

Medellín, February 29, 2024

## Special greetings to all our shareholders as well as all those other recipients of our Management Report for 2023:

All our gratitude and acknowledgment go out to our shareholders, to our portfolio Companies, to all our SURA employees, suppliers and advisors in Latin America for their vote of confidence and their support in our work as an investment manager with a long-term vision. It is because of you all, and with you all that over this past year we have continued to make progress towards greater sustainable profitability.

Last year we continued with our strategy with a greater understanding of the importance of our integrated and well-balanced handling of our economic, social, human and natural capital. We believe this to be the best way to drive the growth and sustainability of Grupo SURA and our investment portfolio.

This integrated four-capital management also responds to those who rely on SURA's products, solutions and services to assist them now and in the future. Based on this view, we are always striving to create added value for the development of our region and, of course, for our shareholders. Therefore, we are confident that we can only remain sustainable as an investment manager if the society to which we owe what we are is also sustainable.

Financial management based on the strength of our portfolio companies is a contributing factor to this vision. We consolidated COP 6.3 trillion<sup>1</sup> in additional revenues compared to the previous year, bringing the total to COP 35.5 trillion. This made it possible for our controlling net income, that is to say, as attributable to Grupo SURA as the parent, to reach COP 1.5 trillion, which would have stood at COP 2.3 trillion, were we to exclude non-recurring effects, as we shall explain further on.

Grupo SURA's strength is supported by a portfolio of leading companies that allows us to ensure a growing source of dividends receivable, which in 2023 came to COP 1.8 trillion for an increase of 61%. This result also evidences the geographic diversification of our different lines of business with an estimated 45% of these dividends coming from outside Colombia. Consequently, we can count on sufficient cash flow to continue meeting our commitments, these including shareholder dividend payments which last year amounted to COP 741,413 million, as well as preserving adequate indebtedness indicators; in fact, our ratio of net debt versus received dividends came to 3.1 times, for a drop compared to the 3.9 times recorded for the previous year.

On the other hand, we made progress with the implementation of the Framework Agreement signed in June, which includes exchanging the Company's stake in Grupo Nutresa for our own shares as well as those of Sociedad Portafolio. This transaction was ongoing at year-end and, once completed, shall mean the repurchase of close to 30% of the Company's outstanding shares, which will reflect positively on the per share metrics. With this transaction we seek to create added value for our shareholders, facilitate dispute resolution and focus more on our financial services portfolio, as shall be discussed in our Annual Report.

## Capital management driving our growth

In recent years, we have built up a framework of analysis based on complex thinking, which recognizes the balance and diverse interconnections that support the creation of wealth in its broadest sense, thereby facilitating further development for society as a whole. We have therefore defined our

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<sup>1</sup> Currency conversions into US dollars (USD) took into account an average exchange rate for 2023 of COP 4,325.05 this applicable to the figures contained in the Statement of Comprehensive Income, along with a year-end exchange rate for 2023 of COP 3,822.05 for those figures pertaining to the Statement of Financial Position.

management priorities for each of our economic, social, human and natural types of capital. These managed in an integrated manner, allow us to create greater sustainable profitability, which recognizes the importance of creating added value for our shareholders by helping ensure a more harmonious level of social development, as discussed in more detail in the third chapter of the Annual Report.

Let's begin with **economic capital**. This is comprised of tangible and intangible resources and assets to enable wealth generation in society in general. We receive financial resources from investors and creditors, which we manage by efficiently allocating these in order to enhance the profitability of our portfolio, create added value for our shareholders and help improve living conditions while driving sustainability in all those territories where we are present, this through our investments.

Over this past year, we have expanded our understanding of our approach to this type of capital. In addition to a **financial management** that creates economic value, we have prioritized two relevant dimensions for developing our strategy namely identifying new opportunities in order to continue creating new businesses, as well as enhancing our contribution to Latin America's economic development. In 2023, our financial management also reflected our integrated view of our four capitals, as we shall be addressing further on:

**Consolidated Financial Statements.** We continue on a path towards further growth, based on the strength of the Companies that belong to our investment portfolio; our efforts in terms of greater efficiencies and profitability; and the benefits of a diversification in different geographies, channels, businesses and customer segments.

To facilitate the comparability of our consolidated results, we have taken into account the accounting effects of the following events. Firstly, having implemented the Framework Agreement, Nutresa ceased to be accounted for under Grupo SURA's equity method up to as of the third quarter of last year, a deferred tax was produced on the Nutresa transaction and there were impacts relating to exchange rate hedges for paying the planned tender offer. Secondly, Suramericana divested its insurance subsidiaries in Argentina and El Salvador. Thirdly, Protección and Asulado were consolidated as subsidiaries of SURA Asset Management. Finally, the depreciation of the Colombian peso, calculated using the average exchange rate for 2023, compared to the rest of the currencies in the region that presented appreciations.

Consequently, total consolidated revenues rose by 21.7% reaching COP 35.5 trillion. These were driven by the growth in Suramericana's written premiums, the performance of SURA Asset Management's savings and retirement segments and the recovery of investment income.

On the other hand, consolidated total expense increased by 20.1%, mainly due to higher EPS claims in Colombia, the effects of the consolidation of Protección and Asulado, and the depreciation of the Colombian peso. With expense rising at a lower level compared to the growth in revenues, operating income totaled COP 4.6 trillion, 25.5% more than that recorded for 2022. This evidences the commercial strength of our subsidiaries and the contributions of our portfolio associates.

As a result, consolidated net income came to COP 1.9 trillion. Were we to exclude the aforementioned non-recurring effects, this would have amounted to COP 2.7 trillion<sup>2</sup>. Controlling net income, that is to say, that attributable to Grupo SURA as parent, came to COP 1.5 trillion, which, when adjusted<sup>2</sup>, shows a comparable increase of 11.7% compared to 2022. Consequently, Grupo SURA's annualized

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<sup>2</sup> Adjusted net income and adjusted controlling net income do not include: 1) the value of the deferred tax relating to the Nutresa transaction in the amount of COP 544 billion, which does not as yet represent cash; 2) the impact of the sale of Suramericana's insurance business in Argentina and El Salvador amounting to COP 119 billion in net income and COP 97 billion in controlling net income, 3) the pro forma revenues via the equity method from Nutresa for COP 93 billion, and 4) the valuation of hedges covering the Nutresa tender offer for COP 45 billion, net of deferred tax.

return on equity (adjusted ROE<sup>3</sup>) rose last year from 9.9% to 10.2%, which is the highest recorded in the last 6 years.

It is worth remembering that at the beginning of 2023 we announced that we expected an increase in controlling net income in the range of 10% to 15%. This projection was met, without taking into account the non-recurring impacts of the Nutresa transaction and the divestiture of Suramericana's operations in Argentina and El Salvador.

Finally, Grupo SURA's Separate Financial Statements recorded a net income of COP 1.1 trillion at year-end. Based on this final result, a dividend distribution is proposed for 2024. Further details regarding the consolidated and individual financial results are addressed in the third chapter of our Annual Report.

In terms of our financial management cycle, we are ensuring sustainable sources of access to resources, applying allocation criteria for the integrated management of all four types of capital along with continuously monitoring the performance of our portfolio companies. This is based on a risk management function from a systemic standpoint, which considers the aggregate interrelation of the exposures affecting both our portfolio and the SURA-Bancolombia financial conglomerate, of which we are the holding company. This is discussed in more detail in the fourth chapter of our Annual Report.

With regard to our social capital, we understand this being the set of relationship networks and frameworks of action that enable us to inspire trust and work with other people and institutions towards common objectives, in the following three dimensions:

- **Inspiring trust in the Company**, which values long-term relationships as part of our decision-making. In this regard, we provided opportunities for holding discussions with representatives of seven stakeholder groups in 2023. These experiences allow us to share our own knowledge, identify opportunities for creating value for all while encouraging situations favoring the Company's growth. Additionally, we carried out a reputation survey on six key audiences with which Grupo SURA obtained a total trust indicator of 84.4%, while the favorability indicator came to 84.8%. Our Ethics and Corporate Governance System also forms part of this dimension, as shall be explained later on and discussed in detail in the fifth chapter of our Annual Report.

We also made progress with analyzing social variables as part of our business decision-making with regard to investments, suppliers, customers and employees. Suramericana and SURA Asset Management subsidiaries reached more segments and territories with their solutions, products and services, which means a larger customer base of 1.6 million more individuals and companies throughout the region. Finally, direct social outreach investments on the part of the SURA Companies in Latin America contributed to the well-being of 1.9 million people and to the sustainability of 1,115 social, educational and cultural entities, among others.

- **Inspiring trust along with other entities**, through initiatives that help create public value and provide us with new visions of the different territories. Among the different initiatives undertaken so far, we would like to make special mention of the Bolívar Davivienda Foundation which was a partner of ours in our third call for projects as part of the *Pensar Con Otros* initiative for instilling a sense of citizenship and building democracy in Colombia. A total of 474 proposals were received from 29 departments and five projects were selected, that proposed alternative ways for reinforcing civic culture in 2024. Furthermore, as part of our Citizenship and Democracy

<sup>3</sup> ROE adjusted for: 1) the amortization of intangibles, produced by acquisitions, is added to net income; 2) in the equity accounts, appraisals of associated companies and cross-shareholdings between Grupo Argos and Grupo SURA are excluded to make the equity and net income figures more comparable; 3) in calculating the 2023 indicator, the non-recurring impacts associated with the Nutresa transaction are added, including deferred tax (COP 544 billion) and the appraisal of hedges to cover the value of the tender offer (COP 45 billion), and the impacts of the sale of Suramericana's operations in Argentina and El Salvador (COP 97 billion); and 4) as of the third quarter 2023, the Nutresa investment was excluded from the equity method, since this has ceased to be recognized in this account.

program we supported journalistic projects from alternate media that reached an audience of more than 600 thousand people with education, analysis and verified information as part of the territorial elections held in Colombia.

- **Inspiring trust in society**, by liaising with our different partners for the purpose of strengthening our institutions. In 2023, we held 16 forums with representatives of social, academic, cultural, business and sustainability entities in Chile, Mexico, Peru and Panama. Here, we explored new opportunities for creating added value for the Company and broadening our understanding in order to help develop all those societies in which SURA is present and, in this way, contribute to our own sustainability.

Our approach in terms of **human capital** is aimed at fostering capabilities, knowledge and experiences that contribute to the autonomy and freedom of individual development. By managing this type of capital, we are able to help our customers, suppliers, partners and other stakeholders to improve their decision-making processes, develop new opportunities and create more prosperous conditions for themselves, their environment and their business development. From the Company's point of view, this allows us to leverage our human talent so as to be able to enhance our own applied knowledge for developing our strategy. In 2023, we worked on two main fronts:

- **Enabling relationships for building capabilities**: at Grupo SURA we encourage initiatives that favor democracy and exercising citizenship, for example, we provided training to nearly two thousand university students and teachers in order to reduce their vulnerability to disinformation from the behavioral science standpoint with the DIP project, this in partnership with Ethos BT. Also, more than 200 reporters and journalism students were trained in topics such as sustainability coverage, research and best practices, in partnership with the Gabo Foundation.

For their part, Suramericana and SURA Asset Management provided training in different aspects with their suppliers, as well as with external teams of insurance and commercial advisors throughout the region. We also wish to highlight the fact that Suramericana provided knowledge to almost 19 thousand SMEs throughout the region, through Empresas SURA's consulting and group training programs; while SURA Asset Management promoted employability skills through initiatives such as the Universidad Protección platform, which in 2023 made an impact on more than 22 thousand participants.

- **Developing our human talent**: in 2023, as one of our strategic pillars, we enhanced the knowledge and capabilities of Grupo SURA's human talent in order for them to engage in a decision-making process that will leverage the Company's growth and sustainability. This was made possible through partnerships with universities and social organizations in areas such as leadership development, understanding the environment, peace-building, and acknowledging diversity and inclusion.

From the standpoint of SURA Business Group, we would like to make special mention of the latest survey of the working conditions of more than 29 thousand employees which included for the first time ever a comprehensive wellbeing indicator, for which a score of 92 out of a total of 100 was given, thereby allowing us to identify levels of satisfaction, loyalty, recommendation, referral and commitment of the Organization's human talent.

As for **our natural capital**, we understand this to be the set of natural resources that interact with each other to create a flow of benefits for living beings. Therefore, we are aware of our role in helping regenerate this type of capital that affects the sustainability of the planet, humanity as well as companies. As an investment manager, we approach our natural capital in three ways:

- **From our risk perspective**: as part of our current climate risk quantification analysis, we incorporated the carbon price variable into the value of our portfolio companies. We also made

headway with methodologies for analyzing and managing risks arising from nature, this being part of a pilot program of the TNFD<sup>4</sup> sustainability reporting standard.

- **From the sustainable investment standpoint:** we also wish to underscore the fact that over this past year SURA Asset Management and Suramericana increased by 27% and 14%, respectively, the amount of thematic investments in their portfolios that have a positive environmental and social impact. Both companies also implemented the procedures used for the TCFD<sup>5</sup> reporting framework.
- **From the standpoint of the SURA products and solutions:** premiums from underwriting solutions that take into account environmental criteria totaled USD 63.6 million and with this same focus, SURA Asset Management totaled USD 124.3 million in Assets under Management in investment products incorporating ESG criteria.

Our efforts to ensure greater sustainable profitability have been a path of constant learnings and that is why we are being evaluated against global sustainability standards. For example, we have been included in the S&P's Dow Jones Sustainability World Index for the last 13 straight years; Sustainalytics assigned us a low sustainability risk rating for our handling of environmental, social and governance (ESG) issues, and most recently MSCI gave us a "BBB" rating, highlighting issues such as our sustainable investment performance and human talent development.

Finally, the manner in which our Companies have contributed through our SURA Foundation to the handling of our four capitals, is also important, given the focus on quality education, cultural promotion, building democracy and instilling a sense of citizenship. Over this past year, the Foundation has made progress with initiatives focusing on social management in different territories in the form of creating and exchanging knowledge, developing individual and collective capabilities, as well as proposals aimed at long-term transformations.

Here, we would like to make special mention of an alliance we have with the Natura Institute and the Nutresa Foundation that proposes a comprehensive public policy for secondary education in Colombia; drawing up the first call for proposals with regard to Latin American Culture, this aimed at strengthening cultural organizations in nine countries throughout the region in 2024; as well as implementing a ten-year territorial social investment model for the Urabá region of Antioquia. This forms part of a total of 112 initiatives that the SURA Foundation is undertaking in Colombia, Mexico and Chile for the purpose of growing hand in hand with more than 204 thousand individuals, in alliance with 1,277 organizations and with an investment worth USD 9.4 million in different territories.

## Our investment portfolio

We will now address relevant aspects of the performance of our Companies with whom we share a common purpose of helping ensure a more harmonious level of social development:

**SURA Asset Management.** This Company, specializing in savings, pensions, investments and asset management, carried out certain strategic adjustments aimed at creating greater profitability and enhancing its capabilities for leveraging its future growth in Latin America.

This is why, as of 2023, it began operating in the following two business units: SURA Investments, which offers investment solutions for individuals, companies and institutions; and its Savings and Retirement unit, which groups together pension fund managements firms and the insurance company Asulado. Consequently, SURA Asset Management ended the year with 23.6 million clients, that is to

<sup>4</sup>Acronym: Task Force on Nature-Related Financial Disclosures.

<sup>5</sup> Acronym: Task force on Climate-related Financial Disclosures.

say 800 thousand more clients compared to 2022, with Assets under Management increasing by 14.4%<sup>6</sup> for a total of COP 672 trillion.

Finally, this Company obtained a controlling net income of COP 901,862 million, up by 104% compared to that recorded for 2022. This led to a higher adjusted return on equity (Adjusted ROE<sup>7</sup>) which amounted to 8.8% thereby exceeding that projected at the beginning of 2023.

This result was made possible with fee and commission income totaling COP 4.1 trillion, for a year-on-year growth of 31.8%, driven largely by the increase in both the wage base and the number of Savings and Retirement subscribers, the growth in Assets under Management due to higher yields, the increase in Mexico of the individual account contribution rate due to the 2020 reform, as well as having consolidated the pension fund management firm, Protección; upon adjusting the effects of this consolidation for the purpose of making the figures more comparable with those of the previous year, fee and commission income would have recorded an increase of 5.0% for 2023. This was accompanied by efficiencies and expense controls, the latter producing an adjusted increase of 3.5%, which in turn was lower than the growth in fee and commission income as well as the weighted inflation for the countries where present.

In connection with this investment, it should be noted that in November 2023 we entered into an agreement with Grupo Bolivar to increase Grupo SURA's stake to 93.3%, a transaction that at the end of 2023 remained subject to applicable regulatory approvals.

**Suramericana.** This Company, specializing in insurance and trend/risk management, continued last year to further its value creation strategy by implementing initiatives focusing on sustainable profitability, market development, its operating models, as well as social and planetary health. This allowed the Company to grow in both revenues and profitability, based on sustainability, customer loyalty, technical profitability and operating efficiencies.

During this past quarter, Suramericana also concluded the divestiture of its operations in Argentina and El Salvador, this in order to consolidate its presence in seven Latin American countries, providing well-being and competitiveness to 20 million customers. Our present subsidiaries are showing sustainable growth rates, positive results and sound balance sheets.

This Company's net income reached COP 511,704 million, that is to say 4.3% higher than for the previous year, in spite of the non-recurring impacts associated with the divestiture of its operations in Argentina and El Salvador for COP 119,364 million and a loss on the part of the Health Care Provider EPS Sura amounting to COP 223,763 million. The challenges that the country's health care system has been facing for some time now have produced an adverse environment for this latter Company, which over the last 3 years has accumulated losses of more than COP 413 billion and which have depleted its assets. In view of this, Suramericana is evaluating the management options it considers most convenient for the Company and its health care subscribers.

Were we to exclude the non-recurring effects of the aforementioned divestitures, net income would have amounted to COP 631,068 million, for a year-on-year increase of 28.7% which would have brought the adjusted ROE<sup>8</sup> to 10.5%. These results are underpinned by a 14% growth in written premiums, which stood at COP 28.5 trillion, 58% of which corresponds to voluntary insurance. Contributing to our bottom line was the 29.9% growth in the technical results of the Property and Casualty insurance companies as well as a lower expense indicator compared to the previous year.

Ensuring the loyalty, ability to attract and the development of our people, together with securing a level of sustainable profitability above, the cost of capital shall continue to be Suramericana's strategic

<sup>6</sup> Percentage changes in SURA Asset Management's financial figures exclude exchange rate effects.

<sup>7</sup> Adjusted ROE: Adjusted net income divided by controlling shareholder's equity.

<sup>8</sup> Adjusted ROE 2023: adjusted net income (excluding the effects of the divestitures in Argentina and El Salvador) divided by the average equity of the parent company.

objective in the coming years, as we continue to navigate the volatility and uncertainties inherent to the environment.

**Portfolio investments – Associates.** Next, we will refer to Bancolombia, Grupo Argos and Grupo Nutresa, taking into account that the latter investment ceased to be recognized under the equity method since the third quarter.

- **Bancolombia** The Bank has demonstrated its ongoing strength in a context of high interest rates, a slowing of the Colombian economy and lower demand for credit. This was reflected in a net income attributable to shareholders of COP 6.1 trillion, for a drop of 9.8% compared to 2022. Consequently, Return on Equity (ROE) ended the year at 16.1% compared to 19.8% the previous year. The consolidated gross lending portfolio totaled COP 254 trillion, with a slight year-on-year decrease, while deposits amounted to COP 248 trillion, thanks to the trust inspired in more than 30 million of the bank's customers. Likewise, net interest income remained resilient during this past year, based on a well balanced portfolio of different credit segments.

Furthermore, Bancolombia expanded its digital strategy to attract unbanked customers and the rural population, with platforms such as Bancolombia A la Mano and Nequi, which added more than 25 million accounts. The Bank also continued to develop and stage initiatives aimed at playing its part with regard to issues such as climate action, diversity and inclusion, financial education and rural development, among others.

- **Grupo Argos.** This infrastructure investment holding ended the year with a 4% growth in controlling net income, which increased to COP 916,000 million. This shows an improvement in consolidated revenues which were higher than expenses along with productivity improvements and efficiencies in its cement, energy and concessions lines of business, which produced a 5% increase in its Consolidated EBITDA compared to the previous year. In the separate financial statements, revenues rose by 83%, EBITDA doubled and net income increased by 128% compared to the previous year.

Grupo Argos also undertook a strategic transaction that shall accelerate the growth of its subsidiary Cementos Argos in the United States by combining its business operations with Summit Materials, a Company listed on the New York Stock Exchange. At the time this transaction was announced, the value of the shares and the cash received by Cementos Argos was equivalent to more than three times its market capitalization on the Colombian Stock Exchange.

- **Grupo Nutresa.** We must remember that this investment holding ceased to be consolidated under the equity method as of the third quarter of last year, as part of the Framework Agreement between shareholders that was signed in June 2023. This company obtained a consolidated net income of COP 720,483 million, for a drop of 18.4% compared to 2022. This bottom line figure was mainly due to a year-on-year growth of 11% in operating income and an EBITDA rising to 11.8%, all this while being affected by financial expense, due to the high interest rates in all those countries where it operates.

Our investment portfolio also includes **ARUS**, which manages the following two separate lines of corporate and administrative business: Enlace Operativo, which specializes in information and payment processes for social security contributions, and Arus, which provides knowledge-based technological solutions for companies.

On the other hand, in December we agreed to sell to Grupo Pegasus our 82.7% stake in Habitat a company specializing in housing and care services for the elderly in Medellin. This divestment is aligned with our priority of channeling our capital allocation to the financial service sector. Finally, we should remember that Grupo SURA holds minority stakes in Enka, a leading company in PET plastic

bottle recycling in Colombia and the largest producer of filaments and synthetic fibers in the Andean region, as well as in other technology companies through its corporate venture portfolio.

### **Implementation of the signed Framework Agreement**

As mentioned at the beginning, we also focused on negotiating, signing, executing and subsequently introducing amendments to the Framework Agreement signed by the Company on June 15, 2023.

This Framework Agreement was aimed at Grupo SURA divesting its stake in Grupo Nutresa's food business, in exchange for receiving its own shares and those of Sociedad Portafolio, the latter Company spun off by Grupo Nutresa and since December 2023 manages the investments in Grupo Argos and Grupo SURA that used to belong to Grupo Nutresa.

In this context, we made progress in obtaining the necessary corporate and regulatory authorizations to expedite the execution of this Agreement. The market was also informed in a timely manner of a series of significant events encountered in this process through the Relevant Information channel as well as through the Company's website.

Once the steps planned in this Agreement are duly completed, this will represent benefits for both Grupo SURA's shareholders and the Company itself. Repurchasing the Company's own shares, as contemplated in this transaction will produce an increase in equity per share and earnings per share, while preserving a sound cash generation capability that will allow us to maintain a growing dividend per share payable to our shareholders. Likewise, Grupo SURA shall be able to maintain its debt ratios at adequate levels and will further focus its investment portfolio on the financial service sector, diversifying this by country, industry and channel. All of this shall allow the Company to move ahead with its strategy of creating sustainable profitability.

### **Our perspectives as an investment manager**

Looking ahead we are foreseeing a regional environment of lower economic growth, political and regulatory uncertainties, as well as volatility on the financial markets. Nevertheless, we believe that the different lines of business of our portfolio companies continue to command sound fundamentals. Proof of this is the COP 6.3 trillion in additional revenues that were included in our consolidated results for 2023, as well as the growth potential of the Suramericana, SURA Asset Management and Bancolombia lines of business, due to the low penetration in financial services in Latin America.

This year, the Company will focus on working on the evolving its ownership structure, as a result of the Framework Agreement, as well as identifying opportunities in terms of its integrated capital management for greater sustainability and helping to ensure a more harmonious level of social development.

Also, the Company's sound financial position shall be preserved through an optimal allocation of capital, comprising of the income we receive from our portfolio investments and the initiatives we advance as corporate citizens. This will drive, based on a long-term vision, a return above the cost of capital and a deep commitment to the region.

In this sense, it will be our priority to strengthen our capabilities in creating our own applied knowledge on the part of our human talent in order to be more relevant to our stakeholders and to continue managing the risks and opportunities posed by our environment. This will allow us, for example, to identify new possibilities that shall help regenerate our natural capital and, in turn, expand our positive impact from the economic, human and social capital standpoints.

We also aim to strengthen alliances and projects which we have already identified, in order to further our role in building trust and, therefore, our social capital in all those territories where we are present.



The interrelationships between these priorities respond to an understanding that is decisive for us to remain relevant as a Company, that it to say the impact we have on our stakeholders is a way of managing risks and ensuring better conditions for the business environment of our portfolio. Therefore, the Company's growth is with Latin America, as we assume our responsibility as part of society. In this way we are strengthening our identity through the genuine way we do business.

In this context, we will now address the financial projections with which we expect to end 2024, for which we must take into account several effects. We expect to consolidate a controlling net income for Grupo SURA ranging between COP 4.7 trillion and COP 5.1 trillion, which, upon isolating the effects of the sale of the stake in Nutresa, would work out at between COP 1.6 trillion and COP 1.8 trillion. In this context, we project net earnings per share to range between COP 4,100 and COP 4,600, upon normalizing for the effects of the sale of the Nutresa stake in 2024.

Likewise, we estimate that dividends receivable on the part of Grupo SURA in 2024 will increase to around COP 2 trillion and the Company's operating cash flow shall be around COP 1 trillion. This would increase the net debt to dividends receivable ratio to 3.6 times, in a context where 100% of Nutresa's minority shareholders participating in the tender offer choose the option to receive their payment in cash.

### **Our Ethics and Corporate Governance System**

Grupo SURA's management of its social and economic capital also includes the proper functioning of our Ethics and Corporate Governance System, which establishes the internal rules of governance, ethics and conduct, as well as the governing bodies that decide on these matters. This system was implemented in order to ensure respect for the rights of our shareholders, as well as all our stakeholders and their relationship with the Company and its administrators. It is also an enabling tool for developing our strategy as an investment manager, for which we always begin by applying our corporate principles.

The corporate events that took place in 2023, including the discrepancies between shareholders and between some of these and the Company's Management, as well as the solution that the parties gave to such discrepancies, were handled by applying the legal regulatory framework, as well as the provisions of the policies that make up our Ethics and Corporate Governance System, while always ensuring the best interests of the Company and all of its shareholders.

Consequently, the Shareholders and the Company's Board of Directors fulfilled their functions as the highest governing and administrative bodies by holding ordinary and extraordinary meetings. In the case of the Shareholders Meetings, their main emphasis was on making decisions relating to the signing of the Framework Agreement, as well as appointing members for the Board of Directors. For its part, the Board focused on approving and implementing the Framework Agreement, preparing the required topics for the Shareholder meetings as well as defining other material issues. More detailed information can be found in in the Corporate Governance Report 2023, which forms an integral part of the Company's Annual Report in the form of a digital attachment.

It is worth noting that, as stated in said Report, and as our shareholders witnessed throughout the year, multiple extraordinary Shareholder Meetings were held, as was the case with the Board of Directors and its Committees. We understand that Extraordinary Shareholders Meetings may become a particular burden for the shareholders, however, it is important to state that the meetings of the above governing bodies were always held in compliance with the law and the rules and regulations governing our Ethics and Corporate Governance System which, as already mentioned, defines the governing bodies that are competent to make certain decisions, and in many of the cases that have arisen during the last two and a half years, this body is the General Assembly of Shareholders.

In relation to the signing, execution and implementation of the Framework Agreement, it should be noted that the corporate authorizations from Grupo SURA's governing bodies have been duly

delivered, as well as regulatory authorizations, most of which were received at the end of the year and others, which were either already obtained or are expected to be obtained in the first quarter of 2024.

In June 2023, the Framework Agreement was approved by the members of the Board of Directors who were empowered by the General Assembly of Shareholders and by those who did not declare that they were in situations that could potentially lead to conflicts of interest. Likewise, for the purpose of analyzing the Framework Agreement, the Board of Directors was accompanied and advised by financial and legal experts from New York, since this Agreement is governed by the laws of this jurisdiction. The Board was also accompanied and advised by leading Colombian legal experts. After the initial Framework Agreement was signed and in order to speed up its fulfillment, two amendments were signed in December 2023 and another in early 2024<sup>9</sup>

Regarding the political and regulatory environment in Colombia as well as in the rest of the region, in 2024, the legislative agenda that the government has set for itself shall include discussions on transcendental regulatory reforms associated with some of the lines of business of our portfolio companies, such as health care and pensions. Grupo SURA and our Companies continue to be willing to provide our knowledge, with total respect for our institutions, with the aim of encouraging public policies and regulations that shall help create added value for our stakeholders and to drive a more harmonious level development for the societies in which we are present.

In the area of corporate governance and particularly with regard to the functioning of our governing bodies, although this does not depend exclusively on Senior Management, but on the members of the Board of Directors as well as the shareholders, the Company expects to regain greater stability in terms of the structuring of its Board of Directors, as well as the necessary meeting frequency of the Board, its Committees and the General Assembly of Shareholders.

## Control Architecture

For Grupo SURA, its **Internal Control System (ICS)** was conceived as a set of governance, risk management and control activities that, executed systematically and in an articulated fashion, provide the Company with reasonable security in its interactions with stakeholders and in the fulfillment of its objectives in a legitimate and transparent manner.

Therefore, the ICS is structured in line with the COSO international reference framework<sup>10</sup>, which in turn is taken into account by local and international regulatory bodies such as the Colombian Superintendency of Finance (SFC in Spanish) and the U.S. Securities and Exchange Commission (SEC)<sup>11</sup>.

In order to ensure its proper functioning, the ICS IS constantly monitored through the three reporting lines: the first corresponding to the different business areas; the second the Risk, Information Security and Compliance areas, and the third Internal Auditing. The monitoring of the ICS is supplemented with audits carried out by the statutory auditing firm on the manner in which financial information is produced and disclosed, a process which, in turn is supervised by the Colombian Superintendency of Finance.

The results of the periodic evaluations of the ICS performed by both the Internal Auditing Department and the Statutory Auditing firm are supervised and analyzed by the Audit and Finance Committee and presented to the Board of Directors. Based on the findings arrived at, Grupo SURA's Senior Management defines the respective improvement plans so as to be able to strengthen the Company's

<sup>9</sup> On February 5, 2024, a third amendment to the Framework Agreement was signed, which will be mentioned in the section titled "Post-Closing Events".

<sup>10</sup> Acronym: Committee of Sponsoring Organizations of the Treadway Commission.

<sup>11</sup> Acronym: Securities and Exchange Commission (SEC).

risk management, corporate governance and internal control systems, compliance with which is verified by the Company's Internal Auditing area.

The Company's Internal Auditing Department has been awarded the Institute of Internal Auditors' Global Certification (IIA Global), which confirms its adherence to international standards governing the auditing profession. In accordance with global standards, the Internal Auditing area reports directly to the Audit and Finance Committee, which is composed entirely of independent members of the Board of Directors.

In 2023, the work plans of the Internal Auditing Department as well as the Statutory Auditing firm were carried out in accordance with the established scopes and priorities, as agreed with the Audit and Finance Committee, as well as in compliance with internal and external regulatory requirements; their progress and findings were opportunely shared with the members of the Company's Senior Management as well as the Audit and Finance Committee, and no material issues were discovered that could have affected the integrity of the ICS. The internal control weaknesses identified were opportunely managed by Senior Management and, in the corresponding cases, the Statutory Auditing firm and the Internal Auditing Department carried out the respective verifications and approvals.

In this regard, the results of the assurance work carried out by the Company's different reporting lines confirm that the ICS maintained reasonable adherence to the institutional and legal principles and standards, as well as the effectiveness of its operations, the risk management system and its corporate governance function.

### Legal aspects

In compliance with that stipulated in Article 29 of Law 222 of 1995, the Company has drawn up the **SURA Business Group's Special Report**, which addresses the economic relations that existed this past year between the Companies making up the Group. This report has been made available to the shareholders both at the Company Secretary's Office as well as on the Company's website. It can also be found as a digital attachment that forms an integral part of the Annual Report. Similarly, Grupo SURA declares that it did not affect the free circulation of invoices issued by the Company's vendors or suppliers, in compliance with Law 1676 of 2013.

**The Annual Report or Year-End Report**, of which this Management Report forms a part, complies with the requirements applicable to Grupo de Inversiones Suramericana S.A. in order to comply with Section 7 of Annex 1 of Circular 012 of 2022 issued by the Colombian Superintendency of Finance, as well as the provisions of Circular 031 of 2021, on social and environmental issues, including climate issues, based on the TCFD and SASB reporting frameworks..

On the other hand, Grupo SURA hereby certifies that it has faithfully complied with all applicable intellectual property and copyright legislation, both in terms of its products as well as the software used for its normal day-to-day running. Also, the use of its brands and distinctive symbols have been duly registered before the corresponding authorities.

### Disclosing Conflicts of Interest on the part of the SURA-Bancolombia Financial Conglomerate.

In 2023, there were no transactions that would have required applying the Framework Policy applicable to handling potential conflicts of interest regarding the operations carried out by the Conglomerate.

It is important to clarify that Law 1870 and Decree 1486, both passed in 2018, establish specific definitions and procedures for handling potential conflicts of interest that may arise when transactions are performed between Companies that form part of a conglomerate, or between these and their related parties. Such guidelines differ from the rules established in Law 222 of 1995 and its regulatory decree, especially with respect to the governing body in charge of managing potentially conflictive situations. A similar reference on the application of this policy can be found in the annual reports of

the companies belonging to the SURA-Bancolombia Financial Conglomerate and its related companies.

### Post-Closing Events

#### Regarding the Framework Agreement:

- On February 5, 2024 Grupo SURA informed the market, through the relevant information channel, that a third addendum to the Framework Agreement was signed, enabling JGDB and Nugil to become bidders in the tender offer that will be launched to acquire up to 23.1% of Nutresa's shares.
- On February 6, 2024, the first part of the direct exchange of shares was carried out, as contemplated in the Agreement, whereupon Grupo SURA delivered to Nugil, JGDB and IHC all the shares it owned in Nutresa; in turn, JGDB, Nugil and IHC transferred to Grupo SURA 27.8% of the latter's own shares, which Grupo SURA shall treat as repurchased shares. Further to this, Grupo SURA received from Nugil, JGDB and IHC 11.8% of the total outstanding shares in Sociedad Portafolio This operation was previously authorized by the Colombian Superintendency of Finance on February 2, 2024.
- On February 19, 2024, this same Superintendency announced to the market that it had received a request to authorize a tender offer for Grupo Nutresa's ordinary shares. This joint and non-several request for a tender offer was filed by the Company, Grupo Argos S.A., Graystone Holdings S.A. (IHC's vehicle), JGDB Holding S.A.S., and Nugil S.A.S. in accordance with the provisions of the Framework Agreement.

**Regarding the Company's credit ratings.** On January 19, 2024, Fitch Ratings and S&P reaffirmed their credit ratings for Grupo SURA. In doing so, they took into account aspects such as portfolio diversification, liquidity and a stable track record of dividends received. Fitch Ratings affirmed its long-term and short-term ratings at "AAA" and "F1+", respectively, both with a stable outlook. S&P Global, for its part, maintained its "BB+" rating and changed the outlook from stable to negative, in line with Colombia's sovereign rating.

**Regarding our corporate governance.** At the request of a plural number of shareholders owning the amount of percentage stakes required by law, an extraordinary Shareholders' Meeting was held and called for by the aforementioned shareholders for appointing a new Board of Directors. As a result, the General Assembly of Shareholders, at an extraordinary meeting held on January 16, appointed a new Board of Directors that will be in effect until the next Ordinary Shareholders meeting to be held on March 22, 2024.

As a result, Juan Constantino Martínez Bravo, as an independent member, and Jorge Mario Velásquez Jaramillo and Jaime Gilinski Bacal, as equity members, joined the Board of Directors. On February 8, 2024, the directors Jaime Gilinski Bacal and Gabriel Gilinski Kardonski presented their resignations effective immediately; so did the Director María Ximena Lombana Villalba, but her resignation was submitted for consideration of the General Assembly of Shareholders at their upcoming meeting to be held on March 22, 2024. Consequently, the effectiveness of her resignation shall be decided on the date of this meeting.

For the time being, the present Board of Directors is functioning with 5 members, which, in any case, meets the standards of having 3 independent members, in accordance with its internal rules and regulations as well as that provided by Law 964 of 2005, as well as the minimum of 5 members established by the aforementioned law for issuers of securities.

**Regarding the divestiture of a subsidiary.** On February 15, 2024 Grupo SURA informed the market of having signed an agreement, the purpose of which was to regulate the conditions under which its subsidiary Protección sold its own subsidiary in El Salvador, namely AFP Crecer. This divestiture is subject to the required regulatory approvals and was a decision made to further the Company's strategy and its capital reallocation endeavors on the part of the different lines of business of our subsidiary SURA Asset Management.

### **Our appreciation and gratitude**

These important management issues and perspectives that we have shared with you only go to confirm that we are upholding a powerful strategy and a sound portfolio of industry-leading investments so as to continue creating value for our shareholders while growing hand in hand with Latin America.

Let this be the moment to express our gratitude for the relationship that we have built up over more than four decades with Grupo Nutresa as both our shareholder and one of our portfolio investments. We share with this food company a philosophy in the way we do business and we deeply appreciate its contribution in creating added value for Grupo SURA, its commitment to sustainability and its important efforts in favor of the wellbeing of the markets in which it operates.

Our gratitude also goes to all those people who formed part of the companies that over this past year ceased to be part of our Business Group. To the teams of staff of Habitat in Colombia, AFP Crecer and Asesuisa in El Salvador, and the insurance company in Argentina, we wish to express our appreciation for having contributed to the growth of our Organization and for sharing our business ethics.

Likewise, we reaffirm our confidence in the opportunities that Colombia and the region continue to offer us, based always on a long-term vision, going beyond the different conditions and economic cycles, of course, recognizing our shared responsibility for helping to ensure a more harmonious level of development. This is only possible by working together with other stakeholders and upholding a genuine way of doing business that began to take shape back in 1944.

Therefore, before concluding, Grupo SURA would like to recognize Suramericana on its 80th anniversary this year, this being the Company that gave birth to this Business Group. With the founding of Suramericana, we began to forge an identity shared by more than 29 thousand employees of our Organization throughout Latin America, an identity that has always been firmly anchored in the corporate principles that have guided our history of growth, expansion and consolidation, and that also illuminates our future outlook.

Once again, we would like to express our gratitude to all our shareholders, to the employees of Grupo SURA and the human talent of our portfolio companies, to all the advisors and suppliers of our Organization, and to each and every person and entity with whom we have forged ties. Thank you all for your ongoing trust in SURA and for continuing to support us as we tread this path towards greater sustainable profitability for both the Company and society in general.

**Many thanks to you all,**

**Jaime Arrubla Paucar**  
Chairman of the Board of Directors<sup>12</sup>

**Jaime Alberto Velásquez Botero**  
**Jorge Mario Velásquez Jaramillo**  
**Juan Constantino Martínez Bravo**  
**Maria Ximena Lombana Villalba**

**Gonzalo Alberto Pérez Rojas**  
Chief Executive Officer - Grupo SURA.

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<sup>12</sup> All of the directors who signed this Management Report approved such at a Board Meeting held on February 29, 2024. It should be noted that Ángela María Tafur Domínguez, David Yanovich Wancier and Guillermo Villegas Ortega, who were directors throughout 2023, resigned from the Board of Directors on January 16, 2024; the Director Gabriel Gilinski Kardonski resigned on February 8, 2024; and the Director María Ximena Lombana Villalba tendered her resignation on February 8, 2024, effective on March 22, 2024.