separate financial statements of the EPM are prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia (NCIF) and adopted by the General Accounting Office of the Nation through Resolution 037 of 2017, Resolution 056 of 2020 resolution 035 and 0197 of 2021 and Resolution CGN 267 of 2022 (hereinafter, IFRS adopted in Colombia). These accounting and financial reporting standards are based on the International Financial Reporting Standards (hereinafter, IFRS) issued by the International Accounting Standards Board (International Accounting standards Board, hereinafter, IASB), as well as the interpretations issued by the Interpretations Committee (hereinafter, IFRIC). These financial statements are harmonized with the generally accepted accounting principles in Colombia enshrined in the Annex to Decree 2420 of 2015 and its subsequent amendments.

The presentation of the financial statements in accordance with the IFRS adopted in Colombia requires making estimates and assumptions that affect the amounts reported and disclosed in the financial statements, without undermining the reliability of the financial information. Actual results may differ from such estimates. Estimates and assumptions are constantly reviewed. The review of accounting estimates is recognized for the period in which they are reviewed, if the review affects that period or in the review period and future periods. The estimates made by the Administration when applying the IFRS adopted in Colombia, which have a material effect on the financial statements, and those that imply significant judgments for the annual financial statements, are described in greater detail in Note 3 Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements.

EPM presents separate financial statements, for compliance with control entities and for the purpose of internal administrative monitoring and providing information to investors. Similarly, EPM as the main parent presents consolidated financial statements under IFRS adopted in Colombia.

Assets and liabilities are measured at cost or amortized cost, except for certain financial assets and liabilities and investment properties that are measured at fair value. Financial assets and liabilities measured at fair value correspond to those that are classified in the category of assets and liabilities at fair value through profit or loss, some equity investments at fair value through equity, as well as all financial derivative assets and recognized liabilities that are designated as hedged items in a fair value hedge, whose carrying amount is adjusted for changes in fair value attributed to the hedged risks.

The separate financial statements are presented in Colombian pesos and their figures are expressed in millions of Colombian pesos.

2.2 Classification of assets and liabilities as current or non-current

An asset is classified as a current asset when it is held mainly for trading purposes or is expected to be realized within a period not exceeding one year after the reporting period or is cash and cash equivalents that are not subject to restrictions on their exchange or on their use in settling a liability at least one year after the reporting period. Other assets are classified as non-current assets.

A liability is classified as a current liability when it is held mainly for trading purposes, or when it is expected to be settled within a period not exceeding one year after the reporting period, or when the EPM does not have an unconditional right to defer its settlement for at least one year after the reporting period. Other liabilities are classified as non-current liabilities.

Derivative instruments not covered by hedge accounting are classified as current or non-current, or separated into current and non-current portions, based on an assessment of facts and circumstances (i.e., the underlying contractual cash flows):

- When the EPM maintains a derivative, to which hedge accounting is not applied, for a period of more than twelve (12) months from the reporting date, the derivative is classified as non-current (or divided into portions current and non-current) to correspond to the classification of the underlying item.
- Derivative instruments that are designated as hedging instruments and that are effective are classified consistently with the classification of the underlying hedged item. The derivative instrument is divided into a current and a non-current portion only if such allocation can be made reliably.

2.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows include cash on hand and in banks and highly liquid investments, easily convertible into a determined amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition. Callable bank overdrafts that are an integral part of the EPM's cash management represent a component of cash and cash equivalents in the statement of cash flows.

2.4 Investments in subsidiaries, associates and joint ventures

A subsidiary is an entity controlled by EPM. Control is obtained when EPM controls the relevant activities of the subsidiary and is exposed, or has the right, to its variable returns and has the ability to influence said returns.

An associate is an entity over which EPM has significant influence over financial and operating policy decisions, without actually having control or joint control.

A joint venture is an arrangement in which EPM has joint control, under which EPM has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

At the acquisition date, the excess of the acquisition cost over the portion of the net fair value of the identifiable assets, liabilities and contingent liabilities assumed by the subsidiary is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is not individually amortized or tested for impairment.

Investments in subsidiaries are measured in the separate financial statements by the equity method, except if 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. Through this accounting methodology, the investment is initially recorded at cost and is subsequently adjusted based on changes experienced, after the acquisition, the portion of the net assets of the entity that corresponds to the investor. The result of the period of EPM includes its participation in the result of the period of the investee and the other comprehensive income includes its participation in the other comprehensive income of the investee. When there are variations in the ownership percentages in the subsidiary that do not imply a loss of control, the effect of these changes is recognized directly in equity. When the EPM's share of the losses of a subsidiary exceeds the EPM's share of them (which includes any long-term interest that, in substance, forms part of the company's net investment in the subsidiary), the company ceases to recognize its share of future losses. Additional losses are recognized as long as the company has entered into any legal or implicit obligation or has made payments on behalf of the subsidiary. When the subsidiary subsequently presents profits, the company resumes the recognition of its share in them only after its share in said gains equals the share in unrecognized losses.

Investments in subsidiaries are accounted for using the equity method from the date the investee becomes a subsidiary.

Investments in associates and joint ventures are maintained in separate financial statements at cost.

Dividends received from the subsidiary are recognized as a reduction in the value of the investment, and those received from the associate or joint venture are recognized directly in profit or loss for the period when the company's right to receive payment is established.

The company periodically analyzes the existence of indicators of value impairment and, if necessary, recognizes losses due to impairment in the investment in the subsidiary, associate or joint venture. Impairment losses are recognized in the result of the period and are calculated as the difference between the recoverable value of the subsidiary, associate or joint venture, this being the higher of the value-in-use and its fair value less the necessary costs for its sale and its carrying amount.

When control of the subsidiary is lost or significant influence over the associate or joint control over the joint venture is lost, the company measures and recognizes any residual investment that it retains in it at its fair value. The difference between the carrying amount of the subsidiary, associate or joint venture and the fair value of the residual investment retained, with the value from its sale, is recognized in the result of the period.

EPM discontinues the use of the equity method from the date the investment ceases to be a subsidiary, or when the investment is classified as held for sale. Additionally, EPM records all amounts previously recognized in other comprehensive income with respect to that subsidiary on the same basis that would have been required if said subsidiary sold the financial assets or liabilities directly. Therefore, if a gain or loss previously accounted for in other comprehensive income by the subsidiary had been reclassified to profit or loss on the sale of the related assets or liabilities, EPM would reclassify the gain or loss from equity to gains or losses (as a reclassification adjustment) at the time the use of the equity method is discontinued.

2.5 Joint operations

It is a joint arrangement whereby the parties with joint control of the arrangement have rights to the assets, and obligations for the liabilities, related to the arrangement.

In joint operations, EPM recognizes its participation as follows: its assets, including its participation in the assets held jointly; its liabilities, including its share of jointly incurred liabilities; its revenue from ordinary activities from the sale of its interest in the proceeds arising from the joint operation; its participation in the revenue from ordinary activities from the sale of the product carried out by the joint operation; and your expenses, including your share of expenses incurred jointly. EPM recognizes the assets, liabilities, revenue from ordinary activities and expenses related to its participation in a joint operation in accordance with the guidelines applicable to assets, liabilities, revenue from ordinary activities and expenses.

2.6 Functional currency and foreign currency

The functional currency of the company is the Colombian peso, which is the currency of the main economic environment in which it operates, that is, in which it generates and uses cash.

Transactions in foreign currency are initially recorded at the exchange rates of the functional currency in effect on the date of the transaction. Subsequently, monetary assets and liabilities in foreign currency are converted at the exchange rate of the functional currency, in force at the closing date of the period, non-monetary items that are measured at their fair value are converted using the exchange rates at the date on which their fair value is determined and non-monetary items that are measured at historical cost are converted using the exchange rates prevailing on the date of the original transactions.

All exchange differences are recognized in the statement of comprehensive income in the section profit or loss for the period, except for adjustments originating from interest costs that are capitalizable and those from loans in foreign currency to the extent that they are considered as adjustments of interest costs and the exchange difference originating from the conversion of the financial statements of foreign subsidiaries for the application of the equity method, which is recognized in other comprehensive income.

2.7 Revenue from ordinary activities

Revenue from ordinary activities corresponds basically to the development of the main activity of the company, which is the provision of residential public services of aqueduct, sewerage, energy and fuel gas distribution, and are recognized when the service is provided or at the time of the delivery of the goods, to the extent that the performance obligations on the part of the company are satisfied. Income is measured at the value of the consideration received or to be received, excluding taxes or other obligations. Discounts, client offsetting for quality of service and financial components that are granted are recorded as an adjustment to the value of income. The financing component is only recognized if the contract with clients lasts more than one year.

The most representative revenues from the energy business are as follows:

Reliability charge: remuneration paid to a generating agent for the availability of generation assets with the characteristics and parameters declared for the calculation of firm energy for the reliability charge - ENFICC, which guarantees compliance with the Firm Energy Obligation - OEF that was assigned in an auction for the assignment of firm energy obligations or in the mechanism that takes its place.

Long-term contracts: energy purchase and sale contract entered into between trading agents and generators that are settled on the energy exchange, under this type of energy contract, generators and traders freely agree on amounts and prices for the purchase and sale of electrical energy for periods of more than one day.

In the case of long-term energy purchase contracts, which have prices lower than those of the market and whose intention is not to use the energy purchased in the operation but to resell it in a market to obtain benefits, it is considered that it does not comply with the own use exception.

Secondary firm energy market or secondary market: bilateral market in which the generators negotiate a support contract with each other to guarantee, during a determined period of time, the partial or total fulfillment of the firm energy obligations acquired by one of them.

Sale of non-regulated market energy: It is the energy that is sold in the market to clients whose maximum demand is greater than a value in MW (megawatt for its acronym in English) or a minimum monthly energy consumption in MWh (megawatt per hora by its acronym in English), defined by the regulatory entity, by legalized installation, from which it does not use public electricity transmission networks and uses it on the same property or on contiguous properties. Your electricity purchases are made at prices freely agreed between the buyer and the seller.

Sale of regulated market energy: It is the energy that is sold to clients whose monthly consumption is less than a predetermined value and is not empowered to negotiate the price they pay for it, since both concepts are established by regulation; it usually uses energy for its own consumption or as an input for its manufacturing processes and not to develop its marketing activities.

Automatic generation regulation - AGC: it is a system for the control of secondary regulation, used to monitor load variations through generation, control the frequency within an operating range and scheduled exchanges. The AGC can be programmed in centralized, decentralized or hierarchical mode.

Firm energy: is the incremental contribution of a company's generation plants to the interconnected system, which is carried out with a reliability of 95% and is calculated based on a methodology approved by the Commission and on the operating planning models used in the national interconnected system.

Gas revenues come from the distribution and sale of natural gas to the regulated and non-regulated markets.

In the water business, income comes from the provision of aqueduct and sewerage services.

At the time of revenue recognition, the company evaluates based on specific criteria to identify when it acts as principal or commission agent and thus determine whether revenue should be recognized gross or net for marketing activities.

2.8 Contracts with Customers

When the results of the contract can be measured reliably, EPM recognizes the revenue and expenses associated with contracts with clients, measuring the degree of progress in the satisfaction of the performance obligations using the input method based on the proportion that the incurred costs represent for work performed to date and the estimated total costs to completion.

Incurred cost comprises costs, including borrowing costs, directly related to the contract, until the work has been completed. Administrative costs are recognized in the result of the period.

On the other hand, the incremental costs incurred by the company to obtain or fulfill contracts with clients are recognized as an asset in the statement of financial position under other assets and are amortized on a straight-line basis over the term of the contract, as long as the term of the contract is greater than one year. Otherwise, EPM recognizes it directly in the result of the period.

Payments received from the client before the corresponding work has been carried out are recognized as a liability in the statement of financial position as other liabilities.

The difference between the revenue recognized in profit or loss for the period and the invoicing is presented as an asset in the statement of financial position called Trade and other receivable, or as a liability called other liabilities.

In the initial recognition of an account receivable from a contract with a client, the difference that occurs between the measurement of the account receivable and the value of the corresponding income is presented as an expense in the statement of comprehensive income called Impairment of accounts receivable.

2.9 Government grants

Government grants are recognized at fair value when there is reasonable assurance that they will be received and all conditions attached to them will be met. Grants intended to offset costs and expenses, already incurred, without related subsequent costs, are recognized in profit or loss for the period in which they become payable. When the grant is related to an asset, it is recorded as deferred income and is recognized in the result of the period on a systematic basis throughout the estimated useful life of the corresponding asset. The benefit of a government loan at a below-market interest rate is treated as a government subsidy, measured as the difference between the amounts received and the fair value of the loan based on the market interest rate.

2.10 Taxes

The country's tax structure, the regulatory framework and the plurality of operations make the company a passive subject of taxes, rates and contributions of the national and territorial order. They are obligations that originate to the Nation, departments, municipal entities and other active subjects, once the conditions provided in the corresponding regulations issued are met.

Among the most relevant taxes are the income tax and the sales tax.

Income tax

- Current: current assets and liabilities for income tax for the period are measured by the values that are expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the depuration carried out between the tax income and the accounting profit or loss affected by the income tax rate of the current year and in accordance with the provisions of the tax regulations from the country. The tax rates and regulations used to compute such values are those that are enacted or substantially approved at the end of the reporting period, in the country in which the company operates and generates taxable profits.

Taxable profit differs from the profit reported in profit or loss due to items of income and expenses that are taxable or deductible in other years, and items that will not be taxable or deductible in the future.

Current income tax assets and liabilities are also offset if they relate to the same tax authority, and it is intended to settle them at net value or to realize the asset and settle the liability simultaneously.

- Deferred: Deferred income tax is recognized using the liability method calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences and for future offsetting of unused tax credits and tax losses to the extent that availability is probable. of future taxable profits against which they can be imputed. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and that, at the time of the transaction, affected neither accounting profit nor tax gain or loss; and in the case of deferred tax liability when it arises from the initial recognition of goodwill.

Deferred tax liabilities related to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that such differences will not reverse in the near future. Deferred tax assets related to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that temporary differences will reverse in the near future, and it is probable that future taxable income will be available against which those deductible differences will be charged.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable income to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income will allow their recovery.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the period in which the asset is realized or the liability is settled based on the tax rates and regulations that were approved on the reporting date, or whose approval procedure is close to being completed by that date. The measurement of deferred tax assets and liabilities will reflect the tax consequences that would result from the way in which 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 must be presented as non-current.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and they are with the same tax authority.

Deferred tax is recognized in the result of the period, except that related to items recognized outside the result; in this case it will be presented in other comprehensive income or directly in equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amount of such properties is presumed to be fully recovered through sale, at unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is maintained within a business model whose objective is to consume substantially all the economic benefits generated by the investment property over time, and not through sale. The directors reviewed the investment property portfolio of the company and concluded that none of the investment properties of the company are held under a business model whose objective is to consume substantially all the economic benefits generated by the investment properties over time and not through the sale. Therefore, the directors have determined that the presumption of “sale” should be established in the amendments to IAS 12 Income Tax.

When the current tax or deferred tax arises from the initial accounting of the business combination, the tax effect is considered within the accounting of the business combination.

Sales tax - VAT

EPM is responsible for the common regime since it makes sales of personal property and provides taxed services and obtains exempt income from exports. Currently in Colombia, energy, aqueduct, sewerage and home gas services are excluded from this tax.

In Colombia the general rate is 19% and there is a differential rate of 5%.

In Colombia, the generation of income excluded in the particular case of residential public services, the VAT paid on purchases is part of a higher cost value. Likewise, when taxable income is generated, that is, when taxed goods or services are sold, the VAT paid on the purchase or acquisition of inputs for these sales will be deductible from the value to be paid for the tax. When the company generates income that is excluded from VAT, but at the same time generates income that is exempt and taxed, in this case, a pro-rata of the VAT paid must be made to determine the percentage of VAT to be discounted.

The tax generated is recognized as a value payable to the tax administration from which the tax paid is deducted. Revenues are recognized without considering the value of the tax.

2.11 Property, plant and equipment

Property, plant and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost includes the acquisition price, the costs directly related to the location of the asset in the place and the necessary conditions for it to operate in the way foreseen by the company, the costs for loans of the projects under construction that take a substantial period to be completed, if the recognition requirements are met and the present value of the expected cost of dismantling the asset after use, if the recognition criteria for a provision are met.

Construction in progress is measured at cost less any recognized impairment loss and includes those expenditures that are essential and directly related to the construction of the asset, such as professional fees, supervision, civil works and, in the case of those qualified assets, borrowing costs are capitalized. Such construction in progress is classified to the appropriate categories of property, plant and equipment at the time of its completion and when it is ready for use. Depreciation of these assets begins when they are ready for use on the same basis as in the case of other items of property, plant, and equipment.

The company capitalizes as a higher value of the assets, the additions or improvements made to them, provided that they meet any of the following conditions: a) they increase their useful life, b) they expand their productive capacity and operating efficiency, and c) reduce costs to the company. All other repair and maintenance costs are recognized in the statement of comprehensive income as they are incurred.

Inventories of spare parts for specific projects, which are expected to have no turnover in one year and which meet the criteria to be capitalized, known as replacement assets, are presented under other property, plant, and equipment. They are depreciated considering the time spent in the warehouse and the technical useful life of the asset once its use begins.

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

Plants, ducts and tunnels	
Civil work	50 to 100 years
Equipment	10 to 100 years
Networks, lines, and cables	
Electric transmission network	30 to 40 years
Power distribution network	30 to 40 years
Aqueduct network	40 to 80 years
Network Wastewater	30 to 80 years
Gas network	60 to 80 years
Buildings	50 to 100 years
Communication and computer equipment	5 to 40 years
Machinery and equipment	7 to 40 years
Furniture, fixtures and office equipment	10 to 15 years
Land	10 to 20 years

The useful lives are determined considering, among others, the manufacturer's technical specifications, the knowledge of the technicians who operate and maintain the assets, the geographical location and the conditions to which it is exposed.

EPM calculates depreciation by components, which implies individually depreciating the parts of the asset that have different useful lives. The depreciation method used is straight line; the residual value that is calculated for the assets is not part of the depreciable amount.

A component of property, plant and equipment and any significant part initially recognized are derecognized upon disposal or when no future economic benefits are expected to be obtained from its use or disposal. The gain or loss at the time of writing off the asset, calculated as the difference between the net value of the disposal and the carrying amount of the asset, is included in the statement of comprehensive income.

Assets temporarily classified out of service continue to be depreciated and are tested for impairment within the CGU to which they are assigned.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if required.

2.12 Leases

The determination of whether an arrangement constitutes or contains a lease is based on the substance of the arrangement at its inception date, considering whether fulfillment of the arrangement requires the use of an asset and whether it transfers the right to control the use of that asset for a period of time in exchange for consideration.

On the start date of the lease, the company acting as lessee recognizes a right-of-use asset and a lease liability, except for leases with a duration of less than 12 months or those whose new value of the underlying asset is less than 15 (fifteen) current legal minimum wages (SMMLV).

EPM that acts as lessor classifies the lease as operating or financial. A lease is classified as financial when the risks and rewards inherent in ownership of the leased asset are substantially transferred to the lessee; otherwise, it is classified as an operating lease.

EPM as lessee

Right-of-use assets are recognized and presented as assets in the statement of financial position at the beginning of the lease, at cost that includes the value of the lease liability, initial direct costs, payments made in advance, incentives, estimated costs decommissioning, among others. The corresponding liability is included in the statement of financial position as a lease liability, which is measured as the present value of future lease payments discounted using the interest rate implicit in the contract, if it can be easily determined, otherwise, you will use the company's incremental borrowing rate. Future lease payments comprise fixed payments, variable payments, incentives to collect, residual value guarantees expected to be paid, the price of the purchase option and the payment of penalties for early termination of the contract.

Right-of-use assets are amortized over the asset's useful life using the straight-line method, if ownership of the underlying asset is transferred at the end of the contract or a purchase option is exercised. If ownership of the underlying asset is not transferred by the end of the lease term or if the option to purchase the asset is not exercised, the asset is amortized only through the end of the useful life or the lease term, whichever comes first.

Lease payments are divided between financial expenses and debt repayment. Financial charges are recognized in income for the period unless they can be directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy for borrowing costs. Variable lease payments, which depend on an index or a rate, are included in the measurement of the lease liability. Leases with a duration of less than 12 months or those whose new value of the underlying asset is less than 15 (fifteen) SMMLV are recognized as operating leases in the result of the period throughout the term of the lease.

EPM as lessor

Assets leased under financial leases are not presented as property, plant, and equipment since the risks associated with the property have been transferred to the lessee, instead, an account receivable is recognized for a value equal to the net investment in the lease.

When a lease agreement includes components of land and buildings together, EPM assesses the classification of each component separately as a financial or operating lease. If the lease payments cannot be allocated reliably between these two components, the entire lease is classified as a finance lease, unless it is clear that both components are operating leases, in which case the entire lease is classified as an operating lease.

Income, which depends on an index or a rate, is included in the valuation of the net investment in the lease.

The initial direct costs, such as commissions, fees, legal and internal costs that are incremental and directly attributable to the negotiation and contracting of the lease, are included in the measurement of the net investment in the lease at the beginning and are reflected in the calculation of the implicit interest rate.

When the lease is classified as an operating lease, lease payments are recognized as revenue on a straight-line basis or on another systematic basis, provided that it is more representative of the structure by which the benefit from the use of the underlying asset is diminished.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to prepare for its intended use or sale, are capitalized as part of the cost of the respective assets until the asset is is ready for its intended use. The income received from the temporary investment in specific loans pending to be consumed in qualified assets is deducted from the costs for loans suitable for their capitalization. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the business incurs in connection with borrowing funds. To the extent that the funds come from generic loans and are used to obtain a qualifying asset, the value of the costs eligible for capitalization is determined by applying a capitalization rate (weighted average of the costs for loans applicable to the general loans outstanding during the period) to the disbursements made on said asset.

- The capitalization of borrowing costs begins on the date on which the following conditions are met:
- Disbursements are incurred in relation to the asset.
- Borrowing costs are incurred, and

Activities necessary to prepare the asset for its intended use or sale are carried out.

The capitalization of borrowing costs is suspended during the periods in which the development of activities of a qualified asset is interrupted for periods of more than one year. However, the capitalization of borrowing costs is not interrupted during a period if important technical or administrative actions are being carried out. Nor is the capitalization of borrowing costs suspended when a temporary delay is necessary as part of the process of preparing a qualifying asset for use or sale.

The capitalization of borrowing costs is completed when substantially all the activities necessary to prepare the qualifying asset for use or sale have been completed. When the asset has components that can be used separately while construction continues, the capitalization of borrowing costs on those components is stopped.

When EPM completes construction of a qualifying asset in parts, and each part can be used separately while construction continues on the rest, capitalization of borrowing costs will cease when substantially all activities necessary to prepare that asset is completed. part for its intended use or sale.

2.14 Investment properties

Investment property is land or buildings or part of a building or both, held for rentals or capital appreciation (including investment property under construction for such purposes). Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing or replacing a part of an existing investment property at the time the cost is incurred, if the recognition criteria are met; and excludes the costs of daily maintenance of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value that reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the section result of the period in the period in which they arise.

Investment properties are derecognized, either at the time of disposal, or when permanently withdrawn from use, and no future economic benefit is expected. The difference between the value obtained net of the disposal and the carrying amount of the asset is recognized in the statement of comprehensive income in the section result of the period in the period in which it was derecognized.

Transfers are made to or from investment properties only when there is a change in their use. In the case of a transfer from an investment property to property, plant and equipment, the cost considered for its subsequent accounting is the fair value at the date of the change of use. If a property, plant and equipment become an investment property, it will be accounted for at its fair value, the difference between the fair value and the carrying amount will be recorded as a revaluation applying IAS 16 Property, plant, and equipment.

2.15 Intangible assests

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is their fair value at the acquisition date. After initial recognition, intangible assets are carried at a cost less any accumulated amortization and impairment losses. Internally generated intangible assets are capitalized as long as they meet the criteria for recognition as an asset and the generation of the asset must be classified into research phase and development phase; If it is not possible to distinguish the research phase from the development phase, the disbursements must be reflected in the statement of comprehensive income in the period in which they are incurred.

The useful lives of intangible assets are determined as finite or indefinite.

Intangible assets with finite useful lives are amortized over their economic useful life on a straight-line basis and are evaluated to determine whether they had any impairment, provided there are indications that the intangible asset may have suffered such impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each period. Changes in the expected useful life or in the expected pattern of consumption of the asset's future economic benefits are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The expense for amortization of intangible assets with finite useful lives is recognized in the statement of comprehensive income in the section result of the period in the category of expenses that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized but are subjected to annual tests to determine whether they suffered impairment, either individually or by cash-generating unit - CGU. The indefinite life assessment is reviewed annually to determine if said indefinite life is still valid. If it is not, the change in useful life from indefinite to finite is carried out prospectively.

The useful lives of intangible assets are:

Similar concessions and rights	Depending on the term of the contract
Easements	Indefinite
Capitalized development costs	Indefinite
Software and computer applications	Indefinite/Finite 3 to 5 years
Licenses	Indefinite/Finite 3 to 5 years
Rights	Depending on the term of the contract
Other intangible assets	Indefinite/Finite 7 to 15 years

An intangible asset is derecognized when it is disposed of, or when no future economic benefits are expected from its use or disposal. The gains or losses that arise are measured by the difference between the value obtained in the disposal and the carrying amount of the asset and is recognized in the statement of comprehensive income section result of the period.

Research and development costs

Research costs are expensed as incurred. Expenditures for development in an individual project are recognized as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale.
- Your intention to complete the asset and your ability to use or sell the asset.
- How the asset will generate future economic benefits, considering, among others, the existence of a market for the production generated by the intangible asset or for the asset itself, or the utility of the asset for the entity.
- The availability of technical and financial resources to complete the asset and to use and sell it.
- The ability to reliably measure disbursement during development.

In the statement of financial position, the asset for development disbursements is recognized from the moment the element meets the conditions for its recognition established above, and they are recorded at cost less accumulated amortization and accumulated losses due to value impairment.

When the development of an intangible asset related to a power generation project begins, the costs are accumulated as construction in progress.

The amortization of the asset begins when the development has been completed and it is available for use. It is amortized over the period of the expected future economic benefit. During the development period, the asset is tested annually to determine if there is impairment of its value.

Research costs and development costs that do not qualify for capitalization are recorded as expenses in the statement of comprehensive income section result for the period.

Goodwill

Goodwill represents the difference between the cost of a group of assets that constitutes a business, over which control is acquired, and the fair value at the time of acquisition of this group of acquired assets.

Goodwill is not amortized, is measured at cost less any accumulated impairment loss, and is subject to impairment testing annually or more frequently when there are indicators of impairment. Value impairment losses are recognized in the statement of comprehensive income in the section result for the period.

For CGUs that have goodwill assigned, impairment is assessed annually, which implies calculating the value-in-use of the CGUs to which it is being assigned. The calculation of the value-in-use requires the determination of the future cash flows that must arise from the CGUs and an appropriate discount rate to calculate the present value. When actual future cash flows are less than expected, an impairment loss may arise.

2.16 Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and, simultaneously, to a financial liability or equity instrument in another entity.

Financial assets and liabilities are recognized in the statement of financial position when the company becomes a party in accordance with the contractual conditions of the instrument.

Total payments are indexed with the IPP, based on the IPP of the month prior to signing the connection contract.

2.16.1 Financial assets

The company initially recognizes its financial assets at fair value. Transaction costs directly attributable to the financial asset are added to or deducted from its fair value if these are subsequently measured at amortized cost or fair value through other comprehensive income or are recognized immediately in the statement of comprehensive income if the assets are measured at fair value through profit or loss.

For subsequent measurement, financial assets are classified at amortized cost or at fair value (through other comprehensive income or through results) depending on the business model of the company to manage the financial assets and the characteristics of the contractual cash flows. of the instrument.

- **Financial assets at fair value through profit or loss**

  Financial assets at fair value through profit or loss are assets whose contractual cash flows are highly liquid. EPM classifies a financial asset in this category if it is acquired mainly for the purpose of being sold in the short term.

  Investments made to optimize excess liquidity are included, that is, all those resources that are not immediately allocated to the development of the activities that constitute the corporate purpose of the company. The investment of excess liquidity is made under the criteria of transparency, security, liquidity and profitability, under the guidelines of adequate control and in market conditions without speculative spirit (EPM General Management Decree 2015-DECGGL-2059 of February 6 of 2015). Gains and losses arising from changes in fair value are included in the statement of comprehensive income under Finance income or expenses, in the period in which the aforementioned changes in fair value occur.

  Dividend income is recognized when the company's right to receive payment is established.

  At the same time, the company can irrevocably designate a financial asset as measured at fair value through profit or loss.

- **Financial assets at fair value through other comprehensive income**

  Debt instruments that are maintained under a business model whose objective is obtained by obtaining the contractual cash flows and selling the instruments are classified as assets measured at fair value through other comprehensive income and, in addition, the instrument grants, on specific dates, cash flows that correspond only to payments of principal and interest on the outstanding principal value.

  Variations in the fair value of the investment are recorded in other comprehensive income, except for impairment losses or recoveries, interest income and foreign exchange gains and losses that are recognized in the results of the period.

  EPM has made the irrevocable election to present in other comprehensive income the subsequent changes in the fair value of some investments in equity instruments that are not held for trading. Dividends from this type of investment are recognized in profit or loss for the period when the right to receive payment is established.

When equity investments are disposed of at fair value through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss for the period.

- **Financial assets at amortized cost**

  A financial asset is subsequently measured at amortized cost using the effective interest rate[2] if the asset is held within a business model whose objective is to hold it to obtain the contractual cash flows and the contractual terms thereof that grant, on specific dates, cash flows that are solely payments of principal and interest on the outstanding principal value.

Impairment of financial instruments

On each reporting date, the company recognizes value adjustments for expected credit losses on financial assets that are measured at amortized cost or at fair value through other comprehensive income, including accounts receivable from leases, contract assets, or loan commitments, and financial guarantee contracts to which the value impairment requirements are applied during the life of the asset.

Expected credit losses are estimated considering the probability that a loss due to bad debts may or may not occur and are recognized as a gain or loss in the result of the period against a lower value of the financial asset. The company assesses the credit risk of accounts receivable on a monthly basis in order to determine the value adjustment for expected credit losses on financial assets.

The company assesses on a collective basis the expected losses for financial assets that are not individually significant. When the collective evaluation of expected losses is carried out, the accounts receivable are grouped by similar credit risk characteristics, which make it possible to identify the debtor's ability to pay, in accordance with the contractual terms of negotiation of the account receivable.

The company determines that a client's credit risk increases significantly when there is a breach of financial agreements by the counterparty, or when internal information or information obtained from external sources indicate that the debtor's payment is unlikely, without considering the guarantees maintained.

Non-compliance with agreements is generally measured when there are 2 overdue accounts, however, if there are individual agreements or contracts that indicate non-compliance immediately, the obligation is no longer met.

The company determines that a financial asset presents credit deterioration when:

- There is evidence of client default in the payment of two (2) or more collection accounts.
- It is known or there is evidence that the client is undergoing business restructuring processes or insolvency or liquidation.
- Social disturbances, public order or natural disasters occur, which according to experience are directly correlated with non-payment of collection accounts.

Credit risk is affected when there are changes in financial assets. The company's policy to reassess the recognition of credit losses is basically based on the payment behavior of the client or counterparty. When there is evidence of an improvement in the client's historical payment behavior, a decrease in risk is recorded, and in the event of an increase in the portfolio's default age, an increase in asset impairment is recorded.

[2] The effective interest rate method is a method of calculating the amortized cost of a financial asset and allocating income over the relevant period. The effective interest rate is the discount rate that exactly matches the future cash flows of a financial asset (including all fees, commissions, and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums and discounts) through the expected life of the instrument, or if appropriate, a shorter period, to it carrying amount on initial recognition.

Impaired financial assets may continue to be subject to collection enforcement activities under the company's recovery procedures, considering legal collection where appropriate. The recoveries made are recognized in the result of the period.

Derecognition of financial assets

A financial asset or part of it is derecognized from the statement of financial position when it is sold, transferred, expires or the company loses control over the contractual rights or cash flows of the instrument.

The company derecognizes a financial asset when:

- There is information indicating that the counterparty is in severe financial difficulties and there are no realistic prospects for recovery.
- The counterparty has been placed in liquidation or has initiated bankruptcy proceedings or, in the case of accounts receivable.
- The amounts exceed two years past due, whichever occurs earlier.

If the company does not transfer or retain substantially all the risks and rewards of ownership and continues to retain control of the transferred asset, the company recognizes its interest in the asset and the associated obligation for the amounts it would have to pay, likewise, if the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognizes a collateralized loan for proceeds received.

In the total derecognition of a financial asset measured at fair value through profit or loss, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in the result of the period. For financial assets measured at fair value through other comprehensive income, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss for the period, and the gain or loss that would have been recognized in other comprehensive income is reclassified to retained earnings.

Credit refinancing

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not give rise to derecognition of that financial asset in accordance with IFRS 9 adopted in Colombia, the Company recalculates the value gross carrying amount of the financial asset and recognizes a change gain or loss in profit or loss for the period. The gross carrying amount of the financial asset is recalculated as the present value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial asset (or effective interest rate adjusted for credit quality for financial assets with purchased or originated credit-impaired rates) or, when applicable, the revised effective interest rate. Any cost or fee incurred adjusts the carrying amount of the modified financial asset and is amortized over its remaining life.

2.16.2 Financial liabilities

At initial recognition, the company measures financial liabilities at their fair value. The transaction costs directly attributable to the acquisition or obtaining of the financial liability are deducted from their fair value if these are subsequently measured at amortized cost or are recognized in the result of the period if the liabilities are measured at their fair value. Subsequently, financial liabilities are measured as follows:

- **At fair value through profit or loss**, include liabilities held for trading, financial liabilities designated at the time of initial recognition as at fair value through profit or loss, and derivatives. Gains or losses from liabilities held for trading are recognized in profit or loss for the period. On initial recognition, the company designated financial liabilities as at fair value through profit or loss.
- **At amortized cost**, they are measured using the effective interest rate. Gains and losses are recognized in the result of the period.

Compound instruments

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. Therefore, for the initial measurement, the liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

For subsequent measurement, the liability component is measured at amortized cost including the effect of amortization costs, interest, and dividends. The equity component retains the initial recognition measurement.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those that require a specific payment to be made to reimburse the holder for the loss incurred when a specified debtor defaults on its payment obligation, in accordance with the terms of a security instrument. debt. Financial guarantee contracts are initially recognized as a liability at fair value, adjusted for transaction costs directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the greater of (i) the amount of the value correction for expected losses and (ii) the initially recognized value less the accumulated value of the recognized income.

Derecognition of financial liabilities

A financial liability or a part of it is derecognized from the statement of financial position when the contractual obligation has been settled or has expired.

When an existing financial liability is replaced by another from the same lender under substantially different terms, or if the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and recognition of a new one. liabilities and the difference in the respective carrying amounts are recognized in the result of the period.

The conditions will be materially different if the present value of the cash flows under the new conditions, including any commission paid net of any commission received, discounted at the original effective interest rate, differs by at least 10% from the present value of the cash flows that still remain from the original financial liability.

In determining commissions paid net of commissions received, Company includes only commissions paid or received between Company and the lender, including those paid or received by one on behalf of the other or vice versa.

If the changes are not substantial, the company recalculates the gross carrying amount of the financial liability and recognizes a gain or loss due to changes in the result of the period. The gross carrying amount of the financial liability is recalculated as the present value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial liability or, when applicable, the revised effective interest rate. Any cost or commission incurred adjusts the carrying amount of the modified financial liability and is amortized over its remaining term.

2.16.3 Equity Instruments

An equity instrument consists of 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 by income received, net of direct issuance costs.

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 from the purchase, sale, insurance, or cancellation of the company's own equity instruments.

2.16.4 Derivative financial instruments

A financial derivative is an instrument whose value varies in response to changes in a variable such as an interest rate, exchange rate, the price of a financial instrument, a credit rating or index. This instrument does not require an initial investment or is lower than other financial instruments with a similar response to changes in market conditions and is generally settled at a future date.

The company uses derivative financial instruments, such as forward contracts, futures contracts, swaps, and options to hedge various financial risks, mainly interest rate, exchange rate, and commodity price risks). Such derivative financial instruments are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives are accounted for as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative, in the statement of financial position.

Commodity contracts that meet the definition of a derivative but are entered into in accordance with the company's expected purchase requirements, are recognized in profit or loss for the period as cost of sales.

Any gain or loss arising from changes in the fair value of derivatives is recognized directly in the result of the period, except those that are under hedge accounting.

In general, derivatives embedded in host contracts are treated as separate derivatives if they meet the definition of a derivative and when their risks and characteristics are not closely related to those host contracts and the contracts are not measured at fair value through profit or loss. However, derivatives embedded in contracts where the host is a financial asset within the scope of IFRS 9 adopted in Colombia are never separated. Instead, the hybrid financial instrument as a whole is evaluated for the classification of financial assets.

Hedge accounting

At the inception of a hedging relationship, EPM formally designates and documents the hedging relationship to which it wishes to apply hedge accounting, and the risk management objective and strategy for undertaking the hedging. The documentation includes the 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. Hedges are expected to be highly effective in compensating for changes in fair value or cash flows, and for this purpose they are permanently evaluated throughout the reporting periods for which they were designated.

For hedge accounting purposes, hedges are classified and accounted for as follows, once the strict criteria for their accounting are met:

- **Fair value hedges**, when they cover exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  The change in the fair value of a derivative that is a hedging instrument is recognized in the result of the period as financial cost or income. The change in fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item and is also recognized in profit or loss for the period as finance cost or income.

  For fair value hedges that relate to items carried at amortized cost, carrying amount adjustments are amortized through profit or loss for the period remaining to maturity. Amortization of the effective interest rate may begin as soon as there is an adjustment to the carrying amount of the hedged item but must begin no later than when the hedged item is no longer adjusted for changes in its fair value attributable to the risk being covering. Amortization of carrying amount adjustments is based on the recalculated effective interest rate on the amortization start date. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss for the period.

  When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

- **Cash flow hedges,** when they cover the exposure to the variation 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 the exchange rate risk in a commitment unrecognized sign.

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

The part of the gain or loss of the hedging instrument that is determined to be an effective hedge will be recognized in equity within other comprehensive income.

The effective part will be equal (in absolute terms) to the value that is less between:

- The difference between the fair value at the time of valuation and at the start date of the hedging instrument; and
- The difference between the fair value (present value) of the expected future cash flows of the hedged item at the valuation date and at the inception date

The ineffective part of the gain or loss of the hedging instrument will be recognized in the result of the period.

The ineffective part shall be the difference between:

- The difference between the fair value at the time of valuation and at the start date of the hedging instrument; and
- The effective part of the hedge.

The measurement of the effectiveness of the hedges is carried out on a monthly basis.

Values recognized in other comprehensive income are reclassified to profit or loss for the period when the hedged transaction affects the result, as well as when the hedged financial income or expense is recognized, or when the forecast transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized in other comprehensive income are reclassified to the initial carrying amount of the non-financial asset or liability. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss for the period.

If the hedging instrument expires or is sold, terminated, or exercised without successive replacement or renewal of one hedging instrument with another hedging instrument, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in Other comprehensive income remains in other comprehensive income until the planned operation or firm commitment affects the result.

- **Hedges of net investments in foreign businesses,** when they cover the exposure to variations in the conversion of foreign businesses to the company's presentation currency associated with exchange rate risk.

The objective of the hedge of net investment in foreign currency is to cover the exchange rate risks that a Main or Intermediate Parent that has business abroad may have on the impact on the conversion of financial statements from functional currency to currency of presentation. The net foreign currency investment hedge is a hedge of foreign currency exposure, not a fair value hedge of changes in the value of the investment.

Effectiveness and ineffectiveness are accounted for similarly to cash flow hedges.

The gains or losses of the hedging instrument that relate to the effective portion of the hedge are recognized in other comprehensive income, while any gain or loss related to the ineffective portion is recognized in profit or loss for the period. Upon disposal of the business abroad, the accumulated value of the gains or losses recorded in the other comprehensive income is reclassified to the result of the period.

2.16.5 Offset of financial instruments

Financial assets and liabilities are offset in such a way that the net value is reported in the statement of financial position, only if (i) there is, at present, a legally enforceable right to offset the recognized values, and (ii) there is an intention to liquidate them for net value, or to realize the assets and cancel the liabilities simultaneously.

2.17 Inventories

Goods acquired with the intention of selling them in the ordinary course of business or consuming them in the process of rendering services are classified as inventories.

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to effect the sale.

Inventories include goods in stock that do not require transformation, such as energy, gas and water meters and supply goods. They include materials such as minor spare parts and accessories for the provision of services and goods in transit and held by third parties.

Inventories are valued using the weighted average method and their cost includes the costs directly related to the acquisition and those incurred to give them their current condition and location.

2.18 Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that a tangible or intangible asset may be impaired in value. The company estimates the recoverable value of the asset or CGU, at the moment it detects an indication of impairment, or annually (as of November 30, and it is reviewed if there are relevant or significant events presented in December that merit analysis and inclusion in the calculation of the impairment) for intangible assets with an indefinite useful life and those that are not yet in use.

The recoverable value of an asset is the higher of the fair value less costs to sell, either of an asset or of a CGU, and its value-in-use is determined for an individual asset, unless the asset does not generate cash flows. cash that are substantially independent from those of other assets or groups of assets, in this case the asset must be grouped into a CGU. When a reasonable and consistent allocation base is identified, common/corporate assets are also allocated to individual CGUs, or allocated to the smallest group of CGUs for which a reasonable and consistent allocation base can be identified. When the carrying amount of an asset or a CGU exceeds its recoverable value, the asset is considered impaired, and the value is reduced to its recoverable amount.

In calculating value-in-use, estimated cash flows, whether from an asset or from a CGU, are discounted to their present value using a pre-tax discount rate that reflects market considerations of the time value of cash and the asset-specific risks. An appropriate valuation model is used to determine fair value less costs to sell.

Impairment losses from continuing operations are recognized in the statement of comprehensive income in the section result for the period in those categories of expenses that correspond to the function of the impaired asset. Impairment losses attributable to a CGU are assigned proportionally based on the carrying amount of each asset to the non-current assets of the CGU after exhausting goodwill. The CGU is the smallest identifiable group of assets, which generates cash inflows in favor of the company, which are largely independent of the cash flows derived from other assets or groups of assets. In the company, the CGUs were defined considering: 1) the existence of income and costs for each group of assets, 2) the existence of an active market for the generation of cash flows and 3) the way in which they are managed and monitored. the operations. For the purpose of evaluating losses due to value impairment, the assets are grouped into the following CGUs: Generation, Distribution, Sanitation, Water Supply, Gas and Transmission.

The value impairment for goodwill is determined by evaluating the recoverable value of each CGU (or group of CGUs) to which the goodwill relates. Impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses no longer exist or have diminished. If such an indication exists, the company makes an estimate of the recoverable value of the asset or of the CGU. A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the recoverable amount of an asset since the last impairment loss was recognized. The reversal is limited in such a way that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, if an impairment loss had not been recognized for the asset. in the previous years. Such reversal is recognized in the statement of comprehensive income in the section result of the period.

2.19 Provisions

Provisions are recorded when the company has a present obligation, legal or implicit, as a result of a past event. It is likely that the company will have to part with resources embodying economic benefits to settle the obligation, and a reliable estimate of the value of the obligation can be made. In cases where the company expects the provision to be repaid in whole or in part, the repayment is recognized as a separate asset, but only in cases where such repayment is practically certain and the amount of the asset can be measured with reliability. In the company each provision is used only to face the disbursements for which it was originally recognized.

Provisions are measured by management's best estimate of the disbursements required to settle the present obligation, at the end of the reporting period, considering the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount corresponds to the present value of said cash flow, using for the discount a rate calculated with reference to the market yields of the bonds issued by the National Government. In Colombia, the yield of the TES Bonds (public debt securities issued by the General Treasury of the Nation) at the end of the reporting period must be used.

The expense corresponding to any provision is presented in the statement of comprehensive income in the section result of the period net of any reimbursement. The increase in the provision due to the passage of time is recognized as a financial expense.

Dismantling provision

The company recognizes as part of the cost of a particular fixed asset, whenever there is a legal or implicit obligation to dismantle or restore, the estimate of future costs that the company expects to incur to carry out the dismantling or restoration and its counterpart the recognized as a provision for dismantling or restoration costs. The dismantling cost is depreciated over the estimated useful life of the fixed asset.

Dismantling or restoration costs are recognized at the present value of the expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, which must be determined by taking as reference the market yields of bonds issued by the National Government. In Colombia, in terms of risk-free rates, the yield of the TES Bonds (Public debt securities issued by the General Treasury of the Nation) must be used.

Estimated future costs for decommissioning or restoration are reviewed annually. Changes in estimated future costs, estimated disbursement dates, or the discount rate applied are added to or deducted from the cost of the asset, not to exceed the asset's carrying amount. Any excess is recognized immediately in the result of the period. The change in the value of the provision associated with the passage of time is recognized as a financial expense in the statement of comprehensive income in the section result of the period.

Onerous contracts

EPM recognizes the present obligations that derive from an onerous contract, as provisions and their counterpart is in the statement of comprehensive income in the section result of the period. An onerous contract is one in which the unavoidable costs of fulfilling the obligations that it entails exceed the economic benefits that are expected to be received from it. The unavoidable costs are those that reflect the lower net costs of fulfilling the contract, that is, the lower value between the net cost of complying with its clauses and the value of the offset or fines derived from its non-compliance.

Contingent liabilities

Possible obligations arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely under the control of the Company or present obligations arising from past events but not it is probable, if not possible, that an outflow of resources that includes economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, they are not recognized in the statement of financial position and, instead, are disclosed as contingent liabilities. Contingent liabilities arising from a business combination are recognized at fair value at the acquisition date.

Contingent assets

Assets of a possible nature, arising as a result of past events, whose existence has to be confirmed only by the occurrence, or in its case by the non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the Company, are not recognized in the statement of financial position, instead they are disclosed as contingent assets when their occurrence is probable. When the contingent event is true, the asset and the associated income are recognized in income for the period. Contingent assets acquired in a business combination are initially measured at their fair values on the acquisition date. At the end of subsequent reporting periods, such contingent assets are measured at the higher of the amount that would have been recognized and the amount initially recognized less recognized accumulated amortization.

2. 20 Employee benefits

2.20.1. Post-employment benefits

Defined contribution plans

Las contribuciones a los planes de aportaciones definidas se reconocen como gastos en el estado del resultado integral en la sección resultado del periodo al momento en que el empleado ha prestado el servicio que le otorga el derecho a hacer las aportaciones.

Defined benefit plans

Post-employment benefit plans are those in which the company has the legal or implicit obligation to respond for the benefit payments that were left under its responsibility.

For defined benefit plans, the difference between the fair value of plan assets and the present value of the plan obligation is recognized as an asset or liability in the statement of financial position. The cost of providing benefits under the defined benefit plans is determined separately for each plan, through the actuarial valuation method of the projected credit unit, using actuarial assumptions at the date of the reporting period. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, is the published purchase price.

Actuarial gains or losses, return on plan assets and changes in the effect of the asset ceiling, excluding values included in net interest on the net defined benefit liability (asset), are recognized in other comprehensive income. Actuarial gains or losses comprise the effects of changes in actuarial assumptions as well as experience adjustments.

Net interest on the net defined benefit liability (asset) comprises interest income from plan assets, interest costs from the defined benefit obligation and interest from the effect of the asset ceiling and are recognized in profit or loss. of the period.

The current service cost, the past service cost, any settlement, or reduction of the plan are recognized immediately in the statement of comprehensive income in the section result of the period in the period in which they arise.

2.20.2. Short-term benefits

The company classifies as short-term employee benefits those obligations with employees, which it expects to settle within twelve months following the end of the accounting period in which the obligation was generated, or the service provided. Some of these benefits are generated by current labor regulations, by collective agreements or by informal practices that generate implicit obligations.

The company recognizes the short-term benefits at the time the employee has rendered his services as:

A liability, for the value that will be remunerated to the employee, deducting the values already paid previously, and its counterpart as an expense of the period, unless another chapter requires or allows including the payments in the cost of an asset or inventory, for example, if the payment corresponds to employees whose services are directly related to the construction of a work, they will be capitalized to that asset.

The amounts already paid in advance correspond, for example, to salary advances and advance travel expenses, among others, which in the event that they exceed the corresponding liability, the company must recognize the difference as an asset in the account of expenses paid by in advance, to the extent that the advance payment results in a reduction in future payments or a cash refund.

In accordance with the foregoing, the accounting recognition of short-term benefits is made at the time the transactions occur, regardless of when they are paid to the employee or third parties to whom the company has entrusted the provision of certain services.

2.20.3. Long-term benefits

EPM classifies as long-term employee benefits those obligations that it expects to settle after the twelve months following the end of the accounting year or the period in which the employees provide the related services, that is, from the thirteenth month onwards; they are different from short-term benefits, post-employment benefits, and termination benefits.

Post-employment defined benefit plans. Although its measurement is not subject to the same degree of uncertainty, the same methodology will be applied for its measurement as follows:

- Post-employment benefits, both for the estimation of the obligation and for the assets of the plan.
- EPM must determine the value of the net long-term employee benefits (liability or asset) by finding the deficit or surplus of the obligation and comparing the asset ceiling.

The benefits that employees receive year after year throughout their working lives should not be considered "long-term" if at the end of the accounting year of each year the company has delivered them in full.

2.20.4. Termination benefits

EPM recognizes as termination benefits, the considerations granted to employees, payable as a result of the company's decision to terminate the employment contract of an employee before the normal retirement date or the decision of an employee to accept the voluntary resignation in exchange for those benefits.

2.21 Service concession arrangements

EPM recognizes service concession arrangements in accordance with the requirements of IFRIC 12 Service Concession Arrangement.

This interpretation is applicable to concessions in which:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price.
- The grantor controls, through ownership, right-of-use or otherwise, any significant residual interest in the infrastructure at the end of the agreement term.

The company does not recognize these infrastructures as property, plant and equipment, it recognizes the consideration received in the contracts that meet the above conditions at their fair value, as an intangible asset to the extent that the company receives a right to charge users of the service, as long as these rights are conditional on the degree of use of the service, or as a financial asset, to the extent that there is an unconditional contractual right to receive cash or another financial asset, either directly from the assignor or from a third party. In cases where the company is paid for construction services partly through a financial asset and partly through an intangible asset, each component of the consideration is accounted for separately.

Financial assets from service concession agreements are recognized in the separate statement of financial position as operating financial assets and are subsequently measured at amortized cost, using the effective interest rate. The evaluation of the impairment of value of these financial assets is carried out in accordance with the policy of impairment of value of financial assets.

Intangible assets from service concession agreements are recognized in the separate statement of financial position as intangible assets called "intangible assets from service concession agreements" and are amortized on a straight-line basis over the term thereof.

Revenue from ordinary activities and costs related to operating services are recognized in accordance with the accounting policy for ordinary income and services related to construction or improvement services in accordance with the accounting policy for construction contracts. The contractual obligations assumed by the company for the maintenance of the infrastructure during its operation, or for its return to the assignor at the end of the concession agreement under the conditions specified therein, to the extent that it does not involve an activity that generates income, It is recognized following the accounting policy for provisions.

2.22 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

To determine fair value, the company considers the characteristics of the asset or liability in the same way that market participants would take them into account when setting the price of said asset or liability on the measurement date. Fair value for measurement and disclosure purposes in the financial statements is determined on that basis, except for share-based payment transactions, lease transactions, and measurements that have some similarity to fair value but are not fair value. such as net realizable value or value-in-use.

The fair value of all financial assets and liabilities is determined at the date of presentation of the financial statements, for recognition and disclosure in the notes to the financial statements.

The fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the company can access on the measurement date (level 1).
- Based on inputs applied on valuation methodologies commonly used by market participants, which are different from the quoted prices that are observable for the assets or liabilities, directly or indirectly (level 2).
- Based on internal discounted cash flow valuation techniques or other valuation models, using unobservable variables estimated by the company for the asset or liability, in the absence of variables observed in the market (level 3).

Note 43 Measurement of fair value on a recurring and non-recurring basis provides an analysis of the fair values of financial instruments and non-financial assets and liabilities and more detail on their measurement.

2.23 Surplus cash distributed to owner of the Company

The business recognizes a liability to make distributions to the owner of the company in cash when the distribution is authorized and is no longer at the discretion of the business. The corresponding amount is recognized directly in equity.

2.24 Changes in estimates, accounting policies and errors

2.24.1 New and revised standards applied

2.24.1.1 Changes in accounting policies

As of December 31, 2023, the accounting practices applied in the company's separate Financial Statements are consistent with the year 2022, except for the following changes:

<u>**New standard implemented**</u>

During 2023, the company implemented changes to IFRS (new standards, amendments or interpretations), issued by the International Accounting Standards Board (IASB), which are mandatory for the annual period beginning on January 1, 2023.

IAS 1 - Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
This amendment issued in January 2020, clarifies that the classification of liabilities as current or non-current is based on the rights that existed at the end of the reporting period, it specifies that the classification as current or non-current liabilities is not affected by the expectations about whether or not the entity will exercise the right to defer settlement of the liability, specifies that the rights exist if payment arrangements have been met at the end of the reporting period; Additionally, the amendment clarifies that the settlement of a liability refers to the transfer to the counterparty of cash, equity instruments or other economic resources.

The modification to IAS 1 will be mandatory for annual periods beginning on or after January 1, 2023, retroactively. Permit your anticipate app.

The company did not identify any impacts from the adoption of this amendment.

IAS 1 - Disclosure of accounting policies and IFRS Practice Statement 2
This amendment issued in February 2021, requires companies to disclose significant accounting policy information rather than a description of their accounting policies. The amendment also makes an adjustment to Practice Statement 2 Making Materiality Judgments regarding how to apply the concept of materiality to disclosures of accounting policies and adjusts paragraph 21 of IFRS 7 Disclosures of Financial Instruments, specifying the disclosure of significant accounting policies.

The amendment will be mandatory to apply prospectively for annual periods beginning on or after January 1, 2023. Early application is permitted.

The company did not identify any impacts from the adoption of this amendment.

IFRS 4 - Extension of the Temporary Exemption from the Application of IFRS 9
This amendment issued in June 2020, aims to achieve the alignment of the expiration date of the temporary exemption by delaying the application of IFRS 9 and the effective date of IFRS 17 that replaces IFRS 4, given that the IASB concluded that the benefit of expanding the availability of the exemption to continue allowing some insurers to apply IFRS 17 and IFRS 9 for the first time at the same time outweighs the disadvantages of the additional delay of the application of IFRS 9.

The amendment to IFRS 4 adds paragraphs 20A, 20J and 20O, and also made modifications to the Basis for Conclusions of said IFRS by adding footnotes at the end of paragraphs BC267, BC275 and BC276 and adding paragraphs BC277A to BC277C.

The modification to the aforementioned paragraphs allows further extension of the temporary exemption from not applying IFRS 9 for periods beginning before January 1, 2023, the date on which IFRS 17 comes into effect replacing IFRS 4, and in its default may temporarily apply, before said date, IAS 39 Financial Instruments: Recognition and Measurement.

The company did not identify any impacts from the adoption of this amendment.

IAS 8 - Definition of accounting estimates

This amendment issued in February 2021, updates the definition of accounting estimates in order to differentiate changes in estimates from changes in accounting policies, given their prospective or retroactive effect, respectively. To do this, it indicates that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. Sometimes the application of accounting policy will require the application of estimates.

The amendment is mandatory to apply prospectively for annual periods beginning on or after January 1, 2023. Early application was permitted.

The company is not impacted by this modification because it has been applying the definition of accounting estimates under the same criteria that was specified in the amendment.

IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

This amendment issued in April 2021, clarifies that the exception brought by IAS 12 of not applying deferred tax when an asset or liability is initially and simultaneously recognized, which generates equal temporary differences, would not apply in the case of leases. (IFRS 16) and in the dismantling (IAS 37 and IAS 16), cases in which, if IAS 12 must be applied for deferred tax. The added paragraph 22A provides that, depending on the applicable tax legislation, equal taxable and deductible temporary differences may arise on the initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and an entity recognizes any resulting deferred tax liabilities and assets.

This amendment is mandatory for annual reporting periods beginning on or after January 1, 2023. Early application was permitted.

The company did not identify any impacts from the adoption of this amendment.

2.24.1.2 Application of new and revised standards

The changes to the IFRS (new standards, modifications, and interpretations), which have been published in the period, but which have not yet been implemented by the company, are detailed below:

Standard	Mandatory Application Date by IASB	Type of change
IFRS 17 - Insurance Contract	January 1, 2023 Not incorporated in Colombia by the public sector	Law
IFRS 17 - Insurance Contract - Initial application with IFRS 9 and comparative information	January 1, 2023 Not incorporated in Colombia by the public sector	Amendment
IAS 12 - International Tax Reform—Pillar Two Model Rules	January 1, 2023 Not incorporated in Colombia by the public sector	Amendment
IFRS 16 - Leases - Lease liability on a sale-lease	January 1, 2024	Amendment
IAS 1 - Presentation of Financial Statements - Non-current liabilities with agreed terms	January 1, 2024	Amendment
IAS 7 and IFRS 7 - Supplier financing agreements	January 1, 2024	Amendment
IAS 21 - Effects of Changes in Foreign Currency Exchange Rates - Lack of Interchangeability	January 1, 2025	Amendment

IFRS 17 Insurance Contract

Issued in May 2017, replacing IFRS 4 which was addressed as an interim standard, which was being developed in phases.

IFRS 17 solves the comparison drawbacks generated by the application of IFRS 4, since it was allowed to apply local standards and historical values in insurance contracts, now with this new standard, all insurance contracts will be recorded in a consistent manner and at current values, generating more useful information for stakeholders. This will allow a better understanding of the financial position and profitability of insurance companies, providing a more uniform approach to presentation and measurement for all insurance contracts.

Initially, IFRS 17 was defined as mandatory for annual periods beginning on or after January 1, 2021 but, at the request of international insurers, the IFRS Foundation, through the amendment issued in June 2020, extended its application for two additional years, to be enforceable for annual periods beginning on or after January 1, 2023. Early application was allowed if IFRS 9 is applied. It has not been incorporated in Colombia for public sector companies.

The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that the future adoption will not have an impact on the financial statements since this type of transaction is not presented.

IFRS 17 - Insurance Contract - Initial application with IFRS 9 and comparative information

Issued in December 2021, in order to reduce temporary accounting mismatches between financial assets and insurance contract liabilities that may arise in the comparative information presented by the initial application of IFRS 17, when IFRS 9 also applies to the entity, overlapping classification of the financial asset is permitted, in order to improve the usefulness of comparative information for investors.

This will allow insurers to have an option for the presentation of comparative information on financial assets. The classification overlay allows the entity to align the classification and measurement of a financial asset in the comparative information with what the entity expects the classification and measurement of that financial asset to be performed in the initial application of IFRS 9, considering the business model and the characteristics of the cash flow it generates. Any difference for this application would go to retained earnings.

If, for example, using classification overlap, an entity presented a financial asset previously measured at amortized cost rather than measured at fair value through profit or loss, the carrying amount of that asset on the date of transition to IFRS 17 would be its fair value measured on that date. Applying paragraph C28D of IFRS 17, any difference in the carrying amount of the financial asset at the transition date resulting from the application of the classification overlap would be recognized at the opening of retained earnings.

This amendment adds paragraphs C28A to C28E and C33A; and became effective on the initial implementation date of IFRS 17, which is January 1, 2023. It has not been incorporated in Colombia for public sector companies.

The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that the future adoption will not have an impact on the financial statements since this type of transaction is not presented.

IAS 12 - International Tax Reform—Pillar Two Model Rules

This amendment was issued in May 2023 with the purpose of aligning the content of IAS 12 with the implementation of rules of Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD), which establishes at the global level the creation of an "additional and complementary minimum national tax" that will be applied to profits in any jurisdiction as long as the effective tax rate, determined on a jurisdictional basis, is lower than the minimum rate of 15% required by Pillar Two thus avoiding the erosion of the tax base in international transactions operating in a digitalized economy. Each jurisdiction will determine its second pillar legislation for tax purposes.

This amendment aims to improve the usefulness of the information to the investor through the realization of three key disclosures and in turn, while evolving and knowing the effects of this pillar worldwide on organizations and the market, an exception to recognize and disclose deferred tax assets and liabilities generated by Pillar Two can be temporarily applied. The disclosures set forth in the paragraphs of the standard are: 88A – The entity must disclose whether it applied the Pillar Two exception in the deferred tax (assets and liabilities); 88B – The entity must separately disclose the income and expenses of Pillar Two in the current tax; 88C and 88D – The entity shall disclose the possible impacts or exposure of the entity to the Pillar Two in case there are standards (firm drafts or standards) but are not yet in force, providing qualitative and quantitative information according to the example given in the standard.

The amendments are effective as per the paragraphs, for paragraphs 4A and 88A immediately with retroactive application under IAS 8 and paragraphs 88B to 88D retroactively as of January 1, 2023. It has not been incorporated in Colombia for public sector companies.
The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that the future adoption will not have an impact on the financial statements since this type of transaction is not presented.

IFRS 16 - Leases - Lease liability on a sale-lease

It is intended to establish the accounting for a sale of a leaseback asset after the transaction date of the sale.

The amendment specifies the requirements that a seller-lessee must use to quantify the lease liability that arises on the sale and subsequent lease so that the seller-lessee does not recognize any gains or losses related to the right of use that it retains. The amendment is intended to improve the recording requirements for sale and lease under IFRS 16, as IFRS 16 did not specify the measurement of liabilities arising in a sale-lease transaction.

This change will not change the posting of leases that do not arise in a sale transaction with a subsequent lease.

The amendment adds paragraphs 102A, C1D and C20E and amends paragraph C2. A new heading is added before paragraph C20E. New text is underlined, and deleted text is crossed out.

The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that the future adoption will not have an impact on the financial statements since this type of transaction is not presented.

The amendment will be mandatory prospectively for annual periods beginning on or after January 1, 2024. Early application is permitted.

IAS 1 - Presentation of Financial Statements - Non-current liabilities with agreed terms
This amendment was issued in October 2022 with the purpose of improving the information that companies provide on long-term debt with financial conditions, also known as "covenants", so that the investor can understand the risk they face when a company has liabilities with agreed conditions and that are classified as non-current, but that due to non-compliance with the covenants, the debt must be repaid within twelve months, for which a company is required to disclose information about these agreements in the notes to the financial statements, improving the information provided on long-term debt with agreed terms, allowing investors to understand the risk that such debt may become repayable early. Accordingly, this amendment requires an entity to review its loan agreements in order to determine whether the classification of the loan agreements will change on the cut-off date, based on the circumstances, data and contexts available at that time, under an informed judgment, and not on management's expectations as set out in paragraphs 74 and 75A.

The amendment adds paragraphs 72B, 76ZA and 139W and amends paragraphs 60, 71, 72A, 74 and 139U. It makes adjustments to the previous amendment to IAS 1 published in January 2020 entitled "Classification of Liabilities as Current or Non-Current" and requires a simultaneous application of these last two amendments in the same period.

If an entity applies such modifications for a prior period after the issuance of Non-Current Covenanted Liabilities (see paragraph 139W), it shall also apply Non-Current Covenanted Liabilities for that period. If an entity applies the classification of Liabilities as Current or Non-Current for a prior period, it will disclose that fact.

The amendments are effective for annual periods beginning on or after 1 January 2024 retroactively in accordance with IAS 8, with early adoption permitted.

The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that the future adoption will not have an impact on the financial statements since the event is not expected to occur.

IAS 7 and IFRS 7 - Supplier Financing Agreements
Amendment published in May 2023 to enable users to obtain from financial statements the information they need to understand the effects of supplier financing arrangements on an entity's financial statements and compare entities with others.

The disclosures are intended to provide users with information that allows them to assess how supplier financing arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier financing arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The amendment states that arrangements that are solely credit enhancements to the entity (e.g., financial guarantees, including letters of credit used as collateral) or instruments used by the entity to settle amounts owed directly with a supplier (e.g., an entity uses a credit card to settle the amount owed to a supplier and, instead, you will have an obligation to pay the issuing bank) are not supplier financing arrangements.

This amendment requires entities to provide information on these financial obligations arising from specific supplier agreements, including details such as expected settlement timelines, important contractual terms, and any other relevant elements related to these agreements.
The company is evaluating the impacts that could be generated by the application of this modification.

IAS 21 - Effects of Changes in Foreign Currency Exchange Rates - Lack of Interchangeability
This amendment, issued in August 2023, aims to establish a consistent approach when assessing whether a currency is convertible to another currency and if not, what procedure to apply when the conversion does not occur and what type of disclosures must be provided in order to provide useful financial information.

The amendment establishes that a currency is convertible to another currency if there is an exchange for another currency in an administratively normal delay, under a market or exchange mechanism that allows for the generation of enforceable rights or obligations and its amount is not negligible.

The conversion of the currency is given at the time of measurement or for a specific purpose, for which two steps are applied: evaluating whether the currency is convertible and estimating the spot exchange rate. This is given through an assessment question whether the currency is convertible, which, if so, applies the requirements set out in IAS 21 and if not, a spot exchange rate estimate is applied, which represents the exchange rate used in an immediate delivery transaction and between market participants.

The amendment to IAS 21 is mandatory for annual periods beginning on or after January 1, 2025, it does not apply to the restatement of comparative information that rather guidelines are given in its replacement and its early application is allowed.

The company is evaluating the impacts that could be generated by the application of this amendment, although it is estimated that future adoption will not have an impact on the financial statements.

2.25 Presentation Changes
At the end of the 2023 period, changes were made to the presentation of some items in the Statement of Financial Position and, for comparative purposes, 2022 is also adjusted. These changes do not affect decision-making since they basically consist of reclassifications between items in the same financial statement and are intended to make them easier for users to read.

The items reclassified were as follows:

Concept	Previous presentation	Current presentation	2023	2022
Statement of financial position Non-Current				
Amounts received in advance	Creditors and others accounts payable	Other liabilities		
Resources received in administration	Creditors and others accounts payable	Other liabilities	253	998
Revenue received in advance	Creditors and others accounts payable	Other liabilities	57	57
Statement of financial position Current				
Amounts received in advance	Creditors and others accounts payable	Other liabilities	507	507
Resources received in administration	Creditors and others accounts payable	Other liabilities	4,455	15,369
Revenue received in advance	Creditors and others accounts payable	Other liabilities	1,225	587

- *Amounts stated in millions of Colombian pesos* -

Note 3. Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements.

The following are the significant judgments and assumptions, including those that involve accounting estimates, that the company's management used in applying the accounting policies under IFRS adopted in Colombia, and that have a significant effect on the values recognized in the financial statements. separated.

The estimates are based on historical experience and based on the best information available on the facts analyzed as of the cut-off date. These estimates are used to determine the value of assets and liabilities in the separate financial statements, when it is not possible to obtain such value from other sources. The company evaluates its estimates regularly. Actual results may differ from these estimates.

The significant estimates and judgments made by the company are described below:

Evaluation of the existence of impairment indicators for assets, goodwill and asset valuation to determine the existence of impairment losses.

On each reporting date, the status of the assets is reviewed to determine if there are indications that any have suffered an impairment loss. If there is a loss due to impairment, the recoverable amount of the asset is affected; if the estimated recoverable amount is lower, it is reduced to its recoverable value and the loss due to impairment is recognized immediately in the result of the period.

The evaluation of the existence of indicators of value impairment is based on external and internal factors, and in turn on quantitative and qualitative factors. The evaluations are based on financial results, the legal, social and environmental environment and market conditions; significant changes in the scope or manner in which the asset or CGU is used or is expected to be used and evidence of the obsolescence or physical deterioration of an asset or CGU, among others.

Determining whether goodwill has suffered impairment involves calculating the value-in-use of the CGUs to which it has been assigned. The calculation of value-in-use requires the entity to determine the future cash flows that should arise from the CGUs and an appropriate discount rate to calculate the present value. When actual future cash flows are less than expected, an impairment loss may arise. (See note 11 Impairment of assets).

Post-employment obligations to employees.

The assumptions and hypotheses used in actuarial studies include: demographic assumptions and financial assumptions, the former refer to the characteristics of current and former employees, they are related to the mortality rate and turnover rates among employees, the latter they are related to the discount rate, future salary increases, and changes in future benefits. (See note 25 Employee benefits).

The useful life and residual values of property, plant and equipment and intangibles assets.

In the assumptions and hypotheses used to determine useful lives, technical aspects are considered such as: periodic maintenance and inspections carried out on assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, factors of obsolescence, manufacturers' recommendations, weather and geographic conditions, and the experience of technicians who know the assets. To determine the residual value, aspects such as: market values, reference magazines and historical sales data are considered. (See note 5 Property, plant and equipment, net; note 7 Goodwill and other intangible assets).

The assumptions used to calculate the fair value of financial instruments, including credit risk.

The company discloses the fair value corresponding to each class of financial instrument in the way the comparison with carrying amounts is allowed. The macroeconomic projections calculated within the company are used. The investment portfolio is valued at market price. When there is an absence of this, a similar one is sought in the market and if the following assumptions are not used:

- Derivatives are estimated at fair value. (See note 24 Derivatives and hedges)
- Accounts receivable are estimated at the prevailing market rate for similar loans. (See note 12 Trade and other receivables).
- Accounts receivable from employees are valued similarly to mass debtors, except for housing loans. (See note 12 Trade and other receivable).
- For equity investments, the methodology is cash flow; It is estimated at market price for those listed on the stock market. (See note 13 Other financial assets).

The probability of occurrence and the value of liabilities of uncertain or contingent value.

The assumptions used for uncertain or contingent liabilities include the qualification of the legal process by the "Expert Judgment" of professionals in the areas, the type of contingent liability, possible legislative changes and the existence of jurisprudence of high courts that apply to the specific case, the existence within the company of similar cases, the study and analysis of the merits of the matter, the existing guarantees at the time of the occurrence of the facts. The company discloses and does not recognize in the financial statements those obligations classified as possible; Obligations classified as remote are not disclosed or recognized. (See note 27 Provisions, contingent assets and liabilities).

Future disbursements for decommissioning and asset removal obligations.

In the assumptions and hypotheses that are used to determine future disbursements for dismantling and asset removal obligations, aspects such as: estimate of future expenditures that the company must incur for the execution of activities associated with dismantling of the assets for which legal or constructive obligations have been identified, the initial date of dismantling or restoration, the estimated date of completion and the discount rates. (See note 27 Provisions, contingent assets and liabilities).

Determination of the existence of financial or operating leases based on the transfer of risks and benefits of the leased assets.

The significant assumptions that are considered to determine the existence of a lease include the evaluation of the conditions if the right to control the use of the asset is transferred for a period of time in exchange for a consideration, that is, the existence of a lease is evaluated. an identified asset; the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; the right to direct how and for what purpose the asset is used throughout the period of use; right to operate the asset throughout the use period without any changes to the operating instructions. (See note 14 Leases).

The recoverability of deferred tax assets.

The deferred tax asset has been generated by the temporary differences, which generate future tax consequences in the financial situation of the company. These differences are mainly represented in tax assets that exceed the assets under IFRS adopted in Colombia, and in tax liabilities, which are lower than the liabilities under IFRS adopted in Colombia, as is the case of the pension liability components, amortized cost of bonds, finance leases and other miscellaneous provisions and for contingencies.

The deferred tax asset of the company is recovered in the liquid income taxed on the current income tax generated. (See note 39 Income tax).

Determination of impairment of trade receivables

To calculate the expected credit loss, each obligation is assigned an individual probability of non-payment that is calculated from a probability model that includes sociodemographic, product, and behavioral variables.

The model will be applied based on the table of scores (*Scorecard*) developed considering the information of the company. The models are defined according to the information available and the characteristics of the population groups for each one. Although the methodology is applied to all accounts with a balance, some exclusions must be considered, such as: written-off accounts; self-consumption; contributions; public lighting and third-party collections in general. For its calculation, the moment from which it is considered that an obligation was breached and will not be recovered is previously defined.

To calculate the credit loss of trade and other receivables (except accounts receivable between related parties) the following formula is used:

PE = SE x PI x PDI, where:

Where, Exposed Balance of the Asset (SE): corresponds to the principal balance, interest balance, and other current charges of the obligations. Probability of Default (PI): corresponds to the result of a statistical model that provides the probability that each account defaults in the following twelve months. This individual probability is located within a range found to smooth out fluctuations in the value of the general provision from one month to the next and stabilize its behavior, resulting in a standard PI per range.

Loss given default (PDI): it is defined as the economic deterioration that the entity would incur in the event that any of the default situations materialize. It is a percentage obtained as a result of the historical analysis of the balances in default and their respective monthly collection, which is applied to the population according to their payment behavior. (See note 12 Trade and other receivable).

Revenue estimate

The company recognizes the income originated by the sale of goods and the provision of services to the extent that the performance obligations are satisfied by the company, regardless of the date on which the corresponding invoice is prepared. To make this estimate, It takes the information from the contracts or agreements with the clients and thus the value to be recognized in the income is established.

When there is uncertainty about the moment in which the income must be recognized, the company recognizes the income at the moment in which the performance obligation is fulfilled, for those performance obligations that are satisfied over time it is common to use the resource method calculated as executed costs compared to estimated costs.

For concepts other than the provision of home public services, the company estimates and recognizes the value of income from the sale of goods or provision of services based on the terms or conditions of interest rate, term, among others, of each contract. that causes the sale.

In the month after the estimated income is recorded, its value is adjusted by the difference between the value of the real income already known against the estimated income.

Risks and uncertainty arising from climate change

Considering that the largest participation in the energy market that EPM has in Colombia, is from hydraulic generation that can be affected by climate changes, currently in the business financial scheme we have a risk hedge called "Climate Derivative" whose objective is to count with the hedge of protection of the risk in income due to the occurrence of extreme climatic events that affect the rainfall and therefore the contractual commitments of energy generation. It also serves to protect exposure to risk from purchasing energy on the stock market in said periods, which consequently also increases.

It is important to highlight that under this hedge, all the impact that the company could receive due to non-generation and non-compliance with contractual commitments is transferred to the reinsurance market.

Note 4. Significant transactions carried out and other relevant aspects that occurred during the period

As of December 31, 2023, significant transactions and other relevant aspects that occurred during the period, other than those of EPM's normal course of business, are related to:

4.1 Expenses and others related to the contingency of the Ituango hydroelectric plant:

- The progress of the works for the commissioning of the Project continues according to the proposed schedules.
- Hidroituango is 92.56% complete (December 31, 2022: 90.35%).
- Cost and progress of the construction of the Ituango Hydroelectric Power Plant for $6,750,357 (see note 5).

Regarding the contingency, EPM has recognized the following items in its separate financial statements as of December 31, 2023:

- Balance of provision for $37,584 for the aid of those affected in Puerto Valdivia, for compensation for consequential damages, loss of profits and moral damages, due to the rising waters of the Cauca River as a result of the blockage of the project on April 28, 2018. During 2023, the provision was adjusted by $6,730 as a provision expense and financial expense, and payments have been made for $3,285. (see note 27.1.5).
- Balance of provision for $38,656 for environmental and social contingency, established by the specific action plan for the recovery of the parties affected by the events of the blockage of the Cauca River diversion tunnel that the project had on April 28, 2018 and by the closure of gates that decreased the flow of the river downstream of the project. During 2023, the provision was adjusted by $10,832 as a provision expense and financial expense and payments have been made for $28,373. (see note 27.1.1).
- Provision balance of $0 for the default from November 2021 to October 2023, to the transporter Intercolombia for the months following the entry into operation of the connection infrastructure of the Ituango hydroelectric plant. During 2023, the provision has been adjusted by $9,566 for recovery income and $6,119 for financial expenses, and payments have been made for $102,607. On the cut-off date, the obligation was fulfilled. (see note 27.1.4).
- Litigation provision balance of $447,576 corresponding to group actions of downstream communities affected by the contingency. During 2023, the provision has been adjusted by $81,821 for provisioning and financial expense and $317 as recovery income, no payments have been made.
- Balance of litigation provision - Penalty clause of Milestone 7, derived from the arbitration award Hidroituango - EPM, in which EPM is ordered to pay for the concept of "Penal Clauses of Enforcement for Breach of Milestones". In December 2023, provision for $781,829 was recognized.
- In addition, other expenses of $482 and $24 have been recognized in the comprehensive income statement during 2023 as recovery income for the care of the community affected by the contingency.

4.2 Arbitration court instituted by Sociedad Hidroeléctrica Ituango against EPM:

Within the framework of the Arbitration court instituted by Sociedad Hidroeléctrica Ituango S.A. E.S.P – Hidroituango – Hidroituango – against EPM, on December 7, 2023, the award was issued, in which it was declared that EPM had breached the BOOMT (Build, Own, Operate, Maintain and Transfer) Contract. As a result of the declaration of non-compliance, the Court ruled that EPM is obliged to assume the costs, increased costs and expenses of all kinds, including financial expenses due to the cause or occasion of the collapse of the diversion work called Auxiliary Diversion System - SAD - and its Auxiliary Diversion Gallery - GAD - (called Contingency Costs). until its complete overcoming and restitution. This means that EPM will not be able to transfer these costs to be incorporated into the actual cost of the project for the purposes of calculating the remuneration to Hidroituango; however, this did not imply any recording in the Financial Statements.

In addition, the arbitration court ordered EPM to pay Hidroituango $781,829 million pesos, for the concept of the "Penal Clauses of Enforcement for Breach of Milestones". Specifically, non-compliance with Milestone 7 of the BOOMT Contract, relating to the "closing of gates and beginning of the filling of the reservoir", was declared. The Court indicated that this sum of money could be paid, at EPM's option, in money or be discounted as a lower cost of the project for the purposes of calculating the remuneration. After a rigorous analysis, EPM decided and communicated to Hidroituango on December 22, 2023, that it chose to pay the sum, as a lower value of the project cost for the purposes of calculating the remuneration. This obligation was recognized in EPM's Financial Statements as of December 2023 as a provisioned expense in the comprehensive income statement and as a provisioning liability in the statement of financial position. In this way, with the information in force to date, there is no impact on the company's liquidity in the medium term and no additional sources of financing are required.

4.3 Construction of the final civil works of Hidroituango (generation units from 5 to 8):

On December 20, 2023, the order was given to start the CYS Consortium (made up of: Yellow River CO., LTD Sucursal Colombia and Schrader Camargo S.A.S.), which was selected through the CW 276532 process and awarded on October 11, for an approximate value of 1 trillion seventy-five billion pesos and will have an execution period of 1,125 calendar days.

Note 5. Property, plant and equipment, net

The following is the detail of the carrying amount of property, plant and equipment:

Property, plant and equipment	2023	2022
Cost	40,477,209	37,145,450
Accumulated depreciation and impairment loss	(6,443,125)	(5,705,815)
Total	34,034,084	**31,439,635**

-Amounts stated in millions of Colombian pesos-

The following is the detail of the carrying amount of property, plant and equipment that is temporarily out of service:

Property, plant and equipment temporarily out of service	2023	2022
Networks, lines and cables	2,057	1,285
Plants, ducts and tunnels	34,766	44,774
Land and buildings	17,279	17,524
Machinery and equipment	201	160
Communication and computer equipment	4	5
Other properties, plant and equipment	1	1
Total property, plant and equipment temporarily out of service	**54,308**	**63,749**

-Amounts stated in millions of Colombian pesos-

The main variation is due to the entry into operation of the plants, ducts and tunnels, specifically assets associated with the Regional and National Transmission System, which for 2022 had a book value of $9,422.

The company owns property, plant and equipment that have been withdrawn from use and that have not been classified as non-current assets held for sale corresponding to: the Sonson1 and Sonson2 plants that are projected to come into operation on February 27, 2025, the Rio Piedras plant that went from Generation to Water Supply, which has as a business strategy to recover the mini plant, the Cucarachos Los Naranjos pumping station that is expected to be modernized, the land of the Porce IV and Espíritu Santo projects that has not yet been commissioned and assets of different substations that are temporarily out of service waiting to be used; The carrying amount of these assets is as follows: for 2023 the cost amounts to $195,945 (2022: $117,233), the accumulated depreciation is $141,618 (2022: $53,469), the accumulated impairment is $41 (2022: $23) and the impairment depreciation is $22 (2022: $8).

The movement of cost, depreciation, and impairment of property, plant and equipment is detailed below:

2023	Networks, lines and cables	Plants, ducts and tunnels	Construction in progress [3]	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture and fixtures and office equipment	Other property plant and equipment [3]	Total
Initial balance cost	7,723,392	10,888,321	8,961,819	8,631,519	247,571	259,525	117,650	315,653	37,145,450
Additions3	34,843	36,212	3,305,194	3,553	11,964	30,485	272	64,532	3,487,055
Advances delivered (amortized) to third parties	-	-	58,886	-	-	-	-	-	58,886
Transfers (-/+) [4]	858,295	1,872,449	(3,053,031)	234,338	10,801	2,877	30	(39,464)	(113,705)
Disposals (-) (sales)	-	-	-	(728)	-	-	-	(331)	(1,059)
Derecognition	(26,993)	(15,686)	(514)	(590)	(11,327)	(27,219)	(257)	(2,153)	(84,739)
Other changes	70,524	(64,850)	(17,765)	(5,158)	3,184	(215)	-	(399)	(14,679)
Final balance cost	**8,660,061**	**12,716,446**	**9,254,589**	**8,862,934**	**262,193**	**265,453**	**117,695**	**337,838**	**40,477,209**
Initial balance, accumulated depreciation and impairment loss									
Initial balance, accumulated depreciation and impairment loss	(2,167,487)	(2,339,579)	-	(760,267)	(131,400)	(160,232)	(62,914)	(83,936)	(5,705,815)
Charge depreciation for the period	(252,819)	(322,256)	-	(150,187)	(18,486)	(32,526)	(3,455)	(7,374)	(787,103)
Disposals (-) (sales)	-	-	-	217	-	-	-	287	504
Derecognition	17,388	13,107	-	329	11,055	26,995	256	1,851	70,981
Other changes	(10)	1,667	-	(20,876)	(2,239)	208	(42)	(400)	(21,692)
Final balance, accumulated depreciation and impairment loss	**(2,402,928)**	**(2,647,061)**	**-**	**(930,784)**	**(141,070)**	**(165,555)**	**(66,155)**	**(89,572)**	**(6,443,125)**
Total final balance property, plant and equipment, net	**6,257,133**	**10,069,385**	**9,254,589**	**7,932,150**	**121,123**	**99,898**	**51,540**	**248,266**	**34,034,084**
Advances delivered to third parties									
Initial balance	-	-	48,393	-	-	-	-	497	48,890
Movement (+)	-	-	80,620	-	-	-	-	-	80,620
Movement (-)	-	-	(21,734)	-	-	-	-	-	(21,734)
Final balance	**-**	**-**	**107,279**	**-**	**-**	**-**	**-**	**497**	**107,776**

2022	Networks, lines and cables	Plants, ducts and tunnels	Construction in progress [3]	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture and fixtures and office equipment	Other property, plant and equipment [3]	Total
Initial balance cost	7,075,105	8,294,893	12,048,255	5,029,689	240,592	236,368	98,544	297,171	33,320,617
Additions3	29,976	31,034	3,736,447	5,040	8,601	32,634	1,972	68,665	3,914,369
Advances delivered (amortized) to third parties	-	-	(10,494)	-	-	-	-	-	(10,494)
Transfers (-/+) [4]	624,068	2,556,401	(6,814,507)	3,617,059	22,667	782	8,270	(32,679)	(17,939)
Disposals (-) (sales)	-	-	-	(227)	-	-	-	(1,257)	(1,484)
Derecognition	(13,649)	(14,214)	(34)	(1,708)	(5,511)	(10,549)	(466)	(1,954)	(48,085)
Other changes	7,892	20,207	2,152	(18,334)	(18,778)	290	9,330	(14,293)	(11,534)
Final balance cost	**7,723,392**	**10,888,321**	**8,961,819**	**8,631,519**	**247,571**	**259,525**	**117,650**	**315,653**	**37,145,450**
Initial balance, accumulated depreciation and impairment loss									
Initial balance, accumulated depreciation and impairment loss	(1,955,494)	(2,124,808)	-	(704,372)	(119,335)	(140,281)	(60,539)	(79,266)	(5,184,095)
Charge depreciation for the period	(220,318)	(224,411)	-	(54,872)	(17,884)	(30,118)	(2,705)	(6,363)	(556,671)
Disposals (-) (sales)	-	-	-	-	-	-	-	1,083	1,083
Derecognition	8,955	9,355	-	887	5,290	10,349	368	1,468	36,672
Other changes	(630)	285	-	(1,910)	529	(182)	(38)	(858)	(2,804)
Final balance, accumulated depreciation and impairment loss	**(2,167,487)**	**(2,339,579)**	**-**	**(760,267)**	**(131,400)**	**(160,232)**	**(62,914)**	**(83,936)**	**(5,705,815)**
Total final balance property, plant and equipment, net	**5,555,905**	**8,548,742**	**8,961,819**	**7,871,252**	**116,171**	**99,293**	**54,736**	**231,717**	**31,439,635**
Advances delivered to third parties									
Initial balance									
Movement (+)	-	-	58,887	-	-	-	-	497	59,384
Movement (-)	-	-	26,185	-	-	-	-	-	26,185
Final balance	**-**	**-**	**(36,679)**	**-**	**-**	**-**	**-**	**-**	**(36,679)**
Final balance	**0**	**0**	**48,393**	**0**	**0**	**0**	**0**	**497**	**48,890**

-Amounts stated in millions of Colombian pesos-

[1] Includes capitalization of borrowing costs of $188,615 (2022: $380,066), the weighted average rate used to determine the amount of borrowing costs was 9.84% (2022: 10.72%) in pesos and the rate in dollars was 4.51% (2022: 4.50%). Additionally, it includes right-of-use assets associated with ongoing construction amounting to $2,611 (2022: $3,889). The main projects under construction are the following:

Project	2023	2022
Future Ituango Hydroelectric Power Plant (1.1)	6,751,530	6,853,978
Project Merchandise	286,068	227,013
TEPUY Photovoltaic Solar Park	262,450	33,939
Replacement of posts and traps	164,157	120,119
Expansion and Reinforcement of the Eastern Machado Pipeline	151,981	96,797
Primary Distribution in the Western Sector of Medellín Cadena Occidente	139,664	132,868
Adaptation of the drinking water plant	131,050	88,867
Caldas - La Estrella Interconnection	99,602	36,677
Medium Voltage Quality Improvement	66,463	37,159
Guatapé Modernization	58,286	23,806
Yulimar Manantiales Circuit Expansion	55,733	31,493
Modernization of the Manantial Plant	46,727	38,578
Residential Water Network System Modeling	31,591	23,837
Expansion Quality Service	31,123	1,511
Interventions Quality Services	29,239	10,183
Client Connection	28,186	18,716
Santo Domingo Project	27,643	27,635
Pipelines-Infrastructure	27,056	26,717
WWTP Girardota	23,584	12,827
Copacabana WWTP	23,179	55
Measurement Code	22,340	23,888
Caldas Substation	21,554	6,883
Removal of PSMV Downloads	19,030	9,813
Biogas Technology WWTP San Fernando	18,545	8,676
High Loadability Solution In Eastern Antioquia Substation Grids	17,923	2,329
SDL Expansion E.R Coverage	16,779	20,323
Urabá Nueva Colina Apartado Substation Connection	15,530	67,733
Replacement of secondary networks asbestos cement	15,362	17,775
Caracolí Minipower Plant	14,066	42,676
Trafos Projects	13,740	11,186
North Iguaná Basin	13,409	9,895
Loss Management	12,990	12,985
Castilla Bello Circuit	12,947	10,522
Coverage Expansion Plans	12,537	22,642
Modernization of the Tasajera Transmission System	11,736	9,850
Ayurá Plant Modernization	11,268	42,928
Pumping Construction Infrastructure Optimization	10,969	7,897
Miraflores Substation Modernization	10,777	1,888
High Load ability Solution In Eastern Antioquia Networks Lines	10,150	982
Medium Voltage Insulated Cables	10,100	1,075
Collector and Replacement of La Estrella Networks	9,996	5,149
Four Corners Tank	9,953	9,953
Porvenir Circuit	9,212	3,037
Public Lighting Expansion	9,037	3,563
Modernization of the Niquía Hydroelectric Power Plant	8,853	3,174
South Interceptor	8,821	40,296
Cordoba Substation Modernization	8,753	98
Primary Networks and Pumping Aqueduct Orphanage Tank to Villa Hermosa Plant	8,715	6,666
La García Basin	7,344	18,124
Access to Distribution Networks Water Supply in Difficult to Manage Areas	7,313	12,063
Construction of the San Nicolas Rionegro Valley	6,830	10,969
Sewer Gap Closing	6,042	14,400
Access Distribution Networks Wastewater Management in Difficult to Manage Areas	5,924	11,738
Switching from luminaires to LED	5,154	15,260
Envigado Sector Capiro Expansion	3,432	58,925
Miraflores Dam Update	2,149	78,177
Chigorodó Substation Modernization	1,710	8,994
Modernization of the El Buey-Piedras-Pantanillo catchment	1,195	22,150
Quebradona Mine Connection (MCQ)	455	12,493
Rodeo Substation Catchment Expansion	105	30,814
Other projects (1.2)	406,532	421,055
Total	**9,254,589**	**8,961,819**

-Amounts stated in millions of Colombian pesos-

[1.1] As of December 31, 2023, the Hidroituango plant had a physical progress of 92.56% complete (2022: 90.35%), the physical progress presented as of the date of the period on which the separate financial statements are reported corresponds to the January 2023 version of the schedule, which includes the effects that the Project has suffered due to the health emergency caused by COVID-19, in addition, to the extent that inspections are carried out on the missing and post-contingency work fronts, the requirements for additional work are defined to guarantee the stability of the Project, a situation that forced to reconfigure longer terms and include additional work activities in the schedule.

In January 2023, the contractor Schrader Camargo continued with the civil works necessary for the entry into operation of units 3 and 4, advanced with the following activities: The construction of the lower elbow of pipeline No.4 was completed, the concrete of the straight section of pipeline No.3 was completed, and unit 3 was delivered to the contractor GE. The assembly of the elevator in the north services building was 88% complete.

In February 2023, the pouring of slab 217.45 of unit No. 4 was carried out, the concrete of the straight section of pipeline No.3 was completed, the civil works of unit 4 were handed over to the contractor GE to continue the equipment assembly works, the assembly of the elevator in the north services building was completed, in the turbine of the U3 ¬ progress was made with the assembly of the upper deck, the cylindrical valve and its servo motors and in the U4 turbine, ¬ positioning of the hydraulic unit level 211.90 was carried out, as well as the descent to level 199 of the 4 segments of the lower deck.

In March 2023, the connecting gantry of the bar gallery 3 with powerhouse was delivered to the contractor GE, the assembly of ferrule 24 in the lower conduction of unit 4 began, in unit 4, concrete pouring was carried out at the bases of the equipment and stator No.1, 2, 7 and 8, work was resumed to remove material from the Cauca River in the area of discharges 3 and 4, the area of ferrule 24 was freed to give continuity to the civil works, the concrete of embedding ferrules 1 to 4 of the upper pipeline No.3 was completed, in the lower branch 4 concrete pouring of layer 1 for the definitive plug for subsequent assembly of armor of the lower driving elbow, in unit 3 verticality control and leveling of the turbine shaft was carried out, in unit 4 the upper cover with the cylindrical valve was assembled.

In April 2023, the assembly of the armor in pipeline No.3 was completed, positioning of the support cone and operations ring in the shaft of unit 3 was carried out, the concrete pouring in the plug of the upper elbow 3 was completed, assembly of the armor in shaft 3 (lower elbow, vertical shaft, upper elbow) was completed, The rotor unit 3 was ready to descend into the generator enclosure, the machining of the upper deck of unit 4 and the pouring of concrete for embedding ferrule 24 of unit 4 was completed, bathymetry was carried out against discharges 1 and 2, preparations for the heating of the rotor of unit 4 were advanced, Compressed air cleaning was carried out on the stator of unit 4 and electrical tests were carried out on the transformers of bank No.7 and No.8.

In May 2023, in the turbine dismantling covers units 3 and 4, the installation and presentation of turbine dismantling covers in the opening area was carried out, in U3 and Y4, self-compacting concrete of 35 Mpa was poured into the EL.217, 45 slab. In the covers of the U4 generator, the installation of mesh and concrete pouring was carried out for 8 modules of the generator covers, EL.217, 45. In pipeline 4, the shielding of the lower elbow and the straight section was completed, as well as the embedded concrete, in bar galleries 3, 35 Mpa self-leveling concrete was poured for restitution of supports, for anchoring insulated phase bar ducts. In unit 3, the installation of the distributor servo motor on the north side, in Rotor-Stator U3, in addition to the lowering of the rotor to unit 3, as well as the positioning of the upper bracket and the anchor pins and bolts, in addition, the installation of the upper cover of the unit, mechanical rotation of the assembly (RUN OUT) was carried out for linear verification and concentricity to the rotor assembly, U4 shaft and impeller and turbine shaft and impeller assembly.

In June 2023, the cutting of slabs 424.5 and 435 in gate shaft 3 was completed, for the entry of demolition teams concrete plug, the cutting of slabs 424.5 and 435 in gate shaft 4 was completed, for the entry of demolition teams concrete plug, the concrete pouring of the plug in the upper elbow No.3 is completed, the arrival at the site of the mechanical bulkhead for the upper conduction No.3 is recorded, the assembly of the mechanical bulkhead for catchment 3 began, in unit 3, the definitive positioning of the external tank and thrust bearing was carried out, in addition to the pouring of tertiary concrete in corbels and thrust bearing, in unit 3, was completed, The leveling and alignment of servo motors of the distributor was completed, on the north and south side, insulation resistance tests and electrical tests were carried out on the rotor of unit 4, descent of the rotor assembly of unit 4 from the assembly room to the generator enclosure (definitive site).

In July 2023, the mechanical bulkhead for catchment 3 was assembled, the immersion of the mechanical bulkhead of catchment 3 was carried out, its leveling and final alignment was completed and the fixing of the ring platens began, the arrival at work of the mechanical bulkhead for upper conduction No.4 was recorded, the assembly of the mechanical bulkhead for catchment 4 began, completed the lowering and coupling of the generator rotor of unit 4, completed the hot-tapping drilling in upper conduit 3, completed the run-out of generation unit 4, completed the assembly of the generator and the assembly of the turbine of unit 3,

In August 2023, in unit 3, the activities corresponding to the assembly stage (100%) were completed, which includes: embedded equipment, turbine, generator, electrical systems and instrumentation, mechanical systems and insulated phase pipes and ducts, in unit 4, the assembly of the embedded equipment was completed, the remaining parts are 96.4% complete (turbine, generator, electrical and mechanical systems), the isolated phase ducts an advance of 95.2%, the assembly of the shielding and concretes in conduits 3 and 4 (lower elbow, vertical shaft and upper elbow) was completed, the pouring of the definitive concrete plugs located in upper bends 3 and 4 was completed, the "hot tapping" perforations for the demolition of the temporary concrete plugs of upper conduits 3 and 4 were completed, The construction of the system for the management of infiltration water was completed, in addition, the entry and installation of equipment for the demolition of the temporary plug in pipes 3 was carried out, the fixing in the rock of the bulkheads of catchments 3 and 4 was carried out, by means of the fixed stops with the installed bolts.

In September, units 3 and 4 completed the activities corresponding to the assembly stage that includes: embedded equipment, turbine, generator, electrical systems and instrumentation, mechanical systems and insulated phase pipes and ducts, in units 3 and 4 the dry tests were completed, in upper pipes 3 and 4 the installation of the mechanical bulkheads as well as the injection of grouting was completed, In addition, underwater activities were freed to proceed with the depressurization in the upper conduits 3 and 4, the depressurization process was carried out in the upper conduit 3, the demolition of the temporary concrete plug in the upper conduit 4 was completed, the demolition of the temporary concrete plug began, presenting an advance of 71% (231 m^3), in the upper pipeline 3, the concrete repairs were completed, the removal of industrial networks is in process, the contracting process for "Slope stabilization works of km 0+900 left bank substitute road of the Ituango Hydroelectric Project" was awarded to the firm Estyma Estudios y Manejo S.A, the contracting process for civil works for the plugging of the right diversion tunnel and closure of the diversion of the Ituango Hydroelectric Project" to the firm Schrader Camargo S.A.S.

In October, the civil works inside the upper conduits 3 and 4 were completed, with which the removal of the mechanical bulkheads began, the demolition of the temporary concrete plugs in conduits 3 and 4 was completed, then the filling of upper conduits 3 and 4 began, Water tests were carried out in generation units 3 and 4, successfully completing the synchronization of both units. After performing the sequence tests in automatic start and load rejection, 1200 MW were generated with the 4 synchronized units. Unit 3 began commercial operation on October 28, 2023 at 0:00 a.m. and Unit 4 began commercial operation on October 31, 2023 at 6:00 p.m. Subsequently, they were registered in the National Interconnected System, for which the operator XM Compañía de Expertos en Mercados S.A. E.S.P. approved their commissioning since they complied with the regulatory requirements of the country. In addition, on October 23, 2023, the contract for the plugging of the right diversion tunnel – TDD with the firm Schrader Camargo S.A.S. began.

For the construction of the final civil works for the entry into operation of units 5 to 8, EPM accepted the offer of the CYS Consortium (made up of: Yellow River Co., Ltd. Sucursal Colombia, and Schrader Camargo S.A.S.) on October 11, 2023, whose final value was $1,075,895.

In November, the contractor Schrader Camargo S.A. carried out the provisional installations of equipment and supplies for the execution of works in the Capitanes sector associated with the contract for the plugging of the right diversion tunnel – TDD, the launch of spheres in pre-plug 2 was restarted and the pumping tests of plastic filter material for the definitive plugging of the TDD were completed. The contract for the stabilization of the slope at km 0 + 900 on the dam-Ituango substitute road was initiated with the firm Estyma Estudios y Manejos S.A., carrying out the mobilization and installation of the contractor and progress was made in the assembly of the cooling system of generating units 5 to 8.

In December, the civil works activities for the assembly of units 3 and 4 were completed, therefore, the contract with the firm Schrader Camargo S.A.S. was terminated, subsequently on December 20, 2023, the order was given to start the CYS Consortium for the construction of the final civil works for the entry into operation of units 5 to 8. Currently, activities are being carried out to mobilize equipment and adapt facilities, in the contract for the plugging of the right diversion tunnel – TDD continued with the mobilization of equipment, adaptations of facilities in the Capitanes square and concrete plant. In pre-plug 2, the filling of the annular space in the micropiles began, in micropile N°50 water tests were carried out and the assembly of the platform of the primary pumping system continued. In addition, a topographic survey of the state of the infiltration channel on the left bank of the TDI was carried out. In the stabilization of the slope at km 0 + 900, a substitute road on the left bank of the Ituango project, the contractor's mobilization, adaptation, cleaning, loading and removal of material in the drainage gallery and zones A and D of the slope continued.

Due to the entry into operation of units 3 and 4 of the Ituango Power Plant, the accounting transfer of the assets that came into operation for a value of $1,597,981 was carried out.

[1.2] Other projects: it is due to the other projects that the company has, of which the most significant are Robledo WWTP Modernization for $8,605, Chorodo Line - Rubber 110 k for $8,265, among others.

[2] Includes equipment and vehicles from the automotive fleet, medical and scientific equipment, properties, plant and equipment in assembly, properties, plant and equipment in transit, replacement assets, transportation, traction and lifting equipment, dining room, kitchen, pantry and hotel equipment.

[3] It includes purchases, capitalizable disbursements that meet the recognition criteria, goods received from third parties and costs for dismantling and removing elements of property, plant and equipment. At the end of December 2023 and December 2022, no subsidies were received from the Government.

[4] Corresponds to the transfers to operation among which the most representative is due to the Ituango project for a value of $1,597,981.

The additions of property, plant and equipment for $3,487,055 (2022: $3,914,369) lees the movement of advances of $58,886 (2022: -$10,494), capitalized interest on debt of $188,615 (2022: $380,066), environmental and decommissioning provisions of $227,966 (2022: $102,333), as of 2023, capitalizable depreciation is included $16,287 and compensation for damage assets -$94.

The assets subject to operating leases are the following: networks, lines and cables, electrical infrastructure for the installation of networks by telecommunications operators, specifically poles. Plants, pipelines, tunnels, contract for the connection of Ecopetrol to the STN (Medio Magdalena Substation) with a net carrying amount of $49,682.

At the end of the period, an impairment test was carried out on the assets that are linked to the Generation, Distribution, Transmission, Gas, Water Supply and Wastewater Management CGU and that have registered intangible assets with an indefinite useful life, which did not show impairment of value.

As of December 31, 2023, there are restrictions on the realization of property, plant and equipment, associated with some equipment of the vehicle fleet for a net carrying amount of $1 (2022: $2). These restrictions are due to theft and have been affected as a guarantee for the fulfillment of obligations.

The most significant commitments for the acquisition of property, plant and equipment of the company as of December 31, 2023 amount to $3,974,530 (2022: $3,163,360).

The following is the historical cost of fully depreciated property, plant and equipment that continues in operation as of December 31, 2023 and 2022:

Group	2023	2022
Networks, lines and cables	3,179	7,579
Plants, ducts and tunnels	42,146	26,818
Buildings	4,264	4,762
Machinery and equipment	8,638	14,156
Communication and computer equipment	17,847	25,736
Furniture, Fixtures and Office Equipment	3,757	5,291
Other property, plant and equipment	5,588	4,047
Total	**85,419**	**88,389**

-Amounts stated in millions of Colombian pesos-

Note 6. Investment property

The fair value of investment properties is based on an appraisal carried out by experts who have recognized professional capacity and recent experience on the category of real estate investments object of the valuation; This value has been determined by appraisers from EPM's Real Estate Asset Negotiation and Administration Unit, who have the certificate of registration in the Open Registry of Appraisers, this activity is carried out at least once a year. To determine the fair value of investment properties, the comparative or market method is used, which consists of deducting the price by comparing transactions, supply and demand, and appraisals of similar or comparable properties, prior time adjustments, conformation, and location; the residual method, which is applied only to buildings and is based on the determination of the updated construction cost less depreciation due to age and state of conservation; and the rental method, which is used to determine the possible value of an asset according to its ability to generate income, taking into account the probable value of the monthly fee that tenants would be willing to pay in the rental market. (See note 43 Fair value measurement on a recurring and non-recurring basis).

Investment properties	2023	2022
Initial balance	169,286	152,339
Net gain or loss on fair value adjustment	9,863	17,124
Disposals - sales (-)	-	(175)
Final balance	**179,149**	**169,288**

-Amounts stated in millions of Colombian pesos-

The valuation obtained has been adjusted for the purpose of being used in the financial statements, as shown in the following reconciliation:

Concept	2023	2022
Market amount estimated by independent appraiser	179,149	169,288
Fair value for financial reporting purposes	**179,149**	**169,288**

-Amounts stated in millions of Colombian pesos-

As of December 31, 2023, investment property lease income for the period was $590 (2022: $494) and direct investment property expenses for the period were $315 (2022: $264).

As of December 31, 2023, there are restrictions on the property located in the Mamatoco sector of the municipality of Santa Marta, a direct reparation process is currently underway against said municipality, due to the fact that due to omission of the municipal administration, a process of massive invasion of the property, which makes it difficult to recover it through police protection processes; the fair value is $1,392 (2022: $1,392).

Note 7. Goodwill and other intangible assets

The following is the detail of the carrying amount of intangible assets:

Intangibles	2023	2022
Cost	**1,649,734**	**1,464,889**
Goodwill	260,950	260,950
Concessions and franchises	505,233	496,384
Rights	98,675	8,488
Licenses	127,143	122,699
Software	367,921	334,232
Easements	193,182	181,611
Disbursements Development Phases	95,245	59,140
Other intangible assets	1,385	1,385
Accumulated amortization and impairment loss	**(660,300)**	**(586,139)**
Concessions and franchises	(342,815)	(328,576)
Rights	(3,745)	(2,936)
Licenses	(77,681)	(69,142)
Software	(234,035)	(183,568)
Easements	(1,259)	(1,244)
Other intangibles	(765)	(673)
Total	**989,434**	**878,750**

-Amounts stated in millions of Colombian pesos-

The movement of cost, amortization and impairment of intangible assets is detailed below:

2023	Goodwill	Concessions and similar rights	Capitalized development disbursements	Software and computer applications	Licenses	Rights	Other intangible assets (1)	Total
Initial balance cost	260,950	496,384	59,140	334,232	122,699	8,488	182,996	1,464,889
Additions (2)	-	437	42,292	28,469	5,937	-	34	77,169
Transfers (-/+)	-	8,619	(6,187)	6,588	1,877	90,187	12,621	113,705
Derecognition	-	-	-	(1,368)	(2,384)	-	-	(3,752)
Other changes	-	(207)	-	-	(986)	-	(1,084)	(2,277)
Final balance cost	**260,950**	**505,233**	**95,245**	**367,921**	**127,143**	**98,675**	**194,567**	**1,649,734**
Initial balance accumulated depreciation and impairment	-	(328,576)	-	(183,568)	(69,143)	(2,936)	(1,916)	(586,139)
Charge amortization for the period (3)	-	(14,239)	-	(51,830)	(11,511)	(809)	(1,000)	(79,389)
Derecognition	-	-	-	1,367	2,381	-	-	3,748
Other changes	-	-	-	(4)	592	-	892	1,480
Final balance accumulated depreciation and impairment	**-**	**(342,815)**	**-**	**(234,035)**	**(77,681)**	**(3,745)**	**(2,024)**	**(660,300)**
Final balance intangible assets, net	**260,950**	**162,418**	**95,245**	**133,886**	**49,462**	**94,930**	**192,543**	**989,434**

-Amounts stated in millions of Colombian pesos-

2022	Goodwill	Concessions and similar rights	Capitalized development disbursements	Software and computer applications	Licenses	Rights	Other intangible assets (1)	Total
Initial balance cost	260,950	483,507	30,150	285,640	118,628	8,488	177,602	1,364,965
Additions (2)	-	733	29,280	46,042	4,086	-	1,804	81,945
Transfers (-/+)	-	12,144	-	2,550	-	-	3,244	17,938
Derecognition	-	-	-	-	(4)	-	-	(4)
Other changes	-	-	(290)	-	(11)	-	346	45
Final balance cost	**260,950**	**496,384**	**59,140**	**334,232**	**122,699**	**8,488**	**182,996**	**1,464,889**
Initial balance accumulated depreciation and impairment	-	(304,733)	-	(147,420)	(58,230)	(2,528)	(1,860)	(514,771)
Charge amortization for the period (3)	-	(23,843)	-	(36,110)	(10,900)	(408)	(983)	(72,244)
Derecognition	-	-	-	-	3	-	-	3
Other changes	-	-	-	(38)	(16)	-	927	873
Final balance accumulated depreciation and impairment	**-**	**(328,576)**	**-**	**(183,568)**	**(69,143)**	**(2,936)**	**(1,916)**	**(586,139)**
Final balance intangible assets, net	**260,950**	**167,808**	**59,140**	**150,664**	**53,556**	**5,552**	**181,080**	**878,750**

-Amounts stated in millions of Colombian pesos-

[1] Includes easements, intangibles related to clients and other intangibles corresponding to premiums at Gas Service Stations.

[2] Includes purchases, capitalizable disbursements that meet the recognition criteria, and concessions. In 2021, the purchases associated with capitalized development disbursements were allocated to IT projects: Sentinel Project, Treasury Project and New ERP project.

[3] See note 33 Costs for provision of services and note 34 Administrative expenses.

At the end of the periods, an impairment test was carried out on the assets for those intangibles with an indefinite useful life, which did not show evidence of impairment.

The amortization of intangibles is recognized as costs and expenses in the statement of comprehensive income, section result of the period, in the lines costs for rendering services and administration expenses.

The company's commitments for the acquisition of intangible assets as of the cut-off date amount to $81,605 (2022: $85,247).

Disbursements from research and development projects recognized as expenses in the result of the period during the period amounted to $4,320 (2022: $11,476).

The carrying amount at the cut-off date and the remaining amortization period for significant intangible assets is:

Significant intangible assets	Useful life	Remaining amortization period	2023	2022
Ituango Generation Power Plant Project	Indefinite	-	177,666	177,666
Espiritu Santo	Indefinite	-	82,980	82,980
Corridor 53 Line Easement	Indefinite	-	63,040	63,040
Bello circuit distribution network	Defined	468	37,923	38,671
Easement on Corridor N°12 line	Indefinite	-	30,912	30,912
Easement for Corridor line N°52	Indefinite	-	29,439	29,439
Maximum EAM Software	Defined	168	12,658	13,653
Piedras B Basin Secondary Network	Defined	82	12,177	13,960
Red Dist Itagüí Circuit	Defined	924	11,823	7,628
Easement Lines Corridor 86	Indefinite	-	9,728	9,698

-Amounts stated in millions of Colombian pesos-

The following intangible assets have an indefinite useful life: goodwill and easements, the latter are agreed in perpetuity and as of December 31, 2023 have a book value of $450,909 (2022: $441,317). By definition, an easement is a perpetual or temporary right, perpetual or temporary on a foreign property, by virtue of which it can be used, or certain rights of disposition can be exercised, or the owner may be prevented from exercising some of his property rights. In the company, easements are not treated individually, since they are constituted for public service projects, where the general interest prevails over the particular, considering that the objective is to improve the quality of life of the community; the aforementioned projects do not have a defined temporality, so they are constituted in perpetuity supported in their use. However, there are some easements with a defined useful life, because they are tied to the useful life of the main asset that the easement requires.

Intangible assets with indefinite useful life	2023	2022
Goodwill		
Ituango Central Generation Project	177,667	177,667
Espiritu Santo	82,980	82,980
Surtigás Necoclí	303	303
Sub-total goodwill	**260,950**	**260,950**
Other intangible assets		
Easements	189,959	180,367
Sub-total other intangible assets	**189,959**	**180,367**
Total intangible assets with indefinite useful life	**450,909**	**441,317**

-Amounts stated in millions of Colombian pesos-

Note 8. Investments in subsidiaries

The detail of EPM's subsidiaries at the date of the reporting period is as follows:

Name of subsidiary	Location (country)	Main activity	Percentage of ownership and voting rights		Date of creation
			2023	2022	
Empresa de energía del Quindío S.A. E.S.P. EDEQ	Colombia	It provides electric power utilities, purchases, sells, and distributes electric power.	19.26%	19.26%	22/12/1988
Central Hidroeléctrica de Caldas S.A. E.S.P. CHEC	Colombia	It provides public energy services, operating electric power generation plants, transmission and subtransmission lines, and distribution networks, as well as the marketing, importing, distribution and sale of electric energy.	24.44%	24.44%	09/09/1950
Electrificadora de Santander S.A. E.S.P. ESSA	Colombia	It provides public electric energy services, purchase, sale, commercialization and distribution of electric energy.	0.28%	0.28%	16/09/1950
Centrales Eléctricas del Norte de Santander S.A. E.S.P. CENS	Colombia	It provides public electric power services, purchase, export, import, distribution and sale of electric power, construction and operation of generating plants, substations, transmission lines and distribution networks.	12.54%	12.54%	16/10/1952
Caribemar de la Costa S.A.S. ESP AFINIA [1]	Colombia	It provides public services for the distribution and commercialization of electricity, as well as the performance of all related activities, works, services and products.	87.44%	85.00%	1/10/2020
Hidroecológica del Teribe S.A. HET	Panamá	It finances the construction of the Bonyic hydroelectric project, required to meet the growth in energy demand on the Isthmus of Panama.	99.68%	99.68%	11/11/1994
Gestión de Empresas Eléctricas S.A. GESA	Guatemala	It provides advice and consulting to electricity distribution, generation and transportation companies.	99.98%	99.98%	17/12/2004
Aguas Nacionales EPM S.A. E.S.P.	Colombia	It provides domestic public services such as aqueduct, sewerage and sanitation, waste treatment and use, complementary activities, and engineering services typical of these public services.	99.97%	99.97%	29/11/2002
Aguas Regionales EPM S.A. E.S.P.	Colombia	It guarantees the provision of domestic public services such as aqueduct, sewerage and sanitation, and compensates for the lag in the infrastructure of these services in the partner municipalities.	72.45%	72.45%	18/01/2006
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	Colombia	It provides domestic public water and sewerage services, as well as other complementary activities specific to each of these public services.	56.01%	56.01%	22/11/1999
Aguas de Malambo S.A. E.S.P. [2]	Colombia	Dedicated to guaranteeing the provision of domestic public services of aqueduct, sewerage and sanitation in the jurisdiction of the municipality of Malambo, department of Atlántico.	98.31%	98.25%	20/11/2010
Empresas Públicas de Rionegro S.A. E.S.P. - EP RIO	Colombia	Provision of domestic public services, including aqueduct and sewerage, as well as complementary and related activities; specifically, the administration, operation, maintenance and investments of the aqueduct and sewerage systems of the Municipality of Rionegro, the execution of programs and projects on the environment and renewable and non-renewable natural resources; to promote their sustainable development. Additionally, the company will provide the maintenance service of the public lighting network of the Municipality of Rionegro.	0.00%	0.00%	9/12/1996
Empresas Varias de Medellín S.A. E.S.P.	Colombia	Subsidiary dedicated to the provision of public sanitation services within the framework of comprehensive solid waste management.	64.98%	64.98%	11/01/1964

Name of subsidiary	Location (country)	Main activity	Percentage of ownership and voting rights		Date of creation
			2023	2022	
EPM Inversiones S.A.	Colombia	Dedicated to the investment of capital in domestic or foreign companies organized as public service companies.	99.99%	99.99%	25/08/2003
Maxseguros EPM Ltd	Bermuda	Negotiation, contracting and management of reinsurance for the policies that cover the assets.	100.00%	100.00%	23/04/2008
Panamá Distribution Group S.A. PDG	Panamá	Capital investment in companies.	100.00%	100.00%	30/10/1998
Distribución Eléctrica Centroamericana DOS S.A. DECA II	Guatemala	It makes capital investments in companies that are dedicated to the distribution and commercialization of electric energy, and provides telecommunications services.	99.99%	99.99%	12/03/1999
EPM Capital México S.A. de CV [3]	México	It develops infrastructure projects related to energy, lighting, gas, telecommunications, sanitation, water treatment plants, sewerage, wastewater treatment, buildings, as well as their operation and services.	48.98%	51,28%	04/05/2012
EPM Chile S.A.	Chile	It develops energy, lighting, gas, telecommunications, sanitation, water treatment plants, sewerage and wastewater treatment projects, as well as the provision of these services and participation in all types of tenders.	99.99%	99.99%	22/02/2013
Patrimonio Autónomo Financiación Social [4]	Colombia	It manages the resources and payments of the social financing program created to make it easier for users to purchase household appliances, gas appliances and products related to information technology.	0.00%	100.00%	14/04/2008
EPM Renovables S.A.[5]	Panamá	Carry out administration, planning, strategic activities, participation in investments and businesses of renewable electricity generation and in the production of new sources of green fuels.	100.00%	0.00%	1/08/2023

[1] In September and December 2023, EPM capitalized Caribemar de la costa S.A. E.S.P. for $350,000 and $250,000, respectively.
[2] In March, July and August 2023, EPM capitalized Aguas de Malambo S.A. E.S.P. for $1,000, $600 and $443 respectively.
[3] In November 2023, EPM Capital México S.A. de CV returned contributions of $13,792.
[4] In November 2023, the sale of the Patrimonio Autónomo Financiación Social was made to the company SOMOS servicios integrado S.A. for $280,645.
[5] In December 2023, EPM capitalized EPM Renovables S.A.

The above items are disclosed as part of the acquisition and capitalization of subsidiaries or businesses for $602,043 and include the provision of subsidiaries or businesses for $294,437 that are part of the statement of cash flows.

In subsidiaries in which there is less than a 50% direct stake, control is obtained through the indirect participation held by the other companies of the EPM Group.

The value of investments in subsidiaries at the cut-off date was:

Subsidiary	2023					2022				
	Investment amount					Investment amount				
	Cost	Equity method	Impairment	Dividends (1)	Total	Cost	Equity method	Impairment	Dividends (1)	Total
Caribemar de la costa S.A.S. E.S.P.	2,316,561	958,426	(879,062)	-	2,395,925	1,716,561	740,121	(879,062)	-	1,577,620
Aguas Nacionales EPM S.A. E.S.P.	1,665,513	687,254	-	(61,966)	2,290,801	1,665,513	505,703	-	(26,289)	2,144,927
EPM Inversiones S.A.	1,561,331	762,186	-	(269,322)	2,054,195	1,561,331	691,579	-	(221,498)	2,031,412
Distribución Eléctrica Centroamericana DOS S.A. DECA II	1,009,257	1,093,690	-	(63,645)	2,039,302	1,009,257	1,725,937	-	(135,473)	2,599,721
EPM Chile S.A.	1,044,935	375,528	-	-	1,420,463	1,044,935	652,120	-	-	1,697,055
Panama Distribution Group S.A. PDG	238,116	500,167	-	-	738,283	238,116	621,393	-	(44,118)	815,391
Maxseguros EPM Ltd.	63,784	202,827	-	-	266,611	63,784	243,317	-	-	307,101
Hidroecológica del Teribe S.A. HET	524,536	(187,768)	(86,963)	-	249,805	524,536	(145,951)	(86,963)	-	291,622
Central Hidroeléctrica de Caldas S.A. E.S.P. CHEC	140,663	63,552	-	(38,932)	165,283	140,663	59,405	-	(37,198)	162,870
Aguas Regionales EPM S.A. E.S.P.	60,816	44,302	-	-	105,118	60,816	38,074	-	-	98,890
Empresas Varias de Medellín S.A. E.S.P.	32,967	50,467	-	-	83,434	32,967	81,809	-	(4,328)	110,448
Centrales Eléctricas del Norte de Santander S.A. E.S.P. CENS	57,052	20,129	-	(11,658)	65,523	57,052	26,098	-	(10,429)	72,721
Gestión de Empresas Eléctricas S.A. GESA	25,782	21,797	-	-	47,579	25,782	35,368	-	(7,297)	53,853
Empresa de Energía del Quindío S.A. E.S.P. EDEQ	28,878	21,120	-	(6,681)	43,317	28,878	17,998	-	(7,717)	39,159
Aguas de Malambo S.A. E.S.P.	79,518	(47,135)	(1,641)	-	30,742	77,474	(45,211)	(1,641)	-	30,622
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	2,774	5,198	-	-	7,972	2,774	3,837	-	-	6,611
Electrificadora de Santander S.A. E.S.P. ESSA	2,514	1,314	-	(323)	3,505	2,514	1,099	-	(325)	3,288
Patrimonio Autónomo Financiación Social	-	-	-	-	-	61,914	158,739	-	-	220,653
EPM Capital México S.A. de C.V.	163,643	(163,643)	-	-	-	177,436	(176,985)	-	-	451
Total	**9,018,640**	**4,409,411**	**(967,666)**	**(452,527)**	**12,007,858**	**8,492,303**	**5,234,450**	**(967,666)**	**(494,672)**	**12,264,415**

-Amounts stated in millions of Colombian pesos-

[1] Dividends for $452,527 (2022: $494,672), were declared, and paid in full.

The detail of the equity method recognized in profit or loss for the period and in other comprehensive income for the period is as follows:

Subsidiary	2023			2022		
	Equity method for the period			Equity method for the period		
	Profit for the period	Other comprehensive income	Total	Profit for the period	Other comprehensive income	Total
Distribución Eléctrica Centroamericana DOS S.A. DECA II	414,455	(889,291)	(474,836)	419,166	300,230	719,396
EPM Inversiones S.A.	344,860	(52,757)	292,103	419,732	38,020	457,752
Aguas Nacionales EPM S.A. E.S.P.	231,525	(8,187)	223,338	526,258	(2,074)	524,184
EPM Chile S.A.	207,840	-	207,840	141,766	-	141,766
Panamá Distribution Group S.A. PDG	158,034	(434,625)	(276,591)	(48,065)	311,225	263,160
Maxseguros EPM Ltd	95,210	(172,365)	(77,155)	61,570	127,860	189,430
Hidroecológica del Teribe S.A. HET	41,967	(622)	41,345	49,172	752	49,924
EPM Capital México S.A. de CV	39,384	-	39,384	26,945	-	26,945
Central Hidroeléctrica de Caldas S.A. E.S.P. CHEC	27,011	(67,502)	(40,491)	10,460	54,601	65,061
Patrimonio Autónomo Financiación Social	11,711	(53,528)	(41,817)	(26,795)	47,562	20,767
Empresas Varias de Medellín S.A. E.S.P.	11,535	(697)	10,838	9,409	357	9,766
Centrales Eléctricas del Norte de Santander S.A. E.S.P. CENS	8,600	(4,139)	4,461	16,448	2,487	18,935
Aguas Regionales EPM S.A. E.S.P.	6,228	-	6,228	1,695	-	1,695
Gestión de Empresas Eléctricas S.A. GESA	1,361	-	1,361	719	(3)	716
Empresa de Energía del Quindío S.A. E.S.P. EDEQ	609	(69)	540	646	45	691
Aguas de Malambo S.A. E.S.P.	100	(6,374)	(6,274)	11,557	3,808	15,365
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	(1,910)	-	(1,910)	(1,353)	-	(1,353)
Electrificadora de Santander S.A. E.S.P. ESSA	(20,084)	(25,547)	(45,631)	(10,436)	51,519	41,083
Caribemar de la costa S.A.S. E.S.P.	(22,657)	(4,356)	(27,013)	(7,959)	6,856	(1,103)
Total	**1,555,779**	**(1,720,059)**	**(164,280)**	**1,600,935**	**943,245**	**2,544,180**

-Amounts stated in millions of Colombian pesos-

The financial information of the company's subsidiaries as of the reporting period is as follows. All subsidiaries are accounted for by the equity method in the separate financial statements:

2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue from ordinary activities	Profit or loss for the period	Other comprehensive income	Total comprehensive income
						Continued Operations		
Empresa de energía del Quindío S.A. E.S.P. EDEQ	183,549	343,790	126,069	189,444	430,333	59,853	(3,618)	56,235
Central Hidroeléctrica de Caldas S.A. E.S.P. CHEC	348,049	1,212,362	361,885	582,635	1,319,904	171,702	(2,546)	169,156
Electrificadora de Santander S.A. E.S.P. ESSA	595,698	2,063,687	500,532	1,075,600	2,101,180	220,933	(24,912)	196,021
Centrales Eléctricas del Norte de Santander S.A. E.S.P.	415,567	1,257,102	394,876	786,582	1,418,418	68,595	(33,018)	35,577
Hidroecológica del Teribe S.A. HET	52,499	381,949	22,223	138,304	73,603	10,711	(68,968)	(58,257)
Gestión de Empresas Eléctricas S.A. GESA	33,255	40	304	8,147	15,347	100	(6,376)	(6,276)
Caribemar de la Costa S.A.S. ESP AFINIA	2,347,825	3,886,251	1,566,271	922,387	5,960,456	264,782	(9,363)	255,419
Aguas Nacionales EPM S.A. E.S.P.	304,579	2,630,498	58,456	432,738	503,628	276,486	-	276,486
Aguas Regionales EPM S.A. E.S.P.	33,212	250,937	43,727	89,840	89,211	8,558	-	8,558
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	8,206	8,687	2,092	565	7,408	2,430	(1)	2,429
Aguas de Malambo S.A. E.S.P.	5,816	40,551	6,155	5,073	19,541	(1,956)	-	(1,956)
Empresas Varias de Medellín S.A. E.S.P.	144,422	308,994	209,419	232,356	326,330	(34,691)	(6,704)	(41,395)
EPM Inversiones S.A.	55,739	1,929,820	3,024	8,282	8	358,106	(39,250)	318,856
Maxseguros EPM Ltd	540,066	187,436	173,111	287,780	58,466	27,011	(67,502)	(40,491)
Panamá Distribution Group S.A. PDG	1,167,853	2,803,752	1,719,622	1,166,372	3,096,493	210,736	(137,072)	73,664
Distribución Eléctrica Centroamericana DOS S.A. DECA II	1,614,346	4,323,387	1,232,257	1,826,997	5,606,301	490,801	(415,094)	75,707
EPM Capital México S.A. de CV	654,752	577,520	467,430	295,527	586,194	10,547	(52,324)	(41,777)
EPM Chile S.A.	412,293	3,855,814	417,119	2,430,806	1,094,607	157,586	(434,655)	(277,069)

-Amounts stated in millions of Colombian pesos-

2022	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue from ordinary activities	Profit or loss for the period Continued Operations	Other comprehensive income	Total comprehensive income
Empresa de energía del Quindío S.A. E.S.P. EDEQ	155,964	251,885	108,131	109,432	355,542	48,817	1,854	50,671
Central Hidroeléctrica de Caldas S.A. E.S.P. CHEC	389,736	1,007,295	280,329	510,668	1,107,980	201,461	3,075	204,536
Electrificadora de Santander S.A. E.S.P. ESSA	579,411	1,981,949	561,300	995,654	1,713,053	234,348	16,477	250,825
Centrales Eléctricas del Norte de Santander S.A. E.S.P.	428,564	1,047,214	326,672	600,475	1,232,159	131,200	19,838	151,038
Hidroecológica del Teribe S.A. HET	56,544	499,941	29,124	195,184	76,506	(27,900)	60,781	32,881
Gestión de Empresas Eléctricas S.A. GESA	31,432	53	316	51	13,119	11,559	3,809	15,368
Caribemar de la Costa S.A.S. ESP AFINIA	1,714,362	2,873,442	1,156,302	541,287	5,414,021	619,127	(2,440)	616,687
Aguas Nacionales EPM S.A. E.S.P.	252,742	2,374,296	61,625	336,033	430,447	232,880	-	232,880
Aguas Regionales EPM S.A. E.S.P.	46,019	216,253	38,006	82,243	84,204	2,305	-	2,305
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	6,433	7,515	1,556	586	5,363	1,286	(5)	1,281
Aguas de Malambo S.A. E.S.P.	6,154	40,227	6,202	5,129	17,394	(1,390)	-	(1,390)
Empresas Varias de Medellín S.A. E.S.P.	135,792	313,720	175,966	220,511	287,690	(11,570)	10,550	(1,020)
EPM Inversiones S.A.	48,048	1,884,147	1,304	6,172	-	424,436	(15,025)	409,411
Maxseguros EPM Ltd	548,926	205,874	109,289	338,410	51,274	10,460	54,601	65,061
Panamá Distribution Group S.A. PDG	1,036,747	3,229,804	1,867,434	1,200,692	2,862,249	142,029	115,733	257,762
Distribución Eléctrica Centroamericana DOS S.A. DECA II	1,832,943	5,143,524	1,436,153	2,497,523	5,168,639	414,827	314,749	729,576
EPM Capital México S.A. de CV	598,923	697,824	397,309	369,966	416,618	31,929	100,531	132,460
EPM Chile S.A.	779,868	4,688,262	465,829	3,305,052	842,828	(48,071)	311,261	263,190

-Amounts stated in millions of Colombian pesos-

8.1 Changes in interest in subsidiaries that did not result in a loss of control

During 2023, the following changes were made to the participation of subsidiaries:

Caribemar de la costa S.A. E.S.P. increased to 87.44% due to EPM's capitalization. This variation had an effect on the application of the equity method, decreasing the investment by $4,843 recognized directly in equity.

Aguas de Malambo S.A. E.S.P. increased to 98.31% due to the capitalization of EPM. This variation had an effect on the application of the participation method, decreasing the investment by $14 recognized directly in equity.

Note 9. Investments in associates

EPM Capital México S.A. de CV decreased to 48.98%, due to the return of contributions to EPM. This variation had an effect on the application of the participation method.

The detail of the investments in associates of EPM at the date of the reporting period is as follows:

Name of the associate	Location (country)	Main activity	Percentage of ownership and voting rights		Date of creation
			2023	2022	
Hidroeléctrica Ituango S.A. E.S.P.	Colombia	Promotion, design, construction, operation, maintenance and commercialization of energy at national and international level of the Ituango hydroelectric plant.	46.33%	46.33%	29/12/1997
Hidroeléctrica del Río Aures S.A. E.S.P. [1]	Colombia	Generation and commercialization of electricity through a hydroelectric power plant, located in the jurisdiction of the municipalities of Abejorral and Sonsón, in the department of Antioquia.	8.43%	11.81%	14/05/1997
UNE EPM Telecomunicaciones S.A.	Colombia	Provision of telecommunications services, information and communication technologies, information services and ancillary activities.	50.00%	50.00%	29/06/2006
Inversiones Telco S.A.S.	Colombia	Invest in companies whose corporate purpose is the provision of telecommunications, information and communication technology services, information services and complementary activities, as well as in companies that are based on the provision of business process outsourcing services.	50.00%	50.00%	5/11/2013

[1] As of January 31, 2023, the percentage of ownership in favor of EPM decreased due to capitalizations made by other shareholders. In June 2023, it was reclassified from associated investment to non-controlled investment.

The value of investments in associates at the cut-off date was:

Associate	2023			2022			
	Investment amount			Investment amount			Dividends
	Cost (1)	Impairment	Total	Cost (1)	Impairment (2)	Total	
Hidroeléctrica Ituango S.A.	34,227	(16,946)	17,281	34,227	(16,946)	17,281	-
Hidroeléctrica del Río Aures S.A.	-	-	-	2,478	-	2,478	-
UNE EPM Telecomunicaciones	2,642,488	(1,044,022)	1,598,466	2,342,488	(1,044,022)	1,298,466	-
Inversiones Telco S.A.S.	55,224	-	55,224	55,224	-	55,224	8,167
Total inversiones en asociadas	**2,731,939**	**(1,060,968)**	**1,670,971**	**2,434,417**	**(1,060,968)**	**1,373,449**	**8,167**

- Amounts stated in millions of Colombian pesos -

[1] In October and December 2023, EPM capitalized UNE EPM telecomunicaciones S.A. for $150,000 and $150,000, respectively.

Note 10. Investments in joint ventures

The detail of EPM's joint ventures at the cut-off date is as follows:

Name of joint venture	Location (country)	Main activity	Percentage of ownership and voting rights		Date of creation
			2023	2022	
Parques del Río S.A.S. (1)	Medellín	Construction, operation, administration and maintenance of the Parques del Río Medellín project, as well as acting as the project's urban manager.	33%	33%	26/12/2015

[1] Joint venture established on November 26, 2015, in which the Municipality of Medellín, Interconexión Eléctrica S.A. E.S.P. (ISA), Empresa de Transporte Masivo del Valle de Aburrá Ltda. (Metro) and EPM participate. The Entity seeks to be the manager of the next urban developments of the city, the department and the country, taking advantage of the synergies in infrastructure, mobility, environmental and social issues, among others.

The value of the investments in joint ventures at the cut-off date was:

Name of joint venture	2023		2022	
	Investment amount		Investment amount	
	Cost	Total	Cost	Total
Parques del Río S.A.S.	99	99	99	99
Total investments in joint ventures	**99**	**99**	**99**	**99**

-Amounts stated in millions of Colombian pesos-

Note 11. Impairment of non-financial assets

11.1Impairment of investments in subsidiaries, associates and joint ventures

The following table shows the cumulative effect of recognized impairment losses:

Investment	Carrying amount	
	2023	2022
Subsidiary		
Hidroecológica del Teribe S.A. HET	86,963	86,963
Aguas de Malambo S.A. E.S.P.	1,641	1,641
Caribemar de la Costa S.A.S. E.S.P.	879,062	879,062
Total subsidiaries	**967,666**	**967,666**
Associate		
Hidroeléctrica Ituango S.A. E.S.P.	16,946	16,946
UNE EPM Telecomunicaciones S.A.	1,044,022	1,044,022
Total associates	**1,060,968**	**1,060,968**

-Amounts stated in millions of Colombian pesos-

11.2 Impairment of Cash Generating Units

The carrying amount of goodwill and intangible assets with an indefinite useful life associated with each CGU are detailed below:

Cash Generating Unit	Carrying amount	
	2023	2022
Energy Generation Segment		
Goodwill	260,647	260,647
Easements	444	444
CGU - Energy Generation	**261,091**	**261,091**
Energy Transmission Segment		
Easements	129,189	129,189
CGU - Energy Transmission	**129,189**	**129,189**
Energy Distribution Segment		
Easements	46,897	38,611
CGU - Energy Distribution	**46,897**	**38,611**
Gas Segment		
Goodwill	303	302
Easements	3,698	3,692
UGE - Gas-	**4,001**	**3,994**
Segment Water Supply		
Easements	9,075	7,413
CGU - Water Supply	**9,075**	**7,413**
Sanitation Segment		
Easements	656	1,018
CGU - Sanitation	**656**	**1,018**

-Amounts stated in millions of Colombian pesos-

The description of CGUs is detailed below:

- CGU Electricity Generation, whose activity consists of the production of energy and commercialization of large blocks of electrical energy, from the acquisition or development of a portfolio of energy proposals for the market.
- UGE Distribución y Comercializacion Energía, whose activity consists of transporting electrical energy through a set of lines and substations, with their associated equipment, operating at voltages below 220 KV, the commercialization of energy to the end user of the regulated market and the development of related and complementary activities. It includes the Regional Transmission System (STR), the Local Distribution System (SDL), the street lighting service and the provision of associated services.
- CGU Energy Transmission, whose activity consists of transporting energy in the National Transmission System -STN-, established of the set of lines, with their corresponding connection equipment, which operate at voltages equal to or greater than 220 KV. The National Transmitter (TN) is the legal person that operates and transports electricity in the STN or has set up a company whose purpose is the development of said activity.
- CGU Distribution and Commercialization of Natural Gas, whose activity consists of conducting gas from the city gate to the end user, through medium and low-pressure pipes. Includes the sale of gas through different systems, including network distribution, vehicular natural gas, compressed natural gas, and service stations.
- CGU Provision Agua, whose activity consists of conceptualizing, structuring, developing and operating systems to provide water. It includes carrying out the commercial management of the service portfolio related to the supply of water for different uses, in addition to the use of the productive chain, specifically in the production of energy, and the supply of raw water.

- CGU Wastewater Management includes the activities of conceptualizing, structuring, developing and operating wastewater systems and solid waste management, in addition to the use of the productive chain, specifically in the production of energy and gas.

Goodwill is mainly allocated to the Generation segment for $260,647 (2022: $260,647) generated as a result of the liquidation of the subsidiary EPM Ituango S.A E.S.P. and Espíritu Santo, whose assets were transferred to EPM, and to the Gas segment for $303 (2022: $302) as a result of the business combination with the Surtidora de Gas del Caribe S.A. E.S.P. in the Municipality of Necoclí.

The intangible easement is mainly assigned to the Generation, Transmission, Distribution, Gas, Water Supply and Sanitation segments for $189,959 (2022: $180,367).

At the end of the periods, an impairment test was carried out on the CGUs that had associated intangible assets with an indefinite useful life, but no impairment was evidenced.

To calculate the recoverable amount of assets, the value in use is the criterion used by the company.

To estimate the value in use of the cash-generating units that have assigned goodwill and intangible assets with an indefinite useful life, the company is based on future cash flow projections considering expectations regarding the market, legal, economic and technological. The latest financial projection approved by the Board of Directors of the subsidiary with a 20-year projection is used and the discount rate used corresponds to the cost of capital of the business.

Note 12. Trade and other receivables

The detail of trade and other receivable for the reporting period is as follows:

Trade and other receivables	2023	2022
Non-current		
Public services debtors (1)	1,089,132	490,679
Impairment of public services	(278,355)	(165,100)
Related parties	1,071,406	934,362
Employee loans(2)	111,019	132,216
Impairment of employee loans	(245)	(13)
Other trade receivable (3)	71,922	73,947
Impairment other trade receivables	(3,748)	(3,599)
Total non-current	**2,061,131**	**1,462,492**
Current		
Public services debtors (1)	4,127,509	3,380,608
Impairment of public services	(374,088)	(364,031)
Related Parties (4)	18,261	-
Loans receivables from employee (2)	77,012	32,305
Impairment of employee loans	(94)	(79)
Other trade receivables (3)	780,698	435,660
Impairment other trade receivables	(217,821)	(204,686)
Dividends and participations receivable	1	17
Indemnities	6,540	6,674
Other services	15,678	13,698
Total current	**4,433,696**	**3,300,166**
Total	**6,494,827**	**4,762,658**

-Amounts stated in millions of Colombian pesos-

The total portfolio presented an increase of $1,732,169, equivalent to 36.37%, mainly due to the following items:

[1] The public services debtors presented an increase of $1,345,354 909 which is mainly due to the increase in the following items:

- New accounts receivable, corresponding to the sale of long-term energy to large clients due to the entry into operation of Hidroituango's turbines 1, 2, 3 and 4.
- Subsidies for EGA (Energy, Gas and Water) services
- Massive billing of the residential public service and its estimates.
- Recognition of the fare option that has not yet been passed on to users.

Note: The fare option allows you to moderate abrupt increases in the fare by accumulating balances that are paid by the user later, over a longer period of time. The behavior of this account receivable is as follows:

Period	Capital Balance	Interest Balance	Total Accrued
December 2022	530,706	39,155	569,861
December 2023	52,190	108,750	160,940
Total	**582,896**	**147,905**	**730,801**

-Amounts stated in millions of Colombian pesos-

[2] The employee loan showed an increase of $23,510, mainly explained by the housing loans approved for them.

[3] Other debtors receivable increased by $343,013, mainly due to the invoice made in December 2023 corresponding to the sale of EPM's Somos program to Somos Servicios Integrado Sucursal Colombia and due to the higher balances in accounts receivable related to collections in favor of third parties and agreements.

[4] Related Parties loans increased by $155,305, explained by the combined effect between the amortizations made to Hidrosur's loan and the disbursements made to the subsidiary Afinia.

Accounts receivable from debtors of public services do not generate interest and the term for its collection depends on the type of use of it. In residential use, the collection of invoices is projected to be 10 days after the invoice is generated. Individual contracts with large clients or those in the energy sector contemplate terms agreed upon in private negotiations; in the latter case, the term is generally 30 days.

Long-term accounts receivable are measured at amortized cost under the effective interest rate method and short-term accounts receivable are presented at their nominal amount, except for accounts receivable that are measured at fair value of: i) the account receivable associated with the contract for the firm supply of liquid fuel (ACPM) for the Termoeléctrica La Sierra and Termodorada plants , which is updated according to the value of the fuel unit stipulated in the contract. (See note 43. Fair value measurement on a recurring and non-recurring basis).

Portfolio impairment

The Company measures the impairment of expected losses on the portfolio using the simplified approach, which consists of taking the present value of credit losses arising from all possible default events at any time during the life of the operation.

This alternative is taken given that the volume of clients that the Company manages is very high and the measurement and control of risk in stages can lead to errors and an underestimation of impairment.

The expected loss model corresponds to a forecasting tool that projects the probability of default or non-payment of the portfolio within the next twelve months. Each obligation is assigned an individual probability of non-payment that is calculated from a probability model that includes sociodemographic, product, and behavioral variables.

Although the impairment forecast for the annual term is obtained based on the client's payment behavior data contained during the period in question; The same does not occur when the impairment of the monthly periods comprising the annual term is recorded. In the latter case, the deterioration recorded for the month evaluated is that obtained with the payment behavior data of the previous month.

At the cut-off date, the age analysis of accounts receivable at the end of the reporting period and that are impaired is:

	2023		2022	
	Gross carrying amount	Amount of credit losses	Gross carrying amount	Amount of credit losses
Public services debtors				
Without default interest	4,123,378	(331,263)	3,394,632	(295,232)
Less than 30 days	707,435	(24,266)	211,776	(23,987)
30-60 days	52,631	(15,296)	45,067	(14,528)
61-90 days	38,372	(20,932)	18,755	(12,328)
91-120 days	23,003	(14,205)	14,636	(11,408)
121-180 days	35,025	(27,849)	17,784	(13,966)
181-360 days	64,436	(52,368)	32,505	(26,055)
More than 360 days	172,361	(166,264)	136,132	(131,627)
Total Public services debtors	**5,216,641**	**(652,443)**	**3,871,287**	**(529,131)**
Other debtors				
Without default interest	1,854,083	(8,270)	1,334,652	(5,534)
Less than 30 days	24,288	(4,277)	33,611	(5,315)
30-60 days	4,081	(956)	22,881	(5,441)
61-90 days	11,751	(5,066)	11,710	(2,654)
91-120 days	4,829	(2,319)	8,437	(1,152)
121-180 days	10,571	(2,355)	13,826	(2,917)
181-360 days	24,952	(5,038)	3,706	(3,071)
Over 360 days	217,985	(193,627)	200,056	(182,293)
Total other debtors	**2,152,540**	**(221,908)**	**1,628,879**	**(208,377)**
Total debtors	**7,369,181**	**(874,351)**	**5,500,166**	**(737,508)**

-Amounts stated in millions of Colombian pesos-

Regarding the age of non-performing loans, it can be observed that the portfolio is concentrated in the range with no arrears and less than 30 days.

In the public services receivables account, there was an increase due to the account receivable from large clients due to the entry into operation of Hidroituango's turbines 1, 2, 3 and 4, tariff option and estimates, also resulting in an increase in impairment.

The other debtors account showed an increase, mainly due to the account receivable made in December 2023 corresponding to the sale of EPM's SOMOS program to Somos Servicios Integrado Sucursal Colombia.

The reconciliation of the expected credit losses of the portfolio is as follows:

Expected credit losses over the life of the asset	2023	2022
Value correction at the beginning of the period	(737,508)	(574,958)
Impairment changes to the trade receivable held at the beginning of the period	(582,245)	(457,217)
Write-off	1,193	53,787
Derecognition	444,093	241,339
Other movements	114	(459)
Final balance	**(874,353)**	**(737,508)**

-Amounts stated in millions of Colombian pesos-

The value of accumulated impairment increased by $136,843, mainly due to the impairment of accounts receivable from the sale of energy, subsidies for Water Provision and Wastewater Management, and the Tariff Option.

Period	Impairment
December 2022	(102,193)
December 2023	(32,193)
Total	**(134,386)**

-Amounts stated in millions of Colombian pesos-

In the item Write-off of portfolio so far this year $1,193 were derecognized, mainly due to the penalty of the account receivable corresponding to EGA services (Energy, Gas and Water).

The net portfolio reconciliation is as follows:

Trade receivables balance	2023	2022
Financial assets initial balance	5,500,166	6,808,368
New financial assets originated or purchased [(1)]	23,897,821	18,248,430
Financial assets that have been derecognized [(2)]	(22,195,597)	(19,358,255)
Financial asset write-offs	(1,193)	(53,787)
Valuation at amortized cost	(27,013)	85,397
Difference in exchange attributable	194,995	(229,987)
Final balance	**7,369,179**	**5,500,166**

-Amounts stated in millions of Colombian pesos-

[1] The balance of new assets originated or purchased is mainly due to the accumulated billing of public services, subsidies, estimates and rate option.

[2] The financial assets that have been derecognized is mainly due to the payment of accounts receivable from EGA (Energy, Gas and Water) services.

The company penalizes, against value impairment recognized in an allowance account, the values of impaired financial assets, when it is evidenced that there are obligations that cannot be recovered by enforcement, coercive collection or ordinary means, actions of which must be attach the supports in the files where the request for punishment is documented.

The grounds for requesting the approval of the portfolio write-off in EPM are the following:

- The registered accounts receivable do not represent certain rights, assets or obligations for EPM.
- The rights or obligations lack documents and suitable support that allow the pertinent procedures for their collection or payment to be carried out.
- It is not possible to collect the right or obligation, by coercive or judicial collection, once the pre-legal collection stage has been exhausted.

- When it is impossible to identify and individualize the natural or legal person, to collect the portfolio.
- When the cost-benefit relationship is evaluated and established, it is more onerous to advance the collection process than the value of the obligation.
- When there is prescription of the security title and executive title or the expiration of the right.
- When the executive process has been advanced, there are no assets to make the payment of the obligation effective.
- When the liquidation process of the natural or legal person has been advanced in terms of the law, and the assets received as payment are not enough to cover the entire debt; in this case the unpaid balance is penalized.

Institutions responsible for write-off

The write-off in EPM is approved by the Portfolio Write-Off Committee, which is chaired by the Accounting and Financial Services Manager, assisted by the Director of Financial Transactions and the head of the Credit and Portfolio Management Unit. The Committee meets periodically or when a particular situation warrants it.

Note 13. Other financial assets

The detail of other financial assets at the end of the period is:

Other Financial Assets	2023	2022
Non-current		
Derivatives designated as hedging instruments under hedge accounting		
Swap Contracts	-	464,000
Futures Contracts	69	-
Total derivatives designated as hedging instruments under hedge accounting	**69**	**464,000**
Financial assets measured at fair value through profit or loss for the period		
Equity securities [1]	464,642	167,992
Trust rights[1]	314,019	299,482
Total financial assets measured at fair value through profit or loss for the period	**778,661**	**467,474**
Financial assets designated at fair value through other comprehensive income		
Equity instruments[2]	1,522,014	2,059,062
Total financial assets designated at fair value through other comprehensive income	**1,522,014**	**2,059,062**
Total other non-current financial assets	**2,300,744**	**2,990,535**
Current		
Derivatives designated as hedging instruments under hedge accounting		
Futures Contracts	19	-
Total derivatives designated as hedging instruments under hedge accounting	**19**	**-**
Financial assets measured at fair value through profit or loss for the period		
Derivatives not under hedge accounting [3]	31,453	67,870
Fixed income securities [1] - [4]	78,008	63,803
Pledged investments	808	233,004
fiduciary rights	317	17,719
Total financial assets measured at fair value through profit or loss for the period	**110,586**	**382,396**
Total other current assets	**110,605**	**382,396**
Total other assets	**2,411,349**	**3,372,931**

- Amounts stated in millions of Colombian pesos -

1 It includes the result from valuation of financial instruments and hedge accounting of $253,078; reflected in the statement of cash flows.

2 The decrease was caused by the fall in the share price of Interconexión Eléctrica S.A. E.S.P., since their fair value is determined by the market price.

3 It corresponds to the weather derivative contracted to cover the existing risk of dry seasons that imply a decrease in hydraulic generation and the rise in energy prices on the stock market. This financial instrument

is intended to provide protection to parent EPM when events materialize that may prevent the fulfillment of contractual commitments that imply buying energy on the stock market at market prices that may be unfavorable. With the weather derivative, part of this impact is transferred to the market, which would reduce the effect on the company's financial results.

4 It includes the following items: acquisition of investments in financial instruments for $212,600, disposition of investments in financial instruments for $487,126 reflected in the statement of cash flows.

Conventional purchases and sales of financial assets are accounted for by applying the trade date.

13.1 Financial assets measured at fair value through other comprehensive income

13.1.1 Other financial assets measured at fair value through other comprehensive income

The detail of financial assets measured at fair value through other comprehensive income, other than equity investments, is:

Equity investment	2023	2022
Interconexión Eléctrica S.A. E.S.P (1)	1,512,774	2,052,213
Other investments	9,240	6,849
Total	**1,522,014**	**2,059,062**
Dividends recognized during the period related to investments that remain recognized at the end of the period (2)	178,160	76,989
Dividends recognized during the period	**178,160**	**76,989**

- Amounts stated in millions of Colombian pesos-

[1] As of December 31, 2022, the market price of Interconexión Eléctrica S.A. E.S.P. closed at $15,480 (2022: $21,000) pesos, respectively.

[2] Dividends from financial instruments were accrued for $178,160 (2022: $76,989) which are disclosed in the investment dividends caption in the statement of cash flows.

The equity investments indicated in the above table are not held for trading purposes, instead, they are held for strategic purposes in the medium and long term. The company's management considers that the classification for these strategic investments provides more reliable financial information, which reflects the changes in their fair value immediately in the result of the period.

13.2 Reclassifications of financial assets

EPM has not made changes to the business model for the management and administration of financial assets, therefore no financial assets have been reclassified.

Note 14. Right-of-use assets

14.1 Lease that originates right-of-use assets as lessee

As of the cut-off date, the carrying amount of the right-of-use assets is as follows (does not include right-of-use assets associated with construction in progress, these are included in note 5. Property, plant and equipment):

2023	Right-of-use land	Right-of-use buildings	Right-of-use plants, pipelines and tunnels	Right-of-use networks, lines and cables	Right-of-use Machinery and equipment	Right-of-use communication and computing equipment	Right of use Traction and lifting transport equipment	Total
Beginning Cost Balance	6,092	662,383	1,996,580	20,659	8,894	4,289	21,158	2,720,055
Additions[1]	1,075	43,326	170,432	3,394	1,274	253	65	219,819
Disposals (-)	(173)	(3,779)	-	(2,471)	(5,716)	-	(1,128)	(13,267)
Ending balance of cost	**6,994**	**701,930**	**2,167,012**	**21,582**	**4,452**	**4,542**	**20,095**	**2,926,607**
Accumulated amortization and value impairment								
Initial balance of accumulated amortization and value impairment	(1,515)	(193,935)	(179,032)	(3,766)	(4,701)	(2,691)	(14,201)	(399,841)
Amortization of the period	(483)	(24,431)	(53,441)	(1,220)	(1,330)	(337)	(3,285)	(84,527)
Disposals (-)	48	2,020	-	796	3,855	-	817	7,536
Other changes		(325)	-	-	(5)	(5)	(8)	(343)
Final balance accumulated amortization and value impairment	**(1,950)**	**(216,671)**	**(232,473)**	**(4,190)**	**(2,181)**	**(3,033)**	**(16,677)**	**(477,175)**
Total final balance of net right-of-use assets	**5,044**	**485,259**	**1,934,539**	**17,392**	**2,271**	**1,509**	**3,418**	**2,449,432**

- Amounts stated in millions of Colombian pesos -

2022	Right-of-use land	Right-of-use buildings	Right-of-use plants, pipelines and tunnels	Right-of-use networks, lines and cables	Right-of-use Machinery and equipment	Right-of-use communication and computing equipment	Right of use Traction and lifting transport equipment	Total
Beginning Cost Balance	5,946	645,424	1,863,979	18,207	9,362	4,200	11,998	2,559,116
Additions[1]	325	17,675	132,601	2,453	-468	-	9,161	161,747
Disposals (-)	-	-805	-	-	-	-	-	-805
Other changes	-179	89	-	-	-	90	-	-
Ending balance of cost	**6,092**	**662,383**	**1,996,580**	**20,660**	**8,894**	**4,290**	**21,159**	**2,720,058**
Accumulated amortization and value impairment								
Initial balance of accumulated amortization and value impairment	-1,112	-171,390	-130,463	-2,660	-3,431	-2,384	-10,996	-322,436
Amortization of the period	-437	-23,030	-48,569	-1,107	-1,270	-307	-3,198	-77,918
Disposals (-)	-	518	-	-	-	-	-	518
Other changes	34	-34	-	-	-	-	-9	-9
Final balance accumulated amortization and value impairment	**-1,515**	**-193,936**	**-179,032**	**-3,767**	**-4,701**	**-2,691**	**-14,203**	**-399,845**
Total final balance of net right-of-use assets	**4,577**	**468,447**	**1,817,548**	**16,893**	**4,193**	**1,599**	**6,956**	**2,320,213**

- Amounts stated in millions of Colombian pesos -

[1] It corresponds to the subsequent measurement of the lease liability, which generates increases each time there are changes in the rate in its Average Investment Cost (CMI) component in pesos per cubic meter charged by Aguas Nacionales to EPM, this increase is given by regulations each time the CPI accumulates 3% and additional on the dates on which the increases by rate path are applied.

At the cut-off date, the minimum future payments and the present value of the minimum payments of the lease liability are distributed as follows:

Finance lease	2023		2022	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
To one year	252,395	240,477	229,737	218,937
More than one year and up to five years	938,689	703,758	850,875	639,156
More than five years	17,331,230	2,087,271	16,936,810	1,906,220
Total leases	**18,522,314**	**3,031,506**	**18,017,422**	**2,764,313**
Less - value of unearned interest	15,490,808	0	15,253,109	0
Present value of minimum lease payments	**3,031,506**	**3,031,506**	**2,764,313**	**2,764,313**

- Amounts stated in millions of Colombian pesos -

The most significant lease agreements are:

Sewerage Interconnection Contract CT- 2013-002297-A421 of November 26, 2018, entered between EPM (THE BENEFICIARY) and Aguas Nacionales EPM (THE SUPPLIER), regulates the interconnection conditions to the wastewater transportation and treatment subsystems owned by Aguas Nacionales, for the provision of the service by EPM of the public sewerage service to the users of the interconnected system of the Aburrá Valley. This interconnection will also allow the drying and final disposal of the biosolids resulting from the treatment of wastewater from the entire interconnected system.

The termination of the contract is July 1, 2021, the date on which the validity of the tariff formula ends, in accordance with the provisions of Article 113 of Resolution CRA 688 of 2014, modified by Article 41 of the Resolution CRA 735 of 2015. If, in accordance with the provisions of the last paragraph of Article 126 of Law 142 of 1994, the validity of the tariff formula is extended, the contract shall be understood to be in force while the Potable Water and Basic Sanitation Regulation Commission do not determine a new formula.

The contract was renewed from July 1, 2021 for 5 years.

Before the expiration of the term of the contract, the parties by mutual agreement may extend or extend the term of the contract by means of a written document, so it is understood that there will be no automatic extension of the term of the contract.

EPM does not intend to financially acquire the Aguas Claras wastewater treatment plant or PTAR or enter into any purchase option for said asset.

The lease payments of the contract that EPM pays to Aguas Nacionales EPM are by Average Investment Cost (CMI), determined in pesos per cubic meter of treated residual water and are updated as indicated in the following paragraph and in Annex No. 4 of the Contract:

First paragraph. THE SUPPLIER will apply a CPI update factor to the reference costs each time the Consumer Price Index, reported by DANE, accumulates a variation of at least three percent (3%).

According to annex No. 4 of the contract: the increases by rate path are the following:
January 2019: 5.75%
January 2020: 2.40%
January 2021: 2.16%
January 2022: 1.63%

The Leasing Contract for the Edificio Empresas Públicas de Medellín CT-085 of February 12, 2002, entered into between EPM (THE COMPANIES) and the MUNICIPALITY OF MEDELLIN (MUNICIPALITY), the MUNICIPALITY undertakes to deliver as a lease to THE COMPANIES and these They oblige to receive the same title, the use and enjoyment of the real estate of their property called "Edificio Empresas Públicas de Medellín", with all its constructions and improvements.

The duration of the contract is 50 years from December 21, 2001, the date on which the MUNICIPALITY OF MEDELLIN began to appear as the owner of the property.

The lease payments of the contract are readjusted each year by a percentage equal to the Consumer Price Index (CPI) at the national level, certified by DANE for the immediately previous year.

Lease liabilities are found under Other financial liabilities in the statement of financial position.

The interest originated from the lease liability amounts to $286,770 (2022: $258,632) (see note 36 Financial income and expenses).

Total lease cash outflows during the period are $232,935 (2022: $211,125).

14.2 Operating lease as lessor

The most significant operating lease agreements are:

Connection Contract MA-0021450 dated January 24, 2013, entered between ECOPETROL (THE BENEFICIARY) and EPM (THE SUPPLIER), which regulates the connection of Ecopetrol to the STN at the Comuneros 230 kV substation.

The term is 30 years for the operation and provision of the connection service from the date of entry into operation of the project, which was February 1, 2016.

Total annual payments are indexed to the IPP, based on the IPP of the month prior to the signing of the connection contract.

Electrical infrastructure for the installation of networks by telecommunications operators. These can be renewed in a period not exceeding five years. The contract lease payments are updated according to the pole support rates that are regulated by the CRC (resolution 5890/2020) and multiplied by the number of supports that each client uses; this charge is made monthly, and the rate is updated annually according to the IPP.

The value of operating lease income is:

Operating lease	2023	2022
Year one	104,014	74,852
Year two	29,464	31,659
Year three	24,940	29,331
Year four	19,851	24,119
Year five	19,293	24,119
More than five years	299,828	312,672
Total leases	**497,390**	**496,752**

- Amounts stated in millions of Colombian pesos -

14.3 Leases that do not give rise to right-of-use assets as a lessee

The lease agreements that do not give rise to the most significant right-of-use assets are: spaces for the installations and operation of antennas at weather stations, shift management system, user printing infrastructure, among others, which have no restrictions.

As of the cut-off date, future short-term lease commitments are $9,139 (2022: $6,855).

Total future non-cancellable sublease minimum payments for assets acquired under operating leases is $1,782.

The lease payments recognized as expenses for the period are $7,219 (2022: $6,581)

Total lease cash outflows during the period are $6,747 (2022: $6,098).

Note 15. Guarantee

The company has not provided guarantees in which the third party is authorized to sell or pledge without a breach by the company.

The company has not received any collateral that it is authorized to sell or pledge without a breach by the collateral owner.

Note 16. Other assets

The detail of other assets at the end of the reporting periods is as follows:

Concept	2023	2022
Non-current		
Employee Benefits	58,946	49,798
Prepayments (1)	60,448	35,712
Deferred loss on leaseback transaction	18,907	19,582
Advances delivered to suppliers (2)	-	2,147
Assets received as payment	1,286	1,286
Total other non-current assets	**139,587**	**108,525**
Current		
Prepayments (1)	133,927	108,260
Advances to suppliers (2)	53,910	49,848
Other credit balances due to other taxes	360	284
Other advances or credit balances due to taxes and contributions	470	94
Total other current assets	**188,667**	**158,486**
Total other assets	**328,254**	**267,011**

- Amounts stated in millions of Colombian pesos -

[1] The non-current portion includes comprehensive policies for $56,658 (2022: $31,030), and the premium on legal stability contracts for $3,790 (2022: $4,682).

The current portion includes insurance for $102,385 (2022: $71,101), mainly made up of comprehensive policies for $80,308 (2022: $53,089), and other insurance for $22,077 (2022: $18,012); goods and services for $13,252 (2022: $20,120); leases and maintenance for $18,290 (2022: $17,038).

[2] It corresponds to advances and resources delivered in administration, mainly in the current portion: XM advances for $25,027 (2022: $24,372); advances for goods and services for $16,166 (2022: $16,054), Ruta N agreement advance for $5,396 (2022: $6,227), other advances for $6,029 (2022: $3,058) and Corporación Cuencaverde for $1,293 (2022: $136).

Note 17. Inventories

Inventories at the end of the period were represented as follows:

Inventories	2023	2022
Materials for the rendering of service (1)	185,875	177,333
In-stock merchandise	17,294	17,109
Goods in transit	1,153	1,175
Total inventories at cost or net realizable value, whichever is lower	**204,322**	**195,617**

- Amounts stated in millions of Colombian pesos -

[1] It includes materials for rendering of services held by third parties, which are those delivered to contractors that carry out activities related to the provision of services.

The company has not generated losses in value when comparing the net realizable value with the average cost of inventories.

The company has not committed its inventories as collateral for liabilities.

Note 18. Cash and cash equivalents

The composition of cash and cash equivalents at the end of the period is as follows:

Cash and cash equivalents	2023	2022
Cash on hand and banks	1,220,306	1,637,265
Other cash equivalents	250,524	447,184
Total cash and cash equivalents presented in the statement of financial position	**1,470,830**	**2,084,449**
Cash and cash equivalents presented in the statement of cash flows	**1,470,830**	**2,084,449**
Restricted cash and cash equivalents (1)	**120,893**	**97,542**

- Amounts stated in millions of Colombian pesos -

[1] Of these, $40,591 (2022: $56,615) corresponds to non-current restricted cash and $80,302 (2022: $40,927) to current.

For cross-reference purposes with the separate cash flow statement, the Restricted Resources line includes the restricted resources of the portfolio for $808.

Treasury investments mature in a period equal to or less than three months from the date of acquisition and accrue market interest rates for this type of investment.

The business has restrictions on cash and cash equivalents detailed below. As of December 31, 2023, the fair value of restricted cash equivalents is $120,893 (2022: $97,542).

Fund or agreement	Destination	2023	2022
Sintraemdes Housing Fund	Contribute to the acquisition and improvement of housing for the public servants who are beneficiaries of the collective agreement signed between EPM and the trade unions.	34,199	10,246
Sinpro Housing Fund	Contribute to the acquisition and improvement of housing for the public servants who are beneficiaries of the collective agreement signed between EPM and the trade unions.	31,889	9,927
Income Corpb. 6972005469	Address possible contingencies following EPM's acquisition of EPRIO	8,067	7,133
Agreement Account	Inter-administrative agreement CT-2022-000918, Indigenous Schools Government	5,628	-
Agreements on public lighting and sanitation fees with municipalities	Agreement to manage the resources of the territorial entities for the payment to the municipalities with agreements for the collection of public lighting and sanitation fees, are resources exempt from the 4x1000.	5,570	544
Agreement Account	2020-2023 Development Plan of the Government of Antioquia, and EPM's Energy Service Coverage Goals	5,100	-
Ministry of Mines and Energy - Special Development Quota Fund	Co-financing agreement for the construction, distribution infrastructure and connection to low-income users in the municipalities of Amagá, Santafé de Antioquia, Sopetrán, San Jerónimo and Ciudad Bolívar. Compressed Natural Gas and connection to users in Don Matías, Entrerríos, San Pedro, Santa Rosa and Yarumal. Agreement No. 106: construction of the infrastructure to connect users of the Aburrá Valley, La Ceja, La Unión and El Retiro. Agreement 179: includes the municipality of Sonsón.	3,591	3,250
Contract No. CT-2019-001105	Contract for the supply of energy and electrical power for the non-regulated market and support of contracts of the energy distributor and marketer S.A. E.S.P, DICEL S.A. E.S.P.	3,373	3,058
Sintraemdes Education Fund	Promote the well-being of public servants in order to meet the needs of paying tuition, textbooks and endowments that are required to carry out their own studies and those of the family group.	2,398	1,808
Sinpro Education Fund	Promote the well-being of public servants in order to meet the needs of paying tuition, textbooks and endowments that are required to carry out their own studies and those of the family group.	2,387	2,505
Adapted Health Entity Fund and Fosyga Fund	Mechanism for control and monitoring of the collection of contributions from the Contributory Regime of the General Social Security System in Health.	2,188	1,894
SOMOS Points Agreement	Provision of services for the operation of the key capabilities associated with the Points element of the Large-Scale Loyalty Program for the EPM Group.	2,126	1,928
Sintraemdes Calamity Fund	Promote the well-being of their servants to attend to their urgent and unforeseen needs or those of their primary family group.	1,839	1,565

Fund or agreement	Destination	2023	2022
Ministry of Mines and Energy - Special Development Quota Fund	Co-financing agreement for the construction, distribution infrastructure and connection to low-income users in the municipalities of Amagá, Santafé de Antioquia, Sopetrán, San Jerónimo and Ciudad Bolívar. Compressed Natural Gas and connection to users in Don Matías, Entrerríos, San Pedro, Santa Rosa and Yarumal. Agreement No. 106: construction of the infrastructure to connect users of the Aburrá Valley, La Ceja, La Unión and El Retiro. Agreement 179: includes the municipality of Sonsón.	1,552	1,538
Agreement Account	Seizure due to judicial proceedings	1,478	1,163
Agreement Account	inter-administrative cooperation agreement with the Government of Antioquia for the construction of 13 indigenous schools in different municipalities of Antioquia with the Villages Programme	1,458	-
Agreement Account	Implementation of solar photovoltaic systems through the "Linked by Rural Schools" network	1,396	-
Sinpro Calamity Fund	Promote the well-being of their servants to attend to their urgent and unforeseen needs or those of their primary family group.	1,354	1,312
Adapted Health Entity Fund and Fosyga Fund	Mechanism for control and monitoring of the collection of contributions from the Contributory Regime of the General Social Security System in Health.	710	2,424
Medellín Municipality Framework Agreement No. 4600049285	Construction by EPM of platforms and other road elements in the city center, taking advantage of the Centro Parrilla project, that is, the renovation of aqueduct and sewer networks.	653	592
Villages Program	Take advantage of the wood that completes its maturation cycle in the forests planted by EPM around its reservoirs, to build social housing in the municipalities of Antioquia outside the Aburrá Valley and deliver them to low-income families, preferably in situations of forced or voluntary displacement.	630	571
EAS CTAS COPAYS	Receipt of resources corresponding to moderator fees and co-payments in the EAS	462	315
Ministry of Mines and Energy - Special Development Quota Fund	Co-financing agreement for the construction, distribution infrastructure and connection to low-income users in the municipalities of Amagá, Santafé de Antioquia, Sopetrán, San Jerónimo and Ciudad Bolívar. Compressed Natural Gas and connection to users in Don Matías, Entrerríos, San Pedro, Santa Rosa and Yarumal. Agreement No. 106: construction of the infrastructure to connect users of the Aburrá Valley, La Ceja, La Unión and El Retiro. Agreement 179: includes the municipality of Sonsón.	440	436
Sinpro Education Fund	Promote the well-being of public servants in order to meet the needs of paying tuition, textbooks and endowments that are required to carry out their own studies and those of the family group.	358	116
Ministry of Mines and Energy - Special Development Quota Fund	Co-financing agreement for the construction, distribution infrastructure and connection to low-income users in the municipalities of Amagá, Santafé de Antioquia, Sopetrán, San Jerónimo and Ciudad Bolívar. Compressed Natural Gas and connection to users in Don Matías, Entrerríos, San Pedro, Santa Rosa and Yarumal. Agreement No. 106: construction of the infrastructure to connect users of the Aburrá Valley, La Ceja, La Unión and El Retiro. Agreement 179: includes the municipality of Sonsón.	345	341
Payment of CO Solidarity Contributions	The purpose of the account is to receive the transfer of solidarity contributions paid by other marketers, as well as the resources paid by the Ministry of Mines and Energy as subsidies for lower tariffs applied to users of the energy service of strata 1, 2 and 3.	254	1
Sinpro Calamity Fund	Promote the well-being of their servants to attend to their urgent and unforeseen needs or those of their primary family group.	251	164
Agreement Account	Hedge contemplated in the 2020 - 2023 Development Plan of the Government of Antioquia, EPM and the Department, the connection of approximately 186 electrical installations with alternative energy related to individual photovoltaic systems - SISFV, in different subregions of the Department of Antioquia, contributing to the increase in hedge in rural electrification and improving the quality of life of the most vulnerable population.	230	-
Motorcycle Repair Fund	Promote the well-being of official workers who work in the regional market and use motorcycles they own to carry out their work.	362	164
Sintraemdes Education Fund	Promote the well-being of public servants in order to meet the needs of paying tuition, textbooks and endowments that are required to carry out their own studies and those of the family group.	160	255
Management of resources for the construction of infrastructure in Madera para Emvarias in the La Pradera landfill.	Management of resources for the construction of infrastructure in Madera para Emvarias in the La Pradera landfill.	98	87

Fund or agreement	Destination	2023	2022
Law 820 Deposits	Guarantee required by the landlord from the tenant, for the payment of utilities. According to Article 15 of Law 820 of 2003 and Regulatory Decree 3130 of 2003.	93	87
Municipality of Medellín - Land	Acquisition of identified and characterized properties within the protection zones of watersheds supplying aqueduct systems in the municipality of Medellín.	79	70
Espíritu Santo	EPM - Liquidation of the Espíritu Santo	65	64
Sintraemdes Calamity Fund	Promote the well-being of their servants to attend to their urgent and unforeseen needs or those of their primary family group.	55	118
Municipality of Medellín - Aguas	Integrated management of water for human consumption by the inhabitants of the municipality of Medellín.	30	26
Motorcycle Repair Fund	Promote the well-being of official workers who work in the regional market and use motorcycles they own to carry out their work.	18	204
Motorcycle Repair Fund	Promote the well-being of official workers who work in the regional market and use motorcycles they own to carry out their work.	7	-
Sinpro Housing Fund	Contribute to the acquisition and improvement of housing for the public servants who are beneficiaries of the collective agreement signed between EPM and the trade unions.	-	21,529
Sintraemdes Housing Fund	Contribute to the acquisition and improvement of housing for the public servants who are beneficiaries of the collective agreement signed between EPM and the trade unions.	-	20,395
Agreement Account	Inter-administrative agreement CT-2020-000916, connection of household electricity networks to increase hedge in rural electrification	-	1,450
Resources of the future Ituango hydroelectric power plant	Receipt of the resources paid by the insurance companies MAPFRE, AXA, SBS and SURA, which will be used exclusively for the future Ituango hydroelectric power plant	-	122
Agreement 5 Indigenous Esc. 2019-20	Co-financing the development of indigenous educational centres within the framework of the villages programme, for the improvement of the quality of life of indigenous communities in the department of Antioquia	-	112
Inter-administrative agreement CT-2017-001388 (460007009)	Agreement for the construction of 7 indigenous schools in 5 municipalities	-	28
Total		**120,893**	**97,542**

- Amounts stated in millions of Colombian pesos -

Note 19. Equity

19.1 Issued capital

The company does not have its capital divided into parts/shares and has not had increases or decreases in capital in the period reported.

19.2 Reserves

Of the accounts that compound the equity, the reserves at the cut-off date were constituted of:

Reserves	2023	2022
Legal reserve		
Initial balance	878,307	971,393
Release	(389,261)	(93,086)
Final balance Legal reserves	**489,046**	**878,307**
Occasional reserves		
Initial balance	574,008	574,008
Final balance occasional reserves	**574,008**	**574,008**
Other reserves		
Initial balance	7,591	7,591
Final balance other reserves	**7,591**	**7,591**
Total reserves	**1,070,645**	**1,459,906**

- Amounts stated in millions of Colombian pesos -

The nature and purpose of the company's equity reserves are described below:

Legal reserve
In compliance with the Colombian tax provisions contained in article 130 of the Tax Statute, repealed by article 376 of Law 1819 of 2016 and in Decree 2336 of 1995, the company duly constituted the legal reserves. The reserves constituted by excesses in depreciation quotas referred to in article 130 of the Tax Statute may be released at the moment in which the depreciation requested for fiscal purposes is less than that recorded in the income statement.

Occasional reserves
In compliance with article 211 of the Tax Statute, the company has constituted the required reserves in order to enjoy special tax treatment and obtain rationalization in the payment of income and complementary taxes.

Other reserves
Includes equity funds (resources appropriated prior to 1999 to grant housing loans to workers, Financing Plan, self-insurance fund, housing fund).

The Board of Directors, in its sessions on March 23, 2022 and March 23, 2021, approved:

- Release reserves for $389,261 (2022: $93,086) appropriated in prior periods by authorization of the Board of Directors.

19.3 Retained earnings

The movement of accumulated results during the period was:

Retained earnings	2023	2022
Initial balance	23,850,348	22,576,829
Movement of reserves	389,261	93,086
Decreed surpluses	(1,748,005)	(1,850,776)
Equity method for equity variations	(3,831)	(4,747)
Total accumulated earnings	**22,487,773**	**20,814,392**
Net result for the period	**3,765,281**	**3,035,956**
Total retained earnings	**26,253,054**	**23,850,348**

- Amounts stated in millions of Colombian pesos -

Surpluses paid during the year were $1,748,005 (2022: $1,850,776), ordinary was $910,787 (2022: $1,009,514) and extraordinary was $837,218 (2022: $841,262).

Note 20. Accumulated other comprehensive income

The detail of each component of other comprehensive income in the separate statement of financial position and the corresponding tax effect is as follows:

Accumulated other comprehensive income	2023			2022		
	Gross	Tax effect	Net	Gross	Tax effect	Net
Reclassification of property, plant and equipment and other assets reclassified to investment property	13,439	(1,360)	12,079	13,439	(1,360)	12,079
New measurements of defined benefit plans	(46,682)	17,377	(29,305)	52,800	(18,465)	34,335
Equity investments measured at fair value through equity	2,361,666	(187,815)	2,173,851	2,901,116	(270,475)	2,630,641
Participation in the other comprehensive income of subsidiaries	469,477	(104,921)	364,556	2,187,083	(84,224)	2,102,859
Cash flow hedges	(202,637)	(251,333)	(453,970)	(1,129,928)	478,898	(651,030)
Hedges of net investments in foreign businesses	6,098	-	6,098	(277,654)	-	(277,654)
Total	**2,601,361**	**(528,052)**	**2,073,309**	**3,746,856**	**104,374**	**3,851,230**

During the period, net earnings of $2,543,485 (2022: $925,269 net loss) previously recognized in other comprehensive income were reclassified to results for the period, as a cash flow hedge.

For each component of comprehensive income, a reconciliation of the beginning and ending balances as of the cut-off date is presented below:

20.1 Component: reclassification of property, plant and equipment to investment property

The component of reclassification of property, plant and equipment to investment properties of other comprehensive income corresponds to transfers from property, plant and equipment to investment properties, which are measured at fair value. Changes in fair value do not reclassify to profit or loss for the period.

Reclassification of property, plant and equipment to investment properties	2023	2022
Initial balance	12,079	12,079
Total	**12,079**	**12,079**

- Amounts stated in millions of Colombian pesos -

20.2 Component: new measurements of defined benefit plans

The component of remeasurements of defined benefit plans represents the cumulative value of actuarial gains or losses, the return on plan assets and changes in the effect of the asset ceiling, excluding values included in net interest on liabilities (asset) of net defined benefits. The net value of the new measurements is transferred to retained earnings and is not reclassified to results for the period.

Component new measurements of defined benefit plans	2023	2022
Initial balance	34,335	2,144
Result for the period from new measurements of defined benefit plans	(99,482)	52,230
Associated income tax (or equivalent)	35,842	(20,039)
Total	**(29,305)**	**34,335**

- Amounts stated in millions of Colombian pesos -

20.3 Component: equity investments measured at fair value through equity

The component of other comprehensive income from equity investments measured at fair value through equity represents the accumulated value of the gains or losses from the valuation at fair value less the values transferred to retained earnings when these investments have been sold. Changes in fair value do not reclassify to profit or loss for the period.

Equity investments measured at fair value through equity	2023	2022
Initial balance	2,630,641	3,037,953
Net gains (losses) from changes in the fair value of equity investments	(539,450)	(136,838)
Associated income tax (or equivalent)	82,660	(270,474)
Total	**2,173,851**	**2,630,641**

- Amounts stated in millions of Colombian pesos -

20.4 Component: share participation in the other comprehensive income of subsidiaries

The component of the other comprehensive income of participation in the other comprehensive income of subsidiaries represents the accumulated value of the application of the equity method to the gains and losses of the other comprehensive income of the subsidiaries. The accumulated value of the gains or losses will be reclassified to the results of the period or to retained earnings, depending on the items that originated the equity method, when these investments have been sold.

Share participation in the other comprehensive income of subsidiaries	2023	2022
Initial balance	2,102,859	1,215,372
New measurements of defined benefit plans	(100,609)	64,358
Equity investments measured at fair value through equity	(316,388)	(76,037)
Hedging	(1,480)	893
Result for conversion of foreign businesses	(1,300,398)	1,010,059
Associated income tax (or equivalent)	(1,184)	(56,029)
Total other comprehensive income for the period	**(1,720,059)**	**943,244**
Retained earnings (losses) transferred to retained earnings/loss for the period - Reclassification of property, plant and equipment and other assets	-	(138)
Earnings transferred to retained earnings for the period -Equity investments measured at fair value through equity	14	(1,953)
Accumulated gain (losses) transferred to accumulated profits/losses for the period - Hedging operations	(143)	(439)
Accumulated losses transferred to retained earnings for the period - Results from foreign business conversion	(18,184)	(3,430)
Associated income tax (or equivalent) - Accumulated gains (losses) transferred to accumulated profits/losses for the period	49	(49,797)
Total other accumulated comprehensive income	**(18,264)**	**(55,757)**
Total	**364,536**	**2,102,859**

- Amounts stated in millions of Colombian pesos -

20.5 Component: cash flow hedges

The component of other comprehensive income of cash flow hedges represents the cumulative value of the effective portion of the gains or losses that arise from changes in the fair value of items hedged in a cash flow hedge. Accumulated value of gains or losses will be reclassified to profit or loss only when the hedged transaction affects profit or loss, or the highly probable transaction is not expected to occur or is included as part of it carrying amount in an item non-financial cover.

Cash flow hedges	2023	2022
Initial balance	(651,030)	(343,034)
Gains (losses) from changes in the fair value of hedging instruments	(2,095,092)	328,945
Associated income tax (or equivalent)	467,075	(165,738)
Accumulated gains (losses) from changes in the fair value of hedging instruments reclassified to profit or loss for the period	2,543,485	(925,269)
Associated income tax (or equivalent)	(621,080)	379,908
Associated income tax (or equivalent)	(97,328)	74,158
Total	**(453,970)**	**(651,030)**

- Amounts stated in millions of Colombian pesos -

20.6 Component: Hedges of net investments in foreign businesses

The component of other comprehensive income from hedges of net investments in foreign operations represents the accumulated value of the effective portion of the gains or losses that arise from changes in the value of the hedging instrument. The accumulated value of the gains or losses will be reclassified to the results of the period only when the total or partial disposal of the covered foreign investment affects the result of the period.

Hedges of net investments in foreign businesses	2023	2022
Initial balance	(277,654)	(61,509)
Gains (losses) from changes in the value of the hedging instrument	283,752	(216,145)
Total	**6,098**	**(277,654)**

- Amounts stated in millions of Colombian pesos -

The income tax associated with the hedge of net investments in foreign businesses as of December 31, 2023 amounts to $97,328.

Note 21. Loans and borrowings

The following is the detail of the carrying amount of loans and borrowings measured at amortized cost:

Loans and borrowings	2023	2022
Non-current		
Commercial bank loans	3,306,049	2,475,741
Multilateral bank loans	651,359	761,044
Development bank loans	1,838,971	1,807,226
Bonds and titles issued	11,380,704	14,076,691
Total other credits and non-current loans	**17,177,083**	**19,120,702**
Current		
Commercial bank loans	1,193,105	188,942
Multilateral bank loans	125,588	402,199
Development bank loans	218,803	266,385
Bonds and titles issued	1,370,505	467,167
Total other current loans and borrowings	**2,908,001**	**1,324,693**
Total other loans and borrowings	**20,085,084**	**20,445,395**

- Amounts stated in millions of Colombian pesos -

The company's new loans were acquired in order to:

Entity	Destination
Club Deal	Resources destined to finance the general plan of investments in infrastructure, expansion, replacement and growth of the water, sanitation, transmission, energy and gas distribution businesses.
AFD	Partially finance the 2021-2025 investment plan in the water, sanitation, energy and photovoltaic power plant-Tepuy businesses
SANTANDER	Working Capital
BNP	Working Capital

During 2023, the following loan disbursements were received:

- March: BNDES long-term loan for USD 5.7 million, (equivalent in COP to 26,868).
- July: Club Deal long-term loan for USD 120 million, (equivalent in COP to 494,273).
- August: Club Deal long-term loan for USD 100 million, (equivalent in COP to 395,523).
- September: AFD long-term loan for USD 100 million, (equivalent in COP 392,828).
- November: AFD long-term loan for USD 51 million, (equivalent in COP to 210,003, BNP Treasury Credit for USD 170 million, equivalent in COP to 673,807, Club Deal long-term credit for USD 84 million, equivalent in COP to 334,376).
- December: BNP Treasury Credit for USD 30 million, (equivalent in COP to 118,291, Santander Treasury Credit for USD 100 million, equivalent in COP to 392,577).

The detail of loans and borrowings is as follows:

Entity or borrowing	Original currency	Initial date	Term	Nominal interest rate	2023				2022			
					IRR	Nominal value	Amortized cost value	Total amount	IRR	Nominal value	Amortized cost value	Total amount
BONDS CPI III TRAMO	COP	21/04/2009	15	CPI + 6.24%	17.09%	198,400	5,950	204,350	20.01%	198,400	5,929	204,329
BONDS CPI IV TRAM 3	COP	14/12/2010	20	CPI + 4.94%	15.78%	267,400	(473)	266,927	18.40%	267,400	(1,324)	266,076
BONDS CPI V TRAMO II	COP	4/12/2013	10	CPI + 4.52%	0.00%	-	-	-	18.44%	96,210	566	96,776
BONDS CPI V TRAM III	COP	4/12/2013	20	CPI + 5.03%	16.00%	229,190	(1,017)	228,173	18.58%	229,190	(1,142)	228,048
BONDS CPI VI TRAMO II	COP	29/07/2014	12	CPI + 4.17%	15.16%	125,000	1,954	126,954	17.71%	125,000	1,968	126,968
BONDS CPI VI TRAM III	COP	29/07/2014	20	CPI + 4.5%	15.43%	250,000	2,010	252,010	17.98%	250,000	2,584	252,584
BONDS CPI V TRAM IV	COP	20/03/2015	9	CPI + 3.65%	0.00%	-	-	-	18.26%	130,000	941	130,941
BONDS CPI VII TRAMO II	COP	20/03/2015	12	CPI + 3.92%	14.69%	120,000	(132)	119,868	17.32%	120,000	(638)	119,362
BONDS CPI VII TRAM III	COP	20/03/2015	20	CPI + 4.43%	15.13%	260,000	(409)	259,591	17.71%	260,000	(1,125)	258,875
BID-1664-1	COP	31/03/2016	10	7.8%	9.36%	94,923	138	95,061	9.16%	142,385	425	142,810
BID 2120-1	COP	27/05/2014	9	6.272%	0.00%	-	-	-	8.72%	190,295	1,760	192,055
BANK OF TOKYO-MITSUB	USD	29/09/2008	15	Libor 6M + 0.95%	0.00%	-	-	-	5.92%	80,099	1,371	81,470
GLOBAL 2024 COP	COP	10/09/2014	10	7.625%	7.73%	965,745	21,328	987,073	7.73%	965,745	20,425	986,170
AGRARIO	COP	24/06/2014	16	IBR + 2.4%	14.16%	73,073	936	74,009	14.45%	84,673	1,233	85,906
AFD	USD	10/08/2012	15	4.311%	4.39%	430,866	7,777	438,643	4.40%	677,827	12,051	689,878
BID 2120-2	COP	23/08/2016	18	7.5%	9.06%	262,903	539	263,442	9.10%	287,942	266	288,208
BNDES	USD	26/04/2016	24	4.887%	4.79%	373,618	3,929	377,547	4.76%	472,047	5,984	478,031
GLOBAL 2027 COP	COP	8/11/2017	10	8.375%	8.46%	4,165,519	51,394	4,216,913	8.46%	4,165,519	51,346	4,216,865
BID 2120-3	COP	8/12/2017	16	6.265%	7.61%	130,888	595	131,483	7.64%	143,354	627	143,981
CAF	USD	3/10/2016	18	SOFR 6M + 3.53%	8.76%	646,808	17,465	664,273	8.30%	888,037	17,767	905,804
1023 BONDS USD	USD	18/07/2019	10	4.25%	4.39%	3,822,050	56,098	3,878,148	4.39%	4,810,200	67,110	4,877,310
BID 2120-4	COP	17/06/2020	14	5%	6.07%	284,124	2,837	286,961	6.08%	311,184	3,534	314,718
BONDS USD 2030	USD	15/07/2020	11	4.375%	4.60%	2,197,679	13,520	2,211,199	4.60%	2,765,865	13,690	2,779,555
FINDETER	COP	28/01/2021	3	0%	0.00%	1,839	-	1,839	0.00%	23,903	-	23,903
BBVA	COP	18/05/2021	3	IBR 1M + 0.1%	12.53%	382	2	384	11.22%	763	7	770
BBVA	COP	18/05/2021	3	IBR 1M + 0.1%	12.53%	4,969	25	4,994	11.23%	9,938	85	10,023
BBVA	COP	18/05/2021	2	IBR 1M + 0.1%	0.00%	-	-	-	11.18%	8,568	55	8,623
JP MORGAN	COP	24/11/2021	5	IBR OIS + 2.477%	15.44%	979,250	9,848	989,098	14.09%	979,250	10,888	990,138
AFD	USD	18/09/2023	9	SOFR 6M + 2.12%	7.67%	577,130	182	577,312	0.00%	-	(102)	(102)
UMB BANK	USD	19/12/2022	5	SOFR 3M + 2.2%	8.23%	2,308,518	(29,832)	2,278,686	7.59%	1,443,060	(19,489)	1,423,571
BANCO POPULAR	COP	2/12/2022	1	IBR 3M + 6.62%	0.00%	-	-	-	17.74%	120,000	1,749	121,749
BNP TESORERIA	USD	15/11/2023	1	SOFR 1M + 2.25%	7.61%	649,749	2,335	652,084	0.00%	-	-	-
BNP TESORERIA	USD	22/12/2023	1	SOFR 1M + 2.25%	7.61%	114,662	242	114,904	0.00%	-	-	-
SANTANDER TESORERIA	USD	20/12/2023	1	SOFR 1M + 2.25%	7.61%	382,205	969	383,174	0.00%	-	-	-
Comisiones	USD	1/12/2023			0.00%	-	(16)	(16)	0.00%	-	-	-
						19,916,890	168,194	20,085,084		20,246,854	198,541	20,445,395

- Amounts stated in millions of Colombian pesos -

At the end of the period, the following movements were associated with credits and loans, and for the purposes of presentation in the statement of cash flows, they are disclosed in the following items: i) obtaining public loans and treasury for $3,038,546 (December 2022: $1,706,272); ii) public credit and treasury payments $980,928 (December 2022: $2,079,859); iii) transaction costs for issuance of debt instruments of $18,381 (December 2022: $26,657).

Interest paid for credit operations as of December 2023 was: $1,492,111 and (2022: $1,257,578).

Net income due to debt-related exchange difference recognized in profit or loss for the period was $380,597 (2022 $409,672 net loss) and the capitalized exchange difference in eligible assets was: $0 (2022 $4,962.)

As of the cut-off date, the loans used as hedging instruments for net investments in foreign businesses are those contracted with CAF and AFD and had designated USD 282 million (equivalent to COP 1,077,675) for 2023. Difference has been reclassified from the profit or loss for the period to other comprehensive income by $283,752 (2022: $216,145)

The information on the bonds issued is as follows:

Subseries	Original Currency	Initial Date	Term	Nomina Interest Rate	2023				2022				Amount awarded								
					IRR	Nominal amount	Amortizad Cost Amount	Total amount	IRR	Nominal amount	Amortizad Cost Amount	Total amount	Amount awarded to 2021	Amount awarded to 2020	Amount awarded to 2019	Amount awarded to 2018	Amount awarded to 2017	Amount awarded to 2016	Amount awarded to 2015	Amount awarded to 2014	Amount awarded to 2013
A10a	COP	4/12/2013	10	IPC + 4.52%	0.00%	0	0	0	18.44%	96,210	566	96,776	96,210	96,210	96,210	96,210	96,210	96,210	96,210	96,210	96,210
A10a	COP	20/03/2015	9	IPC + 3.65%	0.00%	0	0	0	18.26%	130,000	941	130,941	130,000	130,000	130,000	130,000	130,000	130,000	130,000		
A12a	COP	29/07/2014	12	IPC + 4.17%	15.16%	125,000	1,954	126,954	17.71%	125,000	1,968	126,968	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	0
A12a	COP	20/03/2015	12	IPC + 3.92%	14.69%	120,000	(132)	119,868	17.32%	120,000	(638)	119,362	120,000	120,000	120,000	120,000	120,000	120,000	120,000	0	0
A15a	COP	21/04/2009	15	IPC + 6.24%	17.09%	198,400	5,950	204,350	20.01%	198,400	5,929	204,329	198,400	198,400	198,400	198,400	198,400	198,400	198,400	198,400	198,400
A20a	COP	14/12/2010	20	IPC + 4.94%	15.78%	267,400	(473)	266,927	18.40%	267,400	(1,324)	266,076	267,400	267,400	267,400	267,400	267,400	267,400	267,400	267,400	267,400
A20a	COP	4/12/2013	20	IPC + 5.03%	16.00%	229,190	(1,017)	228,173	18.58%	229,190	(1,142)	228,048	229,190	229,190	229,190	229,190	229,190	229,190	229,190	229,190	229,190
A20a	COP	29/07/2014	20	IPC + 4.5%	15.43%	250,000	2,010	252,010	17.98%	250,000	2,584	252,584	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	0
A20a	COP	20/03/2015	20	IPC + 4.43%	15.13%	260,000	(409)	259,591	17.71%	260,000	(1,125)	258,875	260,000	260,000	260,000	260,000	260,000	260,000	260,000	0	0
International bonds	COP	10/09/2014	10	7.625%	7.73%	965,745	21,328	987,073	7.73%	965,745	20,425	986,170	965,745	965,745	965,745	965,745	965,745	965,745	965,745	965,745	0
International bonds	COP	8/11/2017	10	8.375%	8.46%	4,165,520	51,394	4,216,914	8.46%	4,165,519	51,346	4,216,865	4,165,519	4,165,519	3,530,000	2,300,000	2,300,000	0	0	0	0
International bonds	USD	18/07/2019	10	4.25%	4.39%	3,822,051	56,098	3,878,149	4.39%	4,810,200	67,110	4,877,310	3,981,160	3,432,500	3,277,140	0	0	0	0	0	0
International bonds	USD	15/07/2020	11	4.375%	4.60%	2,197,680	13,520	2,211,200	4.60%	2,765,865	13,689	2,779,554	2,289,167	1,973,688	0	0	0	0	0	0	0
TOTAL						12,600,986	150,223	12,751,209		14,383,529	160,329	14,543,858	13,077,791	12,213,652	9,449,085	4,941,945	4,941,945	2,641,945	2,641,945	2,131,945	791,200

- Amounts stated in millions of Colombian pesos, the exchange rate used was the closing TRM of each period -

Covenant debt / EBITDA

The EPM Group has different financial commitments (covenant), established in the loan contracts signed with the French Development Agency - AFD, Inter-American Development Bank, CAF - Development Bank of Latin America, National Bank for Economic and Social Development - BNDES, JPMorgan and the Deal Club (BNP Pariba, BBVA, Scotiabank and Sumitomo). These contracts include some of the following covenants: Net Debt/EBITDA LTM, EBITDA/Financial Expenses, EBITDA/Net Financial Expenses, and Long-Term Debt/Equity.

At the end of December 2023, EPM was in compliance with the agreed financial covenants.

Non-compliance

During the accounting period, the company has paid the principal and interest on its loans.

Note 22. Trade and other payables

Trade and other payables are measured at amortized cost and are established of:

Trade and other payable	2023	2022
Non-current		
Acquisition of goods and services	628	628
Deposits received in guarantee	8,717	7,465
Total non-current trade and other payables	**9,345**	**8,093**
Current		
Creditors [1]	1,128,962	806,877
Acquisition of goods and services	694,124	699,409
Allocated subsidies [2]	80,914	56,900
Commissions payable	2,110	2,110
Other accounts payable	316	331
Deposits received in guarantee	310	310
Total current trade and other payables	**1,906,736**	**1,565,937**
Total trade and other payables	**1,916,081**	**1,574,030**

-Amounts stated in millions of Colombian pesos-

[1] Increase in the registration of estimates for the commercial operation. It also includes insurance, the product of the all-risk policy for the construction and assembly of the second stage of the Ituango hydroelectric plant.

[2] It increased subsidies in the following items: aqueduct service $14,502, sewerage $7,048, energy $2,369, and gas service $95.

The term for payment to suppliers is generally 30 days with the exception of:

- Payments less than ten (10) current legal monthly minimum wages (SMMLV for its Spanish initials).
- Those destined to cover sanctions, fines and indemnities and taxes.
- And the others that apply according to the business rule 2019-RN-107.

Non-compliance
During the accounting period, the company has not defaulted on payments to trade and other payables.

Note 23. Other financial liabilities

Other financial liabilities are established of:

Other financial liabilities	2023	2022
Non-current		
Lease liability [3]	2,956,914	2,693,349
Pension bonds [2]	134,693	111,463
Financial liabilities measured at fair value through profit or loss for the period	14	-
Derivatives for cash flow hedging purposes [3] (see note 24)	906,328	4,065
Total other non-current financial liabilities	**3,997,949**	**2,808,877**
Current		
Lease liability [3]	74,592	70,966
Financial liabilities measured at fair value through profit or loss for the period [1]	-	49,090
Pension bonds [2]	487,284	416,760
Derivatives for cash flow hedging purposes	8	-
Total other current financial liabilities	**561,884**	**536,816**
Total other financial liabilities	**4,559,833**	**3,345,693**

- Amounts stated in millions of Colombian pesos -

[1] It includes the valuation of the premium of the climate derivative, the objective of which is to have the hedge of the risk in income due to the occurrence of extreme weather events that affect rainfall and, therefore, the contractual commitments of energy generation. The change in financial liabilities measured at fair value is due to the fact that the last instalment of the climate derivative premium was paid in 2023.

[2] It includes the following items: payment of pension bonds of $43,278 and payment of lease liabilities of $15,546 reflected in the statement of cash flows.

[3] The variation is due to the revaluation of 20.54% so far this year and the higher interest rates, specifically the IBR, due to the fact that the right is devalued considerably, increasing the obligation in the fair value account.

23.1 Financial liabilities designated at fair value through profit or loss

Financial liability for premiums payable for the weather derivative, which has been contracted to cover dry seasons that imply a decrease in hydraulic generation and the rise in energy prices on the stock market. It is measured at fair value through profit or loss, in order to achieve asymmetry or "match" the financial asset (derivative/option, valued at fair value through profit or loss) with the financial liability (premiums payable).

23.1.2 Financial liabilities designated at fair value through profit or loss, with the effects of the change in credit risk of the liability recognized in profit or loss for the period

Concept	2023	2022
Gain (loss) for the period from changes in fair value attributable to changes in credit risk recognized in profit or loss for the period		1,169
Difference between the carrying amount and the value to be paid at the time of liquidation:	-	**(8,391)**
Carrying amount of the liability(s)	-	49,090
Amount to pay at the time of settlement	-	57,481
Total	-	**49,090**

- Amounts stated in millions of Colombian pesos -

The company has determined that presenting the effects of changes in the credit risk of a liability in other comprehensive income would create or increase an accounting asymmetry in the result of the period, this asymmetry is generated given that EPM's rating is BB+ and the NewRe is AA. It should be noted that this liability comes from a contract that is linked to an option-type derivative instrument, which represents an asset for EPM. The derivative instrument (asset) is valued at fair value (including credit risk) with changes in results since it is not designated in hedge accounting.

Note 24. Derivatives and hedges

The company has the following types of hedge:

- Cash flow hedges, which consists of covering the variation in future cash flows attributable to certain risks, such as interest rate and exchange rate that can impact results, whose fair values at the end of the reporting period amount to:
- Swaps: A net obligation of $906,328 (see note 23. Other financial liabilities) (2022: Net obligation $459,935).

  The hedging relationship is effective taking into account that the fundamental financial conditions (such as nominal, interest rate, payment and maturity dates) of the hedging instrument and the hedged item match, in accordance with IFRS 9, on the basis from a qualitative assessment of such fundamental conditions, that the hedging instrument and the hedged item have values that will generally move in opposite directions due to the same risk and, therefore, that there is an economic relationship between the hedged item and the hedging instrument.
- Hedges of net investments in foreign operations, whose objective is to cover the equity for the exchange rate risks that EPM may have, by the equity method in the effect of conversion of financial statements in investments in subsidiaries with dollar functional currency for further details, (see note 21 Loans and borrowings and note 20 Accumulated other comprehensive income). The effectiveness tests of these hedges are carried out with the "less than" test, which consists of identifying the effectiveness as the lower accumulated value between the valuation of the hedging instrument and that of the hedged item, and any difference is considered ineffective recognized in the result of the period.

The risks that have been covered in these operations are presented below, for more detail (see note 42 Financial risk management objectives and policies):

Hedge Classification	Description	Hegde Risk	Section	Hedged item	Carrying amount hedged item	Carrying amount hedging instrument	Changes in the fair value of the hedging instrument in the period	Changes in the fair value of the hedged item in the period	Hedge Ineffectiveness recognized in profit or loss for the period	Hedge Effectiveness recognized in other comprehensive income	Reclassification of other comprehensive income to profit or loss for the period (1)
Cash Flow Hedging											
Swaps	Cross Currency Swap	USD/COP Exchange Rate and SOFR/Fixed Debt Service Interest Rate	International Bonds & Club Deal	Credit in Dollars	8,368,033	(906,328)	(1,366,262)	711,168	N.A	(1,366,262)	(2,205,381)
Hegde of net investment abroad	The hedging instrument is loans in USD that are not covered and do not capitalize, in this case they would be CAF and AFD.	USD/COP Exchange Rate	Investments in subsidiaries in HET, PDG and MaxSeguros.	Investments in subsidiaries with USD functional currency	1,280,299	1,077,675	(568,289)	(134,416)	(21,898)	(235,961)	-

- Amounts stated in millions of Colombian pesos -

[1] The reclassification of other comprehensive income to profit or loss for the period, for swap instruments, affected the interest item, exchange difference, interest exchange difference and the principal of the right. In addition, $45,091 was capitalized as borrowing costs mainly to the Ituango project.

Foreign exchange risk hedging operations are part of the public debt regulated in Decree 1068 of 2015, therefore, they require the general approval of the operation via resolution, as well as the official authorization of each of the confirmation letters that will be signed with the financial institutions with the potential to participate in the respective operations.

Decree 1575 of 2022, presented some modifications to Decree 1068 of 2015, in the sense of incorporating greater efficiency in the process of obtaining authorizations to manage the risks of the market of derivatives of financial liabilities in dollars, so that when it comes to public credit operations or similar subject to the approval of the Ministry of Finance and Public Credit, These operations may be authorized simultaneously in the same resolution together with the risk hedging operations. In any case, the authorized entity may only contract the risk hedging operation on the amounts effectively disbursed from the public credit operation or assimilated in whole or in part.

Cash flow hedge

The Company expects the cash flows that are under cash flow hedging accounting to be realized in the period between January 1, 2023 and February 15, 2031, for more details see note 42 Financial Risk Management Objectives and Policies, numeral 42.1 Market Risk.

The characteristics of the main cash flow hedging instruments that fall under hedge accounting are as follows:

Current Hedge

Characteristisc								
Covered Underlying	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029
Closing Date	8-jun-20	7-jul-20	10-jul-20	15-jul-20	15-jul-20	9-nov-20	12-nov-20	18-may-21
Derived Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterpart	BNP Paribas	JP Morgan	JP Morgan	Scotia Bank	Goldman Sachs	Goldman Sachs.	BBVA	Merrill Lynch
Face (USD)	100,000,000	50,000,000	100,000,000	100,000,000	100,000,000	125,000,000	125,000,000	100,000,000
Spot exchange rate	3,597	3,627	3,617	3,606	3,608	3,657	3,642	3,649
Expiration Date	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29

* CCS : Cross Currency Swap

Current Hedge Characteristics								
Covered Underlying	Bonds 2029	Bonds 2029	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031
Closing Date	2-jun-21	3-jun-21	11-sep-20	16-sep-20	22-oct-20	23-oct-20	29-ene-21	11-mar-21
Derived Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterpart	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	Merrill Lynch International	JP Morgan	JP Morgan	Sumitomo Mitsui Banking Corporation, New York Branch	JP Morgan	BNP Paribas	Goldman Sachs
Face (USD)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	75,000,000	75,000,000
Spot exchange rate	3,638	3,647	3,709	3,708	3,774	3,774	3,568	3,525
Expiration Date	18-jul-29	18-jul-29	15-feb-31	15-feb-31	15-feb-31	15-feb-31	15-feb-31	15-feb-31

* CCS : Cross Currency Swap

Current Hedge Characteristics							
Covered Underlying	Bonds 2031	Club Deal	Club Deal	Club Deal	Club Deal	Club Deal	Club Deal
Closing Date	4-jun-21	10-jul-23	12-jul-23	13-jul-23	18-jul-23	23-oct-23	4-dic-23
Derived Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterpart	CITIBANK	Scotia Bank	Scotia Bank	JP Morgan	BNP Paribas	JP Morgan	JP Morgan
Face (USD)	25,000,000	100,000,000	100,000,000	100,000,000	120,000,000	100,000,000	84,000,000
Spot exchange rate	3,602	4,157	4,133	4,103	3,990	4,214	3,999
Expiration Date	15-feb-31	17-dic-27	17-dic-27	17-dic-27	17-dic-27	17-dic-27	17-dic-27

* CCS : Cross Currency Swap

Non-Hedging Climate Derivative

EPM currently has a risk hedge called "Climate Derivative" which is based on a put option and whose objective is to have hedge of the risk in income due to the occurrence of extreme weather events that affect rainfall and therefore the contractual commitments of power generation. It also serves to protect the exposure to risk due to purchases on the energy exchange in these periods, which consequently also increases. Under this hedge, all the impact that the company could receive due to the non-generation and non-compliance with contractual commitments is transferred to the reinsurance market.

Embedded derivatives

The company has not formalized contracts that contain embedded derivatives.

Derivatives that are not under hedge accounting

The company has formalized contracts that contain derivatives that are not under hedge accounting (see note 13. Other financial assets).

Note 25. Employee benefits

The item of benefits to employees recognized at the cut-off date presents the following composition:

Employee benefits	2023	2022
Non-current		
Post-employment benefits	350,647	242,543
Long term benefits	58,483	42,959
Total non-current employee benefits	**409,130**	**285,502**
Current		
Short-term benefits	167,250	140,635
Post-employment benefits	82,286	68,400
Total current employee benefits	**249,536**	**209,035**
Total	**658,666**	**494,537**

- Amounts stated in millions of Colombian pesos -

25.1 Post-employment benefits

Includes defined benefit plans and defined contribution plans detailed below:

25.1.1 Defined benefit plans

Defined benefit plans	Pensions[1]		Retroactive severance [2]		Educational aid plan [3]		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Present value of defined benefit obligations								
Initial balance	313,115	380,036	84,911	91,169	10	22	398,036	471,227
Present service cost	-		2,155	2,548	-	-	2,155	2,548
Interest income or (expense)	39,732	30,347	9,558	6,415	1	-	49,291	36,762
Assumptions from experience	831	2,318	18,347	10,974	-	(3)	19,178	13,289
Demographic assumptions	-		(2)	2	-	-	(2)	2
Financial assumptions	76,651	(61,618)	8,640	(9,804)		1	85,291	(71,421)
Past Service Cost	(719)	-	10,632	-	-	-	9,913	-
Payments made by the plan [4]	(43,105)	(37,968)	(23,025)	(16,392)	(5)	(10)	(66,135)	(54,370)
Present value of obligations as of December 31	**386,505**	**313,115**	**111,216**	**84,912**	**6**	**10**	**497,727**	**398,037**
Fair value of plan assets								
Initial balance	87,094	125,638	-	-	-	-	87,094	125,638
Payments made by the plan [4]	(36,698)	(41,299)	-	-	-	-	(36,698)	(41,299)
Interest income or (expense)	9,384	8,656	-	-	-	-	9,384	8,656
Expected return on the plan (excluding interest income)	5,196	(5,902)	-	-	-	-	5,196	(5,902)
Fair value of plan assets December 31	**64,976**	**87,094**	**-**	**-**	**-**	**-**	**64,976**	**87,094**
Surplus or (deficit) of the defined benefit plan	**321,529**	**226,021**	**111,216**	**84,912**	**6**	**10**	**432,751**	**310,943**
Net asset or (liability) of the defined benefit plan	**321,529**	**226,021**	**111,216**	**84,912**	**6**	**10**	**432,751**	**310,943**
Total defined benefits	**321,529**	**226,021**	**111,216**	**84,912**	**6**	**10**	**432,751**	**310,943**

- Amounts stated in millions of Colombian pesos -

[1] It includes a retirement pension plan recognized prior to the entry into force of the General Pension System of Law 100 of 1993 with their respective substitutions, which are distributed in the actuarial calculation by groups, differentiating the lifetime, those shared with Colpensiones, the pension substitutions and those that generate retirement share. The plan is made up of EPM retirees and retirees belonging to the pension commutation due to the liquidation of the Antioquia Energy Company EADE. It includes social security contributions and funeral assistance. Retirement pensions are legal under the parameters of Law 6 of 1945 and Law 33 of 1985. No risks have been identified for EPM generated by the plan. During the period, the plans have not undergone modifications, reductions or liquidations that represent a reduction in the present value of the obligation.

[2] It includes a retroactive severance plan, it is a post-employment benefit that applies to approximately 8% of EPM's employees, it consists of the recognition of an average monthly salary multiplied by the years of service, payable through advances and at the time of termination of the contract. The source of the plan is the "Sixth Law of 1945 which enacts certain provisions on labour agreements, professional associations, collective disputes and special labour jurisdiction" and National Decree 1160 of 1989, which partially regulates Law 71 of 1988, which issues rules on pensions and other provisions. For the Retroactive Severance Plan, no possible risks or significant modifications are identified during the period.

The cost for past services in the severance plan corresponds to compliance with a court ruling in which EADE personnel who were dismissed from the entity in 2006 had to be reinstated. Severance pay (one month's salary) will be recognized according to the legal basis Law 344/1996, Law 1071/2006 and Decree 1045/1978, which dictate rules that regulate the payment of definitive or partial severance pay to public servants, establish penalties and set terms for their cancellation.

[3] It includes an educational aid plan that is granted for each of the children of EPM retirees, who are entitled to it, including aid for secondary, technical or university studies. It has its origin in article 9 of Law 4 of 1976, which dictates rules on pension matters in the public, official, semi-official and private sectors and provides that companies or employers shall grant scholarships or grants for secondary, technical or university studies to the children of their retired personnel, under the same conditions as they grant or establish for the children of active workers.

The weighted average duration in years of defined benefit plan obligations as of the cut-off date is presented below:

Benefit	2023		2022	
	From	Until	From	Until
EPM Pension	6.8	8.8	6.0	7.7
Educational Aid EPM	0.5	0.5	0.5	0.5
Retroactive layoffs	3.2	3.2	3.6	3.6

[4] Includes $66,135 (2022: $54,370) of values paid for plan settlements, corresponding to pensions, retroactive severance and educational assistance plan.

The company has no restrictions on the actual realization of the defined benefit plan surplus.

The company did not make defined benefit contributions during 2023 and does not expect to make contributions for the next annual period.

The fair value of the plan's assets is composed as follows:

Assets supporting the plan	2023		2022	
	% Participation	Fair Value	% Participation	Fair Value
Cash and cash equivalents	0.69%	453	1.00%	869
Total equity instruments		**453**	**1.00%**	**869**
Debt Instruments				
AAA	35.10%	23,256	87.10%	75,854
AA	8.89%	5,777	6.88%	5,995
Nation	46.00%	29,892	-	-
Unrated	9.32%	6,053	4.67%	4,071
Investment funds	-	-	0.35%	304
Total debt instruments	**99.31%**	**64,977**	**99.00%**	**86,225**
Other assets				
Total assets supporting the plan	**100.00%**	**65,430**	**100.00%**	**87,094**

- Amounts stated in millions of Colombian pesos -

The main actuarial assumptions used to determine the obligations for the defined benefit plans are the following:

Assumptions	Post-employment benefits	
	2023	2022
Discount rate (%)	10.6 -10.8	13.60 - 12.2
Annual salary increase rate (%)	5.5	5.5
Actual rate of return on plan assets	21.95	2.59
Future annual pension increase rate	4.5	4.5
Annual inflation rate (%)	4.5	4.5
Survival tables	Valid renters 2008	

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, in the discount rate and in the increase in the benefit on the obligation for defined post-employment benefit plans:

Assumptions	Increase in discount rate by +1%	Decrease in discount rate by -1%	Increase in wage increase by +1%	Decrease in wage increase by -1%	Increase in profit increase by +1%	Decrease in profit increase by -1%
EPM Pension	272,747	307,718	-	-	-	-
EPM Social Security Contributions	21,774	24,479	-	-	-	-
EPM Educational Aid	6	6	-	-	6	6
EADE Pension	68,136	79,985	-	-	-	-
EADE Social Security Contributions	749	856	-	-	-	-
Retroactive layoffs	108,347	114,248	116,530	106,105	-	-
Total Post-Employment Benefits	471,759	527,291	116,530	106,105	6	6

- Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analysis of the Present Value of Obligations (DBO) were carried out using the same methodology as for the actuarial calculation as of December 31, 2023: Projected Credit Unit (PUC). Sensitivity does not present limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

Calculation of liabilities and pension commutations in accordance with tax requirements

Resolution 037 of 2017 issued by the General Accounting Office of the Nation established the obligation to disclose the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 and Decree 1833 for pension commutations; therefore, the figures presented below do not correspond to the requirements of the IFRS adopted in Colombia.

Pension liabilities

The actuarial calculation of pensions was prepared with the following technical bases:

Actuarial Assumptions - Pension Obligation	2023	2022
Real technical interest rate	4.8	4.8
Salary increase rate	8.7	3.98
Pension increase rate	8.7	3.98
Mortality table	RV08 (Valid renters)	

The following table is the calculation of the pension liability with the above parameters:

Concept	2023		2022	
	Number of personnel	Obligation value	Number of personnel	Obligation value
Staff retired entirely by the Company	582	178,666	564	149,635
Staff retired with pension shared with Colpensiones	307	51,215	333	48,197
Beneficiary staff shared with Colpensiones	427	62,769	442	58,029
Staff retired with pension shared with other entities	402	32,574	458	45,467
Total	**1,718**	**325,224**	**1,797**	**301,328**

- Amounts stated in millions of Colombian pesos -

The pension bonds related to pension obligations are detailed below:

Concept	2023		2022	
	Number of employees	Reserve value	Number of employees	Reserve value
Type A pension bonus modality 1	225	3,788	230	3,388
Type A pension bonus modality 2	3,851	202,625	3,851	195,186
Type B pension bonus	1,913	321,672	1,913	318,276
Type T pension bonus	5	503	5	390
Contributions - Law 549	131	5,596	131	5,098
Difference	**6,125**	**534,184**	**6,130**	**522,338**

- Amounts stated in millions of Colombian pesos -

The differences between pension liabilities calculated under IFRS adopted in Colombia and tax pension liabilities are shown below:

	2023	2022
Pension liabilities under IFRS	312,265	256,200
Tax pension liabilities	859,414	823,676
Difference	**(547,149)**	**(567,476)**

- Amounts stated in millions of Colombian pesos -

Pension commutation liabilities

The actuarial calculation of pension commutation was prepared with the following technical bases:

Actuarial Assumptions - Pension commutation	2023	2022
Real technical interest rate	4.8	4.8
Salary increase rate	8.7	3.98
Pension increase rate	8.7	3.98
Mortality table	RV08 (Valid renters)	

The following table is the calculation of the pension commutation with the previous parameters:

Concept	2023		2022	
	Number of employees	Obligation value	Number of employees	Obligation value
Retired employees by the Company	70	19,045	74	17,728
Retired employees with pension shared with Colpensiones	337	53,306	338	47,391
Beneficiary employees shared with Colpensiones	63	7,801	62	6,419
Retired employees with pension shared with other entities	5	373	10	1,054
Total	**475**	**80,525**	**484**	**72,592**

- Amounts stated in millions of Colombian pesos -

The pension bonds related to the pension commutation liability are detailed below:

Concept	2023		2022	
	Number of employees	Reserve value	Number of employees	Reserve value
Type A pension bonus modality 1	11	43	11	39
Type A pension bonus modality 2	220	13,041	232	12,654
Type B pension bonus	193	25,674	198	23,914
Type T pension bonus	3	-	3	-
Other -Include type of pension bonus-	1	59	1	52
Difference	**428**	**38,817**	**445**	**36,659**

- Amounts stated in millions of Colombian pesos -

Below are the differences between the pension commutation liability calculated under IFRS adopted in Colombia and the tax pension commutation liability:

	2023	2022
Pension commutation liabilities under IFRS	74,430	56,925
Tax pension commutation liabilities	119,345	109,252
Difference	**(44,915)**	**(52,327)**

- Amounts stated in millions of Colombian pesos -

The company's policy is to prepare actuarial calculations for the annual closing of the period, therefore, the estimated data for 2023 are presented.

25.1.2 Defined contribution plans

The company made contributions to defined contribution plans of $93,699 (2022: $80,930) recognized in the result of the period as an expense of $28,359 (2022: $24,391), cost of $50,763 (2022: $43,561) and investment projects of $14,577 (2022: $12,978).

25.2 Long-term employee benefits

Long-term benefits	Seniority premium [1]	
	2023	2022
Present value of obligations for other long-term benefits		
Initial balance	42,959	46,978
Present service cost	4,484	4,924
Interest income or (expense)	5,520	3,698
Assumptions from experience	3,988	5,001
Financial assumptions	10,440	(7,077)
demographic assumptions	(423)	(202)
Past Service Cost	176	
Payments made by the plan	(8,661)	(10,363)
Final balance of the present value of obligations	**58,483**	**42,959**
Net liability for long-term benefits	**58,483**	**42,959**

- Amounts stated in millions of Colombian pesos -

For these benefits, the company does not have assets that support the plan.

[1] Includes a seniority bonus plan. It is a long-term benefit granted to employees through the Collective Labor Agreement, in EPM it is granted based on years of continuous or discontinuous service. It is recognized and paid only once in the respective period and in accordance with the established terms: every 5 years, 12, 17, 23, 30, 35 and 40 days of basic salary will be paid, respectively. The form of payment can be in cash, in time off, or a combination of the two of the employee's choice. For the personnel who resign from the company to access the old-age or disability pension, they are entitled to proportional payment for the length of service, if they have less than one year left to complete the next five-year period at the time of separation. No potential risks are identified for the Seniority Premium plan.

The cost for past service in the seniority bonus plan corresponds to compliance with a court ruling, where EADE staff had to be reinstated who had been dismissed from that entity in 2006. According to the Collective Bargaining Agreement Art.45, the same benefits are granted to EPM and EADE employees.

The weighted average length in years of long-term benefit plan obligations as of the cut-off date is presented below:

Benefit	2023		2022	
	From	Until	From	Until
Seniority Premium	6.1	6.1	5.5	5.5

The company does not expect to make contributions to the plan for the next annual period.

The main actuarial assumptions used to determine the obligations for the long-term employee benefit plans are the following:

Assumptions	Concept	
	2023	2022
Discount rate (%)	10.6	13.50
Annual salary increase rate (%)	5.85	5.85
Annual inflation rate (%)	4.5	4.50
Survival tables	RV08 (Valid renters)	

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, in the discount rate and in the increase in the benefit on the obligation for long-term benefit plans:

Assumptions	Increase in the discount rate by +1%	Decrease in the discount rate by -1%	Increase in wage increase by +1%	Decrease in wage increase by -1%
Seniority Premium	55,442	61,871	62,262	55,046
Total long-term benefits	**55,442**	**61,871**	**62,262**	**55,046**

- Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analysis of the Present Value of Obligations (DBO) were carried out using the same methodology as for the actuarial calculation as of December 31, 2022: Projected Credit Unit (PCU). Sensitivity does not present limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

25.3 Short-term employee benefits

The composition of short-term benefits is as follows:

Short-term benefits	2023	2022
Payroll payable	12,244	11,161
Severance	66,472	52,987
Interest over severance	7,941	6,328
Vacation	25,414	22,372
Vacation bonus	51,846	44,671
Christmas bonus	77	396
Bonuses	3,176	2,716
Other premiums	80	4
Total short-term benefits	**167,250**	**140,635**

- Amounts stated in millions of Colombian pesos -

Note 26. Taxes, contributions and rates payable

The detail of taxes, contributions and fees, other than income tax, is as follows:

Taxes, contributions and fees payable	2023	2022
Current		
Withholding [1]	146,639	133,213
Industry and commerce tax [2]	56,751	35,045
Rates [3]	49,358	39,997
Customs tax and surcharges [4]	9,323	16,512
Value added tax	6,461	5,751
Contributions	3,594	3,259
Other national taxes [5]	3,224	25,366
Other municipal taxes	7	109
Total Current taxes, contributions and fees payable	**275,357**	**259,252**
Total Taxes, contributions and fees payable	**275,357**	**259,252**

- Amounts stated in millions of Colombian pesos -

[1] The Accrued value in December 2023 was higher than in December 2022, due to the lower amount to be paid for the concept of self-withholdings.

[2] The increase in the taxable base for the Industry and Commerce Tax is due to higher revenues in the 2023 period.

[3] The taxable base for the tax by fees increased by the value of the payments paid to the municipalities for the concept of energy generation as established by Law 99.

[4] The decrease in customs taxes and surcharges for 2023 corresponds to the decrease in merchandise imports for the development of EPM's megaprojects.

5 The decrease in other national taxes corresponds to the payment of the additional contribution of the SSPD Super Services for the 2021 term in the year 2023, in the amount of $22,147.

Note 27. Provisions

27.1 Provisions

The reconciliation of the provisions is as follows:

Concept	Dismantling or restoration	Litigation	Contingent consideration - Business combination	Subsidiary constructive obligations	Guarantee	Other provisions	Total
Initial balance	**226,327**	**576,262**	**164,112**	**-**	**106,053**	**78,667**	**1,151,421**
Additions	-	803,013	-	-	-	149,963	**952,976**
Capitalizable Additions	3,287	-	-	-	-	-	**3,287**
Uses	(39,265)	(121,561)	(551)	-	(102,607)	(138,457)	**(402,441)**
Reversals, unused amounts (-)	(177)	(19,061)	(1,323)	-	(9,566)	(10,045)	**(40,172)**
Reversals, capitalizable unused amounts (-)	(206)	-	-	-	-	-	**(206)**
Adjustment for changes in estimates	5,629	32,110	3,402	62,926	-	367	**104,434**
Adjustment for changes in capitalizable estimates	224,886	-	-	-	-	-	**224,886**
Exchange rate difference	-	(1,200)	(31,261)	-	-	-	**(32,461)**
Other changes Finance Expense	25,382	61,054	6,764	-	6,120	5,430	**104,750**
Final balance	**445,863**	**1,330,617**	**141,143**	**62,926**	**0**	**85,925**	**2,066,474**
Non-current	256,367	1,259,797	140,987	62,926	-	56,991	1,777,068
Current	189,496	70,820	156	-	-	28,934	289,406
Total	**445,863**	**1,330,617**	**141,143**	**62,926**	**0**	**85,925**	**2,066,474**

- Amounts stated in millions of Colombian pesos -

As of December 31, 2023, EPM's significant provisions are:

- The increase in the provision for dismantling is an adjustment in the social provision of Ituango and in the forestry compensations for the environmental effects of Hidroituango (Number 27.1.1).
- The increase in the provision of litigation and lawsuits is due to the arbitration award against EPM for the penalty clauses of enforcement for non-compliance with milestones in Hidroituango. (Paragraph 27.1.2).
- The decrease in the guarantee provision is due to the payments made to XM for the arrears guarantee in Hidroituango (Numeral 27.1.4).

27.1.1. Decommissioning or environmental restoration

EPM is obliged to incur dismantling or restoration costs of its facilities and assets. There are currently three provisions for dismantling or restoration:

- Withdrawal of transformers that contain PCBs (polychlorinated biphenyls): EPM has committed to the dismantling of these assets from 2014 to 2026 covered by Resolution 222 of December 15, 2011 of the Ministry of Environment and Sustainable Development and the Stockholm Convention of May 22 2008. The provision is recognized for the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in calculating the provision are: estimated costs, CPI, and TES fixed rate. The balance as of December 31 is $7.

- Jepírachi: The Jepírachi Wind Farm, located in La Guajira, generated until October 9, 2023; when the operation of the National Interconnected System (SIN) was disconnected and the dismantling process began that will last approximately one year, as contemplated in CREG resolution 136 of 2020, published in the Official Gazette on July 15, 2020. The main assumptions considered in the calculation of the provision are: estimated costs, CPI and TES fixed rate. As of December 31, 2023, the provision for $943 was recorded.

- Dismantling of the Hidroituango power plant: With the entry into operation of the two power generating units of the Hidroituango power plant, the dismantling of the Tacuí – Cuní camp is planned, which was initially conceived and sized for the construction of the Ituango Hydroelectric Project. Once the construction stage is over, the operation of the project begins and the sizing for the construction stage is much greater than that required for the operation stage. For this reason, it is estimated that the dismantling will begin in 2027, which is the probable date of the completion of the construction and delivery to operation of the 8 generation units. The estimated cost for the dismantling of the camps was assessed according to the areas that are not required for the operation of the plant and according to the plan and dimensioning of the facilities. The balance of the provision as of December 31, 2023 amounted to $14,893.

- Environmental provision in the construction of infrastructure projects: it arises as a legal obligation derived from the granting of the environmental license to compensate for the loss of biodiversity during the construction phase, as well as compensation for the subtraction of reserve areas, affectation of prohibited species and forest use; Obligations that are formalized through the resolutions of the ANLA (National Authority for Environmental Licenses), CAR - Regional Autonomous Corporation and/or MADS - Ministry of Environment and Sustainable Development.

  The executions of the biotic environmental compensations of the project extend beyond the time in which the asset technically begins to operate, making it necessary to implement the figure of the provision with the aim that said expenditures remain as a greater value of the construction in progress. The company has committed to compensate the loss of biodiversity, subtraction and closures, according to the resolutions: Res. 1313/2013 ANLA, Res. 519/2014 ANLA, Res LA. 0882/04/08/2014 ANLA, Res. 1166/2013 MADS, Res. 1852/2013 CAR, Res. 2135/2014 CAR, Resolution 1189/22/07/2104 MADS, Res. 1120907/17-03-2015 CORNARE, Res. 141011206/16-10-2014 CORANTIOQUIA, Res LA. EIA1-9872 04/21/2014 CVS, among others. The provision is recognized at the present value of the expected costs to pay off the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are: estimated costs, CPI _ Consumer Price Index _ prices and fixed rate of return TES (Colombian government debt securities). The adjustment made as of December 2023 was $7,722.

  Environmental compensation and forced investment of 1%: Law 99 of 1993, established the obligatory nature of environmental licensing for the development of any activity that could cause serious deterioration to renewable natural resources or the environment, or introduce considerable or notorious modifications to the landscape. and depending on the type of activity, the size and location of the project, and assigned the powers in relation to environmental licensing to the National Authority for Environmental Licenses, the Regional Autonomous Corporations, or the metropolitan areas.

  Article 321 of Law 1955 of 2019, indicates that all holders of an environmental license that had pending investments as of May 25, 2019 may benefit from the percentage increase in the value of the liquidation base of the forced investment of not less than 1%, according to the year of start of activities authorized in the environmental license and defined the requirements and procedures to update the pending investments and take advantage of new execution terms subject to the approval of the ANLA.

  For EPM, the obligations related to the use of water taken directly from natural sources are contemplated, in La Sierra, Porce II, Porce III and Hidroituango. As of December 31, 2023, $47,272 was recorded as a provision.

For the environmental contingency of Hidroituango, established by the specific action plan for the recovery of the parts affected by the events of the plugging of the diversion tunnel of the Cauca River, due to the closure of floodgates; and, for the events, typical of the contingency, that may arise in the pending technical milestones to be reached, as well as the execution of the same. As of December 31, 2023, there is a provision balance of $38,656.

For the social and environmental recovery plan of Hidroituango, the evaluation of the state of the concentrations of mercury, lead, nickel, chromium, cadmium and arsenic, methylmercury in fish, water, sediments and suspended material, cyanobacteria in water and possible effects on the health of the riparian inhabitants of the middle and lower basin of the Cauca River was considered; and the Humboldt Framework Convention: Biodiversity (Standardization of monitoring in the middle and lower Cauca River basin, fulfillment of pending commitments in the compensation plan, analysis of possible reserve area).

The specific action plan for recovery must consider three framework programs:

a) Recovery of affected swamps
b) Recovery of the affected fish fauna
c) Restoration of aquatic habitats located in the affected area

These three programs correspond to the environmental component as a response to the identification of the effects caused, as well as discretionary actions. Also included are social programs, economic activities, infrastructure, risk management, among others.

The different actions are carried out between the municipalities of Valdivia and Nechí; however, if the effects are identified in the municipalities that are part of La Mojana, they will also be subject to the intervention.

Environmental effects of the Ituango Hydroelectric Power Plant: In 2022, two of the eight power generating units of the Hidroituango Power Plant came into operation and began obligations for the use of vegetation cover in the areas where different infrastructures were implemented for this plant. According to the environmental license, the project must make forest compensations associated with the WFP programs of the biotic environment related to the management and conservation of vegetation cover, the subprogram for the restoration of forest cover, the subprogram for the management and protection of fish and fishing resources in the lower and middle basins of the Cauca River, in a ratio of 1 to 1 in the intervened areas of tropical humid forest and from 1 to 5 in the areas of tropical dry forest. With this, attention is also given to the obligations of CORANTIOQUIA and CORPOURABA for the use of species with regional restriction. The balance of the provision as of December 31, 2023 is $167,670.

27.1.2. Litigation

This provision covers estimated probable losses related to labor, civil, administrative, and tax litigation that arise in EPM's operations. The main assumptions considered in the calculation of the provision are: CPI (Consumer Price Index) average to actual data in previous years and projected data in future years, fixed rate TES (Colombian Government debt security) in pesos for discount, estimated value to be paid, start date and estimated date of payment, for those disputes classified as probable. To date, no future events have been evidenced that may affect the calculation of the provision.

In order to reduce the uncertainty conditions that may arise with respect to the estimated date of payment and the estimated value to be paid in litigation classified as probable, the company has business rules based on statistical studies with which average durations were obtained. of the processes by action and also the application of the jurisprudence to the maximum limits that it defines for the value of extra patrimonial or immaterial claims when they exceed their amount, as described below:

Average duration of processes per action

Administrative and fiscal

Action	Average years
Abbreviated	4
Enforcement Action	4
Group Action	6
Popular Actions	4
Preliminary Conciliation	2
Constitution Of Civil Party	4
Contractual	13
Demarcation	5
Executive	5
Singular Executive	3
Exportation	4
Comprehensive Reparation Incident (Criminal)	2
Imposition Of Easement	4
Nullity Of Administrative Acts	5
Nullity And Restoration Of Rights	10
Nullity And Restoration Of Labor Law	11
Ordinary	7
Ordinary Membership	5
Criminal Accusation (Law 906 Of 2004)	4
Dividing Processes	4
Protection Of Consumer Rights	6
Police Complaints	3
Claim	7
Direct Repair	12
Verbal	5

Labor processes

Action	Average years
Solidarity	3.5
Pension	3.5
Extra hours	3.5
Refund	4
Salary scale leveling	3.5
Unfair dismissal offset	3.5
Settlement of social benefits	3.5
Work accident compensation	4
Refund contributions Health_Pension	4

Application of jurisprudence

Typology: the values of the claims for compensation for non-pecuniary damages will be recorded according to the following typology:

- Moral prejudice.
- Damage to health (physiological or biological damage), derived from bodily or psychophysical injury.
- Damage to relationship life.

- Damage to constitutional and conventional property.

The values of other non-patrimonial claims not recognized by jurisprudence will not be recorded, unless it can be inferred from the claim that, despite having another name, it corresponds to one of the admitted typologies. Claims for non-patrimonial compensation for damage to property will not be registered either.

Quantification: the amount of non-patrimonial claims will be recorded uniformly as follows, regardless of their type:

For direct victim	100 Current Monthly Legal Minimum Wages
For indirect victim	50 Minimum Legal Monthly Wages in Force

The following are the recognized disputes:

Third party	Claim	Amount
Hidroeléctrica Ituango S.A.	Declare that between HIDROITUANGO and EPM, there exists a Contract for the financing, construction, assembly, development, commissioning, and operation of the Pescadero Ituango Hydroelectric Project, known as BOOMT, entered into on 2011/03/30, where EPM ITUANGO assigned its contractual position in favor of EPM. In Hidroituango's opinion, EPM failed to meet milestone 7 "Closure of the diversion gates and start of the reservoir filling (...)" initially planned for 2018/07/01, milestone 8 "Commencement of commercial operation of unit 4" initially planned for 2018/11/28, and milestone 9 "Commencement of Commercial Operation of Unit 1" initially planned for 2019/08/27. As a consequence of the above, Hidroituango requested that EPM be ordered to pay the "Penalty Clauses for Failure to Meet Milestones" up to the value of the "maximum financial liability" for US$450 million, and the recognition of the remuneration agreed upon in the contract for the plant not having commenced operation on the scheduled dates.	781,829
Maikol Arenales Chaves	To declare the defendants administratively liable, as the cause of the unlawful damage for having destroyed the fishing resource of the Ciénagas de Montecristo complex, which is due to the construction of the IHP (Ituango Hydroelectric Project). Note: By order of 16 November 2021, 1223 persons were accepted as members of the group.	330,425
Oscar Elias Arboleda Lopera	It includes 173 plaintiffs who worked for EADE; and, they state that in the dissolution and liquidation of said company there was an employer substitution with EPM, which obliges it to all labor debts.	46,894
Roger Alberto Gil Barragán	To recognize, by way of compensation, for each of the members of the "ASOBAPEBEL" group, that there are one hundred and ninety-three (193) for the unlawful damage caused, the moral and material damage, and the violation of fundamental rights such as a dignified life, a minimum of life, decent housing, work, food security, and the destruction of their source of subsistence, the displacement of their territory and the unlawful psychological and physical transformation of their lives, having as an imputation the exceptional risk due to the emergency that caused the damage to the Cauca River.	22,347
Luis Fernando Anchico Indaburo	To declare EPM administratively responsible, as the cause of the unlawful damage for having destroyed the fishing resource of the Montecristo swamp complex, which is due to the construction of the IHP (Ituango Hydroelectric Project) and requests the recognition and payment of a minimum wage for each family nucleus from February 2019 until the judgment is issued, this is referred to by the defendants as consolidated loss of profits.	22,332
Various Labor	It corresponds to 214 processes with an average of $101 and an amount of less than $1,097.	21,505
Santiago Andrés Ortiz Mora	To declare EPM responsible for the damage caused, the moral and material damage and the violation of fundamental rights, caused to the members of the "SAN ROQUE" group, by the destruction of their source of subsistence, the displacement of their territory and the psychological and physical transformation of their lives due to the affectation caused by the "Hidroituango" project in April 2018. The amount for each of the 161 members of the group is 100 SMMLV, for a total of $14,132,628,300. A claim for loss of profits in the amount of $1,146,431,034 is claimed.	18,010
Rodrigo Antonio Muñoz Arenas	To declare the State's responsibility for the deficiencies or omissions incurred by the defendants, by not measuring the danger, threat and damage that would be caused by the indiscriminate felling of trees in the area of influence of the dam, to which the communities attribute the changes in the behavior of the river and the landslides in the area. To order the plaintiffs and the members of the affected group to pay the minimum subsistence not received for the duration of the emergency, $4,307,103,200.00.	14,509
Javier Maure Rojas	To declare EPM administratively responsible, as the cause of the unlawful damage for having destroyed the fishing resource of the Montecristo swamp complex, which is due to the construction	14,042

Third party	Claim	Amount
	of the IHP (Ituango Hydroelectric Project); that a minimum wage be recognized and paid for each family unit from February 2019 until the judgment is handed down and the recognition of a future loss of earnings that goes from the time of the judgment to the probable period of life of each of the plaintiffs.	
Various Administrative	It corresponds to 22 processes with an average of $595 and an amount of less than $2,353.	12,865
Gustavo Jiménez Pérez	To declare EPM E.S.P. liable for the unlawful damage caused, the moral and material damage and the violation of fundamental rights caused to the 75 members of the "ASOMIBA" group; for the destruction of their source of subsistence, the displacement of their territory and reparation of the damage; It is requested to pay to the members of the "ASOPEISLA" group, the damages of an immaterial and material nature caused since the beginning of the emergency originated in the "Hidroituango" project, of compensation for each of the members of the "ASOMIBA" group, is set at One Hundred (100 SMLV).	8,986
Esilda Rosa Romero Aguas	They request that EPM be declared administratively liable as a result of the damage caused to the plaintiffs and that the sum of 80 SMLMV be recognized for each of the plaintiffs in the form of moral damages: 39 in total.	8,301
Diógenes De Jesús Cossio	For environmental damage, the sum of 50 SMLMV, for each of the 41 plaintiffs. It is classified as damage to constitutional and conventional property, in the absence of a category such as the one indicated by the plaintiff. For damage to the family or damage to the life of the relationship 50 SMLMV, for each of the plaintiffs. For moral damages, the sum of 50 SMLMV, for each of the plaintiffs. For consolidated and future loss of profits, the sum of ARS 289,767,141,000, for Mr. Fabio Enrique Gomez Atehortua.	7,170
John Walter Jaramillo	That the plaintiffs be reinstated in the same position or trade or another of the same or higher category that they had been performing, that as a consequence, by way of compensation, all the salaries and legal social benefits not received must be paid, in addition to all the contributions caused in favor of the Comprehensive Social Security System.	5,537
Municipality of Copacabana	Declare that EPM has partially breached the 8405949 contract and that it is responsible for the economic damages suffered by the Municipality of Copacabana, as the public lighting fee for the industrial and commercial sectors was not collected during the periods of 2007, 2008, 2009, 2010 and part of 2011; Which have been liquidated in the sum of $1,034,385,066 and that must be paid when the order that resolves the present lawsuit becomes enforceable.	3,237
Humberto Hernando Gómez Franco	To declare EPM administratively and financially liable for the injuries suffered by Mr. Humberto Hernando Gómez Franco, when he was electrocuted by high-voltage cables owned by the defendant entity, on 10/23/2013, at the La Playa farm owned by Mr. Antonio Lopera, located in the La Virgen sector, of the Vereda Hoyorrico, jurisdiction of the Municipality of Santa Rosa de Osos.	2,353
Francisco Javier Muñoz Usman	The plaintiffs claim to have worked at Empresa Antioqueña de Energía S.A. E.S.P., which was liquidated. That the conciliation agreement signed be declared null and void due to defect in the consent and consequently order the reinstatement of the employment contract, the reinstatement, the payment of all the salaries and benefits not received, in the same way that the social security contributions be cancelled from the moment of dismissal and until the plaintiff is effectively reinstated.	2,187
Moraine Olave De Larios	Relatives of a former Integral worker who died in Ituango, sue for full compensation for damages, for moral damages caused. Solidarity.	2,038
Omar Augusto Lugo Hoyos	That the conciliation agreement signed be declared null and void due to defect in the consent and consequently order the reinstatement of the employment contract, the reinstatement, the payment of all the salaries and benefits not received, in the same way that the social security contributions be cancelled from the moment of dismissal and until the plaintiff is effectively reinstated.	1,373
Jaime De Jesus Marin Hernandez	Employer's fault.	1,141
Corantioquia - Corporación Autónoma Regional Del Centro De Antioquia	That as a result of the declaration of nullity of Resolution No. 130 TH1106 – 8318, of June 7, 2011, CORANTIOQUIA repays the fee for the use of water collected from the Riogrande and that was collected with invoice No. TH1195 of April 11, 2011, corresponding to the period 2010, as established by Decree 155 of 2004, and pay EPM back what it overpaid.	1,108
Luis Bernardo Mora Meneses	EAS Re-Entry	1,097
Área Metropolitana Del Valle De Aburrá	To declare the nullity of the Metropolitan Resolutions: No. S.A. 001085 of 2012/07/05 "For the collection of remuneration rate - Connected Sector"; and, the No S.A. 000189 of 2014/02/17 "That resolves an Appeal for Reconsideration" both issued by the Environmental Deputy Director of the Metropolitan Area of the Aburrá Valley; and, to declare that EPM E.S.P. are not obliged to pay the AREA a sum whose refund must be made in an indexed manner from the time of making the payment and until the date on which effective compliance with the judgment with which the controversy is put to an end is verified.	1,073
Various Fiscal processes	It corresponds to 5 processes with an average of $52 and an amount less than $1,073.	258
Total recognized disputes		**1,330,617**

- Amounts stated in millions of Colombian pesos -

27.1.3. Contingent consideration - Business combination

Corresponds to contingent consideration related to the acquisition of the following group of assets that constitute a business: subsidiary Espíritu Santo Energy S. de R.L. and subsidiary Empresas Varias de Medellín S.A E.S.P. – EMVARIAS, as of December 31, 2023, for the former there was a balance of $126,243; and, for the second of $14,900.

The main assumptions considered in the calculation of the contingent consideration related to the acquisition of Espíritu Santo are: estimated date of occurrence of the milestones associated with the contingent payment, the associated probability of occurrence; and, additionally, the discount of the payment flows was considered by applying a discount rate (Libor Rate) according to the risk of the liability. To date, no future events have been evidenced that may affect the calculation of the provision.

The main hypotheses used regarding the future events of the contingent consideration related to the EMVARIAS acquisition are: ongoing litigation against EMVARIAS at the date of the transaction, definition of the year of materialization of each one of the litigation, definition of the value linked to each of the disputes, estimate of future contingent disbursements linked to the estimated disputes for each year and discount rate (TES fixed rate) to discount future contingent disbursement flows. To date, no future events have been evidenced that may affect the calculation of the provision.

27.1.4. Guarantee

The provision for guarantees is related to the reliability charge. In accordance with CREG Resolution 061 of 2017, the guarantee of the reliability charge for the entry of new generation projects is executed when the start of commercial operation of the plant is delayed by more than one year; and, in the case of Hidroituango, the guarantee provision for reliability charge began in May 2019 and ended in November 2023 after the declaration in commercial operation of unit 4 of Phase I where the total generation capacity was reached, 1200 MW, which corresponds to 100% of it.

27.1.5. Other provisions

The company maintains other provisions for:

- **Affected Ituango contingency:** For the attention of the affected people of Puerto Valdivia who were evacuated and housed, and who received compensation for consequential damages, lost earnings and moral damages; the recovery of families affected by the total or partial loss of their homes and economic activities caused by the Ituango Hydroelectric Project. As of December 31, 2023, this provision was adjusted by $6,730 and the ending balance is $37,584.
- **Environmental sanctioning procedure:** Corresponds to sanctions imposed for not implementing environmental management measures for the execution of works or executing them without the respective authorization or modification of the environmental license. As of December 2023, there is a provision of $1,408.

- **Sanctions:** These are the fines imposed by the competent authority for not applying the law or regulation indicated by the respective body. As of December 31, 2023, there are outstanding fines of $82**.**

Other provisions aimed at the well-being and quality of life of EPM employees and the family group:

- **Employer's policy:** Granted to EPM servers as an extralegal benefit. An aggregate deductible was incurred from July 1, 2023 through June 30, 2024 for $4,750. The main assumptions considered in the calculation for each type of provision are: TES discount rate, fixed rate, estimated amount payable and estimated payment date. To date, there has been no evidence of future events that could affect the calculation of the provision. It closed the year 2023 with a balance of $4,898.

- **Multiplier Points:** The points obtained in the year must be recognized at the request of the interested party or by decision of the Human Talent Development Department each time there is an accounting closing of the term and must be paid through the payroll. The value of each point is equivalent to 1% of the SMMLV and the process of accumulating points from one year to the next should not take place.
- **High cost and catastrophic diseases:** The basis for calculating said provision is that corresponding to the analysis of the entire population of affiliates and beneficiaries of the EPM Adapted Health Entity (EAS) who suffer from any of the authorized pathologies. As of December 31, 2023, the balance amounted to $9,618.
- **Technical reserve:** The basis for calculating the reserve is that corresponding to all service authorizations issued and that have not been collected on the cut-off date on which the reserve is to be calculated, except those corresponding to authorizations with more than twelve months of issuance. or those that after at least four (4) months after being issued, there is evidence that they have not been used. As of December 31, 2023, the balance amounted to $18,047.
- **Capitalizable easement:** It corresponds to the recognition of a capitalizable litigation, for being associated with an asset, whose dismantling must be a higher value of the construction in progress. As of December 31, 2023, EPM has a balance of $58 due to the easement imposition process for the 110 kv Second Circuit San Lorenzo - Calizas Power Transmission Line project, which is located in the east of the department of Antioquia, in the jurisdiction of the municipalities of Cocorná, San Luis, San Francisco and Sonsón.

27.1.6. Estimated payments

The estimate of the dates on which the company considers that it will have to make payments related to the provisions included in EPM's statement of financial position at the cut-off date is as follows:

Estimated Payments	Dismantling Or Restoration	Litigation	Contingent Consideration	Subsidiary Implied Obligations	Other Provisions	Total
2024	190,333	989,757	-	-	32,891	1,212,981
2025	70,213	436,056	152	-	21,289	527,710
2026	26,921	65,242	-	-	13,881	106,044
2027 and others	158,396	81,687	145,143	62,926	-	448,152
Total	**445,863**	**1,572,742**	**145,295**	**62,926**	**68,061**	**2,294,887**

- Amounts stated in millions of Colombian pesos -

27.2 Liabilities and contingent assets

The composition of contingent liabilities and assets is as follows:

Description	Contingent liabilities	Contingent assets	Net
Litigation	1,852,526	59,082	(1,793,444)
Total	**1,852,526**	**59,082**	**(1,793,444)**

- Amounts stated in millions of Colombian pesos -

The company has litigation or procedures that are currently pending before judicial, administrative and arbitration bodies. Taking into consideration the reports of the legal advisors, it is /reasonable to appreciate that said litigation will not significantly affect the financial situation or solvency, even in the event of an unfavorable conclusion of any of them.

The main litigation pending resolution and judicial and extrajudicial disputes in which the company is a party as of the cut-off date are indicated below:

Contingent liabilities

Third party	Claim	Amount
Miscellaneous Administrative	It corresponds to 640 processes under $2,888 with an average of $838.	536,129
Isagen S.A. E.S.P.	EPM is ordered to compensate ISAGEN for the damages it suffered as a result of the fire and the consequent unavailability of the Guatapé Power Plant.	390,418
Electricaribe - Electrificadora Del Caribe S.A. E.S.P.	To declare that EPM breached the Acquisition Agreement by refraining from making the adjustment of the Compensatory Payment for Collection foreseen, in favor of ELECTRIFICADORA DEL CARIBE S.A. in liquidation. As a consequence, ELECTRIFICADORA DEL CARIBE - IN LIQUIDATION - is entitled to receive the difference between the Compensatory Payment for Collection at the Closing Date and the Compensatory Payment for Final Collection, which amounts to (COP$43,548,032,051). Declare that EPM, due to its non-compliance, is obliged to pay default interest, between 2020/11/09 or the date determined by the Court and the date of effective payment of the capital sentences.	156,247
Villa Esperanza Neighborhood	Non-pecuniary damage in the proportion of 100 SMLMV for each of the members of the group, that is, for one thousand two hundred and ninety-six (1296) people, which in total is equivalent to One hundred thirteen thousand seven hundred sixty-three million one hundred thirty-nine thousand two hundred pesos ($113,763,139,200). Material damage as consequential damage for the destruction of each of the homes, calculated in an individual value per dwelling of five million pesos ($5,000,000) which in total indicates 377, for a total of one thousand eight hundred and eighty-five million pesos ($1,885,000,000).	135,504
Consorcio Ccc Ituango	To declare that the Claimants constructed the GAD in accordance with the detailed plans and drawings; the Technical Specifications of construction; and, the instructions and requirements of EPM and the Auditor's Office; that the contingency that occurred in the Project from 2018/04/28 is not attributable to a breach of contract by the Claimants; nor for the operation of the works delivered. Requests that EPM be ordered to pay the Consortium $70,000,000,000 as an incentive for the execution of the accelerated works program; and, to reimburse the Claimants for any sums they may be obliged to pay as a result of decisions taken in the actions for compensation brought by third parties allegedly affected by the Contingency. A total of 22 claims.	85,354
Municipality of Bello	That the nullity of Resolutions 2022- RESCRED-77 of November 24, 2022 and 2022 – RESCRED-1 of August 31, 2022 and 2022- RESCRED-100 of December 30, 2022, issued in the coercive collection process promoted by EPM for the collection of the judgment issued by the Council of State, in the process filed 05001233100020110134301 /That the by way of restoration of the right be declared that the order of payment that consists of the return of the sums paid by the Municipality of Bello to EPM on the occasion of the payment agreement conditional on the outcome of the Extraordinary Appeal for review filed against the judgment filed 05001233100020110134301.	79,231
Aures Bajo S.A.S. E.S.P	First main claim. Declare that EMPRESAS PUBLICAS DE MEDELLIN E.S.P. seriously and repeatedly breached the energy supply contract No. CT – 2015 – 000363, signed with AURES BAJO S.A.S. E.S.P., by failing to pay the full price of the energy supply for the months of September, October, November and December 2022 and January in a timely manner, February and March 2023. That AURES BAJO S.A.S. E.S.P. has the right to have the unilateral termination of the supply contract declared with effect from September 30, 2022. That the defendants be ordered jointly and severally to pay all the damages caused constituting consequential damages and loss of profits, in a minimum value of twenty thousand eight hundred and ninety million eight hundred thirty-three thousand three hundred and thirty-three pesos M.L. ($20,890,833,333	70,201
Aura De Jesús Salazar Mazo	Collective right of approximately 113 people who each claim $1,133,400 for Consolidated Loss of Profit and $78,753,854 for Future Loss of Profit, for destroying, interrupting and cutting the ancestral mule paths that lead from the Alto Chiri village of the municipality of Briceño to the Valle de Toledo township.	40,764
Guzmán Bayona E Hijos S En C	To declare the Mining and Energy Planning Unit (UPME) and Empresas Públicas de Medellín ESP to be held jointly and severally liable for the de facto conduct they incurred in awarding and installing electrical wiring towers in a mining concession area without prior coordination and without any administrative act or judicial resolution for the affectation of the acquired rights.	31,852
Obras Civiles E Inmobiliarias S.A - Oceisa	That it be declared that EPM's failure to comply with the main obligation to deliver studies and designs prevented the execution of the contract by OCEISA and that it is not contractually liable for those portions of the work that could not be executed by third parties due to events beyond the control of the parties that prevented the normal execution of the contract.	21,300
Miscellaneous Labor	It corresponds to 200 processes under $1,661 with an average of $97.	19,399
Dayron Alberto Mejía Zapata	Material Damages: Loss of Profits: calculated at $569,000,923, a sum that must be updated in accordance with the evidence; Moral damages: estimated at 100 s.m.m.l.v.; Damage to health: estimated at 100 SMLMV; And, Damages to Constitutional Property: which estimate	14,989

Third party	Claim	Amount
	in the amount of 100 SMLMV, all of the above for each of the plaintiffs, or failing that, the maximum granted by jurisprudence for similar cases, for a total to date of 4,500 SMLMV.	
Unión Temporal Nueva Esperanza	To declare that EPM failed to comply with and unbalanced the contract CT-2013-000641 whose object was the execution of the construction and electromechanical assembly works of the 230KV transmission lines Guavio - Nueva Esperanza and associated reconfigurations paraíso - Nueva Esperanza - circo y paraíso- Nueva esperanza - San Mateo.	14,445
Iván De Jesús Zapata Zapata	To declare the defendant entities administratively liable for all material and moral damages and damage to the life of the relationship, caused as a result of the execution of an administrative operation that ended with the eviction of the plaintiffs and their families from Finca La Inmaculada, carried out on 2019/10/18. Order the defendants to pay the value of the land, buildings and furnishings as well as the agroforestry valuation of the property; the damages and affliction derived from the suffering caused by the eviction, the violation of human dignity, and seeing how their homes and crops were destroyed. He claims 100 SML for each of the plaintiffs.	11,532
Abraham De Jesús Barrientos	To declare HIDROELECTRICA ITUANGO and EPM liable for the damages caused; and, in solidarity with IDEA, the MAYOR'S OFFICE OF MEDELLÍN and the DEPARTMENT OF ANTIOQUIA. Loss of earnings: for the loss of income in the displacement due to the emergency caused, damage due to the impossibility of exercising the ancestral economic activity of barequeo, from which the plaintiffs are supported, calculated at 2 SML, for 27 months equivalent to $50,920,072 per person; for emotional affectations, for each, 100 Current Legal Minimum Wage, with an estimate of $87,780,300 for a total of $10,094,734,500.	11,198
Martha Cecilia Arango Usme	That it be declared that EPM occupied the property or lot of land located in the urban area of Medellín called ASOMADERA owned by the plaintiff without having exhausted any legal process or mechanism against my client; That is, by means of a de facto way, to install electric power towers and electrical conduction lines in this abusive way, leading to irreversible damage and affectations that must be repaired.	10,760
Inmel Ingeniería S.A.S.	To order EPM to compensate the BGA Line Consortium for the damages suffered, in proportion to its participation in the contractor consortium (80%), after the submission of the bid, conclusion, execution and completion of the CT 2016 001695 contract, where unforeseen situations arose not attributable to the contractor that varied the conditions of execution and made compliance more onerous for the contractor; and that the contracting party failed to comply in that it refused to restore the financial or economic equilibrium of the contract.	9,616
Darío De Jesús Pérez Piedrahíta	That the defendant be held liable for the violation of the fundamental and collective rights to life, health, family privacy, the enjoyment of a healthy environment, the existence of ecological balance and the rational management and use of natural resources, which led to the causing of the unlawful damage caused to the plaintiffs by the imposition of easements in compliance with an energy generation plan which has caused significant damage to the actors, both material and moral.	9,410
Radian Colombia S.A.S.	To declare that between EPM and Radian Colombia SAS there was work record CT-2015-002500-A1 whose purpose was: "Construction, replacement and maintenance of networks, connections and accessory works of the infrastructure of EPM's aqueduct networks". That EPM failed to comply with clause 1.4 Scope and location of the works, and its obligation to pay the additional administrative and locative resources required for the attention of the northern zone that was assigned to it after the aforementioned work act.	9,355
Velpa Soluciones Integrales S.A.	Declare null and void EPM's decision to reject the proposal submitted by the company Velpa Soluciones Integrales S.A., in the context of the procurement process PC-2009-0974 opened by EPM, on the grounds that it is allegedly disqualified from contracting with EPM and order it to pay the amount of the damages suffered as a result of the rejection of the claim in procurement process No. 2009 - 0974 and the sums that it will no longer receive as a result of the impossibility of contracting with the State for a period of 5 years, as a result of the decision adopted by EPM.	7,935
Velpa Soluciones Integrales S.A.	EPM is ordered to pay the amount of damages suffered by VELPA Soluciones as a result of the rejection of its proposal in procurement process No. 2009-0927 and the award to the firms ELECTROLUMEN Ltda and MELEC S.A.; as well as the amount of the sums that Velpa Soluciones Integrales S.A. will no longer receive, given the impossibility of contracting with the State for a period of 5 years, as a result of the decision adopted by EPM.	6,946
Velpa Soluciones Integrales S.A.	That EPM be ordered to pay the amount of the damages suffered from Loss of Profits and Consequential Damages, as the contract CT 2009 0220 was declared suspended, and the eventual decision to terminate the contract based on grounds such as a non-existent cause and for the sums that Velpa Soluciones Integrales S.A. will no longer receive; given the impossibility of contracting with the State for a period of 5 years, and this, based on the	6,337

Third party	Claim	Amount
	contracts entered into exclusively with the State during the year 2009 and its projection for the next period of 5 years.	
International Bussines Group S.A.S.	The PLAINTIFF requests a declaration of liability of the parties for the damages suffered by the events narrated and an order to pay the material damages, in the sense of: consequential damages, consolidated loss of profits and future loss of profits.	6,181
I.A. S.A. (Ingenieros Asociados)	To declare the breach of contract CW 10084 of 2017 and to order compensation for damages in the form of consequential damages for the concepts of payroll between May 9 and 15, 2018, transportation, tools and equipment; compensation for loss of profits due to the availability of equipment and tools between 10 May 2018 and 31 May 2021; and, compensation for damages in the form of loss of profits for financial returns not received between May 10, 2018 and May 31, 2021.	6,028
Axede S.A.	Loss of profits due to having affected their right to free competition, given the actions and omissions carried out by EMPRESAS PÚBLICAS DE MEDELLÍN EPM and the company MVM INGENIERIA DE SOFTWARE.	5,841
Electricaribe - Electrificadora Del Caribe S.A. E.S.P.	To declare that the term of the indemnity obligation in charge of Electricaribe - Electrificadora Del Caribe S.A. E.S.P. in liquidation, as Seller provided for in the Share Acquisition Agreement, has already expired and that no Loss has materialized for EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P., CARIBEMAR DE LA COSTA S.A.S. E.S.P., nor for any Indemnifiable Party of the Buyer that gives rise to the release of the Guarantee Resources in favor of EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. The period during which the Guarantee Resources were to remain deposited in the corresponding Sub-Account of the Trust has already expired.	5,265
Yovan Antonio Quintero Gómez	Declares EPM ADMINISTRATIVELY AND CIVILLY LIABLE. and/or THE COMPANIES; directly for the material and moral damages in their different manifestations and to compensate my principals as DRAGUEROS MINERS in their MAIN ACTIVITY in which they worked from 1.995 to date, adding up to 27 consecutive years. INDEMNIFY EVERYTHING THAT BY RIGHT BELONGS TO THEM AND IS COVERED BY LAW, and the provisions of the Manuals of Unit Values for the Payment of Compensation for Economic and Productive Activities; I must deliver to them and transfer to my principals the housing compensation, according to the MVU in the place where they decide.	5,127
Zandor Capital S.A. Colombia	It requests the nullity of administrative acts No. 0156SE-20170130033319 of March 14, 2017, 015ER-20170130045192 of April 8, 2017 and SSPD-20178300036125 of June 20, 2017 and as a restoration of the right an initial claim of five thousand (5,000) million pesos.	5,094
Inversiones Gallego Tobón Sas	Material damage resulting from: construction of two synthetic courts, dismantling of the courts, assembly of the gymnasium; Lease fee for 48 months; Labor Expenses, Advertising and Marketing Expenses; Payment of public services, stationery, supplies, cleaning supplies; purchase of gym equipment; Future loss of earnings: $1,416,371,947; Moral damages, for the 5 natural persons convening: 500 SMLMV/Physiological damage, for 5 natural persons: 500 SMLMV/Loss of opportunity, for the 5 natural persons: 500 SMLMV.	5,031
Licuas S.A.	That EPM be ordered to recognize and pay the contractor the monies withheld, The nullity of the official letter 201901301521030257 of 2019 contractual act by which the unilateral termination of the contract was declared CW20106 for non-compliance. To order EPM to restore the project and to recognize and pay the cost overruns caused to LICUAS, due to the interruption of the project for reasons not attributable to the contractor.	5,028
Smartgrowth S.A.S	To declare that EPM is responsible for the unlawful damage and material damages caused to the plaintiffs by actions and omissions in the constitution of the unformalized electrical easement over the rural property "La Cascajera", located in Madrid, Cundinamarca; and, the damage caused to the mining activity carried out. Condemn EPM to remove the electrical power wiring that crosses the property; and, to compensate for the damage of $1,477,586,746, which corresponds to the compensation for the occupied area and which is susceptible to the constitution of an unformalized easement since 2016.	4,821
Albeiro De Jesús Valencia Pérez	The plaintiff requests the payment of social benefits and the moratorium penalty, from July 9, 2010, until the total amount owed by all the plaintiffs is paid, in order to obtain payment of the judgment issued by the Eighth (08) Labor Court of Decongestion of the Medellín Circuit in the labor lawsuit with file 05001-31-05-005-2011-0135-00, in which EPM was not a party to the process.	4,818
Depósito De Buses Coonatra Copa Sas	PROFIT. Estimating from the entry into operation of the logistics center (January 1, 2019), until September 30, 2019, in an estimated $280,740,048 per month. CONSEQUENTIAL DAMAGE, for payment of salaries and social benefits of the staff who have provided permanent custody services of the property and its maintenance, from December 2018, until September 30, 2020, since, as the holder of the real right of ownership, in any case, he is responsible for the conservation and custody of the property.	4,804
Hilos Hebratex S.A.S	Claims the benefit for: The five months of 2012, $474,987,000; for the twelve months of 2013, $1,271,857,300; for the six months of 2014, $1,170,634,000. For the paralysis during the 25 days it took to repair the engines and fix and deliver the machines,	4,226

Third party	Claim	Amount
	$82,125,000; for the repair of the machines, $2,400,000; for payroll during the 25 days of the company's paralysis, $4,172,646; for the production materials that were damaged, $2,312,000; and, for rent payment during the twenty-five days of paralysis of the company, $2,348,000.	
Optima S.A.	That CORANTIOQUIA AND EPM are jointly and severally and administratively liable for all damages, patrimonial and extrapatrimonial, caused to OPTIMA S.A. CONSTRUCCIÓN Y VIVIENDA Y PROMOTROA ESCODIA S.A., for the breach of the duty of care, prevention, protection, maintenance, recovery and other actions, which guaranteed the balance and sustainable development of the environment in the Las Brujas basin, Loma de las Brujas and Cuenca del Ayura in the Municipality of Envigado, as well as the lack of care, protection and surveillance of the assets in their charge.	4,190
Miguel De Jesús Gómez Ramírez	To declare EPM responsible for including the plaintiffs as persons affected by the Ituango Hydroelectric Project, as miners and to cancel the compensation to which they are entitled for loss of economic activity, granting them Type 3 compensation for the population and to compensate the plaintiffs as miners for 28 years, and therefore, to pay them for their improvements, crops, possession, construction and maintenance of roads, legal premiums, relocation, consequential damages, loss of profits and moral damages.	4,170
Horacio De Jesús Gómez Ramírez	To declare EPM administratively, civilly and financially liable for not including HORACIO DE JESÚS GÓMEZ RAMÍREZ, IMELDA RODRÍGUEZ HENAO, MIGUEL DE JESÚS GÓMEZ RAMÍREZ, MARÍA CAROLINA SÁNCHEZ DE GÓMEZ as affected by the Hidroituango project, as Chorreros miners since 1994; to compensate them for the loss of economic activity for 28 years; pay them improvements for possession, cultivation, construction and maintenance of a road, legal premiums, relocation, consequential damages, loss of profits, and moral damages caused; and, to pay them $2,675,664,000.	3,802
Carlos Augusto Jiménez Vargas	Declare that the defendants are jointly and severally liable for all damages suffered by the plaintiffs due to the sewerage works of CENTRO PARRILLA.	3,799
Gustavo Vélez Correa	That it be declared that EPM is administratively responsible for the economic damages caused to the plaintiff by the fact that the plaintiff is the holder of a mining concession contract over the area that EPM required for the imposition of easements and expropriation, related to the Valle de San Nicolás project, in the jurisdiction of the municipality of El Retiro.	3,689
Humberto De Jesús Jiménez Zapata	That the process be carried out as a class action in accordance with Law 472 of 2008, against Hidroeléctrica Ituango S.A. ESP and EPM ITUANGO S.A. ESP, so that the living conditions of the plaintiffs, which were stable, are respected, and the values that are relative to each of the families and persons registered are given, declaring that EPM Hidroituango project did not duly pay the values and compensation to each of the families and individuals who were registered, in accordance with the manual of unit values.	3,647
Inciviles S.A.	Declare null and void EPM's Resolutions 0041 of January 21, 2005 and 00283 of April 21, 2005, which declared the risk of breach of the contract No 020113590 entered into between EPM and INCIVILES.	3,645
Horacio De Jesús Gómez Ramírez	To declare EPM responsible for including Mr. Horacio and Mr. Miguel de Jesús Gómez Ramírez; María Carolina Sánchez de Gómez and Imelda Rodríguez Henao, as affected by the Hidroituango Project; as MINEROS CHORREROS since 1994 and, therefore, to pay the compensation to which they are entitled, for the payment of compensation for loss of economic activity and to INDEMNIFY the children for 27 years; and to pay for their improvements, cultivation, possession, construction, and maintenance of the road; legal premiums, refusal, consequential damages, loss of profits and moral damages since 2018/05/26.	3,414
Oscar Jaime Restrepo Molina	For the frustrated profits, due to the decrease in the contracts that he may have had with EPM and his inability to contract with it, as a result of the presentation of the complaint that was made with the company the suspension of the contracts that were in execution.	3,307
Ingeniería Total Servicios Públicos S.A. E.S.P.	That it be declared that EPM breached Contract CT-2010-0499, the purpose of which was the "Construction and replacement of aqueduct and sewer networks in the Moravia neighborhood of the municipality of Medellín and paving of the roads affected by these works... ". That, as a result of such breach, the economic equilibrium of the Contract was broken and is responsible for the restoration of that equilibrium.	3,300
Luz Estela Arrieta Morales	To declare the entities summoned, jointly and severally and administratively responsible for all the patrimonial and extrapatrimonial damages caused to the plaintiffs, on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project; and to pay each of the plaintiffs 100 minimum wages for moral damages. Due to the impact on the constitutional rights of the plaintiffs, such as decent housing, work, health, among others; and, to the rights enshrined in international conventions and treaties on human rights, the payment of one (1) minimum wage for each month that the red alert remained.	3,289

Third party	Claim	Amount
José Isaac Guerra Diaz	It is hereby declared that the MUNICIPALITY OF MEDELLÍN, the Government of Antioquia, EMPRESAS PUBLICAS DE MEDELLÍN, the Municipality of Ituango and the Municipality of Taraza, are administratively responsible for the unlawful damages caused to the plaintiffs, on the occasion of the immediate evacuation of their properties, also ceasing their commercial activities. For each of the claimants for non-material damages, the total sum of 100 SMLMV.	3,261
Darío Sepúlveda Hernández	The convener requests that the damages generated with the construction of the PH PORCE III be covered, due to the abandonment that he had to make of his ranch and his activity as a barequero at the height of the LAS BRISAS and REMOLINO landscapes, due to the non-compliance with the agreements reached with EPM.	3,260
Consorcio Redes Cuencas	To declare that EPM was unfairly or illicitly enriched by the execution of contract CT-2014-000377-A1, which was not perfected, for which reason it must compensate for the alleged impoverishment suffered by the CORSORCIO REDES CUENCAS.	3,172
Rafael Segundo Herrera Ruiz	It is declared that EPM and others are jointly and severally and administratively liable for all the patrimonial and extrapatrimonial damages caused to the plaintiffs, due to the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	3,126
Digna Tulia Acosta Ramos	To declare EPM and other official entities jointly and severally and administratively liable for all patrimonial and extrapatrimonial damages caused to the actors, as a result of the emergency generated by the overflow of the Cauca River and until 2019/07/26, the date on which Elevation 435 was terminated and the National Disaster Risk Management System modified the state of red alert to Orange, This was the case with the Ituango Hydroelectric Project; order them to pay $87,780,300 to each of the plaintiffs.	3,086
María Isabel Lora López	That EPM be declared administratively liable for all the pecuniary and non-pecuniary damages suffered by the plaintiffs as a result of the death of the minor named MONICA ANDREA LORA LOPEZ and the injuries suffered and suffered by MARIA ISABEL LORA LOPEZ; for the events that occurred on 02/02/2000 in the Causes de Oriente neighborhood of the municipality of Medellín.	3,084
Eurocerámica S.A.	It is intended that EPM recognize and pay the sum of THREE THOUSAND ONE HUNDRED THREE MILLION FIVE HUNDRED SEVENTY-EIGHT THOUSAND NINE HUNDRED AND THREE PESOS M/L ($3,103,578,903), allegedly incorrectly invoiced by EPM.	3,078
Sadis Marcela Estrada	To declare the plaintiffs jointly and severally and administratively liable for all the patrimonial and extrapatrimonial damages caused to the plaintiffs on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project. To order the defendant entities to pay 100 SMLMV to each of the 17 plaintiffs for MORAL DAMAGES; to the payment of the Minimum Wage for each of the months that these people were away from their homes due to the declaration of red and orange alerts for the Municipality of Tarazá.	3,056
Francy Elena Avendaño Gómez	To declare EPM and other official entities jointly and severally and administratively liable for all patrimonial and extrapatrimonial damages caused to the actors, as a result of the emergency generated by the overflow of the Cauca River and until 2019/07/26, the date on which Elevation 435 was terminated and the National Disaster Risk Management System modified the state of red alert to Orange, This was the case with the Ituango Hydroelectric Project; order them to pay $87,780,300 to each of the plaintiffs.	3,055
Empresa Mercantil Tecnología Instrumentación Y Gas, T.I. Gas S.A.S.	To declare that EPM is administratively liable for the MATERIAL damages, since it has carried out abusive conduct of the dominant position and limitation of freedom of competition, against the commercial company TECNOLOGIA INSTRUMENTACIÓN Y GAS, T.I. GAS S.A.S., for the commercialization in the Aburra Valley and a large part of the Department of Antioquia of G-1.6 diaphragm gas meters for residential use, generating with such conduct, an unlawful damage to the Company in question.	3,019
German Alcides Blanco Álvarez	He requests the recognition of 100 SMLMV on the occasion of the diagnosed and firm incapacity for work, of 17.79%, causing a decrease in his work and physical activity, causing a detriment to the patrimony that will enter Mr. Germán Blanco Álvarez due to the accident of 29/04/2011, where damages were caused to the plaintiffs.	3,008
Dennis Esther Sehuanes Angulo	It is declared that the MUNICIPALITY OF MEDELLÍN, the Government of Antioquia, EMPRESAS PUBLICAS DE MEDELLÍN, the Municipality of Ituango and the municipality of Taraza, are administratively responsible for the unlawful damages caused to the plaintiffs, on the occasion of the immediate evacuation of their properties, also ceasing their commercial activities due to the overflow of the Cauca River, which has brought a great alteration to the constitutional and conventional rights of the plaintiffs.	3,004
Edwin David Yepes García	EPM and others are declared jointly and severally and administratively liable for all patrimonial and non-patrimonial damages caused to the plaintiffs on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,970
Yuneidy Mazo Gaviria	Declare EPM and others responsible for the damages caused by the overflow of the Cauca River that originated in the Hidroituango Project. Moral damages 100 SMLMV for each claimant. $12,844,891 for the impact on constitutional assets, on the rights enshrined in	2,970

Third party	Claim	Amount
	international conventions and treaties on human rights; and, to the other rights that the Judge finds proven. IN THE ALTERNATIVE, the judge is requested that, if he does not decree the compensation indicated, alternatives such as a study kit and tools for recreation and sports be granted for a minimum of $5,000,000.	
Alberto Arroyo Montiel	To declare Hidroituango, EPM, and others administratively liable for the damages caused to the defendants, for what they did not receive when they had to travel due to the emergency caused, due to the exceptional risk due to the impossibility of carrying out the economic activity from which the plaintiffs' livelihood was derived, calculated for 27 months, it is settled with 2 SMLV for 12 months. Due to the emotional effects of the victims, 100 SMLV is requested for each one for 2020. The estimate is $87,780,300 per person, for a total of $2,896,749,900. There are 33 plaintiffs.	2,960
Wilfran Enrique González Castro	That the entities be declared jointly and severally and administratively liable for all the patrimonial and extrapatrimonial damages caused to the plaintiffs, on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,954
José Eduardo Suárez	Declare the summoned entities responsible for the patrimonial and extrapatrimonial causes caused to the actors, by the overflow of the Cauca River that originated in the Hidroituango Project. The defendants are ordered to pay SML 100 to each plaintiff for moral damages. Make the payment of 1 SML for each month that the red alert remained for the Municipality of Cáceres, between 2018/05/12 and 2019/07/26. If it is presented that the red alert has been extended, they request recognition of the minimum wages that the plaintiffs stop earning, from the date of the new facts, until the end of the alerts.	2,946
Sirle Johana Villareal Henríquez	To declare the defendants liable for the pecuniary and extrapatrimonial damages caused to the plaintiffs, as follows: for moral damages, $87,780,300 per plaintiff. CONSOLIDATED LOSS OF PROFITS: 12,844,891,299 each. FUTURE LOSS OF EARNINGS: If the red alert is extended, recognize the minimum wages that the plaintiffs stop earning until the alerts end. DAMAGE TO CONSTITUTIONAL AND CONVENTIONAL PROPERTY: 100 SMLV each. ALTERNATIVELY, a study kit and tools for recreation and sport for a minimum of $5,000,000 for each of the plaintiffs.	2,917
Ruby Susana Arrieta Baldovino	That the entities be declared jointly and severally and administratively liable for all the patrimonial and extrapatrimonial damages caused to the plaintiffs, due to the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,899
Katerine Miranda Miranda	To declare the CONSORCIO HIDROELECTRICA HIDROITUANGO S.A. E.S.P, EPM, the MAYOR'S OFFICE OF MEDELLÍN and others, jointly and severally and administratively liable for all patrimonial and extrapatrimonial damages caused to the plaintiffs, as a result of the emergency generated by the overflow of the Cauca River and until July 26, 2019, an event that originated in the Ituango Hydroelectric Project. Moral damages: 100 SMLMV; loss of earnings $12,844,891; and, Damage to constitutional and conventional property: 100 SMLMV for each of the plaintiffs.	2,894
Adonai Vanegas Jiménez	To declare the CONSORCIO HIDROELECTRICA HIDROITUANGO S.A. E.S.P, EPM, the MAYOR'S OFFICE OF MEDELLÍN and others, jointly and severally and administratively liable for all patrimonial and extrapatrimonial damages caused to the plaintiffs, as a result of the emergency generated by the overflow of the Cauca River and until July 26, 2019, an event that originated in the Ituango Hydroelectric Project. Therefore, the defendant entities must pay $87,780,300 to each of the 19 plaintiffs.	2,894
Diego Alberto Olaya Sánchez	That the defendant entities be declared administratively responsible for the facts complained of. As a result of the above declaration, the Court ordered to pay moral damages of 87,780,300 for each of the 19 defendants. Consolidated loss of earnings, for the months that these people were away from their homes. 100 minimum wages for each plaintiff for constitutional and conventional goods.	2,889
Ruben Dario Escobar Villa	It is declared that within the employment relationship, the plaintiff performed work schedules in the standby modality, without these times having been paid.	1,661
Sebastian Garzon Lopez	Request reimbursement from EPM for state of health and employer's fault for work accident	1,389
Juliana Urrea Giraldo	It is intended to declare the employer's fault of the MISPE Consortium and jointly and severally to EPM, for the payment of patrimonial and extrapatrimonial damages	1,144
Ciudadela Comercial Unicentro Medellín Ph	To decree the nullity of the administrative act issued by EPM with file 20190130037817 of 2019-02-27. To order the restoration of the plaintiff's right by ceasing to collect the electricity tax provided for in Law 142 of 1994, Law 143 of 1994 and Law 223 of 1995; and, to make the refund of what was paid for this concept from January 1, 2017 and until the date of judicial notification that ends the process.	382
Parcelación Estación Popalito P.H.	That by way of reinstatement of the right, the refund of the sums paid for the concept of Electric Energy Tax by the Popalito PH Parcel to EPM from December 1, 2016 to June 2021 and November 2022, for a value of $13,958,822 COP, is ORDERED. To condemn for the value of the default interest at the maximum legal rate on the sums paid for the concept	10

Third party	Claim	Amount
	of Electricity Tax, until the date on which the respective refund of these sums is made from May 20, 2022.	
Total contingent liabilities		**1,852,526**

- Amounts stated in millions of Colombian pesos -

With respect to the uncertainty in the estimated payment date and the estimated value to be paid, the same business rules indicated apply to contingent liabilities, see note 27.1.2. Litigation.

EPM also has as a contingent liability, Environmental Sanctionary Procedures, with the following information:

Third party	Claim	Amount
Aburrá Valley Metropolitan Area	Discharge of wastewater from the San Fernando WWTP in breach of the minimum 80% removal level for the parameters DBO5_Demanda Biochemistry of Oxígeno, SST_Sólidos Suspended Totales, fats and oils established in Article 72, new user, of Decree 1594 of 1984. Metropolitan Resolution No. S.A. 000415 of April 28, 2014. A closing argument was presented.	It is not possible to know the sanction to be imposed.
National Environmental Licensing Authority "ANLA"	Construction of mini-power plant without authorization and use of ecological flow to generate energy without being authorized in an environmental license (Porce III hydroelectric plant) Auto 4335 of December 17, 2013.	It is not possible to know the sanction to be imposed
Aburrá Valley Metropolitan Area	Discharge of domestic wastewater into the La Paulita creek as a result of the rupture of the collector. St. Peter's Building.	It is not possible to know the sanction to be imposed.
National Environmental Licensing Authority "ANLA"	Thermosaw 1. For carrying out the air quality sampling reported in ICAs 13, 14 and 15, without the periodicity established by the Industrial Air Quality Monitoring System, authorized in the environmental instrument corresponding to this project. 2. For carrying out environmental noise monitoring reported in ICAs 13, 14 and 15, with an Environmental Laboratory not accredited by IDEAM._Auto 350 of February 5, 2018. SAN0142-00-2017.	No charges have been filed, and it is not possible to know what sanction will be imposed.
National Environmental Licensing Authority "ANLA"	Use of explosives in the construction of the Nueva Esperanza tower. The environmental license granted by this resolution does not cover any type of work or activity other than those described in the Environmental Impact Study, the Environmental Management Plan and in this administrative act. Order 02574 of June 27, 2017 ANLA.	It is not possible to know the sanction to be imposed; Defenses were filed
Aburrá Valley Metropolitan Area	Discharge of domestic wastewater from the rupture of the sewer pipe that carries said water, over a pasture and later over the Doña María stream, a property called Torremolino. Closing arguments were presented on September 2, 2022.	It is not possible to know the sanction to be imposed; No charges have been filed.
Aburrá Valley Metropolitan Area	In an authorized occupation of the riverbed on the La Malpaso creek, a covering of the bed and walls of the same in cyclopean concrete was observed, work was not approved by the environmental authority. Metropolitan Resolution No. S.A. 1002 of June 4, 2020 Aburrá "By means of which an administrative sanctioning procedure of an environmental nature is initiated".	It is not possible to know the sanction to be imposed; No charges have been filed.
National Environmental Licensing Authority "ANLA"	Failure to submit the Definitive Biodiversity Loss Compensation Plan, in accordance with the established guidelines and Environmental License, in accordance with the provisions of the Manual for the Allocation of Biodiversity Loss Offsets issued by the Ministry of Environment and Sustainable Development. New Hope. HOME ORDER No. 08029 (August 24, 2020), File: SAN0175-00-2020	It is not possible to know the sanction to be imposed; it has only started.
National Environmental Licensing Authority "ANLA"	1. Having carried out the discharge of the wastewater generated in the Nueva Esperanza Substation, by means of infiltration fields, without having the respective modification of the Environmental License. 2. Failure to present the results obtained on the occasion of the measurements made on the concentrations of particulate matter, SOx, NOx, which were carried out during the construction phase of the Nueva Esperanza Substation. 3. Not having carried out fauna monitoring for groups of mammals, amphibians and reptiles for the year 2018." New Hope. Order 01479 of March 17, 2021 - SAN030-00-2021	Discharges were filed on July 19, 2023 POSSIBLE
Ministry of Environment and Sustainable Development - MAD	Failure to provide documentation of the El Banqueo property, on its acquisition and participation of the Environmental Authority in its selection, removal of forest reserve area, Nueva Esperanza 500 kv project. Cessation of proceedings requested 28/11/2022	It is not possible to know the sanction to be imposed; it has only started.

Third party	Claim	Amount
Aburrá Valley Metropolitan Area	Verify the facts or omissions constituting an infringement of the environmental regulations in force regarding the flora resource. Irregular pruning intervention of one (1) tree specimens of the Chiminango species. Metropolitan Resolution No. S.A. 001 of January 2, 2023 By means of which an environmental sanctioning procedure is initiated"	Discharges were filed on September 5, 2023. Disclaimers Possible.
Aburrá Valley Metropolitan Area	Discharge of sludge into the outlet channel of the lagoon to the Aburrá-Medellín River, then dilution with water from the Manantiales water treatment plant, with a flow rate of approximately 26 liters/second (diluted sludge) on September 9, 2021. Metropolitan Resolution No. S.A. 2357 of September 21, 2022. By means of which an environmental sanctioning procedure is initiated"	Defenses were filed. POSSIBLE.
Aburrá Valley Metropolitan Area	Verify the facts or omissions constituting an infraction of the environmental regulations in force in the field of natural water resources, basically due to the failure to submit timely information. Metropolitan Resolution No. S.A. 0027 of January 3, 2023 By means of which an environmental sanctioning procedure is initiated""	Possible
Regional Autonomous Corporation of the Negro and Nare_ CORNARE_ River Basins	Alleged unauthorized intervention in the course of the unnamed water source in the Tram sector of the municipality of Rionegro and the capture of a flow of water in a hydraulic work, directed entirely by a canal, without permission from the competent environmental authority. Resolution RE-00012-2023 By means of which a preventive measure is imposed"""	Possible
National Environmental Licensing Authority "ANLA"	1. Failure to submit certificates, records and information in Environmental Compliance Reports 2. For not restoring all eroded and devegetated areas. 3. Improperly disposing of surplus construction materials. 4. Carry out a forest use greater than that approved in the Environmental License, on the cover of Gallery or riparian forest" 5. Carry out the construction and installation of 2 new towers. "MAGDALENA MEDIO A 230 KV". By means of Order 4577 of June 17, 2022, it orders not to accede to the requested cessation of the procedure and formulates a statement of five charges. On July 15, charges were filed against Order 4577 of June 17, 2022. ORDER No. 03458 (June 27, 2018)-SAN-140-00-2017. Order 4577 of June 17, 2022."	Possible
CORANTIOQUIA _ Aburrá Sur	Occupation of the riverbed in the La Honda creek without authorization	Possible
CORANTIOQUIA _ Aburrá Sur	Alteration of water resources and landscape. Presence of blue coloration in the La Sucia creek, which converges on the right bank of the Medellín River at the height of the channeling of the La Sucia and La Mina streams at the bridge of the Envigado Metro Station.	Discharges were filed on December 27, 2023. Possible
CORANTIOQUIA _ Aburrá Sur	Alleged impact of sewage on the La Hondita creek	Possible
CORANTIOQUIA _ Aburrá Sur	Damage to the local networks and the associated collectors of the sewage sewer system in the Refugio del Esmeraldal subdivision. Administrative Act 130AS-1208-9159 of August 2, 2012.	Possible
CORANTIOQUIA _ Aburrá Sur	Dumping of domestic wastewater on the banks of the Peladeros creek in the village of Los Gómez in the village of El Manzanillo in the municipality of Itagüi. Administrative Act 130AS-1601-12557 of January 26, 2016.	Possible
CORPOGUAJIRA	For not complying with paragraph f of article 2,2,6,1,3,1 of Decree 1076 of 2015 regarding the obligations of the generator of waste or hazardous waste in the Jepírachi wind farm (register with the competent environmental authority only once and keep the information of its registry updated annually). Order 976 of October 2, 2017; Resolution 1373 of September 29, 2020.	It is not possible to know the sanction to be imposed; No charges have been filed.
National Environmental Licensing Authority "ANLA"	Improper practices with respect to surface water sources in the project's area of influence; having captured water resources from the El Roble", "Burundá", "Bolivia" and "Guacimal" streams, in flows higher than those concessioned and/or authorized for the development of the project; not having implemented in each of the concessioned water bodies, the infrastructure that would allow monitoring the remaining flows, for the purpose of being presented in the environmental compliance reports; Failure to carry out and deliver water quality monitoring and hydrobiological communities in the Cauca River, under the conditions established in the environmental license. For not having carried out the reshaping and recovery of the course of the "San	It is not possible to know the sanction to be imposed. Presentation of defenses with file number 2018041852-1-000 of April 10, 2018

Third party	Claim	Amount
	Andrés River" and its flood zone to its natural conditions, within the period granted; having made use of stone materials from the "San Andrés River" without updated environmental permits; for not having delivered the results of the sediment monitoring of "Río Cauca", in order to establish the baseline of comparison at the time of starting the operation phase of the project. Having exceeded the maximum permissible levels of PST (particulate matter) and air pollutants in the asphalt plant located in the "El Valle" Industrial Zone; for not having built the necessary facilities and infrastructures in the chimney of the asphalt plant for monitoring emissions from fixed sources; for failing to comply with the management measures of the "Plan for the Management and Disposal of Materials and Dump Areas", disposal of plant material mixed with inert material inside the deposits and lack of signage of the material disposal areas that remain active. All this in the area of influence of the project "construction, filling and operation of the Pescadero - Ituango Hydroelectric Project... (SAN0033-00-2019_Auto 2920 of 2015)."	
National Environmental Licensing Authority "ANLA"	Order 00009 of January 8, 2021, the ANLA initiates the environmental sanctioning procedure for the contingency associated with the auxiliary diversion system, to verify the following facts: 1. Failure to report within the period provided by law (24 hours) the contingent event that occurred on April 28, 2018. 2. Having continued with the construction of the ODS and its infrastructure, without having sufficient technical information related to the environmental characterization of the intervened area for the geology and geotechnical components. 3. For allegedly generating negative impacts on renewable natural resources. 4. Failure to guarantee for the first days of May 2018 and before the evacuation of water dammed from the Cauca River by the project's powerhouse began, the ecological flow of said source downstream of the dam site, to ensure the integrity of the ecosystem services and environmental protection goods that are part of the water source. For the contingency associated with the Auxiliary Deviation System. *No charges have been filed; however, a request for cessation of the sanctioning procedure was filed through file No. 2018064395-1-000 of May 24, 2018 (SAN0097-00-2018_Auto 02021 of 2018)	Without having filed charges, it is considered by the lawyer as possible. On December 30, 2021, the expert opinion (Poyry) was presented for the lifting of the preventive measure. By means of Order No. 4076 of June 7, 2023, notified on June 16, the ANLA ordered a series of administrative proceedings in the course of the environmental sanctioning procedure. To date, no charges have been filed.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. *Initiation of sanctioning proceedings for not guaranteeing the ecological flow downstream of the dam of the project Construction and operation of the Pescadero - Ituango hydroelectric project" to ensure the integrity of the ecosystem services and environmental protection goods that are part of the "Río Cauca" water source. By Order 4915 of June 29, 2022, charges were filed. A statement of defence was filed on 5 August 2022. Order No. 8016 of September 29, 2023 - ANLA opens the probationary period and orders the taking of evidence requested by the Company and those considered by it. *No charges have been filed. (SAN0001-2019_Auto 0060 of 2019/01/21)"	No charges have been filed, it is considered by the lawyer as possible.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. 1. Discharge into intermittent dry riverbed coordinates X=1157241 and Y=1281506 2. Discharge into the rainwater channel from the mixer washing system located in the industrial area of main works The ANLA opened a disciplinary proceeding but it has not been formally initiated. By Resolution No. 1222 of December 3, 2013, the ANLA imposed a preventive measure to suspend the dumping. By means of Resolution No. 1363 of October 31, 2017, the ANLA lifted the aforementioned preventive measure. Order 1282 of March 22, 2019, an environmental sanctioning file was opened Order 03429 of April 24, 2020, ANLA Initiates Environmental Sanctioning Procedure Order No. 1821 of March 21, 2023, ANLA formulates a statement of objections. With Vital file No. 3500081101479823041 of April 14, 2023, a statement of defense is filed. Official Letter No. 20231420526581 of October 20, 2023 by which the ANLA	No charges have been filed, it is considered by the lawyer as possible.

Third party	Claim	Amount
	summons witnesses to witness proceedings. On October 26, the testimony was taken. License file LAM2233 for them to be included in file SAN0031-2019.	
National Aquaculture and Fisheries Authority - AUNAP	HIDROELÉCTRICA ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. *Initiation of preliminary investigation for effects on fishing activity during the closure of the powerhouse gates. *No charges have been filed. (No file AUNAP_Auto 002 of February 14, 2019).	No charges have been filed, it is considered by the lawyer as possible.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. Repeated failure to comply with obligations imposed. The ANLA filed charges through Order No. 8082 of October 3, 2023. By means of a document with file VITAL No. 3500081101479823141 of October 30, 2023, a statement of defense was filed. The sanctioning procedure is pending Order 11359 of December 19, 2019. SAN0284-00-2018 _diciembre 19, 2019.	Situation not resolved. To date, no charges have been filed.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. Failure to comply with contingency obligations: - Failure to permanently carry out the proper management of non-domestic wastewater and filtration on the left bank of the 380 mi Gallery. - Not having presented the hydrogeological model of the right bank of the project. - Failure to submit cartographic information related to water quality and hydrobiological monitoring that was to be carried out at different points downstream of the project's dam site. - Failure to present the results of the monitoring of offensive odours, water quality and physicochemical quality of the sludge during the pumping activity of the powerhouse. Order No. 2423 of March 30, 2020, initiating environmental sanctioning proceedings. With file VITAL No. 3500081101479823014 an appeal for reconsideration is filed against Order No. 00101 of 2023, which denied the taking of evidence. Order No. 3541 of May 19, 2023, by which the ANLA confirms Order No. 00101 of January 11, 2023, which denies the taking of evidence. Official Letter No. 20236600141911 of June 9, 2023, by which the ANLA responds to an authorization submitted by the company Hidroeléctrica Ituango S.A. E.S.P. for the electronic notification of Order No. 3541 of May 19, 2023, in which the entity denies an appeal for reconsideration filed against Order No. 00101 of January 11, 2023 (which denies testimonial evidence), that decision is final. SAN0030-00-2020_ March 30, 2020_ To date, no charges have been filed.	Unresolved situation. Charges were filed by Order 9812 of November 18, 2021 and discharges were filed on December 13, 2021.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. Repeated failure to comply with the obligations imposed within the framework of the contingency. Initiation of the environmental sanctioning procedure by Order No. 06576 of July 13, 2020. The ANLA formulated a statement of objections through Order No. 7190 of September 6, 2023. On September 29, 2023, a statement of defense was filed with file VITAL No. 3500081101479823123 SAN1285-00-2019 _ July 13, 2020_	Situation not resolved. To date, no charges have been filed.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. _ Carrying out air quality and odor monitoring without complying with the protocols established by the Ministry of Environment. To analysis of samples for air quality and odour sampling by laboratories not accredited by IDEAM. Initiation of the environmental sanctioning procedure by Order No. 07774 of August 14, 2010. Charges were filed by Order 9931 of November 22, 2021 and discharges were filed on December 13, 2021. By means of file VITAL N°3500081101479823015 an appeal for reconsideration is filed against Order No. 00104 of 2023 by which the ANLA denies the taking of evidence. Order No. 3418 of May 15, 2023, by which the ANLA resolves the appeal for reconsideration filed against the second article of Order No. 00104 of January 11, 2023, confirming it in its entirety. SAN1258-00-2019 August 14, 2020. To date, no charges have been filed.	Situation not resolved. To date, no charges have been filed.
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. _ Discharges and catchments of water at unauthorized points, exceedance of catchment flow with respect to the authorized, lack of monitoring in specific periods, exceedance of discharged flow with respect to the authorized flow. Initiation of the environmental sanctioning procedure by Order No. 4173 of June 2, 2022. Through Resolution No. 00617 of March 29, 2023, the ANLA imposes a	No charges have been filed, it is considered by the lawyer as possible.

Third party	Claim	Amount
	preventive measure consisting of the suspension of the discharges of domestic wastewater that are discharged into the water sources Río San Andres" and "Quebrada Tacuí", from the domestic wastewater treatment systems of the Tacuí Cuní Camp, "TACUÍ CASINO PORTERIA". SAN0067-00-2022 June 2, 2022. To date, no charges have been filed."	
National Environmental Licensing Authority "ANLA"	HIDROELÉCTRICA ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. _ 1. Failure to implement measures to control erosion and degradation of the conditions of the slopes and on the upper and lower slopes in the area called La Honda", between the abscissas of Km 17+800 - Km 18+221 - Bridge 32 in the La Honda creek of the Puerto Valdivia – Presa road. 2. Having carried out the occupation of the channel of the "Quebrada Tacuí" body of water, without having previously obtained the modification of the Environmental License granted for the development of the project (Res. no. 0155 of 2009). Order No. 5345 of July 17, 2023 by which the ANLA orders the initiation of environmental sanctioning proceedings SAN0076-00-2023 July 17, 2023. To date, no charges have been filed."	No charges have been filed, it is considered by the lawyer as possible.
Aburrá Valley Metropolitan Area	Presumed environmental impact on the flora resource due to the severe pruning of one (1) tree individual of the species Cheflera (Schefflera actinophylla). Metropolitan Resolution No. S.A. 1050 of June 8, 2020 "By means of which an environmental sanctioning procedure is initiated".	It is not possible to know the sanction to be imposed; No charges have been filed.
Corantioquia - Aburrá Sur Territorial Office	Failure to comply with the permit for forest harvesting and use of species in good condition and in closure without a permit. Administrative Act 160AS-1506-12031 of June 17, 2015.	It is not possible to know the sanction to be imposed; Defenses were filed
Corantioquia - Tahamíes Territorial Office	To bring charges against EMPRESAS PÚBLICAS DE MEDELLIN, identified with NIT 890.904.996-7, for the alleged commission of environmental infractions by way of fault and for the damage caused to the flora resource, derived from the facts consisting of the burning of an area of approximately 10 hectares, 2.5 hectares of natural forest and stubble. Resolution 160TH-ADM1903-1901 of March 29, 2019- TH4-2013-8	It is not possible to know the sanction to be imposed.

EPM also has as a contingent liability, Works for Taxes Mechanism, with the following information:

In exercise of the provisions of article 238 of Law 1819 of 2016, Empresas Públicas de Medellín E.S.P. -EPM- as a taxpayer of income and complementary taxes was linked to the mechanism of works for taxes, among others, with the project "Improvement of tertiary roads in Cocorná" prior concept of technical feasibility of the Ministry of Transportation, as a form of payment of a portion of the income tax of the taxable period 2017 for the sum of $33,701 million, with a 10% participation by the Company Energy of Quindío S.A. E.S.P. -EDEQ-. Subsequently, the Ministry of Transportation objected to the scope of the project, leading to the disappearance of the factual and legal support of the administrative act linking the mechanism, for which reason it lost its enforceability and consequently the project became unexecutable for EPM.

By virtue of the foregoing and considering the decay of the administrative act, it is expected that the Directorate of National Taxes and Customs DIAN will issue the administrative act with which the extinction of the tax obligation would be obtained once the judicial discussion is concluded, in that order, the company is exploring alternatives and taking steps to achieve the closure of this issue. This situation could imply an accounting recognition of interest for arrears pending determination and assumption of the costs executed in the work, which to date amount to $1,011 million, once the procedure to which this matter is subject under the terms of Decree 1625 of 2016 is concluded.

In line with the exploration of alternatives that has been carried out, with the purpose of mitigating the risk of interest being caused by future arrears in the income tax of the taxable year 2017 of EPM and EDEQ, in the event of a possible declaration of non-compliance by means of a final administrative act by the competent national authority or a ruling by a judicial authority, An advance deposit was made on September 16, 2022, in favor of the DIAN for $77,985, which is reflected in the financial obligation of the companies as a surplus, which in legal and tax terms is equivalent to an overpayment or of what is not due and can be returned to taxpayers once this matter is definitively resolved in their favor. The deposit of these resources in no way obeys an express or tacit conduct of acceptance of any type of responsibility on the part of EPM and EDEQ and does not imply acceptance or manifestation of non-compliance with their obligations derived from the link to the mechanism of works for taxes. Nor do they waive any claims they may make in relation to this matter to show that there is no breach and therefore no interest or penalties should be paid.

Once it is determined that there was no non-compliance with the works for taxes mechanism by taxpayers, the DIAN must return any sum that results in favor of EPM and EDEQ.

In addition to the above, and as a mechanism to protect the interests of the companies, EPM filed a lawsuit before the Administrative Court of Antioquia in the exercise of the means of control of nullity and restoration of the right against: the Agency for the Renewal of the Territory (ART), the Ministry of Transport, the National Institute of Roads (INVIAS), the Directorate of National Customs Taxes (DIAN), and the National Planning Department (DNP). In order that, among others: the nullity of the administrative act issued by the Territorial Renewal Agency on May 13, 2022, by virtue of which it refuses to recognize the exception of the loss of enforceability and/or request for a study of direct revocation of Resolution 175 of 2018 "by which a request for the payment of income tax and complementary taxes is approved" is declared null and void. an investment project in the areas most affected by the armed conflict – ZOMAC"; recognize the exception of "loss of enforceability" and, consequently, refrain from requiring EPM and EDEQ to comply with the obligations contained in Resolution 175 of 2018 issued by the ART, due to the lapse of the act within the framework of their competences within the works for taxes mechanism; it is declared that EPM and EDEQ made the timely and full payment of the resources destined for the cancellation of the income tax for the 2017 annuity. An appeal filed by EPM against the order rejecting the claim on the grounds that the act issued by the ART is not subject to judicial review is currently pending, pending the decision on the appeal by the Fourth Section of the Council of State.

It is important to note that since May 24, 2018, the resources for the payment of income tax by EPM and EDEQ taxpayers were deposited in the trust provided for the works-for-taxes mechanism whose income is recognized in favor of the competent national authority and therefore there is no reason to understand that there is a delay in the fulfillment of the tax obligation by the taxpayers. As of December 2023, yields amount to $11,508 million, of which $448 million have already been transferred to the General Directorate of Public Credit and National Treasury.

Contingent Assets

Third	Claim	Amount
Administrator Of Social Security Resources (Adres Sa)	The Ministry of Health has the legal and constitutional obligation to recognize and cancel the value of the services provided to members in relation to medicines and/or procedures, interventions or elements not included in the Compulsory Health Plan (POS).	21,697
Interamericana De Productos Quimicos S.A. (Interquim S.A.)	That by means of a judgment, the expropriation in favor of EPM of the right of ownership of the property called "Finca Torremolino" located in the village of San Diego, in the Municipality of Girardota, owned by INTERAMERICANA DE PRODUCTOS QUÍMICOS S.A.S., be decreed, by judicial means, which will be used for the execution of the project the Project "PEI1213GARCE WWTP'S DEL NORTE COPACABANA Y GIRARDOTA" of which the "WWTP GIRARDOTA" is a part, Girardota Wastewater Treatment Plant. That in the judgment ordering the expropriation of the right of ownership with respect to the property, it is declared that the compensation or price to be paid by EPM is $10,589,314,000, in accordance with the technical report of Appraisal CM-2022-00577.	9,705
Miscellaneous Administrative	Process for an amount less than $1,307.	8,334
Constructora Monserrate De Colombia Sas	The expropriation in favor of EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. is decreed by judicial means for the Project "Expansion of the Capacity of the Primary Distribution in the Western Sector of Medellín-Cadena Occidente Tanque Calazans" property called Lot 7, located in the Altos de Calazans sector, of the Municipality of Medellín owned by the Company CONSTRUCTORA MONSERRATE DE COLOMBIA SAS.	7,656
Poblado Club Campestre Ejecutivo S.A.	Declare that Interconexión Eléctrica S.A. E.S.P., ISA is civilly liable for not recognizing EPM, the value to which it is entitled, of the remuneration that ISA received between 1995 and 1999, for the line modules that correspond to assets used by the STN in the Playas and Guatapé substations represented by it; in which	4,533

Third	Claim	Amount
	there is shared ownership, a value that to date has not been realized, generating unjust enrichment by increasing the assets of the defendant at the expense and to the detriment of the assets of the plaintiff.	
Notary Office 25 Of Medellín	A refund of the amount paid by EPM ITUANGO S.A. E.S.P., on December 1, 2011, duly indexed, is requested.	3,646
Municipality Of Envigado	Declare EPM E.S.P., is not obliged to pay to the Municipality of Envigado the amount stated in Resolutions No. 655 of 2004/03/17 "By means of which the valorization contribution is distributed for the work "Construction of aqueduct and sewerage networks in the urban expansion and sewerage zone in a sector of the village of El Escobero" nor to agreement 015 of 2000/06/30 containing the POT, in the section that classifies the land uses of the lot of the Ayurá Plant owned by Empresas Públicas de Medellín	1,307
Corantioquia - Corporación Autónoma Regional Del Centro De Antioquia	To declare null and void Article 5 of the Resol. 130 TH-1302-9864 issued by the Territorial Director TAHAMIES of "CORANTIOQUIA" for the fee for the use of surface water for 2011, from the Rio Grande source; reimburse EPM, the highest amount cancelled for the fee for the use of Surface Water Dec. 155 – 4742, Hydrological Unit: MAGDALENA RIVER - CAUCA, for 2011 made with invoice TH – 1927 of 2012/04/30. To order Corantioquia to recognize and pay EPM the legal, current and default interest that has been caused; to the payment of costs and agencies in law of conformity.	834
Sspd - Superintendence Of Residential Public Services	To declare the partial nullity of the following administrative acts issued by the SSPD: - Official Settlement of the Special Contribution Year 2022 for aqueduct and Official Settlement of the Special Contribution Year 2022 for sewerage. As a consequence of the nullity, EPM's right is restored, ORDERING the SSPD to reimburse the sum of money corresponding to the highest amount cancelled for the aforementioned concept, equivalent to $1,266,300,000, and to recognize and pay the interest caused on the amounts claimed from the time of payment of the contribution.	778
Various Prosecutors	Process for an amount less than $657.	592
Total contingent assets		**59,082**

- Amounts stated in millions of Colombian pesos -

As of December 31, 2022, the value determined by the experts to be compensated is $59,082.

Estimated payments and collections

contingent liabilities or will receive the collections for the contingent assets included in this note to the statement of financial position of EPM at the cut-off date, is the following:

Year	Contingent liabilities	Contingent assets
2024	854,094	21,243
2025	302,594	11,097
2026	201,474	1,926
2027 and Others	3,014,153	39,754
Total	**4,372,315**	**74,020**

- Amounts stated in millions of Colombian pesos -

Note 28. Other liabilities

The composition of other liabilities is as follows:

Other liabilities	2023	2022
Non-current		
Other deferred credits [1]	20,810	20,880
Assets received from clients or third parties	7,646	7,732
Deferred income [2]	1,915	2,122
Resources received in administration	253	997
Collections in favor of third parties [3]	10	10
Sub-total other non-current liabilities	**30,634**	**31,741**
Current		
Deferred income [2]	1,002,482	500,042
Collections in favor of third parties [3]	207,869	386,549
Resources received in administration	4,294	15,369
Advances and advance payments received	507	507
Sub-total other current liabilities	**1,215,152**	**902,467**
Total	**1,245,786**	**934,208**

- Amounts stated in millions of Colombian pesos -

1 It corresponds to the collection of works and improvements on other people's properties in urban planning concepts.

2 It corresponds to the collections received for leasing, sales of energy service, public lighting, reliability charge, registration of the POIR for aqueduct and sewerage, sales of gas service, agreements made with different entities and compensations from the biller.

3 It corresponds to the collections received for contributions of public works and UdeA stamp, from the employees' fund, from the Sanitation fee to Emvarias, Public lighting to the different municipalities of Antioquia, the commercial representation contract that EPM has with ESSA and CHEC and the collections to be classified according to IAS32.

28.1 Deferred income

The detail of deferred income of the cut-off date was:

Deferred income	2023	2022
Non-current		
Leases	1,338	1,511
Sale of energy service	519	553
Construction Contracts	58	58
Total non-current deferred income	**1,915**	**2,122**
Current		
Sales [1]	613,731	272,549
Sale of energy service [2]	101,526	93,377
Sale of aqueduct service [3]	135,955	84,585
Sewer Service Sale [3]	81,784	45,792
Other deferred credits [4]	64,589	(532)
Sale of fuel gas service	3,499	3,511
Construction Contracts	1,225	587
Leases	173	173
Total current deferred income	**1,002,482**	**500,042**
Total deferred income	**1,004,397**	**502,164**

- Amounts stated in millions of Colombian pesos -

1 The increase is explained by higher amounts received in advance for the services provided, mainly in long-term energy, electricity and regulated market energy contracts.

2 The increase was mainly in reliability charges.

[3] This value is recorded annually for the Water Tariff Structure, which applies to the measurement and recognition of the revenue received in advance from the execution. of the "Regulated Works and Investment Plan (POIR)", which is approved by the CRA and generates the obligation to execute the investments, the component of the fee that corresponds to this obligation should not be recognized until it is executed, since IFRS 15 establishes that an entity will only recognize income when it has satisfied the required or contracted performance obligations.

[4] The increase was due to higher turnover collected during 2023, related to third parties such as Nitro Energy Colombia SAS and municipalities.

Note 29. Changes in liabilities from financing activities

The reconciliation of the liabilities that arise from financing activities is as follows:

Reconciliation of 2023 financing activities	Initial balance	Cash flows	Changes other than cash		Other changes (1)	Total
			Foreign currency movement	Fair value		
Loans and Borrowings (see note 21)	20,445,395	2,039,237	(2,103,832)	-	(295,717)	20,085,084
Lease liabilities (see notes 14 and 23)	2,764,314	(15,546)	-	-	282,738	3,031,506
Pension bonds	528,223	(43,278)	-	-	137,031	621,977
Hedging instruments	(459,935)	-	-	2,090,842	(724,645)	906,263
Dividends or surpluses paid (see note 19)	-	(1,748,005)	-	-	1,748,005	-
Capital grants	-	47	-	-	(47)	-
Other financing flows	-	(3,259)	-	-	3,259	-
Total liabilities for financing activities	**23,277,997**	**229,196**	**(2,103,832)**	**2,090,842**	**1,150,624**	**24,644,830**

- Amounts stated in millions of Colombian pesos -

Reconciliation of 2022 financing activities	Initial balance	Cash flows	Changes other than cash		Other changes (1)	Total
			Foreign currency movement	Fair value		
Loans and Borrowings (see note 21)	18,833,096	(400,244)	1,726,043	-	286,500	20,445,395
Lease liabilities (see notes 14 and 23)	2,552,044	(14,252)	-	-	226,522	2,764,314
Pension bonds	549,981	(57,329)	-	-	35,571	528,223
Hedging instruments	29,020	37,239	-	(328,941)	(197,253)	(459,935)
Dividends or surpluses paid (see note 19)	-	(1,850,775)	-	-	1,850,775	-
Capital grants		78			(78)	-
Other financing flows		1,503			(1,503)	
Total liabilities for financing activities	**21,964,141**	**(2,283,780)**	**1,726,043**	**(328,941)**	**2,200,534**	**23,277,997**

- Amounts stated in millions of Colombian pesos -

[1] It includes interest paid during the year of $1,492,111 (2022: $1,257,578), which by company policy are classified as operating activities in the statement of cash flows; the variation in the measurement at amortized cost of credits and loans $1,336,622 (2022: $1,010,778); and dividends incurred and not paid during the year are classified as investing activities in the statement of cash flows.

Note 30. Ordinary activities revenue

The company, for presentation purposes, breaks down its income from the services it provides, according to the lines of business in which it participates and the way in which the administration analyzes them. The detail of revenue from ordinary activities is as follows:

Revenue from ordinary activities	2023	2022
Rendering of services		
Energy generation service (1)	6,864,793	5,316,477
Energy distribution service (2)	5,672,660	5,047,208
Fuel gas service (3)	1,539,950	1,240,598
Aqueduct service (4)	1,034,498	888,040
Sanitation service (4)	747,636	658,316
Energy transmission service (5)	237,074	221,033
Financing component	240,485	230,352
Other services (6)	119,733	97,556
Billing and collection services	42,291	36,677
Computer services	17,733	15,724
Fee	9,867	4,649
Commissions	1,046	801
Contracts with clients for the construction of assets	60	54
Returns	(518,084)	(636,103)
Full provision of services	**16,009,742**	**13,121,382**
Leases	80,463	80,063
Sale of goods	12,755	9,043
Total	**16,102,960**	**13,210,488**

- Amounts stated in millions of Colombian pesos -

1 The increase in power generation and trading services was driven by higher sales of energy on the stock market and in the long term by higher market prices.

2 The increase in the energy distribution and marketing service is mainly due to the recognition of the tariff option in accordance with CREG resolutions 102 and 058 of 2020 for a value of $52,182; in addition to an increase in the energy rate due to the fact that its components have an impact of macroeconomic factors (IPP and CPI), along with a greater amount of energy sold.

3 The increase in the gas distribution and marketing service is due to higher tariffs due to higher TRM and macroeconomic factors (CPI and IPP), in addition, due to growth in demand in the regulated market, increase in sales to thermal power generation plants and other marketers.

4 In the segments of water supply and marketing and wastewater management and marketing, the increase is explained by greater users and an increase in rates due to indexation.

5 Increase in the energy transmission service due to the behavior of macroeconomic variables.

6 Increase in other services, mainly in the Shared Services Center, due to greater technical support services specialized in hardware and software and in Others due to billing and collection from third parties.

In the company, performance commitments are fulfilled and measured in a cyclical way, since the company is mainly dedicated to the provision of public services (regulated and non-regulated market, long-term contracts and secondary market) and the provision of services related to the services to other agents in the sector (reliability charge, firm energy, AGC). Said public services are delivered to the user permanently, plus consumption is measured and income is recognized periodically, typically monthly.

The company recognizes all its income from the satisfaction of performance obligations and most of its contracts with clients have a duration of less than one year.

The company recognized the following values in the period, for the contracts in force at the cut-off date described in the previous paragraph:

Other contracts with clients

2023	Balance of the contract asset at the beginning of the period	Balance of the contract asset at the end of the period	Balance of the liability at the beginning of the period	Liability balance at the end of the period	Revenue recognized during the period corresponding to the liability of the previous period
Uniform conditions contract for regulated services (1)	1,150,069	804,861	133,220	220,767	46
XM representation contract	55,307	11,849	-	-	-
Unregulated Market - MNR or Large Clients (2)	130,646	12,060	94,599	102,517	94,599
Total	**1,336,022**	**828,770**	**227,819**	**323,284**	**94,645**

- Amounts stated in millions of Colombian pesos -

2022	Balance of the contract asset at the beginning of the period	Balance of the contract asset at the end of the period	Balance of the liability at the beginning of the period	Liability balance at the end of the period	Revenue recognized during the period corresponding to the liability of the previous period
Uniform conditions contract for regulated services (1)	728,897	1,150,069	42,879	133,220	788
XM representation contract	-	55,307	-	-	-
Unregulated Market - MNR or Large Clients (2)	163,104	130,646	7,019	94,599	7,019
Total	**892,001**	**1,336,022**	**49,898**	**227,819**	**7,807**

- Amounts stated in millions of Colombian pesos -

1 The purpose of this contract is to define the uniform conditions through which the company provides residential public services in exchange for a price in cash, which will be set according to current rates and according to the use given to the service by the users. users, subscribers or property owners, hereinafter the user, who, by benefiting from the services provided by the company, accepts and accepts all the provisions defined herein.

Liabilities in uniform conditions contracts mainly include the provision of the Regulated Works and Investment Plan (POIR) for Water Provision and Solid Waste Management services, as established by the Commission for the Regulation of Drinking Water and Basic Sanitation in resolution CRA 688 of 2014.

2 Resolution 131 of December 23, 1998 of the Energy and Gas Regulation Commission (CREG) establishes the conditions of energy and power supply for large consumers and indicates in article 2 the power or energy limits for a user to can contract the supply of energy in the competitive market; the aforementioned resolution allows the signing of contracts with large consumers to establish by mutual agreement the prices of energy and power supply; The purpose of the contract is to supply energy and electrical power to the consumer, as an unregulated user, to meet their own demand. The increase in the liability is related to reliability charges related to a higher value received from the sale of the energy service.

Another important contract is the XM representation contract, which manages the Colombian Wholesale Energy Market, attending to the commercial transactions of market agents.

The company expects to recognize the income corresponding to the performance obligations that are not satisfied during the next accounting period, since it is mostly related to the contracts of uniform terms corresponding to residential public services, the duration of which is less than one year.

Note 31. Other income

The detail of other income, which forms part of revenue from ordinary activities, is as follows:

Other income	2023	2022
Recoveries [1]	86,415	154,872
Indemnities [2]	11,743	56,044
Investment property valuation [3]	9,863	17,228
Uses [4]	8,613	14,586
Other ordinary income	5,577	10,153
Sale of folds specification	796	386
Government grants	46	77
Other income	2	-
Total	**123,055**	**253,346**

- Amounts stated in millions of Colombian pesos -

1 The decrease was mainly explained by the following recoveries: (i) contingent consideration of Espiritu Santo $35,801, (ii) environmental and social $24,287, and (iii) cost and expense recovery $20,728; Offset by an increase in: (iv) Guarantees $9,566.

The value of the effective recoveries amounts to $35,502 (2022: $55,551) and the non-effective ones $50,914 (2022: $99,321), disclosed in the statement of cash flows.

2 The decrease in compensation income was due to the fact that the previous year compensation was received for the Generation segment for loss of profits from Termosierra for $24,122 and compensation for damages arising from the beach incident for $26,592. While in 2023 the compensation for consequential damages was $10,829, and for loss of profits $364.

3 Decreased investment property valuation revenue by $7,365.

4 Revenue revenues decreased by $5,973 in the period.

Note 32. Income from sale of assets

The detail of the income from sale of assets is as follows:

Other income	2023	2022
Profit on sale of property, plant and equipment [1]	205	576
Profit on derecognition of rights-of-use assets [2]	1,513	37
Total	**1,718**	**613**

- Amounts stated in millions of Colombian pesos -

1 Profit on sale of property, plant and equipment of $205 (2022: $576) is non-cash and is disclosed as part of the income item for disposition of property, plant and equipment, rights of use, intangibles and investment properties of the statement of cash flows.

2 Profit on derecognition and loss of rights of use of $1,513 (2022: $37) is non-cash and is disclosed as part of the income from retirement of property, plant and equipment, right-of-use assets, intangible assets and investment properties.

Note 33. Costs of services rendered

The detail of the costs of services rendered is as follows:

Costs of services rendered	2023	2022
Use of lines, networks and duct[(1)]	1,551,843	1,448,386
Stock market purchases [(2)]	1,494,044	881,496
Bulk purchases [(3)]	1,401,511	1,228,388
Personal services [(4)]	804,528	648,250
Depreciations [(5) - (12)]	758,121	527,995
Cost of distribution and/or commercialization of natural gas [(6)]	682,195	767,620
Maintenance and repair orders and contracts [(7)]	433,787	367,729
Maintenance and repair orders and contracts [(8)]	290,947	206,040
Consumption of direct inputs [(9)]	287,780	25,367
Licenses, contributions and royalties[(10)]	279,288	239,913
Insurance [(11)]	201,496	111,837
Materials and other operating costs	173,123	160,343
Generals	96,973	90,183
Cost per connection	75,567	66,946
Amortization rights-of- use assets [(12)]	62,458	56,415
Commercial and financial management of the service	56,799	36,050
Taxes and rates	52,889	44,876
Amortization [(12)]	44,523	46,927
Fee	34,637	44,884
Others cost	27,552	65,418
Liquefied natural gas	15,784	15,506
Public services	7,935	8,471
Leases	5,686	5,089
Costs associated with transactions in the wholesale market	4,827	3,707
Traded Goods	1,686	-
Gas compression	681	646
Total	**8,846,660**	**7,098,482**

- Amounts stated in millions of Colombian pesos -

1 The increase corresponds to higher network costs, mainly in the distribution and power generation segments due to the higher use and charge of the unregulated market.

2 Increase due to greater purchases of energy on the stock exchange at a higher price, mainly in the distribution segment, through this mechanism the missing energy is purchased to cover the demand of the Regulated Market.

3 The increase in costs for block purchases occurred in the energy distribution and marketing segment due to the entry into execution of new contracts and the variation in the IPP.

4 The variation was explained by the salary increase, which is impacted by the CPI, and temporary vacancies hired.

5 Increase in depreciation costs due to purchases of fixed assets and transfers to operations especially related to Hidroituango.

6 Decrease explained by lower gas supply in the wholesale market.

7 Orders and contracts for other services are mainly represented by installation and de-installation services in the distribution, gas and water segments.

8 There were higher maintenance and repair costs, mainly in constructions and buildings, and land.

9 Increase mainly due to the purchase of fuels and chemical products for the Power Generation business.

10 Licenses, contributions and royalties increased especially due to the contributions of the environmental law associated with the power generation service, and Fazni.

11 In this area, the costs related to comprehensive insurance increased mainly.

12 Corresponds to non-effective costs.

Note 34. Administrative expenses

The detail of administrative expenses is as follows:

Administrative expenses	2023	2022
Employee expenses		
Wages and salaries (1)	370,983	310,649
Social security expenses (1)	119,026	101,915
Pension expenses (2)	30,455	21,789
Employee interest rate benefits	10,956	8,909
Other long-term benefits	8,270	2,865
Other post-employment benefit plans other than pensions2	2,318	1,384
Total personnel expenses	**542,008**	**447,511**
General expenses		
Provision for contingencies (2) - (3) - (10)	839,785	89,730
Taxes, contributions and rates (4)	187,395	142,455
Commissions, fees and services (5)	107,958	63,453
Intangibles (6)	98,479	76,408
Maintenance	72,886	64,807
General securities	42,514	33,169
Other general expenses	36,281	35,907
Amortization of intangibles (10)	34,865	25,318
Depreciation of property, plant and equipment (10)	28,982	28,679
Christmas lighting	23,850	18,699
Amortization rights-of-use assets (10)	22,072	21,501
Promotion and dissemination	15,903	12,506
Other miscellaneous provisions (2) - (7) - (10)	14,711	27,128
Publicity and advertising	14,648	8,252
Vigilance and security	10,479	8,888
Costs of proceedings	9,612	-
Cleaning services, coffee shop, restaurant and laundry service	6,295	5,332
Repairs	6,058	-
Provision for dismantling, removal and rehabilitation (2) - (8) - (10)	5,628	639
Public services	4,706	5,516
Studies and projects	4,319	11,476
Provision of the technical reserve of the Adapted Health Entity (EAS) (2) - (10)	1,509	752
Provision guarantees (2) - (9) - (10)	-	91,859
Total overhead	**1,588,935**	**772,474**
Total	**2,130,943**	**1,219,985**

- Amounts stated in millions of Colombian pesos -

1 This increase was mainly explained by the wage increase impacted by the CPI.

2 Provisions include post-employment and long-term defined benefit plans in the statement of cash flows.

3 Increase associated with the arbitration award against EPM for the penalty clauses of enforcement for non-compliance with milestones in the construction of the Ituango Hydroelectric Power Plant.

4 Represented mainly by the tax on industry and commerce, the tax on financial movements and the inspection and auditing fee.

5 The increase in commissions, fees and services was related to ongoing business development projects and substation activities.

6 The increase in the category of intangibles was due to the fact that there was a greater implementation of projects compared to the previous year.

7 Reduction mainly due to the procedure for environmental sanctions, the provision for the Ituango contingency and other miscellaneous provisions.

8 This increase was explained by the recognition of the provision for the dismantling of assets associated with the entry into operation of the Ituango Hydroelectric Power Plant, and by the forced investment of the La Sierra, Porce II and Porce III Power Plants.

9 Decrease corresponds to the update of the provision of guarantees on the occasion of the connection of the Ituango Hydroelectric Power Plant.

10 Corresponds to non-actual expenditure.

Note 35. Other expenses

The detail of the other expenses is as follows:

Other expenses	2023	2022
Loss on disposals of assets (1) - (2)	14,195	10,305
Contributions in non-corporate entities (3)	21,436	15,679
Other ordinary expenses (4)	7,457	9,685
Arbitration awards and extrajudicial conciliations	3,490	2,680
Effective Interest Financing Services	1,708	1,479
Sentences	1,231	482
Loss on derecognition of intangibles (2)	3	-
Loss on sale of assets	283	136
Loss of rights-of-use (2)	149	-
Loss on withdrawal of inventories	133	114
Loss from changes in the fair value of investment properties	-	106
Total	**50,085**	**40,666**

- Amounts stated in millions of Colombian pesos -

1 The increase was explained by higher losses due to asset in the power marketing segments.

2 Corresponds to non-cash expenses.

3 Corresponds to the contributions made to the EPM Foundation.

4 Other recurrent expenditure mainly comprises environmental management costs, fines and penalties.

Note 36. Finance income and expenses

36.1 Finance income

The detail of finance income is as follows:

Finance income	2023	2022
Interest Income:		
Gain from valuation of financial instruments at fair value (1) - (3)	361,900	70,922
Debtor and default interest (2)	143,301	119,100
Gain on rights in trust (1) - (4)	62,641	15,292
Bank deposits (2) - (5)	55,350	23,416
Other finance income (2)	6,092	4,645
Restricted Use Funds (2) - (6)	2,329	34,258
Total finance income	**631,613**	**267,633**

- Amounts stated in millions of Colombian pesos -

1 It is disclosed as part of the interest income and income item in the statement of cash flows.

2 It is disclosed as part of the item Profit or loss on the valuation of financial instruments and hedging accounting in the statement of cash flows.

3 Increase in the valuation of financial instruments measured at fair value, which was mainly due to the allocation of fixed-income securities, and due to the behavior of the market, which has presented significant valuations.

4 The increase in the income on trust rights was explained by the behavior of the market, which has presented significant valuations and is thus reflected in the temporary investments of the portfolio.

5 The variation was due to the fact that, compared to the previous year, there was a higher available balance in the deposits of financial institutions, in addition to the increase in bank rates.

6 The variation was caused by the fact that there is a lower balance in restricted fixed-income securities.

36.2 Finance expenses

The detail of finance expenses is as follows:

Finance expenses	2023	2022
Interest expense:		
Interest for obligations under lease (1)	286,770	258,631
Other interest expense (1)	349	275
Total interest	**287,119**	**258,906**
Long-term external financing operations (1) - (2)	1,069,622	798,575
Financial instruments for hedging purposes (1) - (2)	770,852	328,189
Long-term internal financing operations (1) - (2)	238,602	172,769
Short-term internal financing operations (1) - (2)	20,606	1,749
Short-term external financing operations (1)	7,791	37,687
Total interest expense of other financial liabilities that are not measured at fair value through profit or loss (3)	-	4
Other financial costs		
Fees other than amounts included in determining the effective interest rate	631	1,086
Other financial expenses (3)	276,216	178,673
Total financial expenses	**2,671,439**	**1,777,638**

- Amounts stated in millions of Colombian pesos -

1 It disclosed as part of interest expense and fees in the statement of cash flows.

2 The increase in this item is due to financial expenses that ceased to be capitalized as of the entry into operation of the Ituango hydroelectric project in November 2022, to new disbursements in dollar currency, to the variable interest rate present in some credit agreements, such as the Term SOFR rate, which presented upward variations during 2023, starting at levels of 4.80%, reaching a yearly high of 5.50% and closing in December at 5.16%. Additionally, due to the reduction of exchange rate risk through contracted financial hedges, going from interest rates in dollars to Colombian pesos.

3 For presentation purposes in the statement of cash flows: $171,464 (2022: $99,470) are disclosed under the heading of income from valuation of financial instruments and hedge accounting and $104,750 (2022: $79,211) is disclosed in the caption of provisions for tax obligations, insurance and reinsurance and financial updating.

Note 37. Net foreign exchange difference

The effect on foreign currency transactions is as follows:

Exchange difference, net	2023	2022
Exchange difference income		
Own position		
For goods and services and others	47,265	1,917
For liquidity	-	279,656
Tarde receivables	20,958	291,178
Provisions	32,459	-
Other exchange difference adjustments	-	11,490
Financing operations		
Gross revenue	2,509,706	4,672
Debt hedging	-	1,311,784
Total income from exchange difference	**2,610,388**	**1,900,697**
Exchange difference expense		
Own position		
For goods and services and others	9,570	46,507
For liquidity	58,814	129,429
Trade receivables	215,953	61,191
Provisions	-	28,397
Other adjustments for difference in exchange	12,919	-
Financing operations		
Gross expense	405,875	1,725,753
Debt Hedge	1,723,234	-
Total expense for exchange difference	**2,426,365**	**1,991,277**
Exchange difference, net	**184,023**	**(90,580)**

- Amounts stated in millions of Colombian pesos -

The accumulated net income due to exchange amounted to $184,023, the main income coming from long-term external financing operations for $2,471,647; offset by debt hedging operations that represented an expense of $1,723,234 and a net expense per own position of $196.5754; The cumulative revaluation of 2023 was 20.54% (2022: 20.82% devaluation).

The rates used for currency conversion in the separate financial statements are:

Badge	Currency code	Direct conversion to USD as of December 31		Direct conversion to USD as of December 31		Average exchange rate	
		2023	2022	2023	2022	2023	2022
United States dollar	USD	1.00	1.00	3,822.05	4,810.20	3,948.21	4,788.49
Quetzal	GTQ	7.83	7.85	488.31	612.59	504.62	608.60
Mexican peso	MXN	16.92	19.49	225.90	246.84	229.94	244.21
Chilean peso	CLP	884.59	851.95	4.32	5.65	4.52	5.48
Euro	EUR	0.91	0.94	4,222.03	5,133.69	4,675.61	4,471.07
Pound	GBP	0.78	0.83	4,872.35	5,786.19	5,373.08	5,241.38
Swiss franc	CHF	0.84	0.93	4,541.14	5,199.09	4,809.48	4,456.27

Note 38. Share of result of equity investments

The effect of participation in equity investments is as follows:

Participation in equity investments	2023	2022
Dividends and shares [1]	178,160	85,156
Impairment of investments in subsidiaries, associates and joint ventures [2]	-	(1,060,968)
Total	**178,160**	**(975,812)**

- Amounts stated in millions of Colombian pesos -

[1] It corresponds to dividends caused by investments classified in financial instruments for $178,160 (2022: $85,156) see note 13. Other Financial Assets

[2] It corresponds to the impairment of investments in associates of UNE and Hidroituango (see note 9).

Note 39. Income tax

39.1Tax provisions

The applicable and current tax provisions establish the following:

- The nominal income tax rate is 35%.
- Income tax from occasional income tax is taxed at the rate of 15%.
- On June 11, 2008, EPM and the Nation (through the Ministry of Mines and Energy) signed a legal stability contract for the Power Generation activity for a period of 20 years. Among the stabilized tax regulations, the following stand out: ordinary income tax rate, wealth tax, presumptive income, fiscal cost of fixed assets, deduction for depreciation, special deduction of 40% for investments in productive real fixed assets.
- Special treatments are considered to be those granted by the Colombian Holding Companies Regime (CHC), a special tax regime for national companies that have as one of their activities the holding of securities, investment or holding of shares or participations in Colombian or foreign companies or entities.

New regulations

Main modifications incorporated by Law 2277 of December 13, 2022, through which a tax reform for equality and social justice is adopted and other provisions are issued:

- In accordance with Law 2277 of 2022, for legal entities, the general Income Tax rate remained at 35% as of the taxable year 2023 and subsequent years.

  For taxpayers whose main economic activity is the generation of electricity through water resources, a surcharge of 3% was established for taxable years 2023 to 2026, applicable to legal entities that obtain an income equal to or greater than 30,000 UVT in the taxable year, a threshold that will be calculated in aggregate for activities carried out by related persons according to the criteria provided for in article 260-1 of the Tax Statute. The regulation also establishes that the surcharge is subject to an advance of 100% of its value.

  For taxpayers whose main economic activity is the generation of electricity through water resources, a surcharge of 3% was established for taxable years 2023 to 2026, applicable to legal entities that obtain an income equal to or greater than 30,000 UVT in the taxable year, a threshold that will be calculated in aggregate for activities carried out by related persons according to the criteria provided for in article 260-1 of the Tax Statute. The regulation also establishes that the surcharge is subject to an advance of 100% of its value.

  On the other hand, the same Law created a minimum income tax rate for tax residents in Colombia, which in the case of taxpayers whose financial statements are subject to consolidation, is called the

Group Cleaned Tax Rate (TTDG), which cannot be less than 15% and if it is, the tax must be adjusted, following the formula enshrined in the regulation.

EPM's Power Generation activity, having a legal stability contract in force until June 11, 2028, will be able to continue with the application of the stabilized rules in the terms in which they were in 2008, the year in which the contract was signed, as long as the changes that have occurred after the signing of the contract are unfavorable to the interests of the aforementioned activity of the company generation. If, on the other hand, the amendments to the stabilized rules are favourable, the new rules may be applied. The concept of whether a change is favourable or unfavourable should be reviewed on a case-by-case basis in line with other rules.

- Article 259-1 was added to the Tax Statute, which establishes a limit to the benefits and tax incentives listed there, and which may not exceed 3% per year of ordinary liquid income before deducting the special deductions contemplated in the norm, due add to the value to be paid for income tax, the value resulting from applying the formula indicated in the same article.
- Profits from the sale of shares registered on a Colombian Stock Exchange, held by the same beneficial owner, do not constitute income or occasional gains when such sale does not exceed 3% of the outstanding shares of the respective company during the same taxable year.
- 100% of the industry and commerce tax, notices and boards paid, can be taken as deductible in the income tax.
- Article 12-1 of the Tax Statute, on effective place of administration, determines that foreign companies must comply with tax obligations in Colombia, if the necessary commercial and management decisions are made in the country to carry out the day-to-day activities of the company or entity.
- Article 256 of the Tax Statute determines that the discount on income tax for investments made in research, technological development or innovation is 30% of the value of the investment. At the same time, it establishes that the costs and expenses that generate the discount may not be capitalized or taken as a cost or deduction again by the same taxpayer.
- Regarding the presumptive income rate, Article 90 of Law 2010 of 2019 amended Article 188 of the Tax Statute to provide for a rate of zero percent (0%) as of the 2021 taxable year. On the other hand, article 191 of the same Statute includes within the exclusions of presumptive income residential public service companies.
- Article 689-3 of the Tax Statute establishes the benefit of audit for the taxable periods 2022 to 2026, to determine that the private settlement of income tax and complementary taxpayers will be final, if the increase in net income tax in relation to that of the immediately preceding year is 35% or 25% and that within six (6) or twelve (12) months following the filing of The tax return, respectively at the above percentages, has not been notified of a summons to correct or special requirement or special summons or provisional assessment.

This audit benefit does not extend to VAT and Withholding Tax returns that coincide with the Income Tax Return period.

Other tax aspects

- In the Unique Registry of Final Beneficiaries RUB, which is part of the Single Tax Registry, RUT, contemplated in articles 631-5 and 631-6 of the Tax Statute and in DIAN Resolutions 000164 of 2021, 00037 and 001240 of 2022, natural persons who finally own or control, directly or indirectly, a legal person or other structure without legal personality must be reported.
- The regulation provides that decentralized entities in which the capital is 100% public, as is the case of EPM, are not obliged to identify, obtain, preserve, supply and update in the RUB the information dealt with in the associated regulations and that this exception does not extend to mixed economy companies.
- The general sales tax rate is 19%.

- The provision of domestic public services of energy, gas, water and sewerage are excluded from sales tax.

  The meters associated with the provision of these services are subject to sales tax, since they are not expressly excluded and this has been stated by the tax authority in its doctrine.

  For electric vehicles and their components, parts and accessories, as well as for components and spare parts of the gas vehicle plan, the fee is 5%.

  Article 192 of Law 1819 of 2016 provided that the VAT rate in contracts in which a public entity is a contracting party will be the one corresponding to the date of the resolution or award act, or signing of the respective contract, and will vary whenever the contract is modified or added with economic content.

  In accordance with the provisions of Article 258-1 of the Tax Statute, the VAT paid on the acquisition, import, construction and formation of real productive fixed assets, including the services necessary to put the asset in a condition of use, and assets acquired through leasing, may be taken as a deduction from income tax.

  The Fourth Chamber of the Council of State, in Judgment 27421 of September 2023, clarified that the taxpayer may split this discount into several periods, insofar as the regulation did not provide for any prohibition in this regard.

- Dividends received by domestic companies that are income that do not constitute income or occasional gain are subject to a 10% withholding tax on income, which will be transferable and attributable to the resident natural person or investor resident abroad.

  Through the Issuance of Law 1943 of 2018, the Colombian Holding Companies (CHC) regime was incorporated into the legal system, which can be used under certain requirements, national companies that have as one of their main activities the holding of securities, the investment or holding of shares or participations in Colombian and/or foreign companies or entities, and/or the management of such investments. The regulation provides, among other aspects, that dividends or participations distributed by entities not resident in Colombia to a CHC will be exempt from income tax and will be declared income exempt from capital.

  Dividends distributed by CHCs to a resident natural person or to a resident legal entity paying income tax shall be taxed at the dividend income tax rate, in accordance with Articles 242 and 242-1 of the Tax Statute.

  Dividends distributed by a CHC to a natural or legal person not resident in Colombia shall be understood as income from a foreign source in accordance with paragraph e) of article 25 of the same law.

  Companies under the CHC income tax regime, including decentralized public entities, are not subject to withholding tax on dividends distributed by Colombian companies.

  The undercapitalization rule of Article 118-1 of the Tax Statute limits the deductibility of interest paid when there is over-indebtedness, specifying that such limitations only apply with respect to debts contracted between economic related parties. For the purposes of deducting interest, the taxpayer must be able to demonstrate to the DIAN, by means of certification from the resident or non-resident entity acting as creditor, that the credit or credits do not correspond to debt transactions with related entities through a guarantee, back-to-back, or any other transaction in which substantially such related entities act as creditors. It should be noted that this provision shall not apply to cases of financing of transport infrastructure or public service projects, provided that such projects are carried out by special purpose companies, entities or vehicles.

- In relation to the transfer pricing regime, our tax system establishes that all taxpayers of income tax and complementary taxes, who carry out transactions with foreign economic affiliates or located in free zones, must comply with the arm's length principle at the time of such transactions; This implies that trades must be made at market prices. The same treatment must be given to any transaction with persons or entities located in Non-Cooperating Jurisdictions of Low or No Taxation and with entities subject to Preferential Tax Regimes, whether or not they are economically related.

- As of the 2015 taxable year, taxpayers of Income Tax and Complementary Taxes, subject to this tax with respect to their income from domestic and foreign sources, and their assets owned inside and outside the country, who have assets abroad of any nature, will be required to file the annual declaration of assets abroad, when the equity value of the foreign assets held on January 1 of each year is greater than two thousand (2,000) UVT.
- As for the Industry and Commerce tax, it is generated by the direct or indirect performance of an industrial, commercial or service activity in a municipal jurisdiction, either permanently or occasionally. The Framework Law that governs it is Law 14 of 1983, Law 56 of 1981 and Law 1819 of 2016. As it is a land tax, it is up to the municipal councils to issue agreements for its application. Its taxable base is determined on income and the tax is settled according to the rates established for each activity by the municipalities.

  The transportation of Natural Gas is exempt from the Industry and Commerce Tax.

  The taxable base of the industry and commerce tax in the distribution of natural gas is the gross margin of commercialization of the fuel, understood as the difference between the revenues from fixed charge, consumption and use of networks, and the costs of purchasing and transporting gas.

  The activity of power generation is regulated by Law 56 of 1981 and is taxed in those municipalities where the generation plant is located. The rate corresponds to a few pesos for each kilowatt installed.

  With regard to the contribution of public works contracts, it was established by Legislative Decrees of 1992 and 1993, and has been extended and amended by Laws and Regulatory Decrees. The last amendment was introduced by Law 1738 of December 18, 2014, which in Article 8 granted it permanent status. All natural or legal persons and public-private partnerships that sign public works contracts with public law entities or enter into contracts to add to the value of existing ones are liable for the contribution, who must pay the aforementioned contribution in favor of the Nation, department or municipality, depending on the level to which the contracting public entity belongs.

  The current regulations have established the withholding mechanism by the contracting public entities, including EPM, deducting the value of the contribution from each account that it cancels to the contractors, including advances.

  Through Agreement No. 093 of 2023 issued by the Council of the Science, Technology and Innovation District of Medellín, the rate for public works contracts or their additions was kept in force at 5%

- A relevant aspect for the operations carried out by the companies of the EPM Group is related to stamps, which have been proliferating in recent years. Article 32 of Law 2155 of 2021 amended Article 14 of Law 2052 of 2020 and provided that for a maximum of two years from January 1, 2022, the national government must promote before the Congress of the Republic modifications in the field of stamps that impose limits on the demand for this tax.

In terms of billing, EPM is an electronic biller for sales concepts other than residential public services, since the equivalent document is issued for them; Likewise, and as part of the billing system, the electronic payroll, the support document for purchases to non-billing and the POS document for sales of natural gas vehicles are issued. The most recent changes are found in DIAN Resolution 1092 of July 2022, which enshrines the limit of 5 UVT to issue POS documents as of February 1, 2023 and Decree 442 of March 2023 that amended Chapter 4 of Decree 1625 of 2016 Single Regulatory in Tax Matters, Highlighting the change for the support document for purchases to non-obligated to invoice, which must contain "the date of operation" and the "date of generation"

The Organization is advancing the implementations required by Article 23 of Resolution 165 of 2023 issued by the DIAN, which adopts, among others, Version 1.9 of the technical annex of Electronic Invoicing, for the generation and transmission of the electronic equivalent document and adjustment notes, bearing in mind the deadlines set by the tax authority to be met between February and May 2024 according to the established calendar for each type of taxpayer.

The new subjects who choose to issue the electronic equivalent document and its adjustment notes after the established schedule must do so once they have completed the authorization procedure that is developed in the electronic invoicing computer service of the Special Administrative Unit of the Directorate of National Taxes and Customs -DIAN.

39.2 Reconciliation of the effective rate

The reconciliation between the applicable tax rate and the effective rate and composition of income tax expense for the periods 2023 and 2022 is as follows:

Income tax and complementaryos	2023	%	2022	%
Profit before taxes	4,960,299		3,913,975	
Nominal rental rate		35%		35%
Income tax nominal rate	1,736,105		1,369,891	
Effect of permanent tax differences:		**-10%**	**(460,354)**	**-12%**
Dividend income	(513,104)	3%	196,813	5%
Impairment of subsidiary investments	156,171	0%	371,339	9%
Tax-only income	-	0%	15,808	0%
Non-deductible provisions	15,228	5%	18,774	0%
Loss on derecognition of assets	258,468	0%	1,807	0%
Equity method	2,477	-11%	(560,327)	-14%
Untaxed dividends	(544,360)	-4%	(137,529)	-4%
Consequential damage compensation	(198,464)	0%	(7,996)	0%
Exempt income	-	0%	(97,581)	-2%
Special deduction of productive real fixed assets	(24,282)	-4%	(310,182)	-8%
Net result other permanent differences	(187,668)	0%	48,720	1%
Rate difference (constant/deferred tax) and stabilized/nominal rate	9,325	-1%	(75,615)	-2%
Deferred tax adjustment tax reform	(54,785)	0%	55,452	1%
Tax discounts	-	0%	(41,241)	-1%
Occasional gains	(4,492)	0%	50	0%
Income adjustments from prior years	42	1%	29,837	1%
Income tax at effective rate	31,252	**24%**	**878,019**	**22%**
Detail of current and deferred expenses				
Current tax	926,561	19%	898,614	23%
Deferred tax	268,457	5%	(20,595)	-1%
Income tax	1,195,018	**24%**	**878,019**	**22%**

- Amounts stated in millions of Colombian pesos -

The best indicator to measure the tax burden is the effective tax rate. This directly measures the total tax burden imposed by national regulations on companies, in proportion to the profits they obtain from their activities.

In accordance with the foregoing, to get from the theoretical tax to the effective tax that will affect the result of the company, starting from the nominal rate, tax purifications are carried out in accordance with current regulations and the result is obtained, the tax charged to the entity.

Thus, in the years 2023 and 2022 it can be observed in the purification that there are several items that reduce the tax calculated at the nominal rate and that cause this theoretical tax to be modified as a result of the application of the tax provisions. Among the most important items in the reconciliation of the effective rate, which make it 11 points below the nominal rate, is the special deduction of productive real fixed assets by virtue of the application of the Legal Stability contract. Another important point in this purging is the treatment of exempt income granted to dividends received from foreign subsidiaries, an exemption allowed under the Colombian Holding Companies (CHC) Regime, and the purging of other permanent items such as the equity method.

As a relevant event during 2023 and that affects the variation in the effective rate compared to 2022, is the accounting recognition of provisions for litigation, some of which are not deductible for tax purposes in the taxable year of recognition; Impairment on investments was not recognized in 2023, varying significantly from 2022. In the year under review, there was a decrease in the execution of investments that grant the right to the special deduction of productive real fixed assets, a benefit stabilized by the Legal Stability Contract.

39.3 Income tax recognized on profit or loss

The most significant components of the income tax expense at the cut-off date are:

Income tax	2023	2022
Current income tax		
Expense (income) for current income tax	899,800	910,018
Adjustments recognized in the current period related to current income tax from prior periods	31,253	29,837
Tax benefits from tax losses, tax credits or temporary differences used in the period	(4,492)	(41,241)
Total current income tax	926,561	**898,614**
Deferred tax		
Net deferred tax expense (income) related to the origin and reversal of temporary differences	889,536	(455,955)
Net deferred tax expense (income) related to changes in tax rates or laws	-	55,452
Reclassification of deferred tax from other comprehensive income to profit for the year	(621,079)	379,908
Total deferred tax	268,457	**(20,595)**
Income tax	1,195,018	**878,019**

- Amounts stated in millions of Colombian pesos -

The rates used to determine the deferred tax are:

Year	2023	2024	2025
Income tax	35%	35%	35%
Occasional gains	15%	15%	15%

The deferred tax generated by the temporary differences associated with the Energy Generation business is determined by applying the stabilized rate of 33%. For land, the rate is 15%, corresponding to the current rate for occasional gains from the sale of assets owned for more than 2 years.

39.4 The value of the current income tax asset or liability is as follows:

Concept	2023	2022
Asset or liability for current income tax		
Total income tax liabilities	**56,027**	**56,027**
Income tax	56,027	56,027
Total income tax asset	**459,336**	**340,687**
Balances in favor for income tax	459,336	340,687
Total income tax asset	**403,309**	**284,660**

- Amounts stated in millions of Colombian pesos -

39.5 Income tax recognized in other comprehensive income

The detail of the tax effect corresponding to each component of "other comprehensive income" of the statement of separate comprehensive income is as follows:

Other comprehensive income from the statement of comprehensive income	2023			2022		
	Gross	Tax effect	Net	Gross	Tax effect	Net
Items that will not be subsequently reclassified to profit or loss for the period						
New measurements of defined benefit plans	(99,482)	35,842	(63,640)	52,230	(20,040)	32,190
Equity investments measured at fair value through equity	(539,450)	82,660	(456,790)	(136,838)	(270,474)	(407,312)
Participation in the other comprehensive income of subsidiaries	(418,181)	-	(418,181)	(11,679)	(55,720)	(67,399)
Items that may be subsequently reclassified to profit or loss for the period						
Cash flow hedges	448,393	(154,005)	294,388	(596,324)	214,171	(382,153)
Hedges of net investments in foreign businesses	283,752	(97,328)	186,424	(216,145)	74,158	(141,987)
Participation in the other comprehensive income of subsidiaries	(1,301,858)	-	(1,301,858)	1,010,952	(309)	1,010,644
Total	**(1,626,826)**	**(132,831)**	**(1,759,657)**	**102,196**	**(58,214)**	**43,982**

- Amounts stated in millions of Colombian pesos -

39.6 Deferred tax

The detail of the deferred tax is as follows:

Deferred tax	2023	2022
Deferred tax asset	2,562,314	1,942,456
deferred tax liability	4,946,387	3,925,241
Total net deferred tax	(2,384,073)	**(1,982,785)**

- Amounts stated in millions of Colombian pesos -

39.6.1 Deferred tax asset

Deferred tax asset	Initial balance 2022	Net changes included in the 2022 profit or loss	Changes included in the OCI 2022	Final balance 2022	Net changes included in the 2023 profit or loss	Changes included in the OCI 2023	Final balance 2023
Assets	**405,641**	**159,590**	**-**	**565,231**	**203,015**	**-**	**768,246**
Property, plant and equipment	1	1	-	2	2,527	-	2,529
Intangibles	-	2,883	-	2,883	6,802	-	9,685
Right-of-use assets	205,297	52,998	-	258,295	48,757	-	307,052
Investments and derivative instruments	2,977	30,029	-	33,006	14,477	-	47,483
Trade receivables	197,183	60,837	-	258,020	129,947	-	387,967
Cash and cash equivalents	-	1,651	-	1,651	505	-	2,156
Other assets	183	11,191	-	11,374	-	-	11,374
Liabilities	**807,715**	**176,105**	**393,405**	**1,377,225**	**711,806**	**(294,963)**	**1,794,068**
Loans and borrowings	484,157	471,427	74,158	1,029,742	-	-	1,029,742
Trade payables	-	8,627	-	8,627	201	-	8,828
Employee benefits	26,112	123	(5,455)	20,780	764	16,660	38,204
Derivatives	56,617	(379,908)	324,702	1,411	621,079	(311,623)	310,867
Provisions	209,443	47,697	-	257,140	34,589	-	291,729
Other liabilities	31,386	28,139	-	59,525	55,173	-	114,698
Deferred tax asset	**1,213,356**	**335,695**	**393,405**	**1,942,456**	**914,821**	**(294,963)**	**2,562,314**

- Amounts stated in millions of Colombian pesos -

39.6.2 Deferred tax liabilit

Deferred tax liability	Initial balance 2022	Net changes included in the 2022 profit or loss	Changes included in the OCI 2022	Final balance 2022	Net changes included in the 2023 profit or loss	Changes included in the OCI 2023	Final balance 2023
Assets	**3,204,409**	**292,975**	**381,005**	**3,878,389**	**373,576**	**(240,278)**	**4,011,687**
Property, plant and equipment	2,955,604	196,206	-	3,151,810	240,488	-	3,392,298
intangibles	45,815	3,385	-	49,200	691	-	49,891
investment properties	14,982	11,792	-	26,774	2,029	-	28,803
Right-of-use assets	103,818	7,743	-	111,561	1,579	-	113,140
Investments and derivative instruments	53,221	(1)	381,005	434,225	124,933	(240,278)	318,880
Trade receivables	22,279	73,507	-	95,786	2,612	-	98,398
Cash and cash equivalents	1,651	-	-	1,651	-	-	1,651
Other assets	7,039	343	-	7,382	4,321	-	11,703
Liabilities	**10,141**	**22,125**	**14,586**	**46,852**	**806,625**	**78,146**	**931,623**
Loans and borrowings	4,186	(1)	-	4,185	744,705	97,328	846,218
Trade payables	1,173	200	-	1,373	7,247	-	8,620
Employee benefits	4,782	13,539	14,586	32,907	20,472	(19,182)	34,197
Provisions	-	493	-	493	34,201	-	34,694
Other liabilities	-	7,894	-	7,894	-	-	7,894
Deferred tax liability	**3,214,550**	**315,100**	**395,591**	**3,925,241**	**1,183,278**	**(162,132)**	**4,946,387**
Total deferred tax asset/liability	**2,001,194**	**(20,595)**	**2,186**	**1,982,785**	**268,457**	**132,831**	**2,384,073**

- Amounts stated in millions of Colombian pesos -

39.6.3 Temporary differences

Temporary differences associated with investments in subsidiaries, associates and joint ventures, for which deferred tax liabilities have not been recognized, amount to $8,316,353 (2022 $8,393,684).

In assets, the greatest impact on deferred tax is due to temporary differences in property, plant and equipment, which is generated by significant differences in accounting and tax costs, due to the recognition of the attributed cost, the adjustments for tax inflation and the application of different useful lives and depreciation methods; in accounts receivable in relation to the impairment of the portfolio due to the difference in the calculation between the accounting and tax standard, due to the effect of the valuation at amortized cost and the implicit interest recognized in the accounting standard. Another significant item in the determination of temporary differences is the non-tax valuation of investments and financial instruments, which is recognized in Other Comprehensive Income (OCI).

In terms of liabilities, the items that have the greatest impact on the calculation of deferred tax are: accounting provisions, long-term employee benefits and the unrealized difference in credits and accounts payable. The revaluation effect experienced by the Colombian currency during the last taxable period close to 20.54%, generated a decrease in the deferred tax associated with the difference in unrealized exchange of the debt in foreign currency, which has no tax effects and will only be evidenced at the time of settlement or partial payment of the obligations. based on the difference in exchange actually made, in accordance with the provisions of Articles 269 and 288 of the Tax Statute. Another relevant point to consider is the deferred tax recognized in the profit or loss of the period in the concept of hedges, due to the reclassification of the difference in exchange and interest made from the other comprehensive income to the result of the period and in the debt, due to the reclassification made from the income statement to the other comprehensive income by the application of net foreign investment hedging accounting.

Temporary differences on which no deferred tax was generated were, inter alia, for investments in subsidiaries, associates and joint ventures, in accordance with paragraph 39 of IAS 12, with the exception of the value determined on retained earnings that may be received as taxable in the foreseeable future; Likewise, in the items that do not have future tax consequences, such as tax liabilities and financial returns generated in the assets of the pension plan, as these are exempt.

The approval of dividends after the date of presentation and before the financial statements were authorized for publication does not generate income tax consequences since the policy established for domestic subsidiaries is the distribution of untaxed profits and reserves. The tax effects that could be generated by the dividends decreed from foreign subsidiaries, with the entry into force of Article 69 of Law 1943/2018, will be considered exempt capital income in application of the Colombian Holding Companies (CHC) regime.

Note 40. Disclosure of related parties

EPM is a decentralized municipal entity, whose sole owner is the Municipality of Medellín. The capital with which it was incorporated and operates, as well as its assets, is of a public nature. The Mayor of Medellín chairs the EPM Board of Directors.

EPM's related parties are subsidiaries, associates and joint ventures, including subsidiaries of associates and joint ventures, key management personnel, as well as entities over which key management personnel may exercise control or joint control, and post-employment benefit plans for the benefit of employees.

The total value of transactions made by the company with its related parties during the corresponding period is presented below:

Transactions and balances with related parties	Revenue [1]	Costs/ Expenses [2]	Amounts receivable [3]	Amount payable	Guarantees and endorsements received
Subsidiaries of the EPM Group:					
December 31, 2023	593,597	632,331	447,751	113,798	-
December 31, 2022	534,143	422,580	1,046,093	97,460	-
Associates of the EPM Group:					
December 31, 2023	66,052	36,018	11,530	6,719	-
December 31, 2022	54,562	35,560	12,913	7,763	-
Key management employees:					
December 31, 2023	-	12,434	1,255	3,045	111
December 31, 2022	-	12,561	761	3,587	111
Other related parties:					
December 31, 2023	154,502	70,811	121,434	4,586	-
December 31, 2022	167,690	61,342	69,122	3,577	-

- Amounts stated in millions of Colombian pesos -

Transactions between EPM and its related parties are carried out under conditions equivalent to those that exist in transactions between independent parties, in terms of their object and conditions.

[1] The detail of the income obtained by the company from its related parties is as follows:

	Revenue	2023	2022
Subsidiaries	Sale of goods and services	442,143	395,765
	Interests	84,695	91,331
	Fee	1,749	7,429
	Others	65,010	39,618
Total Subsidiaries		**593,597**	**534,143**
Associates	Sale of goods and services	51,755	44,781
	Interests	5	53
	Others	14,292	9,728
Total Associates		**66,052**	**54,562**
Other related parties	Sale of goods and services	93,564	6,256
	Interests	331	67
	Fee	16	573
	Others	60,591	160,794
Total Other related parties		**154,502**	**167,690**

- Amounts stated in millions of Colombian pesos -

[2] The detail of the costs and expenses incurred by the company with its related parties is as follows:

	Costs and expenses	2023	2022
Subsidiaries	Acquisition of goods and services	623,717	417,200
	Fee	1,026	444
	Others	7,588	4,936
Total Subsidiaries		**632,331**	**422,580**
Associates	Acquisition of goods and services	33,531	33,443
	Fee	2,270	2,105
	Others	217	12
Total Associates		**36,018**	**35,560**
Other related parties	Acquisition of goods and services	1	678
	Interests	-	2
	Fee	1,416	1,522
	Others	69,394	59,140
Total Other related parties		**70,811**	**61,342**

- Amounts stated in millions of Colombian pesos -

[3] The detail of the loans granted by the company to its related parties is as follows:

	Borrowings granted	Original currency	Term	Nominal interest rate	2023			2022		
					Nominal amount	amortized cost value	Full Value	Nominal amount	amortized cost value	Full Value
HIDROSUR	Borrowing 1	CLP	8,5 years	7.20%	621,035	(358)	620,677	934,808	(448)	934,360
Caribemar de la Costa S.A.S. E.S.P.	Borrowing 1	COP	5 years	IBR 3M + 8.29%	450,000	18,989	468,989	-	-	-

- Amounts stated in millions of Colombian pesos -

Transactions between the company and its related parties are carried out under conditions equivalent to those that exist in transactions between independent parties, in terms of their purpose and conditions.

Transactions and balances with related government entities

The total financial surpluses paid to the Municipality of Medellín as of December 2023 was $1,748,005 (2022 $1,850,776).

Remuneration of the Board of Directors and key personnel of the company:

Members of key management personnel at the company include:

Concept	2023	2022
Salaries and other short-term employee benefits	11,167	11,215
Other long-term employee benefits	1,267	1,346
Remuneration of key management personnel	**12,434**	**12,561**

- Amounts stated in millions of Colombian pesos -

The amounts disclosed are those recognized as a cost or expense during the reporting period for compensation of key management personnel.

Note 41. Capital management

The company's capital includes borrowing through the capital market, commercial banking, development banking, export credit agency and multilateral banking, nationally and internationally.

The company manages its capital through planning and management processes of obtaining resources, one of the sources is through the national and international financial markets, to attend to strategic investments, and investment projects, accessing different alternatives that minimize the cost, that tend to the maintenance of adequate financial indicators and risk rating, as well as financial risk management. To this end, it has defined the following capital management policies and processes:

Financing management: financing management includes the execution of all long-term credit operations, in order to guarantee the timely availability of the resources required for the normal operation of the company and to materialize investment and growth decisions, seeking efficient financing costs, according to market conditions.

The Company has made no changes to its capital funding management objectives, policies and processes during the periods ended December 31, 2023 and December 31, 2022.

To cope with changes in economic conditions, the company implements proactive mechanisms to manage its indebtedness, enabling different financing alternatives to the extent feasible, so that, at the time of the need to execute a long-term credit operation, the source is available under competitive market conditions and in a timely manner.

Below are the securities that the company manages as capital:

Loans and borrowings	2023	2022
Commercial bank borrowings	4,499,154	2,664,683
Multilateral bank borrowings	776,947	1,163,243
Development bank borrowings	2,057,774	2,073,611
Bonds and titles issued	12,751,209	14,543,858
Total debt	**20,085,084**	**20,445,395**

- Amounts stated in millions of Colombian pesos -

Note 42. Financial risk management objectives and policies

The Company is exposed to financial risk, which is defined as the possibility of the occurrence of an event that adversely affects financial results, including market risk, liquidity risk, credit risk and operational risk.

Market risk refers to changes or volatility in market variables that may result in economic losses. Market variables refer to exchange rates, interest rates, securities, commodities, among others; And its changes can impact, for example, financial statements, cash flow, financial indicators, contracts, project viability and investments.

Credit risk refers to the potential failure of third parties to meet payment obligations arising from contracts or financial transactions entered into.

Liquidity risk is the scarcity of funds and inability to obtain resources at the time they are required to meet contractual obligations and execute investment strategies. The scarcity of funds leads to the need to sell assets or contract financing operations under unfavorable market conditions.

Finally, operational risk, from a financial point of view, is defined as deficiencies or failures in processes, technology, infrastructure, human resources, or the occurrence of unforeseen external events.

The objective of EPM's Risk Vice Presidency is to lead the formulation, deployment and monitoring of the risk, hedge and security strategy in EPM and its Business Group, in order to achieve adequate protection and assurance of assets, resources, infrastructure and interests. The company's policy is to manage the risks that affect its activity and its environment, adopting the best practices and international standards of Comprehensive Risk Management (IRM), as a way of facilitating the fulfillment of the purpose, strategy, objectives and business purposes, both statutory and legal. It has implemented a comprehensive risk management system and has a methodology for the identification, analysis, evaluation, control and monitoring of risks, including strategic, operational, financial, commercial and compliance risks, which allows reducing vulnerability, and proposing and implementing effective mechanisms for the proper development of business. processes, projects and contracts. As assessment criteria, there are tables for assessing the consequences of the materialization of risks and tables for probability, which are applied at the different levels of management defined in the methodological guide for comprehensive risk management.

The activity of monitoring and reviewing comprehensive risk management is aligned with the management follow-up process established in the company, in order to propose and implement improvement actions. The established monitoring and review scheme assesses, among others, the following aspects:

- The strategy for the implementation of comprehensive risk management.
- Changes in the internal and external context that involve making adjustments in the treatment of identified risks or that generate new risks.
- The variation of risks in terms of frequency, probability and consequence.
- Assessment criteria for the likelihood and consequence of risks.
- The implementation and effectiveness of treatment plans.

EPM manages the financial risks associated with market, liquidity and credit, quantifies their impact and implements strategies to mitigate them.

42.1 Market risk

42.1.1 Price risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate due to changes in market prices. The Company has identified that financial instruments affected by market risk include:

- Cash and cash equivalents
    - Trusteeship
- Other financial assets:
    - Fixed income securities
    - Investments pledged or delivered as guarantee
    - Options
    - Swaps

The methods and assumptions used in the development of the sensitivity analysis consist of:

For cash and cash equivalents, fixed income securities and investments pledged or pledged as collateral, the methodology used to measure market risk is the Value at Risk, which indicates the value of the maximum loss that an investment portfolio could present due to changes in market variables, this is presented with a confidence level of 99% and with a time horizon of one day. To quantify the VaR, the volatility of the risk factors must be calculated, for which three methodologies are considered: historical volatility, EWMA volatility (exponential weighting) and Garch volatility. Subsequently, exposure and risk by risk factor are calculated and finally the consolidated maximum expected loss is obtained.

The sensitivity to market prices is detailed below:

	VaR Daily COP	VaR % COP
VaR Total Portfolio	233	0.127%

- Amounts stated in millions of Colombian pesos -

- For swaps, the sensitivity analyzes were carried out under the assumption of keeping the hedges contracted constant according to their indexation rates.

42.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates. EPM has identified that the financial instruments affected by interest rate risk include:

- Cash and cash equivalents
    - Trusteeship
- Other financial assets:
    - Fixed income securities
    - Investments pledged or delivered as guarantee
    - Options
    - Swaps
    - Loans and borrowings
    - Commercial debts and other counts under charge

Concentration of interest rate risk arises when there are large individual exposures and when significant exposures are presented to counterparties whose probability of default is determined by factors such as economic sector, currency and credit ratings. Interest rate risk management seeks to conserve capital and maintain or increase profitability. EPM has defined policies in terms of risks, in interest rates, through the identification of risks, the determination of the position of rates and the simulation of possible hedging strategies. This supports decision-making, which is aimed at maintaining the position or covering it, and then an analysis of the results of the executed strategies is carried out.

Interest Rate Sensitivity Analysis

The following table indicates the sensitivity to a possible reasonable change in the interest rates of financial instruments exposed to this risk, without considering the effect of hedge accounting. All other variables being equal, EPM's pre-tax profit/loss and equity would be affected by changes in variable interest rates as follows:

	Increase/decrease in basis points	Exposed Value	Financial effect	
			In profit before taxes	In equity
2023				
Financial assets measured at fair value through profit or loss				
Investments at fair value through profit or loss	*100*	183,369,977	*1,076*	*861*
	(100)	183,369,977	*(1,076)*	*(861)*
Financial liabilities measured at amortized cost				
Loans and borrowings	*100*	7,196,775	*(71,968)*	*(57,574)*
	(100)	7,196,775	*71,968*	*57,574*
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	104,381	*(59,153)*	*(47,323)*
	(100)	*104,381*	*59,153*	*47,323*
2022				
Financial assets measured at fair value through profit or loss				
Investments at fair value through profit or loss	*100*	645,135	*(2,355)*	*(1,884)*
	(100)	645,135	2,355	1,884
Financial liabilities measured at amortized cost				
Loans and borrowings	*100*	4,957,078	*(49,571)*	*(39,657)*
	(100)	4,957,078	*49,571*	*39,657*
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	1,827,615	*(57,485)*	*(45,988)*
	(100)	*1,827,615*	*57,485*	*45,988*

- Amounts stated in millions of Colombian pesos -

For the year 2023, the simulation does not apply for assets measured in foreign currency because the only credit that exists is with Hidrosur and is contracted at a fixed rate.

The company considers the sensitivity analysis to be representative of interest rate risk exposure.

Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates.

EPM has identified that the financial instruments affected by the exchange rate risk include:

- Cash and cash equivalents
- Other financial assets:
  - Fixed income securities
  - Options
  - *Swaps*
- Loans and borrowings
- Comercial debts and other counts under charge
- Loans to related parties

Exposure to exchange rate risk is related, firstly, to financing activities in a currency other than the functional currency and to hedging operations contracted. The company manages its exchange rate risk through hedging operations in a medium-term horizon. It is EPM's policy not to close speculative hedging operations, so the conditions of the hedging derivative instruments replicate the conditions of the underlying in order to maximize the effectiveness of the hedging. EPM hedges its exposure to exchange rate fluctuations using different hedging instruments, including Swaps, *Forwards* and Options at different terms.

On July 1, 2021, the company approved the application of hedging accounting for net investments in foreign businesses. Hedging seeks to reduce the volatility of other comprehensive income by the method of participation of the effect by translation of financial statements. Net investment hedging applies to investments that the company has in foreign currency, in this case, investments in subsidiaries with functional dollar currency and has as a hedging instrument an equivalent amount of debt denominated in dollars. The company designated net investments in HET, PDG and MaxSeguros as a hedged item and an amount of debt denominated in USD equivalent to the value of the investment, in a total value of USD 282 million, as a hedging instrument.

Analysis of sensitivity to exchange rates

The following table indicates the sensitivity to a possible reasonable change in exchange rates per $100 pesos in the currency against the U.S. dollar without considering the effect of hedge accounting. The impact originates from the change in monetary and non-monetary assets. Holding all other variables constant, pre-tax profit/loss and equity of the company would be affected by changes in the exchange rates as follows:

	Increase/decrease in basis points	Exposed Value	Financial effect	
			In profit before taxes	In equity
2023				
Financial assets measured at fair value through profit or loss				
Cash and cash equivalents	*100*	517,706	*13,545*	*10,836*
	(100)	517,706	*(13,545)*	*(10,836)*
Financial assets measured at amortized cost				
Trade receivables in foreign currency	*100*	620,677	*1,199*	*959*
	(100)	620,677	*(1,199)*	*(959)*
Financial liabilities measured at amortized cost				
Loans and borrowings	*100*	11,503,284	*(300,972)*	*(240,777)*
	(100)	11,503,284	*300,972*	*240,777*
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	8,328,247	*217,900*	*174,320*
	(100)	*8,328,247*	*(217,900)*	*(174,320)*
2022				
Financial assets measured at fair value through profit or loss				
Cash and cash equivalents	*100*	1,156,987	*24,053*	*19,242*
	(100)	1,156,987	*(24,053)*	*(19,242)*
Financial assets measured at amortized cost				
Trade receivables in foreign currency	*100*	934,360	*1,423*	*1,139*
	(100)	934,360	*(1,423)*	*(1,139)*
Financial liabilities measured at amortized cost				
Loans and borrowings	*100*	11,137,136	*(231,532)*	*(185,225)*
	(100)	11,137,136	*231,532*	*185,225*
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	7,576,065	*157,500*	*126,000*
	(100)	*7,576,065*	*(157,500)*	*(126,000)*

- Amounts stated in millions of Colombian pesos -

The company considers that the sensitivity analysis is representative of the exchange rate risk exposure.

42.2 Credit Risk

Credit risk is the risk that one of the counterparties does not comply with the obligations derived from a financial instrument or purchase contract and this translates into a financial loss. EPM has identified that the financial instruments affected by credit risk include:

- Cash and cash equivalents
- Other financial assets:
  - Fixed income securities
  - Investments pledged or delivered as guarantee
  - Options

- Swaps
- Comercial debts and other counts under charge

Credit risk management by type of financial instrument is detailed below:

- **Cash and cash equivalents, fixed-income securities and investments pledged or pledged as collateral:** At EPM, for credit risk management, quotas are assigned by issuer, counterparty and intermediary, taking into account the financial, risk and fundamental analysis of the entities, emphasizing the equity support of the shareholders. The methodology considers the characteristics of the investment portfolio and the applicable regulations. The concentration of credit risk is limited as it complies with the provisions of the business rules manual for treasury operations. The description of the factors that define the concentration of risk is detailed below:
    - The quotas are periodically updated based on the latest available financial statements of the entities analyzed.
    - Securities market intermediaries, other than supervised banking establishments, may act as counterparties to carry out transactions, but may not be considered as eligible issuers.
    - Banked brokerage firms, domiciled in Colombia, that have at least the second-best counterparty risk rating and that have a minimum technical equity of 35,000 SMLMV.

Finally, the steps taken to avoid the concentration of risk are aimed at establishing, analyzing, monitoring and controlling the quotas, for which it controls the current quotas and their occupancy status. On the other hand, the justifications related to the need to temporarily exceed the quotas are submitted for approval.

The investments referred to are made up of banking establishments that have the following risk rating, depending on the term of the investment, as follows:

- For investments with a term equal to or less than one (1) year, the banking establishment must have a current rating corresponding to the highest category for the short term in accordance with the scales used by the rating agencies that grant it and have at least the second-best current rating for the long term used by the respective companies;
- For investments with a term of more than one (1) year, the banking establishment must have the second-best rating in force for the long term according to the scale used by the rating companies and the maximum rating for the short term according to the scale used for this term.
- Options, forwards and swaps: EPM is exposed to the risk that a counterparty does not recognize the right and in order to mitigate it, the risk level of each of the entities with which it is estimated to carry out a transaction is previously evaluated.
- Trade receivables and other accounts receivable: EPM is exposed to the risk that users of household utilities will fall into arrears or non-payment of such services. Accounts receivable from household utility debtors are classified into two large groups: those arising from late payment and the other group corresponds to financing or payment agreements with clients that are carried out as a portfolio recovery strategy or to link new clients.

EPM evaluates the performance and value of accounts receivable at the end of each period to determine whether there is objective evidence that the portfolio is impaired and to identify its potential impact on future cash flows. The criteria used to determine that there is objective evidence of an impairment loss are:

- Failure of clients to pay two (2) or more collection accounts.
- It is known or there is evidence that the client enters into business restructuring processes or insolvency or liquidation.

- Social disturbances, public order or natural disasters occur, which according to experience are directly correlated with non-payment of collection accounts.

In order to avoid an excessive concentration of risk, EPM has developed and put into operation various strategies that allow it to mitigate the risk of non-payment of the portfolio, among which the following stand out:

- Persuasive collection by making phone calls and sending letters to clients with the support of specialized collection agencies.
- Segmentation of clients that allow identifying those with the highest risk, due to their value, in order to carry out personalized collection activities with them.
- Possibility of making payment agreements or partial payments that lead to the recovery of the exposed capital.
- Offset of accounts receivable against accounts payable by EPM with clients-suppliers.
- When the previous strategies do not generate satisfactory results, we proceed with coercive collection actions through the suspension and cut-off of the service.
- If the previous strategies do not give satisfactory results, I proceed with the collection of the portfolio through the courts.

Likewise, it seeks to expand the product portfolio to clients in such a way that debt payment is facilitated, for example prepaid energy and water.

As mentioned, EPM makes payment or financing agreements, which are carried out as a portfolio recovery strategy or to link new clients. These give the right to fixed or determinable payments and are included in current assets, except for those maturing in more than 12 months from the balance sheet date, in which case they are classified in non-current assets.

In general terms, to guarantee client debts, blank promissory notes are constituted with letters of instructions, and when the value of the financing exceeds pre-established amounts in internal regulations, real or bank guarantees are requested, and in cases in which the client Whether it is a state entity, the resources that EPM, with prior agreement, collects from the client are pledged.

For the credit risk management of accounts receivable in its different stages (risk cycle), methodologies, procedures, guidelines and business rules are incorporated, complying with commercial and financial policies, in order to achieve a comprehensive and client sustainability.

To leverage the stages of the credit risk cycle, there are different statistical methodologies that allow obtaining an estimate of the future payment behavior of the accounts. These methodologies are described below:

- CREDIT SCORING: It makes it possible to obtain a client's risk profile based on their payment behavior and their own characteristics, which helps in segmenting the population, suggesting the optimal candidates for allocation offers of basic services and/or added value.
- APPROVAL SCORING FOR VALUE-ADDED PRODUCTS: It profiles the clients that request a value-added credit, it assigns a level of risk to the applicants and, in accordance with the established business rules, they contribute to making the final decision of approval or denial.
- PORTFOLIO CLASSIFICATION MODEL: Assigns the probability of default in the short term (2 months) of the subscribed services, in order to design collection prioritization strategies.
- MODEL FOR CALCULATION OF EXPECTED LOSS: It allows finding the probability that the subscribed services may default in a period of 12 months, which is used to calculate the expected loss of the accounts.

The company considers that the value that best represents its exposure to credit risk at the end of the period, without considering any collateral taken or other credit enhancements is:

Concept	2023	2022
Efectivo y equivalentes de efectivo	1,470,830	2,084,449
Investments in debt instruments	78,816	296,808
Investments in equity instruments	1,522,014	2,059,062
Trade receivable *	(652,444)	(529,131)
Other accounts receivable *	(221,909)	(208,377)
Maximum exposure to credit risk	**2,197,308**	**3,702,811**

- Amounts stated in millions of Colombian pesos -

* It corresponds to impairment of trade receivable.

42.3 Liquidity risk

It refers to the possibility that there are insufficient resources for the timely payment of the obligations and commitments of the entity, and that for this reason EPM is forced to obtain liquidity in the market or to liquidate investments in an onerous manner. It is also understood as the possibility of not finding buyers for the portfolio titles.

EPM has identified that the financial instruments affected by liquidity risk include:

- Cash and cash equivalents
- Other financial assets:
  - Fixed income securities
  - Investments pledged or delivered as guarantee
  - Swaps
- Commercial debts and other counts under charge

To control liquidity risk, temporary comparisons of figures, reference indicators and liquidity levels are made at different time horizons. Based on said analysis, investment strategies are developed that do not affect the liquidity of the Companies considering the cash budget and market risk analysis to consider the diversification of the sources of funds, the ability to sell assets and the creation of contingency plans.

In general, the main aspects considered in the analysis are:

- Liquidity of the titles: the characteristics of the issuer, amount of the issuance and trading volume are analyzed.
- Market liquidity: the general behavior of the market is analyzed, and rate forecasts are made to infer its future behavior.
- Portfolio liquidity: cash flows are coordinated in order to determine investment strategies in accordance with future liquidity requirements, and diversification is sought to avoid concentration of titles by issuer, rates, and/or terms.

The following table shows the remaining contractual maturity analysis for liabilities and non-derivative financial assets:

	Average effective interest rate	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2023							
Non-derivative financial liabilities variable interest rate	10.70%	1,420,766	70,401	2,411,357	1,427,107	1,857,104	7,186,735
Non-derivative financial liabilities fixed interest rate	6.23%	1,210,676	243,093	195,631	4,361,150	6,719,604	12,730,154
Non-derivative financial assets	16.68%	1,438,141	75,779	35,031	5,663	5,288	1,559,902
Non-derivative financial assets - portfolio	13.54%	285,837	423,275	361,013	310,725	620,579	2,001,428
Total		**4,355,420**	**812,547**	**3,003,032**	**6,104,645**	**9,202,574**	**23,478,218**
2022							
Non-derivative financial liabilities variable interest rate	12.65%	525,831	289,354	85,603	1,911,383	2,478,417	5,290,588
Non-derivative financial liabilities fixed interest rate	6.04%	487,717	1,242,942	275,358	227,896	12,722,352	14,956,265
Non-derivative financial assets	11.07%	1,343,602	28,312	22,029			1,393,943
Non-derivative financial assets - portfolio	9.88%	210,132	323,888	474,636	298,154	476,606	1,783,417
Total		**2,567,282**	**1,884,495**	**857,627**	**2,437,434**	**15,677,375**	**23,424,213**

- Amounts stated in millions of Colombian pesos -

The values included in the above tables for non-derivative financial assets and liabilities may change due to fluctuations in the variable interest rate in relation to the estimated interest rate at the end of the reporting period. The company considers that cash flows cannot occur earlier than previously indicated.

The following table shows the contractual maturity analysis of remaining derivative financial liabilities:

	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2023						
Options						
Contracts swap	958,634	951,274	1,042,502	920,561	1,626,377	5,499,349
Total	958,634	951,274	1,042,502	920,561	1,626,377	5,499,349
2022						
Options						
Contracts swap	598,093	647,106	644,870	651,619	473,684	3,015,372
Total	598,093	647,106	644,870	651,619	473,684	3,015,372

The main method for measuring and monitoring liquidity is the cash flow forecast, which is carried out at EPM and is consolidated in the cash budget. Derived from this, a daily monitoring of its cash position is carried out and projections are made continuously to:

- Monitor liquidity needs related to operating and investment activities associated with the acquisition and disposal of long-term assets.
- Pay, prepay, refinance and/or obtain new credits, according to EPM's cash flow generation capacity.

These projections consider EPM's debt financing plans, compliance with ratios, compliance with organizational objectives and applicable regulations.

Note 43. Fair value measurement on a recurring and non-recurring basis

The methodology established in IFRS 13 - Fair Value Measurement specifies a hierarchy in valuation techniques based on whether the variables used to determine fair value are observable or unobservable. The company determines fair value on a recurring and non-recurring basis, as well as for disclosure purposes:

- Based on quoted prices in active markets for identical assets or liabilities that the company can access on the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are directly or indirectly observable for assets or liabilities (level 2).
- Based on internal cash flow discount valuation techniques or other valuation models, using variables estimated by the company that are not observable for the asset or liability, in the absence of observed variables in the market (level 3). When developing unobservable input data, the Company may start with its first party data, but will adjust that data if the available information reasonably indicates that other market participants would use different data or there is something particular about the entity that is not available to other market participants. The Company shall take into account all information on market participants' assumptions that is reasonably available.

Valuation techniques and variables used by the company in the measurement of fair value for recognition and disclosure:

Cash and cash equivalents: include cash on hand and in banks and highly liquid investments, easily convertible into a determined amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of its acquisition. EPM uses the market approach as a valuation technique for this item; these items are classified at level 1 of the fair value hierarchy.

Investments at fair value through profit or loss and through equity: includes investments made to optimize excess liquidity, that is, all those resources that are not immediately allocated to the development of the activities that constitute the corporate purpose of the company. EPM uses the market approach as a valuation technique; these items are classified at level 1 of the fair value hierarchy.

Equity investments: corresponds to the resources placed in participatory titles of national or foreign entities, represented in shares or shares of social interest. The methodologies used are: the market price for those listed on the stock market (level 1) and the discount of cash flows for the rest (level 3).

Fiduciary rights: corresponds to the rights originated by virtue of the execution of commercial trust contracts. EPM uses the market approach as a valuation technique, these items are classified at level 1.

Derivative instruments: EPM uses derivative financial instruments, such as forward contracts ("Forward"), futures contracts, financial swaps ("Swaps") and options, to hedge various financial risks, mainly interest rate risk, foreign exchange and price of basic products (" commodities"). Such derivative financial instruments are initially recognized at their fair values on the date the derivative contract is entered into and are subsequently remeasured at their fair value. EPM uses discounted cash flow as a valuation technique for swaps, in an income approach. The variables used are: Interest rate swap curve for rates denominated in dollars, to discount flows in dollars; and Foreign interest rate swap curve for rates denominated in pesos, to discount flows in pesos. These items are classified in level 2 of the fair value hierarchy.

With regard to Zero Cost Collar options, the Black and Scholes model is used as a reference since it analyzes the value of options based on the price of the asset underlying the option, which follows a continuous stochastic process of Gauss-Wiener evolution, with constant mean and instantaneous variance. These items are classified in level 2 of the fair value hierarchy.

Additionally, for the put option of the climate derivative, the Monte Carlo method is used as a valuation technique, which simulates the non-financial variable (rainfall measured at two meteorological stations located in the basins of two of the most important rivers in EPM's area of influence: Río Abajo and Riogrande I) in a series of situations or possible scenarios for a given event, including the limits and present value of the flows defined in the contract. This item is classified in Level 3 of the fair value hierarchy because variables not obtained from observable market data are used.

Investment properties: are properties (land or buildings, considered in whole or in part, or both) that are held (by EPM in its own name or as part of a financial lease) to obtain rents, capital gains or both, in place of stop:

− Its use in the production or supply of goods or services, or for administrative purposes; either

− Its sale in the ordinary course of operations.

EPM uses two valuation techniques for these items. Within the market approach, the comparative or market method is used, which consists of deducting the price by comparing transactions, supply and demand, and appraisals of similar or comparable properties, prior time, conformation, and location adjustments. Within the cost approach, the residual method is used, which is applied only to buildings and is based on the determination of the updated construction cost, less depreciation due to age and state of conservation. Both items are classified in level 3 of the fair value hierarchy.

Contingent considerations: arising from business combinations in the acquisitions of the subsidiaries Espíritu Santo Energy S. de R.L. and Empresas Varias de Medellín S.A E.S.P. – EMVARIAS, the discounting of payment flows is considered by applying the discount rates: Libor Rate and TES Rate, respectively. These items are classified at level 3 of the fair value hierarchy.

Other accounts payable: corresponds to the premium payable for a weather derivative whose valuation technique is the average of expected future flows, discounted at a risk-free rate plus a spread that contemplates the possibility of default (own credit risk). This item is classified in Level 3 of the fair value hierarchy because variables not obtained from observable data in the market are used, such as own credit risk.

The following table shows for each of the levels of the fair value hierarchy, the company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 and December 2022:

2023	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	129,631	-	-	129,631
Total traded or designated at fair value	129,631	-	-	129,631
Other investments in debt securities				
Fixed Income Securities	78,008	-	-	78,008
Variable Income Securities	464,642	-	-	464,642
Investments pledged or delivered as guarantee	808	-	-	808
Total other investments at fair value (See Note 11)	543,458	-	-	543,458
Other equity investments				
Equity securities	1,515,281		6,733	1,522,014
Total other equity investments (See Note 11)	1,515,281	-	6,733	1,522,014
Fiduciary rights				
Trust in administration	314,336	-	-	314,856
Total trust rights (See Note 11)	314,336	-	-	314,856
Derivatives				
Futures Contracts	-	88	-	88
Put Options	-	-	31,453	31,453
Total derivatives (See Note 11)	-	88	31,453	31,541
Other accounts receivable				
Other accounts receivable	-	-	49,338	49,338
Total trade receivables (See Note 10)			49,338	49,338
investment properties				
Urban and rural land	-	-	139,923	139,923
buildings and houses	-	-	39,226	39,226
Total investment properties	-	-	179,149	179,149
Liabilities				
Derivatives				
Futures Contracts	-	23	-	23
Swaps	-	906,328	-	906,328
Total derivative liabilities	-	906,351	-	906,351
Contingent consideration				
Provisions-business combination	-	-	141,143	141,143
Total contingent consideration (See Note 14)	-	-	141,143	141,143
Total	**2,502,706**	**(906,263)**	**125,530**	**1,721,973**
- Amounts stated in millions of Colombian pesos -	**145%**	**-53%**	**7%**	

The carrying value and estimated fair value of the company's assets and liabilities that are not recognized at fair value in the separate statement of financial position but require disclosure at fair value; as of December 31, 2023 and December 2022 is as follows:

Concept	2023			2022	
	Carrying amount	Estimated fair value		Estimated fair value	
		Level 2	Total	Level 2	Total
Assets					
Public service trade receivable	4,564,197	4,549,694	4,549,694	3,298,042	3,298,042
Employee loans	187,694	169,094	169,094	138,844	138,844
Related parties	1,089,667	1,089,667	1,089,667	934,362	934,362
Other accounts receivable	653,270	647,342	646,907	315,555	315,555
Total assets	6,494,826	6,455,797	6,455,797	4,686,803	4,686,803
Liabilities					
Commercial bank borrowings	4,499,154	4,430,850	4,430,850	2,674,913	2,674,913
Multilateral bank borrowings	776,947	509,682	509,682	991,796	991,796
Development bank borrowings	2,057,774	2,020,584	2,020,584	1,954,742	1,954,742
Bonds and titles issued	12,751,209	11,250,144	11,250,144	11,672,302	11,672,302
Total liabilities	20,085,084	18,211,259	18,211,259	17,293,753	17,293,753
Total	**(13,590,258)**	**(11,755,462)**	**(11,755,462)**	**(12,606,950)**	**(12,606,950)**
- Amounts stated in millions of Colombian pesos -		**100%**		**100%**	

Note 44. Service concession arrangement

As of December 31, 2023, the company manages as operator various concessions that contain provisions for the construction, operation and maintenance of facilities, as well as the provision of public services such as water supply and wastewater collection and treatment, in accordance with applicable regulations.

The remaining period of the concessions where the company acts as operator is detailed below:

Company/agreement	No Contrat	Subscription date	Activity	Country	Concession period	Initial Remaining Period
Empresas públicas de Medellín - Municipio de Caldas	1401288	28/08/1997	The Municipality is committed to putting provision and facilitate the use of networks and other infrastructure for provision of aqueduct services and sewage.	Colombia	30 years (extendable)	4 years
Empresas públicas de Medellín - Municipio de Sabaneta	1/DJ/-7885/19	3/10/1984	The Municipality is committed to putting provision and facilitate the use of networks and other infrastructure for provision of aqueduct services and sewage.	Colombia	10 years (extendable)	1 year
Empresas públicas de Medellín - Municipio de La Estrella	1/DJ/-7835/17	10/09/1984	Execution of works and provision of water supply services drinking and sewage.	Colombia	10 years (extendable)	1 year
Empresas públicas de Medellín - Municipio de Envigado	1/DJ/-5941/30 1/DJ/-7982/5 (vence en el 2025)	03/08/1977 27/02/1985	Provision of aqueduct service and sewerage and construction of works for the provision of Aqueduct and Sewer service.	Colombia	10 years (extendable)	4 years
Empresas públicas de Medellín - Municipio de Itagüí	1/DJ/-6199/10	06/09/1978	Execution of works and provision of water supply services drinking and sewage.	Colombia	Indefinite Term	
Empresas públicas de Medellín - Municipio de Bello	1/DJ/-7586/25	28/02/1984	Execution of works and provision of water and sewage service.	Colombia	10 years (extendable)	1 year
Empresas públicas de Medellín - Municipio de Copacabana	1/DJ-9994/9	31/10/1990	Execution of works for the Potable water supply, sewerage and provision of such services.	Colombia	20 years (extendable)	7 years
Empresas públicas de Medellín - Municipio de Barbosa	1401287	2/10/1997	The Municipality is committed to putting provision and facilitate the use of networks and other infrastructure for provision of aqueduct services and sewage.	Colombia	30 years (extendable)	4 years

As of the cut-off date, income and costs incurred for construction services exchanged for a financial asset or an intangible asset have not been recognized.

Service concession arrangement

The concession agreements between EPM and the Municipalities establish the conditions under which the aqueduct and sewage networks are managed, operated and maintained for the provision of drinking water and wastewater sanitation services to their inhabitants, under the terms and conditions and rates established by the Drinking Water and Basic Sanitation Regulation Commission – CRA –.

The user is charged via a rate according to the intervention of replacement, expansion or interventions in the networks with the execution of projects under construction (Constructions in progress). Following the parameters and conditions established by the C.R.A (Water Regulation Commission).

The agreements indicate the following rights and obligations for EPM as an operator in the service concession agreement:

- Right to receive from the Municipality all of the aqueduct and sewage networks and to have exclusivity as operator of the system.
- Obligation to make exclusive use of the aqueduct and sewage networks for the purposes for which they are intended, maintain them and return them in the conditions of use in which they were received.
- Some concession agreements have the option of being automatically renewed for equal periods unless one of the parties expresses the intention of not continuing with it.
- The concession agreements do not establish the obligation to construct elements of property, plant and equipment.

Upon termination of the concession, EPM must return the aqueduct and sewage networks without any compensation to the Municipalities. There have been no changes to the terms of the concession agreement during the period.

The intangible asset model is applicable to these agreements. See Note 7 Goodwill and Other Intangible Assets.

Note 45. Events after the reporting period

- On January 31, 2024, EPM filed an extraordinary appeal before the Council of State for annulment of the award rendered by the Arbitral Tribunal promoted by the company Hidroeléctrica Ituango against EPM. The appeal is based on two grounds contemplated in Law 1523 of 2012, that is, having ruled in conscience or equity and the award containing contradictory aspects. In addition, a jurisprudential ground was invoked, namely that the arbitration process did not take into account the preliminary interpretation of the rules issued by the Andean Community of Nations applicable to the case.

  Based on Law 1523 of 2012, EPM also requested the suspension of the economic effects of the award until the extraordinary appeal for annulment is resolved on the merits.

  The annulment appeal was filed with the Council of State on February 26, 2024, after it had been transferred to the company Hidroeléctrica Ituango. On March 8, the appeal was distributed in the Third Section of the Council of State.

- On February 8, 2024, XM delivered $648,856 corresponding to Ituango's reliability charge (including interest), which, in accordance with the provisions of CREG resolution 194 of 2020, had to be administered in a trust until the plant completed the net effective capacity of the first stage, a milestone that was met in October 2023 when units 3 and 4 came into operation.

- On February 27, 2024, EPM's Board of Directors approved a capitalization, a capitalizable loan or a combination of both alternatives to Empresas Varias de Medellín S.A. E.S.P. for up to $337,000, with partial disbursements, during the years 2024 and 2025. It is estimated that the amount to be disbursed in 2024 will be $228,000.

- On February 27, 2024, EPM's Board of Directors approved granting a loan to Caribemar de la Costa S.A.S. E.S.P. AFINIA for $755,000, with a term of 5 years and with an interest rate in accordance with market conditions at the time of its completion; this credit was contemplated in EPM's 2024 budget and current business plan.

- On March 13, a request for a 120-day suspension of the request for voluntary retirement filed on August 1, 2023, was filed with the Superintendence of Health, with the purpose of analyzing the different options and making a decision on the future of the Adapted Health Entity.

  After the date of submission of the separate financial statements and prior to the date of authorization of their publication, no other material facts involving adjustments to the figures were presented.