



ORGANIZACIÓN TERPEL S.A

**Quarterly Periodic Report
(January 1 to March 31, 2024)**

Basic identification of the issuer:

Organización Terpel S. A.

Carrera 7 no.º 75-51, Bogotá, Colombia

Issuance of current securities:

Organización Terpel S.A., has current issues in variable income securities, that is, common shares and fixed income, through ordinary bonds in pesos. Of the 195,999,466 common shares, 14,574,961 are repurchased, for a total of 181,424,505 common shares outstanding.

Regarding bonds, Terpel has made a total of 5 issues that took place in the years 2013, 2015, 2018, 2020 and 2023. The 2018, 2020 and 2023 issues were made under Terpel's Issuance and Placement Program (PEC), which was approved by the Financial Superintendence of Colombia (SFC), for COP2.78 billion, of which it has placed COP1.98 billion.

The securities of Organización Terpel S.A. are listed on the Colombian Stock Exchange (BVC) and are traded in the stock market through the MECPLUS system, through brokerage firms supervised by the SFC.

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Glossary

EBITDA: Earnings Before Interest Taxes Depreciation and Amortization. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a financial indicator of gross operating profit calculated before deducting financial expenses.

TCFD: Task Force on Climate-Related Financial Disclosures. A framework to help companies and other organizations disclose climate-related risks and opportunities.

IFRS: International Financial Reporting Standards

PART ONE: FINANCIAL POSITION

4.1 Quarterly financial statements

ORGANIZACIÓN TERPEL S.A. AND SUBSIDIARIES

*Consolidated interim financial statements expressed in thousands of Colombian
pesos at March 31, 2024*

Colombian pesos as of March 31, 2024

As of 2016 Financial Statements of Organization Terpel will be release in the following format which is consistent with the Financial Statements reported to the Financial Superintendency. 2015 reported figures already complied with IFRS accounting standards, however the format was not adjusted in order to facilitate historical comparability.

ORGANIZACIÓN TERPEL S.A. & SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED
31st Mar, 2024 and 2023
(In Thousand Colombian Pesos)

ASSETS	mar-24	mar-23
Current Assets		
Cash & Cash Equivalents	\$ 849.445.526	\$ 442.516.669
Other Current Non-Financial Assets	\$ 152.776.393	\$ 137.130.994
Trade debtors and other current receivables	\$ 1.374.267.446	\$ 1.510.703.125
Current Related Entities Receivables	\$ 304.605	\$ 3.327.260
Inventories	\$ 1.622.747.094	\$ 1.683.262.475
Short Term Contract Assets	\$ 64.836.878	\$ 91.503.143
Current Tax Assets	\$ 100.527.363	\$ 397.473.062
Total Current Assets different to assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	\$ 4.164.905.305	\$ 4.265.981.728
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	\$ 367.450	\$ 367.450
Total Current Assets	\$ 4.165.272.755	\$ 4.266.349.178
Non-Current Assets		
Other Non-Current Financial Assets	\$ 2.042.370	\$ 2.042.813
Other Non-Current Non-Financial Assets	\$ 3.158.482	\$ 3.636.604
Trade debtors and other non-current receivables	\$ 15.070.739	\$ 28.326.376
Investments accounted for using the equity method	\$ 17.108.304	\$ 13.998.857
Intangible assets different to capital gain	\$ 627.711.595	\$ 780.056.355
Capital gain	\$ 328.362.536	\$ 357.648.886
Property, Plant & Equipment	\$ 3.975.190.685	\$ 4.114.492.894
Investment Properties	\$ 11.809.722	\$ 5.618.887
Current Tax Assets	\$ 52.023.586	\$ 48.983.668
Long Term Contract Assets	\$ 274.503.936	\$ 248.506.061
Total Non-Current Assets	\$ 5.306.981.955	\$ 5.603.311.401
Total Assets	\$ 9.472.254.710	\$ 9.869.660.579
LIABILITIES	mar-24	mar-23
Current Liabilities		
Other Current Liabilities	\$ 1.089.096.702	\$ 1.596.210.802
Trade and Other Payables	\$ 1.753.340.674	\$ 1.554.495.228
Related Entities Payable	\$ 82.412.982	\$ 96.236.368
Current Tax Liabilities	\$ 257.678.834	\$ 253.489.487
Employee Benefits Provisions	\$ 22.140	\$ 20.262
Total current liabilities other than liabilities included in groups of assets for disposal classified as held for sale	\$ 3.182.551.332	\$ 3.500.452.147
Total Current Liabilities	\$ 3.182.551.332	\$ 3.500.452.147
Non-Current Liabilities		
Other Non-Current Liabilities	\$ 3.104.615.740	\$ 3.060.436.363
Other Long-term Provisions	\$ 18.505.570	\$ 9.009.845
Deferred tax liability	\$ 390.369.450	\$ 457.784.359
Non-Current Employee Benefits Provisions	\$ 12.688.903	\$ 13.655.947
Total Non-Current Liabilities	\$ 3.527.693.973	\$ 3.540.886.514
Total Liabilities	\$ 6.710.245.305	\$ 7.041.338.661
EQUITY	mar-24	mar-23
Issued Capital	\$ 195.999.466	\$ 195.999.466
Issued Premium	\$ 219.365.731	\$ 219.365.731
Exercise Results	\$ 146.500.576	\$ 44.210.077
Gains and losses recorded	\$ 1.653.889.782	\$ 1.511.287.534
Other shares in Equity	\$ 420.869.270	\$ 731.835.826
Other reserves	\$ 125.052.709	\$ 125.227.432
Equity Attributable to Owners	\$ 2.761.677.534	\$ 2.827.926.066
Non-Controlling Interests	\$ 331.871	\$ 395.852
Total Equity	\$ 2.762.009.405	\$ 2.828.321.918
Total Equity & Liabilities	\$ 9.472.254.710	\$ 9.869.660.579

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION BY FUNCTION

31st Mar, 2024 and 2023

(In Thousand Colombian Pesos)

PROFIT (LOSS)	mar-24	mar-23
Income from operating activities	\$ 8.838.168.435	\$ 9.148.909.146
Cost of Sales	\$ (7.955.901.666)	\$ (8.398.265.178)
Gross Profit	\$ 882.266.769	\$ 750.643.968
Other incomes, by function	\$ 7.341.160	\$ 8.346.780
Other Expenses, by function	\$ (29.009.486)	\$ (29.369.357)
Distribution Expenses	\$ (396.540.369)	\$ (389.894.688)
Administrative Expenses	\$ (122.281.130)	\$ (124.578.740)
Financial Income	\$ 10.579.305	\$ 6.319.261
Financial Expenses	\$ (120.580.411)	\$ (148.030.144)
Share of profit (losses) of associates and joint ventures accounted for using the equity method	\$ 167.103	\$ 267.719
Profit(Loss) before taxes	\$ 231.942.941	\$ 73.704.799
Taxes Expenses	\$ (85.436.973)	\$ (29.491.831)
Profit (loss) from continuing operation	\$ 146.505.968	\$ 44.212.968
Profit (loss) from discontinuing operation	\$ -	\$ -
Net Profit(Loss)	\$ 146.505.968	\$ 44.212.968
Profit (Loss) Attributable to		
Profit (Loss), Attributable to owners	\$ 146.500.576	\$ 44.210.077
Profit (Loss), Attributable to non-controlling interests	\$ 5.392	\$ 2.891
Net Profit (Loss)	\$ 146.505.968	\$ 44.212.968

ORGANIZACIÓN TERPEL S.A. & SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF
CASH FLOWS, DIRECT METHOD
31st Mar, 2024 and 2023
(In Thousand Colombian Pesos)

Cash flows from (used in) operating activities	mar-24	mar-23
Proceeds from operating activities	\$ 9.173.720.291	\$ 9.682.242.078
Proceeds from sales of goods and services	\$ 9.173.330.141	\$ 9.681.489.209
Proceeds from premiums and claims, annuities and other insurance policies	\$ 280.499	\$ 607.587
Other proceeds from operating activities	\$ 109.651	\$ 145.282
Payments from operating activities	\$ (8.972.688.965)	\$ (9.698.052.477)
Payments to goods and services suppliers	\$ (8.682.412.478)	\$ (9.455.765.364)
Payments to and on behalf of employees	\$ (171.129.137)	\$ (136.693.795)
Payments of premiums and claims, annuities and other insurance policies	\$ (28.425.672)	\$ (19.885.476)
Other payments from operating activities	\$ (14.804.678)	\$ (20.757.525)
Interest Paid	\$ (15.151.959)	\$ (15.724.316)
Interest Received	\$ 8.630.951	\$ 6.072.563
Tax profit paid (refunded)	\$ (57.358.276)	\$ (46.827.214)
Other cash inflow (outflow)	\$ (11.874.088)	\$ (8.471.350)
Net cash flows from (used in) operating activities	\$ 201.031.326	\$ (15.810.399)
Purchase of non-controlling interests	\$ -	\$ -
Other expenditures from the sale of shares in joint ventures	\$ -	\$ -
Sales of Property, Plant & Equipments	\$ 647.070	\$ 148.072
Capital expenditure	\$ (45.709.116)	\$ (64.075.890)
Expenditure on Intangible Assets	\$ (3.345.653)	\$ (5.625.689)
Collections from reimbursements of advances and loans to third parties	\$ -	\$ -
Received Dividends	\$ 372.713	\$ 732.325
Net cash flows from (used in) investing activities	\$ (48.043.108)	\$ (68.821.182)
Cash flows from (used in) financing activities	mar-24	mar-23
Proceeds from Long-term loans	\$ -	\$ -
Proceeds from Short-term loans	\$ -	\$ 399.197.295
Total amounts from loans	\$ -	\$ 399.197.295
Reimbursement from loans	\$ (100.000.000)	\$ (247.293.000)
Financial leasing liabilities payments	\$ (14.562.844)	\$ (18.216.603)
Dividends Paid	\$ (8.630)	\$ (63.262.205)
Interest Paid	\$ (103.906.252)	\$ (115.427.346)
Net Cash flows from (used in) financing activities	\$ (218.477.726)	\$ (45.001.859)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	\$ (65.489.508)	\$ (129.633.440)
Effects of variations in the exchange rate on cash and cash equivalents	\$ (1.555.719)	\$ (10.786.570)
Net increase (decrease) in cash and cash equivalents	\$ (67.045.227)	\$ (140.420.010)
Cash and cash equivalents at beginning of period	\$ 916.490.753	\$ 582.936.679
Cash and cash equivalents at end of period	\$ 849.445.526	\$ 442.516.669

4.2 Any material changes that have occurred in the issuer's financial statements

Current tax assets

There is a decrease of 218% mainly due to surpluses in private liquidation of value added tax (VAT surpluses). See note 12 of the Separate Financial Statements.

Accounts payable to related parties

Presents an increase of 44% mainly Dividends payable to majority stockholders. See note 10 of the Separate Financial Statements.

Income from ordinary activities

In the volumes of fuels and lubricants sold, there was a decrease of -3.1% in the first quarter of 2024, compared to the same period of 2023.

This decrease is mainly due to the behavior of the service stations segment, which decreased -3.3%, and which has been impacted by the contraction of the fuel market, influenced by the economic slowdown, as well as by the increases in the price of fuel, which have also affected national consumption in border areas.

The industrial fuels channel (which includes sales to industrial, aviation and marine customers) showed a decrease of -2.4% compared to the same period of the previous year. This performance is also due to the economic slowdown. However, the

growth of the aviation segment stands out, which grew 3.3%, associated with the market dynamics.

In relation to sales of convenience services, which include Altoque stores and Sbarro points of sale, there was growth of 22% over the previous year, due to an increase in the number of transactions and the maturation of new projects.

Expenses by nature

Administrative expenses and distribution costs in general increased as a result of the 12% salary increase for the year 2024, there is an increase in depreciation due to the capitalization of computer equipment and fixed installations associated with the virtual network investment project.

See note 29 of the Separate Financial Statements.

Financial income and costs

Financial income presented an increase of 60%, mainly due to the increase in interest rates in the collective portfolios.

Financial costs presented a decrease of 24% mainly due to the decrease in interest rates and the CPI. See note 31 (a) of the Separate Financial Statements.

4.3 Management's discussion and analysis of the results of operations and financial condition of the issuer, in relation to the results reported in the quarterly financial statements

Resultados Consolidados	1T23	1T24	1T24 Vs 1T23	Acum 23	Acum 24	Acum 24 Vs Acum 23
Volumen (MM Gls)	790,9	763,8	-3,4%	790,9	763,8	-3,4%
Ingresos (\$ COP MM)	9.127.339	8.838.168	-3,2%	9.149.863	8.838.168	-3,4%
Utilidad Bruta (\$ COP MI)	729.074	882.267	21,0%	2.928.147	882.267	-69,9%
EBITDA (\$ COP MM)	333.371	488.249	46,5%	333.371	488.249	46,5%
UT. NETA (\$ COP MM)	44.210	146.501	231,4%	44.210	146.501	231,4%

The results for the quarter, despite a 3% volume contraction due to the slowdown in the economies of the region and the public order situation in Ecuador, were very positive in terms of EBITDA and net income, compared to the same period of the previous year. The contribution of the lubricants and NGV recovery business line, together with logistical efficiencies, stands out. At the non-operating level, there was a decrease in financial expenses due to lower interest rates.

4.4 Material changes in the issuer's financial position, compared to the same quarter reported for the previous year

During the period there was an impact on volume and EBITDA, since our main industrial customer in Panama has stopped its operation because the government of that country did not renew the mining exploitation contract, after the wave of protests that shook the country. At the moment there is no clarity about the future of the contract and the customer is consuming a minimum volume of fuel for equipment maintenance operations.

However, management has been making efforts to try to offset this volume with growth strategies in other segments and segment profitability.

Despite the relevance of this customer, its impact on annual EBITDA is equivalent to less than 1% of consolidated EBITDA and is therefore below the materiality threshold.

4.5 Material variations in the results of the issuer's operations, as compared to the same quarter reported for the prior year

Material variations in the issuer's financial position, as compared to the same quarter reported for the previous fiscal year are reported in detail in items 4.2. and 4.3.

4.6. A chapter dedicated to the quantitative and/or qualitative analysis of the market risk to which the issuer is exposed as a consequence of its investments and activities sensitive to market variations, provided that it is material for the reported quarter

Market risk

Risk management considers an individual analysis of each exposure situation identified; such analysis determines whether or not hedging financial instruments are contracted, whether natural hedging mechanisms exist, or whether the associated risk is simply assumed because it is not considered critical for the business and the operation.

a) Exchange rate risk

As of March 31, 2024 the foreign currency operations of commercial creditors and other accounts payable in Colombia on average (ThUSD22,782) exceeded in 61% the operations of commercial debtors and other accounts receivable (ThUSD8,809), that is, in 39% (ThUSD13,972) these operations hedge each other, as a strategy to minimize the risk the company makes a daily follow-up of the market and makes foreign currency purchase operations at the best conditions, to comply with the established obligations. The collection in foreign currency is used 100% for payment to suppliers and/or third parties that have invoicing in dollars and require payment in this currency, thus mitigating the exposure to exchange rate risk.

The need for foreign currency is not the same for every month; in cases of surpluses, they are kept in accounts for future payments and/or currency sales are made to the extent that the exchange rate is favorable; otherwise, management purchases foreign currency at the best market conditions to comply with foreign currency operations.

Financial debt is denominated in Colombian pesos so as not to generate foreign exchange exposure.

The foreign exchange market continues to show significant variations; however, the outlook for the end of the year is more stable, with more defined signs of global inflation control and greater investor confidence given the upward expectations of the main economies.

As of March 31, 2024, the exchange rate was impacted generating a highly variable currency effect with respect to the U.S. dollar. However, we have not identified any new exchange rate risks that could affect the results of operations in Colombia.

The following is the impact related to the exchange rate sensitivity analysis on the indicated differential between accounts payable and accounts receivable (ThUSD13,972):

Impacto en Resultados antes de impuestos - Patrimonio		
	TRM Cierre Mar 2024 S 3.842 MS	TRM Cierre Dic 2023 S 3.822 MS
31 de marzo de 2024		
Acreedores Comerciales	(53.688,17)	53.405,21
Total	(53.688,17)	53.405,21

b) Interest rate risk (nominal values)

The Company's debt at March 31, 2024 related to bonds and treasury loans is ThCh\$ 2,763,651,000, of which 14% is at a fixed rate and 86% at a variable rate, of which 83% is indexed to the CPI and 17% to the IBR. The main characteristics of the debt in relation to interest rate exposure are as follows:

- -Loans taken out with financial entities are negotiated with prepayment option without penalty, which allows the debt to be restructured at any time if market conditions change.
- The debt from bond issues corresponds to 74% of the total debt. 95% of this debt pays interest at a rate indexed to the CPI.
- As of March 31, 2024 the Company has loans with financial institutions amounting to ThCh\$710,725,000.

Cash surpluses are mainly held in savings accounts and/or in collective demand portfolios; the rate of return received corresponds to the market rate.

At the end of the reporting period, the interest rate situation of the Company's interest-bearing financial instruments is as follows:

31 de marzo de 2024		MS
Instrumentos de tasa fija:		
Pasivos financieros		(400.000.000)
Total		(400.000.000)
Instrumentos de tasa variable:		
Activos financieros		172.961.177
Pasivos financieros		(2.363.651.000)
Total		(2.190.689.823)

Sensitivity analysis for fixed rate instruments

As of March 31, 2024, fixed rate debt corresponds to 14% of total debt, and is composed of a series of fixed rate bonds for ThCh\$ 100,000,000, and a Treasury loan that was already contracted, but was restructured and changed to a fixed rate for ThCh\$ 300,000,000.

Cash flow sensitivity analysis for floating rate instruments

The Company's variable rate debt is composed of bond issuance corresponding to 83% and Treasury Credit corresponding to 17% of the total variable rate debt. The variable rate bond issuance debt is indexed to the 12-month CPI and as of March 31, 2024 amounts to ThCh\$ 1,952,926,000.

A variation of 50 basis points in the CPI at the end of the reporting period is considered reasonably possible based on the behavior of the index during the year.

The following is the impact related to the sensitivity analysis of the Bonds:

31 de marzo de 2024	Impacto en resultados antes de impuestos-patrimonio	
	Aumento 50 pb MS	Disminución 50 pb MS
Instrumentos de tasa variable:		
Pasivos financieros	2.274.833	(2.322.730)
Total	<u>2.274.833</u>	<u>(2.322.730)</u>

During the year 2024, there has been an adjustment in the inflation rate in Colombia, thus allowing a decrease in interest payments to bondholders. The above, in line with the markets' forecast of the beginning of a period of decrease in the CPI as from the second half of the year, given the measures taken by the Bank of the Republic of Colombia aimed at stabilizing the indicator.

The debt for Treasury Loans at variable rate is indexed to IBR and as of March 31, 2024 amounts to ThCh\$ 410,725,000. A variation of 5 basis points in the IBR at the end of the reporting period is considered reasonably possible according to the behavior of the index during the year.

The following is the impact related to the credit sensitivity analysis:

31 de marzo de 2024	Impacto en resultados antes de impuestos-Patrimonio	
	Aumento 5 pb MS	Disminución 5 pb MS
Instrumentos de tasa variable:		
Pasivos financieros	51.200	(51.200)
Total	<u>51.200</u>	<u>(51.200)</u>

Relevant aspects debt movements

In the first quarter of 2024, the Company restructured its short-term debt with financial institutions in the amount of ThCh\$710,725,000, extending the term and adjusting the interest rate given the decrease in the interest rate in the financial system.

c) Risk of variations in fuel costs

Variations in fuel sales costs of the operation in Colombia, in the case of gasoline, diesel and Jet A1 have an impact on the Group's results.

This impact is due to the temporality between the time of purchase and sale of fuels and the variations that occur in the cost, since such costs are formed based on indicators associated with international oil prices, which are denominated in dollars.

Thus, taking into account the exposure by reason in the timing of purchase and sale, inventories represent a risk when the reference price changes, but it is managed with inventory management.

Although net income may be impacted in a period, from a cash point of view, the impact is the opposite and tends to be offset by a reduction or increase in working capital.

PART TWO: ADDITIONAL INFORMATION

5.1. Material variations that have occurred in the risks to which the issuer is exposed and the mechanisms implemented to mitigate them, other than market risk.

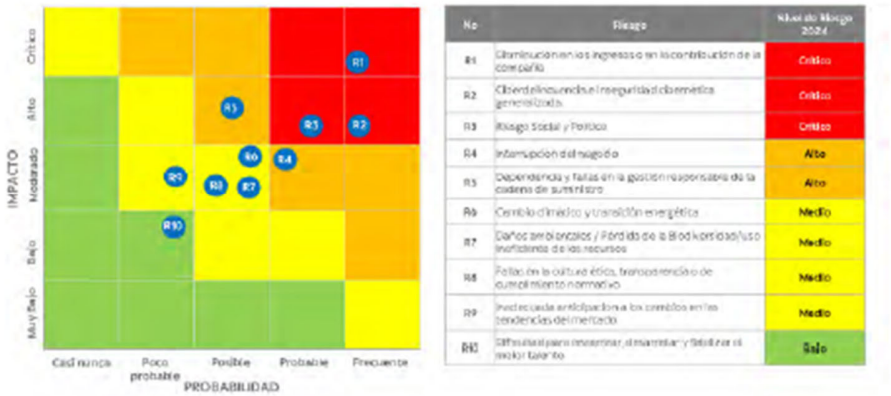
(i) Material variations in the degree of exposure to a risk identified in the last periodic report at the end of the fiscal year and quarterly periodic report, if applicable, in the corresponding quarter.

In the last quarter of the year 2023, Terpel's Risk Appetite and the Corporate Risk Map were updated together with Terpel's Senior Management.

In this update, the Risk Appetite changed from a **Moderate/Risk** profile to a **Moderate** profile and the Risk Map went from 14 to 10 prioritized risks. The above, as a result of the analysis of the external and internal context and the double materiality exercise.

These updates were reviewed and approved by the Organization's Audit and Risk Committee.

Corporate Risk Map 2024



(ii) A description of the new risks identified in the corresponding quarter, as well as the procedures to evaluate and measure the degree of exposure to them and the mechanisms implemented by senior management for their management, monitoring and mitigation.

Risk	Risk description	Risk management, mitigation and monitoring mechanisms.
Decrease in revenues or contribution of the company of the company	Uncertainty in the global economy has been increasing due to a confluence of factors including: structural	1. Monthly monitoring of the results of the different business units, quantifying

	<p>changes in the wake of Covid-19, the trade war between the U.S. and China, geopolitical tensions following Russia's invasion of Ukraine, the energy transition and climate change. China, geopolitical tensions following Russia's invasion of Ukraine, the energy transition, and climate change.</p> <p>On the economic front, the IMF projects global economic growth to slow from 3.0% in 2023 to 2.9% in 2024, which is below the 3.8% average recorded between 2000 and 2019.</p>	<p>the impacts at the volume, P&L and cash flow levels.</p> <p>2. Price analysis is performed to adjust prices according to cost and expense variations, as well as changes in demand, monitoring market prices, mainly in the Lubricants and NGV business lines.</p> <p>3. Emphasis on expense control and search for efficiencies in all CORE and support areas, with detailed monthly follow-up and control.</p> <p>4. Investment projects are followed up and plans are adjusted according to cash flow analysis, prioritizing strategic projects and taking care of the leverage indicators monitored by risk rating agencies.</p>
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	<p>The most pessimistic forecasts anticipate four Ds: deceleration, disinflation, debt and deglobalization.</p> <p>Meanwhile Colombia, faces the second year of government of the left and the country's expectations are focused on the progress or not of public policy reforms in economic, social, environmental, fiscal or tax reforms, as well as government actions against the price structure of current and extra gasoline, may generate a decrease in our income.</p>	<p>5. Portfolio recovery strategies are defined with high-risk clients or those with an older portfolio, in order to reach payment agreements and possible recovery.</p> <p>6. Negotiations are carried out with different suppliers to provide greater flexibility to the free cash flow.</p> <p>7. Strategies are implemented to improve the debt profile and obtain resources at the best rates.</p>
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	<p>It is expected that these measures will impact the activities of the energy mining sector.</p> <p>The sector will have to adapt to regulatory changes that may go against its economic interests; likewise, it is expected that the industry will have to reformulate its relationship with external stakeholders in order to make its operations viable.</p>	
<p>Widespread cybercrime and cyber insecurity</p>	<p>We may have failures or breaches of our cyber security that affect or target the IT infrastructure that supports our core and</p>	<p>1. Timely identification and management of vulnerabilities. 2. Quarterly monitoring through the Cybersecurity Strategic Committee.</p>

	<p>business support processes. Any cyber attack can have a material impact on our business, affect the continuity of our operations, our relationship with our business partners and our reputation.</p> <p>Cyber risk has become a constantly evolving systemic risk for the Terpel Organization. The drastic increase in remote work, greater dependence on the internet, pressures regarding digital transformation, critical vulnerabilities in IT infrastructures and the increased sponsorship of countries to these</p>	<p>We have developed a cybersecurity culture and awareness plan through educational campaigns and training.</p> <p>4.We have a disaster recovery plan in case of failure of an information system service.</p> <p>We have a cyber insurance policy that covers the costs/expenses of investigation, fines and, in general, the costs of recovering from the attack.</p> <p>Year after year we seek to improve the conditions of this policy.</p>
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	attacks increase our exposure to this risk.	
Social and Political Risk	<p>The year 2024 is shaping up to be a complex and intense year for Latin America, framed in an international context characterized by great institutional, geopolitical, economic and social uncertainty and volatility. Indeed, in 2023 the world suffered its third most violent year since World War II. Meanwhile, Colombia is facing the second year of a leftist government and the country's expectations are focused on structural and public policy reforms in the</p>	<ol style="list-style-type: none"> 1. Policies, training and education in socio-political risk. 2. Socio-political reading and analysis of environments 3. Specific relationship-building activities aimed at contributing to operational viability and sustainability. 4. Sustainability and Corporate Responsibility standards to counteract the impact of the company's activities on the environment. 5. Public Affairs Committee 6. Operational Sourcing Committee and Crisis Committee

	<p>economic, social, energy and environmental fields, as well as a change in the orientation of the role of the State in the economy, shifting towards the State-entrepreneur model.</p> <p>These measures have the potential to affect the performance of the mining and energy sector, which would imply a change in institutional and regulatory matters that would not only affect the stability of the sector, but also the business models of its different industries, which could go against</p>	<p>7. Definition and implementation of relationship activities with prioritized stakeholders.</p> <p>8. Financial impact management</p> <p>9. Management of impacts on the physical security of the operations.</p>
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	<p>economic interests.</p> <p>This implies a challenge in terms of relations with external stakeholders and interest groups in order to make their operations viable. This is in addition to the deterioration of the country's public order and security situation, as well as the rise of illegal economies and the emergence of armed criminal actors that exercise control in different areas of the country, all within the framework of the implementation of "Total Peace". Likewise, the worsening of social conflict is highlighted,</p>	
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	<p>having as a catalyst the instrumentalization of the legitimate right to social protest, resulting in scenarios that affect the socio-economic dynamics at the territorial and national levels.</p>	
<p>Business interruption</p>	<p>Business continuity can be affected by political and social unrest, cyber-attacks and technological failures, pandemics and epidemics, supply chain disruptions, including supplier bankruptcies and port closures, as well as labor strikes, among others. In our case, one of the most important issues is that in several business</p>	<p>1. We have contingency and response plans in all business units for events that may affect the fulfillment of our promise of value.</p> <p>2. We have a manual and a senior management committee for crisis management.</p>

	<p>units we may be significantly dependent on certain suppliers that provide our raw materials and critical inputs.</p> <p>We may experience shortages if strategic suppliers are not available to supply fuel, biofuels, pipeline deliveries, bases, additives and other lubricant inputs in the quantities and frequency we need.</p>	<p>3. We have defined our DRP and emergency response plan.</p> <p>4. We conduct drills and training on these possible disruption situations.</p> <p>5. Evaluation and analysis of a corporate diagnosis on Business Continuity Management, to identify gaps and establish a roadmap that allows us to integrate what we already have in Risk Management, Governance, BIA, DRP, Emergency Response Plan, Crisis Management, training, Test Plan, among others.</p>
<p>Dependence and failures in responsible</p>	<p>Responsible supply chain management</p>	

<p>supply chain management</p>	<p>within the ESG framework seeks not only to comply with financial and regulatory standards, but also to move towards sustainable and ethical business practices. By adopting these principles, companies can reduce risks associated with social and environmental issues, enhance brand reputation, strengthen supplier relationships and contribute to long-term sustainable development.</p> <p>The responsible supply chain can be seen as the trigger for a number of key sustainability</p>	<ol style="list-style-type: none"> 1. We ensure the validity of the contracts with which we operate. 2. We are in permanent search for CORE alternatives abroad. Developing import capabilities. 3. Incorporation and search for local and national suppliers, so that we always have at least 2 offers available. 4. Definition of a differentiated transportation model (PE: Joint ownership). 5. Engagement of new suppliers in our sustainability training programs.
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	<p>goals and commitments across the organization.</p> <p>Supply chain sustainability not only considers how much products or services cost financially or whether third parties are reliable, but also the cost to workers, society and the environment, in materials, energy and natural resources. As these answers become much clearer, data helps supply chains become more sustainable, resilient and reliable, protecting the organization's growth, brand and reputation in the community.</p>	
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<p>Climate change and energy transition</p>	<p>Climate change and energy transition are on the global agenda. Continued political and societal attention to climate change issues has resulted in international agreements such as the Paris Agreement, as well as national, regional and local regulations to limit and mitigate Greenhouse Gas (GHG) emissions and their impacts on the environment.</p> <p>These agreements and measures may result in future laws or regulations that may increase our</p>	<ol style="list-style-type: none"> 1. Construction and publication of our Environmental Position, which defines the objectives, goals and indicators for climate change, circular economy, waste management and safe operation. 2. Implementation of the model for climate change risk management, taking into account the recommendations of the TCFD framework on the Governance, Strategy, Risk Management and Metrics and Objectives fronts. 3. We defined initiatives aimed at reducing Scope 1 and 2 GHG emissions generated in our operation and
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	<p>compliance costs and operational restrictions.</p> <p>Today, regulators such as the Colombian Financial Superintendency and some customers already require us to comply with, report and disclose information and evidence on our climate change management. In addition, regulators may seek to limit certain oil and gas projects or make it more difficult for us to obtain the permits required to operate.</p> <p>It is expected that regulations on climate</p>	<p>transforming our energy consumption matrix.</p> <p>4. Programs and initiatives have been defined in the lubricants and convenience store businesses, where we have identified the greatest opportunities to implement circular economy strategies:</p> <p>5. Through the Terpel Voltex brand, we developed and offer the electric charging service to serve electric and plug-in hybrid vehicles, both at Terpel stations and outside of them, contributing to increase the adoption of electric vehicles in the country.</p>
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	<p>issues and ESG issues in general will have a considerable impact on the hydrocarbons industry, which would have direct repercussions on our business model. Likewise, public policy decisions aimed at reducing the use of fossil fuels and promoting the energy transition may also have adverse effects on our sales volumes, revenues and margins.</p>	<p>6. Implementation of projects and partnerships with third parties to offer a comprehensive portfolio of new energies to existing and potential new customers and help the country transform its energy matrix.</p>
<p>Environmental damage/loss of biodiversity/inefficient use of resources.</p>	<p>Damage we can generate to soil, air, sea or water sources in any region/population as a result of spills, leaks, overfills and loss of containment of our</p>	<p>1. There is an integrated management system implemented with the PHVA methodology, which ensures the correct and timely identification and</p>

	<p>products in any part of our value chain.</p> <p>This may be due to bad practices carried out by third parties in our facilities, non-compliance with established procedures by our employees, lack of equipment maintenance, deficiencies in the training and education processes for employees and third parties, failures in the culture of self-control in our operations, failures in the infrastructure and/or fuel storage and transportation</p>	<p>management of environmental risks, as well as occupational health and safety risks.</p> <p>2.The system is monitored and verified through the online indicator control board and internal and external audits in each operation.</p> <p>3.We have third party experts at the national level who, in the event of a crisis situation, support us from a technical point of view. At a strategic level, this is done through our crisis management protocols.</p> <p>4. We have ISO 14.000, 45.000 and 9.000 certifications for our environmental, SST and quality management</p>
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	<p>equipment, among others.</p> <p>Biodiversity is associated with the production of goods that have a high impact on ecosystems, habitats, soils, water, air, flora, fauna, in the stages of the production process (from the inside out).</p> <p>We are exposed to new regulations associated with biodiversity protection in the TNFD framework that will be incorporated in the new mandatory IFRS.</p>	<p>systems, respectively, in Aviation, Manufacturing and Industry..</p> <p>5. We have built the organization's Environmental Posture to define the objectives and indicators for climate change, circular economy, waste management and safe operation.</p> <p>6. TNFD (Task Force on nature Related Financial Disclosures). We anticipate this new regulation by understanding what it means and its impact on the Organization.</p>
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<p>Failures in the culture of ethics, transparency or regulatory compliance</p>	<p>The culture of ethics and transparency is truly important, as it reflects the commitment of Senior Management, which is accepted and assumed as a priority responsibility and which all employees agree to follow in order to do the right thing and comply with the objectives and values of the Terpel Organization.</p> <p>The ethical culture is written first and foremost in our Code of Conduct, which must be communicated and reaffirmed in our daily actions.</p>	<p>1. The organization's Code of Conduct has been defined, disseminated and trained, which formally establishes the principles, values and ethical standards by which the company is governed.</p> <p>2. We have a confidential reporting line, where all employees, suppliers, contractors, shareholders and other stakeholders have channels to report any situation that violates our values.</p> <p>3. The Ethics Committee is a committee led by the company's Senior Management, through which the ethical culture of the organization is promoted.</p>
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		<p>4. We have a conflict of interest policy that defines the guidelines and procedures for prevention, management, disclosure and administration of possible conflicts.</p> <p>5. We have a system in place to prevent money laundering, financing of terrorism and anti-corruption risks, based on our guidelines on counterparty knowledge.</p> <p>6. We are in the process of designing and implementing a system for the prevention and detection of fraud at the corporate level, including the fraud risk matrix,</p>
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		quantification, permanent monitoring system. As well as the entire governance structure, policies and procedures.
Inadequate anticipation of changes in market trends	<p>It is our ability to anticipate, understand and adapt correctly and timely to changes in market and industry trends (customers, partners, suppliers, competitors, etc.), in terms of products, technology, socio-cultural changes, environment, among others.</p> <p>Likewise, it refers to our ability to innovate and generate value-added products and/or services that meet</p>	<p>1. We carry out a permanent trend analysis monitoring in all our business units, in order to identify changes in market trends or new needs of our customers and consumers in a timely manner.</p> <p>2. We developed strategies to strengthen the Loyalty Program and increase the number of loyal customers in liquids, TDC and NGV.</p> <p>3. Permanent monitoring of the degree of satisfaction of our B2B and B2C customers</p>

	<p>these new needs, allowing us to have a brand differentiation and be increasingly relevant in the market.</p> <p>Even addressing these changes in a timely manner can generate new business opportunities for us in the short, medium and long term (H1, H2 and H3).</p>	<p>through the satisfaction survey and NPS follow-up.</p>
<p>Difficulty in finding, developing and retaining top talent</p>	<p>We may have difficulties in finding specialized talent in some strategic positions of the organization (PE: Digital Transformation Processes, Data Analytics, Robotics, Fuels and Lubricants) or be exposed to losing</p>	<p>1. We want to be recognized as an employer brand in Colombia and for this purpose we have designed a relationship plan with the different educational institutions in the country to generate</p>

	<p>key people if we fail to implement a talent loyalty strategy, correctly interpreting the new needs that our employees have today; or if we do not have a work-life balance, work flexibility, equitable allocation of workloads and functions, or if we simply do not have a cross-cutting culture of empowerment, empowerment, flexibility at work.</p> <p>We may also be exposed to losing key people if we fail to implement a talent loyalty strategy, correctly interpreting the new needs of our employees today; or if</p>	<p>spaces and strengthen our presence.</p> <ol style="list-style-type: none"> 2. We have created programs that seek to develop our talent internally through mentoring and training with the 70-20-10 methodology. 3. We have some critical positions in the organization that may be difficult to replace, so we have a succession plan in place to fill these positions. 4. We have defined our cultural ecosystem, in line with our goals and higher purpose, including our innovation, agility, diversity and inclusion
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	<p>we do not have a work-life balance, work flexibility, equal allocation of workloads and functions, or if we simply do not have a cross-cutting culture of empowerment, leadership and innovation. Similarly, and with generational changes, it is becoming increasingly important for people to feel that the corporate purpose is aligned with their personal purpose, which strengthens their love for the brand and their sense of belonging to the organization.</p>	<p>and leadership programs (Strengthening the 10 characteristics of a Terpel leader).</p> <p>5. We want to continue strengthening our culture of feedback and recognition, through training programs, performance evaluations that allow us to have formal and informal spaces to give and receive feedback and recognize people when they have a superior performance and stand out for being referents of our corporate values.</p>

5.2 Material changes in the issuer's practices, processes, policies and indicators related to environmental, social and corporate governance criteria implemented by the issuer.

On the sustainability front, which includes environmental, social and corporate governance criteria:

1. **Dual materiality exercise** We concluded the dual materiality exercise that presented an update to the sustainability model under which Organización Terpel S.A. operated.

In 2023 we carried out a dual materiality exercise. This analysis allowed us to identify the risks and opportunities that ESG aspects generate to the financial stability of the business, as well as the significant impact that Terpel's activity has on society and the environment.

This exercise is in line with the requirements established by the Financial Superintendency of Colombia, according to Circulars 031 of 2021 and 012 of 2022, as well as the new GRI standards (December 2021 version), provisions of the new IFRS S1 and S2, the SASB and TCFD guidelines in relation to materiality and the provisions of Circular 100-000010 of 2023 of the Superintendency of Companies on sustainability reporting.

The dual materiality analysis is the strategic foundation for identifying issues that affect the creation of economic, social and environmental value,

addressing stakeholder expectations and effectively managing ESG risks and impacts that could affect the financial continuity of the business.

Financial materiality: outside-in perspective

Also called risk materiality. Identifies ESG issues that may have a significant impact on financial condition, operating performance and compliance with corporate strategy.

Environmental and Social Materiality: inside-out perspective.

Refers to the actual or potential material impacts, positive or negative, of the company on people or the environment in the short, medium, and long term. These impacts range from those directly caused by the company to those linked to its operations, products or services, considering the entire value chain.

Stages carried out in the process of double materiality:

1. We conducted an exhaustive mega-trend analysis of strategic ESG issues for the different lines of business, based on a documentary review of standards, rankings, ratings, consumer studies and emerging trends, peer reviews, risk ratings, parent company ESG issues and ESG coalition guidelines.
2. A diagnosis of Terpel's current and potential positive and negative impacts was made for each identified issue and a rating was given according to the magnitude and probability of the impact.
3. Subsequently, internal and external stakeholders were consulted to learn about their perception of Terpel's impacts, magnitude and probability for each of the ESG issues identified.

4. Based on the results of the diagnosis and the assessment of the stakeholders, the score for each issue was averaged, and those impacts with high scores were prioritized, determining the materiality of the company's impact.
5. In parallel, based on the issues identified in the mega-trends analysis, an analysis and rating of the impact and probability of the ESG risks of each of the issues initially identified was conducted with the participation of Terpel's Senior Management and the Board of Directors.
6. Based on the risk analysis based on the ISO31000 international standard, a risk heat map was designed, and the strategic risks were prioritized, thus establishing the financial materiality.

Definition of dual materiality: based on the concept of dual materiality issued by the European Financial Reporting Advisory Group (EFRAG) "a sustainability issue meets the criterion of dual materiality if it is significant from both an impact perspective and a financial perspective, or both. As a result of Terpel's sustainability strategy and management in the coming years. A prioritized risk exercise was associated with each of these 9 issues.

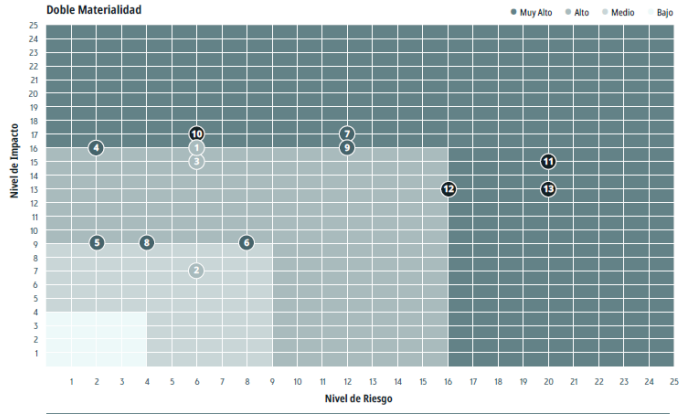
No.	Dimensión	Asunto	Categoría	Materialidad impacto	Financiera
1	Ambiental	Cambio climático y transición energética	Altamente material	15	9
2	Ambiental	Gestión del recurso hídrico	Monitorear	7	6
3	Ambiental	Ecoeficiencia operativa	Material de impacto	14	6
4	Social	Diversidad, equidad y talento	Material de impacto	15	2
5	Social	Formación y capacitación en habilidades del futuro	Monitorear	9	2
6	Social	Protección integral de los Derechos Humanos	Monitorear	9	8
7	Social	Realce y desarrollo de las comunidades	Altamente material	17	12
8	Social	Productos de impacto social	Monitorear	9	4
9	Social	Portafolio y operaciones de calidad	Altamente material	16	12
10	Gobierno	Gobernanza ética	Material de impacto	16	6
11	Gobierno	Contribución de los negocios a la sostenibilidad financiera	Altamente material	15	20
12	Gobierno	Gestión responsable de la cadena de suministros	Altamente material	13	16
13	Gobierno	Innovación tecnológica	Altamente material	13	20

Terpel's dual materiality

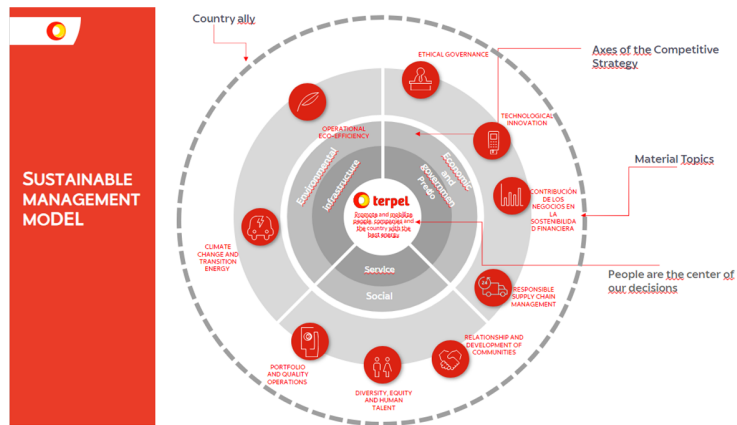
Terpel's new material issues are broken down into 2 environmental, 3 social and 4 governance issues. Each encompasses several critical sub-issues. Their impacts, risks and management are described in detail in the related chapters of this report.

For future reporting periods, material changes or adjustments to material issues that have an internal or external impact on the current reporting period and the company's current ability to manage against ESG results will be considered as material change updates. These will include new regulations, businesses, markets, and external factors associated with risks and opportunities relevant to Terpel.

Materiality matrix



Sustainability model according to dual materiality



Implementation of the climate change risk management system under the TCFD model.

In 2023 we completed the project to implement the Climate Change Risk Management System under the TCFD framework, considering the pillars of Governance, Strategy, Risk Management and Metrics and Objectives, according to the recommendations of this standard.

During the first quarter of the year 2024 the Organization issued its first report, with the results of this project and short and medium term action plans to continue working on the climate agenda.

We refer to this First Report in the following Link

<https://www.terpel.com/var/site/storage/original/application/8c8771dbc43f556c71d2782c32a3c0f7.pdf>

Regarding practices, processes, policies and indicators in relation to corporate governance criteria, there are no material changes in the chapter on Corporate Governance analysis, however, as relevant issues, we consider important to mention:

That on March 22, 2024, the General Shareholders' Meeting of Organización Terpel S.A. was held in person, in which the following points were submitted to the consideration of the shareholders: (i) verification of quorum, (ii) election and approval of the agenda, (iii) election of the Chairman and Secretary of the Meeting,

(iv) appointment of the Minutes Approval Committee, (v) reading of the periodic end-of-year report of the President of the Company and the Chairman of the Board of Directors, (vi) report of the Statutory Auditor, (vii) presentation, consideration and approval of the 2023 financial statements, (viii) approval of the profit distribution project and (ix) proposals and miscellaneous. This meeting had an initial participation of 80.93% of the outstanding shares and the decisions of the General Shareholders' Meeting were adopted in accordance with the Company's bylaws, Article 446 of the Colombian Code of Commerce and other applicable legislation, which were duly published to the stock market as relevant information.

Likewise, the stock market was informed about the appointment of the new legal representative and her alternate, all of which was registered in the commercial registry on January 19, 2024 and March 14, respectively.

Finally, the market was informed of the cancellation of the control situation that Organización Terpel S.A. exercised over the company Terpel Ampere S.A.S., due to its dissolution and liquidation, which was duly registered in the commercial registry on March 9, 2024.

Additional content of the quarterly periodic report for risk bond issuers registered in the RNVE: N.A.