Promigas S.A. E.S.P.
Separate Financial Statements
For the years ended December 31, 2021-2020
With Independent Auditor's Review Report

KPMG S.A.S.
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(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, 2021 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, 2021, 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 the previous year except for the one-time application as of December 31, 2021 of the voluntary exemption allowed by Decree 1311 of 2021 "*Accounting alternative to mitigate the effects of the change in the income tax rate in the taxable period 2021*".

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). 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.

Fair value assessment of financial assets related to concession contracts (see notes 4L and 6 to the separate financial statements)	
Key Audit Matter	How it was addressed in the Audit
As at December 31, 2021, the Company has financial assets from concession contracts amounting to $2.550.315 million COP. As indicated in Notes 4L and 6 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 valuation 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.	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.

Other Matters

The separate financial statements as at and for the year ended December 31, 2020 are presented solely for comparative purposes. These were audited by another Public Accountant member of KPMG S.A.S. who in his report dated February 22, 2021, expressed an unqualified opinion thereon.

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

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 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, 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 2021

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 share registry books are duly kept and maintained.

d) There is a concordance between the accompanying 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 22, 2022.

(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 22, 2022

Promigas S.A. E.S.P.

SEPARATE STATEMENT OF FINANCIAL POSITION

(In thousands of Colombian Pesos)

ASSETS	**Note**		**December 2021**	**December 2020**
CURRENT ASSETS:				
Cash	7	$	77.211.498	72.974.277
Financial assets at fair value	8		51.541.742	127.498.230
Financial assets at amortized cost	9		201.761.654	178.548.956
Inventories	10		20.316.929	15.513.804
Advances or balances in favor from taxes			2.828.836	-
Other assets	11		16.677.574	18.071.967
TOTAL CURRENT ASSETS			370.338.233	412.607.234
Non-curren held-for-sale assets			1.001.490	3.517.157
TOTAL CURRENT ASSET HELD-FOR-SALE			371.339.723	416.124.391
LONG-TERM ASSETS:				
Financial Assets at Fair Value	8		2.555.950.042	2.347.770.631
Financial Assets at Amortized Cost	9		548.052.760	548.220.381
Investment in subsidiaries	12		2.876.024.495	2.250.399.479
Investments in associates	13		894.403.690	770.247.379
Property, Plant, Pipeline and Equipment:	14		81.218.536	74.794.100
Intangible Assets:				
Concessions	15		1.901.318.502	1.882.499.675
Other intangible assets	16		45.857.091	35.121.064
Total intangible assets:			1.947.175.593	1.917.620.739
Right-of-use	17		3.473.950	4.710.172
Investment properties			8.421.433	7.522.781
Other assets	11		919.634	1.435.140
TOTAL LONG-TERM ASSETS			8.915.640.133	7.922.720.802
TOTAL ASSETS		$	9.286.979.856	8.338.845.193
LIABILITIES				
CURRENT LIABILITY:				
Financial obligations	18	$	21.125.581	54.871.761
Outstanding bonds	19		141.285.843	16.122.511
Accounts payable	20		151.551.890	176.428.216
Employee benefits			8.426.697	9.425.751
Income Tax	21		48.972.407	39.689.034
Provisions	22		18.192.294	6.920.516
Other liabilities	23		23.851.299	23.871.207
TOTAL CURRENT LIABILITIES			413.406.011	327.328.996
LONG-TERM LIABILITIES:				
Financial obligations	18		664.498.689	558.527.673
Outstanding bonds	19		2.702.556.298	2.670.126.389
Employee benefits			995.433	1.416.026
Provisions	22		88.657.533	69.936.950
Deferred tax liability, net	21		432.036.358	404.262.841
TOTAL LONG TERM LIABILITIES			3.888.744.311	3.704.269.879
TOTAL LIABILITIES			4.302.150.322	4.031.598.875
EQUITY				
Subscribed and paid-in capital	24		113.491.861	113.491.861
Share underwriting premium			322.822.817	322.822.817
Reserves	24		1.104.531.328	919.938.631
Retained earnings			3.196.654.005	2.799.182.764
Other equity transactions			(11.550.462)	(11.552.442)
Other comprehensive income			258.879.985	163.362.687
TOTAL EQUITY			4.984.829.534	4.307.246.318
TOTAL LIABILITIES AND EQUITY		$	9.286.979.856	8.338.845.193

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

Juan Manuel Rojas Payán
Legal Representative

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

Rosangela Barrios Pantoja
Independent Auditor
Professional License No. 67994-T
Member of KPMG S.A.S.
(See my report of February 24, 2020)

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)

	Note		December 2021	December 2020
Revenue		$	796.889.940	739.418.482
Revenues from national concession contracts			156.930.530	220.375.256
Total Revenues	25		953.820.470	959.793.738
Cost of Sales			(298.102.983)	(247.169.297)
Cost of construction of national concession contracts			(156.930.530)	(220.375.256)
Total Cost of Sales	26		(455.033.513)	(467.544.553)
GROSS INCOME			498.786.957	492.249.185
Administrative and sales expenses	27		(133.646.967)	(115.484.264)
Interest in earnings of subsidiaries:				
National Subsidiaries			382.760.096	355.388.256
Foreign Subsidiaries			203.971.843	228.890.661
Total Interest in earnings of subsidiaries	12		586.731.939	584.278.917
Interest in earnings of associates:				
National Associates			117.987.011	111.280.760
Foreign Associates			140.394.209	102.449.172
Total Interest in earnings of associates	13		258.381.220	213.729.932
Impairment due to expected credit losses			(2.287.824)	(1.901.891)
Others, Net	28		(2.949.497)	(8.080.790)
OPERATING INCOME			1.205.015.828	1.164.791.089
Financial revenues	29		237.216.352	214.572.726
Financial expenses	30		(185.723.361)	(155.785.546)
Exchange difference (net)	31		2.654.136	144.334
EARNINGS BEFORE INCOME TAX			1.259.162.955	1.223.722.603
Income tax	21		(110.115.140)	(86.232.508)
NET INCOME		$	1.149.047.815	1.137.490.095
NET INCOME PER SHARE		$	1.012,51	1.002,33

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

Juan Manuel Rojas Payán
Legal Representative

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.
(See my report on February 22, 2022)

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

	Note		December 2021	December 2020
NET INCOME		$	1.149.047.815	1.137.490.095
OTHER COMPREHENSIVE INCOME				
Other comprehensive income not reclassified through profit or loss				
Fair value of equity instruments			(636.745)	829.561
Employee Benefits			294.061	49.068
Deferred tax	21		(46.320)	(92.181)
			(389.004)	786.448
Other comprehensive income reclassified through profit or loss				
Hedging transactions			(102.896.984)	(20.741.776)
Deferred Tax	21		32.003.916	5.053.712
			(70.893.068)	(15.688.064)
OTHER COMPREHENSIVE INCOME IN SUBSIDIARIES				
Other comprehensive income reclassified through profit or loss				
Fair value of equity instruments			1.135.781	4.345.210
Employee Benefits			118.237	16.772
Deferred Tax	21		(153.233)	(439.553)
			1.100.785	3.922.429
Other comprehensive income to be reclassified to profit or loss for the period				
Currency conversion adjustment			101.349.040	(1.276.762)
Hedging transactions			737.130	(683.543)
Deferred Tax	21		(165.236)	189.482
			101.920.934	(1.770.823)
OTHER COMPREHENSIVE INCOME IN ASSOCIATES				
Other comprehensive income reclassified through profit or loss				
Currency conversion adjustment			73.329.708	30.545.786
Hedging transactions			(9.552.057)	5.951.921
			63.777.651	36.497.707
TOTAL INCOME			95.517.298	23.747.697
TOTAL INCOME AND OTHER COMPREHENSIVE INCOME		$	1.244.565.113	1.161.237.792

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

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(See my report on February 22, 2022)

Promigas S.A. E.S.P.
SEPARATE STATEMENT OF CHANGES IN EQUITY
(In thousands of Colombian Pesos)

For the periods ended on:

					Cumulative Results						
	Note	**Subscribed and paid-in capital**	**Share Underwitin Premium**	**Reserves**	**Previuos Year Results**	**Net Income**	**First-time adoption effect**	**Total**	**Other equity transactions**	**Other comprehensive Income**	**Total Equity**
Balances as of December 2019		$ 113.491.861	322.822.817	713.490.405	(1.793.235)	811.152.629	1.505.587.115	2.314.946.509	(11.551.868)	139.614.990	3.592.814.714
Interest acquisition in non-controlling interest		-	-	-	-	-	-	-	(610)	-	(610)
Sale of interest to non-controlling interests		-	-	-	-	-	-	-	36	-	36
Creation of reserves	24	-	-	206.448.226	(206.448.226)	-	-	(206.448.226)	-	-	-
Declared cash dividends	24	-	-	-	(440.321.041)	-	-	(440.321.041)	-	-	(440.321.041)
Withholding tax on dividends declared		-	-	-	(6.484.573)	-	-	(6.484.573)	-	-	(6.484.573)
Transfers	24	-	-	-	811.152.629	(811.152.629)	-	-	-	-	-
Income and other comprehensive income		-	-	-	-	1.137.490.095	-	1.137.490.095	-	23.747.697	1.161.237.792
Balances as of December 2020		113.491.861	322.822.817	919.938.631	156.105.554	1.137.490.095	1.505.587.115	2.799.182.764	(11.552.442)	163.362.687	4.307.246.318
Balances as of December 2020		$ 113.491.861	322.822.817	919.938.631	156.105.554	1.137.490.095	1.505.587.115	2.799.182.764	(11.552.442)	163.362.687	4.307.246.318
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	21	-	-	-	(49.925.470)	-	-	(49.925.470)	-	-	(49.925.470)
Cash dividends declared	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 for dividends transfer to shareholders		-	-	-	14.743.573	-	-	14.743.573	-	-	14.743.573
Transfers	24	-	-	-	1.137.490.096	(1.137.490.096)	-	-	-	-	-
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	542.019.076	1.149.047.814	1.505.587.115	3.196.654.005	(11.550.462)	258.879.985	4.984.829.534

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

Juan Manuel Rojas Payán
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(See my report on February 22, 2022)

Promigas S.A. E.S.P.
SEPARATE STATEMENT OF CASH FLOWS
(In thousands of Colombian Pesos)

	Note	December 2021	December 2020
Cash flows from operating activities:			
Net Income		$ 1.149.047.815	1.137.490.095
Adjustments to reconcile net income with net cash provided by Operating Activities:			
Depreciation	14, 17	7.775.106	8.044.732
Amortization of intangibles	15, 16	148.910.993	124.858.445
Accrued interest	18, 19, 22	187.944.871	158.652.260
Hedging transactions		(20.570.368)	18.857.036
Accrued yield		(44.314.817)	(32.067.798)
Update financial assets	29	(208.816.155)	(199.428.206)
Income by equity method	12, 13	(845.113.159)	(798.008.849)
Impairment of			
Investment in Subsidiaries	12	6.574	-
Inventories		248.144	55.753
Accounts receivable, net	9	2.870.491	1.901.891
Property, plant and equipment	14	-	1.964
Other intangible assets	16	4.849.870	2.295.790
Accrued Provisions	22	21.012.594	3.606.846
Exchange difference for foreign currency transactions	31	3.610.332	(19.001.370)
Gain on sale of:			
Fixed income negotiable investments		(173)	-
Goods held for sale		-	(1.241.065)
Property, plant and equipment	14	(172.428)	(81.100)
Loss for derecognition of:			
Property, plant and equipment	14	41.245	74.505
Concessions	15	2.712.939	5.938.994
Intangible Assets	16	57.154	783
Valuation of:			
Investment properties		(21.923)	(251.560)
Wealth tax		110.115.140	86.232.508
Changes in assets and liabilities:			
Accounts receivable		33.782.426	(303.266.466)
Inventories		(5.051.269)	(5.419.659)
Equity instruments through profit or loss		37.824.634	(54.480.423)
Other assets		5.019.325	(3.031.443)
Accounts payable		(13.429.740)	(12.632.355)
Employee benefits		(1.125.278)	571.726
Other liabilities		11.366.269	24.984.772
Wealth tax		(49.789.557)	(14.686.456)
Yields received		34.192.712	25.450.174
Interest paid	18, 19	(161.259.353)	(185.714.188)
Net cash provided by operating activities		411.724.414	(30.292.664)
Cash flow from investment activities:			
Acquisition of:			
Property, plant and equipment	14	(12.346.713)	(8.370.525)
Investment properties		(876.198)	(639.779)
Investment in subsidiaries	12	(200.592.891)	(106.933.181)
Concessions	15	(149.306.600)	(191.435.049)
Other intangibles	16	(19.287.561)	(7.920.862)
Result from the sale of::			
Property, plant and equipment	14	187.367	81.100
Goods held for sale		-	1.900.000
Investment in subsidiaries		3.825	-
Dividends received from investments in companies	12, 13	412.729.406	379.712.089
Net cash used in investment activities		30.510.635	66.393.793
Cash flow from financing activities :			
Paid dividends		(505.367.144)	(436.786.443)
Acquisition of financial obligations	18	367.500.000	546.987.600
Payment of financial obligations	18	(302.008.815)	(666.354.071)
Bond Issue	19	-	715.634.057
Bond payment	19	-	(199.821.000)
Net cash provided for financing activities		(439.875.959)	(40.339.857)
Net increase (net decrease) of cash and cash equivalents		2.359.090	(4.238.728)
Effect on cash exchange difference		1.878.131	3.367.838
Cash initial balance		72.974.277	73.845.167
Cash ending balance		$ 77.211.498	72.974.277

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

Juan Manuel Rojas Payán
Legal Representative

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.
(See my report on February 22, 2022)

(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 2021			December 2020		
	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%	92.97%	7.03%	100.00%
Gases del Norte del Perú S.A.C.	98.92%	1.08%	100.00%	75.00%	25.00%	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%	0.00%	0.00%	0.00%
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.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

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

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).

1.1 OTHER AFFAIRS

COVID-19

The outbreak of COVID-19 and its rapid spread around the world since the start of 2020 has had adverse effects on the social and economic environment of the countries where Promigas carries out its operations and business. The Colombian government has found it necessary to implement controls to try to mitigate the rapid spread of the virus such as decreeing preventive confinements, restricting mobility and transportation, suspending or regulating the provision of services considered non-essential, promoting and disseminating strict sanitary measures, and promoting changes in the traditional work scheme, which has implied major changes in the usual dynamics with which Promigas has provided its services to the public. This translates into a need for continuous evaluation of the impact for the Company, as the pandemic continues, the government responds to the impact of the economic slowdown that occurred at the beginning and that during 2021 has been reversed in most countries.

As it was done during 2020, for 2021 this situation was continuously monitored by the management of Promigas, evaluating any adverse effect that could occur both in the results of operations and the financial situation and liquidity of the Company, and following up on the measures adopted that allowed to continue minimizing the unfavorable impacts of this situation.

Throughout 2021 and up to the date of this report, the matters mentioned below have been evaluated, which in some cases have generated impacts on the financial statements and operations of Promigas and on which during the period subsequent to the date of these financial statements and up to the date of issuance thereof, continue to be monitored by management to address their effects on the operations of the Company and its customers.

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

Impairment of financial instruments - Loans and receivables, other accounts receivable and others

The financial instruments that are within the scope of the expected credit loss (ECL) model of IFRS 9 (credit portfolio, trade and other receivables, debt instruments not measured at fair value through profit or loss, contractual assets, lease receivables, financial guarantees and loan commitments), have been evaluated considering the impacts that COVID-19 continues to have on ECL due to the measures adopted by the Colombian government in each of the countries and regions where the Companies operate.

The impacts that have been generated for the Company in relation to the impairment of financial instruments are based on the following aspects:

- Measurement of the ECL, due to changes in the assignment of credit risk of financial instruments, incorporating analysis of affectation by COVID and due to the termination of the relief granted to a segment of debtors generating an impact on impairment, going from measurement for 12 months (stage 1) to measurement for the remaining life of the instrument (stages 2 and 3) for those in which it is determined that there was an increase in credit risk since their initial measurement.
- The credit risk which has varied for the entity according to the economic segments of its portfolio, increasing in the case of customers whose businesses were negatively affected and did not achieve a partial or total recovery of their activity during the year 2021.
- The estimated loss for those loans that are evaluated on an individual basis, resulting from the lower recovery of flows considering the impact caused by COVID-19.
- Macroeconomic aspects considered in the elaboration of scenarios and models for the calculation of the impairment, where most of the variables have shown a recovery while some have been weakened in view of the effects of COVID-19 on the economy.

The calculation of expected losses for credit risk continues to incorporate the updating of the projections of prospective information, in line with the effects of the decisions that governments continue to make regarding COVID-19 and the prospects for economic recovery in some countries. The projection information has been based on the best available information obtained, considering the different geographical areas where the company operates, and considering the effects on segments of the different entities, which are exposed to different risks and situations.

When considering the prospective information based on macroeconomic variables for Colombia, the scenarios used and the probabilities assigned to them as of December 31, 2021, were updated at the AVAL Group level, with the effects shown in the following table:

	2021	**2020**		
	Actual scenario	Scenario A	Scenario B	Scenario C
Inflation	5.6%	2.3%	2.7%	3.1%
Interest rate	3.0%	1.8%	2.3%	2.8%

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

GDP growth	10.6%	3.9%	4.9%	5.8%
Unemployment rate	11.0%	16.3%	14.4%	12.9%

Macroeconomic projections were updated quarterly reflecting the impact of the COVID-19 pandemic and based on expectations resulting from information available at the date of the projections.

The Company continues to monitor on an ongoing basis information that will allow them to identify on time potential impacts to the ECL.

The following table summarizes the total impairment balance by type of portfolio as of December 31, 2021, and December 31, 2020.

		As of December 31, 2021		**As of December 31, 2020**		**Variation December vs December**
Brilla	$	(15,251,898)	$	(14,293,109)	$	(958,789)
Gas transportation		(7,671)		(7,196)		(475)
Other receivables		(91,988)		(104,857)		12,869
Total	**$**	(15,351,557)	$	(14,405,162)	$	(946,395)

Impairment expense by type of portfolio as of December 31, 2021 and 2020.

		As of December 31, 2021		**As of December 31, 2020**		**Variation December vs December**
Brilla	$	(1,900,290)	$	(2,894,488)	$	994,198
Gas transportation		486,368		1,851,223		(1,364,855)
Other receivables		(873,902)		(858,626)		(15,276)
Total	$	(2,287,824)	$	(1,901,891)	$	(385,933)

Customer Relief

With CREG Resolution 042, transitory measures were taken in relation to the modification by mutual agreement of prices and quantities of the current gas supply and transportation contracts subscribed in accordance with the provisions of CREG Resolution 114 of 2017.

As a result, of such negotiations, the parties agreed on the temporary modifications to the Transportation Contract.

As of December 31, 2020, Promigas had an impact reflected as a lower value of its revenues in the amount of $11,457,000, due to the reliefs granted to its customers during the period between April and

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

September 2020. During 2021, no new reliefs were granted to customers in the Transportation Strategic Business Group.

Other matters

Due to the effects caused by the Covid-19 pandemic, in April 2020 Promigas met the requirements to access the support programs led by the National Government to address COVID-19. The company applied to receive resources that were recognized in the financial statements under the premises defined for government grants, including the items listed below:

Formal Employment Support Program - PAEF.

Name	Sent to Pension and Parafiscal Management Unit	Pension and Parafiscal Management Unit Response	Number of approved employees	Credit value
Promigas S.A. E.S. P	YES	approved	390	136,890

Impairment of assets - Capital gains, Property, plant and equipment and Intangibles (including intangible asset model concession arrangements).

As of December 31, 2021 and 2020, the Company did not identify any impairments of financial assets measured at fair value, other non-financial assets such as investments measured by the equity method, fixed and intangible assets or inventories, material impacts from reliefs received as lessees in lease agreements or situations that would have implied the occurrence of present obligations arising from the effects of COVID-19 and that at that date had a high probability of an outflow of resources.

Investment properties

The fair value of investment properties is determined by independent, external property appraisers who have appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

As of December 31, 2021, the appraisers did not disclose any material modifications to the assumptions used in estimating the valuations performed with respect to the prior year, nor did they report any “material valuation uncertainties” due to the market disruption caused by the pandemic, which could result in a reduction in transactional evidence and market returns. Accordingly, no significant impact of COVID-19 on the determined fair value is currently considered.

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

2. BASES OF ACCOUNTING

2.1 Technical Normative Framework

The separate financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (CFRS), 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 and 938/2021. 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 and issued in the second half 2020.

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 deferred 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.

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 2021	December 2020
Closing	$	3,981.16	3,432.50

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

Monthly averages:

2021			**2020**		
January	$	3,494.53	January	$	3,317.37
February		3,552.43	February		3,408.24
March		3,617.00	March		3,870.01
April		3,693.00	April		3,986.56
May		3,741.96	May		3,863.34
June		3,651.85	June		3,693.00
July		3,832.24	July		3,660.60
August		3,887.68	August		3,788.10
September		3,820.28	September		3,749.86
October		3,771.68	October		3,833.06
November		3,900.51	November		3,680.67
December	$	3,967.77	December	$	3,468.50

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 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 (d) - classification of financial assets: evaluation of the business model within which assets are held and evaluation of whether the contractual terms of the financial assets are only payments of principal and interest on the amount of pending principal.
- Note 4 (e) - Note 5 (d) - 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 on assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment in the year ended December 31, 2021, is included in the following notes.

- Note 4 (e) - Note 5 (d) - 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 (d) - 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.
- Note 21 - Recognition of deferred tax assets: availability of future tax gains against which extendable tax losses can be offset.
- Notes 4 (r) - Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the probability and magnitude of an outflow of resources.

4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and bases established below have been applied consistently 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.

The equity method is an accounting method based on which the investment is recorded initially at cost and then 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.

c) Dividends

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 balance sheet as a reduction of investment because it is accounted for using the equity method of investment. Revenue from dividends is recognized through profit or loss for the period when it comes from investments recognized as equity instruments, where Promigas has no significant influence or control.

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 in equity. Dividends are recognized as revenue in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Fair value through profit or loss (FVTPL)	All financial assets not classified as measured at amortized cost or at fair value through OCI as described above are measured at fair value through profit or loss. Interest revenue calculated using the effective interest rate method, foreign exchange gains and impairment losses are recognized though profit or loss. Other net gains and losses from valuations are recognized in OCI. For

derecognitions, accumulated gains and losses in OCI are reclassified to realized gains or losses of OCI.

Derecognition

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

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

Financial Liabilities

A financial liability is any contractual obligation to deliver cash or other financial asset to another entity or person or to exchange 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 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 in the Balance Sheet

Financial assets and liabilities are offset and the net amount is reported in the 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 the account other comprehensive income in equity. 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 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 the account 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 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 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 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 elements are measured at cost less cumulative depreciations and cumulative amounts and any impairment losses suffered. Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of assets built by the Company 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:

Type of asset	Years
Buildings	50
Machinery, Equipment and Tools	10
Transport equipment	5
Computer and communication equipment	3 a 5
Furniture, fixtures and office equipment	2-10
Important spare parts	Associated with the component

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**
Prepaid expenses	In accordance with the conditions established for the provision of the service
Licenses	3 to 5 years
Software	3 to 5 years
Easements	50 years
Patents	20 years
Designs and Models	10 years
Other intangibles	5 to 20 years

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

The Company 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 and its subsidiaries recognize revenue and its contra entry, the intangible, in accordance with the following alternatives:

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

Given the above, management defined that:

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

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

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:

Pipelines	In accordance with the concession agreement of the asset.

Compressor Stations (Components)	**Years**
Centrifugal compressors	
Turbine	30,000 machine hours *
Compressor	60,000 machine hours *
Reciprocating compressors	
Turbine	20,000 machine hours *
Compressor	40,000 machine hours *
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
Important spare parts	Associated with the component

* An equivalence is calculated by taking the utilization rate of each compressor station.

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 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 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 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.

Recognition of Taxable Temporary Differences

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.

Recognition of Deductible Temporary Differences

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 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.

Measurement

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.

The company reviews at the end of the reporting period the carrying value of the deferred tax assets, in order to reduce such value so that it becomes unlikely that there will be sufficient future taxable income to offset them.

The Company’s non-monetary assets and liabilities are measured in terms of its functional currency. If tax losses or profits are calculated in a different currency, exchange rate differences give rise to temporary differences and the recognition of a liability or a deferred tax asset and the resulting effect is charged or credited to profit or loss for the period.

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.

Offset and Classification

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.

In application of Article 76 of Act 1943 of 2018, the Company recognized as an expense for the year the total industry and trade tax caused in the year, the value for tax discount is treated as a non-deductible expense in the determination of income tax in the year, the tax discount applied decreases the value of the current income tax expense for the period.

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

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

“Smart Pig or Smart Tool” Provision

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

- Macroeconomic projections are reviewed at the beginning of each year, or at the 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;
- Other accounts receivable.

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.

Operation and construction services (Concessions)

In the case of concessions where cash payment for the constructed assets is not guaranteed, Promigas and its subsidiaries recognize the revenues and their conra entry, the intangible asset, in accordance with the following alternatives:

d) fair value of the intangible asset using a financial model.
e) 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.
f) 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:

3) Alternatives a and b: applies to those infrastructure projects that involve capacity expansion and guarantee the generation of additional future flows, will be recognized in accordance with the defined financial model, considering the expected future flows, as well as the uncertainties inherent to the valuation process or with a margin that remunerates in addition to the construction, any additional effort for its management. The company shall document and disclose the judgments considered.
4) 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.

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

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 and Energy 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 revenues are generated through fees that are indexed in US dollars, transport service invoices are issued in Colombian pesos and settled with the exchange rate at the time of invoice, while 95% of costs are in Colombian Pesos. Therefore, the exchange rate variation may positively or negatively affect income.

The exchange rate exposure is 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.

With respect to inflation, IBR, DTF, UVR and LIBOR, 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.

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

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 US 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, expressed in Colombian pesos are:

		December 2021		December 2020	
		Dollars	**Thousands of COP $**	**Dollars**	**Thousands of COP $**
Current assets	$	2,258,644	8,994,397	4,045,156	13,888,532
Noncurrent assets		41,269,542	164,300,649	44,485,625	152,696,908
Total assets		43,528,186	173,295,046	48,530,781	166,585,440
Current liabilities		(3,531,778)	(14,083,820)	(12,440,318)	(42,712,052)
Long-term liabilities		(236,533,652)	(941,678,313)	(236,785,172)	(812,765,101)
Total liabilities		(240,065,430)	(955,762,133)	(249,225,490)	(855,477,153)
Net asset (liability) position	$	(196,537,244)	(782,467,087)	(200,694,709)	(688,891,713)

Revenues received by the Company for the gas transport service are determined by the dollar rate. The sensitivity due to the effect of the dollar in revenues is as follows:

Dollar fluctuation effects:

Variable	Scenario	Devaluation	Impact		Value (in millions)
Exchange Rate	Low	+ 4.00%	Ebitda	$	9.998
			Net Income/Equity		6.692
	Medium	0.00%	Ebitda		-
			Net Income/Equity		-
	High	- 4.00%	Ebitda		(9.998)
			Net Income/Equity	$	(6.692)

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 400 points is considered.

Hedge Accounting of Expected Income Cash Flows

Promigas, as part of its risk strategy, aims to cover the risk exposure of its financial items. One of them is the exchange rate variation. Transactions that have been identified and generate said exposure include revenues from the gas transportation and distribution service under a regulated rate in US dollars and existing financial liabilities for the valuation periods during their useful life and until their settlement. To mitigate the foreign exchange risk, the Company takes hedge positions with non-deliverable forwards to cover expected cash flows based on the income projection, as well as financial liabilities, as they are existing items in the statement of financial position. The company policy consists on ensuring at least the budgeted income, neutralizing the exchange rate risk without speculating on the currency.

Promigas contractually monetizes the monthly billing with the average and final Exchange Rate for the month, so hedge agreements must replicate the Exchange Rate of the contract.

Through non-deliverable forwards, hedges are contracted for revenues at Average and Final Exchange Rate, the Company has the option to take as much forwards as there are business days in a month, given that these are negotiated (settled) daily, with an averaged base of the revenues wishing to cover, to which different strike rates apply. At the end of the month, the average rate with which the revenues are contractually settled is simulated with the sum of the settled forwards. In the case of Final Exchange Rate contracts, a single contract is closed with settlement on the last business day of the month, based on the Final Exchange Rate income to be hedged.

The Company’s risk management strategy consists on adjusting the value of the hedge instrument periodically, so it reflects the changes in the hedged position. In order to measure the efficiency expected at the beginning of the hedge and the actual efficiency during the hedge period, the Market to Market-MtM valuation and the Dollar Offset method will be used under an efficiency range of 80-125 percent.

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 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 loss applied to standard 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 obligatio
- 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.

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:

Considering the user segments targeted by the Brilla program, credit limits are assigned based on the criteria established in the Non-Bank Financing Policy and are increased annually according to the behavior of the CPI in the country. In 2021, the base credi limits were standardized among all distributors and average limits of $2,817,000 for strata 1 to 3 and an average of $4,517,000 for strata 4 to 6 were assigned. The past-due portfolio indicator is monitored by locality to control portfolio impairment.
As of December 31, 2021, the Brilla portfolio of Promigas decreased by 30%, 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.

As of 2021 year end, there is a significant increase in current liabilities, a variation mainly attributed to the maturity of a series of Bonds issued in 2015 for $120,000,000 (30% of current liabilities). At the time of refinancing this debt, our Balance Sheet would be rebalanced, since the new debt would be transferred to Long-Term Liabilities and working capital would be adjusted. At the consolidated level, the available credit limits with local and international banks amount to $2.9 trillion, which can be used when required, and additionally, the company has $200,000,000 available from the Local Bond Issuance Program. Promigas has a solid financing strategy, investment grade risk rating by Fitch Ratings (Domestic: AAA; International: BBB-) and Moody's (International: Baa3) and constant cash income generation that allows it to secure the necessary resources and liquidity to ensure the continuity of the operation.

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

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, 2021, the financial debt consisted of 39.0% CPI, 27.3% fixed rate, 17.1% IBR, 14.3% UVR and 2.3% 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	3.36%	Net Income/Equity	$	(485,040)
DTF	Medium	4.36%	Net Income/Equity		-
	High	5.36%	Net Income/Equity	$	485,040

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	8.00%	Net Income/Equity	$	(8,187,954)
CPI (1)	Medium	9.00%	Net Income/Equity		-
	High	10.00%	Net Income/Equity	$	8,187,954

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

(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	2.90%	Net Income/Equity	$	(3,582,815)
IBR	Medium	3.90%	Net Income/Equity		-
	High	4.90%	Net Income/Equity	$	3,582,815

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 Measurement 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:hj

Net Income Impact	**High**	**Low**
	Figures in millions	
Discount Interest Rates	(75,318)	78,605
Gradual growth into perpetuity	49,820	(48,039)
	%	
Discount Interest Rates	(6.0%)	6.2%
Gradual growth into perpetuity	4.0%	(3.8%)

The valuations of financial assets are considered at Level 3 of the hierarchy in the measurement of fair value.

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

Fair Value Measurements on a Recurring Basis

Fair value measurements on a recurring basis are those that the CFRS require or allow in the 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 2021		December 2020	
		Level 2	Level 3	Level 2	Level 3
Assets					
Hedging (1)	$	287,742	-	6,043,961	-
Equity instruments through profit or loss (1)		-	-	2,222,731	-
Debt instruments at fair value (1)		51,254,000	-	119,231,538	-
Financial instruments through OCI (1)		5,635,011	-	6,271,756	-
Long-term financial assets (1)		-	2,550,315,031	-	2,341,498,875
Investment properties		-	8,421,433	-	7,522,781
	$	57,176,753	2,558,736,464	133,769,986	2,349,021,656

(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 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.

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, 2021 and 2020, there was no transfer of assets or liabilities initially classified in Level 3.

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

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

	$	Investment Properties	Financial Assets
Balance as of December 2019	$	6,631,129	2,142,070,669
Capitalized purchases or expenses (net)		640,092	-
Earnings included in profit or loss		251,560	199,428,206
Balance as of December 31, 2020	$	7,522,781	2,341,498,875
Capitalized purchases or expenses (net)		876,729	-
Earnings included in profit or loss		21,923	208,816,156
Balance as of December 31, 2021	$	8,421,433	2,550,315,031

7. CASH

Cash consists of the following:

		December 2021	December 2020
Colombian Pesos			
Cash	$	32,590	34,010
Related banks (1)		12,240,264	13,092,084
Banks (1)		62,976,346	59,222,112
Total Colombian Pesos		75,249,200	72,348,206
Foreign currency			
Cash		245,856	127,848
Banks (1)		1,716,442	498,223
Total foreign currency		1,962,298	626,071
Total cash	$	77,211,498	72,974,277

(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 2021	December 2020
AAA	$	66,747,625	67,498,164
AA+		10,185,427	4,816,032
A+		-	498,223
TOTAL	$	76,933,052	72,812,419

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 2021	December 2020
Short-term:			
Other equity securities	$	51,254,000	121,454,269
Other accounts receivable at fair value (1)		287,742	6,043,961
	$	51,541,742	127,498,230
Long-term:			
Equity instruments through OCI	$	5,635,011	6,271,756
Financial assets – Concession contract		2,550,315,031	2.341,498,875
	$	2,555,950,042	2.347,770,631

(1) Derivatives - Hedging Derivatives:

a) *Description of the type of hedge*: Sales FWD Non-delivery, hedging cash flow of a group of highly probable forecasted transaction and and FWD Non-delivery of purchase, fair value coverage of existing items on the balance sheet, the latter were settled in April 2021.
b) *Description of financial instruments assigned as hedging instruments:* hedging cash flow of a group of highly probable forecasted transaction. Fair value hedge of existing items on the balance sheet, the latter were settled in April 2021.
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, due to fluctuations in the COP-USD parity. USD/COP foreign exchange risk from the existence of accounts payable, and the valuation periods during the life of this item, until payment, the latter were settled in April 2021.
d) *Description of the periods in which the expected cash flows occur and fair value:* As of December 31, 2020, Promigas has contracted 20 forwards with a weighted average of agreed strikes of $ 3,690.54 in USD sales and 3 forwards with a weighted average of agreed strikes of $4,116.63 in USD purchases. We can see that the Company was effective in contracting, the latter were settled in April 2021.
e) *Description of the periods in which the expected cash flows affected profit or loss:* During 2020, the profit and loss account was affected by the settlement of the contracts. Despite the good hedging, the average exchange rate behavior was greater than the contracted rate; for which reason, we see expenditures for FWD settlements.
f) *Counterparty:* Banks and financial entities.

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

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

		December 2021	December 2020
Number of operations		3	23
Nominal in dollars		8,255,573	55,813,086
Local amount		33,371,403	218,763,167
Fair value:			
Assets		287,742	6,043,961
Liabilities (1)		-	21,768,691
Total average term in days		61	202
Average remaining term in days		59	152
Hedged item	US$	8,255,573	55,813,086

(1) See note 20 - Accounts Payable

Prices specified in forward contracts:

Cumulative time bands		December 2021	December 2020
Up to 1 month	$	21,290,539	8,986,045
From 2 to 3 months		12,080,864	32,144,971
From 3 to 12 months		-	177,632,151
Total	$	33,371,403	218,763,167

As of December 31, 2021 and 2020, 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. The effect of the settlement of forwards for the years ended with a loss as of December 31, 2021 for 25,819,438 and a profit in 2020 for 20,667,305.

According to IFRS 9 - Financial Instruments, financial assets are measured at fair value for each reported period. This measurement is based on the application of IFRS 13 – Fair Value Measurement.

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

9. FINANCIAL ASSETS AT AMORTIZED COST

Below is a breakdown of financial assets at amortized cost:

		December 2021	December 2020
Short-term			
Accounts receivable (1)	$	146,415,053	144,000,512
Other accounts receivable (2)		55,346,601	34,548,444
	$	201,761,654	178,548,956
Long-term			
Accounts receivable (1)	$	110,600,057	128,916,230
Other accounts receivable (2)		437,452,703	419,304,151
	$	548,052,760	548,220,381

(1) Commercial accounts receivable are detailed below:

		December 2021			December 2020		
		Third Parties	Related parties	Total	Third Parties	Related parties	Total
Short-term							
Gas transportation	$	64,614,957	30,476,879	95,091,836	64,431,532	11,034,455	75,465,987
Gas Distribution		-	2,730,237	2,730,237	-	1,479,450	1,479,450
Non-bank financing (Brilla)		39,680,743	4,984,217	44,664,960	63,288,163	1,700,707	64,988,870
Finance lease - including interest (a)		-	8,791,622	8,791,622	-	6,179,607	6,179,607
Other services		94,406	1,183,731	1,278,137	240,872	2,110,718	2,351,590
		104,390,106	48,166,686	152,556,792	127,960,567	22,504,937	150,465,504
Debtor impairment		(6,141,739)	-	(6,141,739)	(6,464,992)	-	(6,464,992)
	$	98,248,367	48,166,686	146,415,053	121,495,575	22,504,937	144,000,512
Long-term							
Non-bank financing (Brilla)	$	58,055,972	-	58,055,972	76,622,631	-	76,622,631
Finance lease (a)		-	61,661,915	61,661,915	-	60,128,912	60,128,912
		58,055,972	61,661,915	119,717,887	76,622,631	60,128,912	136,751,543
Debtor impairment		(9,117,830)	-	(9,117,830)	(7,835,313)	-	(7,835,313)
		48,938,142	61,661,915	110,600,057	68,787,318	60,128,912	128,916,230

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

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

		December 2021	December 2020
Gross investment (COP)	$	95,427,993	89,652,118
Net investment (COP)	$	70,453,537	66,308,519
Balance (USD)	US$	17,459,743	19,299,948

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

Year		Value
2023	$	66,396,916
2024		8,983,751
2025		9,665,132
2026		10,387,388
2027 onwards		24,284,700
	$	119,717,887

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

		December 2021	December 2020
Maturity 0 - 30 days	$	242,255,670	283,476,070
Maturity 31 - 90 days		13,149,222	3,725,211
Maturity 91 - 180 days		5,206,237	9,439
Maturity 181 - 360 days		6,593,483	6,327
Maturity over 360 days		5,070,067	-
	$	272,274,679	287,217,047

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.

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

(2) Other receivables are detailed below:

		December 2021			December 2020	
	Third parties	Related Parties	Total	Third parties	Related Parties	Total
Short-term						
Granted loans	$ 1,068,323	2,687,102	3,755,425	1,240,167	2,213,670	3,453,837
Dividends receivable (a)	-	51,305,283	51,305,283	-	23,115,434	23,115,434
Other debtors	311,227	30,209	341,436	931,166	7,094,879	8,026,045
	$ 1,379,550	54,022,594	55,402,144	2,171,333	32,423,983	34,595,316
Loan impairment (b)	(55,543)	-	(55,543)	(46,872)	-	(46,872)
	1,324,007	54,022,594	55,346,601	2,124,461	32,423,983	34,548,444
Long-term						
Loans granted	$ 4,260,914	433,228,234	437,489,148	2,384,627	416,977,509	419,362,136
Loan impairment (b)	(36,445)	-	(36,445)	(57,985)	-	(57,985)
	4,224,469	433,228,234	437,452,703	2,326,642	416,977,509	419,304,151

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

	December 2021	December 2020
Promioriente S.A. E.S.P.	$ 18,360,996	-
Gases de Occidente S.A. E.S.P.	-	4,440,476
Compañía Energética de Occidente S.A. E.S.P.	13,278,062	7,719,702
Promisol S.A.	19,666,225	10,955,256
	$ 51,305,283	23,115,434

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

	December 2021	December 2020
Opening balance	$ (14,405,162)	(14,726,436)
Impairment charged to expense	(5,182,592)	(10,376,764)
Write-off	1,924,096	2,223,165
Recovery of other accounts receivable previously written off	(582,667)	-
Reimbursement of impairment credited to income	2,894,768	8,474,873
Closing balance	$ (15,351,557)	(14,405,162)

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

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

Year		Value
2023	$	8,077,816
2024		1,160,232
2025		93,645,268
2026		1,126,349
2027 onwards		333,479,483
	$	437,489,148

10. INVENTORIES

Below is the breakdown of the inventories:

		December 2021	December 2020
Materials for the provision of services	$	20,211,039	14,869,681
In-transit inventories		120,229	713,646
		20,331,268	15,583,327
Inventory impairment		(14,339)	(69,523)
Total	$	20,316,929	15,513,804

11. OTHER ASSETS

Below is the breakdown of other assets:

		December 2021	December 2020
Short term			
Prepaid expenses	$	13,238,494	15,680,806
Prepayments or balances in favor for other taxes	$	1,425	437
Short-Term Judicial Deposits		3,437,655	2,390,724
		16,677,574	18,071,967
Long term			
Long-term prepaid expenses		919,634	1,435,140
	$	919,634	1,435,140
	$	17,597,208	19,507,107

12. INVESTMENT IN SUBSIDIARIES

Description and Economic Activity of Subsidiaries

Surtidora de Gas del Caribe S.A. E.S.P. (Surtigas) - The corporate purpose of the company is the purchase, storage, packaging and distribution of gases derived from hydrocarbons; the construction and exploitation of pipelines for industrial, commercial and household natural gas; and the purchase and sale of items, services and artifacts related to the sale and distribution of fuel gases and the like. The Company conducts its activities in the Departments of Bolivar, Sucre and Cordoba and in some towns of the Departments of Antioquia and Magdalena. It is headquartered in the city of Cartagena. Promigas, through Surtigas S.A. E.S.P., owns 24.99% 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. - 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. - The corporate purpose of the company is the investment in construction, maintenance and management of ports, loading and unloading, storage in ports and other services directly related to the port activities performed in the Port of Cartagena. It is headquartered in the city of Cartagena.

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

Compañía Energética de Occidente S.A.S. 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. - 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. - The corporate purpose of the company 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. and 95% of Promisol México S.A. de C.V.

Promisol Mexico S.A. de C.V. - Its corporate purpose is the implementation of energy management systems, development of energy diagnostics, formulation and implementation of on-site or distributed generation projects, change or substitution of technology, predictive energy maintenance programs and comprehensive advice on energy management, purchase, sale, distribution, exploitation, trade of products, professional and technical services. It is headquartered in Mexico City, Federal District.

Enlace servicios compartidos 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)

In subsidiaries	Economic activity	Number of shares	Interest %	Book value	Revenues (expenses) equity method	Unrealized earnings (losses) OCI
As of December 31, 2021						
Local subsidiaries						
Surtigas S.A. E.S.P.	Gas distribution	62,900,742	99.99%	$ 771,664,648	108,229,580	5,365,181
Transoccidente S.A. E.S.P.	Gas transportation	146,464	79.00%	10,249,915	2,977,815	(25,208)
Gases de Occidente S.A. E.S.P.	Gas distribution	1,830,454	94.43%	446,480,572	126,568,926	179,509
Transmetano E.S.P. S.A.	Gas transportation	1,460,953,304	99.67%	210,869,515	44,284,497	(346,839)
Promisol S.A.S.	Services	19,274,944	100.00%	78,079,994	17,190,086	(120,443)
Compañía Energética de Occidente S.A.S. E.S.P.	Sale of electricity	3,185,000	49.00%	66,572,557	27,737,194	120,730
Promioriente S.A. E.S.P.	Gas transportation	883,229,859	73.27%	280,074,630	40,745,915	(796,862)
Sociedad Portuaria El Cayao S.A. E.S.P.	LNG regasification	20,399,997	51.00%	159,703,680	13,798,947	19,187,289
Enlace Servicios Compartidos S.A.S.	Services	14,279,123	100.00%	14,839,490	1,227,136	-
				2,038,535,001	382,760,096	23,563,357
Subsidiaries abroad						
Gases del Pacifico S.A.C.	Gas distribution	263,061,167	92.97%	410,046,757	10,517,544	51,403,193
Gases del Norte del Perú S.A.C.	Gas distribution	4,366,822	75.00%	378,539,378	193,486,112	22,327,795
Promigas Perú S.A. (1)	Gas distribution	55,534,944	100.00%	48,849,570	(25,963)	5,723,766
Promigas Panamá Corporation	Gas distribution	150	100.00%	53,789	(5,850)	3,608
				837,489,494	203,971,843	79,458,362
Total investment in subsidiaries				$ 2,876,024,495	586,731,939	103,021,719
As of December 31, 2020						
Local subsidiaries						
Surtigas S.A. E.S.P.	Gas distribution	62,900,742	99.99%	$ 698,872,634	96,527,144	3,795,738
Transoccidente S.A. E.S.P.	Gas transportation	146,464	79.00%	9,978,276	2,502,651	14,818
Gases de Occidente S.A. E.S.P.	Gas distribution	1,830,454	94.43%	388,205,578	98,754,254	(124,632)
Transmetano E.S.P. S.A.	Gas transportation	1,460,953,304	99.67%	204,521,090	39,388,692	198,509
Promisol S.A.S.	Services	19,274,944	100.00%	95,342,305	11,226,814	21,527
Compañía Energética de Occidente S.A.S. E.S.P.	Sale of electricity	3,185,000	49.00%	60,012,000	25,729,845	(120,730)
Promioriente S.A. E.S.P.	Gas transportation	883,229,859	73.27%	316,786,193	59,267,989	450,307
Sociedad Portuaria El Cayao S.A. E.S.P.	LNG regasification	20,399,997	51.00%	127,472,244	21,490,037	2,411,139
Enlace Servicios Compartidos S.A.S.	Services	14,279,123	100.00%	13,552,167	500,830	-
				1,914,742,487	355,388,256	6,646,676
Subsidiaries abroad						
Gases del Pacifico S.A.C.	Gas distribution	263,061,167	92.97%	284,236,455	208,404,183	(3,635,703)
Promisol México S.A. de C.V.	Services	68,000	5.00%	10,399	-	-
Gases del Norte del Perú S.A.C.	Gas distribution	4,366,822	75.00%	26,484,071	22,630,514	48,166
Promigas Perú S.A. (1)	Gas distribution	55,534,944	100.00%	24,926,067	(2,144,036)	(907,533)
				335,656,992	228,890,661	(4,495,070)
				$ 2,250,399,479	584,278,917	2,151,606

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

Below is a summary of investment operations:

	December 2021	December 2020
Opening balance	$ 2,250,399,479	1,768,922,319
Capitalizations and acquisitions	200,592,891	106,933,181
Return of contributions Promisol Mexico	(3,825)	-
Dividends declared by companies (1)	(251,596,817)	(211,879,018)
Equity method through profit or loss	586,731,939	584,278,917
Valuations recognized through OCI for the period	103,021,719	2,151,606
Equity method in transactions with non-controlling interests	1,980	(575)
Equity method for deferred tax rate change recognized in retained earnings	(12,899,822)	-
Impairment charged to expense	(6,574)	-
Withholdings at source dividends declared recognized in equity	(216,475)	(6,951)
Closing balance	$ 2,876,024,495	2,250,399,479

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

	December, 2021		December, 2020	
Company	Dividends declared	Dividends actually received	Dividends declared	Dividends actually received
Surtidora de Gas del Caribe S.A. E.S.P.	19,997,801	(19,997,801)	15,226,427	(15,167,400)
Transoccidente S.A. E.S.P.	2,502,630	(2,502,630)	2,139,253	(2,139,253)
Gases de Occidente S.A. E.S.P.	66,101,792	(70,542,268)	51,937,123	(48,702,982)
Transportadora de Metano E.S.P. S.A.	30,680,019	(25,121,660)	24,836,206	(17,116,504)
Promisol S.A.S.	32,385,946	(23,674,976)	25,000,501	(14,045,245)
Compañía Energética de Occidente S.A.S E.S.P	25,729,845	(25,729,845)	20,499,669	(20,499,669)
Promioriente S.A. E.S.P.	73,443,984	(55,082,988)	66,242,240	(66,242,239)
Sociedad Portuaria El Cayao S.A. E.S.P	754,800	(754,800)	5,997,599	(5,997,599)
	251,596,817	(223,406,968)	211,879,018	(189,910,891)

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

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

	Capital	Premium on placement of shares	Reserves	Unappropriated retained earnings	Period results	Results from IFRS adoption	Unrealized gains or losses (OCI) and other movements	Total equity
As of December 31, 2021								
Surtigas S.A. E.S.P.	$ 571,764	1,932,628	496,857,886	14,352,937	108,241,483	112,606,132	1,767,842	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
Transmetano 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	(2,001,397)	77,988,493
Compañía Energética de Occidente S.A.S.	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	135,761,556	-	1,248,028	27,755,088	200,049,739	-	23,170,905	387,985,316
Promigas Perú S.A..	19,981,450	12,178,187	-	(12,500,473)	379,247	-	2,637,611	22,676,022
Promigas Panamá Corporation	56,031	-	-	-	(5,850)	-	3,608	53,789
Enlace Servicios Compartidos S.A.S.	14,279,123	-	500,830	(1,167,599)	1,227,136	-	-	14,839,490

	Capital	Premium on placement of shares	Reserves	Unappropriated retained earnings	Period results	Results from IFRS adoption	Unrealized gains or losses (OCI) and other movements	Total equity
As of December 31, 2020								
Surtigas S.A. E.S.P.	$ 571,764	1,932,628	420,320,125	17,347,338	96,537,761	112,606,132	14,221,857	663,537,605
Transoccidente S.A. E.S.P.	1,854,000	-	1,587,513	-	3,167,956	5,691,565	33,157	12,334,191
Gases de Occidente S.A. E.S.P.	37,391,491	18,529,438	153,407,641	(14,222,334)	104,578,069	42,166,683	(196,538)	341,654,450
Transmetano E.S.P. S.A.	13,195,633	3,293,272	41,491,845	2,787,285	39,536,062	103,551,889	439,629	204,295,615
Promisol S.A.S.	19,274,944	24,075,992	49,007,080	(15,190,347)	11,226,814	8,737,275	(1,880,954)	95,250,804
Compañía Energética de Occidente S.A.S.	65,000,000	110,236,194	19,824,992	(25,617,910)	52,509,887	(99,631,118)	(246,388)	122,075,657
Promioriente S.A. E.S.P.	120,538,477	-	196,656,999	(3,699)	80,885,774	29,166,011	1,206,051	428,449,613
Sociedad Portuaria El Cayao S.A. E.S.P.	40,000,000	83,688,175	60,709,100	(666,723)	42,137,338	7,666,125	15,750,947	249,284,962
Gases del Pacífico S.A.C	90,383,968	-	-	(16,480,244)	222,497,012	-	9,320,125	305,720,861
Promisol México S.A. de C.V.	208,019	-	-	(142,886)	(13,464)	-	14,707	66,376
Gases del Norte del Perú S.A.C	5,886,318	-	-	(585,616)	30,174,041	-	(162,622)	35,312,121
Promigas Perú S.A..	1,755,750	12,178,187	-	(10,356,443)	(2,144,030)	-	554,238	1,987,702
Enlace Servicios Compartidos S.A.S.	14,279,123	-	-	(1,227,786)	500,830	-	-	13,552,167

13. 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.

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

Below is the breakdown of investments in associates:

Company	Economic Activity	Country of Incorporation	Share	Book Value	Revenue Equity Method	Effect on Reserve and OCI
December 31, 2021						
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	$ 588,948,095	140,394,209	68,558,933
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%	305,455,595	117,987,011	(4,781,282)
Total asociadas				$ 894,403,690	258,381,220	63,777,651
December 31, 2020						
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	$ 476,616,779	102,449,172	36,800,629
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%	293,630,600	111,280,760	(302,922)
Total asociadas				$ 770,247,379	213,729,932	36,497,707

(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 2021	December 2020
Opening balance	$	770,247,379	724,505,708
Declared dividends		(193,764,567)	(204,485,968)
Revenues from equity method		258,381,220	213,729,932
Effect on OCI		63,777,651	36,497,707
MP cambio tarifa impuesto diferido reconocida en retenidas		(4,237,993)	-
Closing balance		894,403,690	770,247,379

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

The dividends declared and effectively received are as follows:

	December, 2021		December, 2020	
	Dividends declared	**Dividends actually received**	**Dividends declared**	**Dividends actually received**
Gases del Caribe S.A. E.S.P.	$ 97,142,741	(89,857,032)	85,581,362	(79,162,765)
Gas Natural de Lima y Callao S.A.C.	96,621,826	(99,465,406)	118,904,606	(110,638,433)
	193,764,567	(189,322,438)	204,485,968	(189,801,198)

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

	Capital	Premium on placement of shares	Reserves	Period result	Un-appropriated retained earnings	Results from IFRS Adoption	Unrealized gains or losses (OCI)	Total equity
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
As of December 31, 2020								
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

14. PROPERTY, PLANT AND EQUIPMENT

Below is the detail of property, plant and equipment:

	December 2021			December 2020		
	Cost	**Accumulated depreciation**	**Total**	**Cost**	**Accumulated depreciation**	**Total**
Land	$ 15,610,989	-	15,610,989	15,610,989	-	15,610,989
Construction in progress (1)	11,405,247	-	11,405,247	7,443,739	-	7,443,739
Buildings	39,658,231	(6,570,939)	33,087,292	37,604,677	(5,547,548)	32,057,129
Machinery, equipment and tools	37,999,043	(26,291,428)	11,707,615	35,454,239	(24,027,197)	11,427,042
Furniture and fittings	5,837,350	(2,665,909)	3,171,441	5,073,465	(2,176,642)	2,896,823
Communication and computer equipment	13,630,812	(8,994,574)	4,636,238	11,213,063	(7,654,539)	3,558,524
Transportation equipment	4,521,752	(2,920,074)	1,601,678	4,521,320	(2,719,502)	1,801,818
	$ 128,663,424	(47,442,924)	81,220,500	116,921,492	(42,125,428)	74,796,064
Impairment of property, plant and equipment	(1,964)	-	(1,964)	(1,964)	-	(1,964)
	128,661,460	(47,442,924)	81,218,536	116,919,528	(42,125,428)	74,794,100

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

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

	Lands	Construction in progress	Buildings	Machinery, equipment and tools	Furniture fittings and office equipment	Computer and comunication equipment	Transportation equipment	Total
Cost								
December 31, 2019	15,610,989	3,914,883	36,083,107	34,398,091	4,528,941	10,267,408	4,113,300	108,916,719
Purchases	-	5,121,258	-	1,244,548	414,920	1,049,650	540,149	8,370,525
Capitalized interest	-	287,003	-	-	-	-	-	287,003
Capitalizations	-	(1,871,565)	1,521,570	208,070	141,925	-	-	-
PPE Withdrawal	-	-	-	(182,233)	(12,321)	(92,138)	(132,129)	(418,821)
Transfer to non-current assets held for sale (1)	-	-	-	(103,460)	-	-	-	(103,460)
Transfers	-	(7,840)	-	(110,777)	-	(11,857)	-	(130,474)
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	-	-
PPE Withdrawal	-	-	-	(519,144)	(25,305)	(27,364)	(241,668)	(813,481)
Reclassifications	-	(696,380)	-	696,380	-	-	-	-
Transfers	-	-	-	(303,019)	-	(11,400)	-	(314,419)
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
Accumulated depreciation								
December 31, 2019	-	-	(4,609,766)	(21,359,730)	(1,744,413)	(6,372,951)	(2,414,423)	(36,501,283)
Depreciation	-	-	(937,782)	(2,835,388)	(438,383)	(1,373,726)	(437,208)	(6,022,487)
PPE Withdrawal	-	-	-	102,035	6,154	92,138	132,129	332,456
Transfer to non-current assets held for sale (1)	-	-	-	65,886	-	-	-	65,886
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)
PPE Withdrawal	-	-	-	453,255	18,846	24,754	241,668	738,523
December 31, 2021	-	-	(6,570,939)	(26,291,428)	(2,665,909)	(8,994,574)	(2,920,074)	(47,442,924)
Impairment, 2021	-	-	-	(1,964)	-	-	-	(1,964)
Net balance								
December 31, 2020	15,610,989	7,443,739	32,057,129	11,425,078	2,896,823	3,558,524	1,801,818	74,794,100
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

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

(1) In March 2020, a purchase and sale agreement was signed for the Citigates with Gascaribe, for which the Company initially transferred to non-current assets held for sale. In April of the same year, the sale was completed, derecognizing the asset resulting from the negotiation.

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

		December 2021	December 2020
Buildings	$	747,515	694,341
Machinery, equipment and tools		2,931,525	2,825,745
Furniture, fittings and office equipment		759,741	628,076
Communication and computer equipment		5,868,985	4,650,688
Transportation equipment		124,632	366,301
	$	10,432,398	9,165,151

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

15. CONCESSIONS

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

		December 2021			December 2020		
		Cost	Accumulated amortization	Total	Cost	Accumulated amortization	Total
Land	$	4,002,556	(1,827,654)	2,174,902	3,704,593	(1,547,877)	2,156,716
Constructions in progress		128,614,732	-	128,614,732	88,015,703	-	88,015,703
Buildings under concession		45,737,015	(7,626,169)	38,110,846	40,433,617	(5,332,816)	35,100,801
Gas pipelines and networks		1,961,690,691	(501,696,979)	1,459,993,712	1,858,702,947	(390,403,722)	,468,299,225
Machinery and equipment		427,847,505	(148,486,136)	279,361,369	412,812,452	(121,790,290)	291,022,162
Improvements in third-party properties under concession		264,052	(55,451)	208,601	225,965	(25,107)	200,858
	$	2,568,156,551	(659,692,389)	1,908,464,162	2,403,895,277	(519,099,812)	,884,795,465
Impairment Concessions		(7,145,660)	-	(7,145,660)	(2,295,790)	-	(2,295,790)
		2,561,010,891	(659,692,389)	1,901,318,502	2,401,599,487	(519,099,812)	,882,499,675

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

Below are the movements of concessions:

		Lands under concesión	Constructions in progress under concession	Pipelines and networks under concession	Machinery and equipment under concession	Buildings under concesión	Improvements in third-party property under concession	Total concessions
Cost								
Balance as of December 31, 2019	$	3,376,683	382,919,813	1,391,858,663	388,618,581	37,980,296	-	2,204,754,036
Additions		-	189,413,643	2,021,406	-	-	-	191,435,049
Addition capitalized interest		-	16,324,226	-	-	-	-	16,324,226
Capitalization of assets in progress		327,910	(496,513,901)	467,851,179	25,881,491	2,453,321	-	-
Capitalized depreciation		-	581,708				-	581,708
Addition of capitalized provisions		-	-	2,374,506	1,032,189	-	-	3,406,695
Withdrawals		-	(313,754)	(6,968,451)	(2,719,809)	-	-	(10,002,014)
Reclassifications		-	-	3,437,476	-	-	-	3,437,476
Transfer to N.C.A.H.S. (2)		-	-	(769,108)	-	-	-	(769,108)
Transfer of tax discount (1)		-	(4,631,427)	(867,328)	-	-	-	(5,498,755)
Transfers		-	235,395	(235,396)	-	-	225,965	225,964
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
Addictions		-	146,192,436	3,076,077	-	-	38,087	149,306,600
Addition capitalized interest		-	4,440,888	-	-	-		4,440,888
Capitalization of assets in progress		297,963	(101,950,577)	83,541,294	12,807,922	5,303,398	-	-
Addition of capitalized provisions		-	-	10,843,545	3,451,605	-		14,295,150
Capitalized depreciation		-	290,567	-	-	-	-	290,567
Withdrawals		-	(1,730,624)	(791,556)	(1,224,474)	-	-	(3,746,654)
Transfers		-	(3,802,717)	3,802,717	-	-	-	-
Transfer of tax discount (1)		-	(2,840,944)	-	-	-	-	(2,840,944)
Transfer 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
Accumulated amortization								
Balance as of December 31, 2019	$	(1,288,103)	-	(303,407,878)	(96,973,835)	(3,238,404)	-	(404,908,220)
Amortization		(259,774)	-	(90,297,640)	(25,725,426)	(2,094,412)	(25,107)	(118,402,359)
Cost of PPE sold and disposed of		-	-	3,154,049	908,971	-	-	4,063,020
Transfer to N.C.A.H.S. (2)		-	-	147,747	-	-	-	147,747
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)
Cost of PPE sold and disposed of		-	-	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)
Accumulated impairment								
Balance as of December 31, 2020		-	-	(2,295,790)	-	-	-	(2,295,790)
Impairment charged to cost (3)				(4,849,870)	-	-	-	(4,849,870)
Balance as of December 31, 2021		-	-	(7,145,660)	-	-	-	(7,145,660)
Balance as of December 31, 2020	$	**2,156,716**	**88,015,703**	**1,466,003,435**	**291,022,162**	**35,100,801**	**200,858**	**1,882,499,675**
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**

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

(1) Corresponds to the transfer of the Sales Tax initially recognized as a higher value of the asset under construction, the amount of which is determined and applied as a tax discount in the income tax of the current year for the acquisition of real productive assets in accordance with the current tax regulation in Colombia.

(2) In March 2020, a purchase and sale agreement was signed for the Citigates with Gascaribe, for which the Company initially transferred to non-current assets held for sale. In April of the same year, the sale was finalized, derecognizing the assets resulting from the negotiation.

(3) After performing the technical analysis of the gas pipelines listed below, it was determined that they present a high degree of physical deterioration, which has forced management to reduce the pressure of such pipelines and establish measures to replace them. After performing the financial analysis based on the expected use of these assets, it was determined to decrease the carrying value of such assets by:

Assets		Recognized impairment
Zona Bananera Gas Pipeline	$	(4,032,759)
Gas pipeline Jobo Sincelejo 10”		(577,925)
Gas pipeline Transelca-Heroica section		(239,186)
	$	(4,849,870)

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:

		Period Accruals	
		Revenues	**Costs**
December 2021			
Revenues from concession agreements	$	156,930,531	-
Construction costs incurred in the period		-	(156,930,531)
December 2020			
Revenues from concession agreements	$	220,375,256	-
Construction costs incurred in the period		-	(220,375,256)

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.

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

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 date	Remaining life
La Guajira - Barranquilla of 20” and 24”	25/05/1976	25/05/2026	4 years and 4 months
La Guajira – Cartagena of 20” and 24”	16/09/1976	16/09/2026	4 years and 8 months
Baranoa	20/10/1988	20/10/2038	16 years and 9 months
Jobo – Tablón – Montelíbano	20/10/1988	20/10/2038	16 years and 9 months
Cartagena – Montería	20/10/1988	20/10/2038	16 years and 9 months
Arjona	20/10/1988	20/10/2038	16 years and 9 months
San Onofre	17/11/1988	17/11/2038	16 years and 10 months
Sampués	13/04/1989	13/04/2039	17 years and 3 months
Chinú	19/06/1989	19/06/2039	17 years and 5 months
Sincelejo – Corozal	18/07/1990	18/07/2040	18 years and 6 months
El Difícil – Campo de la Cruz –Suan	04/10/1990	04/10/2040	18 years and 9 months
Galapa	04/10/1990	04/10/2040	18 years and 9 months
Ovejas – San Juan Nepo	04/10/1990	04/10/2040	18 years and 9 months
Sabanagrande	18/10/1990	18/10/2040	18 years and 9 months
Cerromatoso – Montelíbano	27/10/1990	27/10/2040	18 years and 9 months
Cerete Municipality Trunk	08/11/1990	08/11/2040	18 years and 10 months
Toluviejo	19/11/1990	19/11/2040	18 years and 10 months
Barranquilla – Puerto Colombia	25/01/1991	25/01/2041	19 years and 0 months
Tolú	24/04/1991	24/04/2041	19 years and 3 months
Aracataca – Fundación	17/05/1991	17/05/2041	19 years and 4 months
Palmar – Varela	18/07/1991	18/07/2041	19 years and 6 months
Troncal a Ciénaga de Oro	18/07/1991	18/07/2041	19 years and 6 months
Troncal Magangué	01/08/1991	01/08/2041	19 years and 7 months
Sincé – Corozal	01/08/1991	01/08/2041	19 years and 7 months
Santo Tomas	23/06/1992	23/06/2042	20 years and 5 months
San Marcos	02/07/1992	02/07/2042	20 years and 6 months
Luruaco	21/04/1993	21/04/2043	21 years and 3 months
Manaure – Uribía	22/10/1993	22/10/2043	21 years and 9 months
Polonuevo	15/10/1994	15/10/2044	22 years and 9 months
Branches Department Córdoba	08/11/1994	08/11/2044	22 years and 10 months
Branches Department La Guajira	08/11/1994	08/11/2044	22 years and 10 months
Branches Department Atlántico	09/11/1994	09/11/2044	22 years and 10 months
Branches Department Bolívar	09/11/1994	09/11/2044	22 years and 10 months
Branches Department Magdalena	09/11/1994	09/11/2044	22 years and 10 months

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

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 and technical 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.

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

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

Transportation Service

CREG Resolution	Description
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.
84/2016	Adjusts the regulated rates for the transportation system, updating the value of the assets with expired regulatory service life in 2014.

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.

  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.

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

- 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 2021			December 2020		
		Cost	Accumulated amortization	Total	Cost	Accumulated amortization	Total
Licenses		44,653,951	(22,873,260)	21,780,691	40,438,558	(17,196,429)	23,242,129
Software		6,730,422	(2,153,981)	4,576,441	5,259,766	(1,758,283)	3,501,483
Other intangibles (1)		19,566,222	66,263	19,499,959	8,377,452	-	8,377,452
	$	70,950,595	(25,093,504)	45,857,091	54,075,776	(18,954,712)	35,121,064

(1) Corresponds mainly to prototypes under development.

Below is the movement of other intangible assets:

		December 2021	December 2020
Cost			
Opening balance	$	54,075,776	45,724,287
Acquisitions		19.287.561	15,702,948
Addition capitalizable interest		861,509	431,410
Withdrawals, sales		(1,078,598)	(783)
Reclassifications		(2,195,653)	-
Closing balance	$	70,950,595	54,075,776
Accumulated amortization			
Opening balance	$	(18,954,712)	(12,586,229)
Amortization through cost		(2,605,752)	(2,290,019)
Amortization through expense		(4,554,484)	(4,078,464)
Withdrawals, sales		1,021,444	-
Closing balance	$	(25,093,504)	(18,954,712)

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

17. RIGHT OF USE

		December, 2021			December, 2020		
		Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Right of use associated with property, plant and equipment							
Machinery and equipment	$	639,305	(120,341)	518,964	639,305	(75,213)	564,092
Transport equipment		10,730,780	(8,669,621)	2,061,159	10,479,811	(7,233,503)	3,246,308
Communication and computing equipment		-	-	-	109,250	(109,250)	-
	$	11,370,085	(8,789,962)	2,580,123	11,228,366	(7,417,966)	3,810,400
Right of use associated with concessions							
Right of use land under concession		124,102	(6,942)	117,160	-	-	-
Right of use buildings under concession	$	1,037,297	(260,630)	776,667	1,369,283	(469,511)	899,772
		1,161,399	(267,572)	893,827	1,369,283	(469,511)	899,772
	$	12,531,484	(9,057,534)	3,473,950	12,597,649	(7,887,477)	4,710,172

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

Below is the detail of movement of Rights of Use:

	Machinery and equipment	Transport equipment	Comunication and computer equipment	Rights of Use associated with property, plant and equipment	Right of use land under concession	Right of use buildings under concession	Right of use associated with the concession	Total right of use
Cost								
Balance as of December 31, 2019	$ 639,305	9,648,196	109,250	10,396,751	-	1,373,210	1,373,210	11,769,961
Addition of new lease agreements	-	660,481	-	660,481	-	77,203	77,203	737,684
Addition of current lease agreements	-	683,489	-	683,489	-	144,835	144,835	828,324
Transfer	-	-	-	-	-	(225,965)	(225,965)	(225,965)
Withdrawals, sales and derecognitions	-	(512,355)	-	(512,355)	-	-	-	(512,355)
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 of new lease agreements	-	384,679	-	384,679	46,899	-	46,899	431,578
Addition of current lease agreements	-	438,039	-	438,039	-	71,622	71,622	509,661
Withdrawals, sales and derecognitions	-	(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
Amortization								
Balance as of December 31, 2019	$ (30,085)	(5,204,531)	(54,625)	(5,289,241)	-	(210,182)	(210,182)	(5,499,423)
Depreciation through profit or loss	(45,128)	(1,922,492)	(54,625)	(2,022,245)	-	(87,602)	(87,602)	(2,109,847)
Withdrawals, sales and derecognitions	-	303,501	-	303,501	-	-	-	303,501
Capitalized depreciation	-	(409,981)	-	(409,981)	-	(171,727)	(171,727)	(581,708)
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)
Withdrawals, sales and derecognitions	-	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)
Net balance as of December 31,2020	564,092	3,246,308	-	3,810,400	-	899,772	899,772	4,710,172
Net balance as of December 31, 2021	$ 518,964	2,061,159	-	2,580,123	117,160	776,667	893,827	3,473,950

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

(1) Corresponds to the recognition of vehicles received in operating lease as a right of use by the adoption of IFRS 16-Leases. These assets were recognized until December 31, 2018, as property, plant and equipment.
(2) Corresponds to improvements for $225,965 on the leased buildings that were initially recognized as a right of use.

18. FINANCIAL OBLIGATIONS

Below is the detail of financial obligations:

		December 2021	December 2020
Short-term			
Loans in foreign currency	$	-	33,356,889
Loans in local currency		6,005,300	6,005,300
Lease Agreements		11,349,233	11,980,562
Interest payable		3,771,048	3,529,010
	$	21,125,581	54,871,761
Long-term			
Loans in local currency		616,653,073	500,278,289
Lease Agreements		47,845,616	58,249,384
	$	664,498,689	558,527,673
	$	685,624,270	613,399,434

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

Financial obligations and liabilities		Loans obtained in national currency	Loans obtained in foreign currency	Leases	Interest payable	Financial obligations
Balance as of December 31, 2019	$	661,666,380	-	81,497,234	5,883,781	749,047,395
Addition obligations		426,000,000	120,987,600	1,566,007	-	548,553,607
Payments		(579,005,300)	(75,690,200)	(11,658,571)	(57,346,277)	(723,700,348)
Transfers, cancellations and withdrawals		-	-	(220,714)	-	(220,714)
Interest through profit or loss		(2,021,863)	48,335	(954,010)	49,687,900	46,760,362
Capitalized interest		-	-	-	5,290,289	5,290,289
Exchange difference		-	(11,039,420)	-	13,317	(11,026,103)
Debt structuring costs		(355,628)	-	-	-	(355,628)
Hedging through profit or loss		-	(949,426)	-	-	(949,426)
Balance as of December 31, 2020	$	506,283,589	33,356,889	70,229,946	3,529,010	613,399,434
Addition obligations (1)		367,500,000	-	941,240	-	368,441,240
Payments		(252,905,300)	(36,400,700)	(12,702,815)	(22,196,395)	(324,205,210)
Transfers, cancellations and withdrawals		-	(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

(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**	**Capital Amortization**	**New Balance**
Scotiabank	20000064	22-Feb-21	22-Feb-24	IBR+1.20%TV	3M	Bullet	147,500,000
Bancolombia	20000065	20-Apr-21	20-Apr-23	IBR+0.65%TV	3M	Bullet	77,500,000
Scotiabank	20000066	20- Apr-21	20-Apr-23	IBR+0.65%TV	3M	Bullet	77,500,000
Bancolombia	20000067	3-Nov-21	3-Nov-26	IBR+0.95%TV	3M	Bullet	65,000,000
Total							**367,500,000**

Below is the detail of financial obligations:

		Interest rate	**Year of maturity**		**2021**	**2020**
Short term						
Loans obtained in foreign currency		L3M + 3.82%	2021		-	33,356,889
BCP	Dólar				-	33,356,889
Loans obtained in local currency						
Banco Davivienda S.A.	Pesos	DTF - 2.00	2026	$	6,005,300	6,005,300
					6,005,300	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		1,244,250	1,831,517
Compañía Energética de Occidente S.A E.S.P		13,50%	2033		18.564	5,961
FJ Rumie & Cia S en C	Pesos	11.74%	2021		-	53,052
Inversiones Arroyo Sierra S.A.S.	Pesos	13.18%	2029		35,639	39,245
Valencia Beltran Rosa	Pesos	13.81%	2021		812	1,343
Vergara Restrepo Gustavo	Pesos	13.18%	2029		26,288	26,628
Omar Gomez Miranda	Pesos	DTF+3.10	2025		4,355	4,149
Transelca S.A.	Pesos	13.92%	2038		313	-
Samuel Caballero	Pesos	14.24%	2040		345	-
					11,349,233	11,980,562
Interest payable					3,771,048	3,529,010
Total Short Term				$	21,125,581	54,871,761
Long term						
Loans obtained in local currency						
Banco Davivienda S.A.	Pesos	DTF – 2.00	2026		19,517,225	25,234,594
Bancolombia S.A.	Pesos	DTF + 2.45	2023		-	49,733,998
Bancolombia S.A.	Pesos	DTF + 2.45	2023		-	23,897,507
Bancolombia S.A.	Pesos	DTF + 2.40	2022		-	89,646,064
Bancolombia S.A.	Pesos	IBR + 2.42	2024		-	89,853,913
Bancolombia S.A.	Pesos	IBR + 2.42%	2025		-	30,259,038
Bancolombia S.A.	Pesos	IBR + 2.00%	2025		-	44,639,570
BBVA Colombia S.A.	Pesos	IBR + 2.00%	2023		-	49,835,126
BBVA Colombia S.A.	Pesos	IBR + 2.00%	2023		-	44,851,604
BBVA Colombia S.A.	Pesos	IBR + 2.00%	2023		-	34,884,581
BBVA Colombia S.A.	Pesos	IBR + 2.00%	2023		-	17,442,294

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

		Interest rate	**Year of maturity**		**2021**	**2020**
Bancolombia S.A.	Pesos	IBR + 1.60%	2024		229,635,848	-
Scotiabank	Pesos	IBR + 1.20%	2024		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	-
					616,653,073	500,278,289
Lease agreements						
Leasing Bancolombia S.A.	Pesos	DTF+3.10	2026		45,298,826	55,035,470
Renting Colombia S.A.	Pesos	DTF+3.10	2026		972,988	1,681,513
Compañía Energética de Occidente S.A E.S.P		13.50%	2033		626,751	629,420
Inversiones Arroyo Sierra S.A.S.	Pesos	13.18%	2029		407,143	417,503
Valencia Beltrán Rosa	Pesos	13.81%	2021		108,515	110,120
Vergara Restrepo Gustavo	Pesos	13.18%	2029		320,984	304,068
Omar Gomez Miranda	Pesos	DTF+3.10	2025		64,745	71,290
Transelca S.A.	Pesos	13.92%	2038		18,070	-
Samuel Caballero	Pesos	14.24%	2040		27,594	-
				$	47,845,616	58,249,384
Total Long term				$	664,498,689	558,527,673

Below is the detail of the long-term maturities of financial obligations:

Year of maturity		**December 31, 2021**
2023	$	161,005,300
2024		383,141,148
2025		6,005,300
2026 onwards		66,501,325
	$	616,653,073

19. OUTSTANDING BONDS

Outstanding bonds are detailed below:

		December 2021	**December 2020**
Short-term			
Current portion of bonds (1)	$	120,000,000	-
Bonds interest payable		21,285,843	16,122,511
	$	141,285,843	16,122,511
Long term - Bonds	$	2,702,556,298	2,670,126,389
		2,702,556,298	2,670,126,389
	$	2,843,842,141	2,686,248,900

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

The bonds issued by the Company in the local market are long term, have an AAA risk rating and have quarterly past due interest payments and have the trust company Fiduciaria Helm Trust S.A. as legal representative of the holders. The bonds issued in the international market are long term, have a BBB- risk rating, have semiannual past due interest payments

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, statement of income and statement of cash flows of Promigas, prepared in a form substantially similar to the financial statements included in the offering memorandum prepared in accordance with Colombian IFRS and presented in English. The audited information provided related to the annual financial statements will also include the corresponding report by the independent certified public accountants. Receipt of such reports by the trustee will not constitute an effective or constructive notice of the information it contains, including Promigas's compliance with any of its covenants under this agreement.

Below is a detail of the bonuses:

Series	Term	Interest Rate	Issue Date	Maturity Date	Subscription Date		December 2021	December 2020
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	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		836,043,600	720,825,000
USD	9 years	Fija3.75%	16/10/2020	16/10/2029	16/10/2020		119,434,800	102,975,000
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							2,820,657,357	2,153,199,400
Interest payable							21,285,843	16,122,511
Amortized cost							(14,075,389)	(18,204,518)
UVR adjustment							15,974,330	(648,050)
						$	2,843,842,141	2,686,248,900

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

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

Below is the detail of the long-term maturities of bond issues and current interests:

Year of Maturity		Value
2023		150,179,000
2024		170,000,000
2025		99,480,000
2026 onwards		2,282,897,298
	$	2,702,556,298

The following is a detail of the bond movement:

		Bonds	Interest bonds payable	Outstanding bonds
Outstanding bonds				
Balance as of December 2019		2,142,130,511	16,727,659	2,158,858,170
Addition		715,634,057	-	715,634,057
Addition incremental costs		(2,667,562)	-	(2,667,562)
Payments		(199,821,000)	(128,367,911)	(328,188,911)
Transfers and reclassifications		(54,103)	54,103	-
Interest through profit or loss		(4,999,172)	116,092,923	111,093,751
Capitalized interest		-	11,752,663	11,752,663
Exchange difference		(2,363,299)	(136,926)	(2,500,225)
Non-derivative hedges through OCI		24,229,187	-	24,229,187
Hedging through profit or loss		(1,962,230)	-	(1,962,230)
Balance as of December 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
Hedging through profit or loss		248,897	-	248,897
Balance as of December 2021	$	2,822,556,298	21,285,843	2,843,842,141

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

Hedging Financial Liabilities

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 dollar functional currency as a hedged item. Designated financial liabilities limit the risk resulting from fluctuations in the 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 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:

Company	**Net investment value USD**	**Hedged item USD**	**Hedging %**
Gases del Pacífico S.A.C.	102,996,805	31,887,910	31.0%
Gases del Norte del Perú S.A.C	95,082,683	8,394,897	8.8%
Promigas Perú S.A.	12,270,185	4,819,714	39.3%
Sociedad Portuaria el Cayao S.A. E.S.P.	40,114,861	26,365,351	65.7%
Promigas Panamá Corporation	13,511	7,500	55.5%
Sociedad Portuaria de Lima y Callao S.A.C.	142,680,780	125,283,772	87.8%
Total	**393,158,825**	**196,759,144**	**50.05%**

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	$ 196,759,144	196,759,144	100%

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

20. ACCOUNTS PAYABLE

Below is the detail of accounts payable:

		December 2021			December 2020		
		Third Parties	Related Entities	Total	Third Parties	Related Entities	Total
Acquisition of national goods and services	$	33,786,710	38,376,034	72,162,744	33,031,976	45,996,003	79,027,979
Foreign goods and services		2,984,851	-	2,984,851	349,454	-	349,454
Creditors		3,415,383	244,378	3,659,761	2,926,401	3,157,770	6,084,171
Dividends payable		-	72,744,534	72,744,534	38,250,233	30,947,663	69,197,896
Hedges payable		-	-	-	-	21,768,716	21,768,716
	$	40,186,944	111,364,946	151,551,890	74,558,064	101,870,152	176,428,216

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 2021 and 2020 was 31% and 32%, respectively.

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

The basis for determining income tax in 2020 cannot be less than 0.5% of its net worth on the last day of the immediately preceding taxable year (presumptive income). For the year 2021, the minimum taxable base determined by presumptive income was eliminated.

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:

(i) Income tax returns for taxable years 2018, 2019 and 2020 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.

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

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, 2021 and 2020:

		December 2021	%	December 2020	%
Earnings before income tax	$	1,259,162,955		1,223,722,603	
Theoretical tax expense estimated based on current tax rate		390,340,516	31	391,591,233	32
Nondeductible expenses		2,553,020	0.2	2,622,153	0.21
Dividends received		-	-	(35,609,843)	(2.91)
Equity method income		(261,985,079)	(20.81)	(219,752,988)	(17.96)
Interests and other nontaxable income		(550,388)	(0.04)	(133,551)	(0.01)
Non-deductible expenses used as tax discount		3,968,812	0.32	5,912,164	0.48
Tax discounts		(4,310,185)	(0.34)	(6,099,257)	(0.50)
Effect of accounting vs fiscal amortization		1,975,860	(0.16)	(1,262,802)	(0.10)
Use of litigation provisions		-	-	(5,101,435)	(0.41)
Tax benefit in acquisition of productive assets		(5,325,517)	(0.42)	(18,477,719)	(1.51)
Effect on deferred taxes due to changes in tax rates in concessions		(23,454,807)	(1.86)	(30,047,491)	(2.45)
Deferred tax effect due to changes in tax rates		636,862	0.05	(603,923)	(0.05)
Effect on income tax due to adjustment of previous periods		(2,583,540)	(0.21)	(260,873)	(0.02)
Profits from subsidiaries in countries with different tax rates		3,440,577	0.27	4,062,161	0.33
Other items		5,409,009	0.43	(605,321)	(0.05)
Total tax expenses for the period	$	110,115,140	8.75	86,232,508	7.05

Below is the detail of the current income tax liability:

		December 2021	December 2020
Current year income tax	$	82,314,645	73,090,162
Compensation income and tax and complementary		(33,342,238)	(33,401,128)
	$	48,972,407	39,689,034

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, 2021 and 2020, based on the tax rates in force as references for the years in which such temporary differences will be reversed.

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

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. Temporary differences for the aforementioned items as of December 31, 2021 and 2020, amounted to $2,195,442,825 and $1,583,947,748, respectively.

Below is the detail of the deferred income tax asset and liability:

	December 2019	Profit or loss Credit (debit)	OCI Credit (debit)	December 2020	Profit or loss Credit (debit)	OCI Credit (debit)	Equity Credit (debit) (1)	December 2021
Deferred tax assets								
Deferred charges of intangible assets	22,426,491	17,495,169	-	39,921,660	13,452,023	-	7,345,811	60,719,495
Non-deductible liability provisions	9,756,356	3,305,177	-	13,061,533	3,540,084	-	1,980,879	18,582,496
Difference between the accounting and tax bases of property, plant and equipment	7,652,293	(99,413)	-	7,552,880	2,887,797	-	(2,308,717)	8,131,961
Employee benefits	(354,669)	475,998	(9,225)	112,104	168,300	(109,995)	(46,896)	123,512
Financial assets	(369,896,543)	(33,769,535)	-	(403,666,078)	(41,278,201)	-	(39,235,704)	(484,384,399)
Valuation of equity investments	(17,021,538)	532,764	(1,325,246)	(17,814,020)	(4,056,067)	(113,030)	(1,859,997)	(20,123,120)
Loans portfolio	(15,241,087)	837,383	-	(14,403,704)	(806,084)	-	(1,652,625)	(16,862,413)
Property, plant and equipment	(14,315,190)	(401,558)	-	(14,716,748)	(2,832,949)	-	-	(16,895,281)
Others	(22,889,427)	2,282,957	6,296,002	(14,310,468)	1,531,650	32,180,620	(730,400)	18,671,393
	$ (399,883,314)	(9,341,058)	4,961,531	(404,262,841)	(26,943,457)	31,957,596	(32,787,655)	(432,036,358)

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

Below is the detail of income tax expense for the half-years ended December 31, 2021 and 2020:

		December 2021	December 2020
Current income tax	$	82,314,645	73,090,162
Income tax dividends abroad		3,440,577	4,062,161
Excess (recovery) income tax		(2,583,539)	(260,873)
Net deferred taxes		26,943,457	9,341,058
	$	110,115,140	86,232,508

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 2020 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 2021 is being prepared, no significant changes are expected with respect to the previous year.

Tax Reform

On September 14, 2021, Act 2155 of 2021 was enacted, which introduces new tax rules, the most relevant aspects of which are presented below:

The general income tax rate is increased as from 2022 to 35%.

Financial institutions that have a taxable income higher than or equal to 120,000 UVT will have the obligation to add 3 additional points to the income tax.

The 50% discount in the industry and trade tax was maintained as from 2022.

For the years 2022 and 2023, the time of finality of income tax returns for taxpayers who increase their net income tax by 35% and 25% with respect to the previous year was modified to 6 and 12 months, respectively.

Penalties and default interest paid before December 31, 2021, and with respect to obligations prior to June 30, 2021, will have a 20% reduction.

The amendment of Article 240 of the Tax Code related to the increase of the general income tax rate to 35% from 2022, made it necessary to recognize the restatement of deferred income tax in Promigas and related companies as of December 31, 2021. Such restatement had an impact of $49,925,470, of which $17,137,815 corresponded to the restatement of the equity method and $32,787,655 corresponded to the restatement of Promigas at a separate level. This item was recognized in the equity of the companies as permitted by Decree 1311 of October 20, 2021, mentioned in note 2.1.

On February 4, 2009, Promigas S.A. E.S.P. entered into a Legal Stability Agreement with the Nation – Ministry of Mines and Energy, whereby it agrees to build a pipeline and other transportation facilities amounting to $77,263,585, over a seven-(7)-year term. The contract term is twenty (20) years, during which the Nation, as consideration, guarantees Promigas the legal stability on certain provisions of the Tax Code. The benefits include:

- The benefit from the deduction of productive real fixed assets as of December 31, 2021 and 2020, for $17,179,086 and $57,742,873, respectively.

Tax uncertainties

As of December 31, 2021 and 2020, the Company had no tax uncertainties.

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

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

22. PROVISIONS

Below is the classification of the provisions:

		December 2021	December 2020
Short term	$	18,192,294	6,920,516
Long term		88,657,533	69,936,950
	$	106,849,827	76,857,466

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

		Administrative	Civil	Dismantling and restoration costs	Other provisions	Total provisions
Balance as of December 31, 2019	$	4,890,870	852,078	18,392,223	47,587,288	71,722,459
New provisions charged to expenses		124,217	-	-	-	124,217
Addition of existing provisions charged to expenses		2,152,234	-	-	-	2,152,234
Addition of capitalized provisions		-	-	1,032,189	2,374,506	3,406,695
Addition of existing provisions charged at cost		-	-	-	2,246,175	2,246,175
Readjustment of existing provisions through profit or loss		-	-	273,810	507,674	781,484
Reprovisioning		(408,686)	-	-	(507,094)	(915,780)
Provisions used		-	-	-	(2,660,018)	(2,660,018)
Balance as of December 31, 2020	$	6,758,635	852,078	19,698,222	49,548,531	76,857,466
Addition of existing provisions charged to expenses		3,197,931	-	6,863,214	-	10,061,145
Addition of capitalized provisions		-	-	601,839	13,693,311	14,295,150
Addition of existing provisions charged at cost		-	-	-	12,171,350	12,171,350
Readjustment of existing provisions charged to expenses		-	-	1,038,668	2,101,987	3,140,655
Provisions used		-	-	-	(8,456,039)	(8,456,039)
Reprovisioning		(1,219,900)	-	-	-	(1,219,900)
Balance as of December 31, 2021	$	8,736,666	852,078	28,201,943	69,059,140	106,849,827

23. OTHER LIABILITIES

The detail of the other liabilities is as follows:

		December 2021	December 2020
Collection for third parties	$	12,943,802	11,652,047
Withholding tax and self-withholding tax		6,166,999	5,183,766
Industry and trade withholding tax payable		144,358	111,180
Other taxes and contributions payable		1,783,152	2,271,346
Value added tax payable		304,999	520,549
Advances and prepayments received		2,507,989	4,132,319
	$	23,851,299	23,871,207

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

24. EQUITY

Share Capital **–** As of December 31, 2021 and 2020, 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 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:

		December 2021	December 2020
Legal reserve	$	65,623,121	65,623,121
Reserve pursuant to bylaws		66,097,318	66,097,318
Other reserves		972,810,889	788,218,192
Total	$	1,104,531,328	919,938,631

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 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, 2021	December 31, 2020
Date of Meeting		16.Mar.2021	24.Mar.2020
Unconsolidated earnings from the immediately preceding period		1,137,490,096	811,152,629
Dividends paid in cash			
Ordinary dividends per share	$	21	20

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

		December 31, 2021	December 31, 2020
Payment date		21.Apr. 2021 to 21 Mar. 2022	21.Apr. 2020 to 21 Mar. 2021
Extraordinary dividends per share	$	105	74
Payment date		21. Apr. 2021 and 21.Oct. 2021	21. Apr. 2020 and 21.Oct. 2020
Total outstanding shares		1,134,848,043	1,134,848,043
Total dividends declared	$	524,299,796	440,321,041
Available for future allocations	$	184,592,697	206,448,225
Release of reserves	$	428,597,603	-
Transfer of earnings from previous years to reserves due to IFRS effect		164,383,363	-

25. REVENUE

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

		December 2021	December 2020
Natural gas transportation and distribution	$	781,420,495	728,088,412
Facilities and technical services		168,632	158,468
Revenues from non-bank financing		13,326,613	16,096,092
Construction agreements (see note 16)		156,930,531	220,375,256
Revenues from Backoffice services		8,954,141	9,650,498
Other services		4,533,596	6,092,317
Result of income coverage		(11,513,538)	(20,667,305)
	$	953,820,470	959,793,738

26. COST OF SALES

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

		December 2021	December 2020
Employee benefits	$	32,983,518	29,630,899
Maintenance and materials		44,892,643	29,992,988
Fees and consulting		2,813,967	2,000,330
General costs		47,037,443	44,776,161
Impairment		5,098,014	2,353,507
Construction of concessions (see note 15)		156,930,531	220,375,256
Taxes		17,005,080	13,417,933
Depreciation and amortization		148,272,317	124,997,479
	$	455,033,513	467,544,553

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

27. ADMINISTRATIVE AND SALES EXPENSES

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

		December 2021	December 2020
Employee benefits	$	53,659,613	48,662,170
Fees		24,808,845	19,123,688
Maintenance and materials		4,194,329	3,780,130
General administrative expenses		24,989,796	22,347,424
Impairments		6,574	-
Provisions		8,841,245	1,360,672
Administrative taxes		8,732,783	12,304,483
Depreciation and amortization		8,413,782	7,905,697
	$	133,646,967	115,484,264

28. OTHERS, NET

Below is the detail of others, net for the years ended:

		December 2021	December 2020
Other Revenues			
Leases	$	1,595,388	1,528,864
Gain on sale of assets		172,601	1,322,165
Compensations		873,923	2,411,616
Use (1)		6,185,207	8,122,710
		8,827,119	13,385,355
Other expenses			
Donations		8,887,495	14,916,779
Loss on sale of assets		2,811,338	6,014,282
Other expenses		77,783	535,084
		11.776,616	21,466,145
Others, net	$	(2.949.497)	(8,080,790)

(1) The variation in the use account corresponds mainly to the billing of $4,929,135 in 2020 to Gases del Norte del Perú for reimbursable expenses of the Piura project, whose transaction originated because Promigas, as controlling company, committed to incur the necessary costs for the subsidiary to comply with its contractual obligation with the Peruvian government, given that it was in the pre-operational stage and did not yet have the administrative infrastructure to carry out the purchase of services.

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

29. FINANCE INCOME

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

		December 2021	June 2020
Interest	$	27,526,532	13,640,533
Interest from financial asset under concession		208,816,155	199,428,206
Other financial revenues		873,665	1,503,987
	$	237,216,352	214,572,726

30. FINANCE COSTS

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

		December 2021	December 2020
Interests on bonds issued (1)	$	157,517,348	107,084,165
Interests on financial obligations		19,635,063	42,642,064
Interests on lease agreements		4,257,678	4,118,296
Other finance costs		4,313,272	1,941,021
	$	185,723,361	155,785,546

(1) The variation corresponds to the issuing by Promigas, on November 19, 2020, of a series of Bonds in UVR for $ 500,519,956,687 with a term of 25 years, a rate of 3.77% and payment of interest with annual maturity. In the evaluation made by the company, it was determined that the UVR are variable interest payable to the holder at maturity together with the principal.

31. EXCHANGE DIFFERENCE

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

	December 2021	December 2020
Exchange difference caused	7,308,297	(12,692,248)
Exchange difference realized	(3,697,965)	(6,309,122)
Exchange rate hedge result	14,305,900	
Exchange rate hedging valuation	(20,570,368)	18,857,036
	(2,654,136)	(144,334)

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.
- Subordinated Entities: 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, 2021, 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, 2020 and 2019, there were no significant operations of the following characteristics:

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

Below is the summary of assets and liabilities as of December 31, 2021 and 2020, and for transactions made during the periods ending on such dates with associates, subsidiaries, shareholders, legal representatives and managers:

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

		Shareholders	Board of Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Total
December 2021								
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
Outstanding bonds		35.996.068	-	-	-	-	-	35.996.068
Other liabilities		-	-	-	-	77	-	77
		108.740.602	-	-	38.949.358	48.978	267.468	148.006.406
Income								
Revenue		-	-	-	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 from equity method		-	-	-	586.731.939	258.381.220	-	845.113.159
Others, 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
		1.220.109	1.058.409	8.390.941	81.571.052	914.736	8.057.090	101.212.337
December 2020								
Assets								
Cash	$	2.094.591	-	-	-	-	10.997.493	13.092.084
Investments		-	-	-	2.250.399.479	770.247.379	-	3.020.646.858
Financial assets at amortized cost		-	-	1.940.847	522.943.108	5.423.138	1.728.248	532.035.341
Financial asset at fair value		1.659.665	-	-	-	-	-	1.659.665
		3.754.256	-	1.940.847	2.773.342.587	775.670.517	12.725.741	3.567.433.948
Liabilities								
Financial obligations		-	-	-	644.225	-	-	644.225
Accounts payable		69.197.895	-	-	32.645.949	11.375	14.933	101.870.152

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

		Shareholders	Board of Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Total
Outstanding bonds		31.036.745	-	-	-	-	-	31.036.745
Other liabilities		-	-	-	-	140.160	-	140.160
		100.234.640	-	-	33.290.174	151.535	14.933	133.691.282
Income								
Revenue		-	-	-	96.530.345	36.653.040	-	133.183.385
Finance income		741.018	-	96.505	52.629.178	6.568.989	344.446	60.380.136
Income from equity method		-	-	-	584.278.917	213.729.932	-	798.008.849
Others, net		-	-	-	8.127.482	1.439.651	-	9.567.133
		741.018	-	96.505	741.565.922	258.391.612	344.446	1.001.139.503
Expenses								
Cost of sales		8.914.478	-	-	60.647.992	468.645	124.102	70.155.217
Wages and salaries		-	-	7.942.426	-	-	-	7.942.426
Fees		-	893.662	-	-	-	-	893.662
General expenses		254.812	-	-	76.068	20.230	14.401.607	14.752.717
Financial expenses	$	9.169.290	893.662	7.942.426	60.724.060	488.875	14.525.709	93.744.022

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 2021	December 2020
Items			
Salaries	$	12,992,019	12,098,045
Short-term Employee Benefits		2,446,406	2,337,744
Total	$	15,438,425	14,435,789

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

	December 2021	December 2020
Key personnel:		
CEO	1	1
Vice Presidents	5	5
Other executives	23	20
	29	26

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.

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.

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

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

	December 2021		December 2020		
	Number of Claims	Value	Number of Claims		Value
Litigations and lawsuits against					
Easement claims:					
Between $1 and $1,000	18	5,361,066	19	$	5,671,191
$1,001 onward	2	5,138,039	2		5,138,039
Easement	20	10,499,105	21		10,809,230
Ordinary processes:					
Between $1 and $1,000	2	330,000	6		1,559,209
Between $1,001 and $3,000	-	-	1		2,150,123
$3,001 onward	1	4,618,809	1		4,618,809
Ordinary	3	4,948,809	8		8,328,141
Labor	5	275,103	9		952,029
Total processes	28	15,723,017	38	$	20,089,400

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

	Number of claims	
	December, 2021	December, 2020
processes		
servitude	12	15
Ordinary	1	4
Labors	2	-
	15	19

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

Below is the detail of the reasonably probable contingent rights:

Range (thousands of pesos)	December 2021		December 2020	
	Number of claims	Value	Number of claims	Value
Contingent rights (1)	5	1,835,429	83	$ 77,538

(1) In 2021 there is a dismissal of executive lawsuits of 81 Brilla processes and the addition of the following three contingency processes of profit Ximena Correa Agudelo executive lawsuit in the amount of $64,319, Administrative Appeal for Review Additional Contribution Action 2021 in the amount of $875,018 and Administrative Appeal for Review Additional Contribution Action 2021 in the amount of $875,018.

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, 2021					
Revenue	$	921,461,556	19,032,302	13,326,612	953,820,470
Cost of sales		(442,478,148)	(7,974,686)	(4,580,679)	(455,033,513)
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)	(60,242)	-	(2,949,497)
Operating profit		473,730,463	725,631,345	5,654,020	1,205,015,828
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	(19,471)	2,654,136
Income before income tax		521,037,677	731,720,975	6,404,303	1,259,162,955
Income tax		(103,712,151)	(4,329,628)	(2,073,361)	(110,115,140)
Net income	$	417,325,526	727,391,347	4,330,942	1,149,047,815
Assets	$	6,148,491,040	3,048,087,124	90,401,692	9,286,979,856
Liabilities	$	4,283,693,721	1,919,789	16,536,812	4,302,150,322

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

		Gas Transportation	Gas distribution	Non-bank financing	Total
December 31, 2020					
Revenue	$	928,007,719	15,689,927	16,096,092	959,793,738
Cost of sales		(456,544,901)	(5,441,093)	(5,558,559)	(467,544,553)
Gross income		471,462,818	10,248,834	10,537,533	492,249,185
Selling and administrative expenses		(110,263,605)	(4,468,128)	(752,531)	(115,484,264)
Share of profit of equity-accounted subsidiaries		133,876,183	450,402,734	-	584,278,917
Share of profit of equity-accounted associates		-	213,729,932	-	213,729,932
Impairment due to expected credit losses		992,597		(2,894,488)	(1,901,891)
Others, net		(8,008,680)	(72,116)	6	(8,080,790)
Operating profit		488,059,313	669,841,256	6,890,520	1,164,791,089
Financial revenues		213,701,906	3,200	867,620	214,572,726
Financial expenses		(155,773,917)	(11,629)	-	(155,785,546)
Exchange difference (net)		4,652,125	(4,501,682)	(6,109)	144,334
Income before income tax		550,639,427	665,331,145	7,752,031	1,223,722,603
Income tax		(78,968,586)	(5,499,626)	(1,764,296)	(86,232,508)
Net income	$	471,670,841	659,831,519	5,987,735	1,137,490,095
Assets	$	5,923,621,297	2,287,818,227	127,405,669	8,338,845,193
Liabilities	$	4,004,779,867	20,911,846	5,907,162	4,031,598,875

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

IAS 1 - Presentation of financial statements - Classification of liabilities as current or non-current

Main changes:

1. It modifies the requirement to classify a liability as current, by establishing that a liability is classified as current when *"the entity does not have a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period."*

2. It clarifies in paragraph 72A that "the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period must have substance and, as paragraphs 73 to 75 illustrate, it must exist at the end of the reporting period."

Impact assessment

According to Decree 938 of 2021, the amendment in Colombia applies from January 1, 2023; however, the IASBI allowed its early application from the year 2021. As of December 31, 2021, Promigas and its subsidiaries did not present any non-compliance with specific conditions in contracts that may generate the settlement of long-term liabilities within the twelve months following the reporting period.

IFRS 3 - Business combinations - Reference to the conceptual framework

1. References are modified to align them with the conceptual framework issued by the IASB in 2018 and incorporated into our legislation, in that sense the identifiable assets acquired and the liabilities assumed in a business combination, on the transaction date, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework.

2. Paragraphs 21A, 21B and 21C are incorporated with respect to the exceptions to the recognition principle for liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21.

3. Paragraph 23A is incorporated to define a contingent asset, and clarify that the acquirer in a business combination will not recognize a contingent asset on the acquisition date.

Impact assessment

According to decree 938 of 2021, the amendment in Colombia applies from January 1, 2023 and any effect on its application will be made prospectively.

IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use

Main changes:

1. As of the entry into force of the amendment, the net amounts of proceeds that arise when testing the asset should not be subtracted from the costs of checking the operation of the asset, the recognition of which must be through profit or loss for the period. The cost of these items should be measured by applying the requirements of IAS 2 - Inventories.

2. The requirement to disclose in the financial statements, if not presented separately, the amount of compensation from third parties recognized through profit or loss for PPE elements with impaired, lost or delivered value that was previously requested in paragraph 74 item d) is transferred to paragraph 74A, which adds the requirement to disclose the amount, including cost and items of the income statement where the elements produced in the activities to verify the functioning of the asset were recognized.

Impact assessment

According to Decree 938 of 2021, the amendment in Colombia applies from January 1, 2023; however, the IASBI allowed its early application from fiscal year 2021. As of December 31, Promigas and its subsidiaries had no impact on the financial statements.

IFRS 4 - Insurance contracts - Extension of the Temporary Exemption from Applying IFRS 9

Promigas does not belong to the insurance sector and does not have investments in subsidiaries or associates directly or indirectly in this sector; therefore, there is no evidence of possible impacts on the

Financial Statements with the approval of this amendment in Colombia. To the extent that this changes, the standards in force at that date will be adopted.

IAS 37 - Provisions, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfillment of a Contract

Main changes:

1. Paragraph 68A is added to clarify the cost of fulfillment of a contract, in order to clarify the provisions of paragraph 68.

2. It modifies paragraph 69, which provides that, when establishing the provision for an onerous contract, the impairment losses of the assets used in the fulfillment of the contract must be considered, previously it indicated assets dedicated to fulfilling the obligations derived from the contract. This in order to align it with the concept of contract fulfillment costs introduced in paragraph 68A.

Impact assessment

The amendment in Colombia applies from January 1, 2023, and early application is permitted. According to paragraph 94A, its application must be made prospectively, therefore the entity will not restate comparative information and instead will recognize the cumulative effect of the initial application as an adjustment to the opening balance of retained earnings or another component of equity. As of December 31, Promigas and its subsidiaries had no impact on the financial statements.

Annual Improvements to IFRS 2018 - 2020

Main changes:

1. Amendment to IFRS 1. Subsidiary as a first-time adopter: Paragraph D13A of IFRS 1 is added, incorporating an exemption on subsidiaries that adopt IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the parent company (item a of paragraph D16 of IFRS 1) so that it can measure the exchange differences for translation accumulated by the book amount of said item in the consolidated financial statements of the parent company (also applies to associates and joint ventures).

2. Amendment to IFRS 9. Fees in the “10% test” for derecognition of financial liabilities. A text is added to paragraph B3.3.6 and B3.3.6A is created. It particularly clarifies the recognition of commissions paid (in profit or loss if it is a cancellation of the liability, or as a lower value of the liability if it is not a cancellation). This amendment was issued in response to a request to clarify what fees an entity includes in the 10 percent.

3. Amendment to IAS 41. Taxation in fair value measurements. The phrase “nor tax flows” is eliminated from paragraph 22 of IAS 41, because “before Annual Improvements to IFRS Standards 2018-2020,

IAS 41 had required an entity to use cash flows before taxes when measuring fair value, but did not require the use of a discount rate before taxes to discount those cash flows." Therefore, the requirements of IAS 41 are now in line with those of IFRS 13.

4. Paragraphs 20A, 20J and 200 of IFRS 4 are amended to allow the temporary exemption that permits, but does not require, an insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for annual periods beginning before January 1, 2023 (due to a new international requirement contained in IFRS 17 as of that date).

Impact assessment

- The amendment to IFRS - 1 first-time adoption applies as of January 1, 2023. Since Promigas and its subsidiaries are not in the process of adoption, this amendment does not apply to their financial statements and disclosures as of December 31, 2021.
- The amendment to IAS 41 - Agriculture and IFRS 4 - Insurance Contracts do not generate possible impacts for Promigas and its subsidiaries since they do not participate in this sector.
- The amendment to IFRS 9 - Financial Instruments will apply to financial liabilities that are modified or exchanged from the beginning of the annual reporting period in which the entity applies the amendment for the first time. During 2021, although the company and its subsidiaries restructured their debt, the initial debts did not have recognized costs attributed to commissions; therefore, their application at the aforementioned closing does not generate impacts.

IFRS 17 - Insurance Contracts - Amendments

This standard applies to a specific sector in which Promigas and its Subsidiaries do not participate, its application is defined from January 1, 2023.

Amendments to IFRS 9, IFRS 7 and IAS 39 - Interest Rate Benchmark Reform

1. Highly probable requirement for cash flow hedges (IFRS 9 and IAS 39): If the hedged item is a forecast transaction, an entity shall determine whether the forecast transaction is highly probable assuming that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.
2. Reclassification of the amount in the cash flow hedge reserve to profit or loss (IFRS 9 and IAS 39): To determine whether the hedged cash flows are expected to occur, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.
3. Assessment of the economic relationship between the hedged item and the hedging instrument (IFRS 9): An entity shall assume that the interest rate benchmark on which the hedged cash flows and/or the hedged risk are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of the interest rate benchmark reform.
4. Designation of a component of an item as a hedged item (IFRS 9 and IAS 39): For a hedge of a benchmark component of interest rate risk that is affected by the interest rate benchmark reform, an entity shall apply the specific requirement in IFRS 9 or IAS 39, to determine whether the risk component is separately identifiable, only at the inception of the hedging relationship.

5. End of application of the relief (IFRS 9 and IAS 39): The amendments state the circumstances in which an entity shall prospectively cease applying each of the requirements set out in 1 to 4 above.

Impact assessment

In Colombia, this second phase may be applied from the first day of fiscal year 2021. Its application is retrospective for elements that existed at the beginning of the period in which it is applied for the first time. The company is in the process of reviewing the impacts and will not apply this amendment in the year ended December 31, 2021.

IFRS 9; IAS 39; IFRS 7; IFRS 4 AND IFRS 16 - Interest Rate Benchmark Reform - Phase 2

Main changes:

1. Modification to financial assets and liabilities: Considers the modification as a change in the basis for determining contractual cash flows that occur after initial recognition. This may include cases where the financial instrument is not currently amended, but the basis for calculating the interest rate benchmark changes.
2. Modifications to lease liabilities: IASB assimilates the financial liabilities of IFRS 9 with the financial liabilities for leases of IFRS 16, for which it proposes a similar practical expedient for IFRS 16. This would apply when the reference interest rate on which the lease payments are based is changed as a direct consequence of the IBOR reform and the change is made on an economically different basis.
3. Hedge accounting: Proposes amendment to IFRS 9 and IAS 39 that introduce an exception to the existing requirements of hedge documentation. This amendment contemplates that the changes in the hedge documentation necessary to reflect the modifications to the hedged element, the hedging instruments or the hedged risk that are required as a direct result of the IBOR reform and are made on a economically equivalent basis, should not result in the discontinuation of hedge accounting or the designation of a new hedging relationship.
4. Disclosures: The entity must provide disclosures that allow the user to understand the nature and extent of the risks arising from the IBOR reform, how the entity manages the risks of the transition from interest rate benchmarks to alternative benchmark rates, progress and risks of that transition.
5. IFRS 4 is modified to require that insurers that apply the temporary exemption of IFRS 9 apply the amendments proposed in that same standard for the modifications directly required by the IBOR reform.

Impact assessment

In Colombia, this second phase may be applied from the first day of fiscal year 2021. Its application is retrospective for elements that existed at the beginning of the period in which it is applied for the first time. The company is in the process of reviewing the impacts and will not apply this amendment in the year ended December 31, 2021.

b) New Accounting Statements Issued by the International Accounting Standards Board (IASB):

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

Main changes:

Paragraphs 5, 32, 34, 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 added above paragraph 34.

Impact assessment

The amendment applies from January 1, 2023, and early application is permitted. According to paragraph 54I, its application should be prospective, so 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.

IAS 1 - Presentation of Financial Statements - Disclosures about Accounting Policies.

Main changes:

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".

Impact assessment

The amendment applies from January 1, 2023, and its early application is permitted. Its application is prospective.

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

Main changes:

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

Impact assessment

Although the extension of the amendment to IFRS 16 has not been adopted in Colombia, Promigas and its subsidiaries will continue to apply the practical expedient of paragraph 46A for those reliefs received after June 30, 2021, and until June 30, 2022.

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

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

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

Impact assessment

The impact would be given mainly to the extent that Promigas and Companies have in their financial statements assets and liabilities for lease contracts and liabilities for provisions originated in retirement obligations, rehabilitation of the land where the asset is located, or restoration obligation.

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

On October 20, 2021, the Ministry of Commerce, Industry and Tourism issued Decree 1311, which indicates that entities may recognize and present the deferred tax caused by the change in the income tax rate, generated by the modification of Article 240 of the Tax Code introduced by Article 7 of Act 2155 of 2021, which must be reflected in the result of the 2021 period, may be recognized within 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 amounts to 32,787,655 for Promigas and 17,137,815 for the restatement of the equity method.

36. TARIFF RESOLUTION

In 2021 the Colombian Government issued 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. Among the general aspects of this resolution we find:

1. Presentation of tariff files in February 2022.
2. Change of remuneration of investments from dollars to pesos.
3. Changes in the configuration of the sections may be requested: Aggregation or sectioning.
4. Methodology of applications (stages)
5. Tariff revisions every two years to include new investments.
6. Remuneration of IPAT projects and the sections where these projects exist.

As of the reporting date, management is evaluating the impacts that the entry into force of this resolution will generate as of 2022; therefore, as of the aforementioned cut-off date, the effects of this resolution are not reflected in the Financial Statements.

37. EVENTS OCCURRED AFTER THE REPORTING PERIOD

As of the date of the approval of the separate financial statements for the year ended December 31, 2021, there are no subsequent events that require adjustments or disclosures to said financial statements.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements and notes thereto were approved for issue according to Board Meeting Minutes No. 537 of February 22, 2022. These financial statements and notes thereto will be presented at the Shareholders' Meeting of March 22, 2022. Shareholders have the power to approve or modify the Company's financial statements.