Promigas S.A. E.S.P. and Subsidiaries
Consolidated Financial Statements
For the years ended December 31, 2022-2021
With Independent Auditor's Review Report

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

To the Shareholders
Promigas S.A. E.S.P.,

Opinion

I have audited the accompanying consolidated financial statements of Promigas S.A. E.S.P. and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and their respective notes comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia (NCIF), applied on a basis consistent with that of the preceding year.

Basis for Opinion

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

Key Audit Matters

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

Fair value assessment of financial assets and intangible assets in construction-phase projects related to concession contracts

(see Notes 4i, 6 and 14 to the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
As at December 31, 2021, the Group has financial assets from concession contracts for $3,507,231 million COP and intangible assets derived from concession contracts in construction-phase projects for $193,626 million COP. As indicated in Notes 4i, 6 and 14 to the consolidated financial statements, the Group has concession contracts signed with the government for the construction and subsequent use and maintenance of infrastructure for a specified period of time. In exchange, the Group is entitled to receive direct payments from the government and/or fees charged to the end users of the concessions. The Group has designated financial assets related to concession contracts to be measured at fair value, according to hierarchy level 3, with changes in profit or loss after initial recognition, and intangible assets in construction-phase projects to be measured at cost-plus pricing, determined based on certain estimates. I identified the assessment of financial assets related to concession contracts and intangibles in construction-phase projects as a Key Audit Matter because it involves significant effort and judgment. Specifically, due to the nature of the estimates and significant unobservable assumptions of the models including the weighted average cost of capital (WACC), future inflation rates, and projected revenues from the use of infrastructure.	My audit procedures for assessing the fair value of financial assets and intangible assets in construction-phase projects included, among others: • Evaluation of the design, implementation, and effectiveness of the control established by the Group to determine the fair value of financial assets and the value of intangible assets in construction-phase projects arising from concession contracts. This control included matters related to: (i) the verification of the inputs and assumptions used in the models; and (ii) the review and approval of the fair value of financial assets arising from concession contracts. • Involvement of valuation professionals with specific skills and industry knowledge who assisted me in the verification of financial assets in relation to: (i) the evaluation of whether the internally developed models are consistent with the valuation practices generally used for that purpose and the NCIF, (ii) the comparison of the WACC discount rate with a range determined using macroeconomic market assumptions, and (iii) the evaluation of future inflation rates by comparing them with available market data; and for the verification of intangible assets in relation to: (i) the review of the discount rates used in the estimation of margins compared to market ranges, and (ii) analysis of the mathematical consistency of the construction margin estimate.

Assessment of impairment of trade receivables under IFRS 9

(see Note 9 to the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
As observed in Note 9 to the consolidated financial statements, as a result of the growth in the operation, there has been a significant increase in the trade accounts receivable portfolio of $ 416,133 million COP, a situation that makes it relevant to evaluate the determination of its impairment, which incorporates significant judgments and estimates. The Group measures the impairment of its trade accounts receivable for an amount equal to the Expected Credit Losses (ECL). Under this scheme, models have been developed for the determination of impairment based on historical loss experience, taking into account days past due and a simplified model for the projection of macroeconomic factors affecting the Group. I identified the assessment of impairment of trade receivables as a Key Audit Matter, on the grounds that: (i) there is a high degree of estimation and judgment in the prospective assumptions and the models involved; (ii) the probability of default and loss parameters used in the expected credit loss impairment models were adjusted; and (iii) the evaluation of the impairment models required significant attention and judgment by the Auditor and the involvement of credit risk professionals, as well as industry knowledge and experience.	My audit procedures for assessing impairment of trade accounts receivable included, among others, the following: • Evaluation of the design, implementation, and operating effectiveness of certain internal controls established by the Group to calculate impairment of trade receivables, including, among others, controls over: (i) the models and assumptions used, (ii) the economic forecasting, (iii) the completeness and accuracy of the data, and (iv) the monitoring over impairment, including the application of the judgment used. • Involvement of professionals with specific credit risk skills, industry knowledge and experience, who assisted me in: (i) the evaluation of the models and key inputs used to determine the ECL parameters; (ii) the evaluation of the macroeconomic projections and probability-weighting of the scenarios; and (iii) the evaluation of the qualitative adjustments applied to the models.

Other Matters

The consolidated financial statements as at and for the year ended December 31, 2021 are presented solely for comparative purposes. These were audited by myself and in my Report dated February 22, 2021, I expressed an unqualified opinion thereon.

Responsibilities of Management and Those Charged with the Group's Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

(Original signed in Spanish)
Rosangela Barrios Pantoja
Statutory Auditor of Promigas S.A. E.S.P.
Registration 155173 - T
Member of KPMG S.A.S.

February 23, 2022

Promigas S.A. E.S.P. And Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed In thousands of Colombian Pesos)

For the years ended as of :	NOTE		December 2022	December 2021
ASSETS				
CURRENT ASSET:				
Cash	7	$	1,729,015,247	427,848,665
Financial assets at fair value	8		344,385,795	241,164,321
Financial assets at amortized cost	9		1,419,093,395	1,201,291,883
Inventories	10		170,793,767	117,695,122
Prepayments or tax credit balances	18		27,029,362	36,531,195
Other Assets	11		209,572,080	166,234,814
TOTAL CURRENT ASSETS OTHER THAN THOSE HELD FOR SALE			3,899,889,646	2,190,766,000
Non current held-for-sale assets			667,616	1,429,612
TOTAL CURRENT ASSETS			3,900,557,262	2,192,195,612
LONG-TERM ASSETS:				
Financial Assets at Fair Value	8		3,533,419,448	3,246,887,348
Financial Assets at Amortized Cost	9		1,962,023,575	1,783,825,121
Investment in associates	12		1,087,469,872	878,395,620
Property, Plant, Pipeline and Equipment	13		1,359,028,420	1,267,139,852
Intangible Assets:				
Concessions	14		5,893,178,605	4,832,490,325
Goodwill	15		155,276,916	150,716,870
Other intangible assets	16		135,904,572	115,051,948
Total intangible assets:			6,184,360,093	5,098,259,143
Right-of-use	17		138,817,366	132,879,120
Investment properties			9,315,332	9,259,620
Deferred tax assets, net	18		69,276,388	66,136,281
Other assets	11		371,514,143	247,393,800
TOTAL LONG-TERM ASSETS			14,715,224,637	12,730,175,905
TOTAL ASSETS		$	18,615,781,899	14,922,371,517
LIABILITIES				
CURRENT LIABILITY:				
Financial obligations	19	$	825,228,978	428,437,053
Outstanding bonds	20		435,925,689	268,827,276
Accounts payable	21		751,996,525	601,983,615
Employee benefits	22		25,068,794	22,909,552
Income tax payable	18		81,080,987	62,492,248
Provisions	23		113,896,005	42,672,697
Other liabilities	24		187,634,248	166,178,472
TOTAL CURRENT LIABILITIES			2,420,831,226	1,593,500,913
LONG-TERM LIABILITIES:				
Financial obligations	19		4,083,689,447	2,256,771,906
Outstanding bonds	20		4,702,411,548	4,597,101,390
Accounts payable	21		29,743,502	26,550,092
Employee benefits	22		2,544,764	3,600,580
Provisions	23		281,309,609	309,718,878
Deferred tax liability, net	18		1,069,661,511	869,891,255
TOTAL LONG TERM LIABILITIES			10,169,360,381	8,063,634,101
TOTAL LIABILITIES			12,590,191,607	9,657,135,014
EQUITY				
SHAREHOLDERS' EQUITY				
Subscribed and paid-in capital			113,491,861	113,491,861
Share underwriting premium			322,822,817	322,822,817
Reserves			1,226,467,276	1,104,531,324
Retained earnings			3,483,643,517	3,197,235,580
Other equity transactions			(11,554,810)	(11,554,865)
Other comprehensive income			560,937,733	258,553,530
TOTAL SHAREHOLDERS' EQUITY	25		5,695,808,394	4,985,080,247
NON-CONTROLLING INTEREST	26		329,781,898	280,156,256
TOTAL EQUITY			6,025,590,292	5,265,236,503
TOTAL LIABILITIES AND EQUITY		$	18,615,781,899	14,922,371,517

The notes attached hereto are an integral part of the consolidated financial statements.

Aquiles Mercado González
Legal Representative
(Alternate)**

John Jairo Rodriguez Benavides
Public Accountant **
Professional License No.11628-T

Rosangela Barrios Pantoja
Independent Auditor Professional
License No. 155173-T
Member of KPMG S.A.S.
(Refer to my report on Februry 23,2023)

**We, the undersigned Alternate Legal Representative and Certified Public Accountant, certify that we have previously verified the statements contained in these consolidated financial statements and that they have been prepared in accordance with information faithfully taken from the books of the parent company and its subsidiaries.

Promigas S.A. E.S.P. And Subsidiaries

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of Colombian pesos, except the net income per share which is expressed in Colombian pesos)

For the period ended on:	**Note**	**December 2022**	**December 2021**
Revenue			
Contracts with customers		$ 4,842,328,750	3,940,195,798
Revenues from national concession contracts		227,819,738	166,596,187
Revenues from foreign concession contracts		515,750,254	773,247,724
Other Revenues		425,432,016	301,696,952
Total Revenues	27	6,011,330,758	5,181,736,661
Cost of sales and service provision		(3,529,416,089)	(2,836,789,498)
Cost of construction of national concession contracts		(151,136,592)	(118,193,718)
Cost of construction of foreign concession contracts		(287,359,089)	(430,291,014)
Total Cost of sales and service provision	28	(3,967,911,770)	(3,385,274,230)
GROSS INCOME		2,043,418,988	1,796,462,431
Administrative and sales expenses	29	(467,568,474)	(384,734,052)
Interest in earnings of subsidiaries:			
National Associates		116,203,914	112,492,535
Foreign Associates		177,019,659	140,394,209
Total Interest in earnings of associates		293,223,573	252,886,744
Dividends received		1,250,450	456,146
Impairment due to expected credit losses		(71,512,611)	(54,185,697)
Others, Net	30	21,013,665	25,737,259
OPERATING INCOME		1,819,825,591	1,636,622,831
Financial revenues	31	328,080,760	296,143,454
Financial expenses	32	(604,926,596)	(387,388,031)
Exchange difference	33	6,995,497	3,206,751
EARNINGS BEFORE INCOME TAX		1,549,975,252	1,548,585,005
Income tax	18	(495,896,368)	(414,297,769)
NET INCOME		$ 1,054,078,884	1,134,287,236
INCOME ATTRIBUTABLE TO:			
Company shareholders		$ 998,289,902	1,099,132,603
Non-controlling interest		55,788,982	35,154,633
		$ 1,054,078,884	1,134,287,236
NET INCOME PER SHARE		$ 879.67	968.53

The notes attached hereto are an integral part of the consolidated financial statements.

Aquiles Mercado González
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John Jairo Rodriguez Benavides
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Promigas S.A. E.S.P. And Subsidiaries
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
(Expressed In thousands of Colombian Pesos)

For the periods ended on:	**Nota**	**Diciembre 2022**	**Diciembre 2021**
NET INCOME		$ 1,054,078,884	1,134,287,236
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not reclassified through profit or loss			
Fair value of equity instruments		5,981,760	282,628
Asset revaluation value		558,000	-
Employee benefits		86,253	414,192
Deferred tax	18	(1,747,634)	(178,166)
		4,878,379	518,654
Other comprehensive income reclassified through profit or loss			
Currency conversion adjustment		263,277,257	118,522,255
Hedging transactions		(154,389,687)	(100,854,507)
Deferred Tax	18	45,559,366	31,492,074
		154,446,936	49,159,822
OTHER COMPREHENSIVE INCOME IN ASSOCIATES			
Other comprehensive income reclassified through profit or loss			
Currency conversion adjustment		108,363,422	73,329,709
Hedging transactions		63,236,459	(9,550,572)
		171,599,881	63,779,137
TOTAL OTHER COMPREHENSIVE INCOME		330,925,196	113,457,613
TOTAL INCOME AND OTHER COMPREHENSIVE INCOME		$ 1,385,004,080	1,247,744,849
INCOME AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Company shareholders		$ 1,300,674,105	1,194,456,333
Non-controlling interest		84,329,975	53,288,516
		$ 1,385,004,080	1,247,744,849

The notes attached hereto are an integral part of the consolidated financial statements.

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Promigas S.A. E.S.P. and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of Colombian pesos)

For the periods ended on:	Note	Subscribed and paid-in capital	Share underwriting premium	Reserves	Cumulative Results: Previuos Year Results	Cumulative Results: Net Income	Cumulative Results: First-time adoption effect	Cumulative Results: Total	Other equity transactions	Other comprehensive income	Total Equity Attributable to the Company's shareholders	Non-controlling interests	Total Equity
Balances as of December 2020		$ 113,491,861	322,822,817	919,938,627	156,522,903	1,137,444,552	1,505,786,626	2,799,754,081	(11,556,845)	163,229,800	4,307,680,341	259,056,726	4,566,737,067
Sale of interest to non-controlling interests		-	-	-	-	-	-	-	1,980	-	1,980	(1,960)	20
Creation of reserves	25	-	-	184,592,697	(184,592,697)	-	-	(184,592,697)	-	-	-	-	-
Declared cash dividends	25	-	-	-	(524,299,796)	-	-	(524,299,796)	-	-	(524,299,796)	(32,181,792)	(556,481,588)
Withholding tax on dividends declared		-	-	-	(7,502,184)	-	-	(7,502,184)	-	-	(7,502,184)	(5,234)	(7,507,418)
Withholdings on dividends transferred to shareholders		-	-	-	14,743,573	-	-	14,743,573	-	-	14,743,573	-	14,743,573
Transfers	25	-	-	-	1,137,444,552	(1,137,444,552)	-	-	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	1,099,132,603	-	1,099,132,603	-	95,323,730	1,194,456,333	53,288,516	1,247,744,849
Balances as of December 2021		113,491,861	322,822,817	1,104,531,324	592,316,351	1,099,132,603	1,505,786,626	3,197,235,580	(11,554,865)	258,553,530	4,985,080,247	280,156,256	5,265,236,503
Balances as of December 2021		$ 113,491,861	322,822,817	1,104,531,324	592,316,351	1,099,132,603	1,505,786,626	3,197,235,580	(11,554,865)	258,553,530	4,985,080,247	280,156,256	5,265,236,503
Interest acquisition in non-controlling interest		-	-	-	-	-	-	-	55	-	55	(55)	-
Creation of reserves	25	-	-	121,935,952	(121,935,952)	-	-	(121,935,952)	-	-	-	-	-
Declared cash dividends	25	-	-	-	(585,581,590)	-	-	(585,581,590)	-	-	(585,581,590)	(34,701,129)	(620,282,719)
Withholding tax on dividends declared		-	-	-	(8,038,529)	-	-	(8,038,529)	-	-	(8,038,529)	(3,149)	(8,041,678)
Withholdings on dividends transferred to shareholders		-	-	-	3,674,106	-	-	3,674,106	-	-	3,674,106	-	3,674,106
Transfers	25	-	-	-	1,099,132,603	(1,099,132,603)	-	-	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	998,289,902	-	998,289,902	-	302,384,203	1,300,674,105	84,329,975	1,385,004,080
Balances as of December 2022		$ 113,491,861	322,822,817	1,226,467,276	979,566,989	998,289,902	1,505,786,626	3,483,643,517	(11,554,810)	560,937,733	5,695,808,394	329,781,898	6,025,590,292

The notes attached hereto are an integral part of the consolidated financial statements.

Aquiles Mercado González
Legal Representative
(Alternate)**

John Jairo Rodriguez Benavides
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Rosangela Barrios Pantoja
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(Refer to my report on Februry 23,2023)

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Promigas S.A. E.S.P. And Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of Colombian pesos)

For the periods ended on:	Notes		December 2022	December 2021
Cash flows from operating activities:				
Net income		$	1,054,078,884	1,134,287,236
Adjustments to reconcile net income with net cash provided by:				
operating activities:				
Depreciation	13, 17, 28, 29		52,701,549	46,191,801
Amortization of intangibles	14, 16, 17, 28, 29		286,055,468	251,819,359
Compensation received in kind	14, 30		(11,352,553)	-
Accrued interest	19, 20, 28, 32		654,480,551	398,200,220
Accrued yield	9, 31		(498,354,979)	(370,264,060)
Update financial assets	6, 31		(278,751,436)	(270,094,684)
Hedging transactions	33		-	(20,570,368)
Income by equity method	12		(293,223,573)	(252,886,744)
Impairment of:				
Inventories	10		1,302,150	1,188,902
Accounts receivable, net	9		71,529,555	54,185,697
Property, pipelines, plant and equipment	13		-	53,985
Concessions	14		665,017	4,849,870
Accrued provisions	23		58,136,923	46,868,941
Exchange difference for foreign currency transactions	33		(3,140,840)	5,835,675
Gain on sale of:				
Fixed income negotiable investments	30		(1,757)	(5,562)
Property, pipelines, plant and equipment	30		(5,347,834)	(414,097)
Loss for derecognition of:				
Inventories			-	873,022
Property, pipelines, plant and equipment	13		15,891,891	6,926,634
Concessions	14		10,887,336	3,868,228
Other Intangible Assets	16		552,387	57,155
Right of Use	17		(179,935)	(187,010)
Valuation of:				
Recognition of financial leasing - lessor	13		(427,646)	(1,191,795)
Investment properties			(867,692)	(204,960)
Construction contracts concessions	14		(228,943,789)	(342,956,710)
Wealth tax	18		495,896,368	414,297,769
Changes in assets and liabilities:				
Accounts receivable			(145,411,019)	(92,064,214)
Inventories			(51,590,651)	(23,796,697)
Equity instruments through profit or loss			(159,329,962)	100,639,968
Heding Transactions			319,529	-
Other assets			(103,912,470)	(95,491,255)
Accounts payable			69,299,353	13,198,684
Employee benefits			522,596	(809,698)
Other liabilities			55,946,848	42,496,480
			(334,155,776)	(55,826,732)
Paid income tax			(229,757,447)	(229,577,224)
Yields received			487,012,478	363,764,946
Interest paid	19, 20		(538,475,371)	(351,650,266)
Net cash provided by operating activities			766,209,929	837,439,228
Cash flow from investment activities::				
Acquisition of:				
Property, pipelines, plant and equipment	13		(131,334,675)	(111,049,190)
Concessions	14		(570,524,190)	(617,738,662)
Investment properties			-	(876,198)
Other intangible assets	16		(38,959,782)	(27,784,978)
Result from the sale of:				
Property, pipelines, plant and equipment			5,725,616	988,253
Non-current assets held for sale			360,000	-
Non-controlling interest			-	21
Dividends received in cash from investments in associated companies	12		248,185,306	192,056,864
Net cash used in financing activities			(486,547,725)	(564,403,890)
Cash flow from financing activities :				
Paid dividends	21		(607,477,074)	(535,950,092)
Acquisition of financial obligations	19		2,102,757,894	1,006,673,506
Payment of financial obligations	19		(277,815,253)	(747,116,871)
Bond Issue	20		(230,382,000)	-
Net cash (used) provided for financing activities			987,083,567	(276,393,457)
(net decrease) Net increase of cash and cash equivalents			1,266,745,771	(3,358,119)
Effect of conversion adjustment on cash and cash equivalents			31,465,955	31,236,322
Effects of business combinations, mergers and spin-offs			2,954,856	546,676
Cash and cash equivalents initial balance			427,848,665	399,423,786
Cash and cash equivalents ending balance		$	1,729,015,247	427,848,665

The notes attached hereto are an integral part of the consolidated financial statements.

Aquiles Mercado González
Legal Representative
(Alternate)**

John Jairo Rodriguez Benavides
Public Accountant **
Professional License No.11628-T

Rosangela Barrios Pantoja
Independent Auditor Professional
License No. 155173-T
Member of KPMG S.A.S.
(Refer to my report on Februry 23,2023)

**We, the undersigned Alternate Legal Representative and Certified Public Accountant, certify that we have previously verified the statements contained in these consolidated financial statements and that they have been prepared in accordance with information faithfully taken from the books of the parent company and its subsidiaries.

1. REPORTING ENTITY

Promigas S.A. E.S.P. (hereinafter Promigas S.A. E.S.P., Promigas, the Company) was incorporated in accordance with Colombian Law on December 27, 1974, and its corporate purpose is the purchase, sale, transportation, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general, and the gas and oil activities in all their forms. It can also sell or provide goods or services to third parties, either financial or non-financial, and finance the acquisition of goods or services from third parties with its own resources. Promigas' controlling shareholder is Corporación Financiera Colombiana S.A., whose parent company is Grupo Aval Acciones y Valores S.A., both are public companies incorporated in Colombia. The Company's corporate seat of the is in Barranquilla, its address is Calle 66 No. 67 – 123 and its term of duration expires on December 27, 2074.

The Company is supervised by the Superintendence of Residential Utilities and in order to keep the National Register of Securities and Brokers (RNVI, for its Spanish acronym) up to date is subject to the concurrent supervision of the Colombian Financial Superintendence, in accordance with the provisions of Articles 5.2.4.1.2 and 5.2.4.1.3 of single Decree 2555/2010 of the Colombian Financial Superintendence and Regulation Letter 007/2015, Title Three. The Company is also required to submit separate financial statements and consolidated financial statements, which shall include its shareholding interest in subsidiaries and investments in associates.

Regulatory Framework Promigas and Subsidiaries

Promigas S.A. E.S.P., Surtigas S.A. E.S.P., Gases de Occidente S.A. E.S.P., Promioriente S.A. E.S.P. Transmetano E.S.P. S.A., Transoccidente S.A. E.S.P. are mainly governed by Act 142/1994, whereby the Public Utilities Regime is established, CREG Resolution 071/1999, whereby the Single Regulation for Natural Gas Transportation (RUT, for its Spanish acronym) in Colombia is established, Act 689/2001, whereby Act 142/1994 is partially amended, the industry's regulations, the concession agreements in force, its bylaws and other provisions contained in the Code of Commerce.

The rates these Companies charge their customers for natural gas transportation and distribution services are regulated by the National Government through the Energy and Gas Regulatory Commission (CREG, for its Spanish acronym).

Compañía Energética de Occidente S.A.S. E.S.P. is subject to the Laws of the Republic of Colombia, especially to Acts 142 of 1994, Regime of residential public utilities, and 143 of 1994, Regime for the generation, interconnection, transmission, distribution and sale of electricity in the national territory, whereby authorizations are granted and other provisions are dictated in energy matters, and to all those that regulate the electricity sector (CREG Regulation). Regarding rates for energy sales to regulated users, the Company must adhere to the rate formula established by the Energy and Gas Regulatory Commission. Article 42 of Act 143 of 1994 provides: "electricity transactions between generating companies, between distributors, between the former and the latter and between all of them and the companies engaged in the sale of electricity and deregulated users, are free and will be remunerated through the prices agreed upon by the parties."

The rates for the residential public electric energy service are established through CREG Resolution 119 of 2007.

The percentages of subsidies and contributions contained in the final rates do not depend on the CREG; they are set by law. The CREG designs the rate structure under the terms of the legal mandate.

Promisol S.A.S., is inspected and supervised by the Superintendence of Corporations, based on its oversight responsibilities, which is authorized to request, confirm and analyze information on the legal, accounting, economic and administrative situation of business companies, branches of foreign companies and sole proprietorships under its supervision; activities and terms granted by law, in accordance with the provisions of Act 222 of 1995, in sections 2 and 3 of Article 7 of Decree 1023 of May 18, 2012, Decree 1074 of May 26, 2015, Act 1314 of 2009 and Decree 1736 of 2020, as partially amended by Decree 1380 of 2021.

Sociedad Portuaria El Cayao S.A. E.S.P. (hereinafter, "SPEC LNG") is mainly governed by Act 142 of 1994, which establishes the Regime of Residential Public Utilities, Decree 2100 of 2011, whereby mechanisms are established to promote the assurance of the national supply of natural gas, Resolution 062 of 2013 of the Energy and Gas Regulatory Commission (hereinafter, the "CREG"), whereby a regulated income is established for the use of Imported Natural Gas (hereinafter, "GNI"), in security generations, subject to surveillance by the Superintendence of Transportation regarding the rendering of the public maritime transportation service and the quality of infrastructure, the concession contract in force with the National Infrastructure Agency for the construction, operation and maintenance of a port terminal to carry out the port activity of regasification and the import, export and cabotage of liquefied natural gas, the regulation of the sector, the Regasification Service Provision contracts in force with its customers, its bylaws and other provisions contained in the Code of Commerce.

The port tariffs charged by SPEC LNG are established by the national government through the Superintendence of Transportation in accordance with the provisions of Act 1 of 1991, Resolution 723 of 1993, as amended, which registers the tariffs of the port companies.

Gases del Pacífico S.A.C., Gases del Norte del Perú S.A.C. and Promigas Perú S.A. are governed, among others, by Article No. 76 of the Organic Hydrocarbons Law (Act No. 26221) enacted in August 1993, which provides that the transportation, distribution and sale of hydrocarbon products shall be governed by the regulations approved by the Ministry of Energy and Mines. The Unified Ordered Text of the Regulation for the distribution of natural gas through pipeline network was approved by Supreme Decree No. 042-99-EM. The operations of the Companies in the country are regulated by OSINERGMIN - Supervisory Agency of Investment in Energy and Mining, in accordance with Act No. 26734, and by OEFA - Environmental Evaluation and Oversight Agency, in accordance with Act No. 29325.

Change in tariff regulation

In 2021 the government issued CREG Resolution 175 of October 8, 2021, effective September 2022, which establishes the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System. Within the general aspects of this resolution we find:

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

1. Presentation of tariff files in February 2022.

2. Change of remuneration of investments from U.S. dollars to pesos and update of the discount rate.
3. Methodology of applications
   (a) First Application: Change of remuneration of investments from U.S. dollars to pesos and update of the discount rate.
   (b) Second Application: Update of the tariff variables investments, AOM, demand based on the tariff applications filed in February 2022.
4. Changes in the configuration of the sections may be requested: Aggregation or sectioning.
5. Tariff revisions every two years to include new investments.
6. Remuneration of IPAT projects (Investments in Priority projects of the Supply plan in a Transportation system) and of the sections where these projects exist.

2. BASIS OF ACCOUNTING OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Technical Normative Framework

The separate financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia for entities in Group 1 (CFRS Group 1), set out in Act 1314/2009, regulated by Single Regulatory Decree 2420/2015, as amended by Decrees 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020, 938/2021 and 1611/2022. The CFRS applicable in 2021 are based on the International Financial Reporting Standards (IFRS), along with its interpretations, issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

For legal purposes in Colombia, the separate financial statements are the main financial statements.

2.2 Functional and Presentation Currency

The Promigas's functional and presentation currency is the Colombian peso.

The representative exchange rates to convert transactions from United States dollars to Colombian pesos

calculated and certified by the Financial Superintendence of Colombia are as follows:

	December 2022	December 2021
Closing	4.810,20	3,981.16

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Monthly averages:

December 2022		**December 2021**	
January	4,000.72	January	$ 3,494.53
February	3,938.36	February	3,552.43
March	3,805.52	March	3,617.00
April	3,796.39	April	3,693.00
May	4,027.60	May	3,741.96
June	3,922.50	June	3,651.85
July	4,394.01	July	3,832.24
August	4,326.77	August	3,887.68
September	4,437.31	September	3,820.28
October	4,714.96	October	3,771.68
November	4,922.30	November	3,900.51
December	4,787.89	December	3,967.77

Below is a detail of the functional and presentation currency of the subsidiaries:

	Functional Currency
Subsidiaries:	
Surtidora de Gases del Caribe S.A. E.S.P. (Surtigas)	Colombian Peso
Transoccidente S.A. E.S.P.	Colombian Peso
Gases de Occidente S.A. E.S.P.	Colombian Peso
Transportadora de Metano E.S.P. S.A. (Transmetano)	Colombian Peso
Compañía Energética de Occidente S.A.S. E.S.P.	Colombian Peso
Promioriente S.A. E.S.P.	Colombian Peso
Sociedad Portuaria El Cayao S.A. E.S.P.	United States Dollar
Gases del Pacífico S.A.C.	United States Dollar
Gases del Norte del Perú S.A.C.	United States Dollar
Orión Contac Center S.A.S.	Colombian Peso
Promisol S.A.S.	Colombian Peso
Zonagen S.A.S.	Colombian Peso
Enlace Servicios Empresariales Globales S.A.S.	Colombian Peso
Promigas Perú S.A.	United States Dollar
Promigas Panamá Corporation	United States Dollar
Associates:	
Gases del Caribe S.A. E.S.P. (Gas Caribe)	Colombian Peso
Energía Eficiente S.A. E.S.P.	Colombian Peso
Gas Natural de Lima y Callao S.A.C.	United States Dollar

The functional currency of Promigas was determined based on the economic conditions of the country where it operates. This determination requires judgment. Despite this judgment, the Company assessed, among other factors, the place of the activities, cash flows, sources of income, risks relative to these activities and the operating currency denomination of the different entities.

2.3 Bases of Measurement

The consolidated financial statements have been prepared based on the historical cost, except for the following important items included in the consolidated statement of financial position:

- Derivative financial instruments are measured at fair value.
- Financial instruments are measured at fair value through profit or loss and OCI.
- Investments in equity instruments measured at fair value through OCI.
- Financial assets under concession are measured at fair value through profit or loss.
- Investment properties measured at fair value.

3. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Promigas and its subsidiaries' management makes estimates and assumptions that affect the amounts recognized in the consolidated financial statements and the book value of assets and liabilities within the fiscal year. Judgments and estimates are evaluated on an ongoing basis and based on management's experience and other factors, including the occurrence of future events that are considered reasonable in the current circumstances. Management also makes certain judgments in addition to those involving estimates during the accounting policy application process. The judgments that have the most significant effects on the amounts recognized in the consolidated financial statements and the estimates that may cause a significant adjustment to the book value of the assets and liabilities in the following year include the following:

A. Judgments

Information on judgments issued when applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes.

- Note 4 (e) - Note 5 (b)(d) - classification of financial assets: evaluation of the business model within which assets are held and evaluation of whether the contractual terms of the financial assets are only payments of principal and interest on the amount of pending principal.
- Note 2 (2.3) Determining the functional currency of Promigas requires judgment.
- Note 4 (a) – Determining control over investees.
- Note 4 (p) - establish the criteria to determine the credit risk of financial assets that have had a significant increase since the initial recognition, the methodology to incorporate the prospective information for the measurement of expected credit losses (ECL) and the measurement, selection and approval of the models used to measure the ECL.

B. Assumptions and estimation uncertainty

Information on assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment in the year ended December 31, 2020, is included in the following notes.

- Note 4 (p) - Note 5 (d) - impairment of financial instruments: assessment of whether the credit risk on the financial assets has increased significantly since the initial recognition and the incorporation of prospective information in measuring ECL.
- Note 4 (p) - impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- Note 4 (i) - recognition of Service Concession Agreements.
- Note 6 - Determining the fair value of financial instruments with important unobservable inputs.
- Note 22 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 18 - Recognition of deferred tax assets: availability of future tax gains against which extendable tax losses can be offset.
- Notes 4 (o) - recognition and measurement of provisions and contingencies: key assumptions about the probability and magnitude of an outflow of resources.

4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and bases established below have been applied consistently in preparing the consolidated financial statements in accordance with the Colombian Financial Reporting Standards (CFRS).

a) Bases of Consolidation

According to the Colombian Financial Reporting Standards, the Company must prepare consolidated financial statements. Separate financial statements are the basis for dividend allocation and other appropriations by the shareholders. Consolidated financial statements are presented to the General Meeting of Shareholders for information purposes only.

Consolidation of Subsidiaries

According to International Financial Reporting Standard (IFRS) 10 – Consolidated Financial Statements, the Company must prepare consolidated financial statements with controlled entities. The Company has control over another entity if, and only if, it meets the following elements:

- Power over the investee, giving the parent company current ability to direct any relevant activities of the former that may significantly affect its performance.
- Exposure or right to variable returns from its involvement with the investee.
- Ability to use its power over the investee to influence the amount of investor returns.

Such consolidated financial statements as of December 31, 2022 and 2021, include the financial statements of Promigas S.A. E.S.P. and its Subsidiaries (hereinafter "the Companies"), understanding as subsidiaries the Companies whose decision-making power is directly or indirectly subject to the will of Promigas.

In this process, the Company consolidates the assets, liabilities and results of the entities in which it determines control, prior homogenization of its accounting policies and conversion into Colombian pesos of foreign subsidiaries.

The consolidation process involves the elimination of intercompany transactions and unrealized profits between them. The share of non-controlling interests in subsidiaries is presented in equity separately from the equity of the Company shareholders.

For the translating process of financial statements of foreign Subsidiaries whose functional currency is the United States Dollar and the Mexican Peso, the Company translates assets and liabilities into Colombian pesos at the exchange rate current on the closing date of the reported period; the consolidated income statement is converted at the average exchange rate for the year; and equity at its respective historical rate. The resulting net adjustment is included in equity as "translation adjustment of financial statements" under "other comprehensive income".

The consolidated financial statements hereto include assets, liabilities, equity and income of the Company and its subsidiaries, described below:

Gases del Pacífico S.A.C. - The corporate purpose of the company is the purchase, sale, production and trading of energy in any form, including, without limitation, natural gas, electric energy, hydrocarbons derived from oil, coal and other fuels. The company is headquartered in the city of Lima, Peru.

Gases del Norte del Perú S.A.C. - The corporate purpose of the company is the purchase, sale, production and trading of energy in any form, including, without limitation, natural gas, electric energy, hydrocarbons derived from oil, coal and other fuels. The company is headquartered in the city of Piura, Peru.

Promigas Perú S.A. – The company's purpose is the sale of Compressed Natural Gas (CNG) operating in the regions of Piura and Lambayeque in northern Peru since June 2009. The company's main address is the city of Piura in Peru .

Sociedad Portuaria El Cayao S.A. E.S.P. - The corporate purpose of the company is the investment in construction, maintenance and management of ports, loading and unloading, storage in ports and other services directly related to the port activities. It is headquartered in the city of Cartagena.

Transoccidente S.A. E.S.P. - The corporate purpose of the company is the transportation of fuel gas by the construction, operation and maintenance of transport systems and subsystems. The assembly, construction, operation, maintenance and commercial exploitation of systems and subsystems anywhere in the country or abroad, on its own behalf or on behalf of others. Its activities are conducted in the city of Santiago de Cali.

Surtidora de Gas del Caribe S.A. E.S.P. (Surtigas) - The corporate purpose of the company is the purchase, storage, packaging and distribution of gases derived from hydrocarbons; the construction and exploitation of pipelines for industrial, commercial and household natural gas; and the purchase and sale of items, services and artifacts related to the sale and distribution of fuel gases and the like. The Company conducts its activities in the Departments of Bolivar, Sucre and Cordoba and in some towns of the Departments of Antioquia and Magdalena. It is headquartered in the city of Cartagena.

Gases de Occidente S.A. E.S.P. - The corporate purpose of the company is the provision of fuel gas distribution services. The purchase, storage, transportation, packaging, distribution and trade of natural gas or any other fuel, as well as hydrocarbons and derivatives in all their forms. Trade and/or finance of any kind of products directly or indirectly related to the activities or services provided. Such activities are conducted in the Departments of Valle del Cauca and Cauca. Gases de Occidente S.A. E.S.P. consolidates with the following Companies:

- *Orión Contac Center S.A.S.* - Its corporate purpose is the provision of call center and contact center services; the provision of business process outsourcing; and the provision of personalized attention services for any type of business. It is headquartered in the city of Santiago de Cali.

- *Compañía Energética de Occidente S.A.S. E.S.P.* - On June 28, 2010, the Company entered into a Management Agreement with Cedelca S.A. E.S.P., for the purpose of assuming at its own risk and expense the administrative, operational, technical and commercial management, the investment, expansion of coverage, reconditioning and preventive and corrective maintenance of the infrastructure and other activities required for the provision of electric power distribution and trading services in the Department of Cauca. The execution of the Management Agreement was on August 1, 2010, and has a 25-year term. The Management agreement is governed by the laws of the Republic of Colombia, particularly Act 142/1994, Public Utilities Regime, and Act 143/1994, Regime for the generation, interconnection, transmission, distribution and tradeoff electric power nationwide, whereby authorizations are granted and other provisions on electric power are established. It is headquartered in the city of Popayan.

Promisol S.A.S. - The corporate purpose of the Company is to provide natural gas compression and dehydration services and any other service related to the natural gas industry and any business directly related to these activities; implement energy management systems, develop energy diagnostics and prepare and implement on-site or distribution of energy generation projects; change or replace technology, predictive energy maintenance programs and comprehensive advisory in energy management; and purchase, sale, distribution, exploitation, trade of products and professional and technical services. In the course of fulfilling its corporate purpose, the Company has executed commercial offers to provide compression and dehydration services for natural gas from the Ballena and Chuchupa fields before being transported. It is headquartered in the city of Barranquilla. *Promisol S.A.S.* controls the following Companies:

- *Zonagen S.A.S.* - The corporate purpose of the Company is the generation, transmission and distribution of energy to partner or affiliated companies members of or economically affiliated to it. It is headquartered in the city of Barranquilla.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Transportadora de Metano E.S.P. S.A. (Transmetano) - Transportation of fuel gas by the construction, operation and maintenance of transport systems. This activity is developed in the towns of Cimitarra, Puerto Berrio, Yolombo, Cisneros, Maceo, San Roque, Santodomingo, Barbosa, Girardota, Guarne and Rio Negro. It is headquartered in the city of Medellin.

Promioriente S.A. E.S.P. - The corporate purpose of the company is the transportation of gas fuel by the construction, operation and maintenance of main and branch pipelines. The assembly, construction, operation, maintenance and commercial exploitation of pipelines anywhere in the country or abroad, on its own behalf or on behalf of others. Its activities are conducted in the towns of Lebrija, Giron, Bucaramanga and its Metropolitan Area. It is headquartered in the city of Bucaramanga.

Enlace Servicios Empresariales Globales S.A.S. - Its corporate purpose is to contract with individuals and the State, to acquire, sell or use real or personal property, to carry out financial operations, in general to conduct all kinds of operations with the aim to obtain funds or other assets necessary for the development of the company. Its seat is in the city of Barranquilla.

Promigas Panama Corporation - Company incorporated on May 24, 2021, under the laws of the Republic of Panama. The Company's corporate purpose is the sale of Natural Gas and Liquefied Natural Gas (LNG). The Company has an indefinite term of duration.

The Company's interest in its subsidiaries is as follows:

Company	**December 2022**			**December 2021**		
	Direct	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
Surtigas S.A. E.S.P.	99.99%	0.00%	99.99%	99.99%	0.00%	99.99%
Transoccidente S.A. E.S.P.	79.00%	0.00%	79.00%	79.00%	0.00%	79.00%
Promioriente S.A. E.S.P.	73.27%	0.00%	73.27%	73.27%	0.00%	73.27%
Transmetano E.S.P. S.A.	99.67%	0.00%	99.67%	99.67%	0.00%	99.67%
Gases de Occidente S.A. E.S.P.	94.43%	0.00%	94.43%	94.43%	0.00%	94.43%
Compañía Energética de Occidente S.A. E.S.P.	49.00%	48.16%	97.16%	49.00%	48.16%	97.16%
Orion Contac Center S.A.S.	0.00%	96.65%	96.65%	0.00%	96.65%	96.65%
Promisol S.A.S.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gases del Pacífico S.A.C.	95.49%	4.51%	100.00%	95.49%	4.51%	100.00%
Gases del Norte del Perú S.A.C. (1)	99.09%	0.91%	100.00%	98.92%	1.08%	100.00%
Promigas Perú S.A.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promigas Panamá Corporation	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promisol México S.A. de C.V. (2)	0.00%	0.00%	0.00%	5.00%	95.00%	100.00%
Zonagen S.A.S.	0.00%	99.95%	99.95%	0.00%	99.95%	99.95%
Sociedad Portuaria El Cayao S.A. E.S.P.	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Enlace Servicios Empresariales Globales S.A.S. (3)	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

(1) In April 2022, Promigas S.A. E.S.P. made a capitalization of contributions in the amount of US $7,000,000, with which it went from holding 132,934,822 to 158,939,822 shares. The above in order to provide Gases del Norte del Perú S.A.C. with the necessary funds to develop its current investment plan. Due to the above, Surtigas diluted the interest in its investment in Gases del Norte del Perú S.A.C. as a result of a capitalization made by Promigas S.A. E.S.P., generating the impacts described below:

	Initial		**Final**	
Shareholder	**Interest**	**No. of Shares**	**Interest**	**No. of Shares**
Promigas S.A. E.S.P.	98.92%	132,934,822	99.09%	158,939,822
Surtigas S.A. E.S.P.	1.08%	1,455,608	0.91%	1,455,608
Total	**100.00%**	**134,390,430**	**100.00%**	**160,395,430**

(2) In May 2022, Promisol México S.A. de C.V. settled its accounts and therefore the Company was dissolved. Given the above, Promigas S.A. E.S.P. and Promisol S.A.S., as shareholders, cancelled investments abroad before Banco de la República. This process ended on May 9, 2022. In that month, both Promigas S.A. E.S.P. and Promisol S.A.S. proceeded to account for the de-recognition of this investment in their Financial Statements, this investment was 100% impaired in the Financial Statements of Promigas S.A. E.S.P. and Promisol S.A.S. of the Companies.

(3) Until May 2022, the Company's corporate name was "Enlace Servicios Empresariales S.A.S."

The total value of assets, liabilities and shareholders' equity of the companies comprising the consolidated financial statements as of December 31, 2022 and 2021, are shown below. These balances do not include eliminations:

Company		Assets	Liabilities	Equity
December 31, 2022				
Promigas S.A. E.S.P.	$	11,187,938,312	5,491,197,406	5,696,740,906
Surtigas S.A. E.S.P.		1,903,660,242	1,093,503,114	810,157,128
Transoccidente S.A. E.S.P.		17,766,174	5,484,803	12,281,371
Promioriente S.A. E.S.P.		862,795,912	420,107,817	442,688,095
Transmetano E.S.P. S.A.		420,837,698	183,402,138	237,435,560
Gases de Occidente S.A. E.S.P.		1,474,307,636	1,035,135,197	439,172,439
Compañía Energética de Occidente S.A.S. E.S.P.		973,724,780	838,555,751	135,169,029
Orión Contac Center S.A.S.		5,000,575	2,361,924	2,638,651
Promisol S.A.S.		359,838,769	277,694,835	82,143,934
Gases del Pacífico S.A.C.		2,541,777,477	2,048,417,421	493,360,056
Gases del Norte del Perú S.A.C.		1,598,061,072	933,421,817	664,639,255
Promigas Perú S.A.		167,412,851	137,799,751	29,613,100
Promigas Panamá Corporation		22,201	2,958	19,243

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Company		Assets	Liabilities	Equity
Zonagen S.A.S.		11,237,336	13,033,214	(1,795,878)
Enlace Servicios Compartidos S.A.S.		21,140,665	5,538,451	15,602,214
Sociedad Portuaria El Cayao S.A. E.S. P.	$	1,546,811,151	1,172,256,590	374,554,561
December 31, 2021				
Promigas S.A. E.S.P.		9,286,979,856	4,302,150,323	4,984,829,533
Surtigas S.A. E.S.P.	$	1,508,139,826	771,809,154	736,330,672
Transoccidente S.A. E.S.P.		16,644,824	3,966,725	12,678,099
Promioriente S.A. E.S.P.		651,823,921	273,476,281	378,347,640
Transmetano E.S.P. S.A.		337,056,517	126,406,917	210,649,600
Gases de Occidente S.A. E.S.P.		1,226,516,539	823,150,454	403,366,085
Compañía Energética de Occidente S.A.S E.S.P.		835,983,564	703,091,203	132,892,361
Orión Contac Center S.A.S.		5,244,043	2,157,224	3,086,819
Promisol S.A.S.		350,459,021	272,470,529	77,988,492
Gases del Pacífico S.A.C.		2,034,546,302	1,605,148,114	429,398,188
Gases del Norte del Perú S.A.C.		890,751,304	508,066,995	382,684,309
Promigas Perú S.A.		130,715,386	108,039,362	22,676,024
Promigas Panamá Corporation		53,789	-	53,789
Zonagen S.A.S.		10,885,428	11,100,802	(215,374)
Enlace Servicios Empresariales Globales S.A.S.		18,097,601	3,258,111	14,839,490
Sociedad Portuaria El Cayao S.A. E.S. P	$	1,422,559,714	1,110,075,871	312,483,843

The following are the revenues, income before income tax, income tax and net income for the year of the companies included in the consolidated financial statements for the periods ended December 31, 2022 and 2021. These results do not include eliminations:

Company		Revenue	Income before taxes	Income tax	Net Income
December 31, 2022					
Promigas S.A. E.S.P.		1,123,427,601	1,211,296,136	(94,573,972)	1,116,722,164
Surtigas S.A. E.S.P.	$	1,256,639,723	154,858,036	(44,801,202)	110,056,834
Transoccidente S.A. E.S.P.		10,268,801	5,206,427	(1,831,324)	3,375,103
Promioriente S.A. E.S.P.		235,085,497	190,000,426	(70,030,284)	119,970,142
Transmetano E.S.P. S.A.		97,419,285	86,086,352	(23,720,519)	62,365,833
Gases de Occidente S.A. E.S.P.		1,523,408,309	188,210,944	(53,522,221)	134,688,723
Compañía Energética de Occidente S.A.S. E.S.P.		657,562,104	88,152,414	(29,269,227)	58,883,187
Orión Contac Center S.A.S.		7,983,378	268,148	(130,719)	137,429

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Company	Revenue	Income before taxes	Income tax	Net Income
Promisol S.A.S.	126,652,762	13,708,830	(4,461,701)	9,247,129
Gases del Pacífico S.A.C.	362,616,683	(34,040,253)	8,475,888	(25,564,365)
Gases del Norte del Perú S.A.C.	504,788,603	205,501,164	(59,224,684)	146,276,480
Promigas Perú S.A.	89,431,710	4,527,645	(2,845,158)	1,682,487
Promigas Panamá Corporation	-	(39,827)	-	(39,827)
Zonagen S.A.S.	11,147,395	(1,603,703)	23,199	(1,580,504)
Enlace Servicios Empresariales Globales S.A.S.	12,938,787	1,599,416	(836,693)	762,723
Sociedad Portuaria El Cayao S.A. E.S.P.	283,607,518	43,474,066	(10,797,835)	32,676,231
December 31, 2021				
Promigas S.A. E.S.P.	$ 953,820,471	1,259,162,955	(110,115,140)	1,149,047,815
Surtigas S.A. E.S.P.	1,055,575,161	145,997,727	(37,756,243)	108,241,484
Transoccidente S.A. E.S.P.	8,143,894	5,522,059	(1,752,622)	3,769,437
Promioriente S.A. E.S.P.	134,648,714	80,488,694	(24,880,852)	55,607,842
Transmetano E.S.P. S.A.	76,794,225	62,589,611	(18,157,040)	44,432,571
Gases de Occidente S.A. E.S.P.	1,236,808,502	178,985,193	(44,952,143)	134,033,050
Compañía Energética de Occidente S.A.S. E.S.P.	539,958,632	81,486,059	(24,879,540)	56,606,519
Orión Contac Center S.A.S.	10,456,268	939,395	(288,732)	650,663
Promisol S.A.S.	95,519,280	22,820,077	(5,629,991)	17,190,086
Promisol México S.A. de C.V.	-	(3,402)	-	(3,402)
Gases del Pacífico S.A.C.	359,266,563	17,239,542	(6,293,268)	10,946,274
Gases del Norte del Perú S.A.C.	624,807,525	284,050,308	(84,000,569)	200,049,739
Promigas Perú S.A.	51,615,110	(202,880)	582,128	379,248
Promigas Panamá Corporation	-	(5,850)	-	(5,850)
Zonagen S.A.S.	8,896,757	(1,563,167)	65,564	(1,497,603)
Enlace Servicios Empresariales Globales S.A.S.	8,565,097	1,540,879	(313,743)	1,227,136
Sociedad Portuaria El Cayao S.A. E.S.P.	233,448,077	36,014,686	(8,957,922)	27,056,764

a) Investments in Associates

Investments in entities over which there is no control or joint control, but where there is significant influence are called “Investments in Associates” and are carried using the equity method. Significant influence is presumed in another entity if the Company has, directly or indirectly, between 20% and 50% or more of the voting rights, unless it can be clearly demonstrated that such influence does not exist.

According to IAS 28, the existence of significant influence is usually evidenced in one or more of the following ways:

- Representation on the board of directors or equivalent governing body of the investee.

- Participation in the policy-making process, including decision-making on dividends and other distributions.
- Material transactions between the investor and the investee.
- Interchange of managerial personnel.

- Provision of essential technical information.

The equity method is an accounting method according to which the investment is initially recorded at cost, and is subsequently adjusted for changes in the investor's share in the net assets of the investee. Net income and the other comprehensive income of the investee is included by the investor according to its share of profit.

b) Dividends

Revenue from dividends is recognized when the right of the Company and its subsidiaries to receive the corresponding payment is established, which usually occurs when shareholders approve the dividend. Dividends from investments in associates are recognized in the balance sheet as a reduction of investment because it is accounted for using the equity method of investment. Revenue from dividends is recognized through profit or loss for the period when it comes from investments recognized as equity instruments, where Promigas has no significant influence or control.

c) Business combinations

In the Company and its subsidiaries, the acquisition of control is recognized in the consolidated financial statements through the "acquisition method". Under this method, the acquisition price is distributed among the identifiable assets acquired, including any intangible assets and assumed liabilities, on the basis of their respective fair values.

When non-controlling minority interests remain in the acquisition of control of the entity, said minority interests are recorded at the discretion of the Company and subsidiaries at fair value, or at the proportional share of current ownership instruments, in the recognized amounts of identifiable net assets of the acquired entity.

The difference between the price paid plus the value of non-controlling interests and the net value of the assets and liabilities acquired determined as indicated above, is recognized as capital gains.

Capital gains recorded are not subsequently amortized, but are subject to an annual evaluation for impairment. In addition to the above, the consolidated income statement accounts of the acquired entity are included in the financial statements from the date of control, regardless of the legal form.

d) Foreign Currency Transactions and Balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the prevailing exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies in terms of historical costs are measured using the exchange rate at the transaction date. Financial instruments measured at fair value are converted using the exchange rate at the date the fair value was determined. Profits or losses resulting from the translation process are recognized in profit or loss, except for financial instruments designated as hedging instruments.

e) Financial Instruments

Classification and measurement of financial assets and liabilities

The classification and measurement approach for financial assets is determined through the business model in which these assets and their cash flow characteristics are managed. It also includes three classification categories at the time of initial recognition and subsequent measurement for financial assets:

Approach	**Conditions**
Amortized cost (AC)	• The asset is maintained within a business model whose objective is to maintain assets to obtain contractual cash flows; and • The contractual terms of the financial asset establish specific dates for the cash flows derived only from payments of principal and interest on the current balance. The effective interest rate method is used to measure assets and liabilities at amortized cost. Amortized cost is reduced by impairment losses. Interest revenue, exchange rate gains and losses and impairment are recognized through profit or loss. Any gain or loss on derecognition is recognized through profit or loss.
Fair value through other comprehensive income (FVTOCI)	A debt instrument is measured at FVTOCI only if it meets both of the following conditions and has not been designated as a FVTPL: • The asset is maintained within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and • The contractual terms of the financial asset establish specific dates for the cash flows derived only from payments of principal and interest on the current balance. As an accounting policy, the Company and its subsidiaries made the irrevocable choice to record subsequent changes in fair value as part of other comprehensive income in equity. Dividends are recognized as revenue in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Fair value through profit or loss (FVTPL)	All financial assets not classified as measured at amortized cost or at fair value through OCI as described above are measured at fair value through profit or loss. Interest revenue calculated using the effective interest rate method, foreign exchange gains and impairment losses are recognized though profit or loss.

Other net gains and losses from valuations are recognized in OCI. For derecognitions, accumulated gains and losses in OCI are reclassified to realized gains or losses of OCI.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- Contractual rights on the asset's cash flow expire;
- The contractual rights on the asset's cash flow are transferred, or an obligation is undertaken to pay a third party all cash flow without significant delay, through a transfer agreement
- Substantially all risks and benefits inherent to the property of the asset have been transferred;
- All risks and benefits inherent to the property of the asset have been substantially withheld, but the control thereof has been transferred.

Financial Liabilities

A financial liability is any contractual obligation to deliver cash or other financial asset to another entity or person or to exchange financial assets or liabilities under potentially unfavorable conditions for the Company, or any agreement that will or may be liquidated using equity instruments of the entity. Financial liabilities are initially recorded by their transaction value, unless otherwise determined, being similar to its fair value, less transaction costs directly attributable to their issue. Subsequently such financial liabilities are measured at amortized cost according to the effective interest rate method initially determined and recorded as debit to profit and loss under financial expenses.

Financial liabilities are only derecognized from the consolidated statement of financial position when generated obligations are extinguished or when they are acquired (either with the intention of repaying them or reinvesting in them).

Offset of Financial Instruments in the Balance Sheet

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legal right to offset such recognized amounts and the management intends to liquidate them on a net basis or realize the asset and liquidate the liability simultaneously.

Transactions with Derivate Instruments

A derivative is a financial instrument whose value changes over time based on an underlying variable, does not require an opening net investment or a small investment with respect to the underlying asset and is liquidated on a future date.

Forward contracts entered into by the Company to cover the fluctuation of exchange rates in revenues are considered a cash flow hedge, given that they cover a particular risk associated with a recognized asset or liability or a highly likely expected transaction, in which case the effective portion of the changes in the fair value of derivatives is recognized in other comprehensive income. Gains or losses in the derivative relative to the portion that is not effective to the hedge or that does not correspond to the hedged risk is recognized immediately in the consolidated income statement. Hedge accounting is implemented while the forwards remain within the range of effectiveness (80% and 125%).

Derivative transactions are revealed at baseline. Subsequent changes in the fair value are adjusted by debiting or crediting profit and loss, as applicable, unless the derivative is defined as hedge, if so, the nature of the hedged item. Hedge derivatives are defined as the cumulative values in other comprehensive income transferred to earnings for the period where the hedged item is also carried to income.

The Company documents at the beginning of the transaction the relationship between the hedging instrument and the hedged item and the risk objective and strategy for undertaking the hedge relationship. The Company also documents their assessments both at the date of the transaction and on the recurring basis that the hedging relationship is highly effective in offsetting changes in fair value or cash flows of hedged items.

The Company’s fair value hedge with a derivative financial instrument that meets the hedge accounting conditions is accounted for considering the following:

- the gain or loss from remeasuring the hedging instrument at fair value (for a derivative hedging instrument) should be recognized through profit or loss; and
- the hedging gain or loss adjusts the book value of the hedged item and is recognized through profit or loss.

If the fair value hedge is fully effective, the gain or loss from the hedging instrument exactly offsets the gain or loss on the hedged item attributable to the risk being hedged and there is no net effect on the gain or loss. However, if there is any ineffectiveness, it is recognized through consolidated profit or loss.

Financial assets and liabilities by transactions with derivatives are not offset in the consolidated statement of financial position; however, when there is a legal and exercisable right to offset the recognized values and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously, they are then presented net in the consolidated separate statement of financial position.

Profits and losses for settlement of contracts are recognized at the end of each month.

Contracts with derivatives implicit in other contracts, when the main contract is a financial asset, are not separated and instead the financial instrument is measured and recorded together as an instrument at fair value through consolidated profit or loss.

Net Investment Hedges in Foreign Operations

Promigas uses different financial instruments in order to manage its exposure to exchange rate risks. Financial liabilities are measured at amortized cost; those traded with a foreign currency generate an exchange difference. The gain or loss from the exchange difference is immediately recognized through profit or loss unless the financial liability is designated and in effect as a hedging instrument, in which case the time of recognition through profit or loss depends on the nature of the hedge ratio.

The hedge is classified as a net investment in foreign operation when it hedges the exchange rate risk that arises from the translation effect of a net investment in foreign operation.

At the beginning of the hedge ratio, the Company and its subsidiaries document the relationship between the hedging instrument and the hedged item, together with the risk management objectives and the strategy for carrying out various hedging transactions. Additionally, at the beginning of the hedge and on an ongoing basis, Company and its subsidiaries document whether the hedging instrument is highly efficient in counteracting changes in market values or the cash flows of the hedged item attributable to the hedged risk.

The effective portion of the changes in the financial liabilities that are designated and that qualify as hedges of a net investment is recognized in other comprehensive income and accumulated under the net investment hedge. The loss or gain related to the ineffective portion is recognized immediately through profit or loss, and is included in the profit or loss item in the exchange rate of the income statement for foreign currency hedging instruments.

The amounts previously recognized in Other Comprehensive Income are reclassified in income for the periods in which the hedged item is recognized in income.

These profits are included within the same heading of the income statement of the recognized hedged item.

Hedge accounting is discontinued when the hedged item expires or is sold, completed or exercised, or when it no longer meets the hedge accounting criteria. Any loss or gain recognized in Other Comprehensive Income is recognized when the expected transaction is finally recognized in profit or loss. When an expected transaction will not occur, the accumulated loss or gain in equity is immediately recognized in profit or loss.

f) Cash

Cash comprises cash and bank balance that are subject to an insignificant risk of change in value, and are used by the company and its subsidiaries in the management of short-term commitments.

(Continues)

g) Property, pipelines, networks, plant and equipment

Recognition and Measurement

Elements of property, plant, pipelines, networks, and equipment are measured at cost less cumulative depreciations and cumulative amounts and any impairment losses suffered. Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of assets built by the company and its subsidiaries includes the cost of materials and direct labor; any other costs directly attributable to the process of bringing the asset to a working condition for its intended use, costs of dismantling, removing and restoring the site where they are located.

In the pre-operational stage, the Company and its subsidiaries may capitalize a percentage of the salaries and per diem of the personnel directly associated with the project and of positions that given their nature allow optimizing the costs incurred in the initial stages of the project and make it possible to carry out the project through decision making.

Subsequent Costs

The cost of replacing part of an item of property, plant, pipelines, networks, and equipment is capitalized if future economic benefits are likely to be received and their cost can be measured reliably. The book value of the replaced part is derecognized. Daily maintenance costs of property, plant, pipelines, networks, and equipment are recognized in profit or loss when incurred.

Depreciation

Depreciation is the mechanism by which the wear and tear suffered by a good or an asset due to its use over time is recognized.

The depreciable amount of an asset will be distributed systematically throughout its useful life. The residual value, the depreciation method and the useful life of an asset will be reviewed, at least, at the end of each annual period and, if the expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

(Continues)

The following is a summary of the types of assets of the Company and its subsidiaries and the estimate of their useful life:

Group	Time (years)
Land	Not depreciated
Constructions and buildings	50
Gas pipelines and plants	70
Networks	70
Machinery and equipment	5 to 10
Furniture and fixtures	5 to 10
Tools	5
Fleet and transportation equipment	5
Computer and communication equipment	3 to 5
Leasehold improvements	Associated with the lease
Major spare parts	Associated with the component

Disposals

The difference between the proceeds of the sale and asset's net book value is recognized in the income statement under the item other revenues.

Loan Costs

The Company and its subsidiaries capitalize on loan costs directly attributable to the purchase, construction or production of qualifying assets, as part of the cost of such assets. A qualifying asset is an asset that necessarily takes over three (3) months of construction and/or assembly to get ready for its intended use or sale. These loan costs will be capitalized as part of the cost of the asset, provided that they will likely give rise to future financial benefits for the entity and can be measured reliably.

h) Intangible assets

The cost of intangible assets is recognized at fair value at the date of purchase. After the initial recognition, the intangible assets are accounted for at cost less cumulative amortization and any cumulative impairment loss.

Intangible assets with finite useful lives are amortized over such financial useful lives and are assessed to determine whether impairment occurred, provided that there are signs that an intangible asset may have suffered such impairment. The amortization period and method for an intangible asset with finite useful life is reviewed at the closing of each reported period.

Intangible assets with indefinite useful lives are subject to an annual impairment review to determine whether their value continues to be recoverable.

The useful lives assigned to intangible assets are

Group	Useful life
Licenses	3 to 5 years
Software	3 to 5 years
Easements	20 to 50 years
Patents (1)	20 years
Designs and Models (1)	10 years
Other intangibles	5 to 20 years

(1) Corresponds to the regulatory useful life as stipulated in Decision 486 of the Andean Community of Nations, which corresponds to the maximum time in which the intangible asset can be exploited exclusively. Once this term has expired, any person may exploit it, generating an impact on the generation of economic benefits related to the asset and on the control thereof.

Gains or losses arising from derecognizing an intangible asset are measured as the difference between net income from the sale and the book value of the asset, and are recognized in the income statement when the asset is derecognized.

The Company and its subsidiaries record as expenses for the period all research costs, as well as any development costs where the technological and commercial feasibility thereof cannot be established.

i) Service Concession Agreements

The Company and its subsidiaries recognize an intangible asset to the extent that it receives a right to charge users of the public service. The right to make such charges is not an unconditional right to receive cash because the amounts are conditioned on the degree of use of the service by the public.

Determining the value of intangible assets:

In case of concessions where cash payment of constructed assets is not guaranteed, Promigas and subsidiaries recognize revenue and its contra entry, the intangible, in accordance with the following alternatives:

(a) Fair value of the intangible asset using a financial model.
(b) By reference to the independent sales price of the goods or services committed to the customer (or class of customer) in exchange for the consideration: cost plus margin.
(c) By reference to the stand-alone selling price of the goods or services committed to the customer (or class of customer) in exchange for the consideration: cost plus zero margin.

Given the above, Management defined that:

1) Alternatives a and b: Applies to those infrastructure projects that involve capacity expansion and guarantee the generation of additional future flows, will be recognized in accordance with the defined financial model, considering the expected future flows, as well as the uncertainties inherent to the valuation process or with a margin that remunerates in addition to the construction, any additional effort for its management. The Company shall document and disclose the judgments considered.
2) Alternative c: Those projects that do not entail capacity expansion or represent higher revenues will continue to be recognized under the cost plus zero (0) margin methodology. The replaced asset will be derecognized when applicable.

Useful Life

Promigas and its subsidiries have signed concession agreements with the Colombian state. The useful life of the assets associated with said agreements is determined by their duration. Although to date Promigas does not yet have any renewal for the agreements close to expiry, there is other evidence that allows us to conclude that these agreements will be renewed and has to do with the approval of the rates that will generate the revenue for the next 20 years. However, the compressor stations included in the assets under concession are segregated by component and are amortized over the useful life detailed below, without exceeding the term of the concession:

Gas pipelines and networks under concession	
Land under concession	In accordance with the concession
Buildings under concession	agreement of the asset.
Improvements on third-party property under concession	
Compressor Stations (Components)	**Years unless otherwise stated.**
Centrifugal compressors	
Turbine	30,000 machine hours (1)
Compressor	60,000 machine hours (1)
Reciprocating compressors	
Turbine	20,000 machine hours(1)
Compressor	40,000 machine hours (1)
Skid Valves	20
Ancillary Systems	
Cooling Units	20
Fire Protection Equipment	10
Unit Control Panel	5
Ancillary Equipment	

Fuel Gas Skid	20
Air Compressor Skid	10
Station Control Panel	5
Motor Control Center	20
Power Generator	10
Valves and Accessories	20
Major spare parts	Associated with the component (2)

(1) An equivalence is calculated by taking the percentage of utilization of each compressor station.
(2) When a major spare part is first recognized, it is assigned the useful life of the pipeline related to the last concession contract to expire. During the construction process this element will continue to be amortized with the useful life initially assigned and the value of the depreciation will be recognized as part of the construction activities. Once the construction process is completed and the major spare part is assigned to the asset for which it was acquired, the Company will proceed to review its useful life in accordance with the accounting policy - Changes in accounting policies, estimates and errors.

j) Inventories

Inventories are materials for the provision of services, measured at the lower of either the cost or the net realizable value. The cost includes the purchase price of inventories and other direct costs required to make them available for use. The cost of consumed inventories is determined by using the weighted average price method. The net realizable value is the estimated selling price in the ordinary course of business less trading and distribution expenses.

In-transit inventory
In-transit inventories must be recognized as of the date the Company assumes the risks and benefits inherent to their ownership.

Major or important spare parts as tangible assets or under concession
Items such as spare parts, reserve equipment and auxiliary equipment associated with property, pipelines, networks, plant and equipment or infrastructure under concession will be recognized as tangible assets or assets under concession when they meet the following criteria:

- They are associated with property, pipelines, networks, plant and equipment, have a useful life of more than one year and their unit value exceeds 372 UVT
- They are piplines
- They are elements with an amount greater than 372 UVT associated with gas pipelines, compressor stations and regulating stations

Otherwise, these items will be classified as inventories or expenses as appropriate.

k) Noncurrent Assets Held for Sale

Noncurrent assets are classified as held for sale if it is highly likely that their value will be recovered mainly by their sale and not by their continuous use. These assets are recorded by the lower of either its book value at the time of its transfer to this account or its fair value less estimated selling costs.

When classified as held for sale, intangible assets and property, pipelines, networks, plant and equipment are not amortized or depreciated, and the investees accounted for under the equity method are no longer accounted for under this method.

l) Prepaid Expenses

Prepaid expenses mainly comprise insurance, services and leases paid in advance, amortized monthly at the contractual term, through profit or loss.

Insurance - Insurance is recognized at cost; depreciation is calculated using the straight-line method to allocate the cost to profit or loss at the end of the term of the policy, i.e., one (1) year.

m) Leases

Lessor
Leases will be classified as finance lease when they transfer substantially all the risks and benefits inherent to the property. Otherwise they will be classified as operating leases.

The Company determines whether a lease is a finance or operating lease depending on the economic essence and nature of the transaction and not on the form of the contract.

Lessee
Leases are recognized as a right-of-use asset and a financial liability on the date the asset is leased and is available for use by the Entity. Each lease payment is allocated between the liability and the financial cost. The financial cost is recognized in the consolidated income statement during the lease period. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the end of the lease term, on a straight-line basis.

Assets and liabilities arising from a lease are initially measured based on the present value using, in the first place, the corporate rate sent by Corficolombiana; if this rate is not available, the Company and its subsidiaries use a market rate.

Lessors that are both manufacturers or distributors of the leased goods
In cases where the Company acts as lessor and at the same time as manufacturer or distributor of the leased goods, it will recognize the proceeds of the sale under the guidelines of IFRS 15.

n) Taxes

Income Tax
The tax expense or income comprises the current and deferred income tax for the period.

Current and deferred taxes are recognized as income or expense and are included in profit or loss, except when related to items recognized in other comprehensive income or directly in equity, in which case, the current or deferred tax is also recognized in other result comprehensive income or directly in equity, respectively.

Current Taxes
Current tax is the amount payable or recoverable for current income tax. It is calculated based on the tax laws enacted as of the date of the consolidated statement of financial position. Management periodically evaluate positions taken in tax returns with respect to situations where tax laws are subject to interpretation and, if necessary, makes provisions on the amounts expected to be paid to the tax authorities.

To determine the provision of income tax, the Company and makes its calculations based on the higher value between taxable income and presumptive income (minimum return on equity last year that the law presumes to establish the income tax).

The Company only offsets current income tax assets and liabilities if it has a legal claim against the tax authorities and intends to settle the resulting liabilities on a net basis, or realize the assets and settle the liabilities simultaneously.

Deferred Taxes
Deferred tax is recognized using the liability method, determined on temporary differences between the tax bases and the book value of assets and liabilities included in the financial statements.

Deferred tax liabilities are the amounts payable in the future as income tax related to taxable temporary differences, while deferred tax assets are the amounts to be recovered by way of income tax due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. Temporary difference is understood as the difference between the book value of assets and liabilities and their tax base.

Deferred tax liabilities arising from taxable temporary differences are recognized in all cases except if:

- They arise from the initial recognition of capital gains or an asset or liability in a transaction that is not a combination of business and that on the date of such transaction neither the accounting result or the taxable income is affected.

- They correspond to differences associated with investments in subsidiaries, associates, and joint ventures, when the Company can control the reversal opportunity of temporary differences and such temporary differences are unlikely to be reversed in the near future.

- In the case of the recognition of deferred tax liabilities for temporary differences related to investments in associates when the intention to sell the investment is not expected in the foreseeable future, only deferred tax liabilities will be recognized for the existence of undistributed earnings that may generate dividends taxed in the foreseeable future and for which there is no agreement that sets forth the non-distribution of taxed dividends.

Deferred tax assets arising from deductible temporary differences are recognized provided that:

- Future taxable incomes against which the temporary differences may be offset are likely to be available, except in those cases where the difference arise from the initial recognition of assets or liabilities in a transaction that is not a combination of business and that on the date of such transaction neither the accounting result or the taxable income is affected.

- Correspond to temporary differences associated with investments in subsidiaries and affiliates, and interests in joint ventures, when the temporary differences are likely to be reversed in the near future and positive future tax gains are expected to offset such differences.

  Deferred tax assets that fail to meet the above conditions are not recognized in the consolidated statement of financial position. The Company reconsiders at the end of the reporting period whether the conditions are met to recognize deferred tax assets that had not previously been recognized.

Tax planning opportunities are considered in the recovery assessments of deferred tax assets only if the Company intends to adopt them or will likely adopt them.

Deferred tax assets and liabilities are estimated using the tax rates applicable for the period where asset realization is expected or liabilities are going to be paid, based on the regulations enacted or expected to be enacted, and after considering the tax consequences that arise from the way in which the Company expects to recover assets or settle liabilities.

Considering the increase in the income tax rate from 31% in the year 2021 to 35% applicable from the year 2022, as provided by Act 2155 of 2021 (Social Investment Act), the Company made the remeasurement of deferred tax in application of paragraphs: 46 ,47 and 80 of IAS 12. The corresponding effect was recorded in the retained earnings account of prior years in equity in accordance with the provisions of Decree 1311 of 2021.

Decree 2617 of December 29, 2022, establishes for a single time, as alternative to recognize for accounting purposes through the accumulated results of previous years in equity, the variation in the deferred income tax derived from the change in the occasional income tax rate, for the taxable period 2022, as established in Act 2277 of 2022.

The Company offsets deferred tax assets and liabilities over current income when there is a legal right with tax authorities and those assets and liabilities relate to the same tax authority.

Offset deferred tax assets and liabilities are recognized in the consolidated statement of financial position as noncurrent assets and liabilities regardless of the expected date of realization or settlement.

o) Provisions

A provision is recognized if it is the result of a past event, the Company and its subsidiaries have a legal or implicit obligation that can be estimated reliably, and an outflow of economic benefits to settle the obligation is probably necessary. Provisions are determined by discounting the cash flow expected in the future from the pre-tax rate that reflects the current market assessment of the value of money over time and the specific risks of the obligation.

Dismantling and Removal Costs

The best estimate of the provision for the cost of dismantling and removing an item or restoring the site where it is located is recognized when there is an obligation. The estimate is based on a current obligation (legal or implied) arising from the purchase, construction or development of a long-term asset. If it is unclear whether a current obligation exists, the entity may assess the evidence under the most likely threshold. This threshold is assessed in relation to the settlement risk of the obligation.

"Environmental Obligations" Provision

The Company and its subsidiaries must periodically review the existence of environmental obligations resulting from new and existing projects. The estimate to be recorded will be the best estimate of the disbursement necessary to settle the present obligation.

Insofar as environmental costs are costs necessary for an asset to function as expected by management, they are recorded as a higher value than the asset that originates them.

The provision is updated periodically through profit or loss.

Pipeline Inspection Provision (through SMARTPIG)

By regulation, the Company and its subsidiaries that have signed concession contracts with the Colombian Statemust perform inspections on the infrastructure to determine the maintenance plan to follow; therefore, the amount required for such inspection is annually estimated and debited from profit and loss account. The estimate is determined as follows:

- First, take the value paid under this item (part of this value is in United States dollars and another part in pesos).
- The part of the value paid in United States dollars is indexed with projections of the CPI (consumer price index) in the United States and then converted into pesos with the exchange rate projected for the date of the next inspection. The part payable in pesos is indexed with projections of the CPI in Colombia.

- Macroeconomic projections are reviewed at the beginning of each year, or at the Companies' discretion if they determines any volatility in the variables used, to adjust the provision.

For reasons of good practices, the Company and its subsidiaries carry out these inspections of its own infrastructure; however, the cost of the inspection is recognized in the carrying amount of the item property, plant and equipment as a replacement at the time of its realization, if the conditions for its recognition are satisfied.

p) Impairment

Financial assets

The Company and its subsidiaries apply the impairment model for Expected Credit Loss (ECL). Under this scheme, the Company and its subsidiaries have developed a provision determination model based on the historical loss experiences of the Company and its subsidiaries, taking into account the days in default, and a simplified projection model for macroeconomic factors that affect the industry of each Company.

This model requires the recognition of a reserve due to the weighted probability in the default of payment since the granting of the loan, for which considerable judgment is applied regarding how changes in economic factors affect the ECL, which will be determined on a weighted average basis. The impairment model is applicable to the following financial assets that are not measured at FVTPL:

- Investments in debt securities.
- Commercial accounts receivable.
- Other accounts receivable.

Non-financial assets

Impairment tests will be conducted when there are signs that the book value of a non-financial asset may exceed its recoverable amount (other than inventories, contract assets and deferred income tax assets). The recoverable amount of an asset is the higher of either its fair value minus disposal costs or its use value. The Company and its subsidiaries will assess at the end of the period whether there are any signs of impairment on the asset. If any, the Company and its subsidiaries would estimate the asset impairment.

Corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, the recoverable amount is determined for the cash-generating unit to which the corporate asset belongs.

Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash-generating units are firstly distributed to reduce the carrying amount of any goodwill distributed to the units and then to reduce the carrying amount of other assets in the unit (unit groups) on a pro rata basis.

An impairment loss with respect to capital gains is not reversed. With respect to other assets, impairment losses recognized in prior periods are evaluated at the end of each reporting period, seeking any indication that the loss has decreased or disappeared. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that would have been determined net of depreciation or amortization and if no impairment loss has been recognized.

Capital gains that are part of the book value of an investment in a subsidiary in accordance with Act 222/1995 are not recognized separately and, consequently, no impairment tests are applied separately. Instead, the total amount of the investment is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

q) Revenue from contracts with customers

The Company and its subsidiaries recognize revenues from contracts with customers based on a five-step model:

- *Step 1 Identify the contract(s) with a customer*: A contract is defined as an agreement between two or more parties, which creates rights and enforceable obligations and establishes criteria that must be met for each contract. Contracts can be written, verbal or implicit through the customary business practices of a company.
- *Step 2. Identify the performance obligations in the contract:* A performance obligation is a promise in a contract with a customer for the transfer of a good or service to the latter.
- *Step 3. Determine the transaction price:* The transaction price is the amount of the payment expected to be entitled to in exchange for the transfer of goods or services promised to a customer, without considering the amounts received on behalf of third parties.
- *Step 4. Allocate the transaction price to the performance obligations in the contract:* In a contract with more than one performance obligation, the transaction price is allocated among the performance obligations in amounts that represent the amount of consideration to which the Company and its subsidiaries expect to be entitled in exchange for meeting each performance obligation.
- *Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.*

A performance obligation is met and recognizes the revenues over time, if one of the following criteria is met:

a) The Company and its subsidiaries' performance does not create an asset with an alternative use, and there is an enforceable right to pay for the performance completed to date.
b) The Company and its subsidiaries' performance creates or improves an asset that the customer controls as it is created or improved.
c) The customer at the same time receives and consumes the benefits that result from the performance as it works.

For performance obligations where none of the indicated conditions is met, the revenue is recognized when the performance obligation is met.

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When the Company and its subsidiaries meet a performance obligation by delivering the promised goods or services, they create a contractual asset for the amount of the consideration obtained with the performance. When the amount of the consideration received by a customer exceeds the amount of the recognized revenue, this generates a contractual liability.

Revenue is measured based on the consideration specified in the contract with the customer, and excludes the amounts received on behalf of third parties. The Company and its subsidiaries recognize revenue when they transfer control over a good or service to a customer. The revenue is presented net of the value added tax (VAT), reimbursements and discounts.

The Company and its subsidiaries evaluate their revenue plans based on specific criteria to determine whether to act as principal or agent. Revenue is recognized to the extent that the economic benefits are likely to flow to the Company and its subsidiaries and if revenues and costs, if any, are likely to be reliably measured.

Below is a description of the main activities through which the Company and its subsidiaries generate revenue from contracts with customers:

Utilities

The contracts between a customer and the Company for the provision of utilities for the distribution and transportation of gas and the distribution of energy establish the rates and terms of the service. The Company and its subsidiaries determined that their obligation to distribute or transport gas represents a single performance obligation, which is met over time (in the term of the contract it represents a series of defined goods that are substantially the same and have the same transfer pattern to the customer).

Some contracts include multiple deliverables, such as the installation of connections or repairs, which are accounted for as separate performance obligations. The transaction price is assigned to each performance obligation based on the individual rates (regulated rates). If the contracts include the installation of goods, the revenue of the goods is recognized at the moment in time when the goods are delivered, the legal title is transferred and the customer has accepted said goods.

Operation and construction services (Concessions)

In the Service Concession Agreements, the Company and its subsidiaries determine that their performance obligations (construction, operation and maintenance) have been met over time and measure their progress in the activation of the project. The Company and its subsidiaries consider the nature of the products or services provided and the terms of the contract, such as the right to cancellation, rights to demand or withhold payments, and the legal title to work in a process to determine the best method of input or output to measure the progress toward compliance with a performance obligation.

The Company and its subsidiaries apply a single method to measure progress in each performance obligation within a contract. The method can be input (cost incurred, hours worked) or output (units produced, goals achieved).

The estimates of revenues, costs or degree of progress towards completion are reviewed if circumstances change. Any increase or decrease in estimated revenues or costs is reflected in the consolidated statement of comprehensive income in the period in which management learned of the circumstances that led to the review.

Non-bank financing and finance leases

Revenues from non-bank financing and accounts receivable from finance leases are recognized through profit or loss at amortized cost, using the effective interest method described in IFRS 9. However, the Company and its subsidiaries also gain revenues that contain components found in IFRS 15, such as charging fees.

r) Sale of assets

Revenues from sale of assets are recorded when the significant risks and benefits pertaining to the ownership of the assets have been transferred to the buyer, generally when delivering said assets.

s) Financial Revenues and Costs

It mainly includes revenues and/or expenses for the update of the financial asset associated with the concession, which is periodically updated through profit or loss. Additionally, the interest revenues and expenses are included, which are recognized using the effective interest method and the exchange difference.

t) Recognition of Costs and Expenses

The Company and its subsidiaries recognize their costs and expenses as economic events occur in such a way that they are systematically recorded in the corresponding accounting period (accrual), regardless of the flow of monetary and financial resources (cash).

An expense is immediately recognized when a disbursement does not generate future economic benefits or when it fails to meet the necessary requirements for recognition as asset.

u) Earnings per Share

Promigas and its subsidiaries present information of basic earnings per shares of its common shares. Basic earnings per shares are estimated by dividing the result attributable to the Company and its subsidiaries' common shares by the weighted average of common shares outstanding during the period, adjusted by the Company's own maintained shares.

v) Operating Segments

The information by segment is presented consistently with the internal reports provided to those responsible for relevant operating decision-making. The following segments are considered for the financial statements.

- Gas transportation.
- Distribution and sale of gas and energy.
- Integrated services for the industry
- Non-bank financing

Senior Executives regularly review the results of the segments and evaluate the results of each operation and the resources that must be allocated.

5. RISK MANAGEMENT

The Companies are exposed to a variety of risks, including market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, liquidity risk, operational and legal risks, which are managed depending on their nature.

a. Risk Management Framework

The Companies' Boards of Directors are responsible for establishing and supervising the risk management structure of Promigas.

The Companies' risk management policies are provided in order to identify and analyze the risks faced, set limits and appropriate risk controls, and monitor risks and adherence to limits. Policies and risk management systems are reviewed regularly to reflect changes in market conditions and activities of Promigas and its subsidiaries.

The Companies, through management standards and procedures, aim to develop an environment of disciplined and constructive control where all employees understand their roles and obligations.

b. Market Risk:

1. Macroeconomic Factors

The main macroeconomic factors that impact the financial results of Promigas and its subsidiaries are devaluation, inflation and interest rate.

Operating revenues until August were generated through fees that were indexed in US dollars, transport service invoices were issued in Colombian pesos and settled with the exchange rate at the time of invoice, while 95% of costs are in Colombian Pesos. Therefore, the exchange rate variation could have a positive or negative impact on income.

The exchange rate exposure was mitigated by the contracting of financial hedging instruments (Forwards), which are contracted provided that future United States dollar sale rates are greater than or equal to the macroeconomic bases budgeted by the Companies.

As of the entry into force of CREG Resolution 175 of October 8, 2021, which establishes the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System, the remuneration of investments is changed from U.S. dollars to pesos.
With respect to inflation, IBR and DTF and other interest rates, the Companies are exposed given that most of the debt is indexed to these macroeconomic indexes. The risk for these variables is mitigated by maintaining a permanent monitoring, which allows timely decision making, maintaining or refinancing existing credits or contracting new obligations, always seeking, where possible, to minimize financial costs.

2. *Vulnerability to Changes in Interest Rates and Exchange Rates*

Fluctuations in interest rates may negatively or positively affect the Companies; however, to mitigate any negative impact that may arise, each and every financial obligation is contracted without prepayment penalty in order to benefit in the event of falls in market rates.

As for the vulnerability to exchange rates, each project is analyzed independently to determine its exposure and the strategy to be implemented, which could be through the contracting of derivatives or the implementation of hedge accounting. For example, asset accounts held in foreign currency can be hedged naturally with financing in the same currency. Financial liabilities or accounts payable in foreign currency that do not have natural hedging with an active account may be hedged by the contracting of derivatives or by accounting derivatives. The measures implemented seek to minimize exchange rate risk.

3. *Risk of Variation in the Exchange Rate of Foreign Currency:*

The Companies are exposed to variations in the exchange rate produced by transactions in several currencies, mainly in US Dollars. The risk of variation in the exchange rate of foreign currency arises from assets, liabilities, revenues, costs and some recognized expenses.

Assets, liabilities and transactions denominated in foreign currency are those made in currencies different from each Company's functional currency. As of December 31, 2022 and 2021, assets and liabilities denominated in foreign currency for the consolidated companies are:

	2022			2021		
In thousands	**US Dollars**	**Soles**	**Colombian Pesos**	**Dollars**	**Soles**	**Colombian Pesos**
Assets						
Cash and cash equivalents	766	30,519	875,539	5,461	10,032	75,724,046
Investments in debt securities at fair value	-	-	16,198,038	-	-	5,523,316
Financial assets from loans and receivables at amortized cost	56,322	170,725	273,297	84,054	162,575	-
Other receivables	-	-	4,106,815			
Other assets	-	120,556	25,801	19,880	78,894	2,720,238
Total assets	**57,088**	**321,800**	**21,479,490**	**109,395**	**251,501**	**83,967,600**
Liabilities						
Liabilities	(243,022)	(175,988)	(22,390,961)	(302,588)	(245,503)	(24,598,535)
Total liabilities	**(243,022)**	**(175,988)**	**(22,390,961)**	**(302,588)**	**(245,503)**	**(24,598,535)**
Net asset (liability) position	**(185,934)**	**145,812**	**(911,471)**	**(193,193)**	**5,998**	**59,369,065**

Hedge Accounting

The Company and its subsidiaries, through their risk strategy, aim to cover the risk exposure of its financial items caused by the variation in the USD/COP exchange rate and prices in the electricity market, which include:

- Existing financial liabilities in foreign currency that are updated to their equivalent in U.S. dollars using the closing rates
- Cost of energy attributed to the variation in the price of energy at the time of purchase in the Electricity Market.
- Accounts payable in U.S. dollars associated with photovoltaic energy projects.

The effects of the aforementioned transactions are recognized in profit or loss and to mitigate them the Company and its subsidiaries take hedging positions through forward non-delivery contracts, designating cash flow and fair value hedges and thus avoid the impact on the budget of revenue, expenses and cash flows.

To hedge the exchange difference for financial liabilities, forwards are contracted by agreeing a fixed exchange rate until the time of their cancellation, mitigating the impacts on the results of the period.

To hedge the cost of energy in the electricity market, energy futures are contracted at fixed prices to mitigate the price variation. The changes in the cash flow of the future contract offset the changes in the energy price in the electricity market.

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To hedge the accounts payable in U.S. dollars associated with the photovoltaic energy projects, forward contracts are taken out to fix the project's cash flow.

Hedging instruments are periodically valued, reflecting the hedged position with changes in other comprehensive income or in profit or loss for the period, for cash flow and fair value hedges, respectively.

To measure the expected efficiency at the beginning of the hedge and during the term of the hedge, the Mark to Market - MtM valuation and the Dollar Offset methodology are used under an efficiency range of 80 to 125 percent.

a) Price Risk

Companies in the regulated business of gas transportation and distribution have a selling price directly established by the government through the Energy and Gas Regulatory Commission (CREG) and for fixed periods; therefore, such companies do not have fluctuation risks. Price changes are generated in times of rate recalculations when the CREG defines the methodology and variables to be included in the respective calculation.

b) Credit Risk

Promigas S.A. E.S.P., Surtigas S.A. E.S.P., Gases de Occidente S.A.S E.S.P., Compañía Energética de Occidente S.A. E.S.P. and Gases del Pacífico S.A.C., through its non-bank financing Program – Brilla, are exposed to credit risk, which consists of the debtor causing a financial loss for not fulfilling its obligations. Credit risk exposure arises as a result of activities of the Brilla business and transactions with counterparties that lead to financial assets, executed by gas and energy distributors where the program runs.

The maximum exposure to credit risk is the amount of the commitments, reflected in the book value of financial assets and in the Companies' consolidated statement of financial position.

The principles and rules for managing and approving the Brilla credit are stated in the Non-Bank Financing Policy. The evaluation criteria to control credit risk follow the guidelines provided by Non-Bank Financing Policy and the Brilla Executive Committee.

The maximum credit authority is the Brilla Executive Committee, which guides the general policy and has the power to establish the credit limits for each distributor that handles credit requests and is responsible for the analysis, monitoring and results.

The Companies calculate the portfolio impairment considering the expected loss applied to standard IFRS 9. For monitoring and measuring the portfolio, the Companies have the indicator of non-performing loans more than 90 days past due. Monthly monitoring of the portfolio is conducted based on the analysis of nonperforming loans by age.

By the end of each reported period, the Companies assess whether there is any objective evidence of an impaired financial asset or group thereof. A financial asset or group thereof is considered impaired only if there is objective evidence of impairment as a consequence of one or more events occurring after the initial recognition of such asset (an "event causing the loss"), and if such event causing the loss has an impact over future estimated cash flows of the financial asset, which can be reliably estimated.

Objective evidence of impairments may include signs of debtors or group thereof having significant financial difficulties, nonpayment of or default in principal or interest payments, the likelihood of entering bankruptcy or other form of financial reorganization, and when observable data indicate that there is a measurable decrease in future estimated cash flows, such as adverse changes in the status of overdue payments or in the financial conditions that correlate with defaults.

To determine the impairment of financial assets, the Company and its subsidiaries use the quantification of incurred losses, which considers three basic factors: exposure, probability of default and severity, as follows:

- Exposure is the amount of risk at the time of the counterparty default.
- Probability of default is the likelihood that the counterparty defaults on its obligations of principal and/or interest payments. Probability of default is associated with the rating/scoring of each counterparty/transaction.
- Severity is the estimate of the loss if default occurs. It mainly depends on the counterparty's characteristics and the appraisal of guarantees or collaterals associated with the transaction.

If in subsequent periods a recovery of the financial asset's value at amortized cost were evident, the loss due to impairment would be reversed. Such reversal will be limited to the book value the financial asset would have had should the loss due to impairment had not been recorded. The record of the reversal is recognized through profit or loss.

For purposes of the portfolio impairment analysis, Promigas and it subsidiaries arranged a segmentation that allows identifying the common characteristics in the accounts receivable of the same group and heterogeneous characteristics among the accounts receivable from different groups. This segmentation is as follows:

- Gas receivables
- Energy receivables
- Non-bank financing
- Other receivables.

Definition of loss for group analysis: Loss is defined as the amount not recovered given the maximum term of expected life to obtain recoveries. Promigas and its subsidiaries have defined as loss the sum of:

- Accounts receivable written off during the 12-month time window
- Value not recovered from the account receivable during the 12-month window.

In order to define the stage of the portfolio, Promigas and its subsidiaries have defined the following guidelines:

Credits are classified in each stage considering the following definitions:

Stage 1: All credits that have less than 30-days default.
Stage 2: All credits that have between 30 and 89-days default.
Stage 3: All credits that have 90-days default or more.

All credits that have 360-days default will have 100% provision.

Provision ratios to be applied to the portfolio include scenario analysis and forward-looking information.

In order to determine whether the portfolio risk has not significantly increased, an analysis is performed based on the following aspects:

- Quantitative aspects – Considering that the internal management of the Companies does not consider a rating model to differentiate customers, the transition of stages through the measurement of the probability of default lifetime is not considered.
- Qualitative aspects - Qualitatively, transitions between stages are considered by the refinancing concept according to the classification of refinanced, standardized or classification withdrawal.
- Backstops - The transition between Stages is mainly done by the "Backstops" (arrears) defined in Promigas and subsidiaries' policy.

Promigas and its subsidiaries have defined a term of default of 12 months to proceed with the portfolio write off. In addition, there must be evidence of the portfolio management carried out with the customer.

Portfolio Concentration

Considering the user segments targeted by the Brilla program, credit limits are assigned based on the criteria established in the Non-Bank Financing Policy and are increased annually according to the behavior of the CPI in the country. In 2022, average quotas of $2,975,000 were assigned for strata 1 to 3 and an average of $4,770,000 for strata 4 to 6. The past-due portfolio indicator is monitored by locality to control portfolio impairment.

As of December 31, 2022, the Brilla portfolio of Promigas decreased YoY by 24%, considering the natural behavior of the portfolio as Promigas does not actively fund loan operations, and with respect to the funded line, the distributors are collecting the portfolio that is pending collection.

a) Liquidity Risk

Liquidity risk is related to the inability of meeting obligations to creditors, for which purpose the Companies review its available resources on a daily basis. With the information obtained, the Company determines the liquidity needs and makes the relevant decisions to define the excess liquidity placement strategy, seeking to optimize profitability and minimize concentration risk.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

b) Interest Rate Risk

The Companies are exposed to effects of market fluctuations in interest rates that affect its financial position and future cash flows.

Therefore, the Companies periodically review the conditions of financial obligations to analyze whether hedges need to be replaced, prepaid or managed. 100% of the financial obligations are contracted without prepayment penalty clauses in order to have benefit in cases of drops of market rates.

Promigas and its subsidiaries contract loans indexed to DTF, CPI, UVR, IBR, Libor, SOFR and Fixed Rate; in addition, issues of ordinary bonds in COP are indexed to the CPI UVY and issues in USD at a fixed rate. Consolidated financial debt as of December 31, 2022 consisted of 31.94% Fixed, 29.82% IBR, 21.43% CPI, 5.53% UVR, 6.44% Libor, 4.04% SOFR and 0.80% DTF.

The sensitivity of the net result of fluctuations of interest rates is detailed in the table below:

IBR fluctuation effects:

Variable	Scenario	Rate	Impact		Value
	Low	15.90%	Net Income /Equity	$	(16,190,707)
IBR	Medium	16.90%	Net Income /Equity		
	High	17.90%	Net Income /Equity	$	16,190,707

DTF fluctuation effects:

Variable	Scenario	Rate	Impact		Value
	Low	9.65%	Net Income /Equity	$	(428,120)
DTF	Medium	10.65%	Net Income /Equity		
	High	11.65%	Net Income /Equity	$	428,120

For the above sensitivity, we start from the medium scenario, which is the real scenario. For the low and high scenarios, a fluctuation of the devaluation in more or less 100 basic points and a 40% tax rate are considered. The result will be reflected through profit or loss on the following periods.

CPI fluctuation effects:

Variable	Scenario	Rate	Impact		Value
	Low	15.33%	Net Income /Equity	$	(14,638,782)
CPI (1)	Medium	16.33%	Net Income /Equity		
	High	17.33%	Net Income /Equity	$	14,638,782

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

(1) Includes effect of UVR variation correlated with the CPI variation as a consequence of the issuance of local ordinary bonds indexed in UVR.

For the above sensitivity, we start from the medium scenario, which is the real scenario. For the low and high scenarios, a fluctuation of the devaluation in more or less 100 basic points and a 40% tax rate are considered, with respect to the medium scenario.

Libor fluctuation effects:

Variable	Scenario	Rate	Impact		Value US $
	Low	6.06%	Net Income /Equity	$	(727)
Libor	Medium	7.06%	Net Income /Equity		
	High	8.06%	Net Income /Equity	$	727

For the above sensitivity, we start from the medium scenario, which is the real scenario. For the low and high scenarios, a fluctuation of the devaluation in more or less 100 basic points and a 40% tax rate are considered, with respect to the medium scenario.

SOFR fluctuation effects:

Variable	Scenario	Rate	Impact		Value US $
	Low	5.84%	Net Income /Equity	$	(456)
SOFR	Medium	6.84%	Net Income /Equity		
	High	7.84%	Net Income /Equity	$	456

For the above sensitivity, we start from the medium scenario, which is the real scenario. For the low and high scenarios, a fluctuation of the devaluation in more or less 100 basic points and a 40% tax rate are considered, with respect to the medium scenario.

6. DETERMINING FAIR VALUE

Some of the Company and its subsidiaries' accounting policies and disclosures require fair value measurement of both financial and non-financial assets and liabilities.

The Company and its subsidiaries have established a control framework regarding the measurement of fair values. This includes the finance team, which has the overall responsibility for the supervision of all significant fair value measurements.

Fair value of assets and liabilities traded in active markets (such as financial assets in debt and equity securities and derivatives actively traded in securities exchange or interbank markets) is based on market prices quoted at the end of the trade on the reporting period closing.

An active market is a market where transactions for assets or liabilities are carried out with the required frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques permitted by the IFRS that are in line with those established by the Financial Superintendence. Promigas and its subsidiaries use a variety of methods and assume that they are based in market conditions existing on the closing date of each period. The valuation techniques used for forwards include the use of recent similar transactions in equal conditions, references to other substantially similar instruments, discounted cash flow analysis, option pricing models and other valuation techniques commonly implemented by market participants that make the most of market data and rely as little as possible on entity specific data. The fair value of non-current assets held for sale is determined by independent experts using the replacement cost method minus damages.

Promigas and its subsidiaries develop internal financial models to measure instruments that lack active markets, which are based on generally accepted valuation methods and techniques standardized for the different objects. Under this practice, Promigas and its subsidiaries have estimated the fair value of the financial asset that arises in pipeline concession agreements according to IFRIC 12 - Service Concession Arrangements, and in its estimate by not having observable market transactions or market information. Such markets must estimate the price of an ordered transaction to sell the asset or transfer the liability between market participants on the date of the measurement under current market conditions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques used may not fully reflect every factor relevant to the positions of the Companies. Therefore, valuations are adjusted, if necessary, to allow additional factors, including model, liquidity and counterparty risks.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined based on the lowest level input that is significant to the entire measurement of the fair value. For such purpose, the importance of an input is assessed with respect to the measurement of fair value in its entirety. If a measurement of fair value uses observable inputs that require significant adjustments based on unobservable inputs, such measurements is a Level 3 measurement. The evaluation of the importance of a particular input for the measurement of fair value in its entirety requires judgment, considering factors specific to the asset or liability.

Determining what constitutes "observable" requires significant judgment by the Companies. Promigas and its subsidiaries consider observable data any market data that is already available, that is distributed or updated regularly, that is reliable and verifiable, that has no property rights, and that is provided by independent sources that actively participate in the reference market.

Fair Value Estimate of Financial Assets under Concession

Promigas and its subsidiaries designate at fair value through profit or loss the group of financial assets related to concession contracts governed by the petroleum law due to the contractual nature of the asset, taking into account that the Government will exercise the purchase at the end of the contract at its fair price in accordance with Article 51 of the Petroleum Code. In order to determine fair value the income approach is applied. Discounted cash flows correspond to the residual value (perpetuity) of the cash flows generated by the assets under concession, i.e., the estimated flows that such assets would generate from the end of the concession onwards; subsequently, the value of the financial asset will be adjusted in each period; this adjustment will be made considering once again changes in the assumptions made in the company discount rate (WACC) and the new horizon of the end of the concession.

Below is the sensitivity of the fair value of the financial assets under concession measured at fair value through the following variables for the low and high scenarios with a variation of plus or minus 10 basis points:

Impact earnings before taxes	**High**	**Low**
		Figures in millions
Discount Interest Rates	(102,764)	107,134
Gradual growth into perpetuity	66,002	(63,736)
		%
Discount Interest Rates	(6.6%)	6.9%
Gradual growth into perpetuity	4.3%	(4.1%)

The valuations of financial assets are considered at level III of the hierarchy in the measurement of fair value

Fair Value Measurements on a Recurring Basis

Fair value measurements on a recurring basis are those that the CFRS require or allow in the consolidated statement of financial position at the end of each accounting period.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following table analyzes, within the fair value hierarchy, the assets and liabilities (by class) of Promigas and its subsidiaries measured at fair value on a recurring basis as of:

		December 2022		December 2021	
		Level 2	**Level 3**	**Level 2**	**Level 3**
Assets					
Hedging operations receivable	$	3,553,105	-	570,681	-
Debt instruments through profit or loss (1)		8,552,846	-	-	-
Certificates and marketable fixed-income securities (1)		60,967,383			
Equity instruments through profit or loss (1)		268,721,736	-	240,735,880	-
Financial instruments at fair value through profit or loss (1)		300,000	-	300,000	-
Equity instruments through OCI (1)		24,089,337	-	18,107,576	-
Financial assets of concession contracts in Colombia (1)		-	3,507,231,208	-	3,228,479,772
Investment properties		9,315,332	-	9,259,620	-
	$	375,499,739	3,507,231,208	268,973,757	3,228,479,772
Liabilities					
Creditors for hedging liability position	$	700,647	-	4,079,960	-

(1) See note 8.

Promigas and its subsidiaries have no assets or liabilities categorized in Level 1, considering that for an asset or liability to be categorized in Level 1, its values must be based on quoted prices in active markets.

Financial instruments not traded in active markets, but valued according to quoted market prices, broker quotes or alternative price sources supported by observable inputs, are categorized in Level 2. Derivatives from foreign currency and free sale derivatives hedging contracts are included. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, the valuations may be adjusted to reflect illiquidity or non-transferability, which are generally based on available market information.

When a price for an identical asset or liability is unobservable, an entity shall measure the fair value suing another valuation technique that maximizes the use of relevant observable input data and minimizes the use of unobservable input data. Given that fair value is a market-based measurement, it is measured using assumptions that market participants would use to fix the price of the asset or liability, including risk assumptions. These financial instruments are categorized in Level 3. In this level 3 fair value hierarchy is the financial asset recognized at fair value for the obligation to sell the residual interest of the infrastructure at the end of the concession contracts.

Assets reflected in the Company and its subsidiaries' consolidated statement of financial position correspond to the financial asset of the unconditional contractual right to receive from the Colombian State or from an entity under its supervision cash or other financial asset for the construction services of the pipelines and networks under concession by the end of the term of the concession agreements, the payment of which the State has little or no ability to avoid, as the agreement is enforceable by law. Promigas and its subsidiaries recognize an intangible asset by the consideration for the construction services.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Management has decided that the best option to measure the fair value of the financial asset is free discounted cash flow, as it reflects current market expectations on future amounts that constitute the fair value of the concession to be negotiated with the State, once completed or renewed.

The assumptions for calculating the financial asset were:

- The financial asset is calculated considering the date of termination of the respective concession agreement.
- Promigas and come of its subsidiaries made proportional calculations for the completion of each current concession agreement.
- Only operating cash flows of these assets under concession were considered. Below are the components of the calculation:
  - Free cash flow generated exclusively by assets under concession
  - Concession expiry period
  - Perpetuity value of Free Cash Flow (FCF) for year n
  - Current value discounted of WACC residual value[(1)]
  - Financial Revenue: Annual adjustment of the value of the financial asset

    [(1)] Nominal WACC (Weighted Average Cost of Capital) calculated under the CAPM, which is updated periodically.

Significant unobservable input data used for measuring the fair value of the financial asset for the assets under concession in Colombia are: operating revenues, costs and expenses and investments pertaining exclusively to the assets under concession, and the WACC formula intended to take into account the sources of capital used and their share in the total capital of the Company, to determine the average cost of procuring equity capital resources and financial debt. Increases (decreases) in any of these input data considered independently would result in a fair value measurement significantly lower (greater). Generally, a change in the assumption used to project revenues is reflected accordingly in the measurement of the financial asset and with an opposite change in the assumption of costs and expenses.

Promigas and its subsidiaries periodically review the Level 3 valuations and consider the appropriateness of the inputs of the valuation model and the result of the valuation using several industry standardized valuation methods and techniques. In selecting the most appropriate valuation model, the Company and its subsidiaries conduct the tests once again and consider which are the results of the model that historically are more in line with actual market transactions.

		Financial assets under concession
Balance as of December 31, 2020	$	2,958,385,088
Fair value adjustments through profit or loss		270,094,684
Balance as of December 31, 2021	$	3,228,479,772
Fair value adjustments through profit or loss		278,751,436
Balance as of December 31, 2022	$	3,507,231,208

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

7. CASH

Cash is broken down as follows:

		December 2022	December 2021
In local currency			
Cash	$	198,266	244,822
Banks (1)		1,536,883,746	247,526,922
		1,537,082,012	247,771,744
In foreign currency			
Cash		462,088	313,021
Banks (1)		191,471,147	179,763,900
		191,933,235	180,076,921
Total	$	1,729,015,247	427,848,665

(1) As Below is the breakdown of the credit quality of the main financial institutions where the Company and its subsidiaries keep cash funds, as determined by independent risk rating agencies:

Credit Rating		December 2022	December 2021
AAA	$	1,599,699,117	352,566,691
AA+		70,234,285	22,981,047
A+		12,187,979	6,174,026
BBB+		46,233,512	45,569,058
	$	1,728,354,893	427,290,822

There are no restrictions on the use cash by Promigas and its subsidiaries.

 (Continues)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

8. FINANCIAL ASSETS AT FAIR VALUE

The balance of financial assets at fair value is as follows:

		December 2020	December 2019
Current portion			
Debt instruments through profit or loss	$	338,241,965	240,735,880
Valuation of forward contracts (1)		6,143,830	428,441
	$	344,385,795	241,164,321
Non-current portion			
Equity instruments through profit or loss	$	300,000	300,000
Equity instruments through OCI		24,089,337	18,107,576
Financial assets under call option Colombian State (2)		3,507,231,208	3,228,479,772
Valuation of hedging derivatives		1,798,903	-
	$	3,533,419,448	3,246,887,348

(1) Derivative instruments - Hedging derivatives:

Description of the type of hedge: Non-delivery sales cash flow hedge FWDs of a group of highly probable expected transactions (TEAP) related to Transportation Revenues; and FWD Non delivery purchase cash flow hedges of a group of TEAP related to purchases in Energy Services projects. All Transportation Revenue hedges settled due to tariff translation to pesos.

Description of financial instruments assigned as hedging instruments: hedging cash flow of a group of highly probable forecasted transaction.

Description of the nature of the hedged risks: Risk of change in the amount of cash flows associated with the portion of gas transportation revenues denominated in USD and settled in COP. Risk of change in the amount of cash flows associated with the portion of gas distribution costs denominated in USD and settled in COP. Risk of change in the amount of cash flows associated with invoices for equipment purchases in Energy Services projects denominated in USD and recorded in COP. These risks are attributable to fluctuations in the COP-USD parity.

Description of the periods in which the expected cash flows occur and fair value: As of December 31, 2022, the Company and its subsidiaries have contracted 54 forwards with a weighted average of agreed strikes of $5,016.91 in USD sales and 10 forwards with a weighted average of agreed strikes of $4,801.24 in USD purchases. The Company was effective in contracting.

Description of the periods in which the expected cash flows affected profit or loss: During 2022, the profit and loss account was affected by the settlement of the contracts.

Counterparty: Banks and financial entities.

(Continues)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below is the detail of forward contracts in local currency – U.S. Dollars:

		December 2022	December 2021
Number of operations		64	38
Nominal in U.S. dollars		29,466,904	34,465,234
Amount in pesos		141,741,702	138,414,917
Fair value:			
Assets		1,319,604	428,441
Liabilities		(454,436)	(147,632)
Total average term in days		67	61
Average remaining term in days		51	57
Hedged item	US$	29,466,904	34,465,234

Prices specified in forward contracts of cash financial assets:

Cumulative time bands		December 2022	December 2021
Up to 1 month	$	57,092,694	77,953,600
From 2 to 3 months		68,900,126	58,464,939
From 3 to 12 months		15,748,882	1,996,378
Total	$	141,741,702	138,414,917

As of December 31, 2022 and 2021, the Company has no obligation to deliver financial assets in debt securities or foreign currency, or receive financial assets or foreign currency, considering they are hedge derivatives under Sales/Purchase Non-Deliverable Forwards. Currently there are no restrictions related to derivative hedging instruments.

(2) Corresponds to the obligation of selling the networks and pipelines under concession to the Colombian State at the termination date of the agreements. In accordance with IFRIC 12 - Service Concession Arrangements, the Operator shall recognize a financial asset by the residual interest over the infrastructure insofar as it has an unconditional contractual right to receive from the grantor or from an entity under the latter's supervision, cash or other financial asset for the construction services, the payment of which the grantor has little or no ability to avoid, as the agreement is enforceable by law. According to IFRS 9 - Financial Instruments, financial assets are measured at fair value for each reported period. This measurement is based on the application of IFRS 13 – Fair Value Measurement.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below is the detail of financial assets for each Company:

		December 2022	December 2021
Promigas S.A. E.S.P.	$	2,767,870,451	2,550,315,032
Transmetano E.S.P. S.A.		190,421,597	172,891,368
Surtigas S.A. E.S.P.		373,891,196	342,873,208
Promioriente S.A. E.S.P.		59,226,086	56,916,904
Gases de Occidente S.A. E.S.P.		115,821,878	105,483,260
	$	3,507,231,208	3,228,479,772

9. FINANCIAL ASSETS AT AMORTIZED COST

The balance of financial assets at amortized cost is as follows:

		December 2022	December 2021
Current portion			
Debt securities	$	26.625	24,901
Accounts receivable (1)		1.371.545.098	1,160,125,127
Other receivables (2)		47.521.672	41,141,855
	$	1.419.093.395	1,201,291,883
Non-current portion			
Debt securities	$	172.553	172,553
Accounts receivable (1)		1.951.842.749	1,773,677,465
Other accounts receivable (2)		10.008.273	9,975,103
	$	1.962.023.575	1,783,825,121

(1) Commercial accounts receivable are broken down as follows:

		December 2022			December 2021		
		Third Parties	Related Entities	Total	Third Parties	Related Entities	Total
Current portion							
Gas transport	$	100,105,292	6,741,870	106,847,162	87,289,756	14,042,829	101,332,585
Gas Distribution		555,253,466	2,698,062	557,951,528	490,441,087	2,775,303	493,216,390
Distribution and sale of energy		189,134,619	775	189,135,394	133,696,110	689	133,696,799
Non-bank financing (FNB-Brilla)		332,108,084	107,255	332,215,339	277,027,889	117,576	277,145,465
Finance lease (a)		214,192,632	-	214,192,632	167,221,268	-	167,221,268
Other services (b)		98,250,429	6,048	98,256,477	99,512,352	12,469	99,524,821
		1,489,044,522	9,554,010	1,498,598,532	1,255,188,462	16,948,866	1,272,137,328
Impairment accounts receivable		(127,053,434)	-	(127,053,434)	(112,012,201)	-	(112,012,201)
	$	1,361,991,088	9,554,010	1,371,545,098	1,143,176,261	16,948,866	1,160,125,127

Non-current portion

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

		December 2022			**December 2021**		
		Third Parties	**Related Entities**	**Total**	**Third Parties**	**Related Entities**	**Total**
Gas transport	$	-	-	-	78	-	78
Gas Distribution		261,901,622	2,234,358	264,135,980	260,560,240	-	260,560,240
Distribution and sale of energy		20,088,994	-	20,088,994	22,314,828	-	22,314,828
Other services (b)		122,816,253	-	122,816,253	116,788,985	-	116,788,985
Non-bank financing		425,109,169	-	425,109,169	294,695,310	-	294,695,310
Finance lease (a)		1,208,618,792	498,683	1,209,117,475	1,157,236,110	-	1,157,236,110
		2,038,534,830	2,733,041	2,041,267,871	1,851,595,551	-	1,851,595,551
Impairment accounts receivable		(89,425,122)	-	(89,425,122)	(77,918,086)	-	(77,918,086)
	$	1,949,109,708	2,733,041	1,951,842,749	1,773,677,465	-	1,773,677,465
Total account receivable without impairment		3,527,579,352	12,287,051	3,539,866,403	3,106,784,013 -	16,948,866 -	3,123,732,879
Total impairment		(216,478,556)	-	(216,478,556)	(189,930,287) -	- -	(189,930,287)
Net balance	$	3,311,100,796	12,287,051	3,323,387,847	2,916,853,726	16,948,866	2,933,802,592

(a) Corresponds mainly to the financial lease contracts of Sociedad Portuaria el Cayao S.A. E.S.P. and Promisol S.A.S. respectively; of which, in the case of Sociedad Portuaria el Cayao, it is related to the contract signed with the Thermal Group for the exclusive purpose of regasification of LNG at the time it is required and under the specifications of the systems necessary to deliver natural gas.

On the other hand, in the Company Promisol corresponds to the account receivable for the financial lease contract with the third party Hocol S.A. in which, at the end of such lease, the assets related to such contract will be transferred to such third party. It is determined that the transaction carried out by Promisol S.A.S. with Hocol S.A., essentially contains an implicit lease.

(b) The balance recognized as of December 31, 2022 and 2021 corresponds mainly to accounts receivable from commercial, industrial and residential gas users for the collection of internal connections, maintenance and periodic revisions necessary to guarantee the rendering of the service to the client by the gas marketing and distribution companies controlled by Promigas S.A. E.S.P., as well as regasification services charged by Sociedad Portuaria el Cayao S.A. E.S.P.

As of December 31, 2022 and 2021, there are no levies or restrictions on the balance of the debt account.

As of December 31, 2022 and 2021, the contract assets amount to 1,154,670,251 and 909,482,701.

Below is a summary of the years when long-term accounts will be collected:

Year		**December 2022**
2024	$	776,092,745
2025		520,483,443
2026		506,522,454
2027		127,765,795
2028 onwards		110,403,434
	$	2,041,267,871

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The composition by maturity of accounts receivable is as follows:

		December 2022	December 2021
Maturity 0 - 30 days	$	3,052,421,762	2,564,010,199
Maturity 31 - 90 days		202,004,442	168,034,327
Maturity 91 - 180 days		73,457,697	131,381,584
Maturity 181 - 360 days		46,139,992	158,264,082
Maturity over 360 days		165,842,510	102,042,687
	$	3,539,866,403	3,123,732,879

(2) Other receivables are as follows:

		December 2022	December 2021
Current portion			
Loans granted	$	14,117,130	3,178,107
Other debtors		43,268,100	46,207,352
		57,385,230	49,385,459
Impairment of loans granted		(9,863,558)	(8,243,604)
	$	47,521,672	41,141,855
Non-current portion			
Loans granted	$	9,122,824	9,642,514
Other debtors		1,994,280	1,076,995
		11,117,104	10,719,509
Impairment of loans granted		(1,108,831)	(744,406)
	$	10,008,273	9,975,103

The following is a summary of the years in which the other non-current accounts receivable will be collected:

Year		December 2022
2024	$	4,346,202
2025		1,298,810
2026		1,316,609
2027		1,432,044
2028 onwards		2,723,438
	$	11,117,104

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following is the consolidated movement of the impairment of accounts receivable and other accounts receivable:

		December 2022	December 2021
Opening balance	$	(198.918.297)	(167.399.523)
Impairment charged to expenses		(100.533.093)	(78.407.537)
Write-off		46.553.415	24.539.889
Reinstatement of previously written-off portfolio		(16.944)	-
Reinstatement of impairment through profit or loss		29.020.482	24.221.840
Reclassifications		(3.556.508)	(1.872.966)
Translation adjustments	$	(227.450.945)	(198.918.297)

Guarantees Provided by Debtors

To guarantee the debts of domestic customers there are bank guarantees, blank promissory with letters of instruction and contracts / purchase orders / commercial offers. Some transportation agreements have insurance policies in case of default.

For loans of the Brilla portfolio, blank promissory notes with letters of instruction are constituted, and for debts with employees, payment orders are subscribe and social benefits are pledged in case of retirement.

Currently there are no restrictions related to accounts receivable.

10. INVENTORIES

Below is the composition of the balances of inventories:

		December 2022	December 2021
Goods in stock and materials for services rendered (1)		151,846,640	109,402,382
Inventories in transit		6,812,321	120,229
Inventories held by third parties (2)		18,072,595	13,149,186
		176,731,556	122,671,797
inventory impairment (3)		(5,937,789)	(4,976,675)
	$	170,793,767	117,695,122

(1) The balance is mainly composed of regulators, polyethylene pipes, as well as materials and implements used for the construction of external and internal natural gas distribution networks. Manufactured gas materials and equipment. Advances for the purchase of gas, spare parts for solar turbo compressors to provide energy

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

sales services under non-conventional sources (solar energy), as well as filtering elements and spare parts for the maintenance of gas pipelines. On the other hand, this item includes meters acquired for the provision of energy distribution and commercialization services in Compañía Energética de Occidente.

(2) Material delivered to contractors for the rendering of services related to the commercialization and distribution of energy. These services include construction of electrical networks, engineering studies, execution of electrical designs, public and Christmas lighting, and maintenance to private customers. The inventory includes the following items: bolts, lighting fixtures, meters, batteries, seals, connector sheets, among others required for the operation.

(3) The following is the movement of inventory impairment:

		December 2021	December 2020
Opening balance	$	(4,976,675)	(4,268,731)
Impairment through expenses		(1,749,982)	(1,341,138)
Write-off		319,015	486,575
Reimbursement of impairment with payment to profit or loss		447,832	152,236
Translation adjustment		(1,941)	(5,617)
Cost of derecognized assets		23,962	
Closing balance	$	(5,937,789)	(4,976,675)

There are currently no liens or guarantees on the inventory of Promigas and its subsidiaries.

11. OTHER ASSETS

Below is the detail of other current assets:

		December 2022	December 2021
Current portion			
Prepaid expenses (1)	$	105,901,380	65,685,864
Advances or credit balances for other taxes (2)		29,275,686	49,637,754
Security deposits		74,395,014	50,911,196
	$	209,572,080	166,234,814
Non-current portion			
Deposits	$	60,710	50,246
Prepaid expenses		119,118,923	91,378,319
Advances or credit balances due to other taxes (2)		252,334,510	155,965,235
	$	371,514,143	247,393,800

(1) The increase corresponds mainly to the all risk and civil liability policy taken out by Promigas and its subsidiaries in 2022. As well as advances given to Suppliers, such as Baker Hughes for smart tool inspection for $4,498,000 in Promigas, advances given to contractors for maintenance of gas pipelines on the coast for $7,214,000 in Promisol and advances for the purchase of gas for $15,292,000 paid by Surtigas.

(2) The value of advances and credit balances of taxes corresponds mainly to the General Sales Tax (IGV) generated by the purchase of goods and services in Peru that give right to the IGV tax credit, which at December 31, 2022 had a significant increase as a result of the increase in the acquisition of goods such as gas pipelines that represent a high IGV. These balances are classified between short and long term according to the financial projections of recovery.

12. INVESTMENTS IN ASSOCIATES

Identification and economic activity of associate Companies

Gas Natural de Lima y Callao S.A.C. - Its corporate purpose is the distribution of natural gas, including the sale of equipment, equipment installation and maintenance, and the implementation of activities related to hydrocarbons and/or distribution. Its headquarters are in Lima Peru.

Gases del Caribe S.A. E.S.P. - It was incorporated according to Colombian law on November 25, 1966, and its corporate purpose is the purchase, storage, packaging and distribution of gas and hydrocarbon derivatives; the construction and operation of natural gas pipelines for industrial, commercial and home use, and the purchase of items, services and artifacts related to the sale and distribution of fuel gases and related products. The Company is headquartered in the city of Barranquilla, Colombia. Its legal existence expires on January 26, 2083.

E2 - Energía Eficiente S.A. E.S.P. – Its corporate purpose is the purchase, sale, production and trade of energy in any form, development or trade of products and/or services for managing risks related to the energy business, and provide comprehensive advisory services on the acquisition and use of energy. The Company is headquartered in the city of Barranquilla, Colombia. Its legal existence expires on August 6, 2104.

Concentra en Inteligencia en Energía S.A.S. – Its corporate purpose is the management and administration, for commercial purposes, of information of the natural gas industry and/or other substitute energy sectors, including the corresponding provision of residential public utility service of gas and its complementary activities. The Company is based in Bogota D.C., Colombia. The term of the Company is indefinite.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below is the detail of investments in associate Companies:

Company	Economic Activity	Country of Incorporation	Interest held		Book Value	Revenues Equity Method	OCI for the period
December 2022							
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	$	768,952,782	177,019,659	169,312,872
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%		313,968,270	115,058,546	2,288,495
E2 - Energía Eficiente S.A. E.S.P.	Gas sales	Colombia	32.41%		4,136,133	1,329,575	-
Concentra en Inteligencia en Energía S.A.S.	LNG Regasification	Colombia	22.24%		412,687	(184,207)	(1,486)
					1,087,469,872	293,223,573	171,599,881
December 2021							
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	$	568,035,090	140,394,209	68,558,933
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%		305,455,595	113,749,018	(4,781,282)
E2 - Energía Eficiente S.A. E.S.P.	Gas sales	Colombia	32.41%		4,306,555	(1,331,755)	-
Concentra en Inteligencia en Energía S.A.S.	LNG Regasification	Colombia	22.24%		598,380	75,272	1,486
					878,395,620	252,886,744	63,779,137

(1) In order to calculate and record the equity method, the Company recognizes the accounting principles to align the accounting policies with those of Promigas S.A. E.S.P.

The operations of investments in associates are as follows:

		December 2021	December 2020
Opening balance	$	878,395,620	759,989,369
Dividends ordered by Companies		(255,749,202)	(196,264,557)
Equity method through profit or loss		293,223,573	252,886,744
Other comprehensive income in associates		171,599,881	63,779,137
Recognition of the preferred equity interest in Energía Eficiente as a financial asset		-	(1,995,073)
Closing balance	$	1,087,469,872	878,395,620

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The dividends declared and received by associates as of December 31, 2022 and 2021, are as follows:

	December 2022		December 2021	
Company	Dividends declared	Dividends actually received	Dividends declared	Dividends actually received
Gases del Caribe	108,834,365	(100,998,970)	97,142,741	(89,857,032)
Gas Natural de Lima y Callao	145,414,840	(144,642,172)	96,621,826	(99,465,406)
Energía Eficiente	1,499,997	(1,387,498)	2,499,990	(2,312,491)
	255,749,202	(247,028,640)	196,264,557	(191,634,929)

Below is the detail of the equity composition of investments in associates, recorded using the equity method:

	Capital	Share placement premium	Reserves	Period Results	Retained earnings	Results for IFRS Adoption	Unrealized gains or losses (OCI)	Total equity
December 2022								
Gas Natural de Lima y Callao S.A.C.	$ 474,434,154	-	133,450,621	438,802,687	(91,110,976)	-	984,080,227	1,939,656,713
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	23,940,726	352,800,515	307,493,163	332,521,817	(11,842,879)	1,007,929,630
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	5,298,488	19,002,172	(682,535)	-	26,423,104
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	581,535	(611,554)	-	-	-	1,733,981
December 2021								
Gas Natural de Lima y Callao S.A.C.	$ 474,434,154	-	122,211,670	359,509,174	-75,844,100	-	546,691,102	1,427,002,000
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	38,043,701	407,170,289	240,384,410	332,521,817	(9,851,999)	1,011,284,506
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	4,610,761	18,891,411	(682,535)	-	25,624,616
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	-	99,864	481,671	-	-	2,345,535

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

13. PROPERTY, PIPELINES, NETWORKS, PLANT AND EQUIPMENT

Below is the detail by type of property, pipelines, networks, plant and equipment:

	December 2022				December 2021			
	Cost	Accumulated depreciation	Accumulated impairment	Total	Cost	Accumulated depreciation	Accumulated impairment	Total
Land	$ 83,142,068	-	(1,451,423)	81,690,645	78,287,559	-	(1,451,423)	76,836,136
Construction in progress	79,624,453	-	-	79,624,453	49,378,765	-	-	49,378,765
Machinery, plant & equipment in assembly	21,543,588	-	-	21,543,588	27,688,968	-	-	27,688,968
Constructions and buildings	108,602,007	(23,667,766)	-	84,934,241	98,324,634	(20,200,937)	-	78,123,697
Pipelines and stations	559,934,357	(65,163,310)	-	494,771,047	541,939,452	(57,260,799)	-	484,678,653
Networks not under concession	473,366,222	(59,158,785)	-	414,207,437	462,724,596	(51,499,847)	-	411,224,749
Machinery and equipment	267,997,035	(115,451,331)	(1,964)	152,543,740	207,574,285	(93,584,926)	(1,964)	113,987,395
Furniture and fixtures	18,298,292	(10,462,711)	-	7,835,581	16,537,017	(9,392,638)	-	7,144,379
Communication and computer equipment	52,931,553	(34,660,115)	-	18,271,438	43,923,833	(30,311,474)	-	13,612,359
Fleet and transportation equipment	10,762,890	(7,929,724)	-	2,833,166	10,594,730	(7,073,331)	-	3,521,399
Property improvements	1,450,406	(677,322)	-	773,084	1,190,750	(247,398)	-	943,352
	1,677,652,871	(317,171,064)	(1,453,387)	1,359,028,420	1,538,164,589	(269,571,350)	(1,453,387)	1,267,139,852

Property, pipelines, networks, plant and equipment are not subject to liens or guarantees

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The movements of property, pipelines, networks, plant and equipment are presented below:

	Land	Constructions in progress	Machinery, plant and equipment in assembly	Property, plant and equipment in transit	Constructions and buildings	Pipelines and stations	Networks not under concession	Machinery and Equipment	Furniture and fixtures	Communication and computer equipment	Fleet and transportation equipment	Leasehold improvements	Total
Cost													
Balance as of December 31, 2020	$ 74,435,627	37,665,816	11,946,555	125,928	95,022,096	531,483,695	474,481,080	180,849,080	15,553,250	38,492,774	10,590,912	453,550	1,471,100,363
Purchases	36,800	69,377,039	23,154,766	-	62,909	-	1,171,203	11,353,749	546,667	4,818,115	503,301	24,641	111,049,190
Capitalized interests	-	523,686	92,782	-	-	-	-	-	-	-	-	-	616,468
Lessor-builder lease recognition	-	(36,601,971)	-	-	-	-	-	-	-	-	-	-	(36,601,971)
Capitalizations	602,410	(25,178,943)	(4,569,157)	(100,921)	2,576,751	12,616,904	6,293,435	6,556,990	511,573	4,934	-	686,024	-
Initial recognition PPA	-	-	-	-	-	-	-	1,067,092	-	-	-	-	1,067,092
Cost of assets sold	-	-	-	-	-	-	-	(764,682)	-	-	(403,708)	-	(1,168,390)
Cost of assets written off	-	(195,278)	(4,270,308)	-	-	(1,993,659)	-	(1,561,013)	(489,950)	(237,628)	-	-	(8,747,836)
Transfer of purchase option	-	-	-	-	-	-	-	-	-	-	162,039	-	162,039
Rights of use	-		-	-	-	-	-	-	-	-			
Reclassifications	-	5,088,101	43,309	(37,777)	-	(20,519)	(20,449,482)	1,474,382	(30,416)	35,617	-	-	(13,896,785)
Tax credits	-	(2,099,648)	-	-	-	(146,969)	-	(1,932,002)	(16,509)	(54,840)	(20,195)	-	(4,270,163)
Transfer of non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	(615,998)	-	(615,998)
Translation adjustments	3,212,722	799,963	1,291,021	12,770	662,878	-	1,228,360	10,530,689	462,402	864,861	378,379	26,535	19,470,580
Balance as of December 31, 2021	$ 78,287,559	49,378,765	27,688,968	-	98,324,634	541,939,452	462,724,596	207,574,285	16,537,017	43,923,833	10,594,730	1,190,750	1,538,164,589
Purchases	-	90,496,986	13,946,226	-	4,785	1,153,375	11,772	14,574,084	2,740,228	8,264,269	94,208	48,742	131,334,675
Addition of capitalizable interest	-	1,388,187	193,980	-	-	-	-	-	-	-	-	-	1,582,167
Lessor-builder lease recognition	-	(18,577,629)	-	-	-	-	-	-	-	-	-	-	(18,577,629)
Capitalizations	-	(49,425,324)	(21,065,343)	-	8,777,974	24,972,578	10,719,272	25,245,969	113,346	598,424	-	63,104	-
Retirements, sales and retirements	-	(8,752,568)	-	-	-	(7,967,697)	(89,418)	(1,252,413)	(213,924)	(1,695,658)	(378,319)	-	(20,349,997)
Reclassifications	-	14,353,433	-	-	-	-	-	1,372,854	(1,372,854)	-	-	-	14,353,433
Transfer of other intangibles	-	-	-	-	-	-	-	89,303	-	-	-	-	89,303
Tax credits	-	(549,941)	(41,578)	-	-	(163,351)	-	(791,033)	(74,939)	(29,994)	-	-	(1,650,836)
Transfers held for sale	-	-	-	-	402,000	-	-	-	-	-	-	-	402,000
Translation adjustments	4,854,509	1,312,544	821,335	-	1,092,614	-	-	21,183,986	569,418	1,870,679	452,271	147,810	32,305,166
Balance as of December 31, 2022	$ 83,142,068	79,624,453	21,543,588	-	108,602,007	559,934,357	473,366,222	267,997,035	18,298,292	52,931,553	10,762,890	1,450,406	1,677,652,871
Accumulated depreciation													
Accumulated depreciation	$ -	-	-	-	(17,144,665)	(49,109,374)	(44,024,910)	(79,168,641)	(8,198,443)	(26,012,803)	(6,282,036)	(80,253)	(230,021,125)
Balance as of December 31, 2020	-	-	-	-	(2,623,428)	(8,444,365)	(7,684,793)	(12,080,390)	(1,402,630)	(3,940,210)	(1,068,505)	(163,759)	(37,408,080)
Depreciation through expenses	-	-	-	-	-	-	-	273,619	-	-	320,615	-	594,234
Depreciation of assets sold	-	-	-	-	-	292,940	-	938,100	430,501	159,661	-	-	1,821,202
Depreciation assets written off	-	-	-	-	-	-	-	-	-	-	(78,947)	-	(78,947)
Transfer of purchase option	-	-	-	-	-	-	-	-	-	-	-	-	-
Rights of use	-	-	-	-	-	-	219,111	456,455	-	-	-	-	675,566
Reclassifications	-	-	-	-	-	-	-	-	-	-	202,014	-	202,014
Transfer of non-current assets held for sale	-	-	-	-	(432,844)	-	(9,255)	(4,004,069)	(222,066)	(518,122)	(166,472)	(3,386)	(5,356,214)

(Continues)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

		Land	Constructions in progress	Machinery, plant and equipment in assembly	Property, plant and equipment in transit	Constructions and buildings	Pipelines and stations	Networks not under concession	Machinery and Equipment	Furniture and fixtures	Communication and computer equipment	Fleet and transportation equipment	Leasehold improvements	Total
Translation adjustments	$	-	-	-	-	(20,200,937)	(57,260,799)	(51,499,847)	(93,584,926)	(9,392,638)	(30,311,474)	(7,073,331)	(247,398)	(269,571,350)
Balance as of December 31, 2021		-	-	-	-	(2,760,695)	(8,940,298)	(7,693,499)	(14,708,904)	(1,493,160)	(4,915,417)	(981,458)	(365,556)	(41,858,987)
Depreciation through expenses		-	-	-	-	-	1,037,787	34,513	853,829	197,545	1,584,012	372,640	-	4,080,326
Depreciation retirements, sales and write-offs		-	-	-	-	-	-	48	(561,688)	561,640	-	-	-	-
Reclassifications									(16,681)					(16,681)
Transfer of other intangibles		-	-	-	-	(706,134)	-	-	(7,432,961)	(336,098)	(1,017,236)	(247,575)	(64,368)	(9,804,372)
Balance as of December 31, 2022	$	-	-	-	-	(23,667,766)	(65,163,310)	(59,158,785)	(115,451,331)	(10,462,711)	(34,660,115)	(7,929,724)	(677,322)	(317,171,064)
Impairment December 31, 2021		(1,451,423)	-	-	-	-	-	-	(1,964)	-	-	-	-	(1,453,387)
Impairment December 31, 2021		(1,451,423)	-	-	-	-	-	-	(1,964)	-	-	-	-	(1,453,387)
Net balance														
Balance as of December 31,2021	$	76,836,136	49,378,765	27,688,968	-	78,123,697	484,678,653	411,224,749	113,987,395	7,144,379	13,612,359	3,521,399	943,352	1,267,139,852
Balance as of December 31,2022	$	81,690,645	79,624,453	21,543,588	-	84,934,241	494,771,047	414,207,437	152,543,740	7,835,581	18,271,438	2,833,166	773,084	1,359,028,420

The gross value of fully depreciated property, pipeline, networks, plant and equipment in use is detailed below:

		December 2022	December 2021
Buildings			
Networks	$	4,678,532	4,253,234
Machinery, equipment and tools		4,966,531	4,966,531
Furniture, fixtures and office equipment		79,483,588	61,174,825
Communication and computer equipment		36,686,418	25,081,886
Transportation equipment		215,230,358	86,169,633
	$	341,045,427	181,646,109

(Continues)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

14. CONCESSIONS

Detail of assets under concession:

		December 2022				December 2021			
		Cost	Accumulated amortization	Accumulated impairment	Total	Cost	Accumulated amortization	Accumulated impairment	Total
Land	$	79,438,419	(5,674,721)	-	73,763,698	36,521,224	(3,758,413)	-	32,762,811
Construction in progress (1)		326,519,710	-	-	326,519,710	802,562,711	-	-	802,562,711
Gas pipelines and networks		6,205,654,175	(1,113,624,303)	(7,810,677)	5,084,219,195	4,454,812,598	(870,281,174)	(7,145,660)	3,577,385,764
Machinery and equipment		574,448,081	(209,172,996)	-	365,275,085	550,016,740	(173,508,298)	-	376,508,442
Buildings		54,102,625	(11,038,311)	-	43,064,314	51,245,531	(8,303,904)	-	42,941,627
Improvements to third-party property		461,727	(125,124)	-	336,603	400,829	(71,859)	-	328,970
		7,240,624,737	(1,339,635,455)	(7,810,677)	5,893,178,605	5,895,559,633	(1,055,923,648)	(7,145,660)	4,832,490,325

(1) As of December 31, 2022, includes the balance of concessions under construction of the subsidiaries Gases del Norte del Perú S.A.C. and Gases del Pacífico S.A.C. for $135,663,653 and $57,962,982, respectively, for a total of $193,626,635 ($615,603,861 and $53,936,334, for a total of $669,540,195 as of December 31, 2021).

(Continues)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below are the movements of assets under concession:

	Land	Construction in progress	Pipelines and networks	Machinery and equipment	Buildings	Improvements to third-party property	Total
Cost							
Balance as of December 31, 2020	$ 31,837,849	580,865,537	3,468,318,787	534,880,757	44,751,485	343,892	4,660,998,307
Additions	-	556,248,233	61,347,895	104,447	-	38,087	617,738,662
Additions capitalizable interest	-	13,120,508	735,915	-	-	-	13,856,423
Valuation of concessions in progress	-	342,956,710	-	-	-	-	342,956,710
Capitalization of assets under construction	297,963	(734,149,144)	714,649,538	12,111,593	7,090,050	-	-
Additions to capitalized provisions	-	-	25,084,246	3,451,605	-	-	28,535,851
Capitalized depreciation	-	290,567		-	-	-	290,567
Retirements	-	(1,778,611)	(1,375,591)	(1,291,962)	(596,004)	-	(5,042,168)
Reclassifications	-	72,343	9,548,274	(1,252,264)	-	-	8,368,353
Reversal of machinery and equipment to gas pipeline	-	-	2,515,667	(4,436,837)	-	-	(1,921,170)
Carryforwards	-	(3,802,299)	3,802,299	-	-	-	-
Tax credit carryforwards	-	(3,078,023)	(5,824,218)	-	-	-	(8,902,241)
Translation adjustments	4,385,412	51,816,890	176,009,786	6,449,401	-	18,850	238,680,339
Balance as of December 31, 2021	$ 36,521,224	802,562,711	4,454,812,598	550,016,740	51,245,531	400,829	5,895,559,633
Additions	124,950	487,425,757	81,682,037	1,259,030	-	32,416	570,524,190
Additions capitalizable interest	-	23,078,098	3,056,176	-	-	-	26,134,274
Valuation of concessions in progress	-	228,501,223	-	-	-	-	228,501,223
Capitalization of assets under construction	32,683,710	(1,299,459,315)	1,246,380,640	17,522,066	2,872,899	-	-
Additions to capitalized provisions	-	2,546,509	11,007,177	2,507,551	-	-	16,061,237
Restatement of capitalized provisions			(9,131,294)				(9,131,294)
Capitalized depreciation	-	116,141	-	-	-	-	116,141
Retirements	-	(6,677,220)	(1,551,495)	(3,481,827)	(15,805)	-	(11,726,347)
Reclassifications	-	(14,531,962)	(12,165,596)	-	-	-	(26,697,558)
Compensation for assets received in kind	-	-	11,352,553	-	-	-	11,352,553
Carryforwards	-	4,499,944	(4,499,944)	-	-	-	-
Tax credit carryforwards	-	(3,272,908)	(4,354,156)	-	-	-	(7,627,064)
Translation adjustments	10,108,535	101,730,732	429,065,479	6,624,521	-	28,482	547,557,749
Balance as of December 31, 2022	$ 79,438,419	326,519,710	6,205,654,175	574,448,081	54,102,625	461,727	7,240,624,737
Accumulated amortization							
Balance as of December 31, 2020	$ (2,614,795)	-	(672,488,281)	(142,214,683)	(5,947,650)	(28,533)	(823,293,942)
Amortization	(961,029)	-	(185,522,881)	(33,964,033)	(2,446,390)	(42,042)	(222,936,375)
Retirements	-	-	171,275	912,529	90,136	-	1,173,940
Reclassifications	-	-	47,516	-	-	-	47,516

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

	Land	Construction in progress	Pipelines and networks	Machinery and equipment	Buildings	Improvements to third-party property	Total
Carryforwards	-	-	-	-	-	-	-
Carryforward of held for sale	-	-	-	1,921,200	-	-	1,921,200
Translation adjustment	(182,589)	-	(12,488,803)	(163,311)	-	(1,284)	(12,835,987)
Balance as of December 31, 2021	$ (3,758,413)	-	(870,281,174)	(173,508,298)	(8,303,904)	(71,859)	(1,055,923,648)
Amortization	(1,438,375)	-	(213,652,234)	(35,853,504)	(2,749,292)	(48,126)	(253,741,531)
Retirements	-	-	212,663	611,463	14,885	-	839,011
Capitalized depreciation	-	-	(3,167)	-	-	-	(3,167)
Reclassifications	-	-	-	-	-	-	-
Carryforwards	-	-	(34,856)	34,856	-	-	-
Translation adjustment	(477,933)	-	(29,865,535)	(457,513)	-	(5,139)	(30,806,120)
Balance as of December 31, 2022	$ (5,674,721)	-	(1,113,624,303)	(209,172,996)	(11,038,311)	(125,124)	(1,339,635,455)
Impairment December 31, 2021	-	-	(7,145,660)	-	-	-	(7,145,660)
Impairment through cost	-	-	(665,017)	-	-	-	(665,017)
Impairment December 31, 2022	-	-	(7,810,677)	-	-	-	(7,810,677)
Net balance:							
Balance as of December 31, 2021	$ 32,762,811	802,562,711	3,577,385,764	376,508,442	42,941,627	328,970	4,832,490,325
Balance as of December 31, 2022	$ 73,763,698	326,519,710	5,084,219,195	365,275,085	43,064,314	336,603	5,893,178,605

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

In the course of its operations, Promigas and its subsidiaries have the following existing concession agreements:

Concession owner	Type of business and country	Purpose	Current stage	Initial date	Construction start year	Concession end date
Gas y energía						
Surtigas S.A. E.S.P.	Gas distribution Colombia	Purchase, storage, packaging and distribution of gases derived from hydrocarbons.	Operación y mantenimiento.	03/1984 to 04/1994	1984	2034 a 2045
Transmetano S.A. E.S.P.	Gas transportation Colombia	Construction, operation and maintenance of gas transportation systems.	Operación y mantenimiento	08/1994	1996	2044
Promigas S.A. E.S.P.	Gas transportation Colombia	Purchase, sale, transportation, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general.	Operation and maintenance	05/1976 to 11/1994	1976	2026 to 2044
Promioriente S.A. E.S.P.	Gas and energy Colombia	Construction, operation and maintenance of gas pipelines.	Operation and maintenance	09/1995	1995	2045
Gases de Occidente S.A. E.S.P.	Gas distribution Colombia	Transportation and distribution of natural gas.	Operation and maintenance	08/1998	1998	2047
Compañía Energética de	Energy distribution and sale Colombia	Administration, technical and commercial operation,	Operation and maintenance	01/2010	2010	2035

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Concession owner	Type of business and country	Purpose	Current stage	Initial date	Construction start year	Concession end date
Occidente S.A.E.S.P.		management for the provision of electric energy.				
Gases del Pacífico S.A.C.	Gas distribution Peru	Purchase, sale, production and sale of energy in any of its forms.	Construction, operation and maintenance	10/2013	2015	2034
Sociedad Portuaria El Cayao S.A. E.S.P.	Liquefied natural gas regasification Colombia.	Construction, maintenance and administration of ports.	Operation and maintenance	07/2015	2015	2035
Gases del Norte del Perú S.A.C.	Gas distribution Peru	Purchase, sale, production and sale of energy in any of its forms.	Construction, operation and maintenance	11/2019	2020	2051

Except for the agreements of Gases del Pacífico S.A.C., Gases del Norte del Perú S.A.C., Compañía Energética de Occidente S.A.S. E.S.P. and Sociedad Portuaria El Cayao S.A. E.S.P., the previous agreements are signed in accordance with Decree 1056/1953, the Petroleum Code (now in force), and other laws complementing it. Each concession with the Government was for 50 years, whereby the government gives Promigas and its subsidiaries the right to build, operate, maintain, exploit and manage a network of public utility pipelines for the transportation of hydrocarbons from La Guajira to major cities such as Barranquilla and Cartagena with trunk pipelines and regional pipelines to other populations in the Atlantic Coast. These agreements additionally have the following relevant elements:

- The agreement required the provision of construction services to develop, operate, maintain, exploit and manage a network of pipelines by Promigas and its subsidiaries. The term of the agreements is 50 years, renewable for 20 more years, without representing an automatic renewal, and the estimated useful life of the pipelines is 70 years, in current conditions and with minimal maintenance required. Additionally, since the concession agreements include construction, operation and maintenance activities, at the end of the contractual term, the pipeline shall be in optimum operating conditions to ensure the continued provision of public utilities beyond the contractual term of the concessions; therefore, it is concluded that the infrastructure is not used for its entire useful life. The extensions should proceed with the approval of the Ministry of Mines and Energy.

- Promigas and its subsidiaries have the right to recover the investment by charging the public service, which is regulated by the Government to set rates for transporting gas through the CREG.

  The remuneration of construction service is included in the fees fixed by the CREG, which are established considering the provisions of the Petroleum Code, as follows:
  - Amortization of invested capital in construction;
  - Maintenance, management and exploitation expenses; and
  - Fair earnings for entrepreneurs.

  Such remuneration with the building service does not cover payments receivable when the Government exercises its right acquired in signing the agreement to buy transportation infrastructure. In fact, in establishing the remuneration of new investments or reinforcement of infrastructure, the regulated asset base is calculated through the concession on a five-year basis, according to the regulatory framework and in which the fair contractual selling price at the end of the concession is not taken into account, enabling Promigas and its subsidiaries to recover its investment by charging customers for services before fulfilling the obligation to sell the system to the State. That is, the final payment is not part of the repayments related to the investments in construction and maintenance.

- The agreement provides that Promigas and its subsidiaries shall be obligated to sell the pipeline only and exclusively to the Government as follows: i) 30 years after the agreement; ii) 50 years after terminating the agreement; and iii) at the end of each extension, if any. Therefore, the Government shall always have the right to purchase the infrastructure at the time that it sees fit, without implying that it has an option of absolute waiver of a payment obligation, but otherwise that it has the ability to choose when to make the payment. Neither party shall have the option of waiving the terms of the agreement with respect to the exercise of the right of purchase by the Government and the obligation to sell by Promigas and its subsidiaries.

Regarding the above obligation, the Government and Promigas and its subsidiaries shall agree the price of the pipeline and only in case of dispute shall the fair price be fixed by a third party.

Contract law and the relevant contractual obligation exist because of a transaction or event that has happened in the past; in the case of Promigas and its subsidiaries, the execution of the concession agreement, which sets out the mandatory the sale of the infrastructure to the Government at a fair price at the end of the concession agreement, produces clear economic consequences that the Government, as party to the agreement, has little or no ability to prevent, as the agreement is enforceable by law.

From the above it follows that, for each concession, Promigas and its subsidiaries is facing a significant residual interest in the pipeline infrastructure and on which it has acknowledged having a right represented in a financial asset by the obligation to sell the infrastructure to the Government, the measurement of which being at fair value.

- Promigas and its subsidiaries may not assign or transfer this Agreement, in whole or in part, to any natural or juridical person without prior approval by the Government, which, at its discretion, can approve or deny it without being obligated to provide the reasons for its determination.

Concession for the Provision of Electric Power

Compañía Energética de Occidente S.A.S. E.S.P. (CEO) was incorporated for the purpose of assuming at its own risk and expense the administrative, operational, technical and commercial management, the investment, expansion of coverage, reconditioning and preventive and corrective maintenance of the infrastructure and other activities required for the provision of electric power distribution and trading services in the Department of Cauca. The execution of the Management Agreement was on August 1, 2010, and has a 25-year term.

For the development of the purpose of the agreement, CEO received as lease the assets and possession and use of the infrastructure for the distribution and trade of public services. Upon termination of the management agreement for whatever reason, the infrastructure and assets owned by CEO will be transferred without any consideration to Centrales Eléctricas del Cauca S.A. (Cedelca), the counterparty to the management agreement, in which the National Government has shareholding interest.

CEO, as manager, shall comply with the law and regulations regarding subsidies to lower-income strata and solidarity contribution.

In signing the agreement CEO has also agreed to pay and invest in the following:

a) Monthly and during the contract term the sum of $887,000 plus VAT. These payments shall be adjusted on January 1 of each calendar year, according to the CPI variation of the previous year between January 1 and December 31, as consideration for the use of the infrastructure.
b) With the execution of the agreement, constituted rights worth $44.000.000 and purchase of assets for $ 46,236,194 payable to Cedelca S.A. E.S.P.
c) CEO has agreed to develop an investment plan, understanding such investments as those made in non-current assets (tangible or intangible) that shall serve for the expansion, replacement and improvement of the infrastructure throughout the 25-year period, worth $328,875,000.

For this agreement, CEO, acting as operator, applied the intangible asset model according to IFRIC 12 – Service Concession Arrangements, considering that the compensation mechanism will be realized by charging the use if the infrastructure, even though, as Operator, it has no obligation to build but to make improvements to the infrastructure, which are recognized as they are performed as an intangible asset measured at cost.

In addition, CEO is also contractually obligated to perform corrective maintenance as part of the contractually defined investment, and recognized as part of the intangible asset.

Port Consideration Concession

Sociedad Portuaria el Cayao S.A. E.S.P. is in charge of running the first liquefied natural gas (LNG) regasification plant in Colombia, operated by a Floating Storage Regasification Unit (FSRU), since December 2016. For this purpose, a Port Concession agreement was entered into with the National Infrastructure Agency (ANI, for its Spanish abbreviation), which grants the entity the right to build, operate and maintain a port terminal. This was evaluated under the scope of IFRIC 12 – Service Concession Arrangements, thus recognizing an intangible asset for its right to charge rates to users. In accordance with the reversal clause of the same agreement, this gas pipeline will be assigned free of charge and in an operational state at the end of the agreement.

Concession Gases del Pacífico S.A.C.

By Supreme Resolution No. 067-2013-EM published on October 18, 2013, the Concession of the Natural Gas Distribution System was granted by Red de Ductos de la Concesión Norte to Gases del Pacífico S.A.C., comprising the following regions: Lambayeque, La Libertad, Ancash and Cajamarca; under the terms and conditions detailed in the Concession Agreement. The main issues set out in the agreement are the following:

The term of the Concession Agreement is 21 years from the closing date (subject to extension of up to 60 years); however, by document No. 981-2016 MEM/DGH dated June 1, 2016, the General Hydrocarbons Directorate (hereinafter DGH) submitted Technical-Legal Report No. 011- 2016-MEM/DGH-DNH-DGGN, which specifies that the Concession's operating term is 19 years from the Commercial Operation (POC).

The Company will deliver an irrevocable, unconditional, joint-liability letter of guarantee of automatic performance, without exclusion benefit, which must be issued by a bank for US $20,000,000, with coverage from the closing date to 60 days after compliance with the First Connections Plan. After such date, the letter of guarantee must be for US $3,000,000. During the term of the Concession Agreement, the Company will be the owner of the Assets Under Concession, which will be transferred to the Concessionaire at the end of the Concession Agreement.

The Company may assign its contractual position in the Concession Agreement, which shall be total, including all rights and obligations.

Piura Concession

The purpose of the agreement is to establish the rights and obligations of the Parties and to stipulate the governing standards and procedures for the design, supply of goods and services, construction of the Natural Gas Distribution System by Pipeline Network, the use of the assets under concession, the provision of the

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Distribution Service in the Piura Region and the transfer of the assets under concession to the State upon termination of the Concession.

The responsibility of the concessionaire for the construction of the Distribution System includes all the works, installations and equipment necessary for the proper operation of the Distribution System, respecting the safety standards established in the applicable laws.

Additional Information Required for Concession Agreements Currently Under Construction

The following is a breakdown of the main movements of revenues and costs incurred in the stage of construction of concession agreements as of December 31, 2022 and 2021:

		December 2022	December 2021
Income from domestic concession construction contracts	$	227,819,738	166,596,187
Income from foreign concession construction contracts		515,750,254	773,247,724
Costs of domestic concession construction contracts		(151,136,592)	(118,193,718)
Costs of foreign concession construction contracts	$	(287,359,089)	(430,291,014)

As of December 31, 2022 and 2021, the Company and its subsidiaries had no contingent assets under revenues receivable caused by a contractual dispute in a pipeline construction, other than a recognition rate. Nor did the Company have any contingent liabilities under fines or penalties imposed by the Government in the performance of the concession agreement for possible contractual breaches.

15. CAPITAL GAINS

Capital gains generated by the purchase of Companies are detailed below:

		December 2022	December 2021
Gas Natural de Lima y Callao S.A.C. (1)	$	20,912,996	20,912,996
Compañía Energética de Occidente S.A.S. E.S.P.		448,207	448,207
Gases de Occidente S.A. E.S.P. (2)		65,577,389	65,577,389
Promioriente S.A. E.S.P.		2,845,365	2,845,365
Promisol S.A.S.		91,501	91,501
Surtigas S.A. E.S.P. (3)		35,414,936	35,414,936
Transmetano E.S.P. S.A.		921,966	921,966
Sociedad Portuaria El Cayao S.A. E.S.P.		329,486	329,486
Transoccidente S.A. E.S.P.		234,352	234,352
Enercolsa S.A.S. (4)		2,042,727	2,042,727
Promigas Perú S.A. (5)		26,457,991	21,897,945
	$	155,276,916	150,716,870

1) On December 31, 1985 Promigas S.A. E.S.P. acquired a 35.59% participation in Surtigas, equivalent to 5,338,202 shares. In October 1986, it acquired an 8.04% interest from Inversiones Araujo & Cia for $42 equivalent to 1,206,281 shares and 0.88% interest from Comercializadora Cartagena for $414 equivalent to

132,168 shares. On July 6, 1990, a 30.71% equity interest was acquired from Colgas S.A. for $414, equivalent to 8,119,873 shares. In August 2007 it acquires 14.22% equity interest for $18,032 equivalent to 8,944,339 shares. In January 2008 acquired 50,868,645 shares for $2,389. In March 2008 it acquires a 4.77% interest for $15,906 from Gases del Caribe, equivalent to 3,029,588 shares. In June 2010, in order to simplify the structure of the investment portfolio, Promigas S.A. E.S.P. offered minority shareholders the purchase of its shares for $564, equivalent to 0.99% participation. During these years, goodwill was recorded in stages according to the GAAP in force in Colombia for $37,782 resulting from comparing the value paid with the equity interest acquired; until the first adoption of IFRS, the goodwill was subject to amortization.

2) In December 1998 Promigas S.A. E.S.P. acquired a 15% interest in Gases de Occidente S.A. E.S.P. corresponding to 80,700 shares for $807. In 1999 it acquired an additional 10.91% interest for $7,559 equivalent to 219,300 shares. During 2003 it acquired a 39.48% participation from Fiduciaria de Occidente for $24,221 equivalent to 94,433 shares. In March 2008 it acquired a 13.63% interest from Gases del Caribe for $72,744 equivalent to 264,285 shares. In December 2011 Promigas S.A. E.S.P. received as a result of the liquidation of Prominversión Ltda. a 19.22% interest for $27,620 equivalent to 372,622 shares. During 2012 Promigas S.A. E.S.P. received from the liquidation of Prominversión Ltda. 0.79% of participation for $2,153 equivalent to 15,217 shares. During these years a capital gain was recorded in stages according to the GAAP in force in Colombia for $76,436 resulting from comparing the value paid with the equity interest acquired; until the adoption for the first time of IFRS, the capital gain was subject to amortization.

3) In 2007 Promigas acquired a 40% interest in Gas Natural de Lima y Callao S.A.C. from the Suez Group corresponding to 14,000,111 shares for USD 22,656,000; this transaction generated a capital gain under current Colombian GAAP of USD 11,546,712 resulting from comparing the value paid with the equity interest acquired; until the first-time adoption of IFRS, the capital gain was subject to amortization.

4) In March 2013 Promisol acquired a 51% interest in Enercolsa for $3,514 equivalent to 836,734 shares, a capital gain of $2,051 was recorded, resulting from comparing the value paid with the equity interest acquired, until the first adoption of IFRS the capital gain was subject to amortization. In January 2016 Promisol acquired the remaining 49% interest in Enercolsa, this last acquisition under the application of IFRS and having control of the Company did not generate goodwill. In May 2016 Promisol and Enercolsa merged.

5) On July 13, 2020, Promigas S.A. E.S.P. acquired 100% of the shares of Promigas Perú S.A. (formerly Gas Comprimido del Perú S.A.), which was a Company controlled by Corficolombiana S.A., thus exercising direct control over this Company. This operation was carried out within the framework of the expansion strategy and strengthening of the positioning in Peru to consolidate the leadership in the massification of natural gas in that country. The sale price was agreed in USD $4,995,069, amount that was paid on the closing date of the transaction, which was July 17, 2020, and which converted to thousands of Colombian pesos was $18,060,920.

The results of the recovery test yielded satisfactory figures in all the acquired entities. No changes or events were found indicating non-recoverability of the recognized capital gains. In addition, the Company performed an impairment test at this time and no deterioration was evident. As of December 31, 2022 and 2021, the valuation was as follows:

Figures in millions of pesos		Total valuation	Direct interest	Book value Promigas Separate	Valuation free cash flow discounted (% Promigas)	Higher commercial value over fair value
December 2022						
Gas Natural de Lima y Callao S.A.C.	$	2,992,720	40,00%	789,866	1,197,088	407,222
Gases del Caribe S.A. E.S.P.		5,413,861	30,99%	313,968	1,677,941	1,363,973
Compañía Energética de Occidente S.A.S. E.S.		264,437	49,00%	67,688	129,574	61,886
Gases del Norte del Perú S.A.C.		947,241	99,09%	658,608	938,644	280,036
Gases de Occidente S.A. E.S.P.		2,316,999	94,43%	480,293	2,187,968	1,707,675
Promioriente S.A. E.S.P.		628,432	73,27%	327,219	460,475	133,256
Promisol S.A.S.		152,659	100%	82,235	152,659	70,424
Surtigas S.A. E.S.P.		1,042,725	99,99%	845,483	1,042,611	197,128
Transmetano E.S.P. S.A.		468,824	99,67%	237,566	467,261	229,695
Sociedad Portuaria El Cayao S.A. E.S.P.		465,208	51,00%	191,360	237,256	45,896
Gases del Pacífico S.A.C.		649,551	95,49%	471,126	620,278	149,152
Transoccidente S.A. E.S.P.		43,320	79,00%	9,937	34,222	24,285
Promigas Perú S.A.	$	182,274	100,00%	60,950	182,274	121,324
December 2021						
Gas Natural de Lima y Callao S.A.C.	$	3,112,549	40,00%	588,948	1,245,019	656,071
Gases del Caribe S.A. E.S.P.		5,197,091	30,99%	305,456	1,610,756	1,305,300
Compañía Energética de Occidente S.A.S. E.S.		410,796	49,00%	66,573	201,290	134,717
Gases del Norte del Perú S.A.C.		486,905	98,92%	378,539	481,631	103,092
Gases de Occidente S.A. E.S.P.		1,894,609	94,43%	446,481	1,789,101	1,342,620
Promioriente S.A. E.S.P.		593,123	73,27%	280,075	434,603	154,528
Promisol S.A.S.		338,733	100,00%	78,080	338,733	260,653
Surtigas S.A. E.S.P.		1,219,007	99,99%	771,665	1,218,873	447,208
Transmetano E.S.P. S.A.		686,526	99,67%	210,870	684,238	473,368
Sociedad Portuaria El Cayao S.A. E.S.P.		641,017	51,00%	159,704	326,918	167,214
Gases del Pacífico S.A.C.		484,651	95,49%	410,047	462,810	52,763
Transoccidente S.A. E.S.P.		27,295	79,00%	10,250	21,563	11,313
Promigas Perú S.A.	$	470,523	100,00%	48,850	470,523	421,673

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following are the main assumptions based on the impairment analysis performed in December 2022 and 2021:

Consolidated as of December 31, 2022	2023	2024	2025	2026	2027
Transportation Volume Growth (MPCD)	1%	0%	(5%)	0%	2%
Distribution Volume Growth (MM m3) %	15%	7%	0%	(1%)	1%
Energy Distribution Volume Growth (GWh) %	1%	(3%)	1%	2%	2%
Passive interest rates (Cost of Debt)	6%	6%	5%	5%	5%
Consolidated revenue growth	8%	3%	0%	0%	1%
Consolidated expense growth	6%	(1%)	(1%)	(1%)	2%
Inflation Colombia	11%	6%	4%	3%	3%
Inflation Peru	7%	4%	3%	3%	3%
After-tax discount rate	6%	-	-	-	-
Growth rate after ten years	-	-	-	-	-

Consolidated as of December 31, 2021	2022	2023	2024	2025	2026
Transportation Volume Growth (MPCD)	1%	6%	3%	1%	2%
Growth Distribution volumes (MM m3) %	(7%)	0%	0%	1%	1%
Growth Energy Distribution Volumes (GWh) %	2%	(4%)	2%	1%	1%
Passive interest rates (Cost of Debt)	4%	5%	4%	5%	5%
Consolidated revenue growth	7%	23%	4%	3%	0%
Consolidated expense growth	10%	23%	3%	3%	(1%)
Inflation Colombia	5%	3%	3%	3%	3%
Inflation Peru	4%	3%	3%	2%	2%
After-tax discount rate	5%	-	-	-	-
Growth rate after ten years	-	-	-	-	-

For the evaluation of capital gain impairment, a 10-year projection was made, using both macroeconomic and business assumptions, as detailed in the table above, determined as follows:

- Transportation Volume Growth: Weighted average of the volumes to be transported by the companies in the portfolio according to the company's expected consumption projections.
- Distribution Volume Growth: Weighted average of the volumes to be distributed by the companies in the portfolio according to the company's expected consumption projections.
- Passive interest rate: Borrowing rates were projected based on the Company's expected rates.
- Revenue growth and expenses: based on business growth and other estimated Company's transactions, as well as efficiencies in business development and costs associated with variations in volumes transported/distributed.
- Inflation rate Colombia and Peru: based on reports from external sources, such as LatinFocus, Banco de la Republica and Bloomberg.
- After-tax discount rate: Financial debt and equity are taken as a reference for the capital structure of each of the companies in the Promigas portfolio on a weighted basis.

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For the cost of debt, a weighted average of the type of debt and interest rate of each of the companies in the corporate portfolio is used.

- For the calculation of the Ke, the geometric average of the yield of 10-year US government bonds and the geometric average of the market premium were used as a reference for the risk-free rate, according to data published by Aswath Damodaran, for the Beta r the one published by Aswath Damodaran for the oil/gas distribution segment was taken, the country risk was taken as the 5-year average of the EMBI and the emerging market premium was taken as the one published by Aswath Damodaran.

16. OTHER INTANGIBLE ASSETS

Below is the detail of other intangible assets:

	December 2022			December 2021		
	Cost	Accumulated Amortization	Total	Cost	Accumulated Amortization	Total
Licenses	196,421,006	(117,205,685)	79,215,321	164,897,215	(92,413,508)	72,483,707
Software	$ 4,669,071	(2,657,154)	2,011,917	6,730,422	(2,153,981)	4,576,441
Rights	-	-	-	77,622	-	77,622
Easements	7,445,534	(2,548,011)	4,897,523	7,127,254	(2,415,467)	4,711,787
Other intangibles	53,695,034	(3,915,223)	49,779,811	35,608,192	(2,405,801)	33,202,391
	$ 262,230,645	(126,326,073)	135,904,572	214,440,705	(99,388,757)	115,051,948

Below is the movement of intangible assets:

		December 2022	December 2021
Cost			
Opening balance	$	214,440,705	176,898,110
Purchases		38,959,782	27,784,978
Addition of capitalizable interest		2,501,448	861,509
Recovery		(794,562)	-
Retirements, sales (net)		(645,243)	(1,078,598)
PPA adjustments		-	4,597,693
Reclassifications		-	564,129
Transfer to Property, pipeline, networks, plant and equipment		(72,621)	
Translation adjustments		7,841,136	4,812,884
Closing balance	$	262,230,645	214,440,705
Accumulated amortization			
Opening balance	$	(99,388,757)	(78,320,812)
Amortization charged to cost		(7,921,522)	(6,680,970)
Amortization charged to expense		(15,384,970)	(13,846,014)
Retirements		92,856	1,021,443
Reclassifications		-	(83,590)
Translation adjustments		(3,723,680)	(1,478,814)
Closing balance	$	(126,326,073)	(99,388,757)
Net balance		135,904,572	115,051,948

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

17. RIGHTS OF USE

Below is a breakdown by type of property, plant, pipeline, networks and equipment and concessions with right of use:

Rights of use associated with property, plant and equipment

	December 2022			December 2021		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	6,323,028	(1,811,878)	4,511,150	4,828,747	(1,017,191)	3,811,556
Buildings	26,818,194	(7,831,319)	18,986,875	21,591,013	(4,696,057)	16,894,956
Machinery and equipment	56,830,623	(54,618,743)	2,211,880	56,613,414	(54,464,231)	2,149,183
Transportation equipment	37,540,315	(22,297,579)	15,242,736	34,041,409	(21,210,876)	12,830,533
Communication and computer equipment	1,783,864	(413,150)	1,370,714	110,618	(64,526)	46,092
	129,296,024	(86,972,669)	42,323,355	117,185,201	(81,452,881)	35,732,320

Rights of use associated with concessions

	December 2022			December 2021		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	299,666	(40,495)	259,171	290,456	(25,207)	265,249
Buildings	6,526,992	(3,041,382)	3,485,610	5,535,624	(1,915,993)	3,619,631
Machinery and equipment	122,115,826	(29,366,596)	92,749,230	114,339,577	(21,077,657)	93,261,920
	128,942,484	(32,448,473)	96,494,011	120,165,657	(23,018,857)	97,146,800
	$ 258,238,508	(119,421,142)	138,817,366	237,350,858	(104,471,738)	132,879,120

Below is the breakdown of right of use assets associated with property, plant and equipment and concessions:

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

	Land	Buildings	Machinery and equipment	Transport equipment	Communication and computer equipment	Land associated with the concession	Buildings associated with the concession	Machinery and equipment associated with the concession	Rights of use
Cost									
Balance as of December 31, 2020	$ 4,233,789	20,091,564	56,576,275	28,125,808	219,868	163,676	5,247,677	112,051,753	226,710,410
Addition of new finance lease agreements	-	1,429,545	-	8,868,958	-	46,899	-	-	10,345,402
Additions to existing finance lease agreements	128,242	1,131,064	37,139	823,094	-	2,678	71,622	2,287,824	4,481,663
Retirements, sales and retirements	(34,764)	(1,644,731)	-	(4,174,164)	(109,250)	-	(326,405)	-	(6,289,314)
Carryforward of purchase option rights of use	-	-	-	(162,039)	-	-	-	-	(162,039)
Translation adjustments of transactions in foreign subsidiaries	501,480	583,571	-	559,752	-	-	619,933	-	2,264,736
Adjustments to audited balances	-	-	-	-	-	77,203	(77,203)	-	-
Balance as of December 31, 2021	$ 4,828,747	21,591,013	56,613,414	34,041,409	110,618	290,456	5,535,624	114,339,577	237,350,858
Addition of new finance lease agreements	432,279	4,306,243	-	7,876,314	1,673,246	-	-	-	14,288,082
Additions to existing finance lease agreements	349,058	1,634,530	225,354	968,954	-	9,210	53,100	7,776,249	11,016,455
Retirements, sales and retirements	(106,003)	(1,768,307)	(8,145)	(6,499,515)	-	-	-	-	(8,381,970)
Translation adjustments for transactions in foreign subsidiaries	818,947	1,054,715	-	1,153,153	-	-	938,268	-	3,965,083
Balance as of December 31, 2022	$ 6,323,028	26,818,194	56,830,623	37,540,315	1,783,864	299,666	6,526,992	122,115,826	258,238,508
Accumulated depreciation									
Balance as of December 31, 2020	$ (545,298)	(2,669,105)	(54,315,202)	(17,612,800)	(151,652)	(12,020)	(1,414,901)	(13,378,156)	(90,099,134)
Depreciation through profit or loss	(376,857)	(2,129,999)	(149,029)	(6,105,712)	(22,124)	(12,669)	(643,831)	(7,699,501)	(17,139,722)
Retirements, sales and write-offs	2,544	257,587	-	2,857,802	109,250	-	326,405	-	3,553,588
Reclassifications	-	-	-	-	-	-	-	-	-
Capitalized depreciation	-	-	-	(290,567)	-	-	-	-	(290,567)
Carryforward of purchase option rights of use	-	-	-	78,947	-	-	-	-	78,947
Translation adjustments of transactions in foreign subsidiaries	(97,580)	(154,540)	-	(138,546)	-	-	(184,184)	-	(574,850)
Adjustments to audited balances	-	-	-	-	-	(518)	518	-	-
Balance as of December 31, 2021	$ (1,017,191)	(4,696,057)	(54,464,231)	(21,210,876)	(64,526)	(25,207)	(1,915,993)	(21,077,657)	(104,471,738)
Depreciation through profit or loss	(546,057)	(3,097,034)	(154,566)	(6,696,280)	(348,624)	(15,288)	(703,219)	(8,288,939)	(19,850,007)
Retirements, sales and retirements	5,494	471,560	54	6,219,514	-	-	-	-	6,696,622
Reclassifications	-	-	-	-	-	-	-	-	-
Capitalized depreciation	-	-	-	(112,974)	-	-	-	-	(112,974)
Translation adjustments of transactions in foreign subsidiaries	(254,124)	(509,788)	-	(496,963)	-	-	(422,170)	-	(1,683,045)
Adjustments to audited balances	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2022	$ (1,811,878)	(7,831,319)	(54,618,743)	(22,297,579)	(413,150)	(40,495)	(3,041,382)	(29,366,596)	(119,421,142)
Net balance									
Balance as of December 31, 2021	$ 3,811,556	16,894,956	2,149,183	12,830,533	46,092	265,249	3,619,631	93,261,920	132,879,120
Balance as of December 31, 2022	$ 4,511,150	18,986,875	2,211,880	15,242,736	1,370,714	259,171	3,485,610	92,749,230	138,817,366

18. INCOME TAX

In accordance with current tax regulations, the Company is subject to income tax and complementary taxes with a rate as of December 31, 2022 and 2021 of 33% and 31%, respectively.

It should be noted that in 2009 the Company entered into a legal stability contract with the National Government, which ends in 2029. By means of this contract, the income tax rate referred to in Article 240 of the Tax Code was stabilized at 33%, which rate corresponds to the 2009 tax year.

It is worth noting that if during the term of the legal stability contract the articles or rules included in the contract are adversely modified, the stabilized rules will continue to apply to them for the term of the contract.

On the other hand, the subsidiaries are subject to income tax and complementary taxes with a rate as of December 31, 2022 and 2021 of 35% and 31%, respectively.

However, the controlled companies Promigas Perú S.A. and Gases del Norte del Perú S.A.C., at December 31, 2022 and 2021 are subject to income tax at 29.5%; Gases del Pacífico S.A.C. at December 31, 2022 and 2021 is subject to income tax at 30%; Zonagen S.A.S. and Sociedad Portuaria El Cayao S.A. E.S.P. at December 31, 2022 and 2021 are subject to income tax at 20%.

Taxable income from occasional gains is subject to tax at a rate of 10% as of December 31, 2022 and 2021.

As of taxable year 2021 the presumptive income rate is zero percent (0%).

As of December 31, 2022 and 2021, the Company and its subsidiaries calculated and recorded the provision for income taxes based on the net taxable income, which takes into consideration some adjustments to the commercial profit of the separate financial statements that have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009.

As of December 31, 2022 and 2021, Zonagen S.A.S. did not record income and supplementary tax expense considering that in those periods it liquidated tax loss and the presumptive income rate as of taxable year 2021 is 0%. Additionally, Gases del Pacifico S.A.C. and Promigas Panama Corporation did not record income tax expense in 2022.

Act 1819 of 2016, determined through Article 22 that for the validity of 2017 and following years, the determination of income tax and complementary taxes, in the value of assets, liabilities, equity, income, costs and expenses, of the taxpayers of this tax required to keep accounting, will apply the recognition and measurement systems, in accordance with the technical accounting regulatory frameworks in force in Colombia, when the tax law expressly refers to them and in the cases in which this does not regulate the matter.

In any case, the tax law may expressly provide for a different treatment, in accordance with Article 4 of Act 1314 of 2009.

In addition, the income tax returns for taxable years 2017, 2018, 2019, 2019, 2020 and 2021 filed by Promigas S.A. E.S.P., Promisol S.A.S., Zonagen S.A.S. and Sociedad Portuaria el Cayao S.A. E.S.P. are open for tax review by the tax authorities; for Transportadora de Metano S.A. E.S.P., Promioriente S.A. E.S.P., Transoccidente S.A. E.S.P., Transoccidente S.A. E.S.P., Gases de Occidente S.A. E.S.P., Compañía Energética de Occidente S.A.S E.S.P. and Orión Contac Center S.A.S., taxable years 2019, 2020 and 2021 are open for review by the tax authorities; Surtidora de Gas del Caribe S.A. E.S.P. has taxable years 2019 and 2020 open for review by the tax authorities. No additional taxes are foreseen on the occasion of an inspection.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following is a detail of the Companies that have accumulated tax losses to be offset in income tax as of December 31, 2022:

Zonagen S.A.S.	$	5,883,330
Sociedad Portuaria el Cayao S.A. E.S.P.		22,038,920
Gases Del Pacifico S.A.C.		338,283,237
	$	366,704,173

Tax losses accumulated up to 2016 may be offset against future ordinary income tax net income at any time, without any percentage limitation. The tax losses of the years 2019, 2020, 2021 and 2022, may be offset at most with the net income of the following twelve (12) years to the year of their occurrence.

The following is a detail of the excess of presumptive income over ordinary income in the income tax as of December 31, 2022:

Zonagen S.A.S.	39,241

The excess of presumptive income over ordinary income may be offset with ordinary income obtained within the five years following their occurrence.

The general term of finality of income tax returns is unified in 3 years; for the Companies that present the following situations, the finality will be subject to the following:

Year of tax return	Finality term
2015	Returns in which losses are liquidated and/or compensated will become final within five (5) years from the date of filing the return.
2016 to 2018	Returns that show tax losses are final for twelve (12) years; if tax losses are offset, or if they are subject to the transfer pricing regime, the finality is six (6) years.
from 2019 net income	In returns that liquidate and/or compensate tax losses or that are subject to the transfer pricing regime, the finality will be five (5) years.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following is a reconciliation of the effective rate for the periods ended December 31, 2022 and December 31, 2021:

	December 2022	%	December 2021	%
Income before income tax	1,549,975,252		1,548,585,005	
Theoretical tax expense calculated according to current tax rates	511,491,833	33,00	480,061,352	31,00
Non-deductible expenses	21,487,648	1,39	19,719,282	1,27
Dividends received	412,648	0,03	141,405	0,01
Income from the equity method not constituting income	(96,763,779)	(6,24)	(78,394,891)	(5,06)
Interest and other income not subject to taxation	(5,609,826)	(0,36)	(4,669,562)	(0,30)
Exempt income	(169,290)	(0,01)	(191,560)	(0,01)
Occasional income	-	-	(181,382)	(0,01)
Tax credits	(20,001,459)	(1,29)	(18,595,291)	(1,20)
Non-deductible expenses used as a tax deduction	17,695,732	1,14	9,962,547	0,64
Tax benefit on the acquisition of productive assets and investment in NCSE projects	(12,239,076)	(0,79)	(5,325,517)	(0,34)
Taxes on profits of subsidiaries	5,210,168	0,34	3,560,963	0,23
Effect of difference in tax rate of taxes on subsidiaries	2,788,870	0,18	(8,305,972)	(0,54)
Effect on deferred income tax of changes in tax rates on concessions	(37,493,470)	(2,42)	(33,184,111)	(2,14)
Effect on income tax due to adjustment of prior years.	(6,016,842)	(0,39)	(3,286,022)	(0,21)
Effect of Decree 1311 of 2021/Decree 2617 of 2022/Adjustments and eliminations Consolidated	108,367,014	6,99	47,137,206	3,06
Other items	6,736,197	0,43	5,849,322	0,38
	495,896,368		414,297,769	

The following is a detail of the current income tax liability (asset):

		December 2022	December 2021
Current year income tax	$	313,223,027	243,204,928
Compensation of income and complementary taxes		(232,142,040)	(180,712,680)
Current income tax	$	81,080,987	62,492,248

Deferred taxes

The differences between the book value of assets and liabilities and their tax bases give rise to the following temporary differences that generate deferred taxes, calculated and recorded in the periods ended December 31, 2022 and 2021, based on the tax rates in force as references for the years in which such temporary differences will be reversed.

In compliance with IAS 12, Promigas did not record deferred tax liabilities related to temporary differences on investments in subsidiaries, mainly for items corresponding to undistributed earnings and tax adjustments on investments. This is due to the fact that: i) the Company has control of the subsidiaries and, therefore, can decide on the reversal of such temporary differences; and ii) the Company does not expect to realize them in the medium term; therefore, it is probable that such temporary differences will not be reversed in the foreseeable future. Temporary differences for the aforementioned items as of December 31, 2022 and 2021, amounted to $2,935,365,257 and $2,195,442,825, respectively.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Deferred income tax is comprised as follows:

		Decemebr 2022	December 2021
Deferred tax assets, net	$	69,276.388	66,136,281
Deferred tax liabilities, net		1,069,661.511	869,891,255
Deferred tax liabilities, net	$	(1,000,385.123)	(803,754,974)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following is the movement in deferred taxes as of December 31, 2022 and 2021:

	Balance as of January 1, 2021	Recognized through profit or loss	Recognized through other comprehensive income	Recognized directly in equity	Balance as of December 31, 2021	Recognized through profit or loss	Recognized through other comprehensive income	Recognized directly in equity	Balance as of December 31, 2022
Loan portfolio	(31,714,956)	(9,225,892)	-	-	(40,940,848)	(15,374,391)	-	746,147	(55,569,092)
Concession contracts	20,278,359	(8,898,468)	-	-	11,379,891	2,978,925	-	-	14,358,816
Biological assets	-	-	-	-	-	-	-	-	-
Tax losses	57,880,366	37,160,836	-	-	95,041,202	24,545,074	-	12,284,251	131,870,527
Excess of presumptive income	184,955	(402,463)	-	-	(217,508)	-	-		(217,508)
Non-deductible passive provisions	46,415,074	18,103,842	-	-	64,518,916	23,548,708	-	69,563	88,137,187
Difference between accounting and tax bases of property, plant and equipment	74,049,417	(18,075,841)	-	-	55,973,576	(12,290,377)	-	(1,440,824)	42,242,375
Lease agreements	13,731,155	3,357,026	-	-	17,088,181	(5,623,833)	-	-	11,464,348
Provision for investment commitments	44,161,508	6,776,330	-	-	50,937,838		-	-	50,937,838
Employee benefits	592,963	(228,422)	(145,299)	-	219,242	(87,250)	(43,720)	-	88,272
Valuation of derivatives	-	-	-	-	-	-	-	-	-
Goodwill	422,910	(422,910)	-	-	-	-	-	-	-
Deferred charges	694,304	22,190,315	-	-	22,884,619	7,472,192	-	1,651,784	32,008,595
Financial assets	(530,104,585)	(105,760,155)	-	-	(635,864,740)	(161,569,644)	-	-	(797,434,384)
Valuation of equity investments	(19,033,827)	(1,852,664)	(228,131)	-	(21,114,622)	(5,371,377)	(4,328,069)	-	(30,814,068)
Cost of property, plant and equipment	(131,983,878)	(60,413,640)	-	-	(192,397,518)	(20,923,290)	-	-	(213,320,808)
Cost of intangible assets	(69,518,651)	30,556,426	-	-	(38,962,225)	(782,284)	-	-	(39,744,509)
Margin IFRS15 construction services	(116,908,104)	(120,859,369)	-	-	(237,767,473)	(65,217,406)	-	(61,780,006)	(364,764,885)
Translation effect of ddeferred tax account subsidiaries in Peru	-	-	-	(25,348,563)	(25,348,563)		-	-	(25,348,563)
Valuation of derivatives	882,364	(43,989)	(48,741)	-	789,634	(60,796)	(695,633)		33,205
Other	(201,541)	37,842,722	32,384,243	-	70,025,424	45,275,733	51,165,827	(10,779,453)	155,687,531
Totals	(640,172,167)	(170,196,316)	31,962,072	(25,348,563)	(803,754,974)	(183,480,016)	46,098,405	(59,248,538)	(1,000,385,123)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following is the composition of the income tax expense for the years ended December 31, 2022 and 2021:

		December 2022	December 2021
Current income tax	$	313,223,027	243,204,928
Foreign income taxes		5,210,167	4,182,547
Income tax recovery		(6,016,842)	(3,286,022)
Deferred income tax (net)		183,480,016	170,196,316
	$	495,896,368	414,297,769

Uncertainties in open tax positions

Based on the policy of Promigas and related companies, and the income tax returns that have not yet reached their term of finality, the impact of IFRIC 23 was reviewed, identifying that there are no cases of uncertain tax positions, except for the one identified in Compañía Energética de Occidente, recognized in its financial statements in the amount of COP $ 120 million.

Transfer Pricing

In accordance with the provisions of Acts 788 of 2002, 863 of 2003, 1607 of 2012 and 1819 of 2016, regulated by Decree 2120 of 2017, Promigas S.A. E.S.P., Promisol S.A.S., Enlace Servicios Empresariales Globales S.A.S. and Orión Contact Center S.A.S. prepared a transfer pricing study on the operations carried out with foreign economic related parties during the taxable year 2021. The study did not give rise to adjustments affecting the Company's income, costs and tax expenses.

Although the transfer pricing study for the year 2022 is in the process of preparation, no significant changes are anticipated in relation to the previous year.

Tax Reform for Equality and Social Justice

By means of Act 2277 of December 13, 2022, a tax reform was adopted, such provision introduces some modifications in income tax matters, which are presented below:

- The general income tax rate is maintained at 35% for national companies and their assimilated companies, permanent establishments of foreign entities and foreign legal entities with or without residence in the country obliged to file the annual income and complementary tax return.
- For financial institutions, insurance entities, reinsurance companies, stock exchange commission agent companies, agricultural commission agent companies, agricultural, agro-industrial or other commodities goods and products stock exchanges and stock market infrastructure providers, a surtax of 5 additional points of the general income tax rate is established during the taxable periods 2023 to 2027, being the total rate 40% if they have a taxable income equal or higher than 120,000 UVT ($5,089,440,000 year 2023). The surtax will be subject to an advance payment of 100%.
- Taxpayers who receive income from extraction of hard coal (ISIC 0510) and extraction of lignite coal (ISIC 0520), shall liquidate additional points (5%, 10%) when the average price of the taxable year is within certain percentiles with respect to the average monthly prices of the 120 months prior to the year subject to declaration and the net taxable income exceeds 50,000 UVT ($2,120,600,000 UVT). ($2,120,600,000, year 2023).

- Taxpayers who receive income from extraction of crude oil (ISIC 0610), shall liquidate additional points (5%, 10%, 15%) when the average price of the taxable year is within certain percentiles with respect to the average monthly prices of the 120 months prior to the year subject of the return and the taxable net taxable income exceeds 50,000 UVT. ($2,120,600,000, year 2023).
- Taxpayers whose main activity is the generation of energy from water sources and whose net taxable income exceeds 30,000 UVT ($1,272,360,000 year 2023) must pay for the years 2023 to 2026 a surtax of three additional points of income tax at a rate of 38%, this surtax is subject to an advance payment of 100%. This surtax does not apply to small hydroelectric power plants whose installed capacity is less than 1,000 Kw.
- A differential rate of 15% is established for services rendered in new hotels, theme park projects, new ecotourism and agrotourism park projects for a period of ten years from the beginning of the service rendered.
- For publishing companies incorporated in Colombia as legal entities, whose economic activity and corporate purpose is exclusively the publishing of books, under the terms of Act 98 of 1993, the rate will be 15%.
- For Free Trade Zone users, a differential rate of 20% is established on the proportion of taxable net income corresponding to income from export of goods and services, on the proportion of taxable net income corresponding to income other than export of goods and services the income rate will be 35%.

  Those who in 2023 or 2024 agree on an internationalization plan with a maximum threshold of income from operations in the National Customs Territory and income different to the authorized activity may apply the above. An agreement must be signed annually.

  The services coming from the rendering of health services to patients without residence in Colombia by the special permanent free zones of health services or industrial users of health services of a permanent free zone and free zones dedicated to the development of infrastructure related to airports will add as income for exportation of goods and services. The offshore Free Trade Zones, industrial users of special permanent free trade zones of port services, industrial users of Free Trade Zones whose main corporate purpose is the refining of petroleum derived fuels or refining of industrial biofuels, industrial users of services that provide the logistics services of numeral 1 of article 3 of Act 1004 of 2005 and operators users, shall have a rate of 20%.

  Free trade zone users will have a term of 1 year (2023) to comply with the requirement and their rate will correspond to 20%. If the gross income growth is 60% in 2022 in relation to 2019, the 20% rate will be in force until 2025 and commercial users will have to apply the general rate of 35%. For Free Trade Zone users with legal stability contracts, the rate will be the one established in the contract. However, they will not be entitled to the exemption of contributions referred to in Art. 114-1 of the Tax Code and will not be able to apply the AFRP (Real Productive Fixed Assets) deduction referred to in Art. 158-3 of the Tax Code.
- A minimum tax is established for residents in Colombia, setting an additional tax in the event that the adjusted income tax with certain adjustments is less than 15% of the accounting profit before taxes with certain adjustments. Thus, taxpayers must: (i) Determine the adjusted tax of the Colombian taxpayer, or the adjusted tax of the group in case it is part of a corporate group; (ii) Determine the adjusted profit of the Colombian taxpayer or of the group in case it is part of a corporate group; and, (iii) Determine the adjusted tax rate of the Colombian taxpayer or of the group in case it is part of a corporate group. If the effective rate (adjusted tax/adjusted profit) is lower than 15%, the tax to be added must be calculated to reach the rate of fifteen percent (15%) of the taxpayer or of the group in case it is part of a corporate group.

  Exempt from this rule are the Economic and Social Zones - ZESE during the period that their income rate is zero (0%), taxpayers whose adjusted profit is equal or less than zero, those who are governed by the provisions of Article 32 of the Tax Code (Concessions), industrial and commercial companies of the state or mixed economy companies that exercise monopolies of luck, chance and liquors; hotels and theme parks provided that they are not required to submit country by country report.

- The amount of the sum of some income not constituting income, special deductions, exempt income and tax discounts is limited to 3% per year of the ordinary net income.
- Article 158-1 is repealed, eliminating the possibility of deducting the costs and expenses associated with investments in Science, Technology and Innovation (CTeI), i.e. these investments will only be entitled to a tax discount. The possibility of taking 30% of the investments in Science, Technology and Innovation (CTeI) that have the approval of the National Council of Tax Benefits (CNBT) as a tax discount is maintained; the previous regulation established a discount of 25%.
- The possibility of deducting royalty payments referred to in articles 360 and 361 of the National Constitution is eliminated, regardless of the denomination of the payment, the accounting treatment and the form of payment (money or in kind), the non-deductible amount corresponds to the total cost of production of non-renewable resources.
- The possibility of taking 50% of the ICA effectively paid before filing the tax return as a tax deduction is eliminated. The 100% accrued and paid prior to the filing of the income tax return will be deductible.
- 100% of the taxes, rates and contributions effectively paid in the taxable year, which have a causal relationship with the generation of income (except income tax) will continue to be deductible; 50% of the tax on financial movements (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-generating activity.
- Payments for memberships to social clubs, labor expenses of support personnel in housing or other activities unrelated to the income producing activity, personal expenses of partners, participants, shareholders, clients and/or their relatives, all of which will be considered as income in kind for their beneficiaries, will not be deductible.
- It is established that the non-deductible amounts for sentences arising from administrative, judicial or arbitration proceedings, correspond to the amounts that have a punitive, sanctioning or indemnification of damages nature (Number 3 of Article 105 of the Tax Code).
- The occasional income tax rate is established at 15%.
- A withholding tax rate of 10% is established for dividends received by national companies that do not constitute income or occasional profit (previously 7.5%), which will be transferable to the resident individual or the foreign investor. The exceptions established in the current regulations are maintained. Dividends and participations received by permanent establishments of national foreign companies that do not constitute income or occasional profit will be taxed at the special rate of 20%.
- It was provided that the tax on taxed dividends will be determined: (i) by applying the income rate corresponding to the year in which they are declared (35%) and (ii) on the remainder, the rate corresponding to the non-taxed dividend will be applied, depending on the beneficiary (if it is a resident individual or an unliquidated succession of a resident deceased person, the table of article 241 of the Tax Code will be applied).
- Dividends declared against profits of 2016 and prior years will keep the treatment in force at that time; and those corresponding to profits of 2017 and 2018 and 2019 that are declared as from 2020 will be governed by the rates set forth in Act 2010.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

19. FINANCIAL OBLIGATIONS

Below is a summary of the financial obligations obtained by Promigas and its subsidiaries as of December 31 and June 30, 2016, for the essential purpose of financing operations and investment plans:

		December 2022	December 2021
Current portion			
Loans in foreign currency	$	405,016,382	244,758,898
Loans in local currency		189,222,458	29,018,999
Lease agreements		185,248,724	148,083,354
Interest payable		45,741,414	6,575,802
	$	825,228,978	428,437,053
Non-current portion			
Loans in foreign currency	$	815,035,706	474,431,051
Loans in local currency		2,535,473,936	1,002,864,900
Lease agreements		733,179,805	779,475,955
	$	4,083,689,447	2,256,771,906
Total financial obligations	$	4,908,918,425	2,685,208,959

Below is a summary of the maturities of non-current financial obligations:

Year		Value
2024	$	999,405,990
2025		1,674,921,441
2026		505,876,573
2027		784,519,614
2028 onwards		118,965,829
	$	4,083,689,447

Below is a reconciliation of the changes between liabilities and cash flows arising from financing activities:

		Loans obtained in local currency	Loans obtained in foreign currency	Lease agreements	Interest payable	Financial obligations
Balance as of December 31, 2020	$	772,562,325	493,341,265	952,281,932	5,984,937	2,224,170,459
Addition of obligations		691,332,945	315,340,561	14,719,727	-	1,021,393,233
Initial recognition PPA Promigas Peru		-	719,817	-	-	719,817
Payments		(435,639,263)	(169,865,455)	(141,612,153)	(117,792,236)	(864,909,107)
Carryforwards and reclassifications		(4,444)	(9,560)	(2,740,914)	(167,817)	(2,922,735)
Interest through profit or loss		3,632,336	3,078,588	781,242	115,218,630	122,710,796
Capitalized interest		-	-	-	3,040,302	3,040,302
Exchange difference		-	(6,072,081)	100,521	(13,317)	(5,984,877)

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

		Loans obtained in local currency	Loans obtained in foreign currency	Lease agreements	Interest payable	Financial obligations
Hedges through profit or loss		-	949,425	-	-	949,425
Translation adjustments on transactions in foreign subsidiaries		-	81,707,389	104,028,954	305,303	186,041,646
Balance as of December 31, 2021	$	1,031,883,899	719,189,949	927,559,309	6,575,802	2,685,208,959
Additions to obligations		1,722,719,000	380,038,894	25,296,753	-	2,128,054,647
Incremental costs		(1,334,825)	-	-	-	(1,334,825)
Payments		(29,591,121)	(88,567,563)	(159,656,569)	(185,214,635)	(463,029,888)
Carryforwards and reclassifications		-	-	(1,865,283)	-	(1,865,283)
Interest through profit or loss		1,019,441	2,603,096	-	210,476,981	214,099,518
Capitalized interest		-	-	-	12,746,422	12,746,422
Exchange difference		-	10,456,674	(79,604)	-	10,377,070
Translation adjustments for transactions in foreign subsidiaries		-	196,331,038	127,173,923	1,156,844	324,661,805
Balance as of December 31, 2022	$	2,724,696,394	1,220,052,088	918,428,529	45,741,414	4,908,918,425

20. OUTSTANDING BONDS

Outstanding bonds are detailed below:

		December 2022	December 2021
Current portion			
Ordinary bonds	$	380,179,000	230,382,000
Interest on bonds payable		55,746,689	38,445,276
	$	435,925,689	268,827,276
Non-current portion			
Ordinary bonds	$	4,660,921,959	4,590,016,557
Amortized cost and UVR adjustment		41,489,589	7,084,833
	$	4,702,411,548	4,597,101,390

The bonds issued by the Company and its subsidiaries in the local market are long-term, have AAA risk rating and pay interest quarterly in arrears. The bonds issued in the international market are long-term, have BBB- risk rating and pay interest semi-annually in arrears.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below is a detail of Promigas bonds and subordinated bonds:

Issuer	Series	Term in years	Par value December 2022	Par value December 2021	Interest rate	Date of issue	Maturity date	Date of subscription
Promigas S.A. E.S.P.	C15	15	170,000,000	170,000,000	IPC+5.99%	27/08/2009	27/08/2024	28/08/2009
Promigas S.A. E.S.P.	A10	10	150,179,000	150,179,000	IPC+3.22%	29/01/2013	29/01/2023	30/01/2013
Promigas S.A. E.S.P.	A20	20	250,000,000	250,000,000	IPC+3.64%	29/01/2013	29/01/2033	30/01/2013
Promigas S.A. E.S.P.	A7	7	-	120,000,000	IPC+3.34%	11/03/2015	11/03/2022	12/03/2015
Promigas S.A. E.S.P.	A15	15	175,000,000	175,000,000	IPC+4.37%	11/03/2015	11/03/2030	12/03/2015
Promigas S.A. E.S.P.	A10	10	150,000,000	150,000,000	IPC+3.74%	8/09/2016	8/09/2026	9/09/2016
Promigas S.A. E.S.P.	A20	20	250,000,000	250,000,000	IPC+4.12%	8/09/2016	8/09/2036	9/09/2016
Promigas S.A. E.S.P.	USD	10	1,010,142,000	827,973,300	Fija3.75%	16/10/2019	16/10/2029	16/10/2019
Promigas S.A. E.S.P.	USD	10	144,306,000	118,281,900	Fija3.75%	22/10/2020	22/10/2029	22/10/2020
Promigas S.A. E.S.P.	A5	5	99,480,000	99,480,000	IPC+1.58%	19/11/2020	19/11/2025	19/11/2020
Promigas S.A. E.S.P.	D25	25	500,519,959	500,519,957	UVR+3.77%	19/11/2020	19/11/2045	19/11/2020
Gases del Pacifico S.A E.S.P.	USD	10	913,938,000	749,118,700	Fija3.75%	16/10/2019	16/10/2029	16/10/2019
Gases del Pacifico S.A E.S.P.	USD	10	432,918,000	354,845,700	Fija3.75%	16/10/2020	16/10/2029	16/10/2020
Surtigas S.A. E.S.P.	A10	10	130,000,000	130,000,000	IPC+3.25%	12/02/2013	12/02/2023	12/03/2013
Surtigas S.A. E.S.P.	A20	20	70,000,000	70,000,000	IPC+3.64%	12/02/2013	12/02/2033	12/03/2013
Gases de Occidente S.A. E.S.P.	A10	10	-	110,382,000	IPC+3.75%	11/12/2012	11/12/2022	10/12/2012
Gases de Occidente S.A. E.S.P.	A20	20	89,618,000	89,618,000	IPC+4.13%	11/12/2012	11/12/2032	10/12/2012
Gases de Occidente S.A. E.S.P.	A7	7	126,400,000	126,400,000	IPC+3.65%	2/03/2018	2/03/2025	1/03/2018
Gases de Occidente S.A. E.S.P.	A25	25	173,600,000	173,600,000	IPC+4.12%	2/03/2018	2/03/2043	1/03/2018
Promioriente S.A. E.S.P.	A7	7	105,000,000	105,000,000	IPC+3.54%	23/01/2018	23/01/2025	24/01/2018
Promioriente S.A. E.S.P.	C5	5	100,000,000	100,000,000	Fija7.10%	23/01/2018	23/01/2023	24/01/2018
Subtotal			5,041,100,959	4,820,398,557				
Amortized Cost			(22,414,201)	(8,889,497)				
UVR Adjustment			63,903,790	15,974,330				
Interest payable			55,746,691	38,445,276				
Total			5,138,337,237	4,865,928,666				

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

As a result of the international bond issue, Promigas S.A. E.S.P. and Gases del Pacífico S.A.C. must comply with the agreements signed in the structuring of the bonds that are detailed in article 4 - Covenants of the Original Agreement dated October 16, 2019.

These commitments inlude the following:

Sending quarterly (unaudited) and annual (audited) Financial Statements to USBANK

So long as the debt exists, Promigas shall, within 90 days after the end of each quarter and 120 days after the end of each fiscal year, provide the trustee copies of an unaudited (with respect to the quarter) or audited (with with respect to the fiscal year) consolidated balance sheet, consolidated statement of income and consolidated statement of cash flows of Promigas, prepared in a form substantially similar to the financial statements included in the offering memorandum prepared in accordance with Colombian IFRS and presented in English. The audited information provided related to the annual financial statements will also include the corresponding report by the independent certified public accountants. Receipt of such reports by the trustee will not constitute an effective or constructive notice of the information it contains, including Promigas's compliance with any of its covenants under this agreement.

Below is a reconciliation of the changes between liabilities and cash flows arising from bond financing activities:

	Bonds	Interest bonds payable	Outstanding bonds
Balance as of December 31, 2020	$ 4,521,253,738	29,775,925	4,551,029,663
Addition of incremental costs	(151,225)	-	(151,225)
Reclassifications	33,580	(33,580)	-
Payments	-	(233,858,029)	(233,858,029)
Interest through profit or loss	23,598,999	236,863,754	260,462,753
Capitalized interest	-	4,703,623	4,703,623
Exchange difference	33,715,615	93,000	33,808,615
Non-derivative hedges with effect on OCI	97,140,790	-	97,140,790
Hedges with effect on income	248,897	-	248,897
Translation adjustments for transactions in foreign subsidiaries	151,642,996	900,583	152,543,579
Balance as of December 31, 2021	$ 4,827,483,390	38,445,276	4,865,928,666
Payments	(230,382,000)	(353,260,737)	(583,642,737)
Interest through profit or loss	58,378,300	357,116,429	415,494,729
Capitalized interest	-	11,591,604	11,591,604
Exchange difference	36,976,782	-	36,976,782
Non-derivative hedges with effect on OCI (1)	160,566,531	-	160,566,531
Translation adjustments for transactions in foreign subsidiaries	229,567,544	1,854,118	231,421,662
Balance as of December 31, 2022	$ 5,082,590,547	55,746,690	5,138,337,237

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

(1) Non-derivative hedges with effect on OCI

By having bonded debt in foreign currency, the risk of fluctuation in the exchange rate of the translation effect of investments with functional currency U.S. dollars has been identified as a hedged item. The designated financial liabilities limit the risk resulting from fluctuations in the exchange rate in U.S. dollars above or below the specified ranges.

With the first issue of international bonds on October 16, 2019, the change of hedging instrument is confirmed, being currently the bond obligation, which will be used to offset the effects of the fluctuation of the exchange rate on Promigas's equity due to the adjustment in translation of the Net Investments abroad in functional currency U.S. dollars.

To determine the effectiveness of the hedge ratio, the Company evaluates qualitatively the critical contractual obligations between the hedged item and the hedging instrument. If inconsistencies are noticed in contractual obligations, a quantitative assessment is used to determine the impact of potential ineffectiveness.

The book value of net investments abroad and the percentage covered are detailed below:

Company	Net investment value USD	Hedged item USD	Hedge %
Gases del Pacífico S.A.C.	98,068,191	31,887,910	32.5%
Gases del Norte del Perú S.A.C	136,860,185	24,004,082	17.5%
Promigas Perú S.A..	12,670,976	4,819,714	38.0%
Sociedad Portuaria el Cayao S.A. E.S.P.	39,782,076	26,365,351	66.3%
Promigas Panamá Corporation	4,000	3,000	75.0%
Sociedad Portuaria de Lima y Callao S.A.C.	159,858,777	111,360,973	69.7%
Total	447,244,205	198,441,030	44.37%

Impact of the Hedge Ratio:

The part of the gain or loss on the hedging instrument determined as an effective hedge is recognized in other comprehensive income. The determination of the results by net investment hedge is as follows:

		Hedged Item Measurement	**Hedging Instrument Measurement**	**Ratio**
Effectiveness of the hedge ratio	$	198,441,030	198,441,030	100%

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

21. ACCOUNTS PAYABLE

Below is the detail of accounts payable:

		December 2022			December 2021		
		Third Parties	Related Entities	Total	Third Parties	Related Entities	Total
Current portion							
Domestic goods and services	$	521,670,398	7,234,891	528,905,289	392,779,485	762,940	393,542,425
Foreign goods and services		87,352,242	-	87,352,242	82,783,436	-	82,783,436
Payables		31,080,140	24,084,046	55,164,186	20,210,343	19,891,581	40,101,924
Dividends payable (1)			79,774,236	79,774,236	40,348,928	32,495,047	72,843,975
Hedges payable		681,890	18,757	700,647	395,799	3,960	399,759
Allocated subsidies payable		99,925	-	99,925	12,312,096	-	12,312,096
	$	640,884,595	111,111,930	751,996,525	548,830,087	53,153,528	601,983,615
Non-current portion							
Accounts payable		29,743,502	-	29,743,502	22,869,891	-	22,869,891
Interest rate swaps	$	-	-	-	3,680,201	-	3,680,201
		29,743,502	-	29,743,502	26,550,092	-	26,550,092

(1) The following is the movement of dividends payable as of December 31, 2022 and 2021,

		December 2022	December 2021
Opening balance	$	72,843,975	69,282,078
Dividends declared		620,282,719	556,481,588
Cash dividends paid		(607,477,074)	(535,950,092)
Carryforward withholdings on dividends declared to stockholders		(2,201,278)	(2,226,026)
Dividend withholdings transferred to the shareholders		(3,674,106)	(14,743,573)
Closing balance (a)	$	79,774,236	72,843,975

(a) Dividends payable are detailed as follows:

		December 2022	December 2021
Corficolombiana S,A,	$	27,304,007	24,929,746
EEB Gas S,A,S,		11,931,248	10,893,749
CFC Gas Holding S,A,		8,285,806	7,565,301
Amalfi S,A,S,		6,255,667	5,711,696
Consultoría de Inversiones S,A,		4,128,951	3,769,912
Other[1]		21,782,751	19,874,130
	$	79,774,236	72,843,975

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

(1) corresponds to shareholders with an ownership interest of less than 5%,

22. EMPLOYEE BENEFITS

Below is the detail of balances of employee benefits:

		December 2022	December 2021
Current portion			
Severance and interest on severance pay	$	8,199,050	7,170,163
Vacations		10,070,070	9,485,702
Extralegal benefits		1,632,343	1,584,766
Other payments and benefits		5,167,331	4,668,921
	$	25,068,794	22,909,552
Non-current portion			
Post-employment benefits - Severance previous law	$	49,381	268,994
Post-employment benefits - Pensions		573,002	875,196
Long-term benefits		1,922,381	2,456,390
	$	2,544,764	3,600,580

Employee Retirement Benefits:

The post-employment benefits of the Company and its subsidiaries include a pension plan, retirement bonus and severance pay under the labor law prior to Act 100 of 1993.

The estimate of pension obligations, costs and liabilities depend on a variety of long-term premises determined by actuarial bases, including estimates of present value of projected future pension payments for those participating in the plan, considering the probability of future potential events, such as an increase in the urban minimum wages and demographic experience. These premises may have an effect in the amount and future contributions, should any variation occur.

The discount rate allows for future cash flows to be established at present value of the measurement date. The Company and its subsidiaries determine a long-term rate that represents the market rate for high quality fixed income investments or government bonds denominated in the currency in which the benefit shall be paid, and considers the opportunity and payment amounts of future benefits, for which Government bonds have been selected.

Other key premises are used to measure actuarial liabilities, and are calculated based on the Company and its subsidiaries' specific experience combined with published statistics and market indicators.

- With Act 100/1993, effective April 1, 1994, the Company and its subsidiaries covered their pension obligation when employees retire after meeting certain age and years of service through the payment of contributions to Colpensiones (formerly known as Social Security Institute) and pension funds, based on defined contribution plans where the Companies and employees contribute monthly values defined by the law to have access to the employee retirement pension; However, some employees who meet the requirements of age and years of service are subject to the previous legislation, Act 50/1990, in which pensions are assumed directly by the Company and its subsidiaries.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

- The Company and its subsidiaries award extra-legally or by collective agreements an additional bonus to employees who, upon reaching the required age and years of service, retire to enjoy the pension granted by the pension funds.
- Certain employees hired by Promigas before 1990 are entitled to a compensation at the date of their retirement, at the Company's or employee's will, equal to the last month's salary multiplied by the number of years worked for the Company.

Long-term benefits

The Company and its subsidiaries grant their employees an extra-legal seniority premium, which constitutes a long-term obligation during the employee's working life, depending on the number of years of service. A single payment is made every five, ten, fifteen and twenty years, etc., calculated as days of salary (between 30 and 90 days) each payment.

Actuarial Hypotheses

The Company and its subsidiaries use other key premises to value actuarial liabilities, which are calculated based on the specific experience of the Company combined with published statistics and market indicators. The variables used to calculate the projected obligation of the different retirement and long-term benefits of the employees are shown below:

	December 31, 2021		**December 31,2020**	
	Pension Liabilities	**Long-term benefits**	**Pension Liabilities**	**Long-term benefits**
Discount rate	13.75%	12.75%	7.25%	7.00%
Rate of inflation	3.00%	3.00%	3.00%	3.00%
Salary increase rate	3.00%	3.00%	3.00%	3.00%
Pension increase rate	3.00%	0.00%	3.00%	0.00%
Average duration of the plan (in years)	5.35	1.34	6.18	3.82

The expected life of employees is calculated based on mortality tables published by the Financial Superintendence of Colombia, which have been constructed based on the mortality experiences provided by the different insurance Companies operating in Colombia.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

23. PROVISIONS

In the ordinary course of business, Promigas and its subsidiaries are subject to various legal regulations inherent to public utilities and environmental protection services. In the opinion of Promigas and its subsidiaries' management no situations have been identified that lead to the discovery of a possible breaches to such rules, thus producing a significant impact on the financial statements.

	December 2022	December 2021
Current portion		
Decommissioning and restoration costs	1,891,612	1,747,859
Pipeline inspection	21,544,773	18,018,795
Social management	2,389,743	-
Environmental compensation	14,552,816	2,692,814
Asset replacement	73,517,060	20,213,229
	113,896,005	42,672,697
Non-current portion		
Administrative	13,602,585	11,685,489
Labor	2,960,183	1,853,146
Civil	1,783,156	1,783,156
Decommissioning and restoration costs	36,681,556	32,236,154
Pipeline inspection	8,788,088	14,988,652
Social management	-	3,654,465
Environmental compensation	42,496,882	43,854,856
Asset replacement	174,639,473	199,349,909
Implicit obligations credit quotas	357,686	313,051
	281,309,609	309,718,878

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

The following table presents the nature and amount of probable loss contingencies:

	Administrative	Labor	Civil	Decommissioning and restoration costs	Pipeline inspection	Social management	Environmental compensation (1)	Asset replacement (2)	Implicit obligations credit quotas	Total provisions
December 31, 2020	$ 10,452,263	750,279	2,127,883	25,191,301	18,635,173	-	37,142,630	187,252,513	454,009	282,006,051
Addition of existing provisions through expenses	3,197,931	1,367,877	-	6,863,214	-	-	-	-	(140,958)	11,288,064
Addition of capitalized provisions	-	-	-	601,839	-	3,509,232	13,693,312	10,731,468	-	28,535,851
Addition of existing provisions through cost	-	-	-	-	16,258,594	-	-	24,112,585	-	40,371,179
Readjustment of existing provisions through profit or loss	-	-	-	1,327,659	-	-	2,101,987	5,682,820	-	9,112,466
Use of provisions	(438,892)	-	-	-	(1,886,320)	-	(6,569,719)	(1,652,411)	-	(10,547,342)
Reinstatement of provisions	(1,528,150)	(265,010)	(344,727)	-	-	-	-	(2,153,587)	-	(4,291,474)
Reinstatement of provisions through cost	-	-	-	-	-	-	-	(498,828)	-	(498,828)
Carryforward of investment plan commitment	-	-	-	-	-	-	-	(11,301,665)	-	(11,301,665)
Translation adjustments	2,337	-	-	-	-	145,233	179,460	7,390,243	-	7,717,273
December 31, 2021	11,685,489	1,853,146	1,783,156	33,984,013	33,007,447	3,654,465	46,547,670	219,563,138	313,051	352,391,575
New provisions charged to expense	1,810,931	1,157,982	-	-	-	-	-	-	-	2,968,913
Addition of existing provisions through expenses	1,098,174	294,477	-	-	-	-	-	-	44,635	1,437,286
Addition of capitalized provisions	-	-	-	315,866	-	2,546,509	11,866,554	1,396,527	-	16,125,456
Addition of existing provisions through cost	-	-	-	-	8,788,088	-	-	45,875,600	-	54,663,688
Readjustment of existing provisions through profit or loss	-	-	-	4,273,289	-	-	5,287,455	11,193,522	-	20,754,266
Readjustment of existing provisions capitalized								(9,131,294)		(9,131,294)
Use of provisions	(171,795)	(300,329)	-	-	(11,462,674)	(4,277,035)	(6,032,998)	(25,439,219)	-	(47,684,050)
Use of provisions in kind	-	-	-	-	-	-	(876,198)	-	-	(876,198)
Reinstatement of provisions	(887,871)	(45,093)	-	-	-	-	-	-	-	(932,964)
Carryforward of investment plan commitment	-	-	-	-	-	-	-	(12,127,682)	-	(12,127,682)
Translation adjustments	67,657	-	-	-	-	465,804	257,215	16,825,942	-	17,616,618
December 31, 2022	13,602,585	2,960,183	1,783,156	38,573,168	30,332,861	2,389,743	57,049,698	248,156,534	357,686	395,205,614
December 31, 2021										
Current portion	-	-	-	1,747,859	18,018,795	-	2,692,814	20,213,229	-	42,672,697
Non-current portion	11,685,489	1,853,146	1,783,156	32,236,154	14,988,652	3,654,465	43,854,856	199,349,909	313,051	309,718,878
December 31, 2021										
Current portion	-	-	-	1,891,612	21,544,773	2,389,743	14,552,816	73,517,060	-	113,896,005
Non-current portion	13,602,585	2,960,183	1,783,156	36,681,556	8,788,088	-	42,496,882	174,639,473	357,686	281,309,609

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

(1) To the extent that environmental costs are necessary for an asset to operate as intended by management, they are recognized as an addition to the asset that gave rise to them. Periodically the provision is updated with the CPI certified by the DANE and the effect of such update is recognized as a borrowing cost in the results of the period.

(2) Compañía Energética de Occidente S.A.S. E.S.P. committed, among others, to execute an expansion, replacement and infrastructure improvement plan for the development of commercialization and distribution services in Cedelca's commercialization market, aimed at maintaining and/or rehabilitating the existing networks so that they operate optimally. The Investment Plan has a defined amount that is estimated at current prices through net present value adjustment techniques, using the TES (Public Debt Securities issued by the General Treasury of the Nation) as discount rate. Changes in the provision are recognized as a result of changes in the discount rate and the CPI. The use of the provision corresponds to the projects carried out according to the commitment acquired with Cedelca.

24. OTHER LIABILITIES

Below is the detail of other liabilities:

		December 2022	December 2021
Collection for third parties	$	26,014,456	22,844,667
Withholding tax and self-withholding tax		28,964,063	24,459,750
Industry and trade withholding tax payable		3,174,987	2,330,078
Other taxes and contributions payable		27,155,446	23,137,015
Value added tax payable		4,614,076	3,118,842
Deposits received from third parties		63,723,053	49,581,583
Revenues received in advance (1)		33,988,167	40,706,537
	$	187,634,248	166,178,472

(1) The following is the consolidated movement of revenue received in advance:

		December 2022	December 2021
Opening balance	$	40,706,538	43,893,553
Advances received during the period		166,371,880	69,465,895
Reimbursements to customers		-	(59,336,899)
Revenue recognition		(173,331,082)	(13,668,089)
Translation adjustments in foreign subsidiaries		240,831	352,077
Closing balance	$	33,988,167	40,706,537

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

25. EQUITY ATTRIBUTABLE TO COMPANY SHAREHOLDERS

Subscribed and paid-in capital – As of December 31, 2022 and 2021, share capital was represented by 1,150,000,000 common shares, respectively, with a nominal value of one hundred pesos each. The detail of the assets is presented below:

		December 2022	June 2021
Number of shares authorized, issued and outstanding		1,134,848,043	1,134,848,043
Number of shares paid-in and subscribed		1,134,918,610	1,134,918,610
Number of shares repurchased (1)		70,567	70,567
Paid-in and subscribed capital	$	113,491,861	113,491,861

Reserves – The balance of reserves is detailed as follows:

		December 2022	December 2021
Legal reserve	$	65,623,121	65,623,121
Reserves pursuant to bylaws		66,097,318	66,097,318
Occasional reserves		380,543	380,543
Reserves for share repurchase		1,000,000	1,000,000
Other reserves		1,093,366,294	971,430,342
Total	$	1,226,467,276	1,104,531,324

Legal Reserve – According to Colombian Law, the Company must transfer at least 10% of profits for the period to a legal reserve until such reserve equals 50% of the subscribed capital. This reserve is not available for allocation, but may be used to offset losses.

Tax Reserve – Pursuant to article 45 of Act 75/1986, the Company created a reserve equal to 70% of the higher value of the depreciation requested as tax deduction. Such reserve may be capitalized or allocated insofar as it is released.

Reserve for Share Repurchase – In 2004, the Company created a reserve for share repurchase amounting to $1,527,933 and has repurchased 70,567 own shares for $527,933.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Profit Allocation – Dividends are ordered and paid to shareholders based on non-consolidated net profits for the immediately previous year. The dividends ordered were the following:

		December 31, 2022	December 31,2021
Date of the Meeting		March 22, 2022	March 16, 2021
Unconsolidated earnings for the immediately preceding period		1,149,047,815	1,137,490,096
Cash dividends paid			
Total ordinary dividends	$	313,218,060	285,981,707
Date of payment		April 21, 2022 to March 21, 2023	April 21, 2021 to March 21, 2022
Total extraordinary dividends	$	272,363,530	238,318,089
Date of payment		April 21, 2022 and October 21, 2022	April 21, 2021 and October 21, 2021
Total shares outstanding		1,134,848,043	1,134,848,043
Total dividends declared	$	585,581,590	524,299,796
Available for future distributions	$	441,530,272	428,597,603
Carryforward of prior years' earnings to reserves due to IFRS effect		121,935,952	184,592,697

Other comprehensive income– The balance of other comprehensive income is detailed below:

		December 2022	December 2021
Revaluation of assets		20,973,265	14,434,091
Currency translation adjustment		357,311,386	120,425,447
Hedging transactions		(288,093,148)	(131,016,636)
Employee benefits		1,038,592	956,691
Deferred income tax		77,467,460	33,113,737
OCI from equity method in associated companies		392,240,178	220,640,200
	$	560,937,733	258,553,530

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

26. NON-CONTROLLING INTEREST

Below is the detail of the non-controlling interest in the consolidated companies:

	December 2022			December 2021		
Company	**%**	**Interest in Equity**	**Interest in earnings**	**%**	**Interest in Equity**	**Interest in earnings**
Surtigas S.A. E.S.P.	0.01%	89,212	10,480	0.01%	$ 81,093	11,585
Transoccidente S.A. E.S.P.	21.00%	2,579,088	708,531	21.00%	2,662,401	744,175
Promioriente S.A. E.S.P.	26.73%	118,330,327	32,049,839	26.73%	101,128,923	13,687,606
Transmetano E.S.P. S.A.	0.33%	791,233	201,725	0.33%	701,882	124,765
Gases de Occidente S.A. E.S.P.	5.57%	24,461,000	7,287,183	5.57%	22,464,957	7,329,269
Zonagen S.A.S.	0.05%	(697)	(614)	0.05%	(84)	(582)
Sociedad Portuaria El Cayao S.A. E.S.P.	49.00%	183,531,735	15,531,838	49.00%	153,117,084	13,257,815
		329,781,898	55,788,982		280,156,256	35,154,633

27. REVENUE

		December 2022	December 2021
Revenues from contracts with customers			
Natural gas transportation and distribution (1)	$	3.779.696.504	3.019.658.641
Energy distribution and sale		627.434.226	524.775.389
Facilities and technical services		291.429.551	267.944.360
Back office services		2.603.934	-
Other services		141.164.535	127.817.408
		4.842.328.750	3.940.195.798
Revenues from domestic concession contracts		227.819.738	166.596.187
Revenues from foreign concession contracts		515.750.254	773.247.724
Concession revenues (See note 14)		743.569.992	939.843.911
Total revenue from contracts with customers (1)		5.585.898.742	4.880.039.709
Other revenues			
Leases		235.916.978	201.547.347
Non-bank financing		190.378.431	118.172.207
Income from income hedges		(863.393)	(18.022.602)
Total other revenue		425.432.016	301.696.952
Total revenue	$	6.011.330.758	5.181.736.661

(1) Details of the liability for income received in advance that was recognized in income as of December 31, 2022 and 2021 can be found in the movement in income received in advance in note 24.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

28. COST OF SALES

Below is the detail of costs of goods sold:

		December 2022	December 2021
Employee benefits	$	227,581,839	172,359,097
Maintenance and materials		256,831,654	207,637,668
Fees and consultancies		41,009,725	33,684,051
General costs		2,670,740,015	2,124,290,093
Impairments		1,967,167	6,038,772
Cost hedging results		(6,788,962)	(4,259,418)
Construction of concessions (See note 14)		438,495,681	548,484,732
Taxes		33,187,978	27,227,372
Depreciation and amortization		304,886,673	269,811,863
	$	3,967,911,770	3,385,274,230

29. ADMINISTRATIVE AND SALES EXPENSES

The following is a detail of administrative and selling expenses:

		December 2022	December 2021
Employee benefits	$	124,430,239	129,023,194
Fees		74,598,516	62,799,582
Maintenance and materials		22,629,763	17,590,821
General administrative expenses		143,989,055	81,369,844
Impairment		-	53,985
Provisions		3,473,235	6,996,591
Administrative taxes		64,577,322	58,700,738
Depreciation and amortization		33,870,344	28,199,297
	$	467,568,474	384,734,052

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

30. OTHERS, NET

The following is a detail of other income and other expenses for the years ended:

		December 2022	December 2021
Leases	$	820,029	802,136
Fees		137,382	1,740,520
Gain on sale of assets		5,349,591	419,659
Compensations (1)		46,799,229	36,493,239
Exploitation		13,520,029	15,043,598
Donations	$	(16,719,660)	(16,161,873)
Loss on disposal of assets		(27,151,679)	(11,538,029)
Other		(1,741,256)	(1,061,991)
Other, net		21,013,665	25,737,259

(1) The compensations recognized as of December 31, 2022 correspond mainly to the compensation for loss of profits received by Promioriente in the amount of $ 31,500,000 due to the emergency occurred in August 2021 due to the winter wave, which left a section of the gas pipeline without service. Additionally, Transmetano received from Concesión Vías Del Nus - Vinus S.A.S., the construction of a section of the gas pipeline valued at $ 11,352,553 due to the intervention of the territorial spaces, gas pipeline easement and transit with permanent occupation, by the concessionaire (The Concessionaire) who will carry out a road interference or parallelism in the middle of the gas transportation infrastructure operated by Transmetano E.S.P. S.A.

31. FINANCE INCOME

Below is the detail of finance income:

		December 2022	December 2021
Interest and yield	$	40,521,155	16,058,787
Revenues from financial assets concession		278,751,436	270,094,684
Other		8,808,169	9,989,983
	$	328,080,760	296,143,454

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

32. FINANCE COSTS

Below is the detail of finance costs:

		December 2022	December 2021
Interests issued bonds and securities	$	360,402,738	244,085,818
Interests financial obligations		137,263,727	44,852,885
Interest lease agreements		74,237,284	75,727,012
Other finance costs		33,022,847	22,722,316
	$	604,926,596	387,388,031

33. EXCHANGE DIFFERENCE

Below is a breakdown of the exchange difference for the years ended:

	December 2021	December 2020
Exchange difference caused	1,523,900	(22,613,964)
Exchange difference realized	1,616,940	16,778,289
Exchange rate hedging result	3,854,657	(11,527,942)
Exchange rate hedging valuation	-	20,570,368
	6,995,497	3,206,751

34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

According to the "*IAS 24 - Related Party Disclosures*", a related party is a person or entity that is related to the entity that is preparing its financial statements and has control or joint control over the reporting entity; has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. The definition of a related party includes: a) persons and/or close members of that person's family related to the reporting entity, entities that are members of the same group (parent and subsidiaries), associates or joint ventures of the entity, post-employment benefit plans for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

Related parties are:

- An economic affiliate is a person or entity that is related to any group entity through transactions such as transfers of resources, services and obligations, regardless of whether or not it is charged. For the Company, transactions between economic affiliates are any economic operations held with shareholders and entities of the parent company.

- Shareholders who individually own more than 10% of the Company's share capital.

- Key management personnel: persons with authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including any director or manager (whether executives or otherwise) of the entity, including the CEO, Senior Executives and Board Members.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

- Subsidiaries: Companies where control is exercised according to the definition of control in the code of commerce and "*IFRS 10 - Consolidated Financial Statements*".

- Affiliated Entities: Companies where significant influence is exercised, which is generally considered as a participating interest of between 20% and 50% of its share capital.

Operations with related parties:

During the periods ended December 31, 2022 and 2021, there were no significant operations of the following characteristics:

- Free or compensated services debited to a related Company.

- Loans implying an obligation to the borrower that does not correspond to the essence or nature of the loan agreement.

Below is the summary of assets and liabilities as of December 31, 2022 and 2021, with shareholders, board members, managers, associates and other related entities:

		Shareholders	Associates	Other related	Total
December 31, 2022					
Assets					
Cash	$	2,031,310	-	392,595,937	394,627,247
Investments in associates		-	1,087,469,872	-	1,087,469,872
Financial assets at amortized cost		2,820	11,507,582	776,649	12,287,051
	$	2,034,130	1,098,977,454	393,372,586	1,494,384,170
Liabilities					
Accounts payable		79,774,236	6,882,889	24,454,805	111,111,930
Bonds outstanding		97,084,313	-	-	97,084,313
	$	176,858,549	6,882,889	24,454,805	208,196,243
Income					
Revenue		2,781,921	72,288,169	2,656,233	77,726,323
Finance income		278,429	1,250,450	7,784,407	9,313,286
Equity in income of associates		-	293,223,573	-	293,223,573
Other, net		-	54,878	-	54,878
	$	3,060,350	366,817,070	10,440,640	380,318,060
Expenses					
Cost of sales and services rendered	$	1,854,098	64,266,132	961,352	67,081,582
Administrative and selling expenses		-	14,772	962,492	977,264
Financial expenses		3,698,679	-	-	3,698,679
	$	5,552,777	64,280,904	1,923,844	71,757,525
December 31, 2021					
Assets					
Cash	$	837,561	-	108,564,661	109,402,222

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

		Shareholders	Associates	Other related	Total
Investments in associates		-	878,395,620	-	878,395,620
Financial assets at amortized cost		37,208	18,909,917	70,024	19,017,149
	$	874,769	897,305,537	108,634,685	1,006,814,991
Liabilities					
Accounts payable		72,843,975	(543,662)	21,202,143	93,502,456
Bonds outstanding		81,179,306	-	-	81,179,306
	$	154,023,281	(543,662)	21,202,143	174,681,762
Income					
Revenue		1,389,219	59,045,351	1,965,574	62,400,144
Finance income		3,070,570	457,607	337,964	3,866,141
Equity in income of associates		-	252,886,744	-	252,886,744
Other, net		-	48,659	-	48,659
	$	4,459,789	312,438,361	2,303,538	319,201,688
Expenses					
Cost of sales and services rendered	$	8,501,696	6,134,084	686,645	15,322,425
Administrative and selling expenses		-	21,425	259,542	280,967
Financial expenses		2,913,786	-	-	2,913,786
	$	11,415,482	6,155,509	946,187	18,517,178

Below is the compensation for key management personnel on the years ended:

		December 2022	December 2021
Salaries	$	33,563,581	29,323,295
Employee Benefits		6,377,869	5,957,712
Total	$	39,941,450	35,281,007

Structure of key management personnel for the years ended:

	No. of executives	
	December 2022	December 2021
CEO	1	1
Senior Executives	6	5
Other executives	64	64
Total	71	70

35. COMMITMENTS AND CONTINGENCIES

Commitments **Promigas S.A. E.S.P. -** For the development of its corporate purpose, the Company and its subsidiaries have entered into the following agreements, among others:

By Public Deed No. 1629 of September 16, 1976, of the 18th Notary Public of Bogota, the Company obtained from the National government the concession to build, operate, maintain, exploit and manage a public utility pipeline for the transportation of hydrocarbons from Ballenas, Department of La Guajira, to the cities of Barranquilla and Cartagena, for an 50-year term, extendable to 20 more years. Under the terms of the concession, the National

Government will have preemption right established by article 45 of the Petroleum Code for the transportation through the natural gas pipeline, by paying the current rate at the time of carrying it, for up to 20% of the daily transportation capacity of the pipeline. And has a preemption right over the transportation of these products through the gas pipeline, paying a current rate. The Company shall be obligated to sell the pipeline to the Nation, if required by the Government, upon completion of the first 30 years of the Agreement (2006), at the expiry thereof (2026) or upon termination of the extension period, under the terms provided in articles 50 and 51 of the Petroleum Code at the price agreed by the parties, or based on the appraisal of an independent expert. The Company may not assign or relinquish the agreement, neither totally nor partially, without prior approval by the National Government.

In notice served to the Company on May 11, 2005, the ministry of Mines confirmed that they would not take up the purchase option that was available for 2006 over the gas pipelines under concession.
In addition, the Company has entered into another 33 concession contracts.

Agreements with customers corresponding to natural gas transportation through the pipeline systems available to the Company are in accordance with the current regulatory framework and these have the guarantees stipulated by the Company for each agreement.

The Company's management considers that there are no risks of significant losses in the future arising from the performance of these agreements and commitments.

Commitments of Gases del Pacifico S.A.C. - Maintains a letter of guarantee of US $20.000.000 in favor of the Peruvian State for a term of one year, pursuant to the Natural Gas Concession Agreement in the Northern Zone of Peru, as well as a letter of guarantee with SHELL GNL PERU S.A.C for US$6,601,523 in compliance with the contract for the supply of GAS.

Commitments of Sociedad Portuaria el Cayao S.A. E.S.P. - For the development of its corporate purpose, the Company has entered into the following agreements, among others:

Port Concession Agreement No. 001 of 2015 - The Ministry of Transport, through resolution No. 594 of March 5, 2015, indicates the terms in which the port concession would be established, to occupy temporarily and exclusively a public use area for 20 years, to develop am unloading platform, underwater gas pipelines and connections to the land pipeline connected to the National Transport System, for the import, export and cabotage of liquefied natural gas, in the department of Bolivar, district of Cartagena de Indias, in the form of public utility service. On July 17, 2015, port concession agreement No. 001 of 2015 was entered into by and between the National Infrastructure Agency and the Company.

This agreement will not be automatically extended. It may be extended only by carrying out the procedure provided for such purpose in current regulations, not less than 12 calendar months before the date of expiry of the concession period.

The reference value of the port concession agreement is equal to the net present value of the consideration, which corresponds to US $3.931.493 payable during 20 years with annual installments. Payment must be made in Colombian pesos.

Agreements with Thermoelectric Companies - On October 29, 2014, the Company signed agreements with Zona Franca Celsia S.A. E.S.P. (now Prime Termoflores S.A.S.S E.S.P.), Termobarranquilla S.A. E.S.P. and

Termocandelaria S.C.A. E.S.P. (the Customers) in order to provide services for access to and use of port infrastructure for the reception, storage, regasification of liquefied natural gas (LNG) and gas conduction and delivery at the Inlet Point into the National Transportation System (TUA Agreements). To fulfill said purpose, the Company must design, construct, operate and maintain the Terminal in accordance with the terms established in said contracts. The commercial operation start date was December 2016. The TUA Agreements are valid for ten (10) years until November 30, 2026. At the Customers' discretion, the TUA Agreement can be extended once, giving 4-year notice before the date of its expiry, for the term agreed by the parties, otherwise the extension will be of 5 years. In the event that the Company, for any reason, cannot provide the gas delivery service or causes the Customer to declare itself before the Wholesale Power Market Administrator as unavailable to generate electric power, the Company shall pay the customer a penalty for unavailability. The Company will be exempted from the payment of this item to the extent that the event is due to an exempt event, in the terms defined by the TUA Contract. On the other hand, in the event that the Company fails to comply with its obligation to unload a load or the actual unloading time exceeds the allotted unloading time, the Company incurs a penalty to be paid to the customer. The Company shall be exempted from payment of this fine to the extent that the event is an exempt event or force majeure.

Other Agreements - On November 1, 2014, the Company signed with HOEGH LNG FSRU IV LTD an International Lease Agreement - ILA on a Floating Storage and Regasification Unit - FSRU "Hoegh Grace," which has an annual value during the term of the agreement of USD $40,809,000 and allows a purchase option in year 10. In order to guarantee compliance with the obligations of this contract, a bank guarantee in favor of HOEGH LNG FSRU IV LTD was constituted in the amount of USD $7,986,000 with Banco Santander. On that same date, the Company signed with HÖEGH LNG HOLDINGS LTD an Agreement for the Provision of Operation and Maintenance Services with respect to the FSRU. Both agreements have a 20 year term from the date of acceptance of the FSRU (03/12/2016).

Contingencies - In the course of its operations the Company is subject to various legal regulations inherent to public utilities, port companies and related to the protection of the environment. The Company's management consideres, in accordance with legal opinions, that no situations have been identified that could indicate possible non-compliance with these regulations that could have a material impact on these financial statements.

Commitments of Gases de Occidente S.A. E.S.P. - The Company established an irrevocable Commercial Trust Agreement for Trust Resources Management with Corficolombiana S.A., related to the GNCV Bond Program, from 2010. Said agreement completed the agreed term and a new irrevocable Commercial Trust Agreement for Trust Resources Management was created with Corficolombiana S.A., as provided in the Bond Conversion Agreement CNG-IV (signed on March 21, 2017 (signed on March 21, 2017 and ending date July 31, 2019), for which a new bond conversion Agreement CNG V was signed (signed on August 1, 2019, until November 30, 2021) referred to as cooperation agreement to Encourage the Transportation, Marketing, Distribution and Consumption of Compressed Natural Gas for Vehicles, which assigns Gases de Occidente S.A. E.S.P. as administrative operator.

Commitment of Compañía Energética de Occidente S.A.S E.S.P: By virtue of the Management Agreement signed with CEDELCA S.A E.S.P., Compañía Energética de Occidente S.A.S. E.S.P. undertook, among others, to execute a plan for the expansion, replacement and improvement of infrastructure for the development of sales and distribution services in the market of CEDELCA S.A. E.S.P. tending to maintain and/or rehabilitate the existing networks so that they operate optimally.

The Investment Plan has a defined amount that is estimated at current prices by means of adjustment techniques to the net present value. The TES (Public Debt Securities issued by the General Treasury of the Nation) is used as the discount rate. Changes in the provision are recognized as a result of changes in the discount rate and the CPI. The provision utilization corresponds to the projects carried out according to the commitment acquired with CEDELCA S.A. E.S.P.

Commitments of Surtidora de Gas del Caribe S.A. E.S.P. - For the development of its corporate purpose, the Company has entered into the following agreements, among others:

a. Natural gas supply agreements with Empresa Colombiana de Petróleos (Ecopetrol), Frontera Energy, CNE oil & gas, Hocol and Lewis, and gas transportation agreements with Promigas S.A. E.S.P. These agreements are in accordance with the regulatory framework, and their terms of duration range from one to five years, and the necessary and sufficient guarantees for the performance and stability of the agreements have been executed.

b. Agreements with industrial users and power generating companies with consumptions greater than 100,000 cubic feet per day, under wellhead gas trading and natural gas transport capacity of customer. These agreements are in accordance with the regulatory framework and their terms of duration conform to the trading period determined by current regulations, and the necessary and sufficient guarantees for the performance and stability of the agreements have been executed. The Company's management considers that there are no significant risks of losses expected in the future as a result of the performance of these agreements and commitments.

   The Company's management considers that there are no significant risks of losses expected in the future as a result of the performance of these agreements and commitments.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Contingencies

As of December 31, 2022 and 2021, the following individual litigations and lawsuits are filed against the Company. Their quantities are determined by the claims and are not recognized in the provisions, given that the lawyers handling each process consider that the success likelihoods of such claims are classified as eventual:

	December 2022		December 2021	
	Number of claims	Value	Number of claims	Value
Litigation and claims against				
Easement claims				
$1 to $1,000,000	18	3,538,983	19	5,366,066
$1,000,001 onwards	3	8,338,039	2	5,138,039
Easement	21	11,877,022	21	10,504,105
Ordinary proceedings:				
$1 to $1,000,000	32	9,370,479	46	8,422,079
$1,000,001 to $3,000,000	11	17,021,051	7	10,617,890
$3,000,001 onwards	4	21,804,114	6	45,432,319
Ordinary	47	48,195,644	59	64,472,288
Labor	100	10,179,579	131	7,900,052
Total, proceedings	168	70,252,245	211	82,876,445
Contingent claims				
Contingent claims	6	1,915,429	5	1,835,429
Litigation and claims	85	118,241,482	59	132,118,916
Total	91	120,156,911	64	133,954,345

In the course of its operations, Promigas and its subsidiaries are subject to several legal regulations pertaining to public utilities and environmental protection companies. The Management of these Companies considers, based on legal opinions, that there have been no situations that may indicate possible breaches to those standards and leading to significant impacts on the financial statements.

36. OPERATIONS BY SEGMENT

Information by segment is structured according to the different lines of business of Promigas and its subsidiaries. The lines of business described below were established according to the organizational structure of the Companes and considering the nature of services and products offered. The structure of this information is designed as if each line of business were an autonomous business and had its own separate resources, allocated based on the assets assigned to each line according to an internal system of percentage distribution of costs.

The Company's operating segments are structured as follows:

Natural Gas Transportation	Integrated solutions for the industry and power generation
Promigas S.A. E.S.P.	Promisol S.A.S.
Promioriente S.A. E.S.P.	Zonagen S.A.S.
Transmetano E.S.P. S.A.	Energía Eficiente S.A. E.S.P.
Transoccidente S.A. E.S.P.	
Sociedad Portuaria el Cayao S.A. E.S.P.	
Promigas Panamá Corporation	

Distribution of Natural Gas	Distribution of Electricity	Non-bank financing
Surtigas S.A. E.S.P.	Compañía Energética de Occidente S.A.S E.S.P.	Compañía Energética de Occidente S.A.S E.S.P.
Gases de Occidente S.A. E.S.P.		Gases de Occidente S.A. E.S.P.
Gases del Caribe S.A. E.S.P.		Surtigas S.A. E.S.P.
Efigas S.A. E.S.P.		Gascaribe S.A. E.S.P.
Gases de la Guajira S.A. E.S.P.		Gases de la Guajira S.A. E.S.P.
Gas Natural de Lima y Callao S.A.C.		Efigas S.A. E.S.P.
Gases del Pacífico S.A.C.		
Orion Contac Center S.A.S.		
Enlace Servicios Empresariales Globales S.A.S.		
Promigas Perú S.A.		

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

Below are the consolidated assets, liabilities and income statement by segment:

December 31, 2022	Gas transportation	Gas distribution			Distribution and sale of energy	Integrated solutions for the industry	Non-bank financing	Total
		National	Abroad	Total				
Total assets	$ 9,432,295,409	2,759,144,533	4,705,223,390	7,464,367,923	851,740,865	140,820,667	726,557,035	18,615,781,899
Total liabilities	$ 7,193,967,249	1,965,255,665	2,707,345,347	4,672,601,012	697,113,656	59,781,141	(33,271,451)	12,590,191,607
Contracts with customers	$ 1,272,983,468	2,494,755,018	379,868,466	2,874,623,484	628,228,491	66,568,959	(75,652)	4,842,328,750
Income from construction of concessions	211,626,152	16,193,586	515,750,254	531,943,840	-	-	-	743,569,992
Other revenue	205,837,323	64,273	59,630	123,903	7,674,467	21,417,894	190,378,429	425,432,016
Total revenues	1,690,446,943	2,511,012,877	895,678,350	3,406,691,227	635,902,958	87,986,853	190,302,777	6,011,330,758
Cost of sales and services rendered	(518,446,054)	(2,074,034,398)	(289,904,418)	(2,363,938,816)	(455,186,503)	(104,741,449)	(87,103,267)	(3,529,416,089)
Cost of concession construction	(135,495,630)	(15,640,962)	(287,359,089)	(303,000,051)	-	-	-	(438,495,681)
Total cost of sales and services rendered	(653,941,684)	(2,089,675,360)	(577,263,507)	(2,666,938,867)	(455,186,503)	(104,741,449)	(87,103,267)	(3,967,911,770)
Gross profit	1,036,505,259	421,337,517	318,414,843	739,752,360	180,716,455	(16,754,596)	103,199,510	2,043,418,988
Administrative and selling expenses	(207,634,636)	(128,271,780)	(74,321,839)	(202,593,619)	(46,395,223)	(10,616,943)	(328,053)	(467,568,474)
Equity in income of associates	(9,483,948)	125,687,862	177,019,659	302,707,521	-	-	-	293,223,573
Dividends received	-	1,250,450	-	1,250,450	-	-	-	1,250,450
Impairment for expected credit losses	(1,771,786)	(21,582,929)	(18,747,939)	(40,330,868)	(15,052,202)	(6,378)	(14,351,377)	(71,512,611)
Other, net	19,962,316	207,782,917	(118,322,209)	89,460,708	(30,546,699)	(4,883,238)	(52,979,422)	21,013,665
Income from operating activities	837,577,205	606,204,037	284,042,515	890,246,552	88,722,331	(32,261,155)	35,540,658	1,819,825,591
Finance income	256,685,027	42,048,393	21,495,492	63,543,885	4,108,557	911,299	2,831,992	328,080,760
Interest expense	(429,310,638)	(64,931,129)	(76,469,532)	(141,400,661)	(33,696,832)	(505,665)	(12,800)	(604,926,596)
Foreign exchange difference, net	(32,600,999)	(135,289)	5,141,695	5,006,406	(461,015)	35,050,357	748	6,995,497
Income before income taxes	632,350,595	583,186,012	234,210,170	817,396,182	58,673,041	3,194,836	38,360,598	1,549,975,252
Income taxes	(305,537,662)	(73,981,886)	(53,487,668)	(127,469,554)	(29,979,860)	(4,505,889)	(28,403,403)	(495,896,368)
Net income	$ 326,812,933	509,204,126	180,722,502	689,926,628	28,693,181	(1,311,053)	9,957,195	1,054,078,884

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

December 31, 2021	Gas transportation	Gas distribution – National	Gas distribution – Abroad	Gas distribution – Total	Distribution and sale of energy	Integrated solutions for the industry	Non-bank financing	Total
Total assets	$ 7,876,005,451	2,350,272,465	3,333,381,312	5,683,653,777	690,814,272	127,380,389	544,517,628	14,922,371,517
Total liabilities	$ 5,730,465,961	1,409,819,860	1,886,212,052	3,296,031,912	567,956,851	49,185,342	13,494,948	9,657,135,014
Contracts with customers	$ 1,024,960,875	2,103,137,276	237,321,792	2,340,459,068	524,162,899	50,612,956	-	3,940,195,798
Income from construction of concessions	160,530,717	6,065,471	773,247,723	779,313,194	-	-	-	939,843,911
Other revenue	162,076,979	416,153	1,101,931	1,518,084	2,861,376	17,068,086	118,172,427	301,696,952
Total revenues	1,347,568,571	2,109,618,900	1,011,671,446	3,121,290,346	527,024,275	67,681,042	118,172,427	5,181,736,661
Cost of sales and services rendered	(440,136,219)	(1,713,931,209)	(165,419,301)	(1,879,350,510)	(386,979,262)	(88,468,387)	(41,855,120)	(2,836,789,498)
Cost of concession construction	(112,128,247)	(6,065,471)	(430,291,014)	(436,356,485)	-	-	-	(548,484,732)
Total cost of sales and services rendered	(552,264,466)	(1,719,996,680)	(595,710,315)	(2,315,706,995)	(386,979,262)	(88,468,387)	(41,855,120)	(3,385,274,230)
Gross profit	795,304,105	389,622,220	415,961,131	805,583,351	140,045,013	(20,787,345)	76,317,307	1,796,462,431
Administrative and selling expenses	(160,389,395)	(109,130,163)	(71,221,553)	(180,351,716)	(35,815,167)	(8,154,878)	(22,896)	(384,734,052)
Equity in income of associates	(4,162,721)	116,655,256	140,394,209	257,049,465	-	-	-	252,886,744
Dividends received	-	456,146	-	456,146	-	-	-	456,146
Impairment for expected credit losses	(611,209)	(24,552,094)	(13,434,482)	(37,986,576)	(7,519,937)	379,196	(8,447,171)	(54,185,697)
Other, net	14,024,655	287,514,906	(205,961,275)	81,553,631	(28,081,340)	8,558,494	(50,318,181)	25,737,259
Income from ordinary activities	644,165,435	660,566,271	265,738,030	926,304,301	68,628,569	(20,004,533)	17,529,059	1,636,622,831
Finance income	234,930,111	36,368,889	19,163,853	55,532,742	3,182,365	721,354	1,776,882	296,143,454
Interest expense	(275,149,644)	(43,300,523)	(48,984,425)	(92,284,948)	(19,325,741)	(627,239)	(459)	(387,388,031)
Foreign exchange difference, net	(18,731,859)	278,987	(3,351,935)	(3,072,948)	(446,572)	25,458,130	-	3,206,751
Income before income taxes	585,214,043	653,913,624	232,565,523	886,479,147	52,038,621	5,547,712	19,305,482	1,548,585,005
Income taxes	(212,956,255)	(72,678,848)	(89,542,160)	(162,221,008)	(24,879,540)	(5,611,494)	(8,629,472)	(414,297,769)
Net income	$ 372,257,788	581,234,776	143,023,363	724,258,139	27,159,081	(63,782)	10,676,010	1,134,287,236

37. NEW STANDARDS AND INTERPRETATIONS

a) Standards and interpretations with subsequent application issued by the Ministry of Finance and Public Credit and the Ministry of Trade, Industry and Tourism

IAS 1 - Presentation of financial statements - Disclosure of accounting policies

Paragraphs 7, 10, 114, 117 and 122 are amended. Paragraphs 117A to 117E and 139V are added. Paragraphs 118, 119 and 121 are deleted.

- ✓ The word "significant" is changed to "material" because the term "significant" is not defined by IFRSs.

- ✓ The accounting policies that should be disclosed in the notes to the financial statements are clarified, and it is also clarified that information on accounting policies related to transactions, other events or conditions that lack materiality need not be disclosed.

Impact assessment

The amendment applies from January 1, 2024, and its early application is permitted. Its application is prospective. Once the amendment was evaluated, it was concluded that it has no impact on Promigas and its subsidiaries because at the level of presentation and disclosure of financial statements the Company applies the concept of materiality or relative importance.

IAS 8 - Accounting policies, changes in accounting estimates and errors

Paragraphs 5, 32, 34, 38 and 48 and the heading above paragraph 32 are amended. Paragraphs 32A, 32B, 34A and 54I and the headings above paragraphs 34 and 36 are added. The heading above paragraph 39 is amended to be a sub-heading of the heading above paragraph 34.

- ✓ The concept of accounting estimate is defined.
- ✓ Clarifies the use of an accounting estimate and the difference with an accounting policy.
- ✓ Clarifies the term "estimate" which may differ from the term "accounting estimate".

Impact assessment

The amendment applies from January 1, 2024, in accordance with the decree issued by the Ministry of Commerce, Industry and Tourism and its early application is permitted. In accordance with paragraph 54I, its application must be prospective, therefore, the entity shall apply the amendments to changes in accounting estimates and changes in accounting policies that take place from the beginning of the first annual period in which the amendments are used. Considering that the amendment clarifies concepts, we do not see any impact on the presentation of financial statements and their disclosures.

(Expressed in thousands of Colombian Pesos, unless otherwise stated)

IAS 12 - Income Taxes - Deferred taxes related to assets and liabilities arising from a single transaction.

Paragraphs 15, 22 and 24 are amended. Paragraphs 22A and 98J to 98L are added.

The amendment to paragraph 15 is made in order to add within the exceptions to recognize a deferred tax liability when the same has arisen from a transaction that does not give rise to temporary differences that are neither taxable nor deductible for the same amount. Paragraph 22 includes the addition in paragraph 15b(iii), paragraph 22(b) and (c) Initial recognition of an asset or liability.

- ✓ In the initial recognition of deferred tax liabilities and assets that have arisen in a transaction that is not a business combination, it is established that at the time of the transaction there are no temporary differences that can be expensed and deductible in the same amount.

Impact assessment

The impact would be given mainly to the extent that the Company has in its financial statements assets and liabilities for lease contracts and liabilities for provisions arising from retirement obligations, rehabilitation of the land where the asset is located, or restoration obligation.

IFRS 16 - Leases - Covid-19-Related Rent Concessions beyond 30 June 2021 (amendment to IFRS 16), issued by IASB in March 2021.

Main changes:

Paragraph 46B is amended with the objective of extending the practical expedient to economic relief related to the COVID-19 pandemic received until June 2022 on leases recognized under IFRS - 16 leases. Paragraphs C1C and C20BA are added to C20BC.

- ✓ Provides that the practical expedient for lessees who have had their rent reduced as a direct result of the Covid-19 pandemic is extended to June 30, 2022.

Impact Assessment

The amendment was applied at the level of preparation of consolidated financial statements until June 2022, generating the following impacts:

Company		**December 2022**	**December 2021**
Gases de Occidente	$	306	459
Orión Contact Center		-	3,383
Zonagen		212,704	671,286
	$	213,010	675,128

a) New accounting pronouncements issued by the International Accounting Standards Board - IASB at the International level:

IFRS 16 - Lease Liabilities in a Sale and Leaseback.

Paragraphs 102A, C1D, and C20E are added and paragraph C2 is amended. A new heading is added before paragraph C20E. New text has been underlined and deleted text has been struck through.

Impact assessment

As of December 31, 2022, Promigas and its subsidiaries have not carried out any asset sale and leaseback transactions, therefore, there is no evidence of impacts on the previously mentioned cut-off. However, taking into account that these amendments come into force once the due process is fulfilled in Colombia, we must be attentive to the adoption of this through the decree of the Ministry of Commerce, Industry and Tourism.

IAS 1 - Non-Current Liabilities with Covenants

Paragraphs 71, 72A and 139U are amended. Paragraphs 72B, 72C, 76ZA and 139V are added. Deleted text is struck through and new text is underlined. Paragraphs 69, 74 and 75 are unchanged, but are included for ease of reference.

Impact assessment

The amendment will have impacts on Promigas and its subsidiaries depending on the agreed contractual conditions. In accordance with corporate policies, loans are paid on the scheduled dates and contractual obligations (covenants) are met in a timely manner.

b) Other amendments to standards with an impact on the Financial Statements

On December 29, 2022, the Ministry of Commerce, Industry and Tourism issued Decree 2617, which indicates that entities may recognize and present the deferred income tax arising from the income tax rate and the change in the occasional income tax rate, which should be reflected in the results for the period 2022, which may be recognized in the entity's equity in the accumulated results of previous years.

For the purposes of the consolidated financial statements, no impact was generated since the changes generated by this decree were only applied to the separate and individual financial statements of Promigas and its subsidiaries.

38. EVENTS OCCURRED AFTER THE REPORTING PERIOD

Promigas Perú S.A., Gases del Norte del Perú S.A.C., Gases del Pacífico S.A.C.

State of emergency situation in Peru

In January 2023, political and social protests resumed in Peru, generated from the presidential succession of December 7, 2022; however, Promigas's subsidiaries with presence in that country have not been significantly affected by these events. Management will continue to monitor external risks that may affect the development of its operations.

Loans obtained Gases del Norte del Perú S.A.C., Promigas Perú S.A.

On February 9, 2023, Gases del Norte del Perú S.A.C. received a loan of US$ 23,500,000 from Banco Latinoamericano de Comercio Exterior with maturity on February 9, 2026 and 3-month SOFR interest rate + 3.87%. These resources have been used to prepay debt with BBVA for US$ 13,500,000 and Banco Davivienda for US$ 5,000,000.

Also, on February 10, 2023, Gases del Norte del Perú S.A.C. granted a loan of US$ 5,000,000 to the related company Gases del Norte del Perú S.A.C. with maturity on February 13, 2026 and SOFR interest rate at 3 months + 3.87%.

As of the date of the opinion on the consolidated financial statements for the year ended December 31, 2022, there are no additional subsequent events that require adjustments or disclosures to said financial statements.

39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements and notes thereto were approved for issue according to Board Meeting Minutes No. 551 of February 16, 2023. These financial statements and notes thereto will be presented at the Shareholders' Meeting of March 23, 2023. Shareholders have the power to approve or modify the Company's consolidated financial statements.