

***Promigas S.A. E.S.P. and subsidiaries
Condensed Consolidated Interim Financial Statements
For the quarter ended March 31, 2023
With the independent auditor's report***

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(In thousands of Colombian pesos)

For the periods ended as of :	Note	March 2023	December 2022
ASSETS			
CURRENT ASSETS:			
Cash	4	\$ 1.119.428.874	1.729.015.247
Financial assets at fair value	5	687.753.590	344.385.795
Financial assets at amortized cost	6	1.630.511.988	1.419.093.395
Inventories	7	167.718.899	170.793.767
Advances or credit balances due to taxes		60.051.477	27.029.362
Other assets	8	214.885.397	209.572.080
TOTAL CURRENT ASSETS OTHER THAN ASSETS HELD FOR SALE		<u>3.880.350.225</u>	<u>3.899.889.646</u>
Non-current assets held for sale		667.616	667.616
TOTAL CURRENT ASSETS		<u>3.881.017.841</u>	<u>3.900.557.262</u>
NON-CURRENT ASSETS:			
Financial assets at fair value	5	3.626.033.362	3.533.419.448
Financial assets at amortized cost	6	1.907.375.843	1.962.023.575
Investments in associates	9	902.660.020	1.087.469.872
Property, pipelines, networks, plant and equipment:	10	1.373.427.485	1.359.028.420
Intangible assets:			
Concessions	11	5.845.901.509	5.893.178.605
Goodwill		154.382.437	155.276.916
Other intangible assets	12	141.546.535	135.904.572
Total intangible assets:		<u>6.141.830.481</u>	<u>6.184.360.093</u>
Rights-of-use assets	13	157.612.393	138.817.366
Investment property		9.315.331	9.315.331
Deferred tax assets, net	14	70.008.833	69.276.388
Other assets	8	356.191.082	371.514.143
TOTAL NON-CURRENT ASSETS		<u>14.544.454.830</u>	<u>14.715.224.636</u>
TOTAL ASSETS		<u>\$ 18.425.472.671</u>	<u>18.615.781.898</u>
LIABILITIES			
CURRENT LIABILITIES:			
Financial obligations	15	\$ 1.178.109.534	825.228.978
Outstanding bonds	16	76.969.868	435.925.689
Accounts payable	17	1.198.307.868	751.996.525
Employee benefits	18	27.295.607	25.068.794
Current tax	14	101.957.110	81.080.987
Provisions	19	91.729.327	113.896.004
Other liabilities	20	154.603.250	187.634.248
TOTAL CURRENT LIABILITIES		<u>2.828.972.564</u>	<u>2.420.831.225</u>
NON-CURRENT LIABILITIES:			
Financial liabilities	15	3.973.637.507	4.083.689.447
Outstanding bonds	16	4.637.260.581	4.702.411.548
Accounts payable	17	27.552.834	29.743.502
Employee benefits	18	2.698.568	2.544.764
Provisions	19	277.225.989	281.309.609
Deferred tax liabilities, net	14	1.080.882.603	1.069.661.511
TOTAL NON-CURRENT LIABILITIES		<u>9.999.258.082</u>	<u>10.169.360.381</u>
TOTAL LIABILITIES		<u>12.828.230.646</u>	<u>12.590.191.606</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Subscribed and paid-in capital	21	113.491.861	113.491.861
Additional paid-in capital		322.822.817	322.822.817
Reserves		1.342.484.299	1.226.467.276
Retained earnings		3.028.344.487	3.483.643.517
Other equity transactions		(11.554.543)	(11.554.810)
Other comprehensive income		516.902.354	560.937.733
TOTAL SHAREHOLDERS' EQUITY		<u>5.312.491.275</u>	<u>5.695.808.394</u>
NON-CONTROLLING INTERESTS	22	<u>284.750.750</u>	<u>329.781.898</u>
TOTAL EQUITY		<u>5.597.242.025</u>	<u>6.025.590.292</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>\$ 18.425.472.671</u>	<u>18.615.781.898</u>

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

Aquiles Mercado González
Legal Representative (Alternate)**

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

Rosangela Barrios Pantoja
Independent Auditor
Professional License No. 155173-T
Member of KPMG S.A.S.
(See my report of May 12, 2023).

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

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

	Note	For three-month periods ending in:	
		March 2023	March 2022
Revenue			
Contracts with customers		\$ 1.287.013.596	1.126.737.153
Revenues from domestic concession contracts		25.345.314	34.720.611
Revenues from foreign concession contracts		87.729.744	160.219.576
Other revenue		147.391.938	93.557.167
Total revenue	23	<u>1.547.480.592</u>	<u>1.415.234.507</u>
Cost of sales and services rendered		(959.430.104)	(746.555.957)
Cost of construction of concession contracts		(21.263.640)	(18.798.805)
Cost of construction of foreign concession contracts		(50.308.608)	(89.724.373)
Total cost of sales and services rendered	24	<u>(1.031.002.352)</u>	<u>(855.079.135)</u>
GROSS PROFIT		516.478.240	560.155.372
Administrative and selling expenses	25	(120.403.944)	(99.791.535)
Share of profit of equity-accounted in:			
Domestic associates		24.210.939	32.037.633
Foreign associates		50.936.798	44.035.400
Total share of profit of equity-accounted	9	<u>75.147.737</u>	<u>76.073.033</u>
Dividends received		1.199.027	1.250.450
Impairment for expected credit losses		(21.345.820)	(6.282.469)
Other, net	26	<u>664.500</u>	<u>25.617.087</u>
OPERATING INCOME		451.739.740	557.021.938
Finance income	27	160.050.366	81.925.268
Interest expense	28	(251.363.433)	(122.937.199)
Foreign exchange difference, net	29	<u>(2.706.117)</u>	<u>(2.104.095)</u>
INCOME BEFORE INCOME TAX		357.720.556	513.905.912
Income tax	14	<u>(91.633.096)</u>	<u>(130.391.932)</u>
NET INCOME		<u>\$ 266.087.460</u>	<u>383.513.980</u>
INCOME ATTRIBUTABLE TO:			
Shareholders		\$ 245.822.313	365.232.695
Non-controlling interests	22	<u>20.265.147</u>	<u>18.281.285</u>
		<u>\$ 266.087.460</u>	<u>383.513.980</u>
NET INCOME PER SHARE		<u>\$ 216,61</u>	<u>321,83</u>

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

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Promigas S.A. E.S.P. and Subsidiaries
CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(In thousands of Colombian pesos)

	Note	For three-month periods ending in:	
		March 2023	March 2022
NET INCOME		\$ 266.087.460	383.513.980
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income not to be reclassified to profit or loss</i>			
Fair value of equity instruments		(347.769)	5.981.760
Revaluation of assets		174.273	-
Deferred income tax	14	356	(604.062)
		<u>(173.140)</u>	<u>5.377.698</u>
<i>Other comprehensive income to be reclassified to profit or loss</i>			
Currency translation adjustment		(56.510.322)	(68.033.436)
Hedging transactions		27.378.120	45.391.343
Deferred income tax	14	(7.985.368)	(13.387.044)
		<u>(37.117.570)</u>	<u>(36.029.137)</u>
OTHER COMPREHENSIVE INCOME IN ASSOCIATES			
<i>Other comprehensive income to be reclassified to profit or loss</i>			
Currency translation adjustment		(23.725.815)	(32.222.585)
Hedging transactions		10.577.526	963.598
	9	<u>(13.148.289)</u>	<u>(31.258.987)</u>
		<u>(50.438.999)</u>	<u>(61.910.426)</u>
TOTAL INCOME AND OTHER COMPREHENSIVE INCOME		\$ <u>215.648.461</u>	<u>321.603.554</u>
INCOME AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Shareholders		\$ 201.786.934	310.586.778
Non-controlling interest		13.861.527	11.016.776
		<u>\$ 215.648.461</u>	<u>321.603.554</u>

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

For the periods ended :	Notes	Subscribed and paid-in capital	Additional paid-in capital	Reserves	Retained earnings			Other equity transactions	Other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity	
					Income (loss) from prior years	Net income	First-time adoption effect						
Balance as of December 2021		\$ 113.491.861	322.822.817	1.104.531.324	592.316.351	1.099.132.603	1.505.786.626	3.197.235.580	(11.554.865)	258.553.530	4.985.080.247	280.156.256	5.265.236.503
Creation of reserves	21	-	-	121.935.952	(121.935.952)	-	-	(121.935.952)	-	-	-	-	-
Cash dividends	21	-	-	-	(585.581.590)	-	-	(585.581.590)	-	-	(585.581.590)	(34.701.129)	(620.282.719)
Dividend withholdings transferred to shareholders		-	-	-	1.214.125	-	-	1.214.125	-	-	1.214.125	-	1.214.125
Carryforwards	21	-	-	-	1.099.132.603	(1.099.132.603)	-	-	-	-	-	-	-
Net income and other comprehensive income		-	-	-	-	365.232.695	-	365.232.695	-	(54.645.917)	310.586.778	11.016.776	321.603.554
Balance as of March 2022		<u>113.491.861</u>	<u>322.822.817</u>	<u>1.226.467.276</u>	<u>985.145.537</u>	<u>365.232.695</u>	<u>1.505.786.626</u>	<u>2.856.164.858</u>	<u>(11.554.865)</u>	<u>203.907.613</u>	<u>4.711.299.560</u>	<u>256.471.903</u>	<u>4.967.771.463</u>
Balance as of December 2022		\$ 113.491.861	322.822.817	1.226.467.276	979.566.989	998.289.902	1.505.786.626	3.483.643.517	(11.554.810)	560.937.733	5.695.808.394	329.781.898	6.025.590.292
Acquisition of interest from non-controlling interests		-	-	-	-	-	-	-	267	-	267	(267)	-
Creation of reserves	21	-	-	116.017.023	(116.017.023)	-	-	(116.017.023)	-	-	-	-	-
Cash dividends	21	-	-	-	(585.581.590)	-	-	(585.581.590)	-	-	(585.581.590)	(58.892.408)	(644.473.998)
Dividend withholdings transferred to shareholders		-	-	-	477.270	-	-	477.270	-	-	477.270	-	477.270
Carryforwards	21	-	-	-	998.289.902	(998.289.902)	-	-	-	-	-	-	-
Net income and other comprehensive income		-	-	-	-	245.822.313	-	245.822.313	-	(44.035.379)	201.786.934	13.861.527	215.648.461
Balance as of March 2023		<u>\$ 113.491.861</u>	<u>322.822.817</u>	<u>1.342.484.299</u>	<u>1.276.735.548</u>	<u>245.822.313</u>	<u>1.505.786.626</u>	<u>3.028.344.487</u>	<u>(11.554.543)</u>	<u>516.902.354</u>	<u>5.312.491.275</u>	<u>284.750.750</u>	<u>5.597.242.025</u>

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Promigas S.A. E.S.P. and Subsidiaries
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
(In thousands of Colombian pesos)

For three-month periods ending in:	Notes	March 2023	March 2022
Cash flows from operating activities:			
Net income		\$ 266.087.460	383.513.980
Adjustments to reconcile net income to net cash provided by:			
operating activities:			
Depreciation	10, 13, 24, 25	14.532.241	12.167.550
Amortization of intangible assets	11, 12, 24, 25	77.117.875	66.871.745
Compensation received in kind	11, 26	-	(8.778.409)
Accrued interest		275.373.142	129.882.149
Accrued yields		(195.264.284)	(107.484.885)
Financial assets update	5, 27	(93.949.070)	(73.908.250)
Income from equity method	9	(75.147.737)	(76.073.033)
Impairment of:			
Inventories	7	-	2.059
Accounts receivable, net		21.345.820	6.282.469
Provisions accrued	19	10.491.363	6.707.937
Exchange difference, net	29	1.378.877	(425.288)
Loss (gain) on sale of:			
Property, plant and equipment	10, 26	(695.312)	1.134
Loss (gain) on derecognition of:			
Property, plant and equipment	10, 26	220.732	73.153
Concessions	11, 26	3.047.056	784.602
Rights of use	12, 26	(103.959)	(101.101)
Valuation of:			
Investment properties		-	(432.254)
Construction contracts concessions	23	(37.421.135)	(71.047.828)
Income taxes payable	14	91.633.096	130.391.932
Changes in assets and liabilities:			
Accounts receivable		(85.271.654)	(74.304.700)
Inventories		458.029	(9.166.962)
Equity instruments through profit or loss		(191.827.729)	41.209.558
Debt instruments through OCI		(148.690.618)	-
Hedging transactions		(236.767)	34.277
Other assets		(24.979.037)	(19.098.427)
Accounts payable		(146.414.506)	(74.811.119)
Employee benefits		2.477.170	1.111.471
Other liabilities		(21.405.103)	12.033.547
		(615.890.215)	(122.992.355)
Income tax paid		(76.369.115)	(50.841.009)
Yields received		173.276.769	103.834.732
Interest paid	15, 16	(224.104.404)	(78.323.982)
Net cash used in (provided by) operating activities		<u>(384.440.800)</u>	<u>250.105.048</u>
Cash flow from investing activities:			
Acquisition of:			
Property, plant and equipment	10	(30.598.145)	(14.962.036)
Concessions	11	(96.047.948)	(130.061.423)
Investment property		-	(100.408)
Other intangible assets	12	(11.754.300)	(5.065.516)
Proceeds from sale of property, plant and equipment		1.082.473	1.982
Assets held for sale		-	360.000
Excess paid for acquisition of equity interest to non-controlling interest		267	-
Dividends received from investments in companies	9	107.261.215	82.851.120
Net cash used in investing activities		<u>(30.056.438)</u>	<u>(66.976.281)</u>
Cash flow from financing activities:			
Dividends paid	17	(94.912.375)	(82.537.255)
Acquisition of financial obligations	15	829.540.087	193.542.611
Payments of financial obligations	15	(554.199.478)	(74.829.724)
Payment of bonds	16	(380.179.000)	(120.000.000)
Non-controlling interest		(267)	-
Net cash used in financing activities		<u>(199.751.033)</u>	<u>(83.824.368)</u>
Decrease (net increase) in cash		(614.248.271)	99.304.399
Translation adjustment effect on cash and cash equivalents		(10.324.673)	(11.111.747)
Foreign exchange difference effect on cash		14.986.571	60.373
Cash opening balance		1.729.015.247	427.848.665
Cash closing balance		<u>\$ 1.119.428.874</u>	<u>516.101.690</u>

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PROMIGAS S.A. E.S.P. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2023
(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, 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 activity in all its 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 established in IFRS 10 Consolidated Financial Statements, Promigas' controlling shareholder is Corporación Financiera Colombiana S.A., whose parent company is Grupo Aval Acciones y Valores S.A., both are public companies incorporated in Colombia. However, under Act 222 of 1995, Promigas S.A. E.S.P. does not meet the conditions to qualify as a subsidiary. Its corporate seat is in Barranquilla, its address is Calle 66 No. 67 - 123 and its term of duration expires on December 27, 2074.

The Company is supervised by the Superintendence of Residential Utilities and in order to keep in force the National Register of Securities and Brokers (RNVI, for its Spanish acronym) it 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 owns the following subsidiaries through direct and indirect interests:

Company	March 2023			December 2022		
	Direct	Indirect	Total	Direct	Indirect	Total
Surtidora de Gas del Caribe 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.S. E.S.P.	49.00%	48.16%	97.16%	49.00%	48.16%	97.16%
Orion Contac Center S.A.S.	0.00%	96.65%	96.65%	0.00%	96.65%	96.65%
Promisol S.A.S.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gases del Pacífico S.A.C.	95.49%	4.51%	100.00%	95.49%	4.51%	100.00%
Gases del Norte del Perú S.A.C.	99.09%	0.91%	100.00%	99.09%	0.91%	100.00%
Promigas Perú S.A.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promigas Panamá Corporation	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Zonagen S.A.S.	0.00%	99.95%	99.95%	0.00%	99.95%	99.95%
Sociedad Portuaria El Cayao S.A. E.S.P.	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Enlace Servicios Empresariales Globales S.A.S.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Promigas Brasil Ltda. (1)	100.00%	0.00%	100.00%	0.00%	0.00%	0.00%

PROMIGAS S.A. E.S.P. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2023
(In thousands of Colombian pesos, unless otherwise stated)

- (1) The company was acquired on March 13, 2023 under the laws of the Republic of Brazil. It is a limited liability company, headquartered in the city and state of Rio de Janeiro, whose corporate purpose is the holding of shares, partnership interests or any other type of interest in other companies, in Brazil or abroad.

Regulatory Framework Promigas and subsidiaries

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

Compañía Energética de Occidente S.A.S. E.S.P. is subject to the Laws of the Republic of Colombia, especially to Acts 142 of 1994, Regime of Residential Public Utilities, and 143 of 1994, Regime for the Generation, Interconnection, Transmission, Distribution and Sale of Electricity in the National Territory, which grant authorizations and dictate other provisions in energy matters, and to all others that regulate the electricity sector (CREG Regulation). Regarding tariffs for energy sales to regulated users, the Company must adhere to the tariff formula established by the Energy and Gas Regulatory Commission. Article 42 of Act 143 of 1994 provides: "electricity transactions between generating companies, between distributors, between the former and the latter and between all of them and the companies engaged in the sale of electricity and deregulated users are free and will be compensated through the prices agreed upon by the parties."

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

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

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

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

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Port tariffs charged by SPEC LNG are established and registered by the national government through the Superintendence of Transportation in accordance with the provisions of Act 1 of 1991 and Resolution 723 of 1993, as amended.

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

Change in rate regulation

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

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

2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Technical regulatory framework

The condensed consolidated interim financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia for Group 1 entities (NCIF Group 1), established in Act 1314 of 2009, regulated by the Sole Regulatory Decree 2420 of 2015. as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020 and 938 of 2021 and 1611 of 2022. The NCIF applicable in 2023 are based on the International Financial Reporting Standards (IFRS) together with their interpretations, issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

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

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2.2 Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and must be read together with the annual consolidated financial statements as of December 31, 2022, which include and disclose the policies, calculation methods, judgments and accounting estimates used in the preparation of the condensed consolidated interim financial statements of the quarter ended March 31, 2022.

The condensed consolidated interim financial statements for the quarter ended March 31, 2023 do not include all the information required for a complete set of financial statements under NCIF, however, selected notes have been included to provide an explanation of significant events and transactions to understand the changes in the financial position and development of the Company since the last financial statement.

2.3 Functional and presentation currency

The functional and presentation currency of Promigas is the Colombian peso.

The representative exchange rates to convert transactions from U.S. dollars to Colombian pesos calculated and certified by the Financial Superintendency of Colombia are as follows:

	March 2023	December 2022
Period-end	\$ <u>4,646.08</u>	<u>4,810.20</u>
Monthly averages:		
March 2023		March 2022
January	\$ 4,000.72	\$ 4,000.72
February	3,938.36	3,938.36
March	3,805.52	3,805.52

The functional currency of the subsidiary companies is detailed below:

Subsidiaries:	Functional currency
Surtidora de Gases del Caribe S.A. E.S.P. (Surtigas)	Colombian Peso
Transoccidente S.A. E.S.P.	Colombian Peso
Gases de Occidente S.A. E.S.P.	Colombian Peso
Transportadora de Metano E.S.P. S.A. (Transmetano)	Colombian Peso
Compañía Energética de Occidente S.A.S. E.S.P.	Colombian Peso
Promioriente S.A. E.S.P.	Colombian Peso
Sociedad Portuaria El Cayao S.A. E.S.P.	U.S. dollar
Gases del Pacífico S.A.C.	U.S. dollar
Gases del Norte del Perú S.A.C.	U.S. dollar
Orión Contac Center S.A.S.	Colombian Peso

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Subsidiaries:	Functional currency
Promisol S.A.S.	Colombian Peso
Zonagen S.A.S.	Colombian Peso
Enlace Servicios Empresariales Globales S.A.S.	Colombian Peso
Promigas Perú S.A.	U.S. dollar
Promigas Panamá Corporation	U.S. dollar
Promigas Brasil	Brazilian real
Associates:	
Gases del Caribe S.A. E.S.P. (Gas Caribe)	Colombian Peso
E2 Energía Eficiente S.A. E.S.P.	Colombian Peso
Gas Natural de Lima y Callao S.A.C.	U.S. dollar

3. FAIR VALUE MEASUREMENTS ON A RECURRING BASIS

Fair value measurements on a recurring basis are those required or permitted by NCIF in the consolidated statement of financial position at the end of each accounting period.

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

	March 2023		December, 2022	
	Level 2	Level 3	Level 2	Level 3
Assets				
Hedging operations receivable	\$ 6,307,840	-	3,553,105	-
Debt instruments through profit or loss (1)	1	-	8,552,846	-
Certificates and marketable fixed-income securities (1)	214,094,742	-	60,967,383	-
Equity instruments through profit or loss (1)	465,842,262	-	268,721,736	-
Financial instruments at fair value through profit or loss (1)	300,000	-	300,000	-
Equity instruments through OCI (1)	23,741,569	-	24,089,337	-
Financial assets concession contracts in Colombia (1)	-	3,601,180,278	-	3,507,231,208
Investment properties (2)	9,315,331	-	9,315,331	-
	<u>\$ 719,601,745</u>	<u>3,601,180,278</u>	<u>375,499,738</u>	<u>3,507,231,208</u>
Liabilities				
Creditors for hedging liability position	\$ 3,025,309	-	700,647	-

(1) See note 5.

(2) See note 17.

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The following table presents the movement of assets classified in Level 3, evidencing that there are no transfers between levels:

	Financial assets under concession
Balance as of December 31, 2022	\$ 3,507,231,208
Fair value adjustments through profit or loss	93,949,070
Balance as of March 31, 2023	<u>\$ 3,601,180,278</u>

4. CASH

Cash consists of the following:

	March 2023	December 2022
In local currency		
Cash	\$ 187,009	198,266
Banks (1)	<u>633,160,550</u>	<u>1,536,883,746</u>
	<u>633,347,559</u>	<u>1,537,082,012</u>
In foreign currency		
Cash	488,642	462,088
Banks (1)	<u>485,592,673</u>	<u>191,471,147</u>
	<u>486,081,315</u>	<u>191,933,235</u>
Total	\$ <u>1,119,428,874</u>	<u>1,729,015,247</u>

(1) The credit quality determined by independent risk rating agents of the main financial institutions in which the Company and its subsidiaries maintain cash funds is detailed below:

Credit rating	March 2023	December 2022
AAA	\$ 974,119,924	1,599,699,117
AA+	88,750,741	70,234,285
A+	10,871,325	12,187,979
BBB+	<u>45,011,233</u>	<u>46,233,512</u>
	<u>\$ 1,118,753,223</u>	<u>1,728,354,893</u>

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

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5. FINANCIAL ASSETS AT FAIR VALUE

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

	March 2023	December 2022
Current portion		
Debt instruments	\$ 1	8,552,846
Financial instruments at fair value through OCI (1)	214,094,742	60,967,383
Equity instruments through profit or loss (2)	465,842,262	268,721,736
Valuation of hedging derivatives	7,816,585	6,143,830
	<u>687,753,590</u>	<u>344,385,795</u>
Non-current portion		
Equity instruments through profit or loss	\$ 300,000	300,000
Equity instruments through OCI	23,741,569	24,089,337
Financial asset under call option Colombian State (3)	3,601,180,278	3,507,231,208
Valuation of hedging derivatives	811,515	1,798,903
	<u>3,626,033,362</u>	<u>3,533,419,448</u>

(1) The variation is mainly due to the acquisition by Promigas of CDs held for collection and sale in the amount of \$143,100,000.

(2) The following is the consolidated movement of equity instruments through profit or loss:

	March 2023
Opening balance	268,721,736
Transfers received from bank accounts	2,255,962,634
Ministry of Mines and Energy FOES subsidy	60,850,735
Interest	16,858,910
Losses	(2)
Purchase of foreign currency	(3,240,558)
Payments to third parties	(491,673,907)
Purchase of Tidis	(3,365,239)
Purchase of CDTs	(15,000,000)
Bank charges	(4,925)
Financial Movements Tax	(3,712)
Transfer to bank accounts	(1,622,180,814)
Withholding tax on interest	(728,046)
Others	(354,550)
Closing balance	<u>465,842,262</u>

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(3) Below is a breakdown of the value of the financial assets for each company:

	March 2023	December 2022
Promigas S.A. E.S.P.	\$ 2,832,779,898	2,767,870,451
Transmetano E.S.P. S.A.	197,352,581	190,421,597
Surtigas S.A. E.S.P.	384,211,122	373,891,196
Promioriente S.A. E.S.P.	63,951,057	59,226,086
Gases de Occidente S.A. E.S.P.	122,885,620	115,821,878
	<u>\$ 3,601,180,278</u>	<u>3,507,231,208</u>

6. FINANCIAL ASSETS AT AMORTIZED COST

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

	March 2023	December 2022
Current portion		
Debt securities	\$ 25,126	26,625
Accounts receivable (1)	1,458,085,548	1,371,545,098
Other accounts receivable (2)	172,401,314	47,521,672
	<u>\$ 1,630,511,988</u>	<u>1,419,093,395</u>
Non-current portion		
Debt securities	\$ 172,553	172,553
Accounts receivable (1)	1,896,588,981	1,951,842,749
Other accounts receivable (2)	10,614,309	10,008,273
	<u>\$ 1,907,375,843</u>	<u>1,962,023,575</u>

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(1) Accounts receivable are comprised as follows:

	March 2023			December 2022		
	Third parties	Related Parties	Total	Third parties	Related Parties	Total
Current portion						
Gas transportation	\$ 125,504,896	4,863,944	130,368,840	100,105,292	6,741,870	106,847,162
Gas distribution	607,527,994	6,071,895	613,599,889	555,253,466	2,698,062	557,951,528
Energy distribution and trade	169,695,061	885	169,695,946	189,134,619	775	189,135,394
Non-bank financing (FNB-Brilla)	353,634,108	574,475	354,208,583	332,108,084	107,255	332,215,339
Finance lease (a)	221,440,168	-	221,440,168	214,192,632	-	214,192,632
Other services (b)	102,296,568	20,267	102,316,835	98,250,429	6,048	98,256,477
	<u>1,580,098,795</u>	<u>11,531,466</u>	<u>1,591,630,261</u>	<u>1,489,044,522</u>	<u>9,554,010</u>	<u>1,498,598,532</u>
Impairment accounts receivable	(133,544,713)	-	(133,544,713)	(127,053,434)	-	(127,053,434)
	<u>\$ 1,446,554,082</u>	<u>11,531,466</u>	<u>1,458,085,548</u>	<u>1,361,991,088</u>	<u>9,554,010</u>	<u>1,371,545,098</u>
Non-current portion						
Gas distribution	268,150,587	-	268,150,587	261,901,622	2,234,358	264,135,980
Energy distribution and trade	19,161,100	-	19,161,100	20,088,994	-	20,088,994
Other services (b)	124,649,110	-	124,649,110	122,816,253	-	122,816,253
Non-bank financing	472,450,830	-	472,450,830	425,109,169	-	425,109,169
Finance lease (a)	<u>1,109,087,848</u>	<u>507,126</u>	<u>1,109,594,974</u>	<u>1,208,618,792</u>	<u>498,683</u>	<u>1,209,117,475</u>
	<u>1,993,499,475</u>	<u>507,126</u>	<u>1,994,006,601</u>	<u>2,038,534,830</u>	<u>2,733,041</u>	<u>2,041,267,871</u>
Impairment accounts receivable	(97,417,620)	-	(97,417,620)	(89,425,122)	-	(89,425,122)
	<u>\$ 1,896,081,855</u>	<u>507,126</u>	<u>1,896,588,981</u>	<u>1,949,109,708</u>	<u>2,733,041</u>	<u>1,951,842,749</u>
Non-impaired receivables	3,573,598,270	12,038,592	3,585,636,862	3,527,579,352	12,287,051	3,539,866,403
Total, impairment	<u>(230,962,333)</u>	<u>-</u>	<u>(230,962,333)</u>	<u>(216,478,556)</u>	<u>-</u>	<u>(216,478,556)</u>
Net balance	<u>\$ 3,342,635,937</u>	<u>12,038,592</u>	<u>3,354,674,529</u>	<u>3,311,100,796</u>	<u>12,287,051</u>	<u>3,323,387,847</u>

(a) Corresponds mainly to the finance lease agreements of Sociedad Portuaria el Cayao S.A. E.S.P. and Promisol S.A.S. respectively; which, in the case of Sociedad Portuaria el Cayao, is related to the agreement entered into with Grupo Térmico for the exclusive purpose of LNG regasification when required and under the specifications of the systems necessary to deliver natural gas.

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

(b) The balance recognized as of March 31, 2023, and December 31, 2022, corresponds mainly to accounts receivable from commercial, industrial and residential gas users for internal connections, maintenance and periodic revisions necessary to guarantee the provision of service to the customer by the gas trading and distribution companies controlled by Promigas S.A. E.S.P., as well as for regasification services charged by Sociedad Portuaria el Cayao S.A. E.S.P.

As of March 31, 2023 and December 31, 2022, accounts receivable for services rendered and unbilled amount to \$494,920,518 and \$1,154,670,251, respectively.

As of March 31, 2023 and December 31, 2022, there is no lien or restriction on the accounts receivable balance.

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(2) Other accounts receivable consist of the following:

	March 2023	December 2022
Current portion		
Loans granted	\$ 12,819,433	14,117,130
Dividends receivable	129,353,045	-
Other receivables	39,617,772	43,268,100
	<u>181,790,250</u>	<u>57,385,230</u>
Impairment of loans granted	(9,388,936)	(9,863,558)
	<u>\$ 172,401,314</u>	<u>47,521,672</u>
Non-current portion		
Loans granted	\$ 9,167,157	9,122,824
Other accounts receivable	2,650,615	1,994,280
	<u>11,817,772</u>	<u>11,117,104</u>
Impairment of loans granted	(1,203,463)	(1,108,831)
	<u>\$ 10,614,309</u>	<u>10,008,273</u>

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

	March 2023	December 2022
Opening balance	\$ (227,450,945)	(198,918,297)
Impairment charged to expense	(25,214,232)	(100,533,093)
Write-off	6,186,925	46,553,415
Reinstatement of previously written-off portfolio	-	(16,944)
Reinstatement of impairment with credit to profit or loss	3,868,412	29,020,482
Translation adjustments	1,055,108	(3,556,508)
Closing balance	<u>\$ (241,554,732)</u>	<u>(227,450,945)</u>

Guarantees provided by debtors

Bank guarantees, blank promissory notes with letters of instruction, and contracts/purchase orders/merchant offers are available to secure the debts of domestic customers. Some transportation contracts have insurance policies to be executed in case of default.

For Brilla portfolio loans, blank promissory notes with letters of instruction are created and for debts to employees, promissory notes are signed and social benefits are pledged in the event of termination.

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7. INVENTORIES

The composition of inventory balances is as follows:

	March 2023	December 2022
Goods in stock and materials for services rendered (1)	151,952,058	151,846,640
Inventories in transit	8,053,280	6,812,321
Inventories held by third parties (2)	<u>13,637,070</u>	<u>18,072,595</u>
	173,642,408	176,731,556
Impairment of inventories (3)	<u>(5,923,509)</u>	<u>(5,937,789)</u>
	<u>\$ 167,718,899</u>	<u>170,793,767</u>

(1) The balance is mainly composed of regulators, polyethylene pipes, as well as materials and implements used for the construction of external and internal natural gas distribution networks, manufactured gas materials and equipment, advances for the purchase of gas, spare parts for solar turbo compressors to provide energy sales services under non-conventional sources (solar energy), as well as filtering elements and spare parts for the maintenance of gas pipelines. On the other hand, this item includes meters acquired for the provision of energy distribution and commercialization services in Compañía Energética de Occidente.

(2) Material delivered to contractors for the rendering of services related to the trading and distribution of energy. These services include construction of electrical networks, engineering studies, execution of electrical designs, public and Christmas lighting, and maintenance to private customers. The following items are included in the inventory:

Bolts, light fixtures, meters, batteries, seals, laminates, connectors, among others, required for the operation.

(3) The following is the inventory impairment movement:

	March 2023
Opening balance	\$ (5,937,789)
Translation adjustment	<u>14,280</u>
Closing balance	<u>\$ (5,923,509)</u>

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

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8. OTHER ASSETS

The following is a breakdown of other assets:

	March 2023	December 2022
Current portion		
Prepaid expenses	\$ 99,288,263	105,901,380
Advances or credit balances for other taxes	28,121,939	29,275,686
Security deposits	87,475,195	74,395,014
	<u>\$ 214,885,397</u>	<u>209,572,080</u>
Non-current portion		
Deposits	\$ 244,480	60,710
Prepaid expenses	115,335,573	119,118,923
Advances or credit balances for other taxes	240,611,029	252,334,510
	<u>\$ 356,191,082</u>	<u>371,514,143</u>

9. INVESTMENTS IN ASSOCIATES

Identification and economic activity of the associates

Gas Natural de Lima y Callao S.A.C. – Its corporate purpose is the distribution of natural gas, including the sale of equipment, installation, maintenance and performance of activities related to hydrocarbons and/or distribution. Its principal place of business is in Lima, Peru.

Gases del Caribe S.A. E.S.P. - It was incorporated under Colombian law on November 25, 1966, and its corporate purpose is the purchase, storage, packaging and distribution of gases and hydrocarbon derivatives; the construction and operation of industrial, commercial and residential natural gas pipelines and the purchase and sale of elements, services and devices related to the sale and distribution of fuel gases and related products. The Company is based in the city of Barranquilla, Colombia. Its term of duration is until January 26, 2083.

E2 - Energía Eficiente S.A. E.S.P. – Its corporate purpose is the purchase, sale, production and trading of energy in any of its forms, development or sale of products and/or services for the management of risks related to the energy business and provision of integral advisory services in the acquisition and use of energy. The Company is based in the city of Barranquilla, Colombia. Its term of duration is until August 6, 2104.

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

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The detail of investments in associates is as follows:

Company	Economic Activity	Seat	Percentage owned	Carrying value	Income equity method	OCI for the period
March 2023						
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	\$ 612,138,987	50,936,798	(13,129,825)
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%	287,585,908	24,157,971	(18,464)
E2 - Energía Eficiente S.A. E.S.P.	Gas trading	Colombia	32.41%	2,566,855	97,387	-
Concentra en Inteligencia en Energía S.A.S.	LNG regasification	Colombia	22.24%	368,270	(44,419)	-
				<u>902,660,020</u>	<u>75,147,737</u>	<u>(13,148,289)</u>
December 2022						
Gas Natural de Lima y Callao S.A.C.	Gas distribution	Peru	40.00%	\$ 768,952,782	177,019,659	169,312,872
Gases del Caribe S.A. E.S.P. (1)	Gas distribution	Colombia	30.99%	313,968,270	115,058,546	2,288,495
E2 - Energía Eficiente S.A. E.S.P.	Gas trading	Colombia	32.41%	4,136,133	1,329,575	-
Concentra en Inteligencia en Energía S.A.S.	LNG regasification	Colombia	22.24%	412,687	(184,207)	(1,486)
				<u>1,087,469,872</u>	<u>293,223,573</u>	<u>171,599,881</u>

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

Below is a breakdown of the movements of investments in associates:

	March 2023
Opening balance	\$ 1,087,469,872
Dividends declared by companies	(246,809,300)
Equity method through profit or loss	75,147,737
Other comprehensive income for the period in associates	(13,148,289)
Closing balance	<u>\$ 902,660,020</u>

Dividends declared and received by associates as of March 31, 2023, are detailed below:

Company	March 2023	
	Dividends declared	Dividends actually received
Gases del Caribe	50,521,869	-
Gas Natural de Lima y Callao	194,620,767	(107,261,215)
Energía Eficiente	1,666,664	-
	<u>246,809,300</u>	<u>(107,261,215)</u>

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The following is a breakdown of the equity of investments in associates, which are accounted for by the equity method:

	Capital	Share issue premium	Reserves	Net income	Retained earnings	Results of NCIF Adoption	Unrealized gains or losses (OCI)	Total equity
<u>March 2023</u>								
Gas Natural de Lima y Callao S.A.C.	\$ 474,434,154	-	133,450,621	119,225,189	(140,484,976)	-	887,352,881	1,473,977,870
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	23,940,726	83,700,000	496,557,574	332,521,817	(11,842,879)	927,893,526
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	5,298,488	19,002,172	(682,535)	-	26,423,104
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	581,535	(244,763)	(553,425)	-	-	1,547,347
<u>December 2022</u>								
Gas Natural de Lima y Callao S.A.C.	\$ 474,434,154	-	133,450,621	438,802,687	(91,110,976)	-	984,080,227	1,939,656,713
Gases del Caribe S.A. E.S.P.	1,755,369	1,260,919	23,940,726	352,800,515	307,493,163	332,521,817	(11,842,879)	1,007,929,630
E2 - Energía Eficiente S.A. E.S.P.	909,998	1,439,982	454,999	5,298,488	19,002,172	(682,535)	-	26,423,104
Concentra en Inteligencia en Energía S.A.S.	1,764,000	-	581,535	(611,554)	-	-	-	1,733,981

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10. PROPERTY, PIPELINES, NETWORKS, PLANT AND EQUIPMENT

The following is a breakdown by type of property, pipelines, networks, plant and equipment:

	March 2023				December 2022			
	Cost	Accumulated depreciation	Accumulated impairment	Total	Cost	Accumulated depreciation	Accumulated impairment	Total
Land	\$ 85,418,429	-	(1,451,423)	83,967,006	83,142,068	-	(1,451,423)	81,690,645
Construction in progress	86,734,806	-	-	86,734,806	79,624,453	-	-	79,624,453
Machinery, plant and equipment in assembly	30,800,008	-	-	30,800,008	21,543,588	-	-	21,543,588
Property, plant and equipment in transit	28,859	-	-	28,859	-	-	-	-
Construction and buildings	107,424,713	(22,783,092)	-	84,641,621	108,602,007	(23,667,766)	-	84,934,241
Gas pipelines and plants	562,642,157	(67,439,396)	-	495,202,761	559,934,357	(65,163,310)	-	494,771,047
Networks	474,627,446	(61,088,736)	-	413,538,710	473,366,222	(59,158,785)	-	414,207,437
Machinery and equipment	267,082,695	(117,716,643)	(1,964)	149,364,088	267,997,035	(115,451,331)	(1,964)	152,543,740
Furniture and fixtures	18,243,254	(10,790,435)	-	7,452,819	18,298,292	(10,462,711)	-	7,835,581
Computer and communication equipment	52,696,973	(35,783,320)	-	16,913,653	52,931,553	(34,660,115)	-	18,271,438
Fleet and transportation equipment	10,511,071	(7,819,764)	-	2,691,307	10,762,890	(7,929,724)	-	2,833,166
Property improvements	4,360,393	(2,268,546)	-	2,091,847	1,450,406	(677,322)	-	773,084
	<u>1,700,570,804</u>	<u>(325,689,932)</u>	<u>(1,453,387)</u>	<u>1,373,427,485</u>	<u>1,677,652,871</u>	<u>(317,171,064)</u>	<u>(1,453,387)</u>	<u>1,359,028,420</u>

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

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The movement in property, gas pipelines, networks, plant and equipment is detailed below:

	Land	Constructions in progress	Machinery, plant and equipment in assembly	Property, plant and equipment in transit	Buildings and constructions	Pipelines and plants	Networks not under concession	Machinery and Equipment	Furniture and Fixtures	Communication and computer equipment	Transportation equipment and fleet	Leasehold improvements	Total
<u>Cost</u>													
Balance as of December 31, 2022	\$ 83,142,068	79,624,453	21,543,588	-	108,602,007	559,934,357	473,366,222	267,997,035	18,298,292	52,931,553	10,762,890	1,450,406	1,677,652,871
Purchases	-	17,513,042	9,811,213	-	-	-	-	2,260,295	132,477	700,749	180,369	-	30,598,145
Additions to capitalizable interest	-	1,007,873	118,337	-	-	-	-	-	-	-	-	-	1,126,210
Capitalizations	3,317,427	(10,544,738)	(24,052)	-	2,104,378	2,515,688	1,261,224	1,370,073	-	-	-	-	-
Withdrawals, sales and write-offs	-	-	(103,968)	-	-	(7,997)	-	(867,254)	(3,555)	(45,034)	(312,343)	(77,608)	(1,417,759)
Reclassifications	-	(233,911)	-	28,859	(3,058,530)	200,109	-	574,205	(102,346)	(501,241)	-	3,058,530	(34,325)
Tax credits	-	(49,648)	(62,605)	-	-	-	-	(49,181)	-	-	(26,448)	-	(187,882)
Translation adjustments	(1,041,066)	(582,265)	(482,505)	-	(223,142)	-	-	(4,202,478)	(81,614)	(389,054)	(93,397)	(70,935)	(7,166,456)
Balance as of March 31, 2023	\$ 85,418,429	86,734,806	30,800,008	28,859	107,424,713	562,642,157	474,627,446	267,082,695	18,243,254	52,696,973	10,511,071	4,360,393	1,700,570,804
<u>Accumulated depreciation</u>													
Balance as of December 31, 2022	\$ -	-	-	-	(23,667,766)	(65,163,310)	(59,158,785)	(115,451,331)	(10,462,711)	(34,660,115)	(7,929,724)	(677,322)	(317,171,064)
Depreciation charged to expense	-	-	-	-	(725,396)	(2,276,604)	(1,929,951)	(4,303,584)	(386,889)	(1,370,462)	(233,073)	(149,859)	(11,375,818)
Depreciation withdrawals, sales and write-offs	-	-	-	-	-	518	-	464,578	3,489	40,450	288,714	12,117	809,866
Reclassifications	-	-	-	-	1,493,860	-	-	(33,122)	4,480	29,165	-	(1,493,860)	523
Translation adjustments	-	-	-	-	116,210	-	-	1,606,816	51,196	177,642	54,319	40,378	2,046,561
Balance as of March 31, 2023	\$ -	-	-	-	(22,783,092)	(67,439,396)	(61,088,736)	(117,716,643)	(10,790,435)	(35,783,320)	(7,819,764)	(2,268,546)	(325,689,932)
Impairment March 31, 2023	(1,451,423)	-	-	-	-	-	-	(1,964)	-	-	-	-	(1,453,387)
<u>Net balance</u>													
Balance as of December 31, 2022	\$ 81,690,645	79,624,453	21,543,588	-	84,934,241	494,771,047	414,207,437	152,543,740	7,835,581	18,271,438	2,833,166	773,084	1,359,028,420
Balance as of March 31, 2023	\$ 83,967,006	86,734,806	30,800,008	28,859	84,641,621	495,202,761	413,538,710	149,364,088	7,452,819	16,913,653	2,691,307	2,091,847	1,373,427,485

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11. INTANGIBLE ASSETS - CONCESSIONS

The following is a breakdown by type of assets under concession:

	March, 2023				December, 2022			
	Cost	Accumulated amortization	Accumulated impairment	Total	Costo	Accumulated amortization	Accumulated impairment	Total
Land	\$ 87,296,667	(5,956,190)	-	81,340,477	79,438,419	(5,674,721)	-	73,763,698
Constructions in progress (1)	187,414,064	-	-	187,414,064	326,519,710	-	-	326,519,710
Pipelines and networks	6,317,400,776	(1,166,148,458)	(7,810,677)	5,143,441,641	6,205,654,175	(1,113,624,303)	(7,810,677)	5,084,219,195
Machinery and equipment	605,632,966	(218,256,205)	-	387,376,761	574,448,081	(209,172,996)	-	365,275,085
Buildings	57,797,065	(11,789,981)	-	46,007,084	54,102,625	(11,038,311)	-	43,064,314
Leasehold improvements	457,539	(136,057)	-	321,482	461,727	(125,124)	-	336,603
	<u>7,255,999,077</u>	<u>(1,402,286,891)</u>	<u>(7,810,677)</u>	<u>5,845,901,509</u>	<u>7,240,624,737</u>	<u>(1,339,635,455)</u>	<u>(7,810,677)</u>	<u>5,893,178,605</u>

(1) As of March 31, 2023, includes the balance of concessions under construction of the subsidiaries Gases del Norte del Perú S.A.C. and Gases del Pacífico S.A.C. for \$37,494,265 and \$35,923,035, respectively, for a total of \$73,417,300 (\$135,663,653 and \$57,962,982, respectively, for a total of \$193,626,635 as of December 31, 2022).

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The following is a breakdown of the movement of the assets under concession:

	Land	Constructions in progress	Pipelines and networks	Machinery and equipment	Buildings	Leasehold improvements	Total
Cost							
Balance as of December 31, 2022	\$ 79,438,419	326,519,710	6,205,654,175	574,448,081	54,102,625	461,727	7,240,624,737
Additions	-	71,856,816	23,434,132	755,549	-	1,451	96,047,948
Additions capitalizable interest	-	4,142,984	3,356,653	-	-	-	7,499,637
Valuation of concessions in progress	-	37,323,712	-	-	-	-	37,323,712
Capitalization of assets under construction	10,648,388	(248,604,668)	201,939,165	32,322,675	3,694,440	-	-
Additions capitalized provisions	-	-	-	326,430	-	-	326,430
Capitalized depreciation	-	26,059	-	-	-	-	26,059
Withdrawals	-	(266,033)	(2,802,241)	-	-	-	(3,068,274)
Transfer of commitment to investment plan provisioned	-	-	(6,498,441)	-	-	-	(6,498,441)
Carryforward	-	1,403,690	(1,403,690)	-	-	-	-
Carryforward of tax credits	-	(1,327,033)	(24,599)	-	-	-	(1,351,632)
Translation adjustments	(2,790,140)	(3,661,173)	(106,254,378)	(2,219,769)	-	(5,639)	(114,931,099)
Balance as of March 31, 2023	\$ 87,296,667	187,414,064	6,317,400,776	605,632,966	57,797,065	457,539	7,255,999,077
Accumulated amortization							
Balance as of December 31, 2022	\$ (5,674,721)	-	(1,113,624,303)	(209,172,996)	(11,038,311)	(125,124)	(1,339,635,455)
Amortization charged to cost	(401,843)	-	(57,792,065)	(9,183,413)	(751,670)	(12,208)	(68,141,199)
Amortization capitalized	-	-	(13,241)	-	-	-	(13,241)
Withdrawals	-	-	21,218	-	-	-	21,218
Translation adjustment	120,374	-	5,259,933	100,204	-	1,275	5,481,786
Balance as of March 31, 2023	\$ (5,956,190)	-	(1,166,148,458)	(218,256,205)	(11,789,981)	(136,057)	(1,402,286,891)
Impairment March 31, 2023	-	-	(7,810,677)	-	-	-	(7,810,677)
Net balance:							
Balance as of December 31, 2022	\$ 73,763,698	326,519,710	5,084,219,195	365,275,085	43,064,314	336,603	5,893,178,605
Balance as of March 31, 2023	\$ 81,340,477	187,414,064	5,143,441,641	387,376,761	46,007,084	321,482	5,845,901,509

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Additional information required for concession contracts that are in construction stage

The following is a detail of the main movements in revenues and costs incurred in the construction stage of concession contracts in the periods ended March 31, 2023 and 2022.

	March 2023	March 2022
Revenue from domestic concession construction contracts	\$ 25,345,314	34,720,611
Revenues from foreign concession construction contracts	87,729,744	160,219,576
Costs of domestic concession construction contracts	(21,263,640)	(18,798,805)
Costs of foreign concession construction contracts	(50,308,608)	(89,724,373)

As of March 31, 2023 and December 31, 2022, the Company and its subsidiaries had no contingent assets for income receivable arising from any contractual difference with any gas pipeline construction, other than any tariff recognition. There were also no contingent liabilities for fines or penalties imposed by the Government in the development of concession contracts for possible contractual breaches.

12. OTHER INTANGIBLE ASSETS

The following is a breakdown of intangible assets:

	March 2023			December 2022		
	Cost	Accumulated amortization	Total	Cost	Accumulated amortization	Total
Licenses	\$ 199,914,857	(122,089,491)	77,825,366	196,421,006	(117,205,685)	79,215,321
Software	4,963,108	(2,820,513)	2,142,595	4,669,071	(2,657,154)	2,011,917
Easements	7,445,534	(2,640,861)	4,804,673	7,445,534	(2,548,011)	4,897,523
Other intangibles	61,138,417	(4,364,516)	56,773,901	53,695,034	(3,915,223)	49,779,811
	<u>\$ 273,461,916</u>	<u>(131,915,381)</u>	<u>141,546,535</u>	<u>262,230,645</u>	<u>(126,326,073)</u>	<u>135,904,572</u>

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The following is the movement of intangible assets:

	March 2023
<i>Cost</i>	
Opening balance	\$ 262,230,645
Purchases	11,754,300
Additions capitalizable interest	1,087,971
Translation adjustments	(1,611,000)
Closing balance	\$ <u>273,461,916</u>
<i>Accumulated amortization</i>	
Opening balance	\$ (126,326,073)
Amortization charged to cost	(2,171,746)
Amortization charged to expense	(4,257,365)
Translation adjustments	839,803
Closing balance	\$ <u>(131,915,381)</u>
Net balance	<u>141,546,535</u>

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13. RIGHT-OF-USE ASSETS

The following is a breakdown by type of right-of-use assets:

Rights of use associated with property, plant and equipment.

	March 2023			December 2022		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	6,018,126	(1,719,395)	4,298,731	6,323,028	(1,811,878)	4,511,150
Buildings	28,802,800	(8,639,588)	20,163,212	26,818,194	(7,831,319)	18,986,875
Machinery and equipment	57,131,364	(54,662,208)	2,469,156	56,830,623	(54,618,743)	2,211,880
Transport equipment	42,100,715	(22,489,197)	19,611,518	37,540,315	(22,297,579)	15,242,736
Communication and computer equipment	1,783,864	(541,665)	1,242,199	1,783,864	(413,150)	1,370,714
	<u>135,836,869</u>	<u>(88,052,053)</u>	<u>47,784,816</u>	<u>129,296,024</u>	<u>(86,972,669)</u>	<u>42,323,355</u>

Rights of use associated with concessions

	March 2023			December 2022		
	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	322,256	(44,500)	277,756	299,666	(40,495)	259,171
Buildings	3,156,168	(2,232,651)	923,517	6,526,992	(3,041,382)	3,485,610
Machinery and equipment	140,397,330	(31,771,026)	108,626,304	122,115,826	(29,366,596)	92,749,230
	<u>143,875,754</u>	<u>(34,048,177)</u>	<u>109,827,577</u>	<u>128,942,484</u>	<u>(32,448,473)</u>	<u>96,494,011</u>
\$	<u>279,712,623</u>	<u>(122,100,230)</u>	<u>157,612,393</u>	<u>258,238,508</u>	<u>(119,421,142)</u>	<u>138,817,366</u>

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The following is a breakdown of the movement of right right-of-use assets associated with property, plant and equipment and concessions:

	Land	Buildings	Machinery and equipment	Transportation equipment	Communication and computer equipment	Land associated with the concession	Buildings associated with the concession	Machinery and equipment associated with the concession	Rights of use
<i>Cost</i>									
Balance as of December 31, 2022	\$ 6,323,028	26,818,194	56,830,623	37,540,315	1,783,864	299,666	6,526,992	122,115,826	258,238,508
Additions new lease agreements	-	798,106	-	8,257,672	-	-	-	-	9,055,778
Additions existing lease agreements	46,585	1,405,268	300,741	-	-	22,590	53,028	18,281,504	20,109,716
Withdrawals, sales and write-offs	(185,116)	-	-	(3,288,506)	-	-	(3,284,159)	-	(6,757,781)
Adjustments for translation of transactions in foreign subsidiaries	(166,371)	(218,768)	-	(408,766)	-	-	(139,693)	-	(933,598)
Balance as of March 31, 2023	\$ 6,018,126	28,802,800	57,131,364	42,100,715	1,783,864	322,256	3,156,168	140,397,330	279,712,623
<i>Accumulated depreciation</i>									
Balance as of December 31, 2022	\$ (1,811,878)	(7,831,319)	(54,618,743)	(22,297,579)	(413,150)	(40,495)	(3,041,382)	(29,366,596)	(119,421,142)
Depreciation charged to income	(86,421)	(914,628)	(43,465)	(1,983,394)	(128,515)	(4,005)	(139,130)	(2,404,430)	(5,703,988)
Retirements, sales and write-offs	121,770	-	-	1,606,788	-	-	866,127	-	2,594,685
Capitalized depreciation	-	-	-	(12,819)	-	-	-	-	(12,819)
Adjustments for translation of transactions in foreign subsidiaries	57,134	105,528	-	197,807	-	-	81,734	-	442,203
Adjustments audited balances	-	831	-	-	-	-	-	-	831
Balance as of March 31, 2023	\$ (1,719,395)	(8,639,588)	(54,662,208)	(22,489,197)	(541,665)	(44,500)	(2,232,651)	(31,771,026)	(122,100,230)
Net balance									
Balance at December 31, 2022	\$ 4,511,150	18,986,875	2,211,880	15,242,736	1,370,714	259,171	3,485,610	92,749,230	138,817,366
Balance as of March 31, 2023	\$ 4,298,731	20,163,212	2,469,156	19,611,518	1,242,199	277,756	923,517	108,626,304	157,612,393

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14. INCOME TAX

The Company is subject to income tax at a rate as of March 31, 2023, and March 31, 2022, of 33%; its subsidiaries are subject to income tax at a rate as of March 31, 2023, and March 31, 2021, of 35%. The rate is levied on net income or presumptive income, if applicable. As of March 31, 2023 and March 31, 2022 the rate applicable to presumptive income was 0%.

The controlled companies Gases del Pacifico S.A.C. and Gases del Norte del Perú S.A.C., as of March 31, 2023, and March 31, 2022, are subject to income tax at 29.5%; Zonagen S.A.S. and Sociedad Portuaria El Cayao S.A. E.S.P. as of March 31, 2023, and March 31, 2022, were subject to income tax at 20%.

As of March 31, 2023 and March 31, 2022, the Company and its subsidiaries calculated and recorded the provision for income tax, based on the net taxable income which takes into consideration some adjustments to the commercial profit of the separate financial statements that have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Act 1314 of 2009.

The deferred tax is comprised as follows:

	March 2023	December 2022
Deferred tax assets, net	\$ 70,008,833	69,276,388
Deferred tax liabilities, net	(1,080,882,603)	(1,069,661,511)
Deferred tax, net	<u>\$ (1,010,873,770)</u>	<u>(1,000,385,123)</u>

The following is the movement in deferred taxes for the period:

	March 2023
Balance as of December 31, 2022 - net	\$ (1,000,385,123)
Charged to profit or loss, net	(13,790,071)
Charged to OCI:	
For hedging transactions	(842,227)
Translation adjustment	(50,297,997)
Change in fair value of equity instrument	54,441,648
Balance as of March 31, 2023	<u>\$ (1,010,873,770)</u>

The following is a breakdown of income tax expense:

	March 2023	March 2022
Income tax	\$ 77,843,025	116,185,342
Net deferred taxes	13,790,071	14,206,590
	<u>\$ 91,633,096</u>	<u>130,391,932</u>

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The following is a reconciliation of the effective rate for the periods ended March 31, 2023 and 2022:

	March 2023	%	March 2022	%
Income before income tax	357,720,556		513,905,912	
Theoretical tax expense calculated according to current tax rate	118,047,783	33,00	169,588,951	33.00
Non-deductible expenses	5,073,642	1,42	3,490,484	0.68
Compensation of tax losses and excess of presumptive income			(9,909)	-
Dividends received	(395,679)	(0,11)	(412,648)	(0.08)
Income from equity method	(24,798,753)	(6,93)	(25,104,101)	(4.88)
Interest and other non-taxed income	(154,051)	(0,04)	(339,194)	(0.07)
Exempt income	(123,826)	(0,03)	(173,983)	(0.03)
Tax deductions	(791,761)	(0,22)	(3,706,594)	(0.72)
Non-deductible expenses used as a tax deduction	884,424	0,25	1,797,440	0.35
Tax benefit on acquisition of productive assets and investment in FNCE projects.	(445,338)	(0,12)	(2,562,551)	(0.50)
Profits of subordinated companies in countries with different tax rates	6,700,302	1,87	5,074,866	(0.99)
Difference in rates	(164,254)	(0,05)	(1,007,048)	(0.20)
Deferred tax effect of changes in tax rates on investments	(502,260)	(0,14)	(597,090)	(0.12)
Deferred tax effect of changes in tax rates on concessions	(10,613,862)	(2,97)	(13,216,989)	(2.57)
Other items	(1,083,271)	(0,30)	(2,429,702)	(0.47)
Total tax expense for the period	<u>91,633,096</u>	<u>25,62</u>	<u>130,391,932</u>	<u>25.37</u>

The following is a breakdown of the current income tax liability:

	March 2023	December 2022
Current year income tax	\$ 139,463,558	313,223,027
Compensation of income and complementary taxes	(37,506,448)	(232,142,040)
Current income tax	<u>\$ 101,957,110</u>	<u>81,080,987</u>

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15. FINANCIAL OBLIGATIONS

The following is a summary of the financial obligations obtained by Promigas and its subsidiaries for the purpose of financing its operations and investment plan:

	March 2023	December 2022
Current portion		
Loans in foreign currency	\$ 377,274,482	405,016,382
Loans in local currency	562,153,412	189,222,458
Lease agreements	184,189,851	185,248,724
Interest payable	54,491,789	45,741,414
	<u>\$ 1,178,109,534</u>	<u>825,228,978</u>
Non-current portion		
Loans in foreign currency	\$ 1,074,171,612	815,035,706
Loans in local currency	2,207,948,525	2,535,473,936
Lease agreements	691,517,370	733,179,805
	<u>\$ 3,973,637,507</u>	<u>4,083,689,447</u>
Total financial obligations	<u>\$ 5,151,747,041</u>	<u>4,908,918,425</u>

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

	Credits in local currency	Credits in foreign currency	Lease agreements	Interest payable	Financial obligations
Balance as of December 31, 2022	\$ 2,724,696,394	1,220,052,088	918,428,529	45,741,414	4,908,918,425
Additions obligations	221,000,000	608,540,087	29,165,494	-	858,705,581
Incremental costs	6,793	(3,385,934)	-	-	(3,379,141)
Payments	(176,050,291)	(333,751,602)	(44,397,585)	(147,139,287)	(701,338,765)
Transfers and reclassifications	-	-	(4,296,971)	-	(4,296,971)
Interest through profit or loss	449,041	399,531	-	149,674,105	150,522,677
Capitalized interest	-	-	-	6,616,494	6,616,494
Exchange difference	-	6,549,603	(24,606)	-	6,524,997
Adjustments for translation of transactions in foreign subsidiaries	-	(46,957,679)	(23,167,640)	(400,937)	(70,526,256)
Balance as of March 31, 2023	<u>\$ 2,770,101,937</u>	<u>1,451,446,094</u>	<u>875,707,221</u>	<u>54,491,789</u>	<u>5,151,747,041</u>

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16. BONDS OUTSTANDING

The detail of the bonds is presented below:

	March 2023	December 2022
Current portion		
Ordinary bonds	\$ -	380,179,000
Interest on bonds payable	76,969,868	55,746,689
	<u>\$ 76,969,868</u>	<u>435,925,689</u>
Non-current portion		
Ordinary bonds	\$ 4,575,579,556	4,660,921,959
Valuation amortized cost	(19,698,171)	(22,414,201)
UVR adjustment	81,379,196	63,903,790
	<u>\$ 4,637,260,581</u>	<u>4,702,411,548</u>

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

	Bonds	Interest bonds payable	Bonds outstanding
Balance as of December 31, 2022	\$ 5,082,590,548	55,746,689	5,138,337,237
Payments (1)	(380,179,000)	(76,965,117)	(457,144,117)
Interest through profit or loss	19,862,528	96,006,504	115,869,032
Capitalized interest	-	2,771,495	2,771,495
Exchange difference	(11,382,712)	77,591	(11,305,121)
Non-derivative hedges through OCI	(28,153,201)	-	(28,153,201)
Adjustments for translation of transactions in foreign subsidiaries	(45,477,582)	(667,294)	(46,144,876)
Balance as of March 31, 2023	<u>\$ 4,637,260,581</u>	<u>76,969,868</u>	<u>4,714,230,449</u>

(1) Below is a breakdown of the bond payments made by Promigas and its subsidiaries during the first quarter of 2023:

Issuer	Series	Term in years	Par value		Interest rate	Date of issue	Maturity date	Date of subscription
			December 2022					
Promigas S.A. E.S.P.	A10	10	150,179,000		CPI+3.22%	29/01/2013	29/01/2023	30/01/2013
Surtigas S.A. E.S.P.	A10	10	130,000,000		CPI+3.25%	12/02/2013	12/02/2023	12/03/2013
Promioriente S.A. E.S.P.	C5	5	100,000,000		Fixed 7.10%	23/01/2018	23/01/2023	24/01/2018
Value paid			<u>380,179,000</u>					

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17. ACCOUNTS PAYABLE

Below is the detail of accounts payable:

	March 2023			December 2022		
	Third parties	Related parties	Total	Third parties	Related parties	Total
Current portion						
Domestic goods and services	423,266,001	6,702,478	429,968,479	521,670,398	7,234,891	528,905,289
Foreign goods and services	\$ 91,617,083	-	91,617,083	87,352,242	-	87,352,242
Payables	25,773,892	23,221,260	48,995,152	31,080,140	24,084,046	55,164,186
Dividends payable (1)	-	624,582,415	624,582,415	-	79,774,236	79,774,236
Hedges payable	3,025,308	-	3,025,308	681,890	18,757	700,647
Allocated subsidies payable	119,431	-	119,431	99,925	-	99,925
	<u>\$ 543,801,715</u>	<u>654,506,153</u>	<u>1,198,307,868</u>	<u>640,884,595</u>	<u>111,111,930</u>	<u>751,996,525</u>
Non-current portion						
Creditors	27,552,834	-	27,552,834	29,743,502	-	29,743,502
	<u>27,552,834</u>	<u>-</u>	<u>27,552,834</u>	<u>29,743,502</u>	<u>-</u>	<u>29,743,502</u>

(1) The movement in dividends payable as of March 31, 2023 is as follows:

	March 2023
Opening balance	\$ 79,774,236
Dividends declared	644,473,999
Cash dividends paid	(94,912,375)
Transfer of withholdings tax on dividends declared to shareholders	(4,276,175)
Dividend withholding taxes transferred to shareholders	(477,270)
Closing balance (a)	<u>\$ 624,582,415</u>

(a) Dividends payable are as follows:

	March 2023
Corficolombiana S.A.	\$ 204,186,489
EEB Gas S.A.S.	89,224,988
CFC Gas Holding S.A.	61,963,417
Amalfi S.A.S.	46,781,513
Consultoría de Inversiones S.A.	30,877,378
Other ⁽¹⁾	191,548,630
	<u>\$ 624,582,415</u>

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

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18. EMPLOYEE BENEFITS

The following is a breakdown of employee benefit balances:

	March 2023	December 2022
Current portion		
Severance and interest on severance	\$ 2,921,981	8,199,050
Vacation leaves	10,809,902	10,070,070
Service bonuses	2,776,331	-
Extra-legal benefits	2,877,766	1,632,343
Other salaries and benefits	7,909,627	5,167,331
	<u>\$ 27,295,607</u>	<u>25,068,794</u>
Non-current portion		
Post-employment benefits - Severance previous law	\$ 210,223	49,381
Post-employment benefits - Pensions	566,437	573,002
Long-term benefits	1,921,908	1,922,381
	<u>\$ 2,698,568</u>	<u>2,544,764</u>

19. PROVISIONS

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

	March 2023	December 2022
Current portion		
Decommissioning and restoration costs	1,891,613	1,891,612
Pipeline inspection	19,892,028	21,544,773
Social management	1,887,955	2,389,743
Environmental compensation	13,633,263	14,552,816
Asset replacement	54,424,468	73,517,060
	<u>91,729,327</u>	<u>113,896,004</u>
Non-current portion		
Administrative	14,291,503	13,602,585
Labor	2,826,429	2,960,183
Civil	1,783,156	1,783,156
Decommissioning and restoration costs	38,760,851	36,681,556
Pipeline inspection	10,011,881	8,788,088
Environmental compensation	44,416,769	42,496,882
Asset replacement	164,704,505	174,639,473
Implicit obligations credit quotas	430,895	357,686
	<u>277,225,989</u>	<u>281,309,609</u>

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The following table presents the nature and amount of the provisions:

	Administrative	Labor	Civil	Decommissioning and restoration costs	Pipeline inspection	Social manage ment	Environmental compensation	Asset replacemen t	Implicit obligations credit quotas	Total, provisions
							(1)	(2)		
December 31, 2022	\$ 13,602,585	2,960,183	1,783,156	38,573,168	30,332,861	2,389,743	57,049,698	248,156,533	357,686	395,205,613
New provisions charged to expense	999,530	-	-	-	-	-	-	-	-	999,530
Addition existing provisions charged to expense	840,371	101,468	-	-	-	-	-	-	73,209	1,015,048
Addition capitalized provisions	-	-	-	326,430	-	-	-	-	-	326,430
Addition existing provisions charged to cost	-	-	-	-	1,223,793	-	-	8,476,537	-	9,700,330
Readjustment existing provisions charged to income	-	-	-	1,752,866	-	-	1,963,268	2,633,396	-	6,349,530
Use of provisions	(53,794)	(47,665)	-	-	(1,652,745)	(429,895)	(919,557)	(30,554,515)	-	(33,658,171)
Reinstatement of provisions	(1,035,988)	(187,557)	-	-	-	-	-	-	-	(1,223,545)
Transfer investment plan commitment	-	-	-	-	-	-	-	(6,498,441)	-	(6,498,441)
Translation adjustments	(61,201)	-	-	-	-	(71,893)	(43,377)	(3,084,537)	-	(3,261,008)
March 31, 2023 March 31, 2023	<u>14,291,503</u>	<u>2,826,429</u>	<u>1,783,156</u>	<u>40,652,464</u>	<u>29,903,909</u>	<u>1,887,955</u>	<u>58,050,032</u>	<u>219,128,973</u>	<u>430,895</u>	<u>368,955,316</u>
March 31, 2023										
Current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,891,613</u>	<u>19,892,028</u>	<u>1,887,955</u>	<u>13,633,263</u>	<u>54,424,468</u>	<u>-</u>	<u>91,729,327</u>
Non-current portion	<u>14,291,503</u>	<u>2,826,429</u>	<u>1,783,156</u>	<u>38,760,851</u>	<u>10,011,881</u>	<u>-</u>	<u>44,416,769</u>	<u>164,704,505</u>	<u>430,895</u>	<u>277,225,989</u>

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- (1) To the extent that environmental costs are necessary for an asset to operate as intended by management, they are recognized as an increase in the value of the asset that gave rise to them. Periodically, the provision is updated with the CPI certified by the DANE and the effect of such update is recognized as a borrowing cost in the profit or loss for the period.
- (2) Compañía Energética de Occidente S.A.S. E.S.P. undertook to execute, among others, an expansion, replacement and infrastructure improvement plan for the development of trading and distribution services in CEDELCA's trading market, aimed at maintaining and/or rehabilitating the existing networks so that they operate optimally. The Investment Plan has a defined amount that is estimated at current prices through net present value adjustment techniques, using the TES (Public Debt Securities issued by the General Treasury of the Nation) as discount rate. Changes in the provision are recognized as a result of changes in the discount rate and the CPI. The use of the provision corresponds to the projects carried out according to the commitment acquired with CEDELCA.

20. OTHER LIABILITIES

The following is a breakdown of other liabilities:

	March 2023	December 2022
Receivables in favor of third parties	\$ 27,463,552	26,014,456
Withholdings and self-withholdings	32,529,560	28,964,063
Industry and trade tax withholdings payable	1,377,817	3,174,987
Other taxes and contributions payable	12,645,896	27,155,446
Value added tax payable	32,594	4,614,076
Deposits received from third parties	48,311,362	63,723,053
Income received in advance (1)	32,242,469	33,988,167
	<u>\$ 154,603,250</u>	<u>187,634,248</u>

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

	March 2023
Opening balance	\$ 33,988,167
Advances received during the period	41,301,608
Revenue recognition	(43,028,206)
Translation adjustments in foreign subsidiaries	(19,100)
Closing balance	<u>\$ 32,242,469</u>

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21. EQUITY

Subscribed and Paid-in Capital – As of March 31, 2023, and December 31, 2022, the subscribed and paid-in capital was represented by 1,150,000,000 common shares, respectively, with a nominal value of one hundred pesos each. The detail of the assets is presented below:

	March 2023	December 2022
Number of shares authorized, issued and outstanding	1,134,848,043	1,134,848,043
Number of shares paid-in and subscribed	1,134,918,610	1,134,918,610
Number of shares repurchased	70,567	70,567
Subscribed and paid-in capital	\$ 113,491,861	113,491,861

Reserves – The balance of reserves is detailed as follows:

	March 2023	December 2022
Legal reserve	\$ 65,623,121	65,623,121
Reserves pursuant to bylaws	66,097,318	66,097,318
Occasional reserves	380,543	380,543
Reserves for share repurchase	1,000,000	1,000,000
Other reserves	1,209,383,317	1,093,366,294
Total	\$ <u>1,342,484,299</u>	<u>1,226,467,276</u>

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

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

Reserve for Share Repurchase – In 2004 the Company established a reserve for repurchase of shares for \$1,527,933 and has repurchased 70,567 shares for \$527,933.

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Profit allocation – Dividends are declared and paid to shareholders based on the unconsolidated net income of the immediately preceding year. Dividends declared were as follows:

	<u>March 31, 2023</u>	
Date of Meeting		March 23, 2023
Unconsolidated earnings of the immediately preceding period		1,116,722,164
Cash dividends		
Total ordinary dividends	\$	313,218,060
		June 21, 2023 and September 21, 2023
Date of payment		2023
Total extraordinary dividends	\$	272,363,530
Date of payment		September 21 and December 21, 2023
Total shares outstanding		1,134,848,043
Total dividends declared	\$	585,581,590
Available for future distributions	\$	415,123,551
Transfer of prior periods' earnings to reserves due to IFRS effect		116,017,023

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

	March 2023	December 2022
Revaluation of assets	20,799,904	20,973,265
Currency translation adjustment	307,013,389	357,311,386
Hedging transactions	(260,511,597)	(288,093,148)
Employee benefits	1,038,592	1,038,592
Deferred income tax	69,470,177	77,467,460
Equity in income of associates	379,091,889	392,240,178
	<u>\$ 516,902,354</u>	<u>560,937,733</u>

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22. NON-CONTROLLING INTEREST

The following is a breakdown of the non-controlling interest in subsidiaries:

Company	Equity interest				Profits interest	
	%	March 2023	%	December 2022	March 2023	March 2022
Surtigas S.A. E.S.P.	0.01%	88,468	0.01%	89,212	3,824	3,747
Transoccidente S.A. E.S.P.	21.00%	2,127,865	21.00%	2,579,088	257,548	194,400
Promioriente S.A. E.S.P.	26.73%	95,847,760	26.73%	118,330,327	8,848,470	10,510,406
Transmetano E.S.P. S.A.	0.33%	724,594	0.33%	791,233	67,865	75,805
Gases de Occidente S.A. E.S.P.	5.57%	21,149,609	5.57%	24,461,000	1,917,404	2,062,286
Zonagen S.A.S.	0.05%	(1,018)	0.05%	(697)	(321)	8
Sociedad Portuaria El Cayao S.A. E.S.P.	49.00%	164,813,472	49.00%	183,531,735	9,170,357	5,434,633
		<u>284,750,750</u>		<u>329,781,898</u>	<u>20,265,147</u>	<u>18,281,285</u>

23. REVENUE

The following is a breakdown of revenue:

	March 2023	March 2022
Revenue from contracts with customers		
Natural gas transportation and distribution (1)	\$ 1,006,920,695	894,948,198
Energy distribution and trading	160,229,198	145,265,514
Installations and technical services	78,623,096	55,779,239
Back office services	821,090	-
Other services	40,419,517	30,744,202
	<u>1,287,013,596</u>	<u>1,126,737,153</u>
Revenue from domestic concession contracts	25,345,314	34,720,611
Revenue from foreign concession contracts	87,729,744	160,219,576
Concession revenue (See note 11)	<u>113,075,058</u>	<u>194,940,187</u>
Total revenue from contracts with customers (1)	<u>1,400,088,654</u>	<u>1,321,677,340</u>
Other revenue		
Lease agreements	74,763,663	54,816,714
Non-bank financing	72,373,234	36,842,367
Income from income hedges	255,041	1,898,086
Total other revenue	<u>147,391,938</u>	<u>93,557,167</u>
Total revenue	\$ <u>1,547,480,592</u>	<u>1,415,234,507</u>

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(1) The breakdown of the liability for revenue received in advance that was recognized in profit or loss as of March 31, 2023 and 2022, can be found in the movement of revenue received in advance in note 20.

The variation in revenue corresponds mainly to an increase in the consumption in the industries, which increase the sales margin of Surtigas S.A. E.S.P. and Gases de Occidente S.A. E.S.P.

24. COST OF SALES AND SERVICES RENDERED

The following is a breakdown of cost of sales and services rendered:

	March 2023	March 2022
Employee benefits	\$ 66,534,494	45,009,374
Maintenance and materials	56,079,952	45,568,196
Fees and consulting services	9,123,419	7,388,749
General expenses	733,968,593	568,129,870
Impairments	-	2,059
Result of cost hedges	2,303,748	2,525,469
Concession construction (See note 11)	71,572,248	108,523,178
Taxes	7,691,716	6,357,007
Depreciation and amortization	83,728,182	71,575,233
	<u>\$ 1,031,002,352</u>	<u>855,079,135</u>

25. ADMINISTRATIVE AND SELLING EXPENSES

The following is a breakdown of administrative and selling expenses:

	March 2023	March 2022
Employee benefits	\$ 31,256,714	33,674,617
Fees	15,210,004	10,874,071
Maintenance and materials	4,774,558	4,812,421
General administrative expenses	37,787,308	26,990,085
Provisions	791,032	153,531
Administrative taxes	22,662,394	15,822,748
Depreciation and amortization	7,921,934	7,464,062
	<u>\$ 120,403,944</u>	<u>99,791,535</u>

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26. OTHER, NET

The following is a breakdown of other income and other expenses for the periods ended:

		March 2023	March 2022
Leases	\$	255,610	174,282
Fees		7	255,352
Gain on sale of assets		695,562	-
Compensation (1)		291,981	26,297,036
Profits		6,698,173	2,854,689
Donations	\$	(3,767,242)	(2,962,257)
Loss on sale of assets		(250)	(1,134)
Loss on disposal of assets		(3,163,829)	(756,654)
Other		(345,512)	(244,227)
Other, net		<u>664,500</u>	<u>25,617,087</u>

- (1) Compensations recognized as of March 31, 2022 correspond mainly to the compensation for loss of profits received by Promioriente in the amount of \$ 17,500,000 due to the emergency occurred in August 2021 as a result of the winter wave, which left a section of the gas pipeline without service. Additionally, Transmetano received from Concesión Vías Del Nus - Vinus S.A.S., the construction of a section of the gas pipeline valued at \$ 8,778,409 due to the intervention of the territorial spaces, gas pipeline easement and transit with permanent occupation, by the concessionaire (The Concessionaire) who will carry out a road interference or parallelism in the middle of the gas transportation infrastructure operated by Transmetano E.S.P. S.A.

27. FINANCE INCOME

The following is a breakdown of finance income:

		March 2023	March 2022
Interest and yields (1)	\$	62,465,211	6,043,288
Income from financial assets concession		93,949,070	73,908,250
Other		3,636,085	1,973,730
	\$	<u>160,050,366</u>	<u>81,925,268</u>

- (1) (1) The increase in interest and yields is mainly due to the increase in the interest rate established by the Colombian Central Bank, which has resulted in higher income in the line of financing of the Brilla product, which is established as the maximum legal rate.

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28. FINANCE COSTS

The following is a breakdown of finance costs:

		March 2023	March 2022
Interest on bonds and securities issued (1)	\$	100,700,687	77,287,786
Interest on financial obligations (2)		122,312,156	15,826,324
Interest on lease agreements		19,491,284	17,735,788
Other finance costs		8,859,306	12,087,301
	\$	<u>251,363,433</u>	<u>122,937,199</u>

(1) The increase in interest is mainly due to the increase in the variable factor, mainly the UVR of bonds issued at the national level.

(2) The increase in interest on financial obligations is associated with an increase in the indebtedness of Promigas and its subsidiaries (see note 15).

29. EXCHANGE DIFFERENCE

The following is a breakdown of the exchange difference:

		March 2023	March 2022
Exchange difference caused	\$	(1,894,324)	(807,965)
Realized exchange difference		3,273,201	382,676
Result of exchange rate hedges		1,327,240	2,529,384
	\$	<u>2,706,117</u>	<u>2,104,095</u>

30. RELATED-PARTY TRANSACTIONS AND BALANCES

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 could exercise control or joint control over the reporting entity; exercise significant influence over the reporting entity; or be considered a member of the key management personnel of the reporting entity or of a parent of the reporting entity. The definition of related party includes persons and/or family members related to the entity, entities that are members of the same group (parent and subsidiaries), associates or joint ventures of the entity, post-employment benefit plans for the benefit of employees of the reporting entity or an entity related to the reporting entity.

The following are considered to be related parties:

- An economic related party 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 a price is charged or not. For the Company, transactions between economic related parties are defined as any economic event entered into with the controlling company's shareholders and entities.

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- Shareholders who individually own more than 10% of the Company's capital stock.
- Key management personnel: those persons who have authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director or manager (executive or non-executive) of the entity, including the CEO, Vice Presidents and members of the Board of Directors.
- Subsidiaries: Companies in which control is exercised in accordance with the definition of control in the Code of Commerce and "IFRS 10 - Consolidated Financial Statements".
- Associates: Companies where there is significant influence, which is generally considered to be when there is an ownership interest of between 20% and 50% of their capital.

Related-party transactions

During the three-month periods ended March 31, 2023 and 2022, there were no significant transactions of the following characteristics:

- Free or compensated services charged to a related Company.
- Loans that imply for the borrower an obligation that does not correspond to the essence or nature of the loan agreement.

The following is the summary of assets and liabilities as of March 31, 2023, with its shareholders, members of the board of directors, administrators, associated companies and other related entities:

	Shareholders	Associates	Other related parties	Total
March 31, 2023				
Assets				
Cash	\$ 1,715,163	-	370,461,176	372,176,339
Investments in associates	-	902,660,020	-	902,660,020
Financial assets at amortized cost	316,889	142,594,696	726,010	143,637,595
	\$ 2,032,052	1,045,254,716	371,187,186	1,418,473,954
Liabilities				
Accounts payable	624,582,415	6,485,472	23,438,266	654,506,153
Bonds outstanding	94,399,409	-	-	94,399,409
	\$ 718,981,824	6,485,472	23,438,266	748,905,562
Income				
Revenue	-	27,200,442	675,077	27,875,519
Finance income	57,607	1,199,027	12,103,977	13,360,611
Share of profit of equity-accounted	-	75,147,737	-	75,147,737
Other, net	-	2,448	-	2,448

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	<u>Shareholders</u>	<u>Associates</u>	<u>Other related parties</u>	<u>Total</u>
	\$ 57,607	103,549,654	12,779,054	116,386,315
Expenses				
Cost of sales and services rendered	\$ -	25,626,645	313,166	25,939,811
Administrative and selling expenses	-	5,044	226,537	231,581
Financial expenses	1,036,217	-	-	1,036,217
	<u>\$ 1,036,217</u>	<u>25,631,689</u>	<u>539,703</u>	<u>27,207,609</u>

31. COMMITMENTS AND CONTINGENCIES

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

By Public Deed No. 1629 of September 16, 1976, of the 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.

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Bank loan guarantees: As of March 31, Promigas guarantees financial obligations in U.S. dollars and Peruvian soles, bonds in U.S. dollars and bank guarantees for the following subsidiaries:

Company	Equivalent amount in USD
	USD
Gases del Pacifico S.A.C.	383,514,000
Gases del Norte del Perú S.A.C.	154,385,000
Promigas Perú S.A.	28,740,000

Below is a breakdown of the obligations undertaken between January - March 2023 guaranteed by Promigas:

Company	Start	End	Currency	Rate	Spread	Term Interest	Principal Amort.	New balance
GDP	9/03/2023	5/04/2023	PEN	FIJO	10.65%	Quarterly	Bullet	15,000,000
GDP	20/03/2023	19/04/2023	PEN	FIJO	10.25%	Quarterly	Bullet	41,500,000
GDP	19/01/2023	20/01/2026	USD	SOFR	3.90%	Quarterly	Bullet	18,000,000
GDP	23/03/2023	23/03/2026	PEN	FIJO	10.60%	Quarterly	Bullet	200,000,000
GNOR	26/01/2023	22/01/2024	PEN	FIJO	10.95%	Quarterly	Bullet	75,000,000
GNOR	12/01/2023	5/01/2024	PEN	FIJO	10.88%	Quarterly	Bullet	3,000,000
GNOR	20/01/2023	20/01/2026	USD	SOFR	3.40%	Quarterly	Bullet	6,750,000
GNOR	17/03/2023	17/03/2026	USD	SOFR	3.40%	Quarterly	Bullet	3,500,000
GNOR	9/02/2023	9/02/2026	USD	SOFR	3.87%	Quarterly	Bullet	23,500,000
PROP	13/02/2023	9/02/2026	USD	SOFR	3.85%	Quarterly	Bullet	5,000,000

Note: the conversion rate used for the debt in soles at the end of March is PEN/USD 3.76500.

Commitments of Gases del Pacifico S.A.C. - Maintains a letter of guarantee for US\$20,000,000 in favor of the Peruvian State for a one-year term, in compliance with the Natural Gas Concession Contract in the Northern Zone of Peru, as well as a letter of guarantee with SHELL GNL PERU S.A.C for US\$ 6,601,523 in compliance with the contract for the supply of GAS.

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

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

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

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

Agreements with Thermoelectric Companies - On October 29, 2014, the Company entered into agreements with Zona Franca Celsia S.A. E.S.P. (now Prime Termoflores S.A.S E.S.P.), Termobarranquilla S.A. E.S.P. and Termocandelaria S.C.A. E.S.P. (the Customers) in order to provide them with access services to, and use of the port infrastructure for the reception, storage, regasification of liquefied natural gas (LNG) and gas transportation and delivery at the Point of Entry to the National Transportation System (TUA Contracts). To fulfill this purpose, the Company must design, build, operate and maintain the Terminal in accordance with the terms established in such contracts. The commercial operation start date was in December 2016. The TUA Contracts have a term of ten (10) years until November 30, 2026. At the discretion of the Clients the TUA Contract may be extended once, giving notice 4 years prior to the expiration date, for the term agreed by the parties, and in the absence of agreement the extension will be for 5 years. In the event that the Company, for any reason, is unable to provide the gas delivery service or causes the Customer to declare to the Wholesale Energy Market Administrator as unavailable to generate electric energy, it shall pay the customer a penalty for unavailability. The Company will be exempted from the payment of this item to the extent that the event is due to an exempt event, in the terms defined by the TUA Contract. On the other hand, in the event the Company fails to comply with its obligation to unload a load or the actual unloading time exceeds the allotted unloading time, the Company incurs a penalty payable to the customer. The Company shall be exempted from payment of this fine to the extent that the event is due to an exempt event or force majeure.

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

Contingencies - In the course of its operations, the Company is subject to various legal regulations inherent to public utilities, port companies and related to environmental protection. In the opinion of the Company's management and according to legal concepts, no situations have been identified that may indicate possible non-compliance with those regulations that could have a material impact on these financial statements.

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

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cooperation agreement to Encourage the Transportation, Marketing, Distribution and Consumption of Compressed Natural Gas for Vehicles, which assigns Gases de Occidente S.A. E.S.P. as administrative operator.

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

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

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

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

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

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Contingencies

As of March 31, 2023, the following individual litigations and lawsuits are filed against the Company. Their quantities are determined by the claims and are not recognized in the provisions, given that the lawyers handling each process consider that the success likelihoods of such claims are classified as eventual:

	March 2023	
	Number of Claims	Value
<i>Litigations and lawsuits against</i>		
Easement claims:		
From \$1 to \$1.000	17	2,993,221
From \$1,001 onward	3	8,338,039
Easement	<u>20</u>	<u>11,331,260</u>
Ordinary processes:		
From \$1 to \$1,000	33	9,806,057
From \$1,001 to \$3,000	11	17,021,051
From \$3,001 onward	2	8,492,252
Ordinary	<u>46</u>	<u>35,319,360</u>
Labor	<u>102</u>	<u>10,969,451</u>
Total processes	<u><u>168</u></u>	<u><u>57,620,070</u></u>
<i>Contingency rights</i>		
Contingency rights	7	7,335,669
Litigations and lawsuits	<u>121</u>	<u>128,612,623</u>
Total	<u><u>128</u></u>	<u><u>135,948,292</u></u>

In the course of their operations, Promigas and its subsidiaries are subject to various legal regulations inherent to public utilities and environmental protection. In the opinion of the management of these companies and according to legal concepts, no situations have been identified that could indicate possible non-compliance with these regulations that could have a significant impact on the financial statements.

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32. INFORMATION BY SEGMENTS

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

The operating segments of Promigas and its subsidiaries are comprised as follows:

Natural gas transport

Promigas S.A. E.S.P.
Promioriente S.A. E.S.P.
Transmetano E.S.P. S.A.
Transoccidente S.A. E.S.P.
Sociedad Portuaria el Cayao S.A.
E.S.P.
Promigas Panamá Corporation

Integrated solutions for the industry and power generation

Promisol S.A.S.
Zonagen S.A.S.

Natural gas distribution

Surtigas S.A. E.S.P.
Gases de Occidente S.A. E.S.P.
Gases de la Guajira S.A. E.S.P.
Gas Natural de Lima y Callao S.A.C.
Gases del Pacífico S.A.C.
Orion Contac Center S.A.S.
Enlace Servicios Empresariales
Globales S.A.S.
Promigas Perú S.A.
Promigas Brasil Ltda.

Power distribution

Compañía Energética de Occidente
S.A.S. E.S.P.

Non-bank financing

Compañía Energética de Occidente
S.A.S. E.S.P.
Gases de Occidente S.A. E.S.P.
Surtigas S.A. E.S.P.

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Assets, liabilities and consolidated statement of income by segment are presented below:

March 31, 2023	Gas transportation	Gas distribution			Power distribution and sale	Integrated solutions for the industry	Non-bank financing	Total
		National	Abroad	Total				
Total assets	\$ <u>9,481,283,081</u>	<u>2,437,670,701</u>	<u>4,840,070,557</u>	<u>7,277,741,258</u>	<u>745,243,288</u>	<u>133,241,084</u>	<u>787,963,960</u>	<u>18,425,472,671</u>
Total liabilities	\$ <u>7,499,816,594</u>	<u>1,725,084,273</u>	<u>2,904,329,412</u>	<u>4,629,413,685</u>	<u>637,656,158</u>	<u>55,585,826</u>	<u>5,758,383</u>	<u>12,828,230,646</u>
Contracts with customers	\$ 306,410,652	702,177,803	113,868,606	816,046,409	147,851,828	16,752,989	(48,282)	1,287,013,596
Income from construction of concessions	23,243,269	2,102,045	87,729,744	89,831,789	-	-	-	113,075,058
Other revenue	<u>65,937,282</u>	<u>14,887</u>	<u>-</u>	<u>14,887</u>	<u>2,055,125</u>	<u>7,011,410</u>	<u>72,373,234</u>	<u>147,391,938</u>
Total revenue	395,591,203	704,294,735	201,598,350	905,893,085	149,906,953	23,764,399	72,324,952	1,547,480,592
Cost of sales and services rendered	(129,720,046)	(589,926,431)	(76,817,087)	(666,743,518)	(119,448,942)	(12,262,182)	(31,255,416)	(959,430,104)
Cost of concession construction	<u>(19,161,596)</u>	<u>(2,102,044)</u>	<u>(50,308,608)</u>	<u>(52,410,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,572,248)</u>
Total cost of sales and services rendered	<u>(148,881,642)</u>	<u>(592,028,475)</u>	<u>(127,125,695)</u>	<u>(719,154,170)</u>	<u>(119,448,942)</u>	<u>(12,262,182)</u>	<u>(31,255,416)</u>	<u>(1,031,002,352)</u>
Gross profit	246,709,561	112,266,260	74,472,655	186,738,915	30,458,011	11,502,217	41,069,536	516,478,240
Administrative and selling expenses	(54,588,648)	(31,266,810)	(20,163,030)	(51,429,840)	(11,784,539)	(2,272,804)	(328,113)	(120,403,944)
Share of profit of equity-accounted	(44,419)	24,255,357	50,936,799	75,192,156	-	-	-	75,147,737
Dividends received	-	1,199,027	-	1,199,027	-	-	-	1,199,027
Impairment for expected credit losses	122,275	(8,472,723)	(2,208,707)	(10,681,430)	(4,017,972)	59,300	(6,827,993)	(21,345,820)
Other, net	<u>(166,835)</u>	<u>42,202,843</u>	<u>(15,256,937)</u>	<u>26,945,906</u>	<u>(2,564,998)</u>	<u>(2,274,052)</u>	<u>(21,275,521)</u>	<u>664,500</u>
Operating income (loss)	192,031,934	140,183,954	87,780,780	227,964,734	12,090,502	7,014,661	12,637,909	451,739,740
Finance income	117,296,676	31,412,189	5,411,438	36,823,627	4,314,057	411,770	1,204,236	160,050,366
Interest expense	(174,134,431)	(32,828,253)	(32,958,954)	(65,787,207)	(10,920,388)	(520,252)	(1,155)	(251,363,433)
Foreign exchange difference, net	<u>10,991,324</u>	<u>(365,185)</u>	<u>(6,692,035)</u>	<u>(7,057,220)</u>	<u>(9,195)</u>	<u>(6,630,172)</u>	<u>(854)</u>	<u>(2,706,117)</u>
Income before income tax	146,185,503	138,402,705	53,541,229	191,943,934	5,474,976	276,007	13,840,136	357,720,556
Income taxes	<u>(47,792,060)</u>	<u>(20,861,644)</u>	<u>(7,392,174)</u>	<u>(28,253,818)</u>	<u>(3,204,270)</u>	<u>(981,162)</u>	<u>(11,401,786)</u>	<u>(91,633,096)</u>
Net income	\$ <u>98,393,443</u>	<u>117,541,061</u>	<u>46,149,055</u>	<u>163,690,116</u>	<u>2,270,706</u>	<u>(705,155)</u>	<u>2,438,350</u>	<u>266,087,460</u>

PROMIGAS S.A. E.S.P. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2023
(In thousands of Colombian pesos, unless otherwise stated)

34. EVENTS OCCURRED AFTER THE REPORTING PERIOD

As of the date of issuance of the condensed consolidated interim financial statements as of March 31, 2023, there are no subsequent events that would require adjustments or disclosures to such financial statements.