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

To the Shareholders
Transportadora de Gas Internacional S.A. E.S.P.:

Report on the audit of the separated financial statements

Opinion

I have audited the separated financial statements of Transportadora de Gas Internacional S.A. E.S.P. (the Company), which comprise the separated statement of financial position as at December 31, 2020 and the separated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended and their respective notes that include the summary of significant accounting policies and other explanatory notes.

In my opinion, the above mentioned separated financial statements, prepared in accordance with information taken accurately from books and attached to this report, present fairly, in all material respects, the separated financial position of the Company as at December 31, 2020, the separated results of its operations, and its separated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis with previous year.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the section "Statutory Auditor' Responsibilities for the Audit of the Separated financial statements" of my report. I am independent of the Company in accordance with the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA Code), included in the Information Assurance Standards accepted in Colombia together with the ethical requirements established in Colombia that are relevant to my audit of the separated financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

The separated financial statements as at and for the year ending December 31, 2019 are presented only for comparison purposes, were audited by another public accountant who, in their report dated February 28, 2020 he expressed an unqualified opinion thereon and included an emphasis paragraph related to future cash flows used to measure the recovery value of the long-term assets of the associated Contugas S.A.C., which remain under the expected scenario in 2020.

Responsibilities of Management and Those Charged with Governance for the separated financial statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Statutory Auditor's responsibilities for the audit of the separated financial statements

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

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

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

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

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

- Conclude on the appropriate use of the going concern basis by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I would conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the separated financial statements or, if such disclosures are inadequate, I must modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Company ceases to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separated financial statements, including the disclosures, and whether the separated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company's components to express an opinion about the separated financial statements. I am responsible for the direction, supervision, and performance of the audit. I remain solely responsible for my audit opinion.

I communicate to those charged with governance regarding, among other matters, the planned scope and timing for the audit, as well as significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Based on the results of my tests, I believe during 2020:

a) The Company's bookkeeping has been kept in conformity with legal rules and accounting pronouncements.

b) The operations recorded in the books are in conformity with the bylaws and the General Shareholders' Meeting decisions.

c) The correspondence, the vouchers of accounts and the books of minutes and record of shares have been properly maintained.

d) The management report prepared by management agrees with the accompanying separated financial statements, which includes evidence about free circulation of invoices issued by of sellers or suppliers.

e) The information contained in the contribution returns submitted to the Comprehensive Social Security System, specifically the information on employees and their salary base, has been prepared from the accounting records and supporting documentation. The Company is up to date in payment of contributions to the Comprehensive Social Security System.

In compliance with the requirements of articles 1.2.1.2. and 1.2.1.5. of Single Regulatory Decree 2420 of 2015, in development of the Statutory Auditor's responsibilities contained in numerals 1 and 3 of article 209 of the Code of Commerce, related to the evaluation whether the Company's management performance is in accordance with the bylaws and the orders or instructions of the General Shareholders' Meeting and if there are and are adequate measures of the internal control, preservation and custody of the Company's assets or third parties' assets in its possession, I issued a separate report dated February 26, 2021.

Jorge H. Castro.

Jorge Hernán Castro Rojas
Statutory Auditor of Transportadora de
Gas Internacional S.A. E.S.P.
Registration 207355 - T
Member of KPMG S.A.S.

February 26, 2021

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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S INDEPENDENT REPORT ON THE COMPLIANCE WITH NUMERALS 1°) AND 3°) OF ARTICLE 209 OF CODE OF COMMERCE

To the Shareholders
Transportadora de Gas Internacional S.A. E.S.P.:

Main matter description

As part of my duties as Statutory Auditor and in compliance with Articles 1.2.1.2 and 1.2.1.5 of Single Regulatory Decree 2420 of 2015, amended by Articles 4 and 5 of Decree 2496 of 2015, respectively, I must report on compliance with numerals 1) and 3) of Article 209 of the Code of Commerce, detailed as follows, by Transportadora de Gas Internacional S.A. E.S.P. hereinafter "the Company" as of December 31, 2020, as a conclusion of independent reasonable assurance, that the management performance has complied with the statutory and the General Shareholders' Meeting provisions and that there are adequate internal control measures, in all material aspects, in accordance with the criteria indicated in the paragraph called Criteria of this report:

1°) If the Company's management performance is in conformity with the bylaws and the instructions or decisions of the General Shareholders' Meeting, and

3) If there are and are adequate the measures of internal control, maintenance and custody of the Company's assets or third parties' assets in its possession.

Responsibility of Management

The Company's Management is responsible for the compliance with the bylaws and the General Shareholders' Meeting decisions and for designing, implementing and maintaining adequate internal control measures, for the maintenance and custody of the Company's assets or third parties' assets in its possession, in accordance with the requirements of the internal control system implemented by management.

Statutory Auditor's responsibility

My responsibility is to examine whether the Company's management performance conforms to the bylaws and the General Shareholders' Meeting's decisions and if there are and are adequate the internal control, maintenance and custody measures of the Company's assets or third parties' assets in its possession and report thereon expressing an independent reasonable security conclusion based on the evidence obtained. I performed my procedures in accordance with the International Standard on Assurance Engagements 3000 accepted in Colombia (ISAE 3000, which was translated into Spanish and issued in April 2009 by the International Auditing and Assurance Standards Board - IAASB). Such standard requires that I plan and perform the procedures necessary to obtain reasonable assurance about compliance with the bylaws and the General Shareholders' Meeting decisions and whether there are and are adequate the measures of internal control, maintenance and custody of the Company's assets or third parties' assets that are in its possession, in accordance with the requirements of the internal control system implemented by management, in all material respects.

The Accountants Firm to which I belong and who appointed me as the Company's statutory auditor, applies the International Quality Control Standard No. 1 and, consequently, maintains a comprehensive quality control system that includes policies and procedures documented on compliance with ethical requirements, applicable legal and regulatory professional standards.

I have complied with the independence and ethics requirements of the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants - IESBA, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on my professional judgment, including the risk assessment that the management performance do not conform to the bylaws and decisions of the General Shareholders' Meeting and that the internal control, conservation and custody measures of the Company's assets or those of third parties that are in its possession are not properly designed and implemented, in accordance with the requirements of the internal control system implemented by management.

This reasonable assurance engagement includes obtaining evidence for the year ending December 31, 2020. Procedures include:

- Obtaining a written representation from Management about whether the management performance conforms to the bylaws and the General Shareholders' Meeting's decisions and if there are adequate measures of internal control, maintenance and custody of the Company's assets or third parties' assets in its possession, in accordance with the requirements of the internal control system implemented by management.

- Reading and verifying compliance with the Company's bylaws.

- Obtaining a management certification on the meetings of the General Shareholders' Meeting, documented in the minutes.

- Reading the General Shareholders' Meeting's minutes and the bylaws and verification of whether the management performance conforms to them.

- Inquiries with Management about changes or modification projects to the Company's bylaws during the period covered and validation of its implementation.

- Evaluation of whether there are and are adequate the measures of internal control, maintenance and custody of the Company's assets or third parties' assets that are in its possession, in accordance with the requirements of the internal control system implemented by management, which includes:

  – Design, implementation and operating effectiveness tests on the relevant controls of the internal control components on the financial report and the elements established by the Company, such as: control environment, risk assessment process by the entity, the information systems, control activities and monitoring to controls.

  – Evaluation of the design, implementation and operating effectiveness of relevant, manual and automatic controls of the key business processes related to the significant accounts of the financial statements.

  – Issuance of management letters with my recommendations about the deficiencies in the internal control that were identified during the statutory audit work.

Inherent limitations

Due to the inherent limitations to any internal control structure, there may be effective controls at the date of my examination that change that condition in future periods, because my report is based on selective tests and for the evaluation of internal control has the risk of becoming inadequate due to changes in the conditions or because the degree of compliance with the policies and procedures may deteriorate. On the other hand, the inherent limitations of internal control include human error, failures due to the collusion of two or more people, or inappropriate oversight of controls by management.

Criteria

The criteria considered for the evaluation of the matters mentioned in the paragraph Main Matter Description include: a) the bylaws and the minutes of the General Shareholders' Meeting and, b) the internal control components implemented by the Company, such as the control environment, the risk assessment procedures, its information and communications systems, and the monitoring of controls by the management and those charged governance, which are based on the established in the internal control system implemented by management.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations set forth in this report. I believe that the audit evidence I have obtained provides a reasonable assurance basis for my conclusion expressed below:

In my opinion, the management performance conforms to the bylaws and the General Shareholders' Meeting's decisions and the measures of internal control, maintenance and custody of the Company's assets or third parties' assets in its possession are adequate, in all material aspects, in accordance with the requirements of the internal control system implemented by management.

Jorge H. Castro.

Jorge Hernán Castro Rojas
Statutory Auditor of Transportadora
de Gas Internacional S.A. E.S.P.
Registration 207355 - T
Member of KPMG S.A.S.

February 26, 2021

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.
Separated Statements of Financial Position
As of December 31, 2020 and December 31, 2019
(In thousands of U.S. dollar)

Assets	Note	2020	2019
Current assets:			
Cash and cash equivalents	10	$ 136.628	78.215
Trade accounts receivable and other accounts receivable	11	40.628	41.144
Accounts receivable with related parties	33	22.089	22.536
Inventory	12	11.691	12.259
Other non-financial assets	13	3.412	2.574
Total current assets		214.448	156.728
Non-current assets:			
Property, plant and equipment	14	2.161.805	2.159.356
Assets by right of use	15	2.860	5.983
Investments in associates	17	14.829	11.639
Trade accounts receivable and other accounts receivable	11	12.301	10.808
Intangible assets	16	157.632	160.895
Other financial assets		54	60
Other non-financial assets	13	6.248	7.101
Total non-current assets		2.355.729	2.355.842
Total assets		$ 2.570.177	2.512.570

Liabilities and Equity	Note	2020	2019
Current liabilities:			
Lease liabilities	19	1.764	3.121
Trade accounts payable and other accounts payable	20	12.061	18.619
Current tax liabilities		38.503	39.705
Employee benefit obligations		5.298	4.497
Financial liabilities	18	12.306	11.282
Provisions	21	14.477	12.374
Accounts payable with related parties	33	3.035	4.027
Total current liabilities		87.444	93.625
Non-current liabilities:			
Financial liabilities	18	752.357	754.568
Lease liabilities	19	184	2.635
Provisions	21	81.822	36.121
Other liabilities	22	15.703	16.448
Deferred tax liabilities	32	345.155	359.160
Accounts payable with related parties	33	370.000	370.000
Total non-current liabilities		1.565.221	1.538.932
Total liabilities		1.652.665	1.632.557
Equity			
Paid-in Capital	23	703.868	703.868
Additional paid-in capital	23	56.043	56.043
Reserves	24	184.913	172.325
Retained earnings		(27.749)	(52.659)
Cumulative other comprehensive income		437	436
Total equity		917.512	880.013
Total liabilities and equity		$ 2.570.177	2.512.570

The attached notes are integral part of the financial statements.

Mónica Leticia Contreras Esper
Statutory Representative

Adolfo León Ospina Lozano
Accountant
P.C. 30901 - T

Jorge Hernán Castro Rojas
Statutory Auditor
P.C. 207355 - T
Appointed by KPMG S.A.S.
(See my report attached)

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.

Separated Statements of Income and Other Comprehensive Income

For the years ended December 31, 2020 and 2019

(In thousands of U.S. dollar)

	Note		2020	2019
Continued operations:				
Income	25	$	455.769	468.820
Cost of sales	26		(166.406)	(169.005)
Gross margin			289.363	299.815
Operating and administrative expenses:				
Personal services	27		(8.354)	(8.577)
Taxes	27		(4.910)	(3.762)
Depreciation, amortization and provision	27		(9.098)	(9.052)
Other expenses	30		(14.068)	(13.992)
Other income	31		2.472	4.940
Operating Income			255.405	269.372
Financial costs	28		(70.256)	(69.950)
Financial income	29		3.847	4.151
Foreign exchange differences			21.594	5.070
Participation in the result of associates			3.189	(22.968)
Profit before income tax			213.779	185.675
Income tax	32			
Current			(76.998)	(62.527)
Deferred			14.005	2.728
Net income			150.786	125.876
Other comprehensive income				
Items which will be reclassified to profit or loss:				
Participation in other comprehensive income of the associates			1	1
Total Other comprehensive Result			1	1
Comprehensive income			150.787	125.877

The attached notes are integral part of the financial statements.

Mónica Leticia Contreras Esper
Statutory Representative

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TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.
Separated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(In thousands of U.S. dollar)

		Paid in Capital		Reserves					
		Capital Stock	Additional Paid in capital	Legal Reserve	Other Reserves	Total	Retained Earnings	Other Comprehensive income	Total
Balances as at december 31, 2018	$	703.868	56.043	92.522	33.798	126.320	(42.515)	435	844.151
Net Income		-	-	-	-	-	125.876	-	125.876
Participation in other comprenhensive income of associates		-	-	-	-	-	-	1	1
Other comprenhensive income		-	-	-	-	-	(15)	-	(15)
Reserves		-	-	-	-	13.600	(13.600)	-	-
Reserves used		-	-	13.600	-	-	-	-	-
Other reserves		-	-	-	32.405	32.405	(32.405)	-	-
Distribution of dividends		-	-	-	-	-	(90.000)	-	(90.000)
Balances as at december 31, 2019		703.868	56.043	106.122	66.203	172.325	(52.659)	436	880.013
Net Income							150.786	-	150.786
Participation in other comprenhensive income of associates		-	-	-	-	-	-	1	1
Other comprenhensive income		-	-	-	-	-	-	-	-
Reserves		-	-	12.588	-	12.588	(12.588)	-	-
Distribution of dividends		-	-	-	-	-	(113.288)	-	(113.288)
Balances as at december 31, 2020	$	703.868	56.043	118.710	66.203	184.913	(27.749)	437	917.512

The attached notes are integral part of the financial statements.

Mónica Leticia Contreras Esper
Statutory Representative

Adolfo León Ospina Lozano
Accountant
P.C. 30901 - T

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(See my report attached)

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.
Separated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(In thousands of U.S. dollar)

		2020	2019
Cash flows from operating activities:			
Net income	$	150.786	125.876
Adjustes for:			
Depreciation and amortization		94.311	91.404
Exchange difference		(21.594)	(5.070)
Amortized cost loan employees		(420)	(364)
Amortized cost financial liabilities		360	877
Financial cost of retirement obligation		4.462	2.470
Deferred income tax		(14.005)	(2.728)
Current income tax		76.998	62.527
Withdrawal of property, plant and equipment		(2)	1.366
Financial cost		65.433	66.605
Financial income		(3.427)	(3.787)
Equity Method		(3.189)	22.968
Impairment (Recovery) of inventory		666	(1.896)
Impairment accounts receivable		3.110	3.031
Estimated liabilities (contingencies and miscellaneous)		(2.361)	4.294
		351.128	367.573
Net changes in operating assets and liabilities			
Trade accounts receivable and other accounts receivable		17.141	(10.453)
Inventory		(98)	(509)
Other non-financial assets		15	(430)
Other financial assets		-	(7)
Trade accounts payable and other accounts payable		(37.185)	(21.326)
Employee benefit obligations		1.221	1.118
Other financial liabilities		(520)	(158)
Interest paid		(42.496)	(44.529)
Interest paid related parties		(22.663)	(22.663)
Interest received		-	3.401
Tax paid		(59.629)	(7.590)
Net cash provided by operating activities		206.914	264.427
Cash flows from investing activities:			
Investments in associates		-	(21.681)
Additions of property, plant and equipment		(49.646)	(67.954)
Net cash flow used in investing activities		(49.646)	(89.635)
Cash flows from financing activities:			
Payment of dividends		(96.112)	(90.000)
Payment of financial obligations		(1.898)	(46.598)
Net cash used in financing activities		(98.010)	(136.598)
Effects of exchange rate changes on cash		(845)	(6.795)
Net changes in cash, cash equivalents and restricted cash		58.413	31.399
Cash and cash equivalents at the beginning of the year		78.215	46.816
Cash and cash equivalents at the end of the period	$	136.628	78.215

The attached notes are integral part of the financial statements.

Mónica Leticia Contreras Esper
Statutory Representative

Adolfo León Ospina Lozano
Accountant
P.C. 30901 - T

Jorge Hernán Castro Rojas
Statutory Auditor
P.C. 207355 - T
Appointed by KPMG S.A.S.
(See my report attached)

1. Reporting Entity

Transportadora de Gas Internacional S.A. E.S.P. (hereinafter TGI), is a public limited company incorporated as a public utilities company under the Colombian laws.

TGI was incorporated by means of Public Deed No. 67 of February 16, 2007 of Notary Eleven of Bucaramanga, registered before the Chamber of Commerce of Bucaramanga on February 19, 2007 with an indefinite term. TGI's corporate purpose is the planning, organization, construction, expansion, enlargement, maintenance, operation, and commercial exploitation of its own natural gas transportation systems. In addition, it can commercially utilize the capacity of third-party gas pipelines, for which it will pay an availability rate.

The financial closing of the sale process of the assets, rights, and contracts of Ecogas was recorded on March 2, 2007 for $3,25 billion. As part of this process, TGI acquired a gas pipeline network that included: (a) six gas pipelines with their respective branches for TGI's direct operation through the operation and maintenance contracts that Ecogas had entered into with independent contractors, which were originally executed with Ecogas and assigned to TGI as part of the sale process; and (b) three gas pipelines owned by third parties under the BOMT modality (Build, Operate, Maintain and Transfer).

TGI is regulated mainly by Law 142 of 1994 (the Statute of Public Utilities), Law 689 of 2001 and Resolution 071 of 1999 (by means of which the Single Regulation of Natural Gas Transportation is established in Colombia), its bylaws and other provisions included in the Commercial Code . The rates applicable to the gas transportation service are regulated by the Energy and Gas Regulation Commission (CREG, for its acronym in Spanish), a technical body of the Ministry of Mines and Energy.

2. Technical regulatory framework

The financial statements have been prepared to meet the requirements of Foreign investors, as a part bond issue in the international capital markets, according to Rule 144 A / Reg S. As a result, the separated financial statements may not be suitable for another purpose. These financial statements are prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by Single Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018 , 2270 of 2019 and 1432 of 2020. The NCIF applicable in 2020 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards corresponding to those officially translated into Spanish and issued by the IASB in the second half of 2018 and the incorporation of the modification to IFRS 16 leases: COVID-19-Related Rent Concessions issued in January 2020.

These financial statements were authorized for issuance by the Company's Board of Directors,

These financial statements of TGI include the investments in subordinate entities in which TGI acts as Parent Company and which are recognized under the equity method as follows:

Name of the subsidiary	Main activity	Place of incorporation and operation
TGI International LTD.	Investment vehicle	Caiman Islands
TGI Regasificadora S.A.S.	Investment project vehicle	Colombia

These financial statements were prepared to comply with the legal provisions to which TGI is subject as an independent legal entity, as the Company does not have the obligation to prepare consolidated financial statements because its general main Parent Company GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. exercises control and consolidates the investments in TGI's subsidiaries and associates.

3. Functional and presentation currency

The functional currency and presentation currency are is the United States of America Dollar (USD), which corresponds to the currency of the main economic environment in which TGI operates.

4. Use of estimates and judgments

In applying the accounting policies, which are described in Notes 3 and 4, Management must make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that apparently do not come from other sources. Estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Reviews to accounting estimates are recognized in the review period if the review only affects that period, or in future periods if the review affects both the current period and subsequent periods.

4.1 Critical judgments when applying accounting policies

The main judgments, excluding those that involve estimates, made by management during the process of applying TGI's accounting policies and that have a significant effect on the amounts recognized in the financial statements, are presented below.

(Continue)

4.1.1 Contingencies

TGI has provisioned for estimated impacts of losses related to the various claims, situations or circumstances related to uncertain results. The Company records a loss if an event occurred on or before the date of the statement of financial position and (i) The information is available on the date the financial statements are issued indicating that it is probable that the loss will occur, given the probability of uncertain future events; and (ii) The amount of the loss can be reasonably estimated, TGI continually evaluates contingencies from lawsuits, environmental remediation and other events.

4.1.2 Deferred taxes

A judgment is required to determine whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those derived from unused tax losses, require Management to evaluate the probability that TGI will generate sufficient tax revenue in future years, to use the deferred tax assets recorded. The assumptions about the generation of future tax benefits depend on the expectations of future cash flows. Estimates of future taxable income are based on anticipated cash flows from operations and judgment on the application of tax laws in force in each jurisdiction. To the extent that future cash flows and tax revenue differ significantly from estimates, TGI's ability to realize the net deferred tax assets recorded at the presentation date could be affected.

4.2 Key sources of uncertainty in estimates

Following are the assumptions in respect to the future and other key sources of uncertainty in the estimates at the end of the reporting period, that have a significant risk of causing significant adjustments in the carrying amounts of the assets and liabilities presented in the financial statements of TGI.

4.2.1 Useful lives of property, plant, and equipment

As described in Note 11, TGI reviews the estimated useful lives of its property, plant, and equipment at the end of each reporting period.

There were no changes in the useful lives of property, plant and equipment during the periods presented in TGI's financial statements.

4.2.2 Useful lives of intangibles

As described in Note 12. TGI reviews the estimated useful lives of its intangibles at the end of each reporting period.

(Continue)

There were no changes in the useful lives of intangibles during the periods presented in the financial statements of TGI.

4.2.3 Reserve for doubtful accounts receivable

The estimates and assumptions used to determine the reserves are reviewed on a periodic basis. Notwithstanding that the recorded provisions are considered adequate, changes in the economic conditions may lead to changes in the reserve and, therefore, to an impact on income.

4.2.4 Impairment of long-lasting assets (property, plant, and equipment)

The review of impairment of long-lasting assets is based on internal and external financial indexes, projections, and other assumptions. TGI reviews the estimates and updates the information based on assumptions, as needed.

4.2.5 Impairment of investments in subsidiaries and associates

At the end of each reporting period, TGI evaluates the carrying amounts of its assets from investments in subsidiaries to determine whether there is any indication that those assets have suffered any impairment loss. In such case, the recoverable amount of the asset is calculated to determine the extent of the impairment loss (if any).

4.2.6 Measurements of fair value and valuation processes

Some of the assets and liabilities of the Company may be measured at their fair value. These are based on the market value at the time of measurement. The purpose of a measurement of the fair value is to estimate the price at which an orderly transaction to sell an asset or transfer a liability between market participants on the date of measurement under current market conditions would take place.

For assets corresponding to fixed income investments TGI determines the fair value by taking the value of the initial investment, adjusted by the interest caused that would be expected to be received for that investment. For the liabilities related to bonds, the fair value is measured by taking the carrying amount of the securities issued affected by the value of the bond in the observable stock market, which is available for permanent consultation.

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4.2.7 Abandonment of assets

Pursuant to the environmental and sector regulations, TGI must recognize the costs for abandonment of gas pipelines and related assets, which include the cost of dismantling the facilities and the environmental recovery of the affected areas.

The estimated costs for the abandonment and dismantling of these facilities are recorded at the time that these assets are installed. The estimated liability created for the abandonment and dismantling is subject to annual review and is adjusted to reflect the best estimate, due to technological changes and political, economic, environmental, security and stakeholders' relations matters.

The calculations for these estimates involve significant judgments by Management, such as the internal cost projections and future inflation and discount rates.

Significant variations in external factors used for calculating the estimate may significantly impact the financial statements.

4.2.8 Estimate of unbilled income

Because of regulatory matters, the billing of income must be made monthly in arrears. Nonetheless, at the closing of each month TGI carries out a process to estimate the income to be recorded in the respective month in which the service is rendered. The procedure performed is the following: The projection of fixed charges is made in accordance with new developments reported by the commercial management related to new contracts, terminated contracts and modifications to contracts in force, and on these the calculation is made of the fixed charges that are the capacity purchased for the rates of the fixed charge. Additionally, the suspensions of service declared by clients, by TGI or by force majeure are considered, as well as the adjustments in rates due to regulatory changes. For the variable charge, the Operations Management reports the average nomination day of the month, which is multiplied by the number of days of the month and by the weighted rate of the previous month. The above calculations – fixed and variable – are recorded monthly as estimate of unbilled income in the respective month.

4.2.9 Provisions for contingencies, litigations, and claims

The litigations and claims to which TGI is exposed are managed by the legal area, the processes are of a labor, civil, criminal, tax, and administrative nature. TGI considers that a past event has given rise to a present obligation if, considering all the evidence available as of the reporting date, it is probable that there is a

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present obligation, regardless of the future events. It is understood that the occurrence of an event is more probable than improbable when the probability of occurrence is greater than 50%, in which case the provision is recorded.

5. Basis for measurement

The separate financial statements of TGI have been prepared based on the historic cost.

6. Classification of assets and liabilities between current and non-current

In the Statement of Financial Position, assets and liabilities are classified according to their maturity between current, those with a maturity equal to or less than twelve months, and non-current, those whose maturity is greater than twelve months.

7. Accounting period

TGI prepares and discloses general-purpose financial statements once a year, with cut-off as of December 31 and, according to directives from its main shareholder, interim financial statements will be reported by any specific need of the management.

The Ordinary General Stockholders' Meeting No. 27 of September 30, 2014 approved to amend article 62 – Financial Statements, and 48 – Attributions, of the corporate bylaws, whereby the Board of Directors is authorized, prior study and analysis of the financial statements of TGI and in accordance with the provisions of the Colombian Commercial Code, to be able to determine at any time the account cut-offs that it deems necessary, for the purpose of distributing profits.

8. Significant accounting policies

The accounting policies established by TGI are described as follows:

8.1 Financial instruments

Financial assets and liabilities are recognized when TGI becomes a part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at their fair value. Transaction costs which are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets at fair value through profit or loss) are added or subtracted from the fair value of financial assets or liabilities, as the case may be, in their initial recognition. Transaction costs which are directly attributable to the acquisition of financial assets and liabilities at their fair value through profit or loss are immediately recognized in income.

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Offsetting of Financial Assets and Liabilities – TGI offsets financial assets and liabilities, and the net amount is presented in the statement of financial position, only when:

- there is a right, legally enforceable, to offset the amounts recognized; and
- there is the intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

8.2 Cash and cash equivalents

Under this item of the statement of financial position, cash in hand, bank balances, term deposits and other short-term high-liquidity investments (equal or less than 90 days from the investment date), that are quickly realizable in cash and have low risk of changes in their value, are recorded.

8.3 Financial assets

All recognized financial assets are subsequently measured in full at amortized cost or fair value, according to the classification of the financial assets.

8.3.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is maintained within a business model which objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are only principal and interest payments on the amount of outstanding capital.

Debt instruments that meet the following conditions are subsequently measured at fair value recognized in other comprehensive income:

- The financial asset is maintained within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are only principal and interest payments on the outstanding principal amount.

By default, all other financial assets are subsequently measured at fair value through profit or loss.

Notwithstanding the foregoing, the Company may make the following irrevocable choice at the time of initial recognition of a financial asset:

- TGI can irrevocably choose to present subsequent changes in the fair value of a capital investment in other comprehensive income if certain criteria are met; and

- TGI can irrevocably designate a debt investment that complies with amortized cost or fair value criteria recognized in other comprehensive income measured at fair value through profit and loss if by doing so it eliminates or significantly reduces an accounting mismatch (see 3.3.1.4).

8.3.1.1 Amortized cost and effective interest method

The effective interest method is a way to calculate the amortized cost of a debt instrument and to allocate interest income during the relevant period.

For financial instruments that are not financial assets purchased or originated with credit impairment, the effective interest rate is the rate that accurately discounts the estimated future cash receipts (including all commissions and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit losses, during the expected useful life of the debt instrument or, as the case may be, a shorter period, to the gross carrying amount of the debt instrument in the initial recognition. For financial assets purchased or originated with credit impairment, an effective interest rate adjusted for credit is calculated by discounting the estimated future cash flows, including expected credit losses, at the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured in the initial recognition minus the reimbursements of the principal, plus the accumulated amortization using the effective interest method of any difference between that initial amount and the amount at maturity, adjusted for any tolerable loss. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting any provision for losses.

Interest income is recognized using the effective interest method for debt instruments measured after amortized cost and at fair value recognized in other comprehensive income. For financial instruments other than financial assets acquired or originated with credit impairment, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently suffered some credit impairment. For financial assets that have subsequently been impaired, interest income is recognized by applying the effective interest rate at the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk in the financial instrument with credit impairment improves so that the financial asset no longer has credit impairment, the interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For financial assets acquired or originated with credit impairment, TGI recognizes interest income by applying the effective interest rate adjusted for credit at the amortized cost of the financial asset as of the initial recognition. The calculation does not return to the gross base, even if the credit risk of the financial asset subsequently improves, so that the financial asset no longer has a credit impairment.

Interest income is recognized in income and is included in the item "investment income".

8.3.1.2 Equity instruments designated as at fair value recognized in other comprehensive income

In the initial recognition, TGI can make an irrevocable choice (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value recognized in other comprehensive income. The designation at fair value recognized in other comprehensive income is not allowed if the capital investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if:

- it has been acquired mainly for the purpose of selling it in the short term; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that TGI manages jointly and has evidence of a recent real pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedge instrument). Investments in capital instruments at fair value recognized in other comprehensive income are initially measured at fair value plus transaction costs.

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Subsequently, they are measured at fair value with gains and losses that arise from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The accumulated gain or loss will not be reclassified to profit or loss in the disposal of the capital investments, on the other hand, they will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in income when the Company's right to receive dividends is established in accordance with IFRS 15 Revenue unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the item "investment income" in income.

8.3.1.3 Financial assets at fair value through profit and loss

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value recognized in other comprehensive income are measured at fair value through profit or loss. Specifically:

- Investments in equity instruments are classified as measured at fair value with changes in profit or loss, unless TGI designates a capital investment that is not held for trading or has a contingent consideration that arises from a business combination in the value reasonable amount recognized in other comprehensive income in the initial recognition.

Financial assets at fair value thorugh profit or loss are measured at fair value at the end of each reporting period, with any gain or loss of fair value recognized in profit or loss to the extent that they are not part of a designated hedge relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the item "other gains and losses".

8.3.2 Gains and losses in foreign currency

The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in income in the item "other gains and losses" .

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- for debt instruments measured at fair value recognized in other comprehensive income that are not part of a designated hedging relationship, the exchange differences in the amortized cost of the debt instrument are recognized in income in the item "other gains and losses". losses". Other exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

- for financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in income in the item "other gains and losses"; and

- for equity instruments measured at fair value recognized in other comprehensive income, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

8.3.3 Impairment of financial assets

TGI recognizes a provision for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated on each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

TGI always recognizes the expected credit losses during the life of the credit for accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on TGI's historical experience of credit losses, adjusted for factors that are specific to debtors, general economic conditions and an evaluation of both the current course and the forecast of conditions on the presentation date, including the time value of money when appropriate.

For all other financial instruments, TGI recognizes the expected credit losses over the life of the credit when there has been a significant increase in credit risk since the initial recognition. If, on the other hand, the credit risk in the financial instrument has not increased significantly since the initial recognition, TGI measures the provision for losses for that financial instrument in an amount equal to 12 months of expected credit losses over the life of the credit. The evaluation of whether the expected credit losses should be recognized over the life of the credit is based on significant increases in the probability or risk of a default occurring from the initial recognition rather than on the evidence that a financial asset is impaired in the credit on the presentation date of the report or a real breach occurs.

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The duration of expected credit losses over the life of the credit represents the expected credit losses that will result from all possible default events during the expected useful life of a financial instrument. In contrast, 12 months of expected credit losses over the life of the credit represent the portion of the useful life of the expected credit losses over the life of the credit that is expected to result from events of default in a financial instrument that are possible within 12 months after the reporting date.

8.3.3.1 Significant increase in credit risk

In evaluating whether the credit risk in a financial instrument has increased significantly since the initial recognition, TGI compares the risk of default in the financial instrument at the reporting date with the risk of default that occurs in the financial instrument on the date of initial recognition. In making this evaluation, TGI considers quantitative and qualitative information that is reasonable and supportable, including historical experience and prospective information that is available without cost or effort.

In particular, the following information is considered when evaluating whether the credit risk has increased significantly since the initial recognition:

- a significant actual or expected impairment in the external credit rating (if available) or internal rating of the financial instrument;
- Significant impairment in credit risk indicators of the external market for a particular financial instrument, for example, a significant increase in the credit margin, credit default for the debtor of interest rate swap prices, or time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or anticipated adverse changes in commercial, financial, or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet their debt obligations;
- a significant actual or expected impairment in the debtor's operating results;
- significant increases in credit risk in other financial instruments of the same debtor;
- a significant actual or expected adverse change in the debtor's regulatory, economic, or technological environment that results in a significant decrease in the debtor's ability to meet their debt obligations.

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Regardless of the result of the previous evaluation, TGI assumes that the credit risk in a financial asset has increased significantly since the initial recognition when the contractual payments have a maturity of more than 30 days, unless TGI has reasonable and reliable information that demonstrates the contrary.

8.3.3.2 Impaired financial assets

A financial asset has credit impairment when there have been one or more events that have a detrimental impact on the estimated future cash flows of that financial asset. The evidence that a financial asset has credit impairment includes observable data on the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or an expired event;

c) it is probable that the counterparty files for bankruptcy or another financial reorganization; or

d) the disappearance of an active market for that financial asset due to financial difficulties.

8.3.3.3 Write-off policy

TGI writes-off a financial asset when there is information indicating that the counterparty is in serious financial difficulty and there is no realistic prospect of recovery. Derecognized financial assets may still be subject to compliance activities in accordance with the recovery procedures of TGI, considering legal advice when appropriate. Any recovery made is recognized in income.

8.3.3.4 Measurement and recording of expected credit losses

The measurement of expected credit losses is a function of the probability of default, the loss given the default (that is, the magnitude of the loss if there is a default) and the exposure in the default. The evaluation of the probability of default and the loss given by default is based on historical data adjusted for prospective information as described above. Regarding the exposure to default, for financial assets, this is represented by the gross carrying amount of the assets on the reporting date, the understanding of the specific future of TGI, the debtors' financing needs and other relevant information for the future.

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For financial assets, the expected credit loss is estimated as the difference between all the contractual cash flows that are due to TGI in accordance with the contract and all the cash flows that TGI expects to receive, discounted at the original effective interest rate.

When the expected credit losses during the life of the credit are measured on a collective basis to address cases in which evidence of significant increases in credit risk at the individual instrument level is not yet available, the financial instruments are grouped according to the following basis:

- The nature of financial instruments (i.e., trade accounts and other accounts receivable);
- Expired status;
- Nature, size and industry of debtors;
- Nature of guarantees for accounts receivable from financial leases; and
- External credit ratings when available.

Debtors are reviewed regularly by management to ensure that they continue to share similar credit risk characteristics.

If TGI has measured the provision for losses for a financial instrument in an amount equal to the expected credit losses during the life of the credit in the period of the previous report, but determines on the current presentation date that the conditions for the expected credit losses during the life of the credit are no longer met, the Company measures the provision for loss in an amount equal to 12 months expected credit losses during the life of the credit on the current reporting date.

TGI recognizes a loss or gain for impairment in the result of all financial instruments with an adjustment corresponding to their carrying amount through a provision account for losses, except for investments in debt instruments that are measured at fair value recognized in Other comprehensive income, for which the provision for losses is recognized in other comprehensive income and accumulated in the revaluation reserve of the investment, and it does not reduce the carrying amount of the financial asset in the statement of financial position.

8.3.4 Write-off of financial assets

TGI derecognizes a financial asset only when the contractual rights of the asset's cash flows expire, or when it transfers the financial asset and substantially all the risks and benefits of ownership of the asset to another party. If TGI does not transfer or substantially retain all the risks and benefits of the property and continues to control the transferred asset, TGI recognizes its interest retained in the asset and an associated liability for the values that it must pay. If TGI retains substantially all the risks and benefits of ownership of a transferred financial asset, TGI continues to recognize the financial asset and also recognizes a loan secured by the income received.

When a financial asset measured at amortized cost is derecognized, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in income. In addition, when an investment in a debt instrument classified as at fair value recognized in other comprehensive income is derecognized, the accumulated gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, upon the derecognition of an investment in an equity instrument that TGI chose in the initial recognition to measure at fair value recognized in other comprehensive income, the accumulated gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but it is transferred to retained earnings.

8.4 Financial liabilities

Financial liabilities correspond to financing sources obtained by TGI through bank credits and issuances of bonds, accounts payable to suppliers and creditors.

Financial liabilities are generally recorded for the cash received, net of the costs incurred in the transaction. In subsequent periods, these obligations are valued at amortized cost, using the effective interest rate method.

The effective interest method is a method for calculation of the amortized cost of a financial liability and of attribution of the financial expense throughout the relevant period. The effective interest rate is the discount rate that equals exactly the cash flow receivable or payable (including fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) estimated throughout the expected life of the financial liability (or, when appropriate), in a shorter period with the net carrying amount at the time of the initial recognition.

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8.5 Inventory

Inventory consists of materials, supplies and spare parts to be used for equipment maintenance. Inventory cost involves the purchase value, importation fees and other non-recoverable taxes, transportation costs, storage, and other direct costs attributable to the acquisition, net of discounts and rebates. Inventory is valued at its cost or net realizable value, whichever is lower.

TGI determines the provision for inventories according to their obsolescence and impairment, pursuant to a technical analysis made by TGI.

8.6 Property, plant, and equipment

Subsequent measurement and acquisitions after this date are made at the acquisition cost minus accumulated depreciation.

Property that is under construction for providing services is recorded at cost minus any impairment loss recognized. Cost includes professional fees and, in the case of qualifying assets, costs from borrowings are capitalized in accordance with TGI's accounting policy. Such property is classified to the appropriate categories of property, plant, and equipment when they are complete and ready for their intended use. Depreciation of these assets, as well as for other properties, begins when the assets are ready for their intended use.

Land is not depreciated.

Depreciation is recognized to take to income the cost of assets (other than land and properties under construction) over their useful lives using the straight-line method. The estimated useful life, residual value and depreciation method are reviewed at the end of each year, and the effect of any changes in the recorded estimate are recognized on a prospective basis.

Buildings	20 – 50 years
Leasehold improvements	5 – 7 years
Plant and pipelines	10 – 70 years
Machinery, equipment, furniture, and fixtures	10 years
Communication and computing equipment	3 – 5 years
Transportation equipment	5 years
Dining, kitchen, and pantry equipment	10 years

Assets held under financial lease are depreciated based on their estimated useful lives as own assets are.

An item of property, plant and equipment is derecognized when sold or when no future economic benefits arising from the continued use of the asset are expected. The profit or loss arising from the sale or retirement of an item of property, plant and equipment is computed as the difference between the resources received from the sale and the carrying amount of the asset and is recognized in income.

TGI recognizes an asset retirement obligation ("ARO") at the present value of future costs expected to be incurred when the asset is retired from service; if a legal retirement obligation exists and it is possible to make an estimate of the fair value, this value is recognized as a higher value of the assets.

8.7 Intangible assets

8.7.1 Intangible assets acquired separately

Intangible assets with a finite useful live acquired separately are recognized at acquisition cost minus accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis according to its estimated useful life. Estimated useful lives and amortization methods are reviewed at each year end, and the effect of any changes in the recorded estimate are recognized on a prospective basis.

Intangible assets correspond mainly to computer software, transit easements and business rights.

The following useful lives are used for the calculation of the amortization:

Business rights	65 years
Software and licenses	5 years or on termination of the contract
Easements	65 years

The amortization period and the amortization method of an intangible asset with a finite useful life are reviewed, at least, at the end of each reporting period. The changes in the expected useful life or in the expected pattern of generation of future economic benefits of the asset are reflected in the changes in the amortization period or in the amortization method, as appropriate, and are treated as changes in the accounting estimates. Amortization expenses of intangible assets with a finite useful life are recognized in the Statement of Comprehensive Income, in the item of amortization.

8.7.2 Derecognition of intangible assets

An intangible asset is derecognized upon its sale, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net income and net carrying amount, and are recognized in income when the asset is derecognized.

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8.8 Impairment of tangible and intangible assets

At the end of each reporting period, TGI evaluates the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. In such case, the recoverable amount of the asset is calculated to determine the extent of the impairment loss (if any). When the recoverable amount of an individual asset cannot be estimated, TGI calculates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent distribution basis is identified, common assets are also allocated to the individual cash-generating units or distributed to the smallest group of cash-generating units for which a reasonable and consistent distribution basis can be identified.

The recoverable amount is the highest between the fair value minus disposal costs and value in use. In estimating the value in use, estimated future cash flows are discounted from the present value using a discount rate before taxes that reflects current market valuations regarding the time value of money and the specific risks to the asset for which the estimated future cash flows have not been adjusted.

If the calculated recoverable amount of an asset (or cash-generating unit) is less than it is carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in gains or losses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the reviewed estimated value of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been calculated if the impairment loss had not been recognized for that asset (or cash-generating unit) in prior years. The reversal of an impairment loss is automatically recognized in gains or losses.

8.9 Investments in associates

An associate is an entity on which TGI exercises significant influence. Significant influence is the power to take parts in the financial policy and operation decisions of the associate, without exercising absolute control or joint control over the associate entity.

Investments in associates are incorporated into the financial statements using the equity method and the carrying amount is increased or decreased to recognize the participation in the gain or loss of the associate after the acquisition date.

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8.10 Investments in subsidiaries

Subsidiary entities are considered to be those companies controlled by the Company, directly or indirectly. The control is exercised if, and only if, the following elements are present:

i) Power over the subsidiary,

ii) Exposure, or right, to variable returns from these companies, and

iii) Ability to use power to influence the amount of these returns.

The Company has power over its subsidiaries when it holds the majority of the substantive voting rights, or without this situation, it has rights that grant it the present capacity to conduct its relevant activities, that is, the activities that significantly affect the returns of the subsidiaries.

The Company will reevaluate whether it has control over a subsidiary company if the facts and circumstances indicate that there have been changes in one or more of the control elements mentioned above.

Investments in subsidiaries are incorporated into the financial statements using the equity method.

Under the equity method, investments in subsidiaries are initially recorded in the statement of financial position at cost and are subsequently adjusted to account for the Company's share of gains or losses and other comprehensive income of the subsidiary.

8.11 Related Parties

A related party is the entity that is related to the Company that prepares its financial statements, for the application of this policy it corresponds to:

(i) it exercises control or joint control over the reporting entity.

(ii) it exercises significant influence on the reporting entity; or

(iii) is a member of the key personnel of the management of the reporting entity or of a controlling entity of the reporting entity.

Likewise, the entity is related to a reporting entity if any of the following conditions apply:

(iv) The entity and the reporting entity are members of the same group.

(v) An entity is an associate or a joint venture of the other entity (or an associate or joint control of a member of a group of which the other entity is a member).

8.12 Leases

A lease is defined as "a contract, or part of a contract, that transfers the right of use of an asset (the underlying asset) for a period of time.

8.12.1 Identification of an asset

The asset that is the subject of a lease must be specifically identified. This will be the case if any of the following applies:

- The asset is explicitly specified in the contract (e.g., a specific serial number); or
- The asset is implicitly specified at the time that is made available for use by the client (i.e., when there is only one asset that is capable of being used to satisfy the terms of the contract),

8.12.2 Initial measurement of the right of use asset

On the start date, a lessee will measure an asset for right of use at cost. The cost of the right of use asset will consist of:

- The amount of the initial measurement of the lease liability;
- Lease payments made before or after the start date, minus the lease incentives received;
- The initial direct costs incurred by the lessee; and
- An estimate of the costs to be incurred by the lessee when dismantling and eliminating the underlying asset, restoring the place in which it is located or restore the underlying asset to the condition required by the lease terms and conditions, unless these costs are incurred to produce inventories. The lessee could incur obligations as a consequence of those costs either on the start date or as a consequence of having used the underlying asset during a specific period.

8.12.3 Initial measurement of the lease liability

On the start date, a lessee will measure the lease liability at the present value of the lease payments that have not been paid on that date.

Lease payments will be discounted using the implicit interest rate in the lease if the rate could be easily determined. If that rate cannot be easily determined, the lessee will use the incremental borrowing rate.

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On the start date, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the term of the lease that are not paid on the start date:

- Fixed payments, minus any lease incentive receivable;
- Variable lease payments, that depend of an index or a rate, initially measured using the index or rate on the start date;
- Amounts that the lessee expects to pay as guarantees of the residual value;
- The price of exercising a purchase option if the lessee is reasonably sure of exercising that option;
- Payments of penalizations for termination of the lease, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

8.12.4 Subsequent measurement of the right of use asset

After the start date, the Company will measure its right of use asset applying the cost model.

8.13 Borrowing costs

The borrowing costs directly attributable to the acquisition, construction or production of qualifiable assets, which require a substantial period of time until they are ready for their use or sale, are added to the cost of those assets during that time until they are ready for their use or sale.

All the other borrowing costs are recognized in income during the period in which they are incurred.

8.14 Employee benefits

A liability is recognized for benefits that correspond to the employees with respect to wages and salaries, annual vacations, social security contributions, vacations and bonuses, shares in profits, in the service period in which it is provided for the undiscounted amount for the benefits that are expected to be paid for that service.

The liabilities recognized for the short-term employee benefits are valued at the undiscounted amount for the benefits that are expected to be paid for this service.

8.15 Taxes

Income tax expense represents the sum of current income tax payable and deferred tax.

8.15.1 Current tax

Current tax payable is based on taxable profits recorded during the year. Taxable profit differs from the profit reported in the statement of comprehensive income, due to the items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. TGI's liability for current tax is calculated using the tax rates enacted or substantially approved at the end of the reporting period. TGI determines the provision for income tax and complementary taxes based on taxable income or presumptive income, whichever is highest, estimated at rates specified in the tax law.

8.15.2 Deferred tax

The differences between the book value of assets and liabilities and their tax base generate the balances of deferred tax assets or liabilities, which are calculated using the tax rates that are expected to be in effect when the assets and liabilities are realized, considering for this purpose the rates that at the end of the reporting period have been enacted or for which the approval process is practically completed.

Deferred tax assets are recognized for all deductible temporary differences, losses and unused tax credits, to the extent that the existence of future taxable income sufficient to recover the deductions for temporary differences and the use of tax credits is probable, unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- Is not a business combination; and
- At the time it was realized did not affect the accounting income nor the tax profit (loss).

Regarding deductible temporary differences associated to investments in subsidiaries, associates and joint agreements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable income will be available against which the temporary differences may be used.

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Current tax and variations in deferred tax of assets or liabilities are recorded in income or in items of total equity in the statement of financial position, depending on where gains or losses that have originated it have been recorded.

At each accounting closing, recorded deferred taxes, of both assets and liabilities, are reviewed to verify that they are still effective, and timely adjustments are made to them according to the results of such analysis.

8.16 Provisions

Provisions are recognized when TGI has a present obligation (legal or implicit) as a result of a past event, it is probable that it will require a disbursement in the future to settle the obligation, and its estimate may be reliably measured; when applicable, these are recorded at their present value.

Disbursements related to environment conservation, connected to income from current or future transactions, are accounted for as expenses or assets, as applicable.

Disbursements related to past transactions, which do not contribute to obtaining current or future income, are charged to expenses.

The creation of these provisions coincides with the identification of an obligation related to environmental remediation and TGI has adequate information to determine a reasonable estimate of the respective cost.

Contingent liabilities are not recognized but are subject to disclosure in the explanatory notes when the probability of resources outflow is possible, including those whose values cannot be estimated.

8.17 Asset retirement obligations

Liabilities associated to asset retirement obligations are recognized when there are obligations, whether legal or implicit, related to the retirement of items from ducts, premises and equipment, as the case may be; such liabilities must be recognized using the technique of discounted cash flows and considering the economic limit of the field or useful life of the respective asset. In the case a reliable estimate cannot be determined during the period when the liability occurs, the provision must be recognized when there are sufficient elements to make the best estimate.

The provision's carrying amount is reviewed and adjusted on an annual basis, considering the changes of the variables used for the estimate. The financial cost of updating such liabilities is recognized in the result of the period as a financial expense.

8.18 Income recognition

Income is calculated at the fair value of the consideration received or receivable.

Income from gas transportation services is recognized when TGI provides the transportation service in accordance with requests, requirements, or contracts with customers. These services are monitored by the company's nomination area, which verifies daily the amounts transported so that the services are billed at the end of the month. The fees charged follow the guidelines of the Energy and Gas Regulation Commission - CREG.

The service provided and not billed at the end of each period, which is valued at the sale price according to the current rates with their corresponding associated costs, has been considered as income from transportation services. Said amounts are presented in current assets in the item of client debtors.

- *Dividend income and interest income*: Dividend income from investments is recognized once the shareholders' rights to receive this payment have been established (provided that it is probable that the economic benefits will flow to TGI and that the income may be reliably valued).

Interest income is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be reliably valued. Interest income is recorded on a periodic basis, with reference to the unpaid balance and the applicable effective interest rate, which is the rate that exactly discounts the estimated cash flows to be received over the expected life of the financial asset and equals it with the net carrying amount of the financial asset at its initial recognition.

8.19 Recognition of costs and expenses

Costs and expenses are recognized by the Company to the extent that the economic events occur in such a way that they will be systematically recorded in the corresponding accounting period, regardless of the flow or monetary or financial resources. Expenses are made up by the expenditures that do not classify to be recorded as cost or as investment.

Within the costs the costs of personnel or third parties directly related to the rendering of services, depreciations, amortizations, among others, are included.

In the expenses the maintenance of assets, taxes, public utilities, among others, are included. All of them incurred for the responsible processes of rendering the services.

Those costs directly related to the formation or acquisition of an asset that requires a substantial period of time to put it in conditions to use or sell are included as investment. Among others, the costs of personnel directly related to the construction of projects, costs for interest of the debt intended to finance projects and major maintenance costs that increase the useful life of existing assets, among others, are capitalized as constructions in progress.

8.20 Statement of cash flows

The statement of cash flows reflects the movements in cash made during the period, determined by the indirect method using the following expressions in the sense explained below:

- *Cash flows:* inflows and outflows of cash or other equivalent means, these being understood as the investments with maturity of less than three months with high liquidity and low risk of changes in value.

- *Operating activities*: these are the activities that represent the main source of ordinary income of TGI, as well as other activities that cannot be classified as investment or financing activities.

- *Investment activities*: those of acquisition, sale or other disposal of non-current assets and other investments not included in cash and cash equivalents.

- *Financing activities*: those activities generating changes in the size and composition of the total equity and the financial liabilities.

- *Dividend income and interest income:* Dividend income from investments is recognized once the shareholders' rights to receive this payment has been established (provided that it is probable that the economic benefits will flow to TGI and that the income may be reliably valued).

Interest income is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be reliably valued. Interest income is recorded on a periodic basis, with reference to the unpaid balance and the applicable effective interest rate, which is the rate that exactly discounts the estimated cash flows to be received over the expected life of the financial asset and equals it to the net carrying amount of the financial asset at initial recognition.

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8.21 Earnings per share (basic and diluted)

The basic earnings per share are calculated as the ratio of the net result of the period attributable to the shareholders of the Company to the weighted average of common shares outstanding during that period. There is no potential dilution of shares.

9. Standards issued not effective

The amendments issued by the IASB during the years 2019 and 2020 are listed below; some of them came into force internationally as of January 1, 2020 and 2021 and others will come into force as of January 1, 2022 and 2023. These standards have not yet been adopted in Colombia.

Financial reporting standard	Subject of the standard or amendment	Detail
IFRS 9 - Financial Instruments IAS 39 - Financial Instruments: Recognition and Measurement IFRS 7 - Financial instruments: information to be disclosed.	Reference Interest Rate Standard (amendments to IFRS 9, IAS 39 and IFRS 7)	Paragraphs 6.8.1 to 6.8.12 of IFRS 9 are added, regarding temporary exceptions to the application of the specific requirements of hedge accounting. Paragraphs 102A to 102N and 108G are incorporated into IAS 39, regarding temporary exceptions to the application of the specific requirements of hedge accounting. Paragraphs 24H on uncertainty arising from the reference interest rate reform, 44DE and 44DF (effective date and transition) are incorporated. The amendment applies as of January 1, 2020 and its early application is allowed (although no significant impact is expected for Colombian entities) and its requirements will be applied retroactively only to the hedging relationships that existed at the beginning of the period. on which it is reported in which the entity applies said requirements for the first time.
IFRS 9 - Financial Instruments IAS 39 - Financial Instruments:	Reference Interest Rate Reform - Phase 2	Paragraphs 5.4.5 to 5.4.9 Changes in the basis for the determination of contractual cash flows as a result of the reference interest rate reform (measurement at amortized cost) are added, 6.8.13 Completion of the application of the temporary exception in hedge accounting, 6.9.1 to 6.9.13 Additional temporary exceptions arising from the reference

Financial reporting standard	Subject of the standard or amendment	Detail
Recognition and Measurement IFRS 7 - Financial instruments: information to be disclosed. IFRS 4 - Insurance contracts IFRS 16 - Leases		interest rate reform, 7.1.10 Effective date, and 7.2.43 to 7.2.46 Transition for the reference interest rate reform Phase 2, of IFRS 9. Paragraph 102M is modified. Completion of the application of the temporary exception in hedge accounting, paragraphs 102O to 102Z3, additional temporary exceptions arising from the reference interest rate reform and 108H to 108K Effective date and transition are added, and new headings are added, of IAS 39. Paragraphs 24I, 24J Additional information to be disclosed related to the reference interest rate reform, 44GG and 44HH Effective date and transition, and new headings are added, of IFRS 7. Paragraphs 20R and 20S Changes in the basis for the determination of contractual cash flows as a result of the reference interest rate reform, and paragraphs 50 and 51 Effective date and transition are added, and new headings are added, of IFRS 4. Paragraphs 104-106 Temporary exception arising from the reference interest rate reform are amended, and paragraphs C20C and C20D Reference interest rate reform phase 2 of IFRS 16 are added. The amendment was issued in August 2020 and applies as of January 1, 2021 and its early application is allowed.
IFRS 3 - Business Combinations.	Modifications by reference to the conceptual framework.	Modifications are made to the references to align them with the conceptual framework issued by the IASB in 2018 and incorporated into our legislation, in that sense the identifiable assets acquired and the liabilities assumed in a business combination, on the transaction date, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework5.

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
		Paragraphs 21A, 21B and 21C are incorporated regarding the exceptions to the recognition principle for liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21. Paragraph 23A is incorporated to define a contingent asset and clarify that the acquirer in a business combination will not recognize a contingent asset on the acquisition date. The amendment applies as of January 1, 2022 and its early application is allowed. Any effect on its application will be carried out prospectively.
IAS 16 - Property, plant, and equipment.	It is modified in relation to products obtained before the intended use.	The modification deals with the costs directly attributable to the acquisition of the asset (which are part of the PP&E element) and refer to "the costs of checking that the asset works properly (that is, if the technical and physical performance of the asset it is such that it can be used in the production or supply of goods or services, to lease to third parties or for administrative purposes) ". Paragraph 20A states that the production of inventories, while the PPYE element is in the conditions foreseen by management, at the time of sale, will affect the result for the period, together with its corresponding cost. The amendment applies as of January 1, 2022 and its early application is allowed. Any effect on its application will be made retroactively, but only to the elements of PP&E that are brought to the place and conditions necessary for them to operate in the manner foreseen by management from the beginning of the first period presented in the financial statements in which the entity applies the modifications for the first time. The accumulated effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings (or another component of equity as appropriate) at the beginning of the first period presented.

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
IAS 37 - Provisions, contingent liabilities, and contingent assets.	Onerous Contracts - Cost of Fulfilling a Contract.	It is clarified that the cost of fulfilling a contract includes the costs directly related to the contract (the costs of direct labor and materials, and the allocation of costs directly related to the contract). The amendment applies as of January 1, 2022 and its early application is allowed. The effect of applying the amendment will not restate the comparative information. Instead, the cumulative effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or another component of equity, as appropriate, on the date of initial application.
Annual Improvements to IFRS Standards 2018–2020	Amendments to IFRS 1 - First-time adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture.	Amendment to IFRS 1. Subsidiary that adopts IFRS for the first time. Paragraph D13A of IFRS 1 is added, incorporating an exemption on subsidiaries that adopt the IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the controlling company (literal a of paragraph D16 of IFRS 1) so that it can measure the accumulated exchange differences for translation by the carrying amount of said item in the consolidated financial statements of the controlling company (also applies to associates and joint ventures). Modification to IFRS 9. Fees in the “10% test” regarding the derecognition of financial liabilities. A text is added to paragraph B3.3.6 and B3.3.6A is added, it is special to clarify the recognition of the commissions paid (to the result if it is a cancellation of the liability, or as a lower value of the liability if it is not as a cancellation). Modification to IAS 41. Taxes in fair value measurements. The phrase “neither tax flows” is eliminated from paragraph 22 of IAS 41, the reason for the above is because “before Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use the flows of cash before taxes when

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
		measuring fair value, but did not require the use of a discount rate before taxes to discount those cash flows ". In this way, the requirements of IAS 41 are aligned with those of IFRS 13. The amendment applies as of January 1, 2022 and its early application is allowed.
IAS 1 - Presentation of financial statements.	Modifications are made related to the classifications of liabilities as current or non-current.	This amendment was issued in January 2020 and subsequently modified in July 2020. It modifies the requirement to classify a liability as current, by establishing that a liability is classified as current when "it does not have the right at the end of the reporting period to postpone the settlement of the liability for at least the twelve months following the date of the reporting period". It clarifies in the added paragraph 72A that "the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period must be substantial and, as paragraphs 73 to 75 illustrate, must exist at the end of the reporting period ". The amendment applies as of January 1, 2023 and its early application is allowed. The effect of the application on the comparative information will be made retroactively.
Extension of the Temporary Exemption from the Application of IFRS 9 - Financial Instruments	Amendments to IFRS 4 - Insurance contracts	Paragraphs 20A, 20J and 20O of IFRS 4 are amended to allow the temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for annual periods that begin before January 1, 2023 (since as of that date there is a new international requirement contained in IFRS 17).
IFRS 17 - Insurance agreements	Application of IFRS 17 and the amendment to IFRS 17 issued in June 2020.	IFRS 17 introduces a new measurement model for insurance contracts. The scope is similar to IFRS 4. However, the requirements to separate the non-insurance components of insurance contracts are significantly different from IFRS 4.

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
		Like IFRS 4, IFRS 17 focuses on types of contracts, rather than types of entities. Therefore, it applies to all entities, whether or not they are regulated as insurance entities. Annual periods beginning on or after January 1, 2023. Early adoption is permitted if IFRS 9 also applies on the date of adoption or earlier.

10. Cash and cash equivalents

For the purposes of the cash flow statements, the cash and cash equivalents include cash and banks and investments in market instruments such as: special funds, trust funds, net of bank overdrafts As of December 31, 2019 there are no restricted cash or cash equivalents. Cash and cash equivalents at the end of the period, as shown in the statement of cash flows, may be reconciled to the related items in the statements of financial position, as follows:

		2020	2019
Cash (1)	$	9	1
Banks (1)		109,062	57,878
Temporary investments and collective portfolio (2)		26,350	18,718
Trust (3)		1,207	1,618
Cash and cash equivalents in the statement of cash flows	$	136,628	78,215

(1) Total cash is made up of $ 9 for 2020 and for 2019 only balances in foreign currency were recognized. Of the total of Banks, of $ 109,062 for 2020 and $ 57,878 for 2019, the remainder is in foreign currency.

(2) They correspond to temporary investments and collective portfolios with maturities of less than 90 days, which are set up with a specific destination, to make the payments corresponding to the interest on the debt and dividends.

(Continue)

(3) The Trusts are made up of the Ariari Trust Commission for $ 1,031, the Ocensa Trust for $ 158 and the Trust with the Ministry of Education - Interactive classrooms for $18, which receive and administer the resources for which they were constituted.

11. Trade accounts receivable and other accounts receivable

The composition of this item as of December 31, 2020 and 2019 is the following:

		2020	2019
Trade accounts receivable	$	42,000	41,070
Doubtful debts (1)		1,583	1,658
Less – provision for impairment		(5,250)	(3,711)
Trade accounts receivable net		38,333	39,017
Prepayment and advances delivered		35	46
Other current debtors (2)		2,450	2,333
Accounts receivable from employees (3)		12,111	10,556
		52,929	51,952
Current		40,628	41,144
Noncurrent	$	12,301	10,808

(1) Includes accounts receivable from clients that are in the process of reconciliation (glosses) due to differences compared to regulations where contractual discrepancies are generated. Such accounts receivable is 100% impaired, mainly from ISAGEN S.A. E.S.P., for $ 7 ($ 16 in 2019), to Empresas Públicas de Medellín S.A. E.S.P. for $ 1 ($ 1 in 2019) and Terpel Energía for $ 1 ($ 1 in 2019).

(2) Correspond to other debtors, advances, judicial deposits and accounts of difficult collection and provision OBA's generated by imbalances in the pipe with the producers Chevron and Equion, which are in the process of conciliation.

(Continue)

(3) Home loans, employee insurance policies. Currently there is no impairment in other accounts receivable. The housing loans to employees and former employees, have as a guarantee I will pay for the total loan and first-degree mortgage on the property, with terms of 10 to 15 years.

See the risk associated with trade debtors in note 35.2 on credit risk and impairment loss.

12. Inventories

The composition of this item as of December 31, 2020 and 2019 is the following:

		2020	2019
Materials	$	12,834	12.736
Provision for obsolescence		(1,143)	(477)
	$	11,691	12,259

The movement of the provision is the following:

		2020	2019
Balance at the beginning of the year	$	477	2,373
Losses for impairment recognized on the inventory accounts		671	22
Recoveries of the year		(5)	(1,918)
Balance at the end of the year	$	1,143	477

13. Other non-financial assets

The composition of this item as of December 31, 2020 and 2019 is the following:

		2020	2019
Insurance policies	$	3,412	2,574
Judicial deposits (1)		6,248	7,101
		9,660	9,675
Current		3,412	2,574
Non-current		6,248	7,101
	$	9,660	9,675

(1) It corresponds to the deposit created by the attachment of Civil Court 27 of the Circuit of Bogota in April 2012, in respect to executive process 0633-2011 on precautionary measures for complaint and judicial fees Law 1653 to eh Municipality of Barrancabermeja in November 2015. Additionally, adjustments are generated in December 2016 and February 2017 according to the writs issued by the Court in each one of the different instances within the process. In May and June 2018 an attachment created of the Superintendency of Public Utilities for enforcement process 2019131540100131E and attachment FINASER Official Notice 1611 Sixth Court of Valledupar, respectively.

During 2020, a decrease is reflected for the payment applied to the seizure constituted in 2019, in favor of the Superintendency of Domiciliary Public Services.

(Continue)

14. Property, plant, and equipment

The composition of this item as of December 31, 2020 and 2019 is the following:

		2020	2019
Cost			
Constructions in progress (1)	$	72,672	76,967
Land		10,506	10,780
Buildings and roads		71,738	67,914
Machinery and equipment		12,292	12,126
PPE Component		7,304	6,921
Plants and ducts		2,479,913	2,393,559
Furniture, fixtures and office equipment		6,999	6,147
Transportation, traction and lifting equipment		8,164	8,164
Kitchen and pantry equipment		37	36
Communication and computer equipment		5,335	4.690
Goods received under leasing		10,742	10,742
Accumulated depreciation and impairment		(523,897)	(438,690)
	$	2,161,805	2,159,356

(1) As of December 31, 2020, the most relevant projects in the construction in progress category are: Loop Puente Guillermo (last loop of Cusiana Phase IV, Cogua Operational Center, Cantagallo-San Pablo Branch, Galán Yondó Branch, Safe Infrastructure. For the year 2019, the projects were considered as construction in progress: Upía river construction, Cogua operational center, Cusiana Phase IV expansion, Galán Yondó Branch. It should be noted that by 2020, due to the issue of the pandemic, the works that They came from 2019 and were expected to be capitalized in 2020.

(Continue)

		Constructions in progress	Land	Buildings and roads	Machinery and equipment	PPE Component	Plant and pipelines	Furniture and fixtures and office equipment	Transportation, traction and lifting equipment, Kitchen and pantry equipment, communication, and computing equipment	Assets received through leasing	Total
Cost											
Balances as of December 31, 2018	$	26,757	10,813	67,557	11,660	8,647	2,382,372	6,006	12,714	10,742	2,537,268
Additions		67,572	-	-	-	-	-	-	-	-	67,572
Additions for spare parts		-	-	-	-	382	-	-	-	-	382
Dismantling		-	-	-	-	-	(5,047)	-	-	-	(5,047)
Retirements		-	(17)	(15)	-	-	-	-	-	-	(32)
Consumption of spare parts		-	-	-	-	(1,358)	-	-	-	-	(1,358)
Transfers for capitalizations		(20,288)	-	372	466	(750)	16,234	141	176	-	(3,649)
Transfer to intangibles			(16)	-	-	-	-	-	-	-	(16)
CAPEX Provision		2,926	-	-	-	-	-	-	-	-	2,926
Balances as of December 31, 2019	$	76,967	10,780	67,914	12.126	6,921	2,393,559	6,147	12,890	10,742	2,598,046
Additions		46,286									46,286
Additions for spare parts						3,360					3,360
Dismantling							42,313				42,313
Retirements			(8)								(8)
Consumption of spare parts						(1,094)					(1,094)
Transfers for capitalizations		(48.996)		3,824	166	(1,883)	44,041	852	646		(1,350)
Transfer to intangibles			(266)								(266)
CAPEX Provision		(1,585)									(1,585)
Balances as of December 31, 2020	$	72,672	10,506	71,738	12,292	7,304	2,479,913	6,999	13,536	10,742	2,685,702

(Continúa)

		Buildings	Machinery and equipment	Plant and pipelines	Furniture and fixtures and office equipment	Transportation, traction and lifting equipment, Kitchen and pantry equipment, communication, and computing equipment	Assets received through leasing	Total
Balances as of December 31, 2018		(8.698)	(4.868)	(332.779)	(1.828)	(6.992)	(1.004)	(356.169)
Retirements	$	2	-	8	-	-	-	10
Depreciation expense		(1,919)	(929)	(76,327)	(978)	(2.201)	(177)	(82,531)
Balances as of December 31, 2019	$	(10,615)	(5,797)	(409,098)	(2,806)	(9.193)	(1,181)	(438,690)
Retirements	$							
Depreciation expense		(2,005)	(952)	(78,790)	(1,120)	(2.164)	(176)	(85,207)
Balances as of December 31, 2020	$	(12,620)	(6,749)	(487,888)	(3,926)	(11.357)	(1,357)	(523,897)

(Continúa)

Losses for impairment recognized during the year - TGI evaluated as of December 31, 2020 and 2019 the possible impairment indicators in a qualitative manner, in accordance with IAS 36, concluding that there is no need for recording any impairment, since its assets are recoverable by sale and/or use.

15. **Assets for right of use**

		Buildings	Property, plant and equipment	Total
Cost				
As of January 1, 2020,	$	460	9,971	10,431
Additions (Retreats)		(48)	1,113	1,065
Effect on conversion		-	-	-
As of December 31, 2020	$	412	11.084	11.496
Depreciation accumulated				
As of January 1, 2020,	$	(204)	(4,244)	(4,448)
Depreciation Expense		(174)	(4,014)	(4,188)
As of December 31, 2020		(378)	(8,258)	(8,636)
Balance				
As of December 31, 2020	$	34	2,826	2,860
As of December 31, 2019	$	460	9,971	10,431

		Buildings	Property, plant and equipment	Total
Cost				
As of January 1, 2019	$	86	7,535	7,621
Additions		374	2,436	2,810
Effect on conversion		-	-	-
As of December 31, 2019	$	460	9,971	10,431
Depreciation accumulated				
As of January 1, 2019	$	-	-	-
change during the year		(204)	(4,244)	(4,448)
As of December 31, 2019		-	-	-
Balance				
As of December 31, 2019	$	256	5,727	5,983
As of January 1, 2019	$	86	7,535	7,621

(Continúa)

The Company has several assets under lease, including buildings, property, plant and information technology equipment. The average term of the lease is of 3 years.

Approximately one fifth of the leases for buildings and equipment expired in the current fiscal year. The expired agreements were replaced by new leases for identical underlying assets. This gave as result additions to the assets for right of use of $1,065 in 2020.

16. Intangible assets

The composition of this item as of December 31, 2020 and 2019 is as follows:

		2020	2019
Cost:			
Business rights	$	142,839	142,839
Software and licenses		8,677	7,620
Easements		47,068	46,473
		198,584	196,932
Less – Accumulated depreciation		(40,952)	(36,037)
	$	157,632	160,895

		Business rights (1)	Software and licenses (2)	Easements (3)	Total
Cost					
Balances as of December 31, 2019	$	142,839	7,619	46,473	196,931
Transfers			1,058	595	1,653
Retirements					
Balances as of December 31, 2020	$	142,839	8,677	47,068	198,584
Amortization					
Balances as of December 31, 2019		(28,236)	(3,685)	(4,116)	(36,037)
Total as of December 31, 2019	$	(28,236)	(3,685)	(4,116)	(36,037)
Amortization expense		(2,197)	(2,001)	(717)	(4,915)
Balances as of December 31, 2020		(30,433)	(5,686)	(4,833)	(40,952)
Total as of December 31, 2020	$	(30,433)	(5,686)	(4,833)	(40,952)

(Continúa)

(1) On March 2, 2017 the closing of the sale of the assets, rights and contracts of Ecogas was formalized. Each asset was independently recorded, and the value of the intangible corresponds to the rights to clients' contracts acquired at the sale with Ecogas. Amortization is applied based on the straight-line method during the estimated useful life of the gas pipelines during a 65-year period.

(2) This item represents the costs incurred for the purchase of computer software and licenses, which are being amortized on a straight-line basis over a 5-year period.

(3) Easements correspond to a type of actual right that limits the domain of a piece of land in favor of the needs of another. They are amortized during the estimated useful life of the gas pipelines in a 65-year period.

17. Investments in associates and subsidiaries

		2020	2019
Contugas S.A.C (1)	$	14,829	11,639
TGI International Ltd. (2)		-	-
TGI Regasificadora S.A.S. (3)		-	-
	$	14,829	11,639

17.1 Details of associates and subsidiaries

Name of associate and subsidiary	Main activity	Place of incorporation and operations	Proportion of shareholding and voting power 2020	2019
Contugas S.A.C. (1)	Transportation, distribution and commercialization of natural gas	Peru	31,41927%	31,41927%
TGI International Ltd. (2)	Investment vehicle	Cayman Islands	100%	100%
TGI Regasificadora SAS. (3)	Investment project vehicle	Colombia	100%	100%

(1) Contugas S.A.C.

Incorporated on June 4, 2008 under the name Transportadora de Gas Internacional del Perú S.A.C. Subsequently, through resolutions of the General Shareholders' Meeting dated September 24, 2008, September 18, 2009 and November 29, 2010, the Company changed its name to Transcogas Perú SAC, Congas Perú SAC, and finally to Contugas SAC, respectively.

Contugas aims to carry out the distribution and commercialization of natural gas and fuel in all its forms. Likewise, it may provide the services of design, planning, expansion, financing, construction, operation, commercial exploitation and maintenance of natural gas transportation and distribution systems through pipelines, as well as hydrocarbon transportation systems in all its forms.

On April 25, 2008, the Private Investment Promotion Agency - PROINVERSION awarded the consortium constituted by Grupo Energía Bogotá S.A. ESP. and Transportadora de Gas del Interior S.A. ESP, both entities domiciled in Colombia, shareholders of Contugas, the international public tender process, under the modality of a comprehensive project, for the design, financing, construction, operation and maintenance of the natural gas distribution system in the department of Ica in Peru. As a result of this award, on March 7, 2009, the BOOT Contract for the Concession of the Natural Gas Distribution System by Pipeline Network in the department of Ica was signed, a contract that has been executed by Contugas in its capacity as concessionaire company .

On April 30, 2014, the Company began commercial operations after having completed the construction of the Natural Gas Distribution System through the Pipeline Network in Ica.

Accumulated results

As of December 31, 2020 and 2019, Contugas presents accumulated results and accumulated losses of US $ 10,151 thousand and US $ 73,100 thousand, respectively, mainly associated with its operations and the estimate of impairment of the concession assets that for the year 2020 generated a recovery for US$ 20,350 thousand and a loss for US$ 51,659 thousand in the year 2019, said impairment estimate has been made based on the recovery of the investment for the future flows of the Company. During 2020 no capital contributions have been received from shareholders (in 2019, shareholders made capital contributions, for US$ 69,000 thousand, to compensate the Company's loss situation).

Contugas' Management estimates that the business plans that will allow it to recover the value of long-lived assets will continue to be fulfilled. These business plans include flows derived from gas distribution revenues to be generated as a result of the start-up of electricity generation projects in the concession area operated by Contugas and have been considered to measure the recovery value of the long-lived assets. Likewise, it is expected to continue receiving the necessary financial support from its shareholders, which will allow it to generate profitable operations to comply with its obligations and with its planned development activities in accordance with Contugas’ structure, cover its financial costs, and continue to recover accumulated losses.

(Continúa)

Commercial activities

Contugas signed contracts with its three main clients, Corporación Aceros Arequipa S.A. (CAASA) in December 2011, Empresa de Generación Eléctrica de Arequipa S.A.C. (EGASA) and Empresa de Generación Eléctrica del Sur S.A.C. (EGESUR) in May 2015. Through which the natural gas distribution service was agreed through the capacity reserve, that is, the payment corresponds to this reserve of contracted capacity regardless of the volume consumed (take or pay contract), in this way said companies have access at all times to that contracted capacity.

However, in September 2015, EGASA and EGESUR went to OSINERGMIN to indicate that there was an illegality in the signed contracts, since they considered that the billing for the service should correspond to the volumes actually consumed and not to the capacity reserve contracted, according to what is mentioned in the Billing Procedure published by OSINERGMIN. Similarly, in February 2017, CAASA presented the same claim to OSINERGMIN based on the same arguments.

In February 2016, OSINERGMIN issued resolutions N° 006 and 007-2016, in favor of EGASA and EGESUR, ordering CONTUGAS to bill only for the volumes consumed and to return undue charges and to stop demanding the reservation agreements reserved capacity.

Due to the fact that the OSINERGMIN Dispute Settlement Tribunal was not constituted to handle the administrative appeal in second instance, in August 2016, Contugas decided to go to court filing an amparo claim since it considered that OSINERGMIN had taken jurisdiction over contracts signed with private clients thus violating their constitutional rights. Contugas obtained a precautionary measure in the first instance, also ratified in the second instance, by which OSINERGMIN was ordered not to rule on the contracts signed with these three independent clients.

In turn, in December 2016, the Fifth Specialized Constitutional Court issued a precautionary measure in favor of Contugas, declaring resolutions 006-2006 and 007-2016 void, a precautionary measure that was appealed by the defendants, but confirmed by the 5th Superior Civil Chamber, for which Contugas considers that it is a firm and definitive decision. In the second instance, the Superior Chamber revoked the precautionary measure, as it considered that the Amparo was not the appropriate way, but the contentious-administrative process.

On December 12, 2019, under File 4801-2017, the Judgment was issued by which the Constitutional Court declared the nullity of resolutions No. 006 and 007-2016 issued by OSINERGMIN. This resolution declares the validity of the capacity reservation clauses signed between Contugas and its independent clients.

(Continúa)

In May 2018, OSINERGMIN declared CAASA's claims founded, whose resolution was appealed by Contugas. As of December 31, 2020, a ruling by the OSINERGMIN Court of Appeals is pending. The effects of the Constitutional Court ruling do not extend to CAASA directly.

To date, these three clients pay for the service for the volumes actually consumed, despite the ruling of the Constitutional Court. For this reason, the sum of the accounts receivable from Aceros Arequipa, EGASA and EGESUR as of December 31, 2020 is for US$ 151,553 thousand (US$ 103,906 thousand as of December 31, 2019).

On April 1, 2019, EGASA communicated to Contugas its decision to unilaterally terminate the Natural Gas Distribution Service contract, arguing that since its natural gas transportation contract was void and not having other contracts or agreements that can guarantee the transport, the contract with Contugas could be terminated. Contugas has communicated that according to the Contract, EGASA's argument is incorrect, since Contugas has offered to provide Supply and Transportation services, so there is no shortage referred to by EGASA. As of December 31, 2020, Contugas has initiated an arbitration process against EGASA both for the collection of the amount owed and for the resolution of the Contract.

As of December 31, 2020, Contugas has evaluated the impairment of these accounts receivable using the expected loss method, considering the risk or probability of a credit loss occurring, reflecting the probability that such loss occurs and does not occur, even if this possibility is very low. The estimate for impairment of accounts receivable related to the three main contracts signed (EGASA, EGESUR and CAASA), in compliance with IFRS 9, are presented in the result for the year 2020 for US$ 14,577 thousand (US$ 13,915 thousand for the financial year 2019).

As has been stated, Contugas initiated arbitration proceedings against EGASA and EGESUR. In the case of EGASA, on August 7, 2020, the Request for Arbitration was presented to the Lima Chamber of Commerce, and EGASA on September 3 presented its response to said request. The Arbitral Tribunal is already made up of the president and the arbitrators designated by the parties. The lawsuit will be filed in March 2021.

In the case of EGESUR, on August 5, 2020, the Request for Arbitration was presented to the Lima Chamber of Commerce, and on August 27, 2020, EGESUR answered said request. The Arbitral Tribunal is already made up of the president and the arbitrators designated by the parties. The arbitration claim was filed on January 27, 2021.

Regarding the case with CAASA, on June 16, 2020, Contugas closed the Direct Deal, being expedited to initiate an extrajudicial conciliation procedure. On February 11, 2021, Resolution No. 025-2021-OS / TSC-103 of the OSINERGMIN Dispute Settlement Tribunal was notified in relation to CAASA's claim; in said resolution, CAASA's claims since May 2016 onwards are declared groundless, and the Company is ordered to re-invoice from 2014 to April 2016. All invoicing will be based on what was contracted, and in accordance with the regulation and the Distribution Contract.

The Group's management and its legal advisors consider that there are high probabilities of a favorable resolution of the aforementioned processes.

New electricity generation customer

On November 23, 2016, the Company signed a contract for the supply, transportation, and distribution service of natural gas to a new electricity generation customer, whose plant will operate in the province of Pisco. The contract stipulates the firm reserve of a natural gas supply capacity for 29.5 MMSCFD and the possibility of increasing another 29.5 MMSCFD under the interruptible modality. As of December 31, 2020, the Company is in renegotiation of the conditions established in this contract and among the main changes is that the Company will only supply the natural gas distribution service with a reserved capacity of 72 MMSCFD, and additionally it will It foresees the start of operations for July 1, 2025. The flows derived from this contract will allow the Company to increase EBITDA and obtain positive results.

Modification of the natural gas transportation contract

Contugas has contemplated opting for the modification to the gas transportation contract signed on March 26, 2010, through which it can reduce the reserved capacity from 44.8 MMSCFD to 27 MMSCFD as of January 2022, this amount responds to the estimated consumption of the clients already connected and sincere the firm amount necessary for the attention of the Company's clients. As of December 31, 2020, Contugas signed a contract in the secondary gas transportation market for a firm and interruptible 15 MMSCFD in force until December 31, 2021, to recover part of the current costs associated with the excess capacity of this contract.

Main clients' accounts receivable recovery

Contugas has been managing the recovery of the accounts receivable of its three main clients whose debt as of December 31, 2020 is for US$ 151,553 thousand (US$ 103,906 thousand as of December 31, 2019); The Company's legal advisors believe that there is a high probability of success of recovering the portfolio between 2022 and 2025. With these actions, Management estimates that the Company will reverse the expected credit loss for such accounts receivable recognized in previous periods, such reversal would generate a profit for the period.

(Continúa)

Concession Assets

The concession assets represent the collection rights of natural gas distribution services, which are associated with the actual consumption of users, and are within the regulatory regime established by the regulatory entity OSINERGMIN. The activated cost represents the value invested in the distribution network (assets of the concession). The concession assets as of December 31, 2020 and 2019, amounted to $ 954,680 million and $ 894,618 million, respectively.

On April 30, 2014, the trunk network and branches that supply gas to the cities of Marcona and Nazca began operation; therefore, from that date, amortization is recorded for the total assets of the concession.

Distribution assets in process correspond to contract assets represented by network construction that as of the date of the statement of financial position have not been gasified. Once they are gasified, they are transferred to the heading of "distribution goods".

Contugas has recognized during the year ended December 31, 2020 an expense for amortization of the concession assets of US$ 16,052 thousand (for US$ 15,830 thousand in 2019). Based on the estimates made by Contugas, at the end of this fiscal year, the investment will be fully recovered through the collection of fees and no recovery is generated through the residual participation of the concession assets through the net book value of assets.

As of December 31, 2020, and 2019, Contugas has made projections of the expected cash flows for the coming years, which consider a discount rate that is estimated to reflect market conditions. The discount rate used in 2020 and 2019 was 5.89% and 6.16% respectively. In the revenue and cost projections Contugas considered the main contracts signed with large clients. These projections have been reviewed and approved by Management and presented to the Board of Directors. In accordance with these projections, Management has estimated that the recoverable value of Contugas' assets is greater than their amount recognized in the books, therefore, the accompanying financial statements contain an impairment recovery of US$ 20,350 thousand (in the 2019, an impairment of assets of the concession was recognized for thousands of US$ 51,659).

Financial obligations:

On September 24, 2019, Contugas signed a Syndicated Loan for US$ 355,000 thousand, which had Mizuho Bank, Ltd. as lead banks, and BBVA, as an administrative agent to Mizuho. Credit and guarantee contracts are under the laws of New York, Colombia and Peru.

(Continúa)

The participation of the banks (hereinafter "the Lenders") is as follows:

In thousands of US dollars	**Amount**
Banco Bilbao Vizcaya Argentaria S.A., New York Branch	85.000
Mizuho Bank, Ltd.	85.000
Sumitomo Mitsui Banking Corporation	45.000
Banco de Sabadell, S.A., Miami Branch	26.000
Banco Santander S.A.	26.000
Export Development Canada	26.000
Banco de Bogota (Panama) S.A.	26.000
Banco Latinoamericano de Comercio Exterior S.A.	18.000
Citibank, N.A. International Banking Facility	18.000
	355.000

The contractual term is 60 months, the principal being fully payable at the end of this period, plus the compensatory interest accrued at that date. Upon signing the contract, Contugas paid structuring expenses of US$ 3,400 thousand and administrative agent expenses of US$ 25 thousand.

This loan bears interest at the 180-day LIBOR rate plus 1.75%. Interest payments will be made semi-annually in March and September.

The main purpose of the funds obtained from this loan was to pay the Syndicated loan (for US$ 342,000 thousand in favor of Banco Davivienda S.A., Banco de Bogotá S.A. Nassau, Banco de Bogotá S.A. Panamá and Corporación Andina de Fomento).

(Continúa)

This loan does not have compliance with covenants, since it is backed by a corporate guarantee granted by its shareholders Grupo Energía Bogotá S.A. ESP (GEB) and Transportadora de Gas Internacional, with which they guarantee the credit payment obligations.

(2) *TGI International Ltd.* – In order to serve as investment vehicle for the issue of bonds in the international capital markets, TGI incorporated this affiliate in Cayman Islands. Said operation was guaranteed by TGI, who holds 10,000 common shares for a face value of USD$1 each in TGI International Ltd. Between March 2, 2012 and April 6, 2012, the aforementioned bonds were cancelled in advance and TGI issued new bonds directly. As of December 31, 2020, this company does not have assets or liabilities.

(3) *TGI Regasificadora S.A.S.* – In order to serve as investment vehicle in projects, TGI incorporated this affiliate in Bogota. As of December 31, 2020, it holds 10,000 shares for a face value of COP$100 each in TGI Regasificadora S.A.S.; according to its corporate object, the company may perform any licit, commercial or civil activity in Colombia and abroad.

The summarized financial information in respect to associates and subsidiaries of the Company is presented below:

December 31, 2020 –

	Total net assets of the investment	Profit or (loss) of the year	Participation of the Company in its investments		Participation of the Company in the net assets of the investments	Participation of the Company in the profit or (loss) of the year of the investments
Contugas S.A.C.	41,195	10,151	31.41927%	$	12,943	3,189
TGI International Ltd.	-	-	100%		-	-
TGI Regasificadora S.A.S.	-	-	100%		-	-
				$	12,943	3,189

December 31, 2019 –

	Total net assets of the investment	Profit or (loss) of the year	Participation of the Company in its investments	Participation of the Company in the net assets of the investments	Participation of the Company in the profit or (loss) of the year of the investments
Contugas S.A.C.	$ 37,044	(73,100)	31,41927%	$ 11,639	(22,968)
TGI International Ltd.	-	-	100%	-	-
TGI Regasificadora S.A.S.	1	-	100%	-	-
				$ 11,639	(22,968)

18. Financial liabilities

The composition of this item as of December 31, 2020 and 2019 is as follows:

	Interest rate	Expiration date	2020	2019
Loans granted by:				
Bonds (1)	5.55% SA in A.	01/11/2028	$ 750,000	750,000
Cost of issue			(3,647)	(4,007)
Leasing Operations–Renting (2)	DTF + 2.9% QA	29/09/2024	6,004	8,575
Interest Bonds Issued			6,938	6,938
Reserve Fund			4,311	3,270
Ariari Trust Commission			1,057	1,074
			$ 764,663	765,850
Current (Note 15)			12,306	11,282
Noncurrent (Note 15)			752,357	754,568
			$ 764,663	765,850

			Financing Cash Flows (ii)			Changes not originated in cash		Other changes			Total
		January 1, 2019	Loans received	Loans received	Payment of interest	Financing Cash flows (ii)	New Financing leasing	Exchange difference	Effect in conversion	Amortized cost	December 31, 2019
Financial Liabilities											
Bonds - TGI	$	752,589	-	-	(41,625)	41,625	-	-	-	341	752,930
Bank Credits - Leasing-Renting		10,557	-	(2,067)	(1,017)	1,017	-	86	-	-	8,576
Bank Credits – IELAH Syndicated		40,038	-	(40,000)	(1,887)	1,315	-	-	-	534	-
	$	803,184	-	(42,067)	(44,529)	43,957	-	86	-	875	761,506

(Continúa)

			Financing Cash Flows (ii)			Changes not originated in cash		Other changes			Total
		January 1, 2020	Loans Received	Payment of Principal	Payment of Interest	Accrual of Financial Expenses (Interest Expense)	New Financing Leasing	Exchange Difference	Effect in Conversion	Amortized Cost	December 31, 2020
Financial Liabilities											
Bonds - TGI	$	752,930		-	(41,625)	41,625	-	-	-	361	753,291
Bank Credits - Leasing-Renting		8,576		(1,898)	(871)	871	-	(674)	-		6,004
	$	761,506		(1,898)	(42,496)	42,496	-	(674)	-	361	759,295

(Continúa)

18.1 Summary of loan agreements

(1) Bonds

2007:

TGI made a bond issue in the international capital markets, according to rule 144 a / regulation of the SEC, in 2007, for a value of USD 750 million. Between March 20 and April 6, 2012, the aforementioned bonds were prepaid and TGI issued new bonds directly under the following conditions:

Amount:	USD$750 million
Interest rate	5,7% annual semester in arrears
Date of Issue:	March 20, 2012
Due date	March 20, 2022

2018:

TGI, in 2018, made a bond issue in the international capital markets, according to Rule 144 A / Reg S, for a value of USD 750 million, in order to refinance the bonds issued in 2012 and term up to 2022 that had a rate of 5.70%. The issue took place on November 1, 2018, the date on which the early redemption of the aforementioned bonds and the issuance of the new bonds were made. The bonds with expiration in 2028 have the following conditions:

Amount:	USD$750 million
Interest rate	5,55% annual, biannually in arrears
Date of Issue:	November 1, 2018
Due date	November 1, 2028

Covenants - The issuance of the 2028 Bonds was a significant improvement for TGI in terms of Covenants, as the new issue reflects the quality of the Investment Grade that the company has, eliminating several restrictive Covenants. The main Covenants included in the 2028 Bonds and found in the Indenture of the transaction are:

- Limitation on encumbrances
- Limitation on Sale and Lease-Back transactions
- Limitation in conducting business other than related parties in the ordinary course of business

The aforementioned issue has an investment grade rating by the following credit rating agencies:

- Fitch Ratings: BBB, Stable Perspective
- Moody's: Baa3, Stable Perspective

(2) Lease agreements – On May 27, 2014 August 29 and November 13, 2013, the Company executed leasing agreements for the purchase of offices in Bogota, D.C., where TGI has its main domicile; these agreements were entered into with Leasing Banco de Occidente and Banco de Bogota. The conditions of these operations are as follows:

LEASING BANCO DE OCCIDENTE:

Contract number:	180-080010	180-094099
Amount:	$4.602	$3.161
Interest rate:	DTF + 2.9% QA. Monthly payments	DTF + 2.9% QA. Monthly payments
Issue Date:	August 29, 2013	May 27, 2014
Expiration Date:	December 29, 2021	May 27, 2024

LEASING BANCO DE BOGOTÁ:

Contract number:	33531719310	33531719410
Amount:	$8.206	$1.778
Interest rate:	DTF + 2.9% QA. Monthly payments	DTF + 2.9% QA. Monthly payments
Issue Date:	September 29, 2014	May 27, 2014
Expiration Date:	September 29, 2024	May 27, 2024

On the other hand, on November 24, 2015, the Company entered into a contract for the public service of automotive land transportation special and renting of automotive vehicles; with a term of (5) years or until the resources of the contract are extinguished, whatever first occurs. The conditions of this operation are the following:

Contract number:	750754
Amount:	$24.868
Interest rate:	6.75% Effective Annually
Issue Date:	November 24, 2015
Expiration Date:	November 24 2020

19. Leasing liabilities

	Interest rate	Expiration date		2020	2019
Leasing Liabilities:					
Financial Liabilities IFRS 16	0.90% MV	31/12/2024	$	1,948	5,756
				1,948	5,756
Current				1,764	3,121
Noncurrent				184	2,635
			$	1,948	5,756

The Company does not face a significant liquidity risk in respect to its leasing liabilities. The leasing liabilities are controlled within the treasury function of the Company.

19.1 Obligations for financial leasing

			Financing cash flows			Changes not originated in cash		Total
Financial liabilities:		January 1, 2019	Loans received	Payment of principal	Payment of interest	Accrual of financial expenses (Interest expense)	New financial leasing	December 31, 2019
Rights of use Assets IFRS 16	$	7,621	-	(4,676)	(456)	456	2,811	5,756

			Financing cash flows			Changes not originated in cash		Total
Financial liabilities:		January 1, 2020	Loans received	Payment of principal	Payment of interest	Accrual of financial expenses (Interest expense)	New financial leasing	December 31, 2020
Rights of use Assets IFRS 16	$	5,756	-	(5,019)	(193)	193	1,211	1,948

(Continúa)

20. Accounts payable to suppliers and other accounts payable

The composition of this item as of December 31, 2020 and 2019 is the following:

		2020	2019
Accounts payable to suppliers (1)	$	9,237	13,901
Other accounts payable (2)		686	1,839
Development installment		1,235	1,422
Transportation tax (3)		903	1,457
	$	12,061	18,619

(1) TGI has implemented policies for managing the financial risk to make sure that all accounts payable pare paid in accordance with the pre-agreed credit terms. These values correspond to the current liability, are not maintained in accounts payable to suppliers and other long-term accounts payable.

(2) The other accounts payable are represented in advances and guarantee deposits made by customers (senders) as support to the natural gas transportation contracts executed with TGI. As of December 31, 2020, the largest guarantee corresponds mainly to Gases de Occidente S.A. E.S.P. with 31.72% and Efigas Gas Natural S.A. E.S.P. with 11.33%. Additionally, it is made up by social security advances of TGI employees. For year 2098, the largest guarantee corresponds to Gas Natural S.A. ESP with 44.86%.

(3) The transportation taxis a tax which purpose is to compensate the effects caused by the passage of the gas pipeline through the different Colombian municipalities. It is assessed quarterly, and it is billed to the senders calculated as a percentage, according to the origin of the gas on the total volume transported. It is responsibility of TGI as transporter to bill it, draw it to the municipalities once the assessment of same is made by the Ministry of Mines and Energy, prior report and information provided by TGI.

21. **Provisions**

The composition of this item as of December 31, 2020 and 2019 is as follows:

		2020	2019
Other current provisions	$	14,477	12,374
Judicial provisions (1)		6,109	6,335
Environmental and dismantling provisions		75,713	29,786
		96,299	48,495
Current		14,477	12,374
Noncurrent		81,822	36,121
	$	96,299	48,495

Following is the movement of the provisions:

		Other provisions	Judicial provisions	Environmental and dismantling provisions	Total
		Current	Noncurrent		
Balances as of December 31, 2018	$	9,158	4,937	31,345	45,440
Additions		4,637	1,485	-	6,122
Difference in Exchange		-	-	-	-
Financial cost		-	-	2,470	2,470
Uses		(1,421)	(87)	(4,029)	(5,537)
Balances as of December 31, 2019	$	12,374	6,335	29,786	48,495
Additions		3,209	1,172	49,721	54,102
Difference in Exchange		4,220	(1,398)	3,794	6,616
Financial cost		-	-	4,462	4,462
Uses		(5,326)	-	(12,050)	(17,376)
Balances as of December 31, 2020	$	14,477	6,109	75,713	96,299

As of December 31, 2020, and 2019 the balances correspond to provisions for environmental obligations and claims against TGI for civil, administrative and labor litigations, mainly.

(Continúa)

1. Judicial Provision **-** TGI signed a contract with the CLI Consortium, formed by the companies Lavman Ingenieros Ltda., And Cosacol SA, for the construction of the Phase II Loops of the expansion project of the Cusiana - La Belleza gas pipeline, in section 5. According to the Consortium at the time of performance of the work, it was found that the information delivered in the pre-contractual phase presented inconsistencies, in addition to delays in the processing of some environmental licenses necessary for the execution of the project; thus, within the claims of the lawsuit are found, the declaration of nullity of official communication 04-08-11 whereby the Company unilaterally terminates the work contract number 750124 signed with the CLI Consortium, and sentences TGI SA E.S.P., to the payment of material damages in their modality of consequential damages and lost profits, assessed in the amount of $4,6 and other Civil judicial contingencies $1,4. Based on the evaluation of the probability of success in the defense of these cases, TGI has provisioned the sum mentioned as of December 31, 2018 to cover the probable loss due to this contingency.

TGI estimates that the results of the non-provisioned lawsuits will be favorable and will not cause significant liabilities that must be accounted for or that, if they arise, will not significantly affect the Company's financial position.

2. Environmental provisions and dismantling - The dismantling provision is due to the estimate of the obligation at the date of dismantling or abandoning the asset. Similarly, the environmental provision obeys the obligation that TGI contracts at the time of carrying out a project or incorporating some type of infrastructure in the national territory, in accordance with the ANLA regulation, environmental commitments and pertinent licenses.

22. Other liabilities

The composition of this item as of December 31, 2020 and 2019 is as follows:

		2020	2019
Income received in advance (1)	$	15,703	16,448

(1) The income received in advance corresponds to a contract with Ecopetrol for transportation services, by virtue of which the value of the fixed charge in billed in pesos and dollars up to year 2026.

23. Equity

		2020	2019
Paid-in Capital	$	703,868	703,868
Premium on placement of shares		56,043	56,043
	$	759,911	759,911

The paid-in capital is composed by 145,402,814 common shares fully paid consisting of common shares with face value of $10,766.55 pesos.

24. Reserves

		2020	2019
Legal reserve (1)	$	118,710	106,122
Occasional reserve (2)		66,203	66,203
	$	184,913	172,325

(1) Legal reserve – According to Colombian law, TGI must transfer as minimum 10% of the profit of the period to a legal reserve that it will be minimum 50% of the subscribed capital. This reserve is not available for distribution but may be used to absorb losses.

(2) Occasional reserve – In 2020 and 2019, the General Stockholders' Meeting, through the corresponding minutes, approved the creation of an occasional reserve to strengthen the capital of TGI.

25. Income

Following is the income of TGI for the period for continuing operations.

		2020	2019
Gas transportation services – fixed charges	$	422,629	426,757
Gas transportation services – variable charges		6,086	21,894
Complementary gas transportation services		27,054	20,169
	$	455,769	468,820

(Continúa)

26. Cost of sales

		2020	2019
Depreciations	$	88,386	85,981
Intangible amortizations		717	908
Maintenance and repair orders and contracts		19,203	24,195
Cost of goods and services		20,385	21,327
Professional services		15,778	17,306
Insurance		9,604	6,492
Leasing		114	64
Fees		5,524	5,944
Taxes, rates and contributions		3,123	2,678
Public utilities		872	876
Transportation, freight and haulage		249	204
Relations with communities – direct operations		1,017	1,377
Studies and projects		658	734
Other		776	919
	$	166,406	169,005

27. Operating and administration expenses

		2020	2019
Personal services			
Integral salary	$	3,179	2,968
Personnel salaries		1,210	1,135
Subsidy benefit, loan rate and bonus		1,091	2,263
Contributions to pension funds		444	423
Vacations		254	251
Social wellbeing		254	394
Training		278	310
Other personal services		1,644	833
	$	8,354	8,577

(Continúa)

		2020	2019
Taxes			
Sales tax VAT not discountable	$	3	1,107
Tax on financial movements		1,253	995
Contributions to Superintendencies and CREG		3,501	1,573
Other taxes		153	87
	$	4,910	3,762
Depreciation, amortization and provision			
Amortization	$	4,200	3,518
Provision		3,890	4,537
Depreciation		1,008	997
	$	9,098	9,052

28. Financial costs

		2020	2019
Long term external public debt bonds	$	41,985	41,966
Interest on internal financing operations, long term – related parties		22,663	22,178
External financing interest, IELAH merger		-	1,849
Fixed assets – financial cost of dismantling		4,462	2,470
Interest on long term internal operations – leasing		871	1,017
Interest IFRS 16		193	456
Bank expenses		63	11
Investment Concentra Valuation		11	-
Other interest		8	3
	$	70,256	69,950

29. Financial income

		2020	2019
Interest (savings accounts, funds of securities)	$	2,002	1,770
Interest national and foreign currency CDs		1,073	1,631
Amortized cost (loans, deposits)		420	364
Interest on accounts receivable		93	52
Other interest		259	334
	$	3,847	4,151

30. Other expenses

		2020	2019
Fees	$	5,382	5,997
Fees GEB technical support		4,281	3,812
Other general expenses		3,809	3,395
Services		548	763
Publicity and advertising		48	25
	$	14,068	13,992

31. Other income

		2020	2019
For claims	$	548	457
Recovery of provisions		1,307	673
Recovery of costs and expenses		600	2,329
Other miscellaneous revenues		17	1,481
	$	2,472	4,940

32. Income tax

32.1 Income tax recognized in results

The income tax expense includes current and deferred tax. It is recognized in income, except insofar as it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

		2020	2019
Current tax:			
Income tax current year	$	(69,150)	(63,012)
Adjustment previous periods		(7,848)	485
		(76,998)	(62,527)
Deferred tax		14,005	2,728
Total income tax recognized in the period	$	(62,993)	(59,799)

The reconciliation between the profit before taxes and the net taxable income for year 2020 and 2019 is as follows:

		2020	2019
Income tax:			
Profit before taxes	$	213,778	185,675
Tax expense calculated (2020-32%; 2019-33%)		68,409	61,273
Tax effect of reconciling entries:			
Effect of income that is tax exempt		(805)	(856)
Effect of expenses that are non-deductible when determining the taxable profit		87	1,010
Tax deductions		(1,012)	224
Temporary differences for expenses accrued in the accounting		2,471	1,361
Current income tax		69,150	63,012
Adjustments recognized in the current year in respect to tax accrued in previous years		7,848	(485)
Effect of deferred tax for temporary differences generated in accounting balances		(14,005)	(2,728)
Tax expense on profits recognized in profit and loss	$	62,993	59,799

(Continúa)

32.2 Assets and liabilities of the current year

Current tax assets – The detail of the account receivable for current taxes is as follows:

		2020	2019
Income and complementary tax advance	$	40,273	29,854
Industry and commerce tax advance		27	33
	$	40,300	29.887

Current tax liabilities – The detail for the account payable for taxes is as follows:

		2020	2019
Withholdings payable (Income and CREE)	$	3,340	3.295
Income tax payable		75,242	65.861
Taxes payable (other than income)		201	424
Industry and commerce tax payable		20	12
		78,803	69.592
Total Net	$	38,503	39.705

32.3 Balances of deferred taxes

Following is the analysis of the assets/ liabilities of the deferred tax presented in the statement of financial position:

		2020	2019
Deferred tax asset	$	70,492	32,629
Deferred tax liability		(415,647)	(391,789)
Total	$	(345,155)	(359,160)

2020		Beginning balance	Income statement	Ending balance
Trade accounts and other accounts receivable	$	(488)	2,191	1,703
Intangible assets		(39,267)	(925)	(40,192)
Trade accounts and other accounts receivable noncurrent		1,453	(9)	1,444
Properties, plant and equipment		(340,926)	(15,038)	(355,964)
Provisions		(257)	1,341	1,084
Employee benefits		20,330	26,440	46,770
Other non-financial assets – current		(5)	5	-
	$	(359,160)	14,005	(345,155)

2019		Beginning balance	Income statement	Ending balance
Trade accounts and other accounts receivable	$	(167)	(321)	(488)
Intangible assets		(38,660)	(607)	(39,267)
Trade accounts and other accounts receivable noncurrent		1,439	14	1.453
Properties, plant and equipment		(342,201)	1,275	(340,926)
Provisions		(248)	(9)	(257)
Employee benefits		17,995	2,335	20,330
Other non-financial assets – current		(46)	41	(5)
	$	(361,888)	2,728	(359,160)

In October 2019, the Constitutional Court declared the Financing Law (Law 1943 of 2018) unenforceable in its entirety due to the principles of publicity and consecutivity being ignored during the parliamentary debate, leaving the current tax regulation without effect until December 31, 2019. As a consequence, National Government issued Law 2010 of 2019 named "Economic Growth Law", that incorporates, among others, the following provisions since January 1, 2020:

Income Tax and Complementary – The rate on taxable income to the entities in Colombia obliged to present tax returns will be 32% for the taxable year 2020, 31% for the taxable year 2021 and 30% as of the taxable year 2022.

For the year 2020, presumptive income is reduced to 0,5% of the net equity and to 0% as of 2021. Likewise, the contributors to the SIMPLE regime are not subjected to presumptive income.

Additionally, a deduction of 100% of the taxes, rates and contributions effectively paid during the year that have causal relation with the economic activities of the entity is included. In the industry and commerce tax, notices and boards (ICA), the taxpayer might take as a tax discount of the tax income the 50% for the taxable years 2020 and 2021, and of 100% as of the taxable year 2022. The tax to financial movements will be deductible to 50%.

32.3 Uncertainties in open tax positions

As of December 31, 2020, and December 31, 2019, the company does not have tax uncertainties. For this reason, no additional taxes are foreseen on the occasion of possible visits by the tax authorities or due to the existence of uncertainties related to the tax positions applied by the Company. In the same way, it is confirmed that the declaration of validity 2019 is firm since it was presented with the benefit of an audit.

32.4 Economic Growth Law - (Tax Reform)

In December 2018, the tax law in Colombia was modified through Law 1943, gradually reducing the income tax rate and also reducing the rate for the liquidation of presumptive income until its elimination starting in 2021.

Considering that Law 1943 was declared unenforceable in Judgment of the Constitutional Court, C481 of 2019, it gave rise to the National Government presenting a tax reform initiative, which was approved by the Congress of the Republic and issued by Law 2010 of the December 27, 2019, or the Economic Growth Law, which included the provisions in favor contained in Law 1943 of 2018 and which were considered essential for economic growth and competitiveness in the country; It also introduced some modifications of which we highlight:

(Continúa)

- For taxable year 2020, the applicable income tax rate is 32%. The tax rates determined in law 1943 of 2018 are maintained for the year 2021, a 31% rate and as of 2022, a 30% rate.

- The Economic Growth Law for the purposes of calculating income tax under the presumptive income system continues to gradually dismount the rate of 0.5% for the year 2020, and 0% as of the year 2021 and subsequent years.

- 100% of the taxes, fees and contributions actually paid in the taxable year, which are causally related to the generation of income (except income tax) remain deductible; 50% of the tax on financial transactions (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-generating activity.

- 50% of the industry and commerce tax may be treated as a tax discount on income tax in the taxable year in which it is actually paid and insofar as it is causally related to its economic activity. From the year 2022 it can be discounted at 100%.

- They continue as tax discounts (i) The VAT paid on the import, formation, construction or acquisition of real productive fixed assets including the services necessary for their construction and start-up (ii) The industry and trade tax in the terms indicated in the previous subsection.

- In relation to the tax on dividends, the following modifications were made:

  - The withholding tax at source was increased to 10% on untaxed dividends, decreed for the benefit of foreign companies and entities, non-resident individuals and permanent establishments.

  - The table applicable to non-taxed dividends decreed for the benefit of natural persons residing in the country and illiquid successions of taxpayer’s resident in the country was modified, providing a marginal rate of 10% for dividends that exceed 300 UVT.

  - It was established that the tax on taxed dividends will be determined: (i) applying the income rate corresponding to the year in which they are decreed (32% year 2020; 31% year 2021; and 30% year 2022 onwards) and (ii) on the remainder, the rate corresponding to the non-taxed dividend will be applied, depending on the beneficiary (if it is a resident natural person or an illiquid succession of resident deceased, the table will be applied and for other cases the rate of 7.5% will be applied).

(Continúa)

- The withholding regime at source on dividends decreed for the first time to national companies continues, which will be transferable to the final beneficiary, a resident natural person or resident investor abroad with the rate of 7.5%

- Dividends decreed against profits for 2016 and prior years will retain the current treatment for that time; and those corresponding to profits for the years 2017 and 2018 and 2019 that are decreed as of 2020 will be governed by the rates provided in Law 2010

• With the Economic Growth Law it is specified that taxpayers may choose the mechanism of works for taxes, as a way to extinguish the tax obligation, provided for in article 238 of Law 1819 of 2016 or through the mechanism of the direct investment agreement established in article 800-1 of the Tax Statute.

• The Growth Law establishes that the final term for taxpayers' income tax returns that determine or offset tax losses or that are subject to the transfer pricing regime will be five (5) years from the date of the presentation of the income statement

• The correction term for taxpayers who present corrections that increase the tax or decrease the balance in favor, is modified as the term that the taxpayer had to voluntarily correct their tax returns was two (2) years, with the Law of Growth, this term is modified and unified with the general term of the firmness of the of the declarations, setting it at three (3) years.

The audit benefit is extended for the income tax returns corresponding to the taxable years 2020 and 2021, for which the increase in the net income tax with respect to the previous year is required so that the return is final in six months (30%) or in twelve months (20%), as provided by Law 1943 of 2018 for the taxable years 2019 and 2020 returns. It is specified that the provisions enshrined in Law 1943 of 2018, regarding the benefit of audit, will have the effects provided therein for taxpayers who have availed themselves of the audit benefit for the taxable year 2019.

33. Transactions with related parties

33.1 Commercial transactions

During the year, companies related to the Company performed the following transactions with related parties that are not members of the Company:

		2020	2019
Income:			
Gas Natural S.A. E.S.P.			
Transportation service (1)	$	122,302	134,764
O&M		108	91
Provision		11,887	12,175
Other		6,286	8,210
Total		140,583	155,240
Emgesa S.A. E.S.P.			
Transportation		837	77
Provision		-	13
Other		6	7
Total		843	97
Total income	$	141,426	155,337
Costs / Expenses			
Grupo Energía Bogotá S.A. E.S.P.			
Interest	$	22,663	22,178
Insurance payment reimbursement		-	16
Technical support (2)		4,281	3,812
Total		26,944	26,006
Emgesa S.A.			
Energy service		110	627
Fuel gas		5,552	3,883
Total		5,662	4,510
Codensa S.A. ESP.			
Christmas lightning and Energy District Service		200	226
Total		200	226
Gas Natural S.A. E.S.P.			
O&M gas pipeline of La Sabana		1,625	1,737
Lease gas pipeline of La Sabana		3,157	3,103
Gas supply compressor stations		2,694	2,257
Total		7,476	7,097
Total costs and expenses	$	40,282	37,839

(Continúa)

(1) TGI has entered into several transport contracts with the company Vanti S.A. ESP., whereby TGI agrees to make available the gas pipelines system and to transport natural gas to various destinations required by Vanti S.A. E.S.P., and this Company undertakes to pay the rates established in such contracts. As of the closing of December 31, 2020 Vanti S.A. ESP has 67 contracts in effect for an estimated amount of USD $672 million, with expirations that range from 2021 to 2037.

(2) On January 05, 2009, a contract was signed with Grupo Energía de Bogotá S.A. E.S.P with a 20-year term. The purpose of the agreement to provide advice and technical, legal, administrative, and financial support in the performance of the activities required for the adequate performance of TGI's corporate object. On May 28, 2010, Addendum No. 1 to the contract was signed, whereby the annual percentages to which the charge for the service is subject are modified. The amount to pay for the year 2014 and subsequent years corresponds to 1.20% of TGI's previous year EBITDA plus VAT.

The following balances were outstanding at the end of the reporting period:

		2020	2019
Current asset:			
Accounts receivable			
Gas Natural S.A. E.S.P. (1)	$	22,089	21,743
Grupo Energía de Bogotá		-	793
Total assets	$	22,089	22,536
Financial obligations liabilities:			
Grupo Energía Bogotá S.A. E.S.P.) (2)	$	370,000	370,000
Accounts payable			
Grupo Energía Bogotá S.A. E.S.P.	$	2,927	3,901
Codensa S.A.		109	126
		3,036	4,027
Total liabilities	$	373,036	374,027
Current	$	3,036	4,027
Noncurrent		370,000	370,000
	$	373,036	374,027

The amounts outstanding are not guaranteed and will be settled in cash. No guarantees have been posted or received. No expense has been recognized in the current period, or in previous periods in respect to uncollectible accounts or doubtful accounts related to the amounts owed by related parties.

(1) As of December 31, 2020, it corresponds to the performance of the various natural gas transportation service contracts, entered into with the company Gas Natural S.A. E.S.P. from October 2008 to May 2017.

(2) As of December 31, 2020, the debt in foreign currency with Grupo de Energía de Bogota S.A. E.S.P. (GEB), major stockholder, amounts to USD 370 million. The conditions of that credit are the following:

Amount	USD 370 million
Interest rate	6.125% annual, semi-annually in arrears
Issue date	December 6, 2011
Expiration date	December 21, 2022

33.2 Compensation of key management personnel

The compensation of the directors and other key members of management during the year was the following:

		2020	2019
Short time benefits (1)	$	3,227	2,897

(1) The compensation of the directors and key executives is determined by the compensation committee based on the performance of the individuals and the market trends.

34. Contingent assets and liabilities

Contingencies – As of December 31, 2020 and December 31, 2019, the value of the claims against TGI for administrative, civil and labor litigations amount to $73,795 and $62,921, respectively. Based on the evaluation of the probability of success in the defense of these cases, TGI has provisioned $6.109 and $6,335, respectively, to cover the probable losses for these contingencies.

TGI's management with the consensus from the external counsel has concluded that the result of the processes corresponding to the party not provisioned will be favorable for the interest of TGI and will not cause liabilities of importance that should be accounted for or that, if they succeed, they will not affect significantly the financial position of TGI .

34.1 Processes classified as possible and remote that are not included in the provision:

Type of process	Quantity of processes		Total value
Possible			
Administrative	34	$	52,516
Civil	1		394
Arbitrals	1		2,007
Labor	12		1,421
	48		56,338

(1) Includes the first instance process in the Administrative Court of Quindio, associated with the contentious-administrative proceeding of Montinpetrol against TGI. The claim of the plaintiffs amounts to the sum of COP $ 6,228 for the year 2020, for breach of contract No. 750880 and that the corresponding damages generated by it be compensated. It includes the process in the Administrative Court of Boyaca of administrative contractual action of Bellelli Engineering SPA Sucursal Colombia against TGI. The claim of the plaintiffs amounts to the sum of USD $44,273 for year 2020, seeking that the illegality of the termination of contract No. 750759 be declared and that the corresponding damages generated by it will be indemnified. (Filing 2017-988).

35. Financial instruments

The Company monitors continuously the exposure to financial risks, where the net exposures and the extent thereof are analyzed, in order to process them in a timely manner. As part of the risk management system, the Company assesses different mitigation strategies, among which are both natural coverages as financial coverages. In the use of financial coverages, the Company seeks to minimize the effects of these risks by means of the use of derivative financial instrument to cover the exposure to risk, duly approved by the Board of Directors, the highest control body that approves the guidelines on which the financial risk management is ruled.

35.1 Capital risk management

The Company manages its capital to ensure that it will be capable of continuing as going concern while the return to its shareholders is maximized through the optimization of debt and capital balances.

The capital structure consists of the net debt (the loans offset by cash and bank balances) and the capital of the Company (made up by the capital stock, premium on issue of shares, reserves and accumulated results.

Indebtedness index – The indebtedness index for the reporting period is as follows:

		2020	2019
Debt (See Note 18)	$	764,663	765,850
Debt – Related parties (See Note 33.1)		373,036	374,027
Cash and banks (See Note 10)		136,628	78,215
Net debt	$	1,001,071	1,061,662
Equity (capital contributed + reserves)	$	917,512	880,013
Index of net debt to equity		91.65%	82.89%

35.2 Financial risk management

The Company is exposed to the following risks related to the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information regarding the Company's exposure to each of the aforementioned risks, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's capital management.

(i) Risk management framework

The Company's Board of Directors is responsible for establishing and supervising the Company's risk management structure. The Board has created the Risk Management Committee, which is responsible for the development and monitoring of the Company's risk management policies. This Committee regularly reports to the Board about its activities.

The Company's risk management policies are established in order to identify and analyze the risks faced by the Company, set adequate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. The Company, through its management rules and procedures, intends to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee supervises the way in which management monitors compliance with the Group's risk management policies and procedures and reviews whether the risk management framework is appropriate with respect to the risks faced by the Group. This Committee is assisted by Internal Audit in its supervisory role. Internal Audit performs regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Credit risk

Credit risk is the risk of financial loss faced by the Company, if a client or counterparty in a financial instrument does not comply with its contractual obligations, and it originates, mainly, from accounts receivable from clients and investment instruments of the company.

Trade accounts receivable

The average credit period in the rendering of services is from 15 to 30 days. As of the first day of default in the payment, TGI generates a surcharge for default interest at the maximum rate permitted by the Financial Superintendency of Colombia during year 2020.

Before accepting any new customers, TGI uses an external credit rating system to evaluate the creditworthiness of the potential customer and defines the credit limits by customer. The limits and ratings attributed to the customers are reviewed at least once a year.

TGI makes an impairment analysis of its accounts receivable following the guidelines established in IFRS 9. This analysis involves the total accounts receivable, including those that are not yet due. The effect of the application of this standard is reflected below:

		Status 1	Status 2	Status 3	Total
Provision for impairment:					
Balance as of December 31, 2019	$	-	(2,292)	(1,419)	(3,711)
Movements chargeable to the income statement		-	(1,466)	-	(1,466)
Exchange difference		-	(130)	57	(73)
Balance as of December 31, 2020	$	-	(3,888)	(1,362)	(5,250)

(Continúa)

Cash and cash equivalents

The Company had cash and cash equivalents for 136,628 thousands of U.S dollars as of December 31, 2020 (2019 78,215), which represent its maximum exposure to credit risk for these assets. Cash and cash equivalents are held with banks and financial institutions, which have a long-term AAA rating, according to the rating agency Standard & Poor's and Fitch Ratings.

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

The Company uses an approach similar to that used for debt instruments to evaluate PCEs for cash and cash equivalents.

(iii) Liquidity risk

The Company manages its indebtedness to ensure that it will be able to continue as a going concern, guaranteeing resources for its expansion and optimizing debt and equity balances, which contributes to maximizing returns for its shareholders.

For the Company, it is of great relevance to continue with good ratings regarding issuer risk and investment grade of its corporate debt, by international rating agencies referring to the market, for which it is important to maintain the indicator of Financial Debt over EBITDA below or equal to 4.0 times; It is possible that at specific times it may exceed this limit, but it will not be sustained and in the short term it will return to target levels, in order to maintain the investment grade. The Company periodically reviews this indicator in its growth and debt decision-making process.

The Financial Vice Presidency of the Company periodically monitors through the short- and long-term cash flows analysis, the needs for resources, guaranteeing the payment of the commitments acquired placing the excesses in securities and first-level banks and with the credit risk ratings required by corporate policy. The Company's Treasury coordinates together with GEB's Treasury the access to investments in national and international financial markets, monitors and manages the financial risks related to the operations of the Company through the risk reports generated by the home office, which analyze the exposures depending on the degree and extent thereof.

Of the total indebtedness of TGI, 94.3% has long-term expiration, 5.7% short term (2019), whereby the refinancing risk is low. Nevertheless, the Financial Vice Presidency constantly analyzes refinancing alternatives and monitors the market to assess the viability of eventual debt management operations that permit to improve the average life of the liability portfolio. During 2012 TGI performed a debt management operation, whereby it not only improved the indebtedness average life by more than 5 years, but considerably reduced its financial costs.

Tables of Interest and Liquidity Risk - The following tables detail the Entity's remaining contractual maturity for its non-derivative financial liabilities with the payment terms agreed. The tables have been designed based on the cash flows not discounted of the financial liabilities, based on the most recent date on which the Company has to make the payments. The tables include the cash flows of both interest and principal. To the extent the interest is at a variable rate, the amount not discounted is derived from the interest rate curves at the end of the reporting period. The contract expiration is based on the minimum date when the Entity must make the payment.

(Continúa)

December 31, 2020 – Accounts payable	Weighted average effective interest rate %	Less than 1 year			From 1 to 5 years			Over 5 years			Total		
		Principal	Interest	Installement	Principal	Interest	Install ment	Principal	Interest	Install ment	Principal	Interest	Install ment
Financial leasing liability:													
Leasing Banco Occidente (180-080010)	DTF +2.9ptos	91	68	159	684	145	829	-	-	-	775	213	988
Leasing Banco Occidente (180-094099)	DTF +2.9ptos	46	54	100	613	269	882	-	-	-	659	323	982
Leasing Banco Bogotá (33531719410)	DTF +2.9ptos	26	30	56	344	150	494	-	-	-	370	180	550
Leasing Banco Bogotá (33531719310)	DTF +2.9ptos	117	144	261	1,662	583	2,245	-	-	-	1,779	727	2,506
Renting CEMTRAL	DTF+2%	1,211	532	1,743	-	-	-	-	-	-	1,211	532	1,743
Renting FIDELITY	DTF+2%	487	154	641	723	52	775	-	-	-	1,210	206	1,416
Financial liability IFRS 16		-	207	207	1,948	285	2,233	-	-	-	1,948	492	2,440
Liability to related parties and others:													
Accounts payable to related parties	6125%	-	23,386	23,386	-	116,928	116,928	370,000		370,000	370,000	140,314	510,314
Instruments at fixed interest rate – Bonds and securities issued	5.70%	-	47,862	47,862	-	239,310	239,310	746,353	47,862	794,215	746,353	335,034	1,081,387

(Continúa)

December 31, 2019 – Accounts payable	Weighted average effective interest rate %	Less than 1 year			From 1 to 5 years			Over 5 years			Total		
		Principal	Interest	Installment	Principal	Interest	Installment	Principal	Interest	Installment	Principal	Interest	Installment
Financial leasing liability:													
Leasing Banco Occidente (180-080010)	DTF +2.9ptos	$ 95	71	166	1,721	514	2,235	-	-	-	1,816	585	2,401
Leasing Banco Occidente (180-094099)	DTF +2.9ptos	48	57	105	1,351	387	1,738	-	-	-	1,399	444	1,843
Leasing Banco Bogotá (33531719410)	DTF +2.9ptos	27	32	59	760	216	976	-	-	-	787	248	1,035
Leasing Banco Bogotá (33531719310)	DTF +2.9ptos	122	151	273	3,521	1,015	4,536	-	-	-	3,643	1,166	4,809
Renting CEMTRAL	6.75% EA	1,290	553	1,843	1,908	2,270	4,178	-	-	-	3,198	2,823	6,021
Renting FIDELITY	6.75% EA	485	153	638	1,623	765	2,388	-	-	-	2,108	918	3,026
Financial liability IFRS 16		-	456	456	5,755	2,280	8,035	-	-	-	5,755	2,736	8,491
Liability to related parties and others:													
Accounts payable to related parties	61.25%	-	22,663	22,663	-	113,315	113,315	370,000	-	370,000	370,000	135,978	505,978
Instruments at fixed interest rate – Bonds and securities issued	5.70%	$ -	41,625	41,625	-	208,125	208,125	745,993	249,750	995,743	745,993	499,500	1,245,493

(Continúa)

The amounts of the table above represent the accounts payable for the contracts, which are ordered by maturity within the cash flow, being these the maximums that the Entity could be forced to settle under the agreements of the total amount guaranteed, according to their maturity. This estimate is subject to change, depending on the probability that the cash flow and/or variation of the variables favor the advance termination in any of the contracts.

(iv) Market Risk

Market risk is the risk that changes in market prices, for example in exchange rates, interest rates or share prices, affect the Company's income or the value of the financial instruments it holds. The objective of market risk management is to manage and control exposures to this risk within reasonable parameters while optimizing profitability.

The Company uses derivatives to manage market risks. All these transactions are carried out within the guidelines established by the risk management committee. In general, the Company seeks to apply hedge accounting to manage volatility in results.

35.3 Foreign Exchange risk management

The Company's foreign exchange risk exposure is low due to the fact that it has a natural hedge between its revenues and expenses, by reason of the regulatory framework of the natural gas transportation business in Colombia, which governs the Company, that divides revenues into two main components i) tariffs indexed to the U.S. dollar that includes fixed and variable charges that remunerate investments and ii) income in Colombian pesos that remunerate the operation and maintenance expenses that the Company requires in order to operate and maintain the infrastructure in optimal conditions. This tariff structure generated by the end of 2020, that 69% of TGI’s revenues were denominated in U.S dollars and the remaining 31% in Colombian pesos, thus TGI benefits from a natural hedge since most of the operation and maintenance costs are denominated in Colombian pesos, which is the same currency as the revenue that remunerates these costs, and likewise the revenues in U.S dollars remunerate the investments, which are mainly in U.S dollars. Almost 100% of the Company's debt is denominated in U.S. dollars, therefore the share of the revenues reported in U.S. dollars is essential to ensure its hedge.

Furthermore, the fact of having defined the United States dollar as a functional currency substantially reduces the impact of exchange rate fluctuations on TGI's results.

TGI must keep cash and equivalents in Colombian pesos to meet its obligations in this currency. This generates volatility risk in financial income; however, TGI has been applying a policy of keeping most of its investments in cash and other financial assets in United States dollars. By the end of 2020, 20.4% of investments in cash and equivalents and other financial assets were denominated in U.S. dollars.

The following is the estimated effect that a variation of 1% and 5% in the exchange rate would have on income before tax, related to the exposure of financial assets and liabilities over one year:

Variation of exchange rate		Variation of income before taxes (USD millions)
(5) %	$	7,753
(1) %		1,551
1 %		(1,551)
5 %		(7,753)

35.4 Management of interest rate risk

99.4% of the Company's debt is denominated at a fixed rate and 0.6% at a variable rate, which is why variations in interest rates do not constitute a material risk for TGI. Likewise, investments in cash and equivalents and other financial assets are denominated at a fixed rate, avoiding uncertainty in financial income due to interest rate volatility.

36. Events occurring subsequently to the reporting period

As of February 26, 2021, there were no relevant events after the closing of these financial statements that may significantly affect the financial position of the Company reflected in the financial statements as of December 31, 2020.