Promigas S.A. E.S.P.
Separate 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.,

Report on the Audit of the Separate Financial Statements

Opinion

I have audited the separate financial statements of Promigas S.A. E.S.P. (the Company), which comprise the separate statement of financial position as at December 31, 2022 and the separate 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 separate financial statements, prepared in accordance with information faithfully taken from the accounting ledgers and attached to this Report, present fairly, in all material respects, the separate financial position of the Company as at December 31, 2022, the separate results of its operations and its separate cash flows for the year then ended, in accordance with Accounting and Financial Reporting Standards accepted in Colombia (NCIF), applied uniformly with respect to the previous year except for the one-time application as of December 31, 2022 of the voluntary exemption allowed by Decree 2617 of 2022 *"Accounting alternative to mitigate the effects of the change in the income tax rate and the change in the occasional income tax rate in the 2022 taxable period ".*

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 Separate Financial Statements* section of my Report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements that are relevant to my audit of the separate financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

<table>
<tr><th colspan="2">Fair value assessment of financial assets related to concession contracts
(see notes 4(I), 6, and 8 to the separate financial statements)</th></tr>
<tr><th>Key Audit Matter</th><th>How it was addressed in the Audit</th></tr>
<tr><td>As at December 31, 2021, the Company has financial assets arising from concession contracts amounting to $2,767,870 million COP.

As indicated in Notes 4L, 6 and 8 to the separate financial statements, the Company 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 Company is entitled to receive direct payments from the government.

The Company has designated the 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.

I identified the evaluation of financial assets related to concession contracts as a Key Audit Matter because it involves significant effort and judgment. Specifically, due to the nature of the model's significant unobservable estimates and assumptions, including the weighted average cost of capital (WACC), future inflation rates, and projected revenue from the use of the infrastructure.</td><td>My audit procedures to assess the fair value of financial assets related to concession contracts included, among others:

• Evaluation of the design, implementation, and effectiveness of the control established by the Company to determine the fair value of financial assets arising from concession contracts. This control included matters related to: (i) the verification of the inputs and assumptions used in the model; 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: (i) the assessment of whether the internally developed model is consistent with valuation practices generally used for that purpose and NCIF; (ii) the comparison of the WACC discount rate with a range determined using market macroeconomic assumptions; and (iii) the assessment of future inflation rates by comparing them with available market data.</td></tr>
</table>

Other Matters

The separate 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, 2022, I expressed an unqualified opinion thereon.

Responsibilities of Management and Those Charged with the Company's Governance for the Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

Based on my test results, in my opinion, during 2022:

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

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

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

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

e) The information contained in the self-assessment statements of contributions to the Comprehensive Social Security System, particularly that related to affiliates and their contribution base income, has been taken from the accounting records and supports. The Company is not in arrears for contributions to the Comprehensive Social Security System.

In order to comply with the requirements of Articles 1.2.1.2. and 1.2.1.5. of the Single Regulatory Decree 2420 of 2015, in development of the responsibilities of the Statutory Auditor contained in numerals 1) and 3) of Article 209 of the Commercial Code, related to the evaluation of whether the acts of the Company's administrators are in accordance with the bylaws and the orders or instructions of the Shareholders' Meeting and whether there are adequate measures of internal control, conservation and custody of the Company's assets or those of third parties in its possession, I issued a separate report dated February 23, 2023.

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, 2023

Promigas S.A. E.S.P.

SEPARATE STATEMENT OF FINANCIAL POSITION

(In thousands of Colombian Pesos)

	Note		December 2022	December 2021
ASSETS				
CURRENT ASSETS:				
Cash	7	$	862,339,231	77,211,498
Financial assets at fair value	8		108,695,387	51,541,742
Financial assets at amortized cost	9		139,398,997	201,761,654
Inventories	10		31,749,083	20,316,929
Advances or balances in favor from taxes	21		1,776,087	2,828,836
Other assets	11		27,456,676	16,677,574
TOTAL CURRENT ASSETS OTHER THAN THOSE CLASSIFIED AS HELD FOR SALE			1,171,415,461	370,338,233
Non-curren held-for-sale assets			1,001,490	1,001,490
TOTAL CURRENT ASSET			1,172,416,951	371,339,723
NON CURRENT ASSETS:				
Financial Assets at Fair Value	8		2,774,089,107	2,555,950,042
Financial Assets at Amortized Cost	9		566,744,188	548,052,760
Investments in associates	12		1,103,834,057	894,403,690
Investment in subsidiaries	13		3,448,086,109	2,876,024,495
Property, Plant and Equipment:	14		92,746,498	81,218,536
Intangible Assets:				
Concessions	15		1,945,199,882	1,901,318,502
Other intangible assets	16		60,328,328	45,857,091
Total intangible assets:			2,005,528,210	1,947,175,593
Right-of-use	17		6,372,256	3,473,950
Investment properties			7,974,948	8,421,433
Other assets	11		10,145,988	919,634
TOTAL NON CURRENT ASSETS			10,015,521,361	8,915,640,133
TOTAL ASSETS		$	11,187,938,312	9,286,979,856
LIABILITIES				
CURRENT LIABILITY:				
Financial obligations	18	$	195,047,279	21,125,581
Outstanding bonds	19		181,674,402	141,285,843
Accounts payable	20		192,230,828	151,551,890
Employee benefits			9,877,403	8,426,697
Income Tax	21		-	48,972,407
Provisions	22		28,805,917	18,192,294
Other liabilities	23		23,056,202	23,851,299
TOTAL CURRENT LIABILITIES			630,692,031	413,406,011
NON CURRENT LIABILITIES:				
Financial obligations	18		1,462,920,505	664,498,689
Outstanding bonds	19		2,805,507,219	2,702,556,298
Employee benefits			658,228	995,434
Provisions	22		88,125,864	88,657,533
Deferred tax liability, net	21		503,293,559	432,036,358
TOTAL NON CURRENT LIABILITIES			4,860,505,375	3,888,744,312
TOTAL LIABILITIES			5,491,197,406	4,302,150,323
EQUITY				
Subscribed and paid-in capital			113,491,861	113,491,861
Share underwriting premium			322,822,817	322,822,817
Reserves			1,226,467,280	1,104,531,328
Retained earnings			3,484,503,492	3,196,654,004
Other equity transactions			(11,550,411)	(11,550,462)
Other comprehensive income			561,005,867	258,879,985
TOTAL EQUITY	24		5,696,740,906	4,984,829,533
TOTAL LIABILITIES AND EQUITY		$	11,187,938,312	9,286,979,856

The accompanying notes are an integral part of the separate 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.
SEPARATE INCOME STATEMENT
(In thousands of Colombian pesos, except for net income per share, which is expressed in Colombian pesos)

For the years ended as of :	Note		December 2022	December 2021
Ordinary activities revenues				
Contracts with customers		$	896,169,639	791,397,280
Revenues from concession contracts			205,800,707	156,930,531
Other Revenues			21,457,255	5,492,660
Total Ordinary activities Revenues	25		1,123,427,601	953,820,471
Cost of sales and provision of services			(322,127,400)	(298,102,983)
Cost of construction of national concession contracts			(205,800,707)	(156,930,531)
Total Administrative and sales expenses	26		(527,928,107)	(455,033,514)
GROSS INCOME			595,499,494	498,786,957
Administrative and sales expenses	27		(178,823,403)	(133,646,967)
Interest in earnings of subsidiaries:				
National Subsidiaries			445,491,043	382,760,096
Foreign Subsidiaries			121,849,200	203,971,843
Total Interest in earnings of subsidiaries	13		567,340,243	586,731,939
Interest in earnings of associates:				
National Associates			124,358,287	117,987,011
Foreign Associates			177,019,659	140,394,209
Total Interest in earnings of associates	12		301,377,946	258,381,220
Impairment due to expected credit losses			(781,898)	(2,287,824)
Others, Net	28		(18,392,582)	(2,949,496)
OPERATING INCOME			1,266,219,800	1,205,015,829
Financial revenues	29		273,384,476	237,216,352
Financial expenses	30		(331,189,656)	(185,723,361)
Exchange difference (net)	31		2,881,516	2,654,135
EARNINGS BEFORE INCOME TAX			1,211,296,136	1,259,162,955
Income tax	21		(94,573,972)	(110,115,140)
NET INCOME		$	1,116,722,164	1,149,047,815
NET INCOME PER SHARE		$	984.03	1,012.51

The accompanying notes are an integral part of the separate financial statements.

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Promigas S.A. E.S.P.
SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
(In thousands of Colombian Pesos)

For the years ended as of :	**NOTE**		**December 2022**	**December 2021**
NET INCOME		$	1,116,722,164	1,149,047,815
OTHER COMPREHENSIVE INCOME				
Other comprehensive income not reclassified through profit or loss				
Fair value of equity instruments			583,645	(636,745)
Revaluation of assets			558,000	-
Employee Benefits			(38,659)	294,061
Deferred tax	21		(512,978)	(46,320)
			590,008	(389,004)
Other comprehensive income reclassified through profit or loss				
Hedging transactions			(159,737,864)	(102,896,984)
Deferred Tax	21		46,616,285	32,003,916
			(113,121,579)	(70,893,068)
OTHER COMPREHENSIVE INCOME IN SUBSIDIARIES				
Other comprehensive income reclassified through profit or loss				
Fair value of equity instruments			5,103,293	1,135,781
Employee Benefits			120,559	118,237
Deferred Tax	21		(1,210,485)	(153,233)
			4,013,367	1,100,785
Other comprehensive income to be reclassified to profit or loss for the period				
Currency conversion adjustment			236,896,452	101,349,040
Hedging transactions			2,661,352	737,130
Deferred Tax	21		(515,084)	(165,236)
			239,042,720	101,920,934
OTHER COMPREHENSIVE INCOME IN ASSOCIATES				
Other comprehensive income reclassified through profit or loss				
Currency conversion adjustment			108,363,422	73,329,708
Hedging transactions			63,237,944	(9,552,057)
			171,601,366	63,777,651
TOTAL INCOME			302,125,882	95,517,298
TOTAL INCOME AND OTHER COMPREHENSIVE INCOME		$	1,418,848,046	1,244,565,113

The accompanying notes are an integral part of the separate 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)

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Promigas S.A. E.S.P.
SEPARATE STATEMENT OF CHANGES IN EQUITY
(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
Balances as of December 2020		$ 113,491,861	322,822,817	919,938,631	156,105,553	1,137,490,095	1,505,587,115	2,799,182,763	(11,552,442)	163,362,687	4,307,246,317
Interest acquisition in non-controlling interest		-	-	-	-	-	-	-	1,980	-	1,980
Creation of reserves	24	-	-	184,592,697	(184,592,697)	-	-	(184,592,697)	-	-	-
Change in deferred tax rate					(49,925,470)			(49,925,470)			(49,925,470)
Declared cash dividends	24	-	-	-	(524,299,796)	-	-	(524,299,796)	-	-	(524,299,796)
Withholding tax on dividends declared		-	-	-	(7,502,184)	-	-	(7,502,184)	-	-	(7,502,184)
Withholdings on dividends transferred to shareholders		-	-	-	14,743,573	-	-	14,743,573	-	-	14,743,573
Transfers	24	-	-	-	1,137,490,095	(1,137,490,095)	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	1,149,047,815	-	1,149,047,815	-	95,517,298	1,244,565,113
Balances as of December 2021		$ 113,491,861	322,822,817	1,104,531,328	542,019,074	1,149,047,815	1,505,587,115	3,196,654,004	(11,550,462)	258,879,985	4,984,829,533
Balances as of December 2021		$ 113,491,861	322,822,817	1,104,531,328	542,019,074	1,149,047,815	1,505,587,115	3,196,654,004	(11,550,462)	258,879,985	4,984,829,533
Interest acquisition in non-controlling interest		-	-	-	-	-	-	-	51	-	51
Creation of reserves	24	-	-	121,935,952	(121,935,952)	-	-	(121,935,952)	-	-	-
Change in deferred tax rate		-	-	-	(116,990,713)	-	-	(116,990,713)	-	-	(116,990,713)
Cash dividends declared	24	-	-	-	(585,581,590)	-	-	(585,581,590)	-	-	(585,581,590)
Withholding tax on dividends declared		-	-	-	(8,038,529)	-	-	(8,038,529)	-	-	(8,038,529)
Withholdings for dividends transfer to shareholders		-	-	-	3,674,108	-	-	3,674,108	-	-	3,674,108
Transfers	24	-	-	-	1,149,047,815	(1,149,047,815)	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	1,116,722,164	-	1,116,722,164	-	302,125,882	1,418,848,046
Balances as of December 2022		$ 113,491,861	322,822,817	1,226,467,280	862,194,213	1,116,722,164	1,505,587,115	3,484,503,492	(11,550,411)	561,005,867	5,696,740,906

The accompanying notes are an integral part of the separate financial statements.

Aquiles Mercado González
Legal Representative
(Alternate)**

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

Rosangela Barrios Pantoja
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(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.
SEPARATE STATEMENT OF CASH FLOWS
(In thousands of Colombian Pesos)

For the years ended as of :	Notes		December 2022	December 2021
Cash flows from operating activities:				
Net Income		$	1,116,722,164	1,149,047,815
Adjustments to reconcile net income with net cash provided by				
Operating Activities:				
Depreciation of property, plant and equipment and rights of use	14, 17, 26, 27		8,081,671	7,775,105
Amortization of intangibles	15, 16, 26, 27		160,463,626	148,910,996
Accrued interest	18, 19		334,976,087	187,944,871
Hedging transactions at fair value			-	(20,570,369)
Accrued yield	8, 9		(68,888,527)	(44,314,817)
Update financial assets	29		(217,555,420)	(208,816,155)
Income by equity method	12, 13		(868,718,189)	(845,113,159)
Impairment of				
Investment in Subsidiaries			-	6,574
Inventories	10		39,313	248,144
Accounts receivable, net	9		798,843	2,870,491
Intangible assets	16		665,017	4,849,870
Accrued Provisions	22		7,256,450	21,012,594
Exchange difference for foreign currency transactions	31		(2,881,499)	3,610,332
Gain on sale of:				
Fixed income negotiable investments			-	(173)
Property, plant and equipment			-	(172,428)
Loss for derecognition of:				
Property, plant and equipment	28		8,683,351	41,245
Concessions	28		4,448,783	2,712,939
Other intangibles	28		547,386	57,154
Right of use	28		9,926	-
Valuation of:				
Investment properties			(429,713)	(21,923)
Wealth tax	21		94,573,972	110,115,140
Changes in assets and liabilities:				
Accounts receivable			76,499,120	34,829,355
Inventories			(17,506,214)	(5,051,269)
Equity instruments through profit or loss			(132,691,245)	37,824,634
Hedging Transactions			167,544	-
Other assets			(14,638,202)	3,972,395
Accounts payable			15,110,735	(13,429,740)
Employee benefits			1,074,842	(1,125,278)
Other liabilities			23,437,907	11,366,269
Net cash provided by operating activities			(48,545,513)	68,386,366
Wealth Tax Paid	21		(51,562,131)	(49,789,557)
Yields received			43,357,346	34,192,712
Interest paid	18, 19		(256,235,871)	(161,259,353)
Net cash provided by operating activities			265,807,072	411,724,414
Cash flow from investment activities:				
Acquisition of:				
Property, plant and equipment	14		(25,927,920)	(12,346,713)
Investment in subsidiaries	13		(26,441,870)	(200,592,891)
Concessions	15		(179,861,316)	(149,306,600)
Investment properties			-	(876,198)
Otros intangibles	16		(21,499,759)	(19,287,561)
Result from the sale of:				
Property, plant and equipment			-	187,367
Investment in subsidiaries			-	3,825
Dividends received from investments in companies	12, 13		515,913,949	412,729,406
Net cash used in investment activities			262,183,084	30,510,635
Cash flow from financing activities :				
Paid dividends	20		(574,983,587)	(505,367,144)
Acquisition of financial obligations	18		967,500,000	367,500,000
Payment of financial obligations	18		(18,053,020)	(302,008,815)
Bond payment	19		(120,000,000)	-
Net cash provided for financing activities			254,463,393	(439,875,959)
Net increase of cash and cash equivalents			782,453,549	2,359,090
Effect on cash exchange difference			2,674,184	1,878,131
Cash initial balance			77,211,498	72,974,277
Cash ending balance		$	862,339,231	77,211,498

The accompanying notes are an integral part of the separate financial statements.

Aquiles Mercado González
Legal Representative
(Alternate)**

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

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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.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

1. REPORTING ENTITY

Promigas S.A. E.S.P. (hereinafter Promigas S.A. E.S.P., Promigas or 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. In accordance with the control assessment provided in IFRS 10 Consolidated Financial Statements, the controlling shareholder of Promigas S.A E.S.P. is Corporación Financiera Colombiana S.A., whose parent is Grupo Aval Actions y Valores S.A. However, under Act 222 of 1995 Promigas S.A. E.S.P. is not a subordinate company since the conditions established therein are not met. The Company's corporate seat is in the city of Barranquilla, Colombia, 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.

Promigas has the following subsidiaries through direct and indirect interest:

Company	December 2022			December 2021		
	Direct	Indirect	Total	Director	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.	98.92%	1.08%	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 Panama Corporation	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promisol México S.A. de C.V. (1)	0.00%	0.00%	100.00%	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. (2)	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

(1) 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.

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(2) Until May 2022 the Company's corporate name was "Enlace Servicios compartidos S.A.S.".

In addition, the Company has non-controlling interest in the following associates:

Entity	Country of incorporation	Interest	
		December 2021	December 2020
Gases del Caribe S.A. E.S.P. (Gascaribe)	Barranquilla	30.99%	30.99%
Gas Natural de Lima y Callao S.A.C.	Peru	40.00%	40.00%

Regulatory Framework

Promigas is mainly governed by Act 142/1994, whereby the Public Utilities Regime is established, CREG Resolution 071/1999, which sets out the Single Regulation for Natural Gas Transportation (RUT, for its Spanish acronym) in Colombia, 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 the Company charges its 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).

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:

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.

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2. BASES OF ACCOUNTING OF THE SEPARATE 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 2022 are based on the International Financial Reporting Standards (IFRS) together with their interpretations, issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

Additionally, the Company adopted the alternative allowed by Decree 2617 of December 29, 2022, to recognize for accounting purposes against the accumulated results of prior years in equity, for the taxable period 2022, the variation in the deferred income tax, derived from the change in the income tax rate and occasional income tax, as established in Law 2277 of December 13, 2022, by which the tax reform for equality and social justice was adopted and other provisions were enacted.

For 2021, the Company adopted the alternative allowed by Decree 1311 of October 20, 2021, to recognize for accounting purposes against accumulated results in equity and only for the year 2021 the variation in income tax derived from the increase in the income tax rate, as established in the Social Investment Act 2155.

These separate financial statements were prepared to comply with the legal provisions which the Company is subject to as an independent legal entity and do not include adjustments or eliminations necessary for the presentation of the consolidated financial position and the consolidated comprehensive income of the Company and its subsidiaries. Accordingly, the separate financial statements should be read together with the consolidated financial statements of Promigas S.A. E.S.P. and its subsidiaries.

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

A summary of significant accounting policies is included in note 4 to these financial statements.

2.2 Functional and Presentation Currency

The Company’s functional and presentation currency is the Colombian peso.

The functional currency of Promigas was determined based on the correlative economic conditions of the country of operations. 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.

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

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Monthly averages:

2022			**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

2.3 Bases of Measurements

The separate financial statements have been prepared based on the historical cost, except for the following important items included in the separate 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.
- Financial assets under concession are measured at fair value.
- Investment properties measured at fair value.

3. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Promigas management makes estimates and assumptions that affect the amounts recognized in the separate 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 separate 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 separate financial statements is included in the following notes.

- Note 4 (e) - Note 5 (c) - classification of financial assets: evaluation of the business model within which financial 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 4 (e) - Note 5 (c) - 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.
- Note 2 (2.2) Determining the functional currency of Promigas requires significant judgment.

B. Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ended December 31, 2022 is included in the following notes.

- Note 4 (e) - Note 5 (c) - Note 9 - 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 (e) - Note 5 (c) - Note 9 - impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- Note 4 (l) - Note 15 - recognition of concession agreements.
- Note 6 - Determining the fair value of financial instruments with important unobservable inputs.
- Notes 4 (r) - Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the probability and magnitude of an outflow of resources.
- Note 4 (l) - Determining materiality for the definition of the financial model for the recognition of revenues from the construction of concessions.

4. SIGNIFICANT ACCOUNTING POLICIES

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

a) Investment in Subsidiaries

Investments in subsidiaries are accounted for using the equity method as per IAS 28, according to which the investment is recorded initially at cost and then periodically adjusted for changes in the investor’s interest in the net assets of the investee. The income and other comprehensive income of the investee are included by the investor according to its interest.

b) Investments in Associates

Investments of the Company 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.

c) Dividend income

Revenue from dividends is recognized when the right of the Company to receive the corresponding payment is established, which usually occurs when shareholders declared the dividend. Dividends from investments in associates and subsidiaries are recognized in the separate statement of financial position 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.

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 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 made the irrevocable choice to record subsequent changes in fair value as part of other comprehensive income.

	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 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 debited from profit and loss account under financial expenses.

Financial liabilities are only derecognized from the separate balance sheet 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

Financial assets and liabilities are offset and the net amount is reported in the separate 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.

f) Transactions with Derivate Instruments

A derivative is a financial instrument that changes value over time based on an underlying variable, it 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 separate 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 account, 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, as well as the risk objective and the strategy to undertake the hedge relationship. The Company also documents its 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 profit or loss.

Financial assets and liabilities by transactions with derivatives are not offset in the separate 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 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 separate profit or loss.

g) 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, Promigas documents the relationship between the hedging instrument and the hedged item, together with its risk management objectives and its strategy for carrying out various hedging transactions. Additionally, at the beginning of the hedge and on a continuous basis, Promigas documents 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 and accumulated in equity 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 separate 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 and accumulated in equity at that time is held in equity and 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 through profit or loss.

h) Cash

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

i) Property, Plant and Equipment

Recognition and Measurement

Elements of property, plant and equipment are measured at cost, which includes capitalized borrowing costs (note 4) less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of assets built by the Company includes the cost of materials and direct labor and 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. Additionally, Promigas will also capitalize the PPE elements acquired for safety, biosafety or environmental reasons.

In the pre-operational stage, the Company may capitalize a percentage of the salaries and per diem of the personnel directly associated with the investment 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 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 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.

The following is a summary of the types of assets of the company and the estimate of their useful life:

Group	**Years**
Land	No depreciation
Constructions and buildings	50
Gas pipelines and plants	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
Major spare parts	Associated with the component

The useful life of an asset may be shorter than its economic life.

The Company will review the useful lives of assets at least at the end of each accounting period. Therefore, it may modify the remaining useful life, considering the use of PPE. Such a review has to be performed on a realistic basis and should also consider the effects of technological changes. The effects of changes in the estimated useful lives are recognized prospectively.

Disposals

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

j) Loan Costs

The Company capitalizes 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 mounting to get ready for its intended use or sale. These loan costs will be capitalized as part of the cost of the asset, provided it is likely that they will give rise to future economic benefits for the entity and can be measured reliably.

k) 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 any accumulated amortization and accumulated 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.

Promigas capitalizes the costs of the development phase of internally generated intangible assets that meet the recognition criteria. In the pre-operational stage, Promigas will be able to 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 making it possible to carry out the project through decision making.

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
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.

In the case of Prototypes, taking into account that they correspond to the graphic representation of the asset to be constructed, their useful life will be assigned in accordance with the accounting policy considering the provisions of paragraph 4 of IAS 38.

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 separate income statement when the asset is derecognized.

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

l) Concession Agreements

The Company recognizes 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 the case of concessions where cash payment of constructed assets is not guaranteed, Promigas recognizes 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 standard margin, obtained from the weighting of several real financial models.
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) Alternative a: Large new projects that exceed materiality (USD 5,000,000). This model will consider the expected future flows, as well as the uncertainties inherent to the valuation process or with a margin that

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remunerates in addition to the construction, any additional effort for its management. The company shall document and disclose the judgments considered.

2) Alternative b: New projects that do not exceed the materiality of USD $ 5,000,000. This standard margin will be updated as financial models are calculated for projects classified under the previous point.

3) 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.

Replacement projects involving new revenue streams for the Company either through new or existing customers, depending on whether or not they exceed the materiality of USD $ 5,000,000 could apply alternatives a and b respectively.

Useful Life

Promigas has 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 contemplate a regulatory useful life of 20 years for the assets. 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 Buildings under concession Improvements on third-party property under concession	In accordance with the concession agreement of the asset.

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 amortization 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.

The useful life of assets under concession will be reviewed when there are indications that there has been a change in the expectation of use by management, when there are changes in the way in which the asset is used or at least once a year.

m) 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, 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, 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.

n) 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, 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.

o) Prepaid Expenses and Prepaid Assets

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.

p) 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 lease 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 separate 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 on the basis of their present value.

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 - Revenue from Contracts with Customers at the inception of the lease.

q) Taxes

Income Tax

The tax expense or income comprises the current and deferred tax.

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 to recover current income tax. It is calculated based on the tax laws enacted as of the date of the separate statement of financial position. Management periodically evaluates 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 makes its calculation 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 and associates, and interests in joint ventures, when the reversal opportunity of temporary differences can be controlled 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 associates, 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 separate 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 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.

By means of Decree 2617 of December 29, 2022, the alternative is established for one time only, to recognize for accounting purposes against the accumulated results of previous years in equity, the variation in 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 statement of financial position as noncurrent assets and liabilities regardless of the expected date of realization or settlement.

r) Provisions

A provision is recognized if it is the result of a past event, the Company has 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 must review at least at the end of the period the existence of environmental obligations resulting from new and existing projects. The area responsible for providing such information is the Sustainability and Environment Management. The estimate to be recorded will be the best estimate of the disbursement necessary to cancel the present obligation.

To the extent that environmental costs are necessary costs for an asset to operate as intended by management, they will be recorded as an addition to the asset giving rise to them. Periodically the provision will be updated with the CPI certified by DANE and the effect of such update will be recognized as a borrowing cost.

Each environmental provision should be used only for the disbursements for which it was originally recognized.

Pipeline inspection provision (through SMARTPIG)

By regulation, the Company must 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 last value paid under this item is taken as base (part of this value is in U.S. dollars and another part in Colombian pesos).
- The part of the value paid in U.S. dollars is indexed with projections of the CPI (consumer price index) in the United States of America 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 Company’s discretion if it determines any volatility in the variables used, to adjust the provision.

s) Impairment

Financial Assets

The Company applies the impairment model due to Expected Credit Loss (ECL). 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 Fair Value through Profit or Loss:

- Investments in debt securities;
- Commercial accounts receivable;
- Lease receivables
- Other accounts receivable.

The impairment provision is calculated in the following two ways depending on the credit risk of the asset:

- For financial assets with low credit risk, expected losses are calculated at a projection of twelve (12) months, which result from possible impairment events within twelve months after the reporting date of the financial statements,
- And for financial assets with significant credit risk, the expected credit losses that are calculated are projected for the remaining life of the financial asset, which are the result of all possible impairment events during the entire remaining life of the instrument.

An asset is presumed to be impaired when it is more than 30 days past due, unless the Company can demonstrate and refute such presumption.

Under this scheme the Company has developed a model for determining provisions based on historical loss experience taking into account days past due, and a simplified model for projecting macroeconomic factors affecting the business.

Simplified approach:

Under the simplified approach, expected asset losses are always estimated over the useful life of the asset, this is only for financial assets generated from contracts that do not contain a significant financing component and have less than 12 months of useful life. Since the simplified approach always calculates credit losses over the remaining life of the asset, it is not necessary to segment assets by stage of default or credit risk.

This model will be used for all other receivables measured at amortized cost.

Derecognition of financial assets

A financial asset is derecognized when:

- The right to receive cash flows from the asset has expired.
- It has the right to receive cash flows from the asset, but has the obligation to pay them in full to a third party immediately.
- It has transferred its rights to receive cash flows from the asset and/or:
  - ✓ It has transferred substantially all the risks and rewards of the asset.
  - ✓ It has transferred control of the asset.

Non-Financial Assets

Impairment tests will be conducted when there are signs that the book value of an asset may exceed its recoverable amount. The recoverable amount of an asset is the higher of either its fair value minus disposal costs or its use value. The Company will assess at the end of the period whether there are any signs of impairment on the asset. If any, the Company 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 capital gains 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.

t) Revenue from contracts with customers

The Company recognizes 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 expects 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 performance of the Company 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's 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.

When the Company meets a performance obligation by delivering the promised goods or services, it creates 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 recognizes revenue when it transfers control over a good or service to a customer.

The Company evaluates its revenue plans based on specific criteria to determine whether it acts as principal or agent. Revenue is recognized to the extent that the economic benefits are likely to flow to the Company 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 generates revenue from contracts with customers:

Utilities

The contracts between a customer and the Company for the provision of a utility for the distribution and transportation of gas establish the rates and terms of the service. The Company determined that its 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.

Construction services (Concessions) - In concession agreements, companies determine that their construction performance obligations have been fulfilled over time and measure their progress in accordance with the costs incurred, recognizing their revenues and construction costs to the extent of such progress.

For revenue recognition when the consideration is an intangible, as in the case of concessions where cash payment of the constructed assets is not guaranteed, Promigas and subsidiaries will recognize revenue 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, obtained from the weighting of several real financial models.

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) Alternative a: Large new projects that exceed materiality (USD 5,000,000). This model will consider 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 b: New projects that do not exceed the materiality of USD $ 5,000,000. This standard margin will be updated as financial models are calculated for projects classified under the previous point.

3) Alternative c: Projects that do not entail capacity expansion or represent higher revenues will continue to be recognized under the cost plus zero (0) margin methodology, derecognizing the replaced asset when applicable.

Replacement projects involving new revenue streams for the Company either through new or existing customers, depending on whether or not they exceed the materiality of USD $ 5,000,000 could apply alternatives a and b, respectively.

Operation and maintenance service (Concessions) - The Companies determine that their performance obligations for this item have been met over time.

The Companies apply a single method to measure progress on each performance obligation within a contract. The method may be input (cost incurred, hours worked) or output (units produced, targets achieved).

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, tha Company also has revenues that contain components that are within IFRS 15, such as commission collection.

Sale of Assets

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

Initial measurement

Under the equity method, both for joint operations and joint ventures, at initial measurement the investment is recorded at cost.

Subsequent measurement

The initial cost of the investment will be increased or decreased to recognize the investor’s share in the investee’s profit or loss for the period after the date of acquisition. The investor’s share of the investee’s profit or loss for the period is recognized in the investor’s profit or loss for the period. Distributions received from the investee will reduce the carrying amount of the investment. Adjustments to the amount for changes in the investor’s proportionate interest in the investee arising from changes in the investee’s other comprehensive income in the other comprehensive income account may be required. The investor’s share of those changes is recognized in the investor’s other comprehensive income account.

In applying the equity method, the most recent available financial statements of the associate or joint venture shall be used. When the end of the reporting period of the entity and of the associate or joint venture are different, the associate or joint venture shall prepare for the use of the entity financial statements as of the same date as those of the entity, unless it is impracticable to do so.

When the financial statements of an associate or joint venture used to apply the equity method are as of a date different from that used by the entity, appropriate adjustments shall be made to reflect the effects of significant transactions or events that have occurred between the two dates. In no case shall the difference between the end of the reporting period of the associate or joint venture and that of the entity be greater than three months. The length of the reporting periods and any difference between the end of the reporting periods shall be the same from period to period.

The entity’s financial statements shall be prepared by applying uniform accounting policies for like transactions and other events in similar circumstances.

Once the equity method has been applied, including the recognition of losses of the associate or joint venture, the entity shall apply the accounting for Financial Instruments to determine whether it is necessary to recognize any additional impairment loss in respect of its net investment in the associate or joint venture.

u) 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. Interest revenues and expenses are also included, which are recognized using the effective interest rate method and the exchange difference.

v) Recognition of Costs and Expenses

The Company recognizes its 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.

w) Earnings per Share

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

x) 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 separate financial statements:

- Gas Transportation
- Gas Distribution
- 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 Company is 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.

Risk Management Framework

The Company's Board of Directors is responsible for establishing and supervising the risk management structure of Promigas.

The Company's risk management policies are provided in order to identify and analyze the risks faced by Promigas, 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.

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

a. Market Risk:

1. *Macroeconomic Factors*

The main macroeconomic factors that impact the financial results of the Company are devaluation, inflation and interest rates.

Operating revenue up to August 2022 was generated through tariffs that were indexed in U.S. dollars, the invoicing of transportation services was issued in Colombian pesos and settled at the exchange rate at the time of invoice, while more than 95% of the costs are in Colombian pesos; therefore, the variation in the exchange rate could have a positive or negative impact on revenue.

The exchange rate exposure was mitigated with financial hedging instruments (Forwards), which are executed provided that future 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 dollars to pesos.

With respect to inflation, DTF, IPC, IBR, UVR, the Company is exposed given that most of the Company's 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 Company; 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 may be through derivatives or 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 Company is exposed to variations in the exchange rate produced by transactions in several currencies, mainly in U.S. Dollars. Currency risk in foreign currency arises from assets, liabilities, income, costs and some recognized expenses.

Assets, liabilities and transactions denominated in foreign currency are those made in currencies different from the Company's functional currency. Assets and liabilities denominated in foreign currency are:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

	December 2022		December 2021	
Expressed in whole dollars and euros	**Dollars**	**Euros**	**Dollars**	**Euros**
Assets				
Cash and cash equivalents	515,129	1,677	452,920	4,477
Financial assets for loan portfolio at amortized cost	16,049,995	-	17,696,736	-
Other accounts receivable	24,205,197	-	25,374,053	-
Total assets	**40,770,321**	**1,677**	**43,523,709**	**4,477**
Liabilities				
Liabilities	(241,837,162)	(7,000)	(240,021,557)	(43,873)
Total liabilities	**(241,837,162)**	**(7,000)**	**(240,021,557)**	**(43,873)**
Net liability position	**(201,066,841)**	**(5,323)**	**(196,497,848)**	**(39,396)**

b. 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.

c. Credit Risk:

Promigas, through its non-bank financing program - Brilla, is exposed to credit risk, which consists of the debtor causing a financial loss for not fulfilling its obligations. The exposure to credit risk arises as a result of the activities of the Brilla program and the transactions with counterparties that give rise to financial assets, where Promigas financed the portfolio of Surtigas S.A. E.S.P, Gases del Caribe S.A. E.S.P. y Gases de la Guajira S.A. E.S.P.

The maximum exposure to credit risk is the amount of the commitments, reflected in the book value of financial assets and in the Company’s separate statement of financial position.
The principles and rules for managing the Brilla credit are stated in the Non-Bank Financing Policy. The evaluation criteria to control credit risk follow the guidelines provided by the 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

For credit approvals, the user’s payment behavior during the last two years is taken into account and, additionally, for the gas distribution companies, that have finished paying the gas connection or their debt is less than three hundred thousand pesos.

The Company calculates portfolio impairment considering the expected credit loss of IFRS 9. For monitoring and measuring the portfolio, the Company has 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. Three times a year, the Portfolio Committee meets, presenting the indicators and reviewing the cases that affect collection in order to set out strategies and action plans to improve recovery, and analyzes the collection process by the contractor firms and the reports by locations in order to identify related items of default that establish a trend and control them immediately.

By the end of each reported period, the Company assesses 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 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:

- Accounts receivable from gas
- Non-Banking Financing
- Other accounts receivable.

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 has 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.

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.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

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 the Promigas and subsidiaries policy.

The Company has 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:

As of December 31, 2022, the Brilla portfolio of Promigas decreased by 24%, with respect to the same period of the previous year, taking into account the natural behavior of the same as Promigas does not actively fund credit operations, and of what is funded, the distributors are collecting the portfolio that is pending collection.

d. Liquidity Risk:

Liquidity risk is related to the inability of meeting obligations to creditors, for which purpose the Company reviews 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.

e. Interest Rate Risk:

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

Meanwhile, financial obligations are exposed to the effects of fluctuations in market interest rates that affect their future cash flows. For this, the Company periodically reviews 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 takes loans indexed to DTF, CPI, IBR, UVR and at Fixed Rate; in addition, ordinary bond issues in COP are indexed to the CPI and UVR and the issue in USD at a fixed rate. As of December 31, 2022, the financial debt consisted of 34.55% IBR, 27.48% CPI, 25.49% Fixed Rate, 11.05% UVR and 1.43% DTF.

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

DTF fluctuation effects:

Variable	Scenario	Rate	Impact		Value
	Low	11.83%	Net Income/Equity	$	(388,157)
DTF	Medium	12.83%	Net Income/Equity		
	High	13.83%	Net Income/Equity	$	388,157

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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 is considered. The result will be reflected through profit or loss on the following periods.

CPI fluctuation effects:

Variable	Scenario	Rate	Impact		Value COP $ Thousands
	Low	15.67%	Net Income/Equity	$	(10,471,074)
CPI (1)	Medium	16.67%	Net Income/Equity		
	High	17.67%	Net Income/Equity	$	10,471,074

(1) Includes 2020 issue in local currency, indexed to UVR. This indexation is correlated with the variation of the CPI.

The above sensitivity is based on the average scenario, which is the real scenario. For the low and high scenarios, a variation of more or less 100 basis points and a tax rate of 40% are considered, with respect to the medium scenario.

IBR fluctuation effects:

Variable	Scenario	Rate	Impact		Value COP $ Thousands
	Low	15.63%	Net Income/Equity	$	(9,387,815)
IBR	Medium	16.63%	Net Income/Equity		
	High	17.63%	Net Income/Equity	$	9,387,815

The above sensitivity is based on the average scenario, which is the real scenario. For the low and high scenarios, a variation of more or less 100 basis points and a tax rate of 40% are considered, with respect to the medium scenario.

According to the analysis discussed above, the methodology and assumptions used are still valid and have not been modified.

Promigas receives dividends from its gas distributor subsidiaries, which have revenues adjusted for CPI, therefore, the business has a natural hedge against fluctuations that this variable may have.

Promigas maintains a treasury strategy based on the investment of resources in Collective Investment Funds in trust companies or stock brokers or in bank accounts paid with special interests, in order to maximize returns. These investments are in kept at sight to ensure availability of resources.

The valuation of the Investment Funds is carried out daily at market price. These valuations may increase or reduce the accrued interest insofar as it is exposed to market fluctuations. Promigas, daily monitors the behavior of the Funds and investments, to make decisions for the planning of new investment strategies, when market conditions are not favorable.

In addition, resources remain invested in savings accounts or current accounts with special remuneration, which do not have interest rate risk because they are fixed rates agreed with the banks.

In turn, financial obligations are contracted without prepayment clauses in order to have benefit in the event of market rate decreases.

6. DETERMINING FAIR VALUES

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

The Company has 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 CFRS that are in line with those established by the Financial Superintendence. Promigas uses a variety of methods and assumes 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.

Promigas develops 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 has 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 Company. 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 Company 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 Promigas, which considers 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 designates 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:

Net Income Impact	**High**	**Low**
	Figures in millions	
Discount Interest Rates	(77,709)	80,971
Gradual growth into perpetuity	52,565	(50,741)
	%	
Discount Interest Rates	(6.4%)	6.7%
Gradual growth into perpetuity	4.3%	(4.2%)

The valuations of financial assets are considered at Level 3 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 separate statement of financial position at the end of each accounting period.

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

		December 2022		**December 2021**	
		Level 2	**Level 3**	**Level 2**	**Level 3**
Assets					
Hedging transactions (1)	$	1,116,409	-	287,742	-
Financial instrument at fair value through OCI (1)		60,967,382			
Equity instruments through profit or loss (1)		46,611,596	-	51,254,000	-
Financial instruments through OCI (1)		6,218,656	-	5,635,011	
Financial asset - Concession agreement (1)		-	2,767,870,451	-	2,550,315,031
Investment property		7,974,948	-	8,421,433	-
	$	122,888,991	2,767,870,451	65,598,186	2,550,315,031

(1) See note 8. Financial assets at fair value

The Company has 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. Valuations of foreign currency hedging derivative contracts are included. As 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. This is the case of financial assets recognized at fair value for the sale obligation of the residual interest of the pipeline infrastructure at the end of the concession agreements.

Assets reflected in the Company's separate 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 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 recognizes an intangible asset by the consideration for the construction services.

Management 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 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*
  - Financial Revenue: Annual adjustment of the value of the financial asset

  * 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 pipelines under concession 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.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Promigas semiannually reviews the Level 3 valuations and considers 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 conducts the tests once again and considers which are the results of the model that historically are more in line with actual market transactions.

For the periods ended December 31, 2022 and 2021, there was no transfer of assets or liabilities initially classified in Level 3.

The following table indicates the movement of financial assets by pipelines under concession classified in Level 3, showing that there are no transfers between levels:

		Financial assets
Balance as of December 31, 2020	$	2,341,498,875
Earnings included in profit or loss		208,816,156
Balance as of December 31, 2021	$	2,550,315,031
Earnings included in profit or loss		217,555,420
Balance as of December 31, 2022	$	2,767,870,451

7. CASH

Cash consists of the following:

		December 2022	December 2021
In Colombian pesos			
Cash	$	34,500	32,590
Related banks (1)		168,455,868	12,240,264
Banks (1)		691,049,490	62,976,346
Total		859,539,858	75,249,200
In foreign currency			
Cash		373,599	245,856
Banks (1)		2,425,774	1,716,442
Total		2,799,373	1,962,298
Total cash	$	862,339,231	77,211,498

(1) Below is a breakdown of the credit rating 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	$	854,497,933	66,747,625
AA+		7,433,199	10,185,427
TOTAL	$	861,931,132	76,933,052

There are no restriction or limitations in this item.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

8. FINANCIAL ASSETS AT FAIR VALUE

Financial assets at fair value through profit or loss include the following:

		December 2022	December 2021
Current portion			
Other equity securities (1)	$	107,578,978	51,254,000
Other accounts receivable at fair value (2)		1,116,409	287,742
	$	108,695,387	51,541,742
Non current portion			
Equity instruments through OCI	$	6,218,656	5,635,011
Financial assets – Concession contract		2,767,870,451	2,550,315,031
	$	2,774,089,107	2,555,950,042

(1) The variation corresponds to the constitution of a CD for $ 60,000,000 with Banco Santander as a guarantee of a loan granted by this entity.

(2) Derivatives - Hedging Derivatives:

a) *Description of the type of hedge*: Sales 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.

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

c) *Description of the nature of the hedged risks:* Risk of change in the magnitude 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 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.

d) *Description of the periods in which the expected cash flows occur and fair value:* As of December 31, 2022 Promigas has contracted 1 forward with an agreed Strike of $ 3,929.25 USD Purchase. Reason for which it is considered that the Company was effective in the contracts.

e) *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 settlements of the expired FWD contracts for the sale of USD. The settlements were in favor of the company, which is why hedging income is evidenced.

f) *Counterparty:* Banks and financial entities.

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

		December 2022	December 2021
Number of operations		1	3
Nominal in dollars		1,266,770	8,255,573
Local amount in pesos		4,977,456	33,371,403
Fair value:			
Assets		1,116,409	287,742
Total average term in days		216	61
Average remaining term in days		3	59
Hedged item	US$	1,266,770	8,255,573

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Prices specified in forward contracts:

Cumulative time bands		December 2022	December 2021
Up to 1 month	$	4,977,456	21,290,539
2 to 3 months		-	12,080,864
Total	$	4,977,456	33,371,403

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.

9. FINANCIAL ASSETS AT AMORTIZED COST

Below is a breakdown of financial assets at amortized cost:

		December 2022	December 2021
Current portion			
Accounts receivable (1)	$	110,278,590	146,415,053
Other accounts receivable (2)		29,120,407	55,346,601
	$	139,398,997	201,761,654
Non-current portion			
Accounts receivable (1)	$	106,952,657	110,600,057
Other accounts receivable (2)		459,791,531	437,452,703
	$	566,744,188	548,052,760

(1) Commercial accounts receivable are detailed below:

		December 2022			December 2021		
		Third Parties	Related parties	Total	Third Parties	Related parties	Total
Current Portion							
Gas transportation	$	50,281,226	21,587,900	71,869,126	64,614,957	30,476,879	95,091,836
Gas Distribution		-	1,688,580	1,688,580	-	2,730,237	2,730,237
Non-bank financing (Brilla)		24,985,762	3,882,340	28,868,102	39,680,743	4,984,217	44,664,960
Finance lease - including interest (a)		-	10,240,441	10,240,441	-	8,791,622	8,791,622
Other services		720,463	1,464,650	2,185,113	94,406	1,183,731	1,278,137
		75,987,451	38,863,911	114,851,362	104,390,106	48,166,686	152,556,792
Debtor impairment		(4,572,772)	-	(4,572,772)	(6,141,739)	-	(6,141,739)
	$	71,414,679	38,863,911	110,278,590	98,248,367	48,166,686	146,415,053
Non-current portion							
Non-bank financing (Brilla)	$	48,905,847	-	48,905,847	58,055,972	-	58,055,972
Finance lease (a)		-	66,953,403	66,953,403	-	61,661,915	61,661,915
		48,905,847	66,953,403	115,859,250	58,055,972	61,661,915	119,717,887
Debtor impairment		(8,906,593)	-	(8,906,593)	(9,117,830)	-	(9,117,830)
		39,999,254	66,953,403	106,952,657	48,938,142	61,661,915	110,600,057

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

a) The registered balance includes the account receivable from Promisol for the finance lease with Hocol with the following characteristics:

Assets	Located in the Bonga & Mamey Plant (Hocol)
Effective	12 years
Start	January 2017
Transfer	Transfer in the end US $5,000,000

		December 2022	December 2021
Gross investment (COP)	$	99,511,712	95,427,993
Net investment (COP)	$	75,937,784	70,453,537
Balance (USD)	US$	15,786,825	17,459,743

The following is a summary of the years when accounts classified as non-current will be collected:

Year		Value
2024	$	25,232,326
2025		26,445,247
2026		25,039,956
2027		21,803,899
2028 onwards		17,337,822
	$	115,859,250

The composition by maturity of the commercial portfolio is as follows:

		December 2022	December 2021
Maturity 0 - 30 days	$	220,357,705	242,255,670
Maturity 31 - 90 days		2,340,078	13,149,222
Maturity 91 - 180 days		1,764,408	5,206,237
Maturity 181 - 360 days		2,448,253	6,593,483
Maturity over 360 days		3,800,168	5,070,067
	$	230,710,612	272,274,679

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.

As of December 31, 2022 and 2021, the contract assets amount to $ 56,592,356 and $ 85,697,967.

(2) Other receivables are detailed below:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

	December 2022			December 2021		
	Third parties	Related Parties	Total	Third parties	Related Parties	Total
Current portion						
Loans granted	$ 1,070,100	2,902,182	3,972,282	1,068,323	2,687,102	3,755,425
Dividends receivable (a)	-	24,992,210	24,992,210	-	51,305,283	51,305,283
Other receivables	96,012	78,242	174,254	311,227	30,209	341,436
	$ 1,166,112	27,972,634	29,138,746	1,379,550	54,022,594	55,402,144
Impairment on loans (b)	(18,339)	-	(18,339)	(55,543)	-	(55,543)
	1,147,773	27,972,634	29,120,407	1,324,007	54,022,594	55,346,601
Non-current portion						
Loans granted	$ 4,486,513	455,374,093	459,860,606	4,260,914	433,228,234	437,489,148
Impairment loans (b)	(69,075)	-	(69,075)	(36,445)	-	(36,445)
	4,417,438	455,374,093	459,791,531	4,224,469	433,228,234	437,452,703

(a) Corresponds to dividends receivable from subsidiaries as follows:

	December 2022	December 2021
Promioriente S.A. E.S.P.	$ -	18,360,996
Gases de Occidente S.A. E.S.P.	20,000,000	-
Compañía Energética de Occidente S.A. E.S.P.	-	13,278,062
Promisol S.A.	4,992,210	19,666,225
	$ 24,992,210	51,305,283

(b) The following is the movement in the impairment of accounts receivable and other receivables:

	December 2022	December 2021
Opening balance	$ (15,351,557)	(14,405,162)
Impairment charged to expense	(4,536,770)	(5,182,592)
Write-off	2,583,621	1,924,096
Recovery of other accounts receivable previously written off	(16,945)	(582,667)
Reimbursement of impairment credited to income	3,754,872	2,894,768
Closing balance	$ (13,566,779)	(15,351,557)

The following is a summary of the years when other receivables classified as non-current will be collected:

Year	Value
2024	$ 846,979
2025	94,975,053
2026	796,990
2027	928,347
2028 onwards	362,313,237
	$ 459,860,606

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

10. INVENTORIES

Below is the breakdown of the inventories:

		December 2022	December 2021
Materials for the provision of services	$	24,951,101	20,211,039
In-transit inventories		6,812,321	120,229
		31,763,422	20,331,268
Inventory impairment		(14,339)	(14,339)
Total	$	31,749,083	20,316,929

11. OTHER ASSETS

Below is the breakdown of other assets:

		December 2022	December 2021
Current portion			
Prepaid expenses	$	22,356,995	13,238,494
Advances or credit balances for other taxes	$	1,077	1,425
Judicial deposits		5,098,604	3,437,655
		27,456,676	16,677,574
Non-current portion			
Assets on loan		5,867,203	-
Prepaid expenses		4,278,785	919,634
	$	10,145,988	919,634

12. INVESTMENTS IN ASSOCIATES

Description and Economic Activity of Associates

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.

Below is the breakdown of investments in associates:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Company	Economic Activity	Head quarters	Share	Book Value	Revenue Equity Method	Effect on Reserve and OCI
December 31, 2022						
Domestic						
Gases del Caribe S,A, E,S,P, (1)	Gas distribution	Colombia	30.99%	$ 313,968,270	124,358,287	2,288,495
Foreign						
Gas Natural de Lima y Callao S,A,C,	Gas distribution	Peru	40.00%	789,865,787	177,019,659	169,312,871
Total associates				$ 1,103,834,057	301,377,946	171,601,366
December 31, 2021						
Domestic						
Gases del Caribe S,A, E,S,P, (1)	Gas distribution	Colombia	30.99%	$ 305,455,595	117,987,011	(4,781,282)
Foreign						
Gas Natural de Lima y Callao S,A,C,	Gas distribution	Peru	40.00%	588,948,095	140,394,209	68,558,933
Total associates				$ 894,403,690	258,381,220	63,777,651

(1) To estimate and record the equity method, the Company performs homologation of accounting principles to align accounting policies with those of Promigas S.A. E.S.P.

The operations of permanent investments in associates are as follows:

		December 2022	December 2021
Opening balance	$	894,403,690	770,247,379
Declared dividends (1)		(254,249,205)	(193,764,567)
Revenues from equity method		301,377,946	258,381,220
Effect on OCI		171,601,366	63,777,651
Equity method change in deferred tax rate recognized in retained earnings		(9,299,740)	(4,237,993)
Closing balance		1,103,834,057	894,403,690

(1) Dividends declared and actually received are detailed below:

		December 2022		December 2021	
		Dividends declared	Dividends actually received	Dividendos decretados	Dividendos recibidos efectivamente
Gases del Caribe S.A. E.S.P.	$	108,834,365	(100,998,970)	97,142,741	(89,857,032)
Gas Natural de Lima y Callao S.A.C.		145,414,840	(144,642,172)	96,621,826	(99,465,406)
	$	254,249,205	(245,641,142)	193,764,567	(189,322,438)

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

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		Capital	Premium on placement of shares	Reserves	Period Results	Un-appropriated retained earnings	Results from IFRS Adoption	Unrealized gains or losses (OCI)	Total equity
As of December 31, 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	352,072,797	307,493,163	332,521,817	(11,842,879)	1,007,201,912
As of December 31, 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

13. INVESTMENT IN SUBSIDIARIES

Description and Economic Activity of Subsidiaries

Surtidora de Gas del Caribe S.A. E.S.P. (Surtigas) - Its corporate purpose 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. Promigas, through Surtigas S.A. E.S.P., owns 4.51% of Gases del Pacífico S.A.C. and 39.99% of Orión Contact Center S.A.S.

Transoccidente S.A. E.S.P. - 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.

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

Sociedad Portuaria El Cayao S.A. E.S.P. - Its corporate purpose 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 performed in the Port of Cartagena. It is headquartered in the city of Cartagena.

Gases del Pacífico S.A.C. - Its corporate purpose is the purchase, sale 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.

Promioriente S.A. E.S.P. - Its corporate purpose 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.

Compañía Energética de Occidente S.A. E.S.P. - The exclusive corporate purpose of the company is the execution and performance of the Management Agreement for the fulfillment of the administrative, operational, technical and commercial management of the provision of electric power trading and distribution in the Department of Cauca, as well as the investment, expansion of coverage, reconditioning and preventive and corrective maintenance of the infrastructure for providing such service, and other activities required therefor. It is headquartered in the city of Popayan.

Gases de Occidente S.A. E.S.P. - Its corporate purpose 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. The Nation has awarded Gases de Occidente S.A. E.S.P. a 50-year term concession starting from the commencement date of the pipeline's operation (September 23, 1997, for areas of non-exclusive service, and December 29, 1997, for areas of exclusive service) to provide transportation and distribution services of liquefied gas from oil and natural gas through gas and propane pipelines at least in the city of Santiago de Cali. Promigas, through Gases de Occidente S.A. E.S.P., owns 54.07% and 51.00% of Orión Contact Center S.A.S. and Compañía Energética de Occidente S.A. E.S.P., respectively.

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

Promigas Peru S.A. - Formerly Gas Comprimido del Perú until November 7, 2020, when the general shareholders' meeting amended the first article of the bylaws, regarding the Company's corporate name. Its corporate purpose is the sale of Compressed Natural Gas (CNG) that operates in the Piura and Lambayeque regions in northern Peru since June 2009. The company is based in the city of Piura in Peru.

Promisol S.A.S. - The corporate purpose of the company is to implement energy management systems, develop energy diagnostics and prepare and implement improvement projects offering energy solutions for companies, and also provides comprehensive advisory in energy management. In addition, it provides natural gas compression and dehydration 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. Promigas, through Promisol S.A.S., owns 51% of Enercolsa S.A.S., 99.97% of Zonagen S.A.

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 Panamá Corporation - Company incorporated on May 24, 2021, under the laws of the Republic of Panama. The corporate purpose of this Company is the sale of Natural Gas and Liquefied Natural Gas (LNG). The duration of the company is perpetual.

Below is the detail of balances, percentages and movements of investments in subsidiaries:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

			December 2022				
Company	Economic Activity	Headquarters	Number of shares	Ownership interest	Book value	Income equity method	OCI for period
Local subsidiaries							
Transportadora de Metano E.S.P. S.A. (Transmetano)	Gas transportation	Colombia	1,460,953,304	99.67%	$ 237,566,105	62,157,894	(72,612)
Transoccidente S.A. E.S.P.	Gas transportation	Colombia	146,464	79.00%	9,936,503	2,666,295	(986)
Promioriente S.A. E.S.P.	Gas transportation	Colombia	883,229,859	73.27%	327,219,253	87,906,547	(2,200)
Gases de Occidente S.A. E.S.P.	Gas distribution	Colombia	1,830,454	94.43%	480,292,917	127,188,084	(30,515)
Surtidora de Gas del Caribe S.A. E.S.P. (Surtigas)	Gas distribution	Colombia	62,900,742	99.99%	845,482,985	110,044,730	9,117,804
Compañía Energética de Occidente S.A.S E.S. P	Energy distribution	Colombia	3,185,000	49.00%	67,688,124	28,852,762	-
Sociedad Portuaria El Cayao S.A. E.S. P	LNG regasification	Colombia	20,399,997	51.00%	191,359,742	16,664,876	29,688,672
Promisol S.A.S.	Services	Colombia	19,274,944	100.00%	82,235,437	9,247,131	(99,478)
Enlace Servicios Empresariales Globales S.A.S.	Services	Colombia	14,279,123	100.00%	15,602,214	762,724	-
					2,257,383,280	445,491,043	38,600,685
Foreign subsidiaries							
Gases del Pacífico S.A.C	Gas distribution	Peru	421,328,315	95.49%	471,126,091	(24,412,271)	85,491,605
Gases del Norte del Perú S.A.C	Gas distribution	Peru	158,939,822	99.09%	658,607,568	144,872,859	108,286,599
Promigas Perú S.A.	Gas distribution	Peru	665,701,610	100.00%	60,949,929	1,428,438	10,671,921
Promigas Panamá Corporation	Gas distribution	Panama	150	100.00%	19,241	(39,826)	5,277
					1,190,702,829	121,849,200	204,455,402
					$ 3,448,086,109	567,340,243	243,056,087

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

			December 2021				
Company	Economic Activity	Headquarters	Number of shares	Ownership interest	Book value	Income equity method	OCI for period
Local subsidiaries							
Transportadora de Metano E.S.P. S.A. (Transmetano)	Gas transportation	Colombia	1,460,953,304	99.67%	$ 210,869,515	44,284,497	(346,839)
Transoccidente S.A. E.S.P.	Gas transportation	Colombia	146,464	79.00%	10,249,915	2,977,815	(25,208)
Promioriente S.A. E.S.P.	Gas transportation	Colombia	883,229,859	73.27%	280,074,630	40,745,915	(796,862)
Gases de Occidente S.A. E.S.P.	Gas distribution	Colombia	1,830,454	94.43%	446,480,572	126,568,926	179,509
Surtidora de Gas del Caribe S.A. E.S.P. (Surtigas)	Gas distribution	Colombia	62,900,742	99.99%	771,664,648	108,229,580	5,365,181
Compañía Energética de Occidente S.A.S E.S.P.	Energy distribution	Colombia	3,185,000	49.00%	66,572,557	27,737,194	120,730
Sociedad Portuaria El Cayao S.A. E.S.P.	LNG regasification	Colombia	20,399,997	51.00%	159,703,680	13,798,947	19,187,289
Promisol S.A.S.	Services	Colombia	19,274,944	100.00%	78,079,994	17,190,086	(120,443)
Enlace Servicios Empresariales Globales S.A.S.	Services	Colombia	14,279,123	100.00%	14,839,490	1,227,136	-
					2,038,535,001	382,760,096	23,563,357
Foreign subsidiaries							
Gases del Pacífico S.A.C	Gas distribution	Perú	421,328,315	95.49%	410,046,757	10,517,544	51,403,193
Gases del Norte del Perú S.A.C	Gas distribution	Perú	132,934,822	98.92%	378,539,378	193,486,112	22,327,795
Promigas Perú S.A.	Gas distribution	Perú	665,701,610	100.00%	48,849,570	(25,963)	5,723,766
Promigas Panamá Corporation	Gas distribution	Panamá	150	100.00%	53,789	(5,850)	3,608
					837,489,494	203,971,843	79,458,362
					$ 2,876,024,495	586,731,939	103,021,719

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Below is a summary of investment operations:

		December 2022	December 2021
Opening balance	$	2,876,024,495	2,250,399,479
Capitalizations and acquisitions		26,441,870	200,592,891
Return of contributions Promisol Mexico		-	(3,825)
Dividends declared by companies (1)		(243,959,734)	(251,596,817)
Equity method with effect through profit or loss		567,340,243	586,731,939
Valuations recognized through OCI of the period		243,056,087	103,021,719
Equity method in transactions with non-controlling interests		51	1,980
Equity method change in deferred tax rate recognized in retained earnings		(20,613,770)	(12,899,822)
Impairment through expenses		-	(6,574)
Withholding tax on dividends declared recognized in equity		(203,133)	(216,475)
Closing balance	$	3,448,086,109	2,876,024,495

(1) The detail of the dividends declared and received is presented below:

		December 2022		December 2021	
Company		Dividends declared	Dividends actually received	Dividends declared	Dividends actually received
Surtidora de Gas del Caribe S.A. E.S.P.	$	29,996,701	(29,996,701)	19,997,801	(19,997,801)
Transoccidente S.A. E.S.P.		2,977,815	(2,977,815)	2,502,630	(2,502,630)
Gases de Occidente S.A. E.S.P.		89,709,575	(69,709,575)	66,101,792	(70,542,268)
Transportadora de Metano E.S.P. S.A.		33,601,926	(46,879,988)	30,680,019	(25,121,660)
Promisol S.A.S.		4,992,210	(19,666,225)	32,385,946	(23,674,976)
Compañía Energética de Occidente S.A.S E.S.P.		27,737,194	(27,737,194)	25,729,845	(25,729,845)
Promioriente S.A. E.S.P.		40,745,915	(59,106,911)	73,443,984	(55,082,988)
Sociedad Portuaria El Cayao S.A. E.S.P.		14,198,398	(14,198,398)	754,800	(754,800)
	$	243,959,734	(270,272,807)	251,596,817	(223,406,968)

Below is the detail of equity components of investments in subsidiaries, recorded using the equity method:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		December 2022								
		Capital	**Premium on placement of shares**	**Reserves**	**Retained earnings**	**Net income**	**Results from IFRS Adoption**	**OCI**	**Other equity transactions**	**Total equity**
Surtidora de Gas del Caribe S.A. E.S.P.	$	571,764	1,932,628	575,099,369	(529,386)	110,056,834	112,606,132	23,157,866	(12,738,079)	810,157,128
Transoccidente S.A. E.S.P.		1,854,000	-	1,587,596	(226,893)	3,375,103	5,691,565	-	-	12,281,371
Gases de Occidente S.A. E.S.P.		37,391,491	18,529,438	227,018,761	(20,583,899)	134,688,722	42,166,683	(38,758)	-	439,172,438
Transportadora de Metano E.S.P. S.A.		13,195,633	3,293,272	58,309,654	(3,299,500)	62,365,732	103,551,889	18,776	-	237,435,456
Promisol S.A.S.		19,274,944	24,075,992	40,045,823	(17,136,355)	9,247,131	8,737,275	(67,719)	(2,033,156)	82,143,935
Compañía Energética de Occidente S.A.S E.S.P.		65,000,000	110,236,194	19,824,992	(16,572,039)	58,883,187	(99,631,117)	-	-	137,741,217
Promioriente S.A. E.S.P.		120,538,477	-	177,310,361	(4,412,431)	119,970,143	29,166,011	115,533	-	442,688,094
Sociedad Portuaria El Cayao S.A. E.S. P		40,000,000	83,688,175	100,583,202	(1,645,328)	32,676,233	7,666,125	111,586,155	-	374,554,562
Gases del Pacífico S.A.C		148,706,208	-	21,397,087	195,565,954	(25,564,364)	-	153,255,169	-	493,360,054
Gases del Norte del Perú S.A.C		156,317,108	-	21,251,829	208,386,336	146,276,479	-	132,407,503	-	664,639,255
Promigas Perú S.A.		19,981,450	12,178,187	-	(12,121,226)	1,682,486	-	7,892,199	-	29,613,096
Promigas Panamá Corporation		56,031	-	-	(5,850)	(39,827)	-	8,887	-	19,241
Enlace Servicios Empresariales Globales S.A.S.	$	14,279,123	-	1,727,966	(1,167,599)	762,724	-	-	-	15,602,214

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		December 2021								
		Capital	Premium on placement of shares	Reserves	Retained earnings	Net income	Results from IFRS Adoption	OCI	Other equity transactions	Total equity
Surtidora de Gas del Caribe S.A. E.S.P.	$	571,764	1,932,628	496,857,886	14,352,937	108,241,483	112,606,132	14,039,059	(12,271,217)	736,330,672
Transoccidente S.A. E.S.P.		1,854,000	-	1,587,596	(225,747)	3,769,437	5,691,565	1,248	-	12,678,099
Gases de Occidente S.A. E.S.P.		37,391,491	18,529,438	187,985,711	(16,733,846)	134,033,050	42,166,683	(6,443)	-	403,366,084
Transportadora de Metano E.S.P. S.A.		13,195,633	3,293,272	49,125,909	(3,025,638)	44,416,906	103,551,889	91,631	-	210,649,602
Promisol S.A.S.		19,274,944	24,075,992	27,847,948	(17,136,355)	17,190,086	8,737,275	31,759	(2,033,156)	77,988,493
Compañía Energética de Occidente S.A.S E.S. P		65,000,000	110,236,194	19,824,992	(16,572,039)	56,606,519	(99,631,117)	-	-	135,464,549
Promioriente S.A. E.S.P.		120,538,477	-	177,310,361	(4,393,586)	55,607,841	29,166,011	118,536	-	378,347,640
Sociedad Portuaria El Cayao S.A. E.S. P		40,000,000	83,688,175	101,366,438	(666,723)	27,056,764	7,666,125	53,373,064	-	312,483,843
Gases del Pacífico S.A.C		148,706,208	-	20,340,403	185,676,365	10,946,273	-	63,728,938	-	429,398,187
Promisol México S.A. de C.V.		131,486	-	-	(156,350)	3,402	-	21,462	-	-
Gases del Norte del Perú S.A.C		129,875,238	-	1,248,028	28,340,398	200,049,739	-	23,170,905	-	382,684,308
Gases del Norte del Perú S.A.C		5,886,318	-	-	(585,310)	-	-	-	-	5,301,008
Promigas Perú S.A.		19,981,450	12,178,187	-	(12,500,473)	379,247	-	2,637,611	-	22,676,022
Promigas Perú - Valor razonable		-	-	-	-	-	-	-	-	-
Promigas Panamá Corporation		56,031	-	-	-	(5,850)	-	3,608	-	53,789
Enlace Servicios Empresariales Globales S.A.S.	$	14,279,123	-	500,830	(1,167,599)	1,227,136	-	-	-	14,839,490

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

14. PROPERTY, PLANT AND EQUIPMENT

Below is the detail of property, plant and equipment:

	December 2022				December, 2021			
	Cost	Accumulated depreciation	Accumulated impairment	Total	Cost	Accumulated depreciation	Accumulated impairment	Total
Land	$ 15,610,989	-	-	15,610,989	15,610,989	-	-	15,610,989
Construction in progress	8,491,752	-	-	8,491,752	11,405,247	-	-	11,405,247
Machinery, plant and equipment under assembly	548,914	-	-	548,914	-	-	-	-
Buildings	45,688,466	(7,628,204)	-	38,060,262	39,658,231	(6,570,939)	-	33,087,292
Machinery, equipment and tools	49,371,374	(28,892,468)	(1,964)	20,476,942	37,999,043	(26,291,428)	(1,964)	11,705,651
Furniture, fixtures and office equipment	6,470,759	(3,254,786)	-	3,215,973	5,837,350	(2,665,909)	-	3,171,441
Communication and computer equipment	15,605,401	(10,483,168)	-	5,122,233	13,630,812	(8,994,574)	-	4,636,238
Transportation equipment	4,581,415	(3,361,982)	-	1,219,433	4,521,752	(2,920,074)	-	1,601,678
	$ 146,369,070	(53,620,608)	(1,964)	92,746,498	128,663,424	(47,442,924)	(1,964)	81,218,536

The movement of property, plant and equipment accounts is presented below:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

	Land	Constructions in progress	Machinery and equipment assembly	Buildings	Machinery, equipment and tools	Furniture, fittings and office equipment	Computer and communication equipment	Transportation equipment	Total
Cost									
Balance as of December 31, 2020	15,610,989	7,443,739	-	37,604,677	35,454,239	5,073,465	11,213,063	4,521,320	116,921,492
Purchases	-	7,365,596	-	-	1,984,008	303,431	2,451,578	242,100	12,346,713
Capitalized interest	-	523,119	-	-	-	-	-	-	523,119
Capitalizations	-	(3,230,827)	-	2,053,554	686,579	485,759	4,935	-	-
Retirements	-	-	-	-	(519,144)	(25,305)	(27,364)	(241,668)	(813,481)
Reclassifications	-	(696,380)	-	-	696,380	-	-	-	-
Carryforwards	-	-	-	-	(303,019)	-	(11,400)	-	(314,419)
Balance as of December 31, 2021	15,610,989	11,405,247	-	39,658,231	37,999,043	5,837,350	13,630,812	4,521,752	128,663,424
Purchases	-	13,683,594	543,228	-	9,119,995	567,627	1,953,813	59,663	25,927,920
Capitalized interest	-	701,294	5,686	-	-	-	-	-	706,980
Capitalizations	-	(8,620,171)	-	6,030,235	2,441,987	75,109	72,840	-	-
PPE retirement	-	(8,678,212)	-	-	(29,340)	(9,327)	(52,064)	-	(8,768,943)
Carryforwards	-	-	-	-	(160,311)	-	-	-	(160,311)
Balance as of December 31, 2022	15,610,989	8,491,752	548,914	45,688,466	49,371,374	6,470,759	15,605,401	4,581,415	146,369,070
Accumulated depreciation									
Balance as of December 31, 2020	-	-	-	(5,547,548)	(24,027,197)	(2,176,642)	(7,654,539)	(2,719,502)	(42,125,428)
Depreciation	-	-	-	(1,023,391)	(2,717,486)	(508,113)	(1,364,789)	(442,240)	(6,056,019)
Retirement	-	-	-	-	453,255	18,846	24,754	241,668	738,523
Balance as of December 31, 2021	-	-	-	(6,570,939)	(26,291,428)	(2,665,909)	(8,994,574)	(2,920,074)	(47,442,924)
Depreciation	-	-	-	(1,057,265)	(2,625,241)	(598,204)	(1,540,658)	(441,908)	(6,263,276)
Retirement	-	-	-	-	24,201	9,327	52,064	-	85,592
Balance as of December 31, 2022	-	-	-	(7,628,204)	(28,892,468)	(3,254,786)	(10,483,168)	(3,361,982)	(53,620,608)
Impairment, 2021	-	-	-	-	(1,964)	-	-	-	(1,964)
Impairment, 2022	-	-	-	-	(1,964)	-	-	-	(1,964)
Net balance									
Balance at December 31, 2021	15,610,989	11,405,247	-	33,087,292	11,705,651	3,171,441	4,636,238	1,601,678	81,218,536
Balance at December 31, 2022	15,610,989	8,491,752	548,914	38,060,262	20,476,942	3,215,973	5,122,233	1,219,433	92,746,498

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

The gross carrying amount of property, plant and equipment that, while fully depreciated, is still in use is as follows:

		December 2022	December 2021
Buildings	$	747,515	747,515
Machinery, equipment and tools		2,350,109	2,931,525
Furniture, fittings and office equipment		948,504	759,741
Communication and computer equipment		7,190,660	5,868,985
Transportation equipment		124,632	124,632
	$	11,361,420	10,432,398

There are currently no restrictions or impairments for property, plant and equipment.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

15. CONCESSIONS

Below is the detail of intangible assets by infrastructure under concession:

	December 2022				December 2021			
	Cost	Accumulated amortization	Accumulated impairment	Total	Cost	Accumulated amortization	Accumulated impairment	Total
Land	$ 4,145,425	(2,155,623)	-	1,989,802	4,002,556	(1,827,654)	-	2,174,902
Construction in progress	124,406,680	-	-	124,406,680	128,614,732	-	-	128,614,732
Pipelines and networks	2,150,358,273	(621,847,008)	(7,810,677)	1,520,700,588	1,961,690,691	(501,696,979)	(7,145,660)	1,452,848,052
Machinery and equipment	436,731,532	(177,172,855)	-	259,558,677	427,847,505	(148,486,136)	-	279,361,369
Buildings	48,475,686	(10,137,747)	-	38,337,939	45,737,015	(7,626,169)	-	38,110,846
Improvements to properties owned by others	296,468	(90,272)	-	206,196	264,052	(55,451)	-	208,601
	$ 2,764,414,064	(811,403,505)	(7,810,677)	1,945,199,882	2,568,156,551	(659,692,389)	(7,145,660)	1,901,318,502

Below are the movements of concessions:

(Continues)

(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
Cost								
Balance as of December 31, 2020	$	3,704,593	88,015,703	1,858,702,947	412,812,452	40,433,617	225,965	2,403,895,277
Additions		-	146,192,436	3,076,077	-	-	38,087	149,306,600
Additions to capitalizable interest		-	4,440,888	-	-	-	-	4,440,888
Capitalization of assets under construction		297,963	(101,950,577)	83,541,294	12,807,922	5,303,398	-	-
Additions to capitalized provisions		-	-	10,843,545	3,451,605	-		14,295,150
Capitalized depreciation		-	290,567	-	-	-	-	290,567
Retirements		-	(1,730,624)	(791,556)	(1,224,474)	-	-	(3,746,654)
Carryforward		-	(3,802,717)	3,802,717	-	-	-	-
Carryforward of tax credits		-	(2,840,944)	-	-	-	-	(2,840,944)
Carryforward of assets held for sale		-	-	2,515,667	-	-	-	2,515,667
Balance as of December 31, 2021	$	4,002,556	128,614,732	1,961,690,691	427,847,505	45,737,015	264,052	2,568,156,551
Additions		124,950	177,100,147	2,603,803	-	-	32,416	179,861,316
Addition of capitalizable interest		-	11,281,760	-	-	-	-	11,281,760
Capitalization of assets under construction		17,919	(187,415,653)	177,742,442	6,900,815	2,754,477	-	-
Additions to capitalized provisions		-	-	9,610,651	2,457,148	-		12,067,799
Capitalized depreciation		-	116,141	-	-	-	-	116,141
Retirements		-	(4,008,450)	(404,540)	(473,936)	(15,806)	-	(4,902,732)
Carryforwards		-	884,774	(884,774)	-	-	-	-
Carryforward of tax credits		-	(2,166,771)	-	-	-		(2,166,771)
Balance as of December 31, 2022	$	4,145,425	124,406,680	2,150,358,273	436,731,532	48,475,686	296,468	2,764,414,064
Accumulated amortization								
Balance as of December 31, 2020	$	(1,547,877)	-	(390,403,722)	(121,790,290)	(5,332,816)	(25,107)	(519,099,812)
Amortization		(279,777)	-	(111,442,000)	(27,580,818)	(2,293,353)	(30,344)	(141,626,292)
Carryforward of assets held for sale		-	-	148,743	884,972	-	-	1,033,715
Balance as of December 31, 2021	$	(1,827,654)	-	(501,696,979)	(148,486,136)	(7,626,169)	(55,451)	(659,692,389)
Amortization		(327,969)	-	(120,191,518)	(29,081,128)	(2,526,463)	(34,821)	(152,161,899)
Capitalized depreciation		-	-	(3,166)	-	-	-	(3,166)
Cost of assets sold and derecognized		-	-	44,655	394,409	14,885	-	453,949
Balance as of December 31, 2022	$	(2,155,623)	-	(621,847,008)	(177,172,855)	(10,137,747)	(90,272)	(811,403,505)
Accumulated impairment								
Balance as of December 31, 2021		-	-	(7,145,660)	-	-	-	(7,145,660)
Impairment through cost		-	-	(665,017)	-	-	-	(665,017)
Balance as of December 31, 2022		-	-	(7,810,677)	-	-	-	(7,810,677)
Net balance								
Balance as of December 31, 2021	$	2,174,902	128,614,732	1,452,848,052	279,361,369	38,110,846	208,601	1,901,318,502
Balance as of December 31, 2022	$	1,989,802	124,406,680	1,520,700,588	259,558,677	38,337,939	206,196	1,945,199,882

(Continues)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Additional information required for concession agreements

Below is the detail of the main revenues and costs incurred in the construction phase of concession agreements that originate the balances for concession agreements still in the construction stage:

		December 2022	December 2021
Revenues from construction concession contracts	$	205,800,707	156,930,531
Concession construction costs		205,800,707	156,930,531

The Company 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.

Contractually with the concessions, Promigas is committed to comply with international standards in the construction and operation, which is why its natural gas infrastructure constructions are engineered to satisy the required operating conditions, complying with the established designs and specifications, to ensure the expected quality of all its custoemrs. Its designs and constructions focus on high integrity indices, so that operation and maintenance are safe and reliable.

For Promigas, all phases that involve providing gas transportation and distribution service over the years, from the construction and improvements of the infrastructure, its maintenance and operation, are remunerated through the charges established by the Government on a tariff basis through the Energy and Gas Regulation Commission - CREG.

In the course of its operations, the Company has the following existing concession agreements:

Pipeline Sections	Contract date	Expiry of the first 30-year milestone	Expiry date 50 years	Remaining time
La Guajira - Barranquilla de 20" y 24"	25/05/1976	24/05/2006	24/05/2026	3 years and 4 months
La Guajira – Cartagena de 20" y 24"	16/09/1976	15/09/2006	15/09/2026	3 years and 8 months
Baranoa	20/10/1988	19/10/2018	19/10/2038	15 years and 9 months
Jobo – Tablón – Montelibano	20/10/1988	19/10/2018	19/10/2038	15 years and 9 months
Cartagena – Montería	20/10/1988	19/10/2018	19/10/2038	15 years and 9 months
Arjona	20/10/1988	19/10/2018	19/10/2038	15 years and 9 months
San Onofre	17/11/1988	16/11/2018	16/11/2038	15 years and 10 months
Sampués	13/04/1989	12/04/2019	12/04/2039	16 years and 3 months
Chinú	19/06/1989	18/06/2019	18/06/2039	16 years and 5 months
Sincelejo – Corozal	18/07/1990	17/07/2020	17/07/2040	17 years and 6 months
El Difícil – Campo de la Cruz –Suan	04/10/1990	03/10/2020	03/10/2040	17 years and 9 months
Galapa	04/10/1990	03/10/2020	03/10/2040	17 years and 9 months
Ovejas – San Juan Nepo	04/10/1990	03/10/2020	03/10/2040	17 years and 9 months
Sabanalarga	18/10/1990	17/10/2020	17/10/2040	17 years and 9 months
Cerromatoso – Montelibano	27/10/1990	26/10/2020	26/10/2040	17 years and 9 months
Troncal Municipio Cerete	08/11/1990	07/11/2020	07/11/2040	17 years and 10 months
Tolúviejo	19/11/1990	18/11/2020	18/11/2040	17 years and 10 months
Barranquilla – Puerto Colombia	25/01/1991	24/01/2021	24/01/2041	18 years and 0 months
Tolú	24/04/1991	23/04/2021	23/04/2041	18 years and 3 months
Aracataca – Fundación	17/05/1991	16/05/2021	16/05/2041	18 years and 4 months
Palmar – Varela	18/07/1991	17/07/2021	17/07/2041	18 years and 6 months

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Pipeline Sections	Contract date	Expiry of the first 30-year milestone	Expiry date 50 years	Remaining time
Troncal a Cienaga de Oro	18/07/1991	17/07/2021	17/07/2041	18 years and 6 months
Troncal Magangue	01/08/1991	31/07/2021	31/07/2041	18 years and 7 months
Sincé – Corozal	01/08/1991	31/07/2021	31/07/2041	18 years and 7 months
Santo Tomas	23/06/1992	22/06/2022	22/06/2042	19 years and 5 months
San Marcos	02/07/1992	01/07/2022	01/07/2042	19 years and 6 months
Luruaco	21/04/1993	20/04/2023	20/04/2043	20 years and 3 months
Manaure – Uribia	22/10/1993	21/10/2023	21/10/2043	20 years and 9 months
Polonuevo	15/10/1994	14/10/2024	14/10/2044	21 years and 9 months
Branches Departament Córdoba	08/11/1994	07/11/2024	07/11/2044	21 years and 10 months
Branches Departament La Guajira	08/11/1994	07/11/2024	07/11/2044	21 years and 10 months
Branches Departament Atlántico	09/11/1994	08/11/2024	08/11/2044	21 years and 10 months
Branches Departament Bolívar	09/11/1994	08/11/2024	08/11/2044	21 years and 10 months
Branches Departament Magdalena	09/11/1994	08/11/2024	08/11/2044	21 years and 10 months

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 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. The term of the agreements is 50 years, renewable for 20 more years, without representing an automatic renewal, and the estimated service 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 service life. The extensions should proceed with the approval of the Ministry of Mines and Energy.

- Promigas has 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 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.

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The CREG resolutions that determine applicable rates for Promigas during the current rate period are the following:

Transportation Service

CREG Resolution	Description
126/2010	Establishes the general remuneration criteria for the natural gas transportation service and the general pricing scheme of the National Transportation System for the rate period.
117/2011	The transportation rate is established.
122/2012	Adjusts the regulated rates of CREG Resolution 117/2011
068/2013	Adjusts the regulated rates of CREG Resolution 117/2011
082/2014	Adjusts the regulated rates of the transportation system, updating the value of the assets that expired during the regulatory useful life in 2013 or earlier.
040/2015	Adjusts the transportation rates.
084/2016	Adjusts the regulated rates for the transportation system, updating the value of the assets with expired regulatory service life in 2014.
175/2021	Whereby the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System are established, and other provisions regarding natural gas transportation are issued.
103/2021	Whereby some
502 025/2022	Whereby the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System are established, and other provisions regarding natural gas transportation are issued.

Distribution Service

CREG Resolution	Description
202/2013	Establishes the general remuneration criteria of the distribution service of natural gas. Sets out the distribution rate for the embedded system of Promigas S.A. E.S.P. and Gases del Caribe S.A. E.S.P.
093/2016	Partially revokes CREG 202/2013 and files the rate records.
066/2017	Proposal to complement CREG 202/2013 and companies are allowed temporary distribution rate.
198/2017 and 018/2018	Establishes transitory distribution charge for the embedded system of Promigas S.A. E.S.P. and Gases del Caribe S.A. E.S.P.
090/2018	Firm methodology that complements CREG 202/2013.
132/2018	Firm methodology that corrects the serious calculation errors of CREG 090 of 2018.
011/2020	Firm methodology that corrects the serious calculation errors of CREG 132 of 2018.

- The agreement provides that Promigas is 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.

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

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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, 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 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 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.

16. OTHER INTANGIBLE ASSETS

Below is the breakdown of the other intangible assets:

	December 2022			December 2021		
	Cost	Accumulated amortization	Total	Cost	Accumulated amortization	Total
Licenses	52,305,328	(29,752,890)	22,552,438	44,653,951	(22,873,260)	21,780,691
Software	4,669,071	(2,657,154)	2,011,917	6,730,422	(2,153,981)	4,576,441
Other intangibles (1)	36,542,598	(778,625)	35,763,973	19,566,222	66,263	19,499,959
	$ 93,516,997	(33,188,669)	60,328,328	70,950,595	(25,093,504)	45,857,091

(1) The variation corresponds mainly to expenses incurred in projects currently under development, such as the corporate decarbonization project ($3,718,198), LNG highway project ($2,078,744), innovation and digital transformation ($5,480,222), SAP Ariba ($2,319,713), operations optimization ($1,200,976), green gas production system ($983,615) and operational management software ($950,536).

Below is the movement of other intangible assets:

		December 2022	December 2021
Cost			
Opening balance	$	70,950,595	54,075,776
Acquisitions		21,499,759	19,287,561
Additions to capitalizable interest		2,501,448	861,509
Recovery		(794,563)	-
Retirements, sales		(640,242)	(1,078,598)
Reclassifications		-	(2,195,653)
Closing balance	$	93,516,997	70,950,595
Accumulated amortization			
Opening balance	$	(25,093,504)	(18,954,712)
Amortization through cost		(2,887,910)	(2,605,752)
Amortization through expenses		(5,300,111)	(4,554,484)
Retirement, sales		92,856	1,021,444
Closing balance	$	(33,188,669)	(25,093,504)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

17. RIGHT OF USE ASSETS

	December 2022			December 2021		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Rights of use associated with property, plant and equipment						
Machinery and equipment	$ 639,305	(165,469)	473,836	639,305	(120,341)	518,964
Transportation equipment	8,738,151	(4,923,378)	3,814,773	10,730,780	(8,669,621)	2,061,159
Communication and computer equipment	1,572,888	(314,578)	1,258,310	-	-	-
	$ 10,950,344	(5,403,425)	5,546,919	11,370,085	(8,789,962)	2,580,123
Rights of use associated with concession						
Concession land	124,102	(15,640)	108,462	124,102	(6,942)	117,160
Concession buildings	$ 1,082,511	(365,636)	716,875	1,037,297	(260,630)	776,667
	1,206,613	(381,276)	825,337	1,161,399	(267,572)	893,827
	$ 12,156,957	(5,784,701)	6,372,256	12,531,484	(9,057,534)	3,473,950

Below is the detail of movement of Rights of Use:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

	Machinery and equipment	Transportation equipment	Communication and computer equipment	Rights to use property, plant and equipment	Land	Buildings under concession	Concession right of use	Total Right of use
Cost								
Balance as of December 31, 2020	639,305	10,479,811	109,250	11,228,366	-	1,369,283	1,369,283	12,597,649
Addition new lease agreements	-	384,679	-	384,679	46,899	-	46,899	431,578
Addition existing lease agreements	-	438,039	-	438,039	-	71,622	71,622	509,661
Retirements, sales and write-offs	-	(571,749)	(109,250)	(680,999)	-	(326,405)	(326,405)	(1,007,404)
Reclassifications	-	-	-	-	77,203	(77,203)	-	-
Balance as of December 31, 2021	639,305	10,730,780	-	11,370,085	124,102	1,037,297	1,161,399	12,531,484
Addition new lease agreements	-	3,160,142	1,572,888	4,733,030	-	-	-	4,733,030
Addition existing lease agreements	-	302,231	-	302,231	-	45,214	45,214	347,445
Retirements, sales and write-offs	-	(5,455,002)	-	(5,455,002)	-	-	-	(5,455,002)
Balance as of December 31, 2022	639,305	8,738,151	1,572,888	10,950,344	124,102	1,082,511	1,206,613	12,156,957
Amortization								
Balance as of December 31, 2020	(75,213)	(7,233,503)	(109,250)	(7,417,966)	-	(469,511)	(469,511)	(7,887,477)
Depreciation through profit or loss	(45,128)	(1,673,960)	-	(1,719,088)	(6,424)	(118,042)	(124,466)	(1,843,554)
Retirements, sales and write-offs	-	528,409	109,250	637,659	-	326,405	326,405	964,064
Capitalized depreciation	-	(290,567)	-	(290,567)	-	-	-	(290,567)
Reclassifications	-	-	-	-	(518)	518	-	-
Balance as of December 31, 2021	(120,341)	(8,669,621)	-	(8,789,962)	(6,942)	(260,630)	(267,572)	(9,057,534)
Depreciation through profit or loss	(45,128)	(1,458,691)	(314,578)	(1,818,397)	(8,698)	(105,006)	(113,704)	(1,932,101)
Retirements, sales and write-offs	-	5,317,908	-	5,317,908	-	-	-	5,317,908
Capitalized depreciation	-	(112,974)	-	(112,974)	-	-	-	(112,974)
Balance as of December 31, 2022	(165,469)	(4,923,378)	(314,578)	(5,403,425)	(15,640)	(365,636)	(381,276)	(5,784,701)
Net balance as of December 31, 2021	518,964	2,061,159	-	2,580,123	117,160	776,667	893,827	3,473,950
Net balance as of December 31, 2022	$ 473,836	3,814,773	1,258,310	5,546,919	108,462	716,875	825,337	6,372,256

(Continues)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

18. FINANCIAL OBLIGATIONS

Below is the detail of financial obligations:

		December 2022	December 2021
Current portion			
Loans obtained in local currency		161,005,300	6,005,300
Lease agreements		11,823,548	11,349,233
Interest payable		22,218,431	3,771,048
	$	195,047,279	21,125,581
Non-current portion			
Loans obtained in local currency		1,422,643,617	616,653,073
Lease agreements		40,276,888	47,845,616
		1,462,920,505	664,498,689
		1,657,967,784	685,624,270

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

Financial obligations and liabilities		Loans obtained in local currency	Loans obtained in foreign currency	Leases	Interest payable	Financial obligations
Balance as of December 31, 2020	$	506,283,589	33,356,889	70,229,946	3,529,010	613,399,434
Additions obligations		367,500,000	-	941,240	-	368,441,240
Payments		(252,905,300)	(36,400,700)	(12,702,815)	(22,196,395)	(324,205,210)
Carryforwards, cancellations and retirements		-	(9,560)	(62,115)	9,560	(62,115)
Interest through profit or loss		1,780,084	4,299	788,593	21,319,766	23,892,742
Capitalized interest		-	-	-	1,122,425	1,122,425
Exchange difference		-	2,099,647	-	(13,318)	2,086,329
Debt structuring costs		-	949,425	-	-	949,425
Balance as of December 31, 2021	$	622,658,373	-	59,194,849	3,771,048	685,624,270
Addition obligations (1)		967,500,000	-	5,080,475	-	972,580,475
Addition incremental costs		(499,949)	-	-	-	(499,949)
Payments		(6,005,300)	-	(12,047,720)	(50,614,246)	(68,667,266)
Carryforwards, cancellations and retirements		-	-	(127,168)	-	(127,168)
Interest through profit or loss		(4,207)	-	-	65,439,619	65,435,412
Capitalized interest		-	-	-	3,622,010	3,622,010
Balance as of December 31, 2022	$	1,583,648,917	-	52,100,436	22,218,431	1,657,967,784

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

(1) Additions in 2021 correspond mainly to the following loans with financial institutions:

Entity	Start	End	Rate	Period Interest	Amortiz, Capital	New balance
Bancolombia S,A,	18/04/2022	18/04/2027	IBR+2.37	3M	Bullet	80,000,000
Bancolombia S,A,	19/10/2022	19/10/2027	IBR+6.09	3M	Bullet	30,000,000
Bancolombia S,A,	8/11/2022	8/11/2027	IBR+6.39	3M	Bullet	114,500,000
Banco BBVA	8/11/2022	8/11/2027	IBR+6.02	3M	Bullet	20,000,000
Banco BBVA	11/11/2022	11/11/2025	IBR+5.46	3M	Bullet	15,000,000
Bancolombia S,A,	18/11/2022	18/11/2025	IBR+6.33	3M	Bullet	99,000,000
Transportadora de Metano S,A, E,S,P,	20/12/2022	14/12/2025	IBR+6.5	3M	Bullet	4,000,000
Banco Santander	16/12/2022	16/12/2025	IBR+6.7	3M	Bullet	60,000,000
Bancolombia	29/12/2022	29/12/2025	IBR+6.5	3M	Bullet	150,000,000
Bancolombia S,A,	29/12/2022	29/12/2027	IBR+6.63	3M	Bullet	200,000,000
Scotiabank	29/12/2022	29/12/2025	IBR+8.4	3M	Bullet	195,000,000
Total						**967,500,000**

As a result of these additions, Promigas must comply with the following commitments:

1. *Submit quarterly (unaudited) and annual (audited) financial statements to Scotiabank*

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

2. *Report environmental ICA reports to Bancolombia on an annual basis.*

Below is the detail of financial obligations:

		Interest rate	Year of maturity		2022	2021
Current portion						
Loans obtained in local currency						
Banco Davivienda S.A.	Pesos	DTF - 2.00	2026	$	6,005,300	6,005,300
Bancolombia S.A.	Pesos	IBR + 0.65%	2023		77,500,000	-
Scotiabank	Pesos	IBR + 0.65%	2023		77,500,000	-
					161,005,300	6,005,300
Lease agreements						
Leasing Bancolombia S.A.	Pesos	DTF + 3.10	2026		10,018,667	10,018,667
Renting Colombia S.A.	Pesos	DTF+3.10	2026		1,237,712	1,244,250
Compañía Energética de Occidente S.A E.S.P.	Pesos		13.50%		27,134	18,564
Inversiones Arroyo Sierra S.A.S.	Pesos	13.18%	2029		40,336	35,639

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		Interest rate	Year of maturity	2022	2021
Valencia Beltran Rosa	Pesos	13.81%	2043	1,093	812
Vergara Restrepo Gustavo	Pesos	13.18%	2029	28,568	26,288
Omar Gomez Miranda	Pesos	DTF+3.10	2025	4,570	4,355
Transelca S.A.	Pesos	13.92%	2038	357	313
Samuel Caballero	Pesos	14.24%	2040	394	345
Telmex Telecomunicaciones S.A. E.S.P.	Pesos	7.66%	2025	464,717	-
				11,823,548	11,349,233
Interest payable				22,218,431	3,771,048
Total Current portion				$ 195,047,279	21,125,581
Non-current portion					
Loans obtained in local currency					
Banco Davivienda S.A.	Pesos	DTF – 2.00	2026	13,507,718	19,517,225
Bancolombia S.A.	Pesos	IBR + 1.60%	2024	229,635,848	229,635,848
Scotiabank	Pesos	IBR + 1.20%	2024	147,500,000	147,500,000
Bancolombia S.A.	Pesos	IBR + 0.65%	2023	-	77,500,000
Scotiabank	Pesos	IBR + 0.65%	2023	-	77,500,000
Bancolombia S.A.	Pesos	IBR + 0.95%	2026	65,000,000	65,000,000
Bancolombia S.A.	Pesos	IBR + 2.37	2027	80,000,000	-
Bancolombia S.A.	Pesos	IBR + 6.09	2027	30,000,000	-
Bancolombia S.A.	Pesos	IBR + 6.39	2027	114,500,000	-
Banco BBVA	Pesos	IBR + 6.02	2027	20,000,000	-
Banco BBVA	Pesos	IBR + 5.46	2025	15,000,000	-
Bancolombia S.A.	Pesos	IBR + 6.33	2025	99,000,000	-
Transportadora de Metano S.A. E.S.P.	Pesos	IBR + 6.5	2025	4,000,000	-
Banco Santander	Pesos	IBR + 6.7	2025	60,000,000	-
Bancolombia S.A.	Pesos	IBR + 6.5	2025	150,000,000	-
Bancolombia S.A.	Pesos	IBR + 6.63	2027	200,000,000	-
Scotiabank	Pesos	IBR + 8.4	2025	194,500,051	-
				1,422,643,617	616,653,073
Lease agreements					
Leasing Bancolombia S.A.	Pesos	DTF+3.10	2026	35,156,965	45,298,826
Renting Colombia S.A.	Pesos	DTF+3.10	2026	2,718,072	972,988
Compañía Energética de Occidente S.A E.S.P.	Pesos	13.50%	2033	627,242	626,751
Inversiones Arroyo Sierra S.A.S.	Pesos	13.18%	2029	366,808	407,143
Valencia Beltrán Rosa	Pesos	13.81%	2043	112,671	108,515
Vergara Restrepo Gustavo	Pesos	13.18%	2029	332,135	320,984
Omar Gomez Miranda	Pesos	DTF+3.10	2025	60,175	64,745
Transelca S.A.	Pesos	13.92%	2038	17,713	18,070
Samuel Caballero	Pesos	14.24%	2040	27,201	27,594
Telmex Telecomunicaciones S.A. E.S.P.	Pesos	7.66%	2025	857,906	-
				$ 40,276,888	47,845,616
Total Non-current portion				$ 1,462,920,505	664,498,689

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

The following is a detail of the maturities of the non-current portion of financial obligations:

Maturity		**December 31, 2022**
2024	$	394,746,941
2025		539,791,257
2026		82,695,551
2027		444,666,135
2028 onwards		1,020,621
	$	1,462,920,505

19. OUTSTANDING BONDS

Outstanding bonds are detailed below:

		December 2022	**December 2021**
Current portion			
Current portion of bonds	$	150,179,000	120,000,000
Interest on bonds payable		31,495,402	21,285,843
	$	181,674,402	141,285,843
Non-current portion - Bonds	$	2,749,447,957	2,700,657,357
Amortized cost and UVR adjustment		56,059,262	1,898,941
		2,805,507,219	2,702,556,298

The bonds issued by the Company in the local market have different maturities in the short and long term, their risk rating is AAA and the company is obliged to make a quarterly interest payment in arrears. The legal representative of the holders is Fiduciaria Helm Trust S.A.; the bonds issued in the international market are long-term, have a BBB- risk rating, and the interest payment periodicity is six months in arrears.

As a result of the transaction Promigas 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 include the following:

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

As 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, separate statement of income and separate 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.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Below is a detail of the bonds:

Series	Term	Interest Rate	Issue Date	Maturity Date	Subscription Date		December 2022	December 2021
C15	15 years	IPC+5.99%	27/08/2009	27/08/2024	27/08/2009		170,000,000	170,000,000
A10	10 years	IPC+3.22%	29/01/2013	29/01/2023	29/01/2013		150,179,000	150,179,000
A20	20 years	IPC+3.64%	29/01/2013	29/01/2033	29/01/2013		250,000,000	250,000,000
A7	7 years	IPC+3.34%	11/03/2015	11/03/2022	11/03/2015		-	120,000,000
A15	15 years	IPC+4.37%	11/03/2015	11/03/2030	11/03/2015		175,000,000	175,000,000
A10	10 years	IPC+3.74%	8/09/2016	8/09/2026	9/09/2016		150,000,000	150,000,000
A20	20 years	IPC+4.12%	8/09/2016	8/09/2036	9/09/2016		250,000,000	250,000,000
USD	10 years	Fija3.75%	16/10/2019	16/10/2029	16/10/2019		1,027,541,477	836,043,600
USD	9 years	Fija3.75%	16/10/2020	16/10/2029	16/10/2020		126,906,523	119,434,800
A5	5 years	IPC+1.58%	19/11/2020	19/11/2025	19/11/2020		99,480,000	99,480,000
D25	25 years	UVR3.77%	19/11/2020	19/11/2045	19/11/2020		500,519,957	500,519,957
Total bonds issued							2,899,626,957	2,820,657,357
Interest payable							31,495,402	21,285,843
Amortized cost							(7,844,528)	(14,075,389)
UVR adjustment							63,903,790	15,974,330
						$	2,987,181,621	2,843,842,141

Amortized cost in bonds and financial obligations effectiveinterest rate method - LAC valuation procedure

This procedure assumes a straight-line amortization process. The expected profit is distributed equally over the term. This calculation method assumes that the value of positions is based on a constant annual depreciation rate. The formulation of the amortization rate is as follows:

$$\text{Book Rate new} = \text{Book Rate old} + \left(\frac{100\% - \text{Book Rate old} \times Da}{Db}\right)$$

Da = Duration in days between the last amortization and the current one
Db = Duration in days between the last amortization and the final repayment

The following is a detail of the maturities of the non-current portion of the bond issues:

Year of Maturity		Value
2024		170,000,000
2025		99,480,000
2026		150,000,000
2027 onwards		2,329,967,957
	$	2,749,447,957

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

The following is a detail of the bond movement:

		Bonds	Interest bonds payable	Outstanding bonds
Bonds outstanding				
Balance as of December 31, 2020	$	2,670,126,389	16,122,511	2,686,248,900
Addition incremental costs		(151,225)	-	(151,225)
Payments		-	(139,062,959)	(139,062,959)
Interest through profit or loss		21,475,832	139,429,669	160,905,501
Capitalized interest		-	4,703,623	4,703,623
Exchange difference		33,715,615	92,999	33,808,614
Non-derivative hedges through OCI		97,140,790	-	97,140,790
Hedges through profit or loss		248,897	-	248,897
Balance as of December 31, 2021	$	2,822,556,298	21,285,843	2,843,842,141
Payments		(120,000,000)	(205,621,625)	(325,621,625)
Interest through profit or loss		55,586,606	204,963,006	260,549,612
Interest capitalized		-	10,868,178	10,868,178
Exchange difference		36,976,784	-	36,976,784
Non-derivative hedges through OCI (1)		160,566,531	-	160,566,531
Balance as of December 31, 2022	$	2,955,686,219	31,495,402	2,987,181,621

(1) Non-derivative hedges through OCI

By having debt in bonds in foreign currency, Promigas has identified the fluctuation risk in the exchange rate of the conversion effect on investments with U.S. dollar functional currency as a hedged item. Designated financial liabilities limit the risk resulting from fluctuations in the U.S. dollar exchange rate above or below the specified ranges.

With the first issue of international bonds on October 16, 2019, the change in the hedging instrument is confirmed, being the current obligation in bonds, which will be used to offset the effects of the fluctuation of the Exchange Rate on Promigas' equity due to the conversion adjustment of Net Investments abroad in U.S. dollar functional currency.

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:

Commpany	Net investment value USD	Hedged item USD	Hedging %
Gases del Pacífico S.A.C.	97,943,141	31,887,910	32.6%
Gases del Norte del Perú S.A.C	136,918,956	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.	159,858,778	111,360,973	69.7%
Total	447,177,927	198,441,030	44.38%

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

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%

20. ACCOUNTS PAYABLE

Below is the detail of accounts payable:

		December 2022			December 2021		
		Third parties	Related parties	Total	Third parties	Related parties	Total
National goods and services	$	61,021,197	37,404,530	98,425,727	33,786,710	38,376,034	72,162,744
Foreign goods and services		9,326,412	-	9,326,412	2,984,851	-	2,984,851
Creditors		4,726,138	84,121	4,810,259	3,415,383	244,378	3,659,761
Dividends payable (1)		-	79,668,430	79,668,430	-	72,744,534	72,744,534
	$	75,073,747	117,157,081	192,230,828	40,186,944	111,364,946	151,551,890

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

		December 2022	December 2021
Opening balance	$	72,744,534	69,197,895
Dividends declared		585,581,590	524,299,796
Cash dividends		(574,983,587)	(505,367,144)
Carryforward withholdings on dividends declared to the shareholders		-	(642,440)
Withholding taxes on dividends transferred to stockholders		(3,674,107)	(14,743,573)
Closing balance (a)	$	79,668,430	72,744,534

(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
	$	79,668,430	72,744,534

(1) Corresponds to shareholders with an ownership interest of less than 5%.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

21. INCOME TAX

In accordance with current tax regulations, the Company is subject to income tax and complementary taxes. The applicable rate for the years 2022 and 2021 was 33% and 31%, respectively.

In the 2009 taxable year, the Company entered into a legal stability contract with the National Government, which ends in 2029. By means of this agreement, the income tax rate referred to in article 240 of the Tax Statute was stabilized at 33%, which rate corresponds to the 2009 tax year.

It is necessary to indicate that if during the term of the legal stability contract the articles or norms included in the contract are modified in an adverse manner, the stabilized norms will continue to apply for the term of the contract.

The taxable income for occasional earnings is at a rate of 10%.

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

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:

Income tax returns for taxable years 2017, 2018, 2019, 2020, 2021 are open for tax review by the tax authorities, no additional taxes are expected on account of an inspection.

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

Year of tax return	Term of finality
2015	Tax returns liquidating and/or offsetting losses would become final within five (5) years from the date of filing the statement.
2016 to 2018	Tax returns that show tax losses, the finality is twelve (12) years; if tax losses are offset, or are subject to the transfer pricing regime, the finality is six (6) years.
Starting with the 2019 income tax	For tax returns that liquidate and/or offset tax losses or that are subject to the transfer pricing regime, the term of finality will be five (5) years.

Below is the reconciliation of the effective rate for the years ended December 31, 2022 and 2021:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		December 2022	%		December 2021	%
Income before income tax	$	1,211,296,136		$	1,259,162,955	
Theoretical tax expense calculated according to current tax rates	$	399,727,725	33,00%	$	390,340,516	31,00%
Non-deductible expenses		6,304,135	0,52%		2,553,020	0,20%
Income from equity method not constituting income tax		(286,677,003)	(23,67%)		(261,985,079)	(20,81%)
Interest and other income not subject to taxes		(127,014)	(0,01%)		(550,388)	(0,04%)
Tax credits		(6,202,257)	(0,51%)		(4,310,185)	(0,34%)
Non-deductible expenses used as tax credits		4,472,137	0,37%		3,968,812	0,32%
Tax benefit on acquisition of productive assets		(7,182,904)	(0,59%)		(5,325,517)	(0,42%)
Earnings of subsidiaries in countries with different tax rates		4,975,006	0,41%		3,440,577	0,27%
Effect on deferred income tax of changes in tax rates		1,962,559	0,16%		636,862	0,05%
Effect of financial asset tax in the period		(24,721,960)	(2,04%)		(23,454,807)	(1,86%)
Effect of income tax adjustment		(4,590,778)	(0,38%)		(2,583,540)	(0,21%)
Other items		6,634,326	0,55%		7,384,869	0,59%
Total tax expense for the period	**$**	**94,573,972**	**7,81%**	**$**	**110,115,140**	**8,75%**

Below is the detail of the current income tax liability (asset):

		December 2022	December 2021
Current year income tax	$	63,906,437	82,314,645
Compensation income and tax and complementary		(65,682,524)	(33,342,238)
Current income tax (credit balance) [1],	$	(1,776,087)	48,972,407

[1] For the taxable year 2022, the current income tax liability was offset with the income tax advances, taking into account that the advances were higher than the value of the tax payable, a balance in favor was determined in the amount of $(1,776,087). In the year 2021, the same procedure was carried out, however, the current income tax was higher than the value of the advances, generating a balance in charge in the amount of $48,972,407.

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, the Company 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. As of December 31, 2022 and 2021, the temporary differences for the aforementioned items amounted to $ 2,935,365,257 and $ 2,195,442,825, respectively.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Item		Balance as of January 1, 2021	Recognized through profit or loss	Recognized through other comprehensive income	Recognized directly in equity (1)	Balance as of December 31, 2021	Recognized through profit or loss	Recognized through other comprehensive income	Recognized directly in equity (2)	Balance as of December 31, 2022
Deferred charges intangible assets	$	39,921,660	13,452,023	-	7,345,811	60,719,494	(1,796,190)	-	-	58,923,304
Non-deductible passive provisions		13,061,533	3,540,084	-	1,980,879	18,582,496	17,755,443	-	-	36,337,939
Difference between the accounting and tax bases of property, plant and equipment		7,552,880	2,887,796	-	(2,308,717)	8,131,959	(55,082)	-	-	8,076,877
Employee benefits		112,104	168,300	(109,994)	(46,896)	123,514	15,776	-	-	139,290
Financial assets		(403,666,078)	(41,278,201)	-	(39,235,704)	(484,179,983)	(47,071,329)	-	(86,121,454)	(617,372,766)
Valuation of equity investments		(17,814,020)	(4,056,067)	(113,030)	1,859,997	(20,123,120)	(5,348,086)	(3,162,223)	-	(28,633,429)
Loan portfolio		(14,403,704)	(806,084)	-	(1,652,625)	(16,862,413)	(2,566,760)	-	-	(19,429,173)
Property, plant and equipment		(14,716,748)	(2,382,949)	-	-	(17,099,697)	363,479	-	(955,749)	(17,691,967)
Other		(14,310,478)	1,531,650	32,180,620	(730,400)	18,671,392	8,419,444	49,265,530	-	76,356,366
	$	(404,262,851)	(26,943,448)	31,957,596	(32,787,655)	(432,036,358)	(30,283,305)	46,103,307	(87,077,203)	(503,293,559)

(1) For 2021, includes the effect of the remeasurement of the change in the income tax rate as established in Decree 1311 of 2021.

(2) For the year 2022, includes the effect of the remeasurement of the change in the income tax and occasional income tax rate in accordance with the provisions of Decree 2167 of 2022.

(Continues)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Below is the breakdown of income tax expense for the half-years ended December 31, 2022 and 2021:

		December 2022	December 2021
Current income tax	$	63,906,437	82,314,645
Income tax dividends abroad		4,975,006	26,943,457
Excess (recovery) income tax		(4,590,776)	(2,583,540)
Net deferred taxes		30,283,305	3,440,577
	$	94,573,972	110,115,140

Uncertainties in open tax positions

As of December 31, 2022 and 2021, the Company had no tax uncertainties.

No additional taxes are expected on the occasion of possible visits by the tax authorities or due to the existence of uncertainties related to tax positions applied by the Company.

Transfer Pricing

Pursuant to Acts 788/2002, 863/2003, 1607/2012 and 1819/2016, as regulated by Decree 2120/2017the Company prepared a transfer pricing study over transactions with foreign related entities during the 2021 taxable year. The assessment did not give rise to adjustments affecting the Company’s tax income, costs or expenses.

Although the transfer pricing study for the year 2022 is being prepared, no significant changes are expected with respect 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.

(Continues)

- 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.

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- 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 E.T.).
- 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.

22. PROVISIONS

		December 2022	December 2021
Current portion			
Decommissioning and restoration costs	$	1,891,612	1,747,859
Pipeline inspection		12,361,487	13,751,621
Environmental compensation (1)		14,552,818	2,692,814
	$	28,805,917	18,192,294
Non-current portion			
Administrative	$	9,483,201	8,736,666
Labor		16,147	-
Civil		852,078	852,078
Decommissioning and restoration costs		30,119,345	26,454,084
Pipeline inspection		6,493,767	10,062,035
Environmental compensation (1)		41,161,326	42,552,670
	$	88,125,864	88,657,533

The table below shows the nature and value of each type of provision:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

		Administrative	Labor	Civil	Dismantling and restoration costs	Pipeline inspection	Environmental offsets (1)	Total provisions
Balance as of December 31, 2020	$	6,758,635	-	852,078	19,698,222	13,528,627	36,019,904	76,857,466
Addition of existing provisions through expenses		3,197,931	-	-	6,863,214	-	-	10,061,145
Addition capitalized provisions		-	-	-	601,839	-	13,693,312	14,295,151
Addition existing provisions through cost		-	-	-	-	12,171,349	-	12,171,349
Readjustment of existing provisions through profit or loss		-	-	-	1,038,668	-	2,101,987	3,140,655
Use of provisions		-	-	-	-	(1,886,320)	(6,569,719)	(8,456,039)
Reinstatement of provisions		(1,219,900)	-	-	-	-	-	(1,219,900)
Balance as of December 31, 2021		8,736,666	-	852,078	28,201,943	23,813,656	45,245,484	106,849,827
New provisions through expense		-	16,147	-	-	-	-	16,147
Addition existing provisions through expenses		1,098,174	-	-	-	-	-	1,098,174
Addition of capitalized provisions		-	-	-	265,463	-	11,802,336	12,067,799
Addition of existing provisions through cost		-	-	-	-	6,493,767	-	6,493,767
Readjustment of existing provisions through profit or loss		-	-	-	3,543,551	-	5,287,455	8,831,006
Use of provisions		-	-	-	-	(11,452,169)	(5,744,933)	(17,197,102)
Use of provisions in kind		-	-	-	-	-	(876,198)	(876,198)
Reimbursement of provisions		(351,639)	-	-	-	-	-	(351,639)
Balance as of December 31, 2022		9,483,201	16,147	852,078	32,010,957	18,855,254	55,714,144	116,931,781
Balance as of December 31, 2021								
Current portion		-	-	-	1,747,859	13,751,621	2,692,814	18,192,294
Non-current portion		8,736,666	-	852,078	26,454,084	10,062,035	42,552,670	88,657,533
Balance as of December 31, 2022								
Current portion		-	-	-	1,891,612	12,361,487	14,552,818	28,805,917
Non-current portion		9,483,201	16,147	852,078	30,119,345	6,493,767	41,161,326	88,125,864

(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 DANE and the effect of such update is recognized as a borrowing cost in the results for the period.

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23. OTHER LIABILITIES

The detail of the other liabilities is as follows:

		December 2022	December 2021
Collection for third parties	$	10,893,302	12,943,802
Withholding tax and self-withholding tax		7,807,201	6,166,999
Industry and trade withholding tax payable		297,530	144,358
Other taxes and contributions payable		1,798,380	1,783,152
Value added tax payable		(313,030)	304,999
Advances and prepayments received (1)		2,572,819	2,507,989
	$	23,056,202	23,851,299

(1) The changes in advances and prepayments received are as follows:

		December 2022	December 2021
Opening balance	$	2,507,989	4,132,319
Advances received during the period		24,457,840	12,059,232
Reimbursements to customers		-	(15,473)
Revenue recognition		(24,393,010)	(13,668,089)
Closing balance	$	2,572,819	2,507,989

24. EQUITY

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	December 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		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 according 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		1,093,366,298	971,430,346
Total	$	1,226,467,280	1,104,531,328

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.

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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.

Other reserves – Corresponds mainly to reserves constituted by the recognition of the financial asset generated through the obligation to sell the assets generated within the concession contract with the Colombian State.

Profit Allocation – Dividends are ordered and paid to shareholders based on non-consolidated net profits for the immediately previous half-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			
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
Transfer 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		8,014,617	6,872,972
Hedging transactions		(288,475,931)	(128,738,067)
Employee benefits		903,114	941,773
Deferred income tax		79,608,524	33,505,218
OCI by equity method in controlled companies		368,715,365	125,659,277
OCI by equity method in associates		392,240,178	220,638,812
	$	561,005,867	258,879,985

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

25. REVENUE

Below is the detail of revenues from ordinary activities for the years ended:

		December 2022	December 2021
Revenue from contracts with customers			
Natural gas transportation and distribution	$	884,617,493	781,420,495
Facilities and technical services		122,806	168,632
Back office services		9,593,364	8,954,141
Other services		1,835,976	854,012
Revenue from concession contracts		205,800,707	156,930,531
Total revenue from contracts with customers	$	1,101,970,346	948,327,811
Other revenue:			
Lease agreements		6,155,636	3,679,584
Non-bank financing		13,922,812	13,326,614
Income from income hedges		1,378,807	(11,513,538)
Total other income	$	21,457,255	5,492,660
Total revenue	$	1,123,427,601	953,820,471

26. COST OF SALES AND SERVICES RENDERED

Below is the detail of costs of sales for the years ended:

		December 2022	December 2021
Employee benefits	$	36,799,072	32,983,513
Maintenance and materials		40,855,998	44,892,643
Fees and consulting		3,418,385	2,813,967
General costs		61,229,609	47,037,442
Impairment		704,330	5,098,014
Construction of concessions (see note 15)		205,800,707	156,930,531
Taxes		20,407,627	17,005,080
Depreciation and amortization		158,712,379	148,272,319
	$	527,928,107	455,033,514

27. ADMINISTRATIVE AND SALES EXPENSES

Below is the detail of operating expenses for the years ended:

		December 2022	December 2021
Employee benefits	$	60,760,496	53,659,613
Fees		22,474,169	24,808,845
Maintenance and materials		5,067,617	4,194,329
General administrative expenses		70,708,438	24,989,796
Impairments		-	6,574
Provisions		762,682	8,841,245
Administrative taxes		9,217,085	8,732,783
Depreciation and amortization		9,832,916	8,413,782
	$	178,823,403	133,646,967

(Continues)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

28. OTHERS, NET

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

		December 2022	December 2021
Leases	$	1,495,419	1,595,388
Gain on sale of assets		-	172,601
Compensations		752,962	873,923
Exploitations		2,346,303	6,185,207
Donations		(9,231,575)	(8,887,495)
Loss on sale of assets		(13,689,446)	(2,811,341)
Other expenses		(66,245)	77,779
Other, net	$	(18,392,582)	(2,949,496)

29. FINANCE INCOME

Below is the detail of financial revenues for the years ended:

		December 2022	December 2021
Interest	$	55,354,791	27,526,532
Interest from financial assets under concession		217,555,420	208,816,156
Other financial revenues		474,265	873,664
	$	273,384,476	237,216,352

30. FINANCE COSTS

Below is the detail of financial expenses for the years ended:

		December 2022	December 2021
Interests on bonds issued	$	255,705,747	157,517,348
Interests on financial obligations		60,156,961	19,635,063
Interests on lease agreements		5,278,451	4,257,678
Other finance costs		10,048,497	4,313,272
	$	331,189,656	185,723,361

31. EXCHANGE DIFFERENCE

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

	December 2022	December 2021
Exchange difference caused	(1,899,868)	(7,308,297)
Exchange difference realized	4,781,384	3,697,965
Exchange rate hedging result	-	(14,305,900)
Exchange rate hedging valuation	-	20,570,367
	2,881,516	2,654,135

32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

According to "*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) person or a close member 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 or entities of the Group, 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 associates 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.
- Subsidiaries: Companies where control is exercised according to the definition of control in the code of commerce and "*IFRS 10 - Consolidated Financial Statements*".
- Associate 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:

As of December 31, 2022, through its business infrastructure, Promigas provides technical-administrative support in some activities of the companies, as in the case of Promioriente S.A. E.S.P., Transmetano E.S.P. S.A., Zonagen S.A., Transoccidente S.A. E.S.P., Gases del Pacifico S.A.C., Sociedad Portuaria El Cayao S.A. E.S.P., Enlace Servicios Compartidos S.A.S. and Promisol S.A.S.

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.

The following is a summary of assets and liabilities as of December 31, 2022 and 2021 for transactions carried out during the periods ended on those dates, with its subordinated and non-subordinated companies, shareholders, legal representatives and administrators:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

	Shareholders	Board Members	Key Management Personnel	Subsidiaries	Associates	Others Related	Total
December 31, 2022							
Assets							
Cash	$ 1,240,609	-	-	-	-	167,215,259	168,455,868
Investments	-	-	-	3,448,086,107	1,103,834,059	-	4,551,920,166
Financial assets at amortized cost	-	-	1,340,492	579,153,760	8,558,716	111,073	589,164,041
	1,240,609	-	1,340,492	4,027,239,867	1,112,392,775	167,326,332	5,309,540,075
Liabilities							
Financial obligations	-	-	-	4,676,329	-	-	4,676,329
Accounts payable	79,668,430	-	-	33,174,037	79,870	4,234,744	117,157,081
Bonds outstanding	43,491,918	-	-	-	-	-	43,491,918
Other liabilities	-	-	-	-	77	-	77
	123,160,348	-	-	37,850,366	79,947	4,234,744	165,325,405
Revenue							
Revenue from ordinary activities	-	-	-	105,446,770	62,858,885	-	168,305,655
Finance income	159,214	-	78,516	103,395,157	8,402,502	2,853,751	114,889,140
Income under the equity method of accounting	-	-	-	567,340,243	301,377,946	-	868,718,189
Other, net	-	-		1,031,301	54,878	-	1,086,179
	159,214	-	78,516	777,213,471	372,694,211	2,853,751	1,152,999,163
Expenses							
Cost of sales	-	-	-	112,261,090	2,624	506,880	112,770,594
Wages and salaries	-	-	8,725,189	-	-	-	8,725,189
Fees	-	1,348,101	-	-	-	-	1,348,101
General expenses	-	-	-	3,706,451	14,772	9,025,561	12,746,784
Financial expenses	$ 1,515,621	-	-	24,344,314	4,213,241	13,796	30,086,972
	1,515,621	1,348,101	8,725,189	140,311,855	4,230,637	9,546,237	165,677,640

(Continues)

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

December 31, 2021		Shareholders	Board Members	Key Management Personnel	Subsidiaries	Associates	Others Related	Total
Assets								
Cash	$	128,457	-	-	-	-	12,111,807	12,240,264
Investments		-	-	-	2,876,024,495	894,403,690	-	3,770,428,185
Financial assets at amortized cost		-	-	1,505,708	577,842,988	16,914,844	815,889	597,079,429
		128,457	-	1,505,708	3,453,867,483	911,318,534	12,927,696	4,379,747,878
Liabilities								
Financial obligations		-	-	-	645,315	-	-	645,315
Accounts payable		72,744,534	-	-	38,304,043	48,901	267,468	111,364,946
Bonds outstanding		35,996,068	-	-	-	-	-	35,996,068
Other liabilities		-	-	-	-	77	-	77
		108,740,602	-	-	38,949,358	48,978	267,468	148,006,406
Revenue								
Revenue from ordinary activities		-	-	-	98,675,557	59,045,351	-	157,720,908
Finance income		5,194,195	-	21,518	58,950,969	6,784,123	82,740	71,033,545
Income under the equity method of accounting		-	-	-	586,731,939	258,381,220	-	845,113,159
Other, net		-	-	-	904,637	48,659	-	953,296
		5,194,195	-	21,518	745,263,102	324,259,353	82,740	1,074,820,908
Expenses								
Cost of sales		-	-	-	71,977,825	252,168	207,922	72,437,915
Wages and salaries		-	-	8,390,941	-	-	-	8,390,941
Fees		-	1,058,409	-	-	-	-	1,058,409
General expenses		-	-	-	325,297	21,425	7,842,541	8,189,263
Financial expenses	$	1,220,109	-	-	9,267,930	641,143	6,627	11,135,809

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Compensation of Key Management Personnel:

Key Management personnel include the CEO, Chief Officers and Managers. The compensation received by the key Management personnel is as follows:

		December 2022	December 2021
Items			
Salaries	$	14,465,670	12,992,019
Employee Benefits		2,303,406	2,446,406
Total	$	16,769,076	15,438,425

Below is the detail of the Company's key personnel:

	December 2022	December 2021
Key personnel:		
CEO	1	1
Vice Presidents	6	5
Other executives	23	23
	30	29

33. COMMITMENTS AND CONTINGENCIES

***Commitments* -** For the development of its corporate purpose, the Company has 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.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

Contingencies - In the course of its operations, the Company is subject to several legal regulations pertaining to public utilities and environmental protection companies. The Management 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.

The Company has the following litigation and individual claims against it, the amounts of which are determined by the claims and are not recognized in accruals considering that the qualification of the attorneys handling each process is rated as possible:

	December 2022		December 2021	
	Number of Claims	Value	Number of Claims	Value
Litigations and lawsuits against				
Easement claims:				
$1 to $1,000	18	3,538,983	18	5,361,066
$1,001 onward	3	8,338,039	2	5,138,039
Easement (1)	21	11,877,022	20	10,499,105
Ordinary processes:				
$1 to $1,000	2	330,000	2	330,000
$3,001 onward	1	4,618,809	1	4,618,809
Ordinary	3	4,948,809	3	4,948,809
Labor (2)	5	232,318	5	275,103
Total processes	29	17,058,149	28	15,723,017

Below is the detail of the number of litigations and lawsuits against, without values:

	Number of claims	
	December 2022	December 2021
Proceedings		
Easements	13	12
Ordinary	3	1
Labor	5	2
	21	15

Below is the detail of the reasonably probable contingent rights:

	December 2022		December 2021	
Range (thousands of pesos)	Number of claims	Value	Number of claims	Value
Contingent rights	6	$1,915,429	5	$ 1,835,429

(1) Addition of process of imposition of easements for gas pipeline owned by the company in accordance with the provisions of paragraph 2 of Act 56 of 1981 and Article 2 of Decree 2580 of 1985.
(2) Updating of amounts for indexation, according to the instances of each of the labor processes.

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

34. OPERATIONS BY SEGMENT

Information by segment is structured according to the different lines of business of the Company. The lines of business described below were established according to the organizational structure of the Company, 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.

Below is the information by segment of these activities:

		Gas Transportation	Gas distribution	Non-bank financing	Total
December 31, 2022					
Revenue	$	1,088,587,617	20,917,172	13,922,812	1,123,427,601
Cost of sales		(514,204,444)	(7,811,486)	(5,912,177)	(527,928,107)
Gross income		574,383,173	13,105,686	8,010,635	595,499,494
Selling and administrative expenses		(149,978,466)	(26,452,677)	(2,392,260)	(178,823,403)
Share of profit of equity-accounted subsidiaries		178,602,918	388,737,325	-	567,340,243
Share of profit of equity-accounted associates		-	301,377,946	-	301,377,946
Impairment due to expected credit losses		(100,728)	-	(681,170)	(781,898)
Others, net		(18,406,245)	13,663	-	(18,392,582)
Operating profit		584,500,652	676,781,943	4,937,205	1,266,219,800
Financial revenues		272,955,045	7,320	422,111	273,384,476
Financial expenses		(331,178,245)	(11,411)	-	(331,189,656)
Exchange difference (net)		(398,494)	3,285,227	(5,217)	2,881,516
Income before income tax		525,878,958	680,063,079	5,354,099	1,211,296,136
Income tax		(90,422,864)	(2,204,076)	(1,947,032)	(94,573,972)
Net income	$	435,456,094	677,859,003	3,407,067	1,116,722,164
Assets	$	7,376,643,187	3,743,783,691	67,511,434	11,187,938,312
Liabilities	$	5,486,126,561	(12,254,653)	17,325,498	5,491,197,406
December 31, 2021					
Revenue	$	921,461,556	19,032,302	13,326,613	953,820,471
Cost of sales		(442,478,148)	(7,974,686)	(4,580,680)	(455,033,514)
Gross income		478,983,408	11,057,616	8,745,933	498,786,957
Selling and administrative expenses		(120,967,566)	(11,487,778)	(1,191,623)	(133,646,967)
Share of profit of equity-accounted subsidiaries		118,991,410	467,740,529	-	586,731,939
Share of profit of equity-accounted associates		-	258,381,220	-	258,381,220
Impairment due to expected credit losses		(387,534)	-	(1,900,290)	(2,287,824)
Others, net		(2,889,255)	(60,241)	-	(2,949,496)
Operating profit		473,730,463	725,631,346	5,654,020	1,205,015,829
Financial revenues		236,444,762	1,836	769,754	237,216,352
Financial expenses		(185,711,912)	(11,449)	-	(185,723,361)
Exchange difference (net)		(3,425,636)	6,099,243	(19,472)	2,654,135
Income before income tax		521,037,677	731,720,976	6,404,302	1,259,162,955
Income tax		(103,712,151)	(4,329,628)	(2,073,361)	(110,115,140)
Net income	$	417,325,526	727,391,348	4,330,941	1,149,047,815
Assets	$	6,148,491,040	3,048,087,124	90,401,692	9,286,979,856
Liabilities	$	4,283,693,725	1,919,789	16,536,812	4,302,150,326

35. 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

<u>IAS 1 - Presentation of financial statements - Disclosure of accounting policies</u>

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.

<u>Impact assessment</u>

The amendment applies from January 1, 2024, and its early application is permitted. Its application is prospective.

<u>IAS 8 - Accounting policies, changes in accounting estimates and errors</u>

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”.

<u>Impact assessment</u>

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.

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

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 separate 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

At the separate financial statement level, the amendment had no effect on the Company.

b) 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, the Company has 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 the Company 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.

c) Other amendments to standards with an impact on the Separate 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 2021, which may be recognized in the entity's equity in the accumulated results of previous years. The deferred tax effect recognized in the Company as a result of the application is as follows:

(EXPRESSED IN THOUSANDS OF COLOMBIAN PESOS, UNLESS OTHERWISE STATED)

NAME OF ENTITY	Tax reform effect recognized in equity	Tax reform effect recognized in OCI	Total tax reform effect	Share of Promigas	Total impact on Promigas under equity method
Promigas S.A. E.S.P.	87,077,201	283,231	87,360,432	100,00%	87,360,432
Transportadora De Metano S.A. E.S.P.	1,792,741	1,105	1,793,846	99,67%	1,787,867
Promioriente S.A. E.S.P.	18,845	807	19,653	73,27%	14,400
Sociedad Portuaria El Cayao S.A. E.S.P.	978,605	-	978,605	51,00%	499,088
Surtidora De Gas Del Caribe S.A. E.S.P.	14,732,289	655,171	15,387,460	99,99%	15,385,768
Gases De Occidente S.A. E.S.P.	3,793,804	1,238	3,795,042	94,43%	3,583,701
Transoccidente S.A. E.S.P.	1,146	-	1,146	79,00%	905
Gases Del Caribe S.A. E.S.P. [1]	9,299,741	-	9,299,741		9,299,741
TOTAL	117,694,372	941,552	118,635,925		117,931,902

[1] Promigas S.A. E.S.P. recognized the effect of the deferred tax in the financial asset for the change in the occasional profit rate (10% to 15%) established in the Tax Reform Law 2277 of 2022 of the company Gases del Caribe S.A. E.S.P. in accordance with the participation it has in this company, which as of December 31, 2022 was 30.99%.

36. EVENTS OCCURRED AFTER THE REPORTING PERIOD

As of the date of the approval of the separate financial statements for the year ended December 31, 2022, there are no subsequent events that require adjustments or disclosures in said separate financial statements.

37. APPROVAL OF FINANCIAL STATEMENTS

The separate financial statements and accompanying notes were approved for issuance in accordance with the minutes No. 551 of the Board of Directors dated February 16, 2023. These separate financial statements and accompanying notes will be presented at the Company's Shareholders' Meeting on March 23, 2023. The shareholders have the power to approve or modify the Company's financial statements.