

***Promigas S.A. E.S.P. and Subsidiaries***

***Condensed Consolidated Interim Financial Statements***

***For the Quarter Ended March 31, 2021***

***With Independent Auditor's Review Report***

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

	Note	March 2021	December 2020
<b>ASSETS</b>			
<b>CURRENT ASSET:</b>			
Cash and cash equivalents	5	\$ 446.344.814	420.470.760
Financial assets at fair value	6	321.241.574	378.807.179
Financial assets at amortized cost	7	1.264.659.921	1.103.769.731
Inventories	8	98.274.231	90.549.823
Prepayments or tax credit balances	15	18.872.314	21.163.843
Other assets	9	180.677.529	197.421.865
<b>TOTAL CURRENT ASSET</b>		<b>2.330.070.383</b>	<b>2.212.183.201</b>
Non current held-for-sale assets		1.069.607	1.069.607
<b>TOTAL CURRENT ASSET HELD-FOR-SALE</b>		<b>2.331.139.990</b>	<b>2.213.252.808</b>
<b>LONG-TERM ASSETS:</b>			
Financial assets at fair value	6	3.058.432.256	2.976.510.036
Financial assets at amortized cost	7	1.697.224.261	1.600.765.439
Investment in associates	10	709.482.507	759.989.369
Property, Plant, Pipeline and Equipment	11	1.261.161.602	1.239.625.851
Intangible Assets:			
Concessions	12	3.977.867.199	3.835.408.575
Goodwill		153.402.039	151.757.293
Other intangible assets	13	99.128.707	98.577.298
<b>Total intangible assets</b>		<b>4.230.397.945</b>	<b>4.085.743.166</b>
Right-of-use	14	135.756.055	136.611.276
Investment properties		8.178.461	8.177.931
Deferred tax assets, net	15	60.136.283	60.225.121
Other assets	9	104.199.218	89.002.877
<b>TOTAL LONG-TERM ASSETS</b>		<b>11.264.968.588</b>	<b>10.956.651.066</b>
<b>TOTAL ASSETS</b>		<b>\$ 13.596.108.578</b>	<b>13.169.903.874</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITY:</b>			
Financial obligations	16	\$ 384.265.406	353.793.678
Outstanding bonds	17	172.044.520	29.775.925
Accounts payable	18	1.003.263.616	578.728.089
Employee benefits	19	22.841.082	22.716.562
Income tax payable		87.203.149	63.691.046
Other liabilities	20	129.043.150	148.247.385
<b>TOTAL CURRENT LIABILITIES</b>		<b>1.798.660.923</b>	<b>1.196.952.685</b>
<b>LONG-TERM LIABILITIES:</b>			
Financial obligations	16	1.890.679.695	1.870.376.781
Outstanding bonds	17	4.533.355.517	4.521.253.738
Accounts payable	18	27.717.432	27.528.971
Employee benefits	19	4.507.974	4.651.292
Provisions	21	288.614.936	282.006.051
Deferred tax liability, net	15	720.137.408	700.397.289
<b>TOTAL PASIVO A LARGO PLAZO</b>		<b>7.465.012.962</b>	<b>7.406.214.122</b>
<b>TOTAL PASIVOS</b>		<b>9.263.673.885</b>	<b>8.603.166.807</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Subscribed and paid-in capital	22	113.491.861	113.491.861
Share underwriting premium		322.822.817	322.822.817
Reserves		1.104.531.324	919.938.627
Retained earnings		2.361.824.426	2.799.754.081
Other equity transactions		(11.556.845)	(11.556.845)
Otro resultado integral		193.360.671	163.229.800
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4.084.474.254</b>	<b>4.307.680.341</b>
<b>NON-CONTROLLING INTEREST</b>	23	<b>247.960.439</b>	<b>259.056.726</b>
<b>TOTAL EQUITY</b>		<b>4.332.434.693</b>	<b>4.566.737.067</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 13.596.108.578</b>	<b>13.169.903.874</b>

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

Aquiles Mercado González  
 Alternate Legal Representative

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

Rosangela Barrios Pantoja  
 Independent Auditor  
 Professional License No. 155173-T  
 Member of KPMG S.A.S.  
 (See my report of May 14, 2021)

**Promigas S.A. E.S.P. And Subsidiaries****CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT****(Expressed in thousands of Colombian pesos, except the net income per share which is expressed in Colombian pesos)**

	Note	March 2021	March 2020
Revenues from ordinary activities		\$ 1.007.480.243	1.022.218.835
Revenues from concession contracts		106.460.657	180.127.511
GROSS INCOME	24	<u>1.113.940.900</u>	<u>1.202.346.346</u>
Cost of Sales		(642.733.584)	(647.595.203)
Cost of construction of concession contracts		(67.234.403)	(172.648.088)
Total Cost of Sales	25	<u>(709.967.987)</u>	<u>(820.243.291)</u>
UTILIDAD BRUTA		403.972.913	382.103.055
Administrative and sales expenses	26	(87.283.676)	(92.024.254)
Interest in earnings of associates			
National Associates		27.478.770	33.818.508
Foreign Associates		28.498.802	31.313.114
Total interest in earnings of associates	10	<u>55.977.572</u>	<u>65.131.622</u>
Dividends received		456.146	879.728
Others, net	27	<u>15.288.684</u>	<u>(232.479)</u>
OPERATING INCOME		388.411.639	355.857.672
Financial revenues	28	90.954.644	80.091.700
Financial expenses	29	(91.948.600)	(91.170.064)
Exchange difference		(748.547)	(2.067.308)
EARNINGS BEFORE INCOME TAX		<u>386.669.136</u>	<u>342.712.000</u>
Income tax	15	<u>(101.991.238)</u>	<u>(61.665.516)</u>
NET INCOME		<u>\$ 284.677.898</u>	<u>281.046.484</u>
INCOME ATTRIBUTABLE TO:			
Accionistas de la compañía		\$ 270.962.838	264.277.178
Participación no controlada	23	<u>13.715.060</u>	<u>16.769.306</u>
		<u>\$ 284.677.898</u>	<u>281.046.484</u>
NET INCOME PER SHARE		<u>\$ 238,77</u>	<u>232,87</u>

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME

(In thousands of Colombian Pesos)

	For the period ended on:	
	March 2021	March 2020
NET INCOME	\$ 284.677.898	281.046.484
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income not reclassified through profit or loss</i>		
OCI for revaluation of investment properties	282.628	5.321.458
Deferred tax	(28.516)	(532.096)
	<u>254.112</u>	<u>4.789.362</u>
<i>Other comprehensive income reclassified through profit or loss</i>		
Currency conversion adjustment	43.018.842	47.359.076
Hedging transactions	(54.738.772)	(195.434.690)
Deferred Tax	15.487.247	58.149.970
	<u>3.767.317</u>	<u>(89.925.644)</u>
OTHER COMPREHENSIVE INCOME IN ASSOCIATES		
<i>Other comprehensive income reclassified through profit or loss</i>		
Currency conversion adjustment	32.750.275	106.662.484
Hedging transactions	729.613	1.742.620
	<u>33.479.888</u>	<u>108.405.104</u>
TOTAL INCOME	<u>37.501.317</u>	<u>23.268.822</u>
TOTAL RESULTADO Y OTRO RESULTADO INTEGRAL DEL PERIODO	\$ <u><u>322.179.215</u></u>	<u><u>304.315.306</u></u>
INCOME AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Company shareholders	\$ 301.093.710	269.437.168
Non-controlling interest	21.085.505	34.878.138
	\$ <u><u>322.179.215</u></u>	<u><u>304.315.306</u></u>

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

For the period ended on:	Note	Cumulative Results											
		Subscribed and paid-in capital	Share underwriting premium	Reserves	Previous Year			Other equity transactions	Other Comprehensive Income	Total Equity attributable to the company's	Non-controlling interests	Total Equity	
					Results	Net income	First-time adoption effect						Total
Balance as of December 31, 2019		\$ 113.491.861	322.822.817	713.490.402	(1.570.706)	811.347.450	1.505.786.626	2.315.563.370	(11.556.485)	139.284.021	3.593.095.986	241.273.930	3.834.369.916
Creation of reserves	22	-	-	206.448.225	(206.448.225)	-	-	(206.448.225)	-	-	-	-	-
Declared cash dividends	22	-	-	-	(440.321.041)	-	-	(440.321.041)	-	-	(440.321.041)	(33.640.202)	(473.961.243)
Transfers	22	-	-	-	-	811.347.450	-	-	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	264.277.178	-	264.277.178	-	5.159.990	269.437.168	34.878.138	304.315.306
Balance as of March 31, 2020		<u>113.491.861</u>	<u>322.822.817</u>	<u>919.938.627</u>	<u>163.007.478</u>	<u>264.277.178</u>	<u>1.505.786.626</u>	<u>1.933.071.282</u>	<u>(11.556.485)</u>	<u>144.444.011</u>	<u>3.422.212.113</u>	<u>242.511.866</u>	<u>3.664.723.979</u>
Balance as of December 31, 2020		\$ 113.491.861	322.822.817	919.938.627	156.522.903	1.137.444.552	1.505.786.626	2.799.754.081	(11.556.845)	163.229.799	4.307.680.340	259.056.726	4.566.737.066
Creation of reserves	22	-	-	184.592.697	(184.592.697)	-	-	(184.592.697)	-	-	-	-	-
Declared cash dividends	22	-	-	-	(524.299.796)	-	-	(524.299.796)	-	-	(524.299.796)	(32.181.792)	(556.481.588)
Transfers	22	-	-	-	1.137.444.552	(1.137.444.552)	-	-	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	270.962.838	-	270.962.838	-	30.130.872	301.093.710	21.085.505	322.179.215
Balance as of March 31, 2021		<u>\$ 113.491.861</u>	<u>322.822.817</u>	<u>1.104.531.324</u>	<u>585.074.962</u>	<u>270.962.838</u>	<u>1.505.786.626</u>	<u>2.361.824.426</u>	<u>(11.556.845)</u>	<u>193.360.671</u>	<u>4.084.474.254</u>	<u>247.960.439</u>	<u>4.332.434.693</u>

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
(Expressed in thousands of Colombian pesos)

	Notes	March 2021	March 2020
Cash flows from operating activities:			
Net income		\$ 284.677.898	281.046.484
Adjustments to reconcile net income with net cash provided by operating activities:			
Depreciation	11	11.171.907	11.421.016
Amortization of intangibles	12-13	59.194.858	46.120.606
Accrued interest	16-17	94.860.807	94.636.516
Accrued yield	7	(91.274.776)	(100.912.438)
Hedging transactions		(5.766.848)	38.821
Update financial assets	6	(81.639.592)	(73.259.288)
Income by equity method	10	(55.977.572)	(65.131.622)
Impairment of			
Accounts receivable (net)	7	7.286.251	9.130.277
Accrued provisions	21	6.003.130	3.858.670
Exchange difference for foreign currency transactions		7.948.231	1.990.404
Gain on sale of property, plant and equipment:			
Property, pipelines, plant and equipment	11	(77.500)	-
Loss for derecognition of:			
Inventories		-	297.041
Property, pipelines, plant and equipment	11	(92.928)	111.328
Concessions	12	2.514.735	502.165
valuation of:			
Construction contracts concessions	12	(36.360.969)	-
Wealth tax	15	101.991.238	61.665.516
Changes in assets and liabilities:			
Accounts receivable	7	(30.724.027)	(94.043.684)
Inventories	8	(6.098.497)	(2.455.789)
Equity instruments through profit or loss	6	46.971.162	89.116.455
Other assets	9	300.181	(17.447.009)
Accounts payable	18	(73.452.658)	(21.082.255)
Employee benefits	19	(144.872)	106.167
Provisions	21	-	(10.881.093)
Other liabilities	20	(10.697.270)	10.284.422
Paid income tax	15	(45.154.497)	(44.120.638)
Yields received	7	89.121.395	87.680.026
Interest paid	16-17	(59.955.266)	(87.418.084)
Net cash provided by operating activities		<u>214.624.521</u>	<u>181.254.014</u>
Cash flow from investment activities:			
Acquisition of:			
Property, plant and equipment	11	(19.833.078)	(8.541.085)
Concessions	12	(74.226.982)	(122.054.319)
Other intangibles	13	(1.574.101)	(2.663.973)
Result from the sale of:			
Property, plant and equipment	11	77.500	-
Net cash used in investment activities		<u>(95.556.661)</u>	<u>(133.259.377)</u>
Cash flow from financing activities :			
Paid dividends	18	(68.733.144)	(76.554.984)
Acquisition of financial obligations	16	308.335.114	344.053.347
Payment of financial obligations	16	(347.297.962)	(37.827.659)
Bond payment	17	-	(99.821.000)
Net cash used in financing activities		<u>(107.695.992)</u>	<u>129.849.704</u>
Net increase of cash and cash equivalents		11.371.868	177.844.341
Effect of conversion adjustment on cash and cash equivalents		14.869.188	22.511.394
Effect of exchange differences on cash and cash equivalents		(367.002)	1.052.013
Cash and cash equivalents initial balance		420.470.760	250.198.025
Cash and cash equivalents ending balance		<u>\$ 446.344.814</u>	<u>451.605.773</u>

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

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## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

#### NOTE 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. Promigas' controlling shareholder is Corporación Financiera Colombiana S.A., whose parent company is Grupo Aval Acciones y Valores S.A., both are public companies incorporated in Colombia, the corporate seat of the Company is in Barranquilla, its address is Calle 66 No. 67 – 123 and its term of duration expires on December 27, 2074.

The Company is supervised by the Superintendence of Residential Utilities and in order to keep the National Register of Securities and Brokers (RNVF, for its Spanish acronym) current 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.

Entity	March 2021			December 2020		
	Direct	Indirect	Total	Direct	Indirect	Total
Surtigas S.A. E.S.P.	99.99%	0.00%	99.99%	99.99%	0.00%	99.99%
Transoccidente S.A. E.S.P.	79.00%	0.00%	79.00%	79.00%	0.00%	79.00%
Promioriente S.A. E.S.P.	73.27%	0.00%	73.27%	73.27%	0.00%	73.27%
Transmetano E.S.P. S.A.	99.67%	0.00%	99.67%	99.67%	0.00%	99.67%
Gases de Occidente S.A. E.S.P.	94.43%	0.00%	94.43%	94.43%	0.00%	94.43%
Compañía Energética de Occidente S.A. E.S.P.	49.00%	48.16%	97.16%	49.00%	48.16%	97.16%
Orion Contac Center S.A.S.	0.00%	96.65%	96.65%	0.00%	96.65%	96.65%
Promisol S.A.S.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gases del Pacífico S.A.C.	92.97%	7.03%	100.00%	92.97%	7.03%	100.00%
Gases del Norte del Perú S.A.C.	75.00%	25.00%	100.00%	75.00%	25.00%	100.00%
Promigas Perú S.A.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promisol México S.A. de C.V.	5.00%	95.00%	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 Compartidos S.A.S.	<u>100.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>100.00%</u>

In addition, it has the following associates:

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Entity	Country of incorporation	Ownership interest	
		March 31, 2019	December 31, 2019
Gases del Caribe S.A. E.S.P. (Gas Caribe)	Colombia	30.99%	30.99%
E2 - Energía Eficiente S.A. E.S.P.	Colombia	37.26%	37.26%
Concentra en Inteligencia en Energía S.A.S.	Colombia	22.24%	22.24%
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, whereby the Single Regulation for Natural Gas Transportation (RUT, for its Spanish acronym) in Colombia is established, Act 689/2001, whereby Act 142/1994 is partially amended, the industry's regulations, the concession agreements in force, its bylaws and other provisions contained in the Code of Commerce.

The rates the Companies charge 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):

#### NOTE 2. BASES OF ACCOUNTING

##### 2.1 Technical Normative Framework

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS 34) – Interim Financial Reporting, included in the Accounting and Financial Reporting Standards accepted in Colombia (CFRS), set out in Act 1314 of 2009, regulated by Single Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170, 2483 of 2018, 2270 of 2019 and 1432 of 2020. The CFRS applicable in 2021 are based on the International Financial Reporting Standards (IFRS), along with its interpretations, issued by the International Accounting Standards Board (IASB). The base standards correspond to the officially translated to Spanish by the IASB as of the first half of 2018 and the incorporation of the amendment to IFRS 16 - Leases: Covid-19-Related Rent Concessions issued in 2020.

##### 2.2 Basis of Presentation

These condensed consolidated interim financial statements must be read together with the annual consolidated financial statements as of December 31, 2020, which include and disclose the policies, calculation methods, judgments and accounting estimates used in the preparation of the consolidated interim financial statements.

The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements under CFRS, however, notes were selected which



## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

include explanation of events and significant transactions that allow us to understand the changes observed in the financial position and the development of the Company since the latest consolidated annual financial statements.

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

#### 2.3 Functional and Presentation Currency

The items included in these consolidated financial statements are presented using “Colombian pesos”. All information is expressed in thousands of pesos rounded up to the nearest unit.

The representative exchange rates to convert transactions from United States dollars to Colombian pesos as computed and certified by the Financial Superintendence of Colombia are as follows:

	March 2021	December 2020
Period-end	<u>3.678,62</u>	<u>3.432,50</u>
Monthly averages:		
<b>March 2021</b>		<b>December 2020</b>
January	3,494.53	January \$ 3,317.37
February	3,552.43	February 3,408.24
March	3,617.00	March 3,870.01

Assets and liabilities from foreign transactions are converted into Colombian pesos using the prevailing exchange rate at the reporting date, and their income statements are converted using the exchange rate at the transaction date. Equity, at its respective historical rate. Any variations in the conversion are recognized through other comprehensive income, within equity. Below is a detail of the functional and presentation currency of Promigas and its subsidiaries and associates:

<b>Subsidiaries:</b>	<b>Functional currency</b>
Surtidora de Gases del Caribe S.A. E.S.P. (Surtigas)	Colombian peso
Transoccidente S.A. E.S.P.	Colombian peso
Gases de Occidente S.A. E.S.P.	Colombian peso
Transportadora de Metano E.S.P. S.A. (Transmetano)	Colombian peso
Compañía Energética de Occidente S.A. E.S.P.	Colombian peso
Promioriente S.A. E.S.P.	Colombian peso
Sociedad Portuaria El Cayao S.A. E.S.P.	United States dollar
Gases del Pacífico S.A.C.	United States dollar
Gases del Norte del Perú S.A.C.	United States dollar
Orión Contac Center S.A.S.	Colombian peso
Promisol S.A.S.	Colombian peso

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	<b>Functional currency</b>
Zonagen S.A.S.	Colombian peso
Promisol México S.A. de C.V.	Mexican peso
Enlace Servicios Compartidos S.A.S.	Colombian peso
Promigas Perú S.A.	United States dollar

#### Associates:

Gases del Caribe S.A. E.S.P. (Gas Caribe)	Colombian peso
Energía Eficiente S.A. E.S.P.	Colombian peso
Gas Natural de Lima y Callao S.A.C.	United States dollar
Concentra Inteligencia en Energía S.A.S.	Colombian peso

### NOTE 3. DETERMINING FAIR VALUES

The condensed consolidated interim financial statements have the same criteria for determining fair values used as of December 31, 2020. No significant variations were identified, for this reason, they must be read together with the annual consolidated financial statements as of December 31, 2020.

#### Fair Value Measurements on a Recurring Basis

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

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

	March 2021		December 2020	
	Level 2	Level 3	Level 2	Level 3
<b>Assets</b>				
Hedging asset position (Note.6)	\$ 3,278,019	-	8,942,106	-
Debt instruments through profit or loss (Note.6)	-	-	3,096,901	-
Equity instruments through profit or loss (Note.6)	319,313,327	-	366,768,172	-
Financial instruments at fair value through profit or loss (Note.6)	300,000	-	300,000	-
Equity instruments through OCI (Note.6)	18,107,576	-	17,824,949	-
Long-term financial asset debtors (Note.6)	-	3,040,024,680	-	2,958,385,088
Investment property	-	8,178,461	-	8,177,931
	<u>\$ 340,998,922</u>	<u>3,048,203,141</u>	<u>396,932,128</u>	<u>2,966,563,019</u>
<b>Liabilities</b>				
Creditors for hedging liability position (Note.18)	<u>\$ 23,377,416</u>	<u>-</u>	<u>1,543,006</u>	<u>-</u>

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

The following table shows the movement of assets classified in Level 3. There were no transfers between levels during the period:

	<u>Investment property</u>	<u>Financial assets from pipelines under concession</u>
Balance as of January 1, 2021	\$ 8,177,931	2,958,385,088
Capitalized purchases or expenses (net)	530	-
Adjustments at fair value through profit or loss	-	81,639,592
Balance as of March 31, 2021	\$ <u>8,178,461</u>	<u>3,040,024,680</u>

#### NOTE 4. BUSINESS COMBINATION

On July 13, 2020, Promigas S.A. E.S.P. acquired 100% of the shares of Promigas Perú S.A. (formerly Gas Comprimido del Perú S.A.), which was a company controlled by Corficolombiana S.A., thus exercising direct control over this company. This operation was carried out as part of the strategy of expansion and strengthening of the position in Peru to consolidate the leadership in the massification of natural gas in that country.

Promigas Peru S.A. is a leading company in the development of the natural gas market in northern Peru, with Piura and Chiclayo being the second and third cities respectively to have Natural Gas after Lima. As it is a complementary business not regulated through Service Stations, it will allow access to customers in a transitional efficient manner, becoming an additional source of natural gas for Gases del Pacífico S.A.C. and thus reach regions where it is not possible for the concession.

##### Acquisition amount

The sale price was agreed at USD \$4,995,069, a sum that was paid on the closing date of the transaction, which was July 17, 2020, and converted to thousands of Colombian pesos was \$18,060,920.

The valuation of assets and liabilities was carried out via free cash flows, the result of which was the agreed sale price:

Company Value (free cash flow)	\$	22,844,000
Net Debt		(18,757,758)
Cash and Banks		424,554
Working capital		484,273
<b>Equity value</b>		<u><b>4,995,069</b></u>
<b>Purchase value</b>	\$	<u><b>4,995,069</b></u>

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

#### Determining the fair value of equity

As of March 31, 2021, the Company is still in the process of determining the fair value of equity, which will end before July 16, 2021. This is in line with the measurement period established in paragraph 45 of IFRS 13 - Fair Value Measurement, which will not exceed one year from the acquisition date.

The reasons why it has not been possible to determine the fair value are:

- Promigas Perú S.A. (formerly Gas Comprimido del Perú S.A.) was purchased from Corficolombiana S.A., a company in the financial sector, during the first six months after the date of acquisition, it is in the process of aligning accounting policies to the distribution segment of the gas sector within the framework of the positioning strategy in Peru.
- During the first six months after the acquisition date, we focus on business knowledge and compliance with the accounting closing requirements of the last months in order to comply with schedules.
- During the first six months after the acquisition date, Promigas Peru S.A. had staff turnover as a result of the change of controlling company.

#### Determining capital gains

Given that the company is within the fair value measurement period of the acquired equity, the provisional amounts recorded on the closing date are detailed below:

		US Dollars	Thousands of Colombian pesos
Identifiable assets and liabilities acquired	\$	(1,687,631)	(6,339,215)
Consideration transferred		4,995,069	18,060,921
Higher value paid on the acquisition date		6,682,700	24,400,136
Translation adjustment higher value paid as of March 31, 2021		-	182,978
<b>Capital gains as of March 31, 2021</b>	<b>\$</b>	<b>6,682,700</b>	<b>24,583,114</b>

The value of capital gains is impaired when its carrying amount exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. It is not always necessary to determine the fair value of the asset less the costs of disposal and its value in use. If any of these amounts exceed the asset's carrying amount, the asset would not suffer an impairment in value and it would not be necessary to estimate the other amount.

#### NOTE 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are integrated as follows:

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

	<b>March 2021</b>	<b>December 2020</b>
<b>In local currency</b>		
Cash	\$ 492,825	605,328
Banks (1)	203,130,240	161,939,411
Cash in local currency	<u>203,623,065</u>	<u>162,544,739</u>
<b>In foreign currency</b>		
Cash	208,672	191,847
Banks (1)	242,513,077	257,734,174
Cash in foreign currency	<u>242,721,749</u>	<u>257,926,021</u>
Cash and cash equivalents	\$ <u>446,344,814</u>	<u>420,470,760</u>

(1) Breakdown of the credit rating determined by independent risk rating agencies of the main financial institutions where the Company and its subsidiaries keep cash funds:

<b>Credit rating</b>	<b>March 2021</b>
AAA	\$ 313,496,136
AA+	11,434,714
AA	970,131
A	118,185,449
A+	1,009,729
BBB+	546,569
BBB	589
	\$ <u>445,643,317</u>

There are no restrictions or limitations in this area.

**NOTE 6. FINANCIAL ASSETS AT FAIR VALUE**

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

	<b>March 2021</b>	<b>December 2020</b>
<b>Short-term</b>		
Debt instruments through profit or loss	\$ -	3,096,901
Equity instruments through profit or loss	319,313,327	366,768,172
Other accounts receivable at fair value	1,928,247	8,942,106
	<u>\$ 321,241,574</u>	<u>378,807,179</u>
<b>Long-term</b>		
Equity instruments through profit or loss	\$ 300,000	300,000
Equity instruments through OCI	18,107,576	17,824,948
Other accounts receivable (1)	3,040,024,680	2,958,385,088
	<u>\$ 3,058,432,256</u>	<u>2,976,510,036</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

(1) Below is the breakdown of financial assets by Company:

		<b>March 2021</b>
Promigas S.A. E.S.P.	\$	2,402,231,264
Transmetano E.S.P. S.A.		162,687,681
Surtigas S.A. E.S.P.		322,469,100
Promioriente S.A. E.S.P.		53,554,535
Gases de Occidente S.A. E.S.P.		99,082,100
	\$	<u>3,040,024,680</u>

**NOTE 7. FINANCIAL ASSETS AT AMORTIZED COST**

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

		<b>March 2021</b>	<b>December 2020</b>
<b>Short-term</b>			
Debt securities	\$	24,514	24,991
Accounts receivable (1)		1,071,937,184	1,045,346,282
Other accounts receivable (2)		192,698,223	58,398,458
	\$	<u>1,264,659,921</u>	<u>1,103,769,731</u>
<b>Long-term</b>			
Debt securities	\$	172,553	172,553
Accounts receivable (1)		1,687,800,579	1,591,443,287
Other accounts receivable (2)		9,251,129	9,149,599
	\$	<u>1,697,224,261</u>	<u>1,600,765,439</u>

(1) Accounts receivable are made up as follows:

	<b>March 2021</b>			<b>December 2020</b>		
	<b>Third parties</b>	<b>Related Entities</b>	<b>Total</b>	<b>Third parties</b>	<b>Related Entities</b>	<b>Total</b>
<b>Short-term</b>						
Gas transport	\$ 116,020,962	7,286,561	123,307,523	110,308,825	3,586,926	113,895,751
Gas distribution	441,212,250	2,606,024	443,818,274	422,634,669	1,449,011	424,083,680
Distribution and trade of energy	145,882,355	552	145,882,907	164,054,179	601	164,054,780
Non-bank financing - NBF	223,734,046	133,395	223,867,441	215,806,116	262,643	216,068,759
Finance lease	139,418,067	-	139,418,067	123,777,984	-	123,777,984
Other services	96,157,781	5,727	96,163,508	101,384,202	123,956	101,508,158
	<u>1,162,425,461</u>	<u>10,032,259</u>	<u>1,172,457,720</u>	<u>1,137,965,975</u>	<u>5,423,137</u>	<u>1,143,389,112</u>
Impairment provision	(100,520,536)	-	(100,520,536)	(98,042,830)	-	(98,042,830)
	<u>\$ 1,061,904,925</u>	<u>10,032,259</u>	<u>1,071,937,184</u>	<u>1,039,923,145</u>	<u>5,423,137</u>	<u>1,045,346,282</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

**Long-term**

Gas transport	\$ 3,743	-	3,743	4,906	-	4,906
Gas distribution	238,527,615	-	238,527,615	230,040,689	-	230,040,689
Distribution and trade of energy	26,835,675	-	26,835,675	27,758,246	-	27,758,246
Other services	112,749,507	-	112,749,507	112,164,398	-	112,164,398
Non-bank financing - NBF	212,970,652	-	212,970,652	174,744,774	-	174,744,774
Finance lease	1,151,247,979	-	1,151,247,979	1,105,430,674	-	1,105,430,674
	1,742,335,171	-	1,742,335,171	1,650,143,687	-	1,650,143,687
Impairment provision	(54,534,592)	-	(54,534,592)	(58,700,400)	-	(58,700,400)
	<u>\$ 1,687,800,579</u>	<u>-</u>	<u>1,687,800,579</u>	<u>1,591,443,287</u>	<u>-</u>	<u>1,591,443,287</u>

As of March 31, 2021, and December 31, 2020, there is no lien or restriction on the balance of the impairment provision account.

(2) Other accounts receivable are made up as follows:

	March 2021	December 2020
<b>Short-term</b>		
Loans granted	\$ 3,376,715	3,736,272
Dividends receivable	138,236,918	-
Other debtors	62,406,783	64,566,638
	<u>204,020,416</u>	<u>68,302,910</u>
Impairment provision	(11,322,193)	(9,904,452)
	<u>\$ 192,698,223</u>	<u>58,398,458</u>
<b>Long-term</b>		
Loans granted	\$ 8,644,733	8,513,154
Other debtors	1,372,657	1,388,286
	<u>10,017,390</u>	<u>9,901,440</u>
Impairment provision	(766,261)	(751,841)
	<u>\$ 9,251,129</u>	<u>9,149,599</u>

The following is the detail of the dividends receivable:

	March 2021
Gas Natural de Lima y Callao	94,438,276
Gases del Caribe S.A. E.S.P.	43,342,497
Extrucol	456,145
	<u>138,236,918</u>

Below is the consolidated movement of the impairment of accounts receivable:

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****(Expressed in thousands of Colombian Pesos, unless otherwise stated)**

		<b>March 2021</b>
Initial balance	\$	(167,399,523)
Impairment		(12,962,217)
Write-off		8,126,513
Refund		5,675,966
Conversion adjustments of transactions in foreign subsidiaries		(584,321)
Final balance	\$	<u>(167,143,582)</u>

**NOTE 8. INVENTORIES**

The composition of the inventory balances is as follows:

		<b>March 2021</b>	<b>December 2020</b>
Goods in stock	\$	55,435,840	52,058,416
Materials for the provision of services		39,504,863	33,761,091
Inventory in transit		251,426	713,646
Inventory held by third parties		7,124,234	8,285,401
		<u>102,316,363</u>	<u>94,818,554</u>
Inventory impairment		(4,042,132)	(4,268,731)
	\$	<u>98,274,231</u>	<u>90,549,823</u>

**NOTE 9. OTHER ASSETS**

Below is the detail of other assets:

		<b>March 2021</b>	<b>December 2020</b>
<b>Short-term</b>			
Prepaid expenses		60,245,152	83,782,879
Advances or balances in favor due to other taxes		106,104,085	105,096,041
Legal deposits		9,770,737	3,310,153
Business collaboration receivable		4,557,555	5,232,792
	\$	<u>180,677,529</u>	<u>197,421,865</u>
<b>Long-term</b>			
Long-term deposits		2,229	-
Long-term prepaid expenses		75,684,016	66,568,349
Deferred advances or balances in favor		28,512,973	22,434,528
	\$	<u>104,199,218</u>	<u>89,002,877</u>



## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

#### NOTE 10. INVESTMENTS IN ASSOCIATES

Below is the detail of investments in associate companies:

Company	Economic Activity	Seat	Share %	Book value
<b><u>March 2021</u></b>				
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	\$ 421,015,489
Gases del Caribe S.A. E.S.P.	Gas distribution	Colombia	30.99%	276,109,538
E2 - Energía Eficiente S.A. E.S.P.	Gas trade	Colombia	37.26%	11,710,340
Concentra en Inteligencia en Energía S.A.S.	LNG Regasification	Bogota	22.24%	647,140
				<u>709,482,507</u>
<b><u>December 2020</u></b>				
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	\$ 455,703,774
Gases del Caribe S.A. E.S.P.	Gas distribution	Colombia	30.99%	293,630,600
E2 - Energía Eficiente S.A. E.S.P.	Gas trade	Colombia	37.26%	10,133,373
Concentra en Inteligencia en Energía S.A.S.	LNG Regasification	Bogota	22.24%	521,622
				<u>759,989,369</u>

The movement of investments in associates are as follows:

	<b>March 2021</b>
Initial balance	\$ 759,989,369
Dividends declared by companies	(139,964,322)
Equity method through profit or loss	55,977,572
Equity method OCI associates	33,479,888
Final balance	<u>\$ 709,482,507</u>

The dividends declared by associates as of March 31, 2021, are detailed below:

	<b>Declared</b>
Gases del Caribe S.A. E.S.P.	\$ 43,342,497
Gas Natural de Lima y Callao S.A.C.	96,621,825
	<u>\$ 139,964,322</u>

The equity composition of investments in associates, recorded by the equity method is detailed below:

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	Capital	Share underwritin g premium	Reserves	Net income	Retained earnings	Results for IFRS Adoption	Unrealized gains or losses (OCI)	Total equity
<b>March 2019</b>								
Gas Natural de Lima y Callao S.A.C.	\$ 474,434,154	-	122,211,670	68,939,371	(75,844,100)	-	470,876,042	1,060,617,137
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	41,217,841	93,951,486	427,662,114	332,521,817	(4,018,368)	894,351,178
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	1,113,603	19,357,533	(39,135)	-	23,236,980
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	-	471,345	481,671	-	2,061	2,719,077
<b>December 2020</b>								
Gas Natural de Lima y Callao S.A.C.	\$ 474,434,154	-	122,211,670	255,403,538	(89,693,074)	-	388,572,225	1,150,928,513
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	38,649,222	351,284,713	218,791,724	332,521,817	(3,658,752)	940,605,012
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	477,527	23,566,356	(682,535)	-	26,166,327
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	-	70,609	411,017	-	-	2,245,626

### NOTE 11. PROPERTY, PIPELINES, PLANT AND EQUIPMENT

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

	March 2021			December 2020		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Lands	\$ 75,896,802	-	75,896,802	74,435,627	-	74,435,627
Construction in progress	50,964,850	-	50,964,850	37,665,816	-	37,665,816
Machinery, plant and equipment in assembly	12,781,524	-	12,781,524	11,946,555	-	11,946,555
Property, plant and equipment in transit	134,957	-	134,957	125,928	-	125,928
Buildings	95,877,890	(17,982,300)	77,895,590	95,022,096	(17,144,665)	77,877,431
Pipelines and stations	531,462,503	(51,216,919)	480,245,584	531,483,695	(49,109,374)	482,374,321
Networks not under concession	477,444,764	(45,973,781)	431,470,983	474,481,080	(44,024,910)	430,456,170
Machinery and equipment	193,246,488	(83,678,571)	109,567,917	180,849,080	(79,168,641)	101,680,439
Furniture and fittings	16,083,879	(8,630,030)	7,453,849	15,553,250	(8,198,443)	7,354,807
Communication and computer equipment	38,878,914	(27,160,469)	11,718,445	38,492,774	(26,012,803)	12,479,971
Transportation equipment and fleet	10,670,497	(6,547,739)	4,122,758	10,590,912	(6,282,036)	4,308,876
Property improvements	453,550	(91,820)	361,730	453,550	(80,253)	373,297
	1,503,896,618	(241,281,629)	1,262,614,989	1,471,100,363	(230,021,125)	1,241,079,238
Impairment	(1,453,387)	-	(1,453,387)	(1,453,387)	-	(1,453,387)
	\$ 1,502,443,231	(241,281,629)	1,261,161,602	1,469,646,976	(230,021,125)	1,239,625,851

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

	Lands	Construction s in progress	Machinery, plant and equipment in assembly	Property, plant and equipment in transit	Buildings	Pipelines and stations	Networks not under concession	Machinery and Equipment	Furniture and Fittings	Communicati on and computer equipment	Transportati on equipment and fleet	Leased property improvements	Total
<b>Cost</b>													
<b>Balance as of January 1, 2021</b>	\$ 74,435,627	37,665,816	11,946,555	125,928	95,022,096	531,483,695	474,481,080	180,849,080	15,553,250	38,492,774	10,590,912	453,550	1,471,100,363
Purchases	20,000	11,450,523	610,833	-	-	-	130,433	7,447,737	173,552	-	-	-	19,833,078
Capitalized interests	-	93,523	15,060	-	-	-	-	-	-	-	-	-	108,583
Recognition in cost (lessor-builder) on the start date of the lease	-	(3,225,755)	-	-	-	-	-	-	-	-	-	-	(3,225,755)
Capitalizations	-	(2,527,582)	-	-	557,388	-	1,454,979	347,694	167,521	-	-	-	-
Disposals	-	-	-	-	-	(673)	-	(19,943)	-	(11,076)	(90,150)	-	(121,842)
Reclassifications	-	7,518,087	-	-	-	(20,519)	-	-	-	-	-	-	7,497,568
Tax discount	-	(349,112)	-	-	-	-	-	(3,786)	-	-	-	-	(352,898)
Conversion adjustments of transactions in foreign subsidiaries	<u>1,441,175</u>	<u>339,350</u>	<u>209,076</u>	<u>9,029</u>	<u>298,406</u>	<u>-</u>	<u>1,378,272</u>	<u>4,625,706</u>	<u>189,556</u>	<u>397,216</u>	<u>169,735</u>	<u>-</u>	<u>9,057,521</u>
<b>Balance as of March 31, 2021</b>	\$ <u>75,896,802</u>	<u>50,964,850</u>	<u>12,781,524</u>	<u>134,957</u>	<u>95,877,890</u>	<u>531,462,503</u>	<u>477,444,764</u>	<u>193,246,488</u>	<u>16,083,879</u>	<u>38,878,914</u>	<u>10,670,497</u>	<u>453,550</u>	<u>1,503,896,618</u>
<b>Accumulated depreciation</b>													
<b>Balance as of January 1, 2021</b>	\$ -	-	-	-	(17,144,665)	(49,109,374)	(44,024,910)	(79,168,641)	(8,198,443)	(26,012,803)	(6,282,036)	(80,253)	(230,021,125)
Depreciation through profit or loss	-	-	-	-	(647,784)	(2,108,218)	(1,938,188)	(2,827,109)	(339,545)	(954,443)	(290,587)	(11,567)	(9,117,441)
Disposals	-	-	-	-	-	673	-	11,485	-	10,966	90,150	-	113,274
Conversion adjustments of transactions in foreign subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(189,851)</u>	<u>-</u>	<u>(10,683)</u>	<u>(1,694,306)</u>	<u>(92,042)</u>	<u>(204,189)</u>	<u>(65,266)</u>	<u>-</u>	<u>(2,256,337)</u>
<b>Balance as of March 31, 2021</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,982,300)</u>	<u>(51,216,919)</u>	<u>(45,973,781)</u>	<u>(83,678,571)</u>	<u>(8,630,030)</u>	<u>(27,160,469)</u>	<u>(6,547,739)</u>	<u>(91,820)</u>	<u>(241,281,629)</u>
<b>Impairment</b>	(1,451,423)	-	-	-	-	-	-	(1964)	-	-	-	-	(1,453,387)
<b>Net balance</b>													
<b>Balance as of December 31, 2020</b>	\$ <u>74,435,627</u>	<u>36,214,393</u>	<u>11,946,555</u>	<u>125,928</u>	<u>77,877,431</u>	<u>482,374,321</u>	<u>430,456,170</u>	<u>101,678,475</u>	<u>7,354,807</u>	<u>12,479,971</u>	<u>4,308,876</u>	<u>373,297</u>	<u>1,239,625,851</u>
<b>Balance as of March 31, 2021</b>	\$ <u>74,445,379</u>	<u>50,964,850</u>	<u>12,781,524</u>	<u>134,957</u>	<u>77,895,590</u>	<u>480,245,584</u>	<u>431,470,983</u>	<u>109,565,953</u>	<u>7,453,849</u>	<u>11,718,445</u>	<u>4,122,758</u>	<u>361,730</u>	<u>1,261,161,602</u>

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Currently, there are no restrictions related to property, pipelines, plant and equipment.

**NOTE 12. CONCESSION ARRANGEMENTS RIGHTS**

Detail of assets under concession arrangements:

	<b>March 2021</b>			<b>December 2020</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Total</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Total</b>
Lands under concession	\$ 33,911,629	(2,907,415)	31,004,214	31,837,849	(2,614,795)	29,223,054
Constructions in progress	257,541,486	-	257,541,486	580,865,537	-	580,865,537
Pipelines and networks	3,985,817,791	(719,854,941)	3,265,962,850	3,468,318,787	(672,488,281)	2,795,830,506
Machinery and equipment	537,533,197	(150,667,574)	386,865,623	534,880,757	(142,214,683)	392,666,074
Buildings under concession	44,978,089	(6,528,181)	38,449,908	44,751,485	(5,947,650)	38,803,835
Third-party property improvements	377,305	(38,397)	338,908	343,892	(28,533)	315,359
	<u>4,860,159,497</u>	<u>(879,996,508)</u>	<u>3,980,162,989</u>	<u>4,660,998,307</u>	<u>(823,293,942)</u>	<u>3,837,704,365</u>
Concession impairment	(2,295,790)	-	(2,295,790)	(2,295,790)	-	(2,295,790)
	<u>\$ 4,857,863,707</u>	<u>(879,996,508)</u>	<u>3,977,867,199</u>	<u>4,658,702,517</u>	<u>(823,293,942)</u>	<u>3,835,408,575</u>

Below are the movements of assets under concession:

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	Lands under concession	Constructions in progress under concession	Buildings under concession	Pipelines and networks under concession	Machinery and equipment under concession	Third-party improvement under concession	Concessions
<b>Cost</b>							
<b>Balance as of January 1, 2021</b>	\$ 31,837,849	580,865,537	44,751,485	3,468,318,787	534,880,757	343,892	4,660,998,307
Additions	-	61,858,956	-	12,343,069	-	24,957	74,226,982
Capitalized interest addition	-	3,458,739	-	175,854	-	-	3,634,593
Valuation of concessions in progress due to work progress	-	36,360,969	-	-	-	-	36,360,969
Capitalization of assets underway	106,556	(439,024,819)	226,604	437,933,542	758,117	-	-
Capitalized depreciation	-	67,013	-	-	-	-	67,013
Disposals	-	(2,182,764)	-	(400,520)	-	-	(2,583,284)
Reclassifications	-	20,519	-	(3,299,056)	-	-	(3,278,537)
Transfers	-	(1,179,615)	-	1,179,615	-	-	-
Transfer of tax discount	-	(50,090)	-	-	-	-	(50,090)
Conversion adjustments of transactions in foreign subsidiaries	1,967,224	17,347,041	-	69,566,500	1,894,323	8,456	90,783,544
<b>Balance as of March 31, 2021</b>	<u>\$ 33,911,629</u>	<u>257,541,486</u>	<u>44,978,089</u>	<u>3,985,817,791</u>	<u>537,533,197</u>	<u>377,305</u>	<u>4,860,159,497</u>
<b>Accumulated amortization</b>							
<b>Balance as of January 1, 2021</b>	\$ (2,614,795)	-	(5,947,650)	(672,488,281)	(142,214,683)	(28,533)	(823,293,942)
Amortization through profit or loss	(222,476)	-	(580,531)	(42,968,916)	(8,391,470)	(9,523)	(52,172,916)
Disposals	-	-	-	68,550	-	-	68,550
Conversion adjustments of transactions in foreign subsidiaries	(70,144)	-	-	(4,466,294)	(61,421)	(341)	(4,598,200)
<b>Balance as of March 31, 2021</b>	<u>\$ (2,907,415)</u>	<u>-</u>	<u>(6,528,181)</u>	<u>(719,854,941)</u>	<u>(150,667,574)</u>	<u>(38,397)</u>	<u>(879,996,508)</u>
Impairment	-	-	-	(2,295,790)	-	-	(2,295,790)
<b>Net Balance:</b>							
<b>Balance as of December 31, 2020</b>	\$ 29,223,054	580,865,537	38,803,835	2,793,534,716	392,666,074	315,359	3,835,408,575
<b>Balance as of March 31, 2021</b>	<u>\$ 31,004,214</u>	<u>257,541,486</u>	<u>38,449,908</u>	<u>3,263,667,060</u>	<u>386,865,623</u>	<u>338,908</u>	<u>3,977,867,199</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

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

Concession owner	Type of business and country	Purpose	Current stage	Initial date	Construction start year	Concession end date
<b>Gas and energy</b>						
Surtigas S.A. E.S.P.	Gas and energy Colombia	Purchase, storage, packaging and distribution of hydrocarbon-derived gases.	Operation	03/1984 to 04/1994	1984	2034 to 2045
Transmetano S.A. E.S.P.	Gas and energy Colombia	Construction, operation and maintenance of gas transportation systems.	Operation and maintenance	08/1994	1996	2044
Promigas S.A. E.S.P.	Gas and energy Colombia	Purchase, sale, transport, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general.	Operation	05/1976 to 11/1994	1976	2026 to 2044
Promioriente S.A. E.S.P.	Gas and energy Colombia	Construction, operation and maintenance of gas pipelines.	Operation and maintenance	09/1995	1995	2026 to 2044
Promioriente S.A. E.S.P.	Gas and energy Colombia	Construction, operation and maintenance of gas pipelines.	Operation and maintenance	09/1995	1995	2045
Gases de Occidente S.A. E.S.P.	Gas and energy Colombia	Transportation and distribution of natural gas.	Operation	08/1998	1998	2047
Compañía Energética de Occidente S.A. E.S.P.	Gas and energy Colombia	Administration, technical and commercial operation, management for the provision of electrical energy.	Construction and operation	01/2010	2010	2035
Gases del Pacífico S.A.C.	Gas and energy Peru	Purchase, sale, production, trade of energy in any of its forms.	Construction and operation	10/2013	2015	2034
Sociedad Portuaria El Cayao S.A. E.S.P.	Gas and energy Peru	Construction, maintenance and port management.	Operation and maintenance	07/2015	2015	2035
Gases del Norte del Perú S.A.C.	Gas and energy Peru	Purchase, sale, production, trade of energy in any of its forms.	Operation and maintenance	11/2019	2020	2051

The following is a breakdown of the main movements of revenue and costs incurred in the stage of construction of concession agreements as of March 31, 2021, and December 31, 2020:

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

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	Period accruals	
	Revenues	Costs
<i>March 2021</i>		
Revenues from concession agreements	106,460,657	-
Construction costs incurred in the period	-	67,234,403
<i>March 2020</i>		
Revenues from concession agreements	180,127,511	-
Construction costs incurred in the period	-	172,648,088

**NOTE 13. OTHER INTANGIBLE ASSETS**

Below is the detail of other intangible assets:

	March 2021			December 2020		
	Cost	Accrued Amortization	Total	Cost	Accrued Amortization	Total
Licenses	150,456,116	(77,928,513)	72,527,603	145,438,704	(72,674,463)	72,764,241
Software	\$ 5,744,211	(1,864,627)	3,879,584	5,259,766	(1,758,283)	3,501,483
Rights	5,000	-	5,000	5,000	-	5,000
Easements	7,108,132	(2,360,345)	4,747,787	7,108,132	(2,342,031)	4,766,101
Other intangibles	19,648,635	(1,679,902)	17,968,733	19,086,508	(1,546,035)	17,540,473
	\$ <u>182,962,094</u>	<u>(83,833,387)</u>	<u>99,128,707</u>	<u>176,898,110</u>	<u>(78,320,812)</u>	<u>98,577,298</u>

Below is the movement of intangible assets:

	March 2021
<b>Cost</b>	
<b>Balance as of January 1, 2021</b>	\$ 176,898,110
Additions	1,574,101
Addition capitalizable interest	142,675
Conversion adjustments of transactions in foreign subsidiaries	3,431,806
Audited balance adjustments	915,402
<b>Balance as of March 31, 2021</b>	<u>\$ 182,962,094</u>
<b>Accumulated amortization</b>	
<b>Balance as of January 1, 2021</b>	\$ (78,320,812)
Amortization through cost	(1,640,274)
Amortization through expenses	(3,322,717)
Conversion adjustments of transactions in foreign subsidiaries	(549,584)
<b>Balance as of March 31, 2021</b>	<u>\$ (83,833,387)</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

**NOTE 14. RIGHTS OF USE**

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

	March 2021			December 2020		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
<b>Rights of use associated with property, plant and equipment</b>						
Land	4,462,284	(670,174)	3,792,110	4,233,789	(545,298)	3,688,491
Buildings	20,071,392	(3,163,410)	16,907,982	20,091,564	(2,669,105)	17,422,459
Machinery and equipment	56,613,414	(54,351,784)	2,261,630	56,576,275	(54,315,202)	2,261,073
Transport equipment	27,959,948	(18,370,958)	9,588,990	28,125,808	(17,612,800)	10,513,008
Communication and computing equipment	110,618	(47,933)	62,685	219,868	(151,652)	68,216
<b>Rights of use associated with property, plant and equipment</b>	<u>109,217,656</u>	<u>(76,604,259)</u>	<u>32,613,397</u>	<u>109,247,304</u>	<u>(75,294,057)</u>	<u>33,953,247</u>
<b>Rights of use associated with concessions</b>						
Land	243,557	(15,640)	227,917	163,676	(12,020)	151,656
Buildings	5,495,628	(1,653,956)	3,841,672	5,247,677	(1,414,901)	3,832,776
Machinery and equipment	<u>114,339,577</u>	<u>(15,266,508)</u>	<u>99,073,069</u>	<u>112,051,753</u>	<u>(13,378,156)</u>	<u>98,673,597</u>
<b>Rights of use associated with concessions</b>	<u>120,078,762</u>	<u>(16,936,104)</u>	<u>103,142,658</u>	<u>117,463,106</u>	<u>(14,805,077)</u>	<u>102,658,029</u>
<b>Total right of use</b>	<u>\$ 229,296,418</u>	<u>(93,540,363)</u>	<u>135,756,055</u>	<u>226,710,410</u>	<u>(90,099,134)</u>	<u>136,611,276</u>

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



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	Land	Buildings	Machinery and equipment	Transport equipment	Communication and computing equipment	Land associated with the concession	Buildings associated with the concession	Machinery and equipment associated with the concession	Total rights of use
<b>Cost</b>									
<b>Balance as of January 1, 2021</b>	\$ 4,233,789	20,091,564	56,576,275	28,125,808	219,868	163,676	5,247,677	112,051,753	226,710,410
Addition of new finance leases	-	-	-	1,449,864	-	-	-	-	1,449,864
Addition of existing finance leases	14,626	367,449	37,139	267,363	-	2,678	47,062	2,287,824	3,024,141
Withdrawals, sales and derecognitions	(10,018)	(634,638)	-	(2,053,688)	(109,250)	-	-	-	(2,807,594)
Conversion adjustments of transactions in foreign subsidiaries	223,887	247,017	-	170,601	-	-	278,092	-	919,597
Audited balance adjustments	-	-	-	-	-	77,203	(77,203)	-	-
<b>Balance as of March 31, 2021</b>	<u>\$ 4,462,284</u>	<u>20,071,392</u>	<u>56,613,414</u>	<u>27,959,948</u>	<u>110,618</u>	<u>243,557</u>	<u>5,495,628</u>	<u>114,339,577</u>	<u>229,296,418</u>
<b>Accumulated depreciation</b>									
<b>Balance as of January 1, 2021</b>	\$ (545,298)	(2,669,105)	(54,315,202)	(17,612,800)	(151,652)	(12,020)	(1,414,901)	(13,378,156)	(90,099,134)
Depreciation through profit or loss	(89,324)	(502,531)	(36,582)	(1,420,499)	(5,531)	(3,102)	(167,498)	(1,888,352)	(4,113,419)
Withdrawals, sales and derecognitions	1,402	53,762	-	780,153	109,250	-	-	-	944,567
Capitalized depreciation	-	-	-	(67,013)	-	-	-	-	(67,013)
Conversion adjustments of transactions in foreign subsidiaries	(36,954)	(45,536)	-	(50,799)	-	-	(72,075)	-	(205,364)
Audited balance adjustments	-	-	-	-	-	(518)	518	-	-
<b>Balance as of March 31, 2021</b>	<u>\$ (670,174)</u>	<u>(3,163,410)</u>	<u>(54,351,784)</u>	<u>(18,370,958)</u>	<u>(47,933)</u>	<u>(15,640)</u>	<u>(1,653,956)</u>	<u>(15,266,508)</u>	<u>(93,540,363)</u>
<b>Net balance</b>									
<b>Balance as of December 31, 2020</b>	\$ <u>3,688,491</u>	<u>17,422,459</u>	<u>2,261,073</u>	<u>10,513,008</u>	<u>68,216</u>	<u>151,656</u>	<u>3,832,776</u>	<u>98,673,597</u>	<u>136,611,276</u>
<b>Balance as of March 31, 2021</b>	\$ <u>3,792,110</u>	<u>16,907,982</u>	<u>2,261,630</u>	<u>9,588,990</u>	<u>62,685</u>	<u>227,917</u>	<u>3,841,672</u>	<u>99,073,069</u>	<u>135,756,055</u>

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**NOTE 15. DEFERRED TAX**

Below is the detail of the deferred tax:

	<b>March 2021</b>	<b>December 2020</b>
Net deferred tax assets	\$ 60,136,283	60,225,121
Net deferred tax liabilities	<u>(720,137,408)</u>	<u>(700,397,289)</u>
Net deferred tax	<u>\$ (660,001,125)</u>	<u>(640,172,168)</u>

Deferred tax movement:

Net balance as of December 31, 2020	\$	(640,172,168)
Net through profit or loss		(27,246,497)
Through OCI		9,383,262
Conversion adjustment of deferred tax		<u>(1,965,722)</u>
Net Deferred tax as of March 31, 2021	\$	<u><u>(660,001,125)</u></u>

Below is the breakdown of the income tax expense:

	<b>March 2021</b>	<b>March 2020</b>
Current income tax	74,744,741	63,023,019
Net deferred taxes	<u>27,246,497</u>	<u>(1,357,503)</u>
Total income tax expense	<u><u>101,991,238</u></u>	<u><u>61,665,516</u></u>

**NOTE 16. FINANCIAL OBLIGATIONS**

Below is a summary of the financial obligations obtained by Promigas and its subsidiaries, with the main purpose of financing its operations and investment plan:

	<b>March 2021</b>	<b>December 2020</b>
<b>Short-term</b>		
Loans in foreign currency	\$ 211,899,594	173,408,076
Loans in local currency	28,289,069	45,488,013
Lease agreements	137,323,010	128,912,652
Interest payable	<u>6,753,733</u>	<u>5,984,937</u>
	<u><u>\$ 384,265,406</u></u>	<u><u>353,793,678</u></u>
<b>Long-term</b>		
Loans in foreign currency	\$ 334,400,892	319,933,188
Loans in local currency	722,350,682	727,074,313
Lease agreements	<u>833,928,121</u>	<u>823,369,280</u>
	<u>\$ 1,890,679,695</u>	<u>1,870,376,781</u>
Total financial obligations	<u><u>\$ 2,274,945,101</u></u>	<u><u>2,224,170,459</u></u>

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

<b>Financial obligations and liabilities</b>	<b>Credits obtained in local currency</b>	<b>Credits obtained in foreign currency</b>	<b>Lease agreements</b>	<b>Interest payable</b>	<b>Financial obligations</b>
<b>Balance as of January 1, 2021</b>	\$ 772,562,325	493,341,265	952,281,932	5,984,937	2,224,170,459
Addition obligations	240,026,948	68,308,166	4,474,007	-	312,809,121
Payments	(264,280,962)	(49,781,390)	(33,235,610)	(28,624,310)	(375,922,272)
Transfers, cancellations and withdrawals	(4,446)	-	(1,782,698)	(177,378)	(1,964,522)
Interest through profit or loss	2,335,886	545,957	781,652	28,861,684	32,525,179
Capitalized interest	-	-	-	623,086	623,086
Exchange difference	-	497,148	23,731	(18,391)	502,487
Hedges through profit or loss	-	(190,296)	-	-	(190,296)
Conversion adjustments of transactions in foreign subsidiaries	-	33,579,636	48,708,117	104,105	82,391,858
<b>Balance as of March 31, 2021</b>	\$ <u>750,639,751</u>	<u>546,300,486</u>	<u>971,251,131</u>	<u>6,753,733</u>	<u>2,274,945,101</u>

**NOTE 17. OUTSTANDING BONDS**

Outstanding bonds are detailed below:

	<b>March 2021</b>	<b>December 2020</b>
<b>Short-term</b>		
Ordinary bonds	\$ 120,000,000	-
Bonds interest payable	52,044,520	29,775,925
	<u>\$ 172,044,520</u>	<u>29,775,925</u>
<b>Long-term</b>		
Ordinary bonds	\$ 4,533,355,517	4,521,253,738
	<u>\$ 4,533,355,517</u>	<u>4,521,253,738</u>

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

	<b>Bonds</b>	<b>Interest bonds payable</b>	<b>Outstanding bonds</b>
<b>Outstanding bonds</b>			
<b>Balance as of January 1, 2021</b>	\$ 4,521,253,738	29,775,925	4,551,029,663
Addition incremental costs	(120,773)	-	(120,773)
Payments	-	(31,330,956)	(31,330,956)
Reclassifications	33,580	(33,580)	-
Interest through profit or loss	4,773,932	52,086,658	56,860,590
Capitalized interest	-	807,106	807,106
Exchange difference	16,948,157	(147,446)	16,800,711

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

Non-derivative hedges with effect on OCI	42,239,133	-	42,239,133
Hedges through profit or loss	248,897	-	248,897
Conversion adjustments of transactions in foreign subsidiaries	67,978,853	886,813	68,865,666
<b>Balance as of March 31, 2021</b>	<b>\$ 4,653,355,517</b>	<b>52,044,520</b>	<b>4,705,400,037</b>

**NOTE 18. ACCOUNTS PAYABLE**

Below is the detail of accounts payable:

	March 2021			December 2020		
	Third Parties	Related Entities	Total	Third Parties	Related Entities	Total
<b>Short-Term</b>						
Domestic goods and services	\$ 302,911,300	664,727	303,576,027	344,827,452	1,246,403	346,073,855
Foreign goods and services	52,329,979	-	52,329,979	70,861,696	-	70,861,696
Creditors	47,669,837	18,375,961	66,045,798	51,789,099	17,147,300	68,936,399
Dividends payable	317,149,927	238,297,009	555,446,936	-	69,282,078	69,282,078
Hedges payable (1)	23,148,235	2,620,222	25,768,457	23,366,930	-	23,366,930
Subsidies assigned payable	96,419	-	96,419	207,131	-	207,131
	<u>\$ 743,305,697</u>	<u>259,957,919</u>	<u>1,003,263,616</u>	<u>491,052,308</u>	<u>87,675,781</u>	<u>578,728,089</u>
<b>Long-Term</b>						
Creditors	19,899,490	-	19,899,490	18,760,105	-	18,760,105
National goods and services	1,249,303	-	1,249,303	1,519,777	-	1,519,777
Interest rate hedging swaps	\$ 6,568,639	-	6,568,639	7,249,089	-	7,249,089
	<u>27,717,432</u>	<u>-</u>	<u>27,717,432</u>	<u>27,528,971</u>	<u>-</u>	<u>27,528,971</u>

**NOTE 19. EMPLOYEE BENEFITS**

Below is the detail of balances of employee benefits:

	March 2021	December 2020
<b>Short-Term</b>		
Severance and interest on severance pay	\$ 1,949,393	6,495,403
Vacation leaves	9,247,077	9,060,984
Service bonus	1,656,374	-
Extralegal benefits	2,528,969	1,752,563
Other payments and benefits	7,459,269	5,407,612
	<u>\$ 22,841,082</u>	<u>22,716,562</u>
<b>Long-term</b>		
Post-employment benefits - Severance previous law	\$ 395,842	505,501
Post-employment benefits - Pensions	1,040,444	1,650,323
Long-term benefits	3,071,688	2,495,468
	<u>\$ 4,507,974</u>	<u>4,651,292</u>

## PROMIGAS S.A. E.S.P. AND SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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#### NOTE 20. OTHER LIABILITIES

Below is the detail of other liabilities:

	<b>March 2021</b>	<b>December 2020</b>
Collection for third parties	\$ 22,797,823	22,005,103
Withholding tax and self-withholding tax	20,527,382	21,067,420
Industry and trade withholding tax payable	734,614	1,614,856
Other taxes and contributions payable	17,318,869	27,461,394
Value added tax payable	1,323,934	4,367,927
Deposits received from third parties	31,603,213	27,837,133
Revenues received in advance	34,737,315	43,893,552
	<u>\$ 129,043,150</u>	<u>148,247,385</u>

#### NOTE 21. PROVISIONS

In the ordinary course of business, Promigas and its subsidiaries are subject to various legal regulations inherent to public utilities and environmental protection services. In the opinion of Promigas and its subsidiaries' management no situations have been identified that lead to the discovery of a possible breaches to such rules, thus producing a significant impact on the financial statements. The table below shows the nature and value of long-term loss contingencies:

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

	Administrative	Labor	Civil	Dismantling and restoration costs	Smart tool provision	Environmental compensation provision	Asset replacement provision	Provision for implicit obligations NBF quotas	Total provisions
<b>Balance as of January 1, 2021</b>	10,452,263	750,279	2,127,883	25,191,301	18,635,174	37,142,630	187,252,514	454,007	282,006,051
New provisions through expenses	653,011	-	-	-	-	-	-	-	653,011
Addition existing provisions through expenses	-	-	-	-	-	-	-	226,787	226,787
Addition existing provisions through cost	-	-	-	-	1,139,040	-	5,165,654	-	6,304,694
Readjustment existing provisions through profit or loss	-	-	-	362,065	-	515,207	1,907,163	-	2,784,435
Use of provisions	-	-	-	-	(506)	(212,703)	(1,652,409)	-	(1,865,618)
Reimbursement of provisions	(87,807)	(250,000)	(344,727)	-	-	-	-	-	(682,534)
Reimbursement of provisions through cost	-	-	-	-	-	-	(498,828)	-	(498,828)
Transfer of investment plan commitment	-	-	-	-	-	-	(3,299,056)	-	(3,299,056)
Conversion adjustments of transactions in foreign subsidiaries	1,495	-	-	-	-	80,503	2,903,996	-	2,985,994
<b>Balance as of March 31, 2021</b>	<u>11,018,962</u>	<u>500,279</u>	<u>1,783,156</u>	<u>25,553,366</u>	<u>19,773,708</u>	<u>37,525,637</u>	<u>191,779,034</u>	<u>680,794</u>	<u>288,614,936</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

**NOTE 22. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY**

**Share Capital** – As of December 31, 2019 and 2018, 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:

	March 2021	December 2020
Number of shares authorized, issued and outstanding	1,134,848,043	1,134,848,043
Number of shares paid-in and subscribed	1,134,918,610	1,134,918,610
Number of shares repurchased (1)	70,567	70,567
Paid-in and subscribed capital	\$ 113,491,861	113,491,861

**Reserves** – The balance of reserves is detailed as follows:

	March 2021	December 2020
Legal reserve	\$ 65,623,121	65,623,121
Reserves pursuant to bylaws	66,097,318	66,097,318
Other reserves	972,810,885	788,218,188
Total	\$ <u>1,104,531,324</u>	<u>919,938,627</u>

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

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

**Reserve for Share Repurchase** – In 2005, the Company created a reserve for share repurchase amounting to \$1,527,933.

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

	<u>March 2021</u>
Date of Meeting	March 16, 2021
Net Income for the period January 1 - December 31, 2020, for distribution:	\$ 1,137,490,096
Cash dividends	
Ordinary dividends per share	\$ 21
Payment date	April 21, 2021, to March 21, 2022
Extraordinary dividends per share	\$ 105

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

Payment date		April 21, 2021 and October 21, 2021
Total outstanding shares		1,134,848,043
Total dividends declared	\$	524,299,796
Reserves due to IFRS effect	\$	184,592,697
Available for future allocations	\$	428,597,603

**NOTE 23. NON-CONTROLLING INTEREST**

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

Company	March 2021			December 2020		
	%	Interest in Equity	Interest in Earnings	%	Interest in Equity	Interest in Earnings
Surtigas S.A. E.S.P.	0.01%	74,906	3,632	0.01%	\$ 73,096	10,752
Transoccidente S.A. E.S.P.	21.00%	2,089,896	176,163	21.00%	2,590,192	665,271
Promioriente S.A. E.S.P.	26.73%	94,936,883	7,711,049	26.73%	114,531,484	21,649,519
Transmetano E.S.P. S.A.	0.33%	614,289	38,093	0.33%	680,990	131,990
Gases de Occidente S.A. E.S.P.	5.57%	17,224,633	2,095,083	5.57%	19,030,839	5,830,441
Zonagen S.A.S.	0.05%	330	(167)	0.05%	498	(573)
Sociedad Portuaria El Cayao S.A. E.S.P.	49.00%	133,019,502	3,691,207	49.00%	122,149,627	20,647,296
		<u>247,960,439</u>	<u>13,715,060</u>		<u>259,056,726</u>	<u>48,934,696</u>

**NOTE 24. REVENUE**

Below is the detail of revenue:

	March 2021	March 2020
Transport and distribution of natural gas	\$ 722,807,589	744,698,099
Generation and distribution of power	120,079,487	119,123,865
Installations and technical services	55,386,333	51,034,242
Revenue from non-banking financing	24,053,158	28,201,669
Construction of concessions (see note 12)	106,460,657	180,127,511
Other services	84,353,654	79,735,109
Revenue hedging results	800,022	(574,149)
	<u>\$ 1,113,940,900</u>	<u>1,202,346,346</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

**NOTE 25. COST OF SALES**

Below is the detail of costs of sales:

	<b>March 2021</b>	<b>March 2020</b>
Employee benefits	40,743,709	38,050,712
Maintenance and materials	42,447,900	40,418,542
Fees and consultancies	8,147,340	7,630,860
General costs (1)	484,894,376	514,497,930
Cost hedging result	(1,949,557)	(5,965,414)
Construction of concessions (2)	67,234,403	172,648,088
Taxes	4,795,048	5,056,420
Depreciation and amortization	63,654,768	47,906,153
	<u>\$ 709,967,987</u>	<u>820,243,291</u>

(1) The decrease in general costs in the first quarter of 2021 compared to the same period in 2020 is mainly due to the decrease in the costs of distribution and sale of natural gas and in the costs of using lines, networks and pipelines.

(2) Corresponds to the cost associated with the recognition of work progress of the concession contracts that are in execution (IFRS 15), the decrease corresponds to the projects 100MSCFD Canacol, Riohacha Variant, Paiva-Mamonal Pipeine 24" being still in execution during the first quarter of 2020, as well as higher executions carried out in the concessions of Peru; and for the 2021 quarter the projects have had less execution.

**NOTE 26. ADMINISTRATIVE AND SALES EXPENSES**

Below is the detail of operating expenses for the six and three-month periods ended:

	<b>March 2021</b>	<b>March 2020</b>
Employee benefits	\$ 29,081,918	28,860,514
Fee	9,282,892	10,292,477
Maintenance and materials	3,364,588	2,836,380
General administrative expenses	17,803,744	17,403,062
Impairments	7,286,251	9,130,277
Provisions	197,264	114,535
Administrative taxes	13,555,022	13,751,548
Depreciations and amortizations	6,711,997	9,635,461
	<u>\$ 87,283,676</u>	<u>92,024,254</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****(Expressed in thousands of Colombian Pesos, unless otherwise stated)****NOTE 27. OTHERS, NET**

Below is the detail of other income for the half-years ended:

	<b>March 2021</b>	<b>March 2020</b>
Leases	\$ 183.370	174.306
Fees	230.037	218.554
Profit on sale of assets	77.500	724
Compensation (1)	16.317.616	543.173
Uses	3.960.288	2.786.381
	<u>\$ 20.768.811</u>	<u>3.723.138</u>

Below is the detail of other expenses for the half-years ended:

	<b>March 2021</b>	<b>March 2020</b>
Donations	\$ 2.878.209	2.330.148
Loss on asset derecognition	2.421.807	910.534
Other expenses	180.111	714.935
	<u>\$ 5.480.127</u>	<u>3.955.617</u>
Others net	<u>15.288.684</u>	<u>(232.479)</u>

(1) The increase corresponds to the compensation for consequential damages recognized by Ecopetrol S.A. E.S.P. to Promisol S.A.S corresponding to the second phase of the agreement for the early termination of the gas compression contract at Ballena for USD \$4,100,000.

**NOTE 28. FINANCE INCOME**

Below is the detail of finance income:

	<b>March 2021</b>	<b>March 2020</b>
Debt securities yields	\$ 6,988,996	5,542,557
Revenues from financial assets concession	81,639,592	73,259,288
Other finance income	2,326,056	1,289,855
	<u>\$ 90,954,644</u>	<u>80,091,700</u>

**PROMIGAS S.A. E.S.P. AND SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

**NOTE 29. FINANCE COSTS**

Below is the detail of finance costs:

		<b>March 2021</b>	<b>March 2020</b>
Interest on bonds and securities issued	\$	49,889,944	44,666,304
Interest financial obligations		11,631,064	19,883,499
Interest lease agreements		19,974,680	21,268,554
Other finance costs		10,452,912	5,351,707
	\$	<u>91,948,600</u>	<u>91,170,064</u>

**NOTE 30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

*Operations with related parties:* During the period ended March 31, 2021, there were no significant operations of the following characteristics:

- Free or compensated services debited to a related company.
- Loans implying an obligation to the borrower that does not correspond to the essence or nature of the loan agreement.

Below is the summary of assets and liabilities for transactions made with non-controlled companies, shareholders, legal representatives and key management personnel as of March 31, 2021:

	<b>Shareholders</b>	<b>Associates</b>	<b>Others related</b>	<b>Total</b>
<b>March 2021</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 8,835,087	-	67,006,563	75,841,650
Investments in associates	-	709,482,507	-	709,482,507
Financial assets at amortized cost	718,027	148,267,361	10,661	148,996,049
	<u>9,553,114</u>	<u>857,749,868</u>	<u>67,017,224</u>	<u>934,320,206</u>
<b>Liabilities</b>				
Accounts payable	259,292,192	541,990	123,737	259,957,919
Outstanding bonds	75,720,016	-	-	75,720,016
	<u>335,012,208</u>	<u>541,990</u>	<u>123,737</u>	<u>335,677,935</u>
<b>Income</b>				
Revenue	670,527	12,472,928	401,723	13,545,178
Finance income	301,195	456,163	57,500	814,858
Share of profit of equity-accounted	-	55,977,572	-	55,977,572
Others, net	-	11,092	-	11,092
	<u>971,722</u>	<u>68,917,755</u>	<u>459,223</u>	<u>70,348,700</u>
<b>Expenses</b>				
Cost of sale	68,574	1,405,397	168,370	1,642,341
Selling and administrative expenses	-	3,277	62,445	65,722
Financial expenses	686,244	-	-	686,244
	<u>\$ 754,818</u>	<u>1,408,674</u>	<u>230,815</u>	<u>2,394,307</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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**NOTE 31. COMMITMENTS AND CONTINGENCIES**

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

By Public Deed No. 1629 of September 16, 1976, of the 18<sup>th</sup> Notary Public of Bogota, the Company obtained from the National government the concession to build, operate, maintain, exploit and manage a public utility pipeline for the transportation of hydrocarbons from Ballenas, Department of La Guajira, to the cities of Barranquilla and Cartagena, for an 50-year term, extendable to 20 more years. Under the terms of the concession, the National Government will have preemption right established by article 45 of the Petroleum Code for the transportation through the natural gas pipeline, by paying the current rate at the time of carrying it, for up to 20% of the daily transportation capacity of the pipeline. And has a preemption right over the transportation of these products through the gas pipeline, paying a current rate. The Company shall be obligated to sell the pipeline to the Nation, if required by the Government, upon completion of the first 30 years of the Agreement (2006), at the expiry thereof (2026) or upon termination of the extension period, under the terms provided in articles 50 and 51 of the Petroleum Code at the price agreed by the parties, or based on the appraisal of an independent expert. The Company may not assign or relinquish the agreement, neither totally nor partially, without prior approval by the National Government.

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

In addition, the Company has entered into another 33 concession contracts.

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

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

**Commitments of Gases del Pacifico S.A.C.** - Maintains a letter of guarantee of US \$20.000.000 in favor of the Peruvian State for a term of one year, pursuant to the Natural Gas Concession Agreement in the Northern Zone of Peru.

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

**Agreements with Thermoelectric Companies** - On October 29, 2014, the Company signed agreements with Zona Franca Celsia S.A. E.S.P., Termobarranquilla S.A. E.S.P. and Termocandelaria S.C.A. E.S.P. (the Customers) in order to provide services for access to and use of port infrastructure for the reception, storage, regasification of liquefied natural gas (LNG) and gas conduction and delivery at the Inlet Point into the National Transportation System (TUA Agreements). To fulfill said purpose, the Company must design, construct, operate and maintain the Terminal in accordance with the terms established in said contracts.

The annual fixed revenues of US \$82,500,000, which will be paid in 12 equal installments, allocated according to the percentage share of each customer. This revenue corresponds to all investment costs, fixed costs of administration, operation and maintenance, and other costs relative to the Terminal and the provision of services. This revenue also includes the acquisition and maintenance of LNG Heel in the Terminal.

In addition, there is a variable revenue that corresponds to all variable costs of administration, operation (including fuel and electricity), maintenance and other costs relative to the Terminal and the provision of services, such as LNG cargo services on gas tankers from the Terminal, which will be charged on a monthly basis according to the terms set out.

The commercial operation start date was December 2016. The TUA Agreements are valid for ten (10) years until November 30, 2026. At the Customers' discretion, the TUA Agreement can be extended once, giving 4-year notice before the date of its expiry, for the term agreed by the parties, otherwise the extension will be of 5 years. In the event that the Company, for any reason, cannot provide the gas delivery service or causes the Customer to declare itself before the Wholesale Power Market Administrator as unavailable to generate electric power, the Company must pay the Customer for each KPC nominated and not delivered at the inlet point into the NTS the equivalent of US \$2 per KPC for the number of hours unavailable over 24 hours. The Company will be exempt from paying this fine as long as the event is an exemption event. Said fine shall not exceed US \$12,000,000 per contract year. Further, in the event that the Company fails to comply with its unloading obligation or the actual unloading time exceeds the time provided, the Company must compensate the Customer for any damages incurred arising from the event up to a point in time US \$8,000,000 per event. The Company will be exempt from the payment of this fine as long as the event is due to an exemption event or force majeure.

**Other Agreements** - On November 1, 2014, the Company signed with HOEGH LNG FSRU IV LTD an International Lease Agreement - ILA on a Floating Storage and Regasification Unit - FSRU "Hoegh Grace," which has an annual value during the term of the agreement of US \$40,809,000 and allows a purchase option in year 10 of US \$425,798,487. On that same date, the Company signed with HÖEGH LNG HOLDINGS LTD. An Agreement for the Provision of Operation and Maintenance Services with respect to the FSRU. Both agreements have a 10 year term from the date of acceptance of the FSRU (03/12/2016). The cumulative

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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limit of liability, borne by the Company, arising from the agreement, extracontractual civil liability (including negligence) or arising out of the law, for both agreements is USD \$100,000,000. Additionally, both agreements contain a provision that in the event of non-compliance, the party in compliance can terminate the respective agreement.

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

**Commitment of Compañía Energética de Occidente S.A. E.S.P:** By virtue of the Management Agreement signed with CEDELCA S.A E.S.P., Compañía Energética de Occidente S.A. E.S.P. undertook, among others, to execute an investment plan for the expansion, replacement and improvement of infrastructure for the development of marketing and distribution services, in the market of CEDELCA S.A. E.S.P. The investment includes management improvement projects (loss reduction and maintenance, user and asset census and project development survey), aimed at providing the service in accordance with the law.

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

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

- a. Natural gas supply agreements with Empresa Colombiana de Petróleos (Ecopetrol), Frontera Energy, CNE oil & gas, Hocol and Lewis, and gas transportation agreements with Promigas S.A. E.S.P. These agreements are in accordance with the regulatory framework, and their terms of duration range from one to five years, and the necessary and sufficient guarantees for the performance and stability of the agreements have been executed.
- b. Agreements with industrial users and power generating companies with consumptions greater than 100,000 cubic feet per day, under wellhead gas trading and natural gas transport capacity of customer. These agreements are in accordance with the regulatory framework and their terms of duration conform to the trading period determined by current regulations, and the necessary and sufficient guarantees for the performance and stability of the agreements have been executed. The Company's management considers that there are no significant risks of losses expected in the future as a result of the performance of these agreements and commitments.

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

**Contingencies**

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

	March 2021	
	Number of claims	Value
<b><i>Litigations and lawsuits against</i></b>		
Easement claims:		
From \$1 to \$1,000	18	\$ 4,671,191
From \$1,001 onward	2	5,138,039
Easement	<u>20</u>	<u>9,809,230</u>
Ordinary processes:		
From \$1 to \$1,000	29	7,899,003
From \$1,001 to \$3,000	8	12,768,013
From \$3,001 onward	3	13,111,061
Ordinary	<u>40</u>	<u>33,778,077</u>
Labor	<u>147</u>	<u>32,627,905</u>
Total processes	<u>207</u>	<u>32,627,905</u>
<b><i>Contingency rights</i></b>		
Contingency rights	83	77,538
Litigations and lawsuits	35	54,398,110
Total	<u>118</u>	<u>\$ 54,398,110</u>

In the course of its operations, Promigas and its subsidiaries are subject to several legal regulations pertaining to public utilities and environmental protection companies. 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.

**NOTE 32. INFORMATION BY SEGMENTS**

Information by segment is structured according to the different lines of business of Promigas and its subsidiaries. The lines of business described below were established according to the organizational structure of the 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

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resources, allocated based on the assets assigned to each line according to an internal system of percentage distribution of costs.

The Company's operating segments are structured as follows:

<b>Natural gas transport</b>	<b>Integrated solutions for the industry and power generation</b>	
Promigas S.A. E.S.P.	Promisol S.A.S.	
Promioriente S.A. E.S.P.	Zonagen S.A.S.	
Transmetano E.S.P. S.A.	Energía Eficiente S.A. E.S.P.	
Transoccidente S.A. E.S.P.		
Sociedad Portuaria el Cayao S.A. E.S.P.		

  

<b>Natural gas distribution</b>	<b>Electrical energy distribution</b>	<b>Non-bank financing</b>
Surtigas S.A. E.S.P.	Compañía Energética de Occidente S.A. E.S.P.	Compañía Energética de Occidente S.A. E.S.P.
Gases de Occidente S.A. E.S.P.		Gases de Occidente S.A. E.S.P.
Gases del Caribe S.A. E.S.P.		Surtigas S.A. E.S.P.
Efigas S.A. E.S.P.		Gascaribe S.A. E.S.P.
Gases de la Guajira S.A. E.S.P.		Gases de la Guajira S.A. E.S.P.
Gas Natural de Lima y Callao S.A.C.		Efigas S.A. E.S.P.
Gases del Pacífico S.A.C.		
Orion Contac Center S.A.S.		
Enlace Servicios Compartidos S.A.S.		
Promigas Peru S.A.		

Below are the assets, liabilities and results by segment:



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	Gas transport	Gas distribution			Distribution and sale of energy	Integrated solutions for the industry	Non-bank financing	Total
		National	Abroad	Total				
<b>March 2021</b>								
Assets	\$ 7,932,048,262	2,184,350,125	2,357,130,412	4,541,480,537	543,235,210	159,246,305	420,098,264	13,596,108,578
Liabilities	\$ 6,046,060,449	1,232,630,373	1,442,351,455	2,674,981,828	464,438,657	59,200,570	18,992,381	9,263,673,885
<b>March 2021</b>								
Revenue	\$ 330,735,116	497,061,150	136,086,876	633,148,026	121,759,392	3,554,937	24,743,429	1,113,940,900
Cost of sales	(108,314,915)	(403,847,330)	(86,383,716)	(490,231,046)	(88,760,180)	(14,058,790)	(8,603,056)	(709,967,987)
GROSS INCOME	222,420,201	93,213,820	49,703,160	142,916,980	32,999,212	(10,503,853)	16,140,373	403,972,913
Sales and administrative expenses	(31,728,077)	(27,681,220)	(17,247,765)	(44,928,985)	(9,028,705)	(1,946,617)	348,708	(87,283,676)
Share of profit of equity-accounted	125,027	27,353,743	28,498,802	55,852,545	-	-	-	55,977,572
Dividends received	-	456,146	-	456,146	-	-	-	456,146
Others, net	8,232,893	25,823,894	(6,992,830)	18,831,064	(6,754,514)	5,776,040	(10,796,799)	15,288,684
OPERATING PROFIT	199,050,044	119,166,383	53,961,367	173,127,750	17,215,993	(6,674,430)	5,692,282	388,411,639
Financial revenues	70,150,057	14,589,398	4,647,041	19,236,439	918,587	114,480	535,081	90,954,644
Financial expenses	(65,285,945)	(9,446,059)	(11,851,242)	(21,297,301)	(5,176,100)	(189,254)	-	(91,948,600)
Exchange difference	(11,500,722)	(257,263)	(258,466)	(515,729)	(414,795)	11,682,699	-	(748,547)
INCOME BEFORE INCOME TAX	192,413,434	124,052,459	46,498,700	170,551,159	12,543,685	4,933,495	6,227,363	386,669,136
Income tax	(55,431,556)	(19,176,075)	(13,981,603)	(33,157,678)	(5,743,460)	(4,903,692)	(2,754,852)	(101,991,238)
NET INCOME	\$ 136,981,878	104,876,384	32,517,097	137,393,481	6,800,225	29,803	3,472,511	284,677,898

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### NOTE 33. EVENTS OCCURRED AFTER THE REPORTING PERIOD

##### Cash capitalization in companies in Peru

In April 2021, Promigas S.A. E.S.P. made cash capitalizations in the following companies, generating the impacts described below:

Company	Amount	Previous share		Current share	
		Promigas	Surtigas	Promigas	Surtigas
Gases del Pacífico S.A.C.	USD\$ 16,000,000	93.0%	7.0%	95.5%	4.5%
Gases del Norte del Perú S.A.C.	33,000,000	75.0%	25.0%	98.8%	1.2%
Promigas Perú S.A.	5,000,000	100.0%	-	100.0%	-
Total capitalized amount	USD\$ 54,000,000				