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

Separated Financial Statements

As of December 31, 2022 and 2021

With Statutory Auditor’s Report

KPMG S.A.S.
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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 separate 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, 2021 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 aspects, the non-consolidated financial position of the Company as at December 31, 2021, the non-consolidated results of its operations, and its non-consolidated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, except for the application for one only time, as of December 31, 2021, of the voluntary exemption allowed by Decree 1311 of 2021 "Accounting alternative to mitigate the effects of the change in the income tax rate for the taxable period 2021."

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's 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.

Key audit matters

I have determined that there are not key audit matters that must be communicated in my report.

Other matters

The separated financial statements as at and for the year ending December 31, 2021 are presented only for comparison purposes, were audited by me and, in my report dated February 25, 2022, I expressed an unqualified opinion thereon.

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 entities or activities within the Group to express an opinion about the Group's separated financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate 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 2022:

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 25, 2023.

Lidia Nery Roa Mendoza
Statuary Auditor of Transportadora de Gas
Internacional S.A E.S.P.
T.P. 167431 - T
Member of KPMG S.A.S.

February 25, 2023

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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, 2022, 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 issued by the International Auditing and Assurance Standards Board (IAASB – Translated into Spanish in 2018). 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 aspects.

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, 2022. 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 non-significant 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 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.

Lidia Nery Roa Mendoza
Statuary Auditor of Transportadora de Gas Internacional S.A E.S.P.
T.P. 167431 - T
Member of KPMG S.A.S.

February 25, 2023

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.
Separated Statements of Financial Position
As of December 31, 2022 and December 31, 2021
(In thousands of U.S. dollar)

Assest	Note	2022	2021
Current Assest:			
Cash and cash equivalents	10	95.210	140.742
Trade accounts receivable and other accounts receivab	11	25.291	24.272
Accounts receivable with related parties	34	17.512	20.374
Inventory	12	18.857	18.738
Other non-financial assets	13	3.682	3.520
Total current Assest		160.552	207.646
Non-current assest:			
Properties, plants and equipments	14	2.044.879	2.079.096
Assest by right of use	15	4.401	9.899
Investments in associates	17	14.284	20.319
Trade accounts receivable and other accounts receivab	11	7.065	11.459
Intangible assest	16	153.918	155.148
Other financial assest		18	28
Other non-financial assest	13	5.784	9.356
Total non-current assest:		2.230.349	2.285.305
Total assets		2.390.901	2.492.951

Liabilities and Equity	Note	2022	2021
Current liabilities:			
Lease liabilities	19	2.554	8.333
Trade accounts payable and other accounts payable	20	7.253	12.744
Current tax liabilities	32	16.835	6.312
Employee benefit obligations		3.696	5.039
Other financial liabilities	18	10.304	13.379
Provisions	21	16.500	18.444
Accounts payable with related parties	33	373.116	373.033
Total current liabilities		430.258	437.284
Other financial liabilities	18	596.467	747.330
Lease liabilities	19	666	382
Provisions	21	88.176	66.584
Other liabilities	22	11.206	13.539
Deferred tax liabilities	32	407.435	399.575
Accounts payable with related parties	33	-	-
Total non-current liabilities		1.103.950	1.227.410
Total liabilities		1.534.208	1.664.694
Equity			
Capital stock	23	703.868	703.868
Additional paid-in capital	23	56.043	56.043
Reserves	24	218.712	203.181
Retained earnings		(122.365)	(135.272)
Cumulative other comprehensive income		435	437
Total Equity		856.693	828.257
Total liabilities and equity		2.390.901	2.492.951

The attached notes are integral part of the financial statements.

(Original Signed)
Mónica Leticia Contreras Esper
Statutory Representative

(Original Signed)
Adolfo León Ospina Lozano
Accountant
P.C. 30901 - T

(Original Signed)
Lidia Nery Roa Mendoza
Statutory Auditor
T.P. 167431 - T
Member of KPMG S.A.S.
(See my report dated on February 25,2023)

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

Separated Statements of Income and Other Comprehensive Income

For the years ended December 31, 2022 and 2021

(In thousands of U.S. dollar)

	Note	2022	2021
Continue operations:			
Income	25	400.627	384.733
Cost of sales	26	(148.876)	(148.536)
Gross margin		251.751	236.197
Operating and administrative expenses:			
Personal services	27	(10.480)	(10.453)
Taxes	27	(1.414)	(2.180)
Depreciation, amortization and provision	27	(10.583)	(8.588)
Other expences	30	(12.760)	(13.333)
Other income	31	7.761	7.005
Operating income		224.275	208.648
Financial cost	28	(68.419)	(67.115)
Financial income	29	20.300	4.063
Foreing exchange differences		2.948	1.017
Participation in the result of associates		(6.035)	5.490
		173.069	152.103
Profit before income tax			
Income tax	32		
Current		(51.890)	(54.421)
Deferred		(7.860)	2.731
Net income		113.319	100.413

The attached notes are integral part of the financial statements.

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(See my report dated on February 25,2023

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

Separated statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(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, 2020		703.868	56.043	118.710	66.203	184.913	(27.749)	437	917.512
Net income						-	100.415		100.415
Participation in other comprehensive income of associates		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Reserves		-	-	15.079	3.189	18.268	(18.268)	-	-
Deferred tax		-	-	-	-	-	(57.152)	-	(57.152)
Distribution of dividends		-	-	-	-	-	(132.517)	-	(132.517)
Balances as at december 31, 2021	$	703.868	56.043	133.789	69.392	203.181	(135.271)	437	828.258
Net income		-	-	-	-	-	113.319	-	113.319
Participation in other comprehensive income of associates		-	-	-	-	-	-	(2)	(2)
Other comprehensive income		-	-	-	-	-	-	-	-
Reserves		-	-	10.041	5.490	15.531	(15.531)	-	-
Deferred tax		-	-	-	-	-	-	-	-
Distribution of dividends		-	-	-	-	-	(84.882)	-	(84.882)
Balances as at december 31, 2022	$	703.868	56.043	143.830	74.882	218.712	(122.365)	435	856.693

The attached notes are integral part of the financial statements.

(Original Signed)
Mónica Leticia Contreras Esper
Statutory Representative

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TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P.
Separated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In thousands of U.S. dollar)

	2022	2021
Cash flows from operating activities:		
Net income	113.319	100.415
Adjustes for:	-	
Depreciation and amortization	96.199	96.308
Exchange difference	(2.948)	(1.017)
Amortized cost loan employees	(534)	(1.844)
Amortized cost financial liabilities	4.991	977
Losses on disposal liabilities	4.851	4.864
Deferred income tax	7.860	(2.731)
Current income tax	51.890	54.421
Withdrawal of assets - Consumption	-	-
Financial cost	58.576	61.274
Financial income	(6.206)	(2.220)
Equity Method	6.035	(5.490)
Impairment (Recovery) of property, plant and equipment	971	43
Impairment (Recovery) of inventory	15	1.165
Impairment accounts receivable	1.104	1.115
Estimated liabilities (contingencies and miscellaneous)	(1.297)	(2.072)
	334.826	305.208
Net changes in operating assets and liabilities		
Trade accounts receivable and other accounts receivable	4.666	14.125
Inventory	153	(1.866)
Other non-financial assets	(2.793)	1.527
Other financial assets	(3)	26
Trade accounts payable and other accounts payable	(28.975)	(34.294)
Employee benefit obligations	922	3.493
Other financial liabilities	-	-
Interest paid	(38.426)	(41.841)
Interest paid related parties	(18.574)	(19.142)
Interest received	-	-
Tax paid	(28.324)	(68.474)
Net cash provided by operating activities	223.472	158.762
Cash flows from investing activities:		
Investments in associates	-	-
Property, plant and equipment	(22.955)	(11.792)
Net cash flow used in investing activities	(22.955)	(11.792)
Cash flows from financing activities:		
Payment of dividends	(78.356)	(132.517)
Payment of financial obligations	(156.523)	(3.475)
Acquired Financial Obligations	2.308	-
Net cash used in by financing activities	(232.571)	(135.992)
Effects of exchange rate changes on cash	(13.478)	(6.864)
Net changes in cash, cash equivalents and restricted cash	(45.532)	4.114
Cash, cash equivalents and restricted cash at the beginning of the year	140.742	136.628
Cash, cash equivalents and restricted cash at the end of the period	95.210	140.742

The attached notes are integral part of the financial statements.

(Original Signed)
Mónica Leticia Contreras Esper
Statutory Representative

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(See my report dated on February 25,2023

1. General Information

Transportadora de Gas Internacionall S.A. E.S.P. (here in after TGI), was incorporated as stock company organized 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 at the Chamber of Commerce of Bucaramanga on February 19, 2007 with an indefinite term. TGI's corporate object it 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 pipes, for which it will pay an availability rate.

The closing of the sale of the assets, rights and contracts of Ecogas was finalized on March 2, 2007, for $3.5 trillion. 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 disposal process; and (b) three gas pipelines owned by third parties in the BOMT modality (Build, Operate, Maintain and Transfer).

TGI is regulated mainly by Law 142 of 1994, or the Code of Public Utilities, Law 689 of 2001 and Resolution 071 of 1999, by means of which the Single Regulation of Natural Gas Transportation (RUT as per its acronym in Spanish) is established in Colombia, it's by laws and other provisions included in the Code of Commerce. The rates applicable to the gas transportation service are regulated by the Energy and Gas Regulation Commission (CREG according to its initials in Spanish), a technical instrumentality of the Ministry of Mines and Energy.

2. Normative technical framework

The Financial Statements have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by Sole Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 of 2021 and 1611 of 2022. The NCIF applicable in 2022 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2020.

These financial statements were authorized for issuance by the Company's General Shareholders' Meeting on march 29, 2023.

3. Functional and presentation currency

The items included in these financial statements are presented using Colombian pesos. The functional currency is the United States of America dollar (USD), which corresponds to the currency of the main economic environment in which TGI operates.

For the purposes of presenting the financial statements, TGI's assets and liabilities are expressed in Colombian pesos, using the exchange rates in effect at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Any exchange rate differences that arise, if applicable, are recognized in other comprehensive income and are accumulated in stockholders' equity.

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. Revisions to accounting estimates are recognized in the period of the review 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 are presented below, apart from those involving 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.

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 assesses contingencies from lawsuits, environmental remediation and other events.

(Continue)

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 assess the probability that TGI will generate sufficient tax revenue in future years, in order 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 tax earnings are based on anticipated cash flows from operations and judgment on the application of current tax laws in each jurisdiction. To the extent that future cash flows and tax revenues differ significantly from estimates, TGI's ability to realize the net deferred tax assets recorded at the reporting date could be affected.

4.2 Key sources of uncertainty in estimations

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

4.2.1 Useful life of property, plant and equipment

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

There have been no changes in the useful life of property, plant and equipment during the periods reported by TGI 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.

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 profit and loss.

4.2.4 Impairment of long-lasting assets (properties, 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 on the basis of assumptions, as needed.

4.2.5 Impairment of investments in subsidiaries and associate

At the end of each reporting period, TGI evaluates the carrying amounts of its assets from investments in subsidiaries in order 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 computed in order 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 present market conditions would take place.

For assets corresponding to fixed income investments the TGI determines the fair value by taking the value of the initial investment, adjusted by the interest earned 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 value of the securities issued affected by the value of the bond in the observable stock market, which is available for permanent consultation.

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 decommissioning the facilities and the environmental recovery of the affected areas.

The estimated costs for the abandonment and decommissioning of these facilities are recorded at the time that these assets are installed. The estimated liability created for the abandonment and decommissioning 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 and involve significant judgments by Management, such as the internal cost projections, future inflation and discount rates.

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Significant variances in external factors used for computing the estimation may impact significantly the financial statements.

4.2.8 Estimate of uninvoiced income

Because of regulatory matters, the billing of revenues must be made monthly in arrears. Nonetheless, at the closing of each month TGI carries out a process to estimate the revenues 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 contract and modifications to contracts in force, and on this calculation is made of the fixed charges that are the purchased capacity by the rates of the fixed charge. Additionally, the suspensions of service declared by the customers, by TGI or by force majeure are taken into account, as well as the adjustments in rates due to regulatory changes. 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 income not billed in the respective month.

4.2.9 Provisions for contingencies, litigation and claims

The litigation 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, taking into account all the evidence available as of the reporting date, it is probable that there is a present obligation, regardless of the future events. It is understood that the occurrence of an event is more likely than unlikely 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 on the basis of 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, intermediate financial statements will be reported by any specific need of the administration.

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 the Company, are described as follow:

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 with changes in profit and 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 with changes in profit and loss are immediately recognized in the income statement.

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 are recorded cash, 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.

8.3 Financial asset

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

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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 payments of the principal and interest on the outstanding principal amount.

By default, all other financial assets are subsequently measured at fair value with changes in profit and 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 or 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 with credit impairment purchased or originated, 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 with credit impairment purchased or originated, 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 in which the financial asset is measured in the initial recognition less the repayments 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 book value 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 with credit impairment acquired or originated, interest income is calculated by applying the effective interest rate to the gross book value of a financial asset, except for financial assets that have subsequently suffered some credit impairment. For financial assets that have subsequently 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 asset financial.

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 profit and loss 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 at fair value recognized in other comprehensive result. 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.

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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 equity instruments at fair value recognized in other comprehensive income are initially measured at fair value plus transaction costs.

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 profit and loss 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 results.

8.3.1.3 Financial assets at fair value through profit or 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 with changes in profit and 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 hedge relationship designated. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in "other gains and losses".

8.3.2 Gains and losses in foreign currency

The carrying value of financial assets denominated in a foreign currency is determined in that foreign currency and converted 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 the income statement in the "other gains and losses" line item.

- 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 profit and loss 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 with changes in profit or loss that are not part of a designated hedging relationship, foreign exchange differences are recognized in profit or loss under "other gains and losses"; and

- for equity instruments measured at fair value recognized in other comprehensive income, foreign 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 credit losses expected 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 assessment of both current course and the forecast of conditions on the filing 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 loan 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

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loan. The assessment of whether the expected credit losses should be recognized over the life of the loan 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 date of presentation of the report or a real breach occurs.

The duration of expected credit losses over the life of the loan 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 loan represent the portion of the useful life of the expected credit losses over the life of the loan 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 assessing 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 assessment, 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 taken into account when evaluating whether the credit risk has increased significantly since the initial recognition:

- a significant actual or expected deterioration in the external credit rating (if available) or internal rating of the financial instrument.
- Significant deterioration 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 its debt obligations.
- a significant actual or expected deterioration 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 its debt obligations.

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 an expiration 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 deterioration 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. Financial assets written off may still be subject to compliance activities in accordance with the recovery procedures of TGI, taking into account legal advice when appropriate. Any recovery made is recognized in profit and loss.

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 non-compliance. The evaluation of the probability of default and the loss given by default is based on historical data adjusted by prospective information as described above. Regarding the exposure to non-compliance, for financial assets, this is represented by the gross book value of the assets on the reporting date, the understanding of the specific future of TGI, the debtors' financing needs and other relevant information towards the future.

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 credit losses expected during the life of the loan 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:

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- The nature of financial instruments (i.e., trade accounts and other accounts receivable).
- Expired estatus;
- 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 credit losses expected during the life of the credit in the period of the previous report, but determines on the current filing date that the conditions for the Credit losses expected during the life of the loan 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 loan at the date of the current report.

TGI recognizes a loss or gain for impairment in the result of all financial instruments with an adjustment corresponding to their book value through a provision for loss account, 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 book value 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 rewards 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 securities 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 is written off at amortized cost, the difference between the book value of the asset and the sum of the consideration received and receivable is recognized in profit or loss. 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

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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 loans and bond issues, accounts payable to suppliers and creditors.

Financial liabilities are usually recognized 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 adequate), in a shorter period with the net carrying amount at the time of the initial recognition.

8.5 Inventory

Inventory consists of materials, supplies and spare parts to be used for equipment maintenance. Inventory cost involves the purchase value, import 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 the lower of cost or net realizable value.

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 less accumulated depreciation.

Property that is under construction for providing services are recorded at cost less any impairment loss recognized. Cost includes professional fees and, in the case of qualifying assets, costs from borrowings are capitalized in accordance with the Company'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 in order to take to profit and loss the amount paid for an asset (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 assets owned 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 gain or loss arising from the sale or retirement of an item of property, plant and equipment is computed as the difference between the considerations received from the sale and the carrying amount of the asset and is recognized in profit and loss.

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 finite useful lives acquired separately are carried at acquisition cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis according to 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.

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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, as a minimum, 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 it may correspond, and are treated as changes in the accounting estimates. Amortization expenses of intangible assets with a finite useful life are recognized in the Comprehensive Income Statement, 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 revenues and net carrying value, and are recognized in income when the asset is derecognized.

8.8 Impairment of the value 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 estimated in order to determine the extent of the impairment loss (if any). When the recoverable amount of an individual asset cannot be estimated, the Company estimates 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 allocated to the smallest group of cash-generating units for which a reasonable and consistent distribution basis can be identified.

The recoverable amount is the higher of fair value less 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 tax 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 computed 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 profit or loss.

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

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 decisions and the operation 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 profit or loss of the associate after the acquisition date.

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 reassess whether or not 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 profits or losses and other comprehensive income of the subsidiary.

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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) exercises control or joint control over the reporting entity.

(ii) exerts 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 an entity that reports 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

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

8.12.1 Identification of an asset

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

- The asset is explicitly specified in the agreement (i.e., 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 asset for right of use

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

- The amount of the initial measurement of the lease liability.
- Lease payments made before or after the initiation date, less 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 because of those costs either on the date of initiation or as a consequence of having used the underlying asset during the specific period.

8.12.3 Initial measurement of the lease liability

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

Lease payments will be discounted using the interest rate implied in the lease, if the rate could be easily determined. If that date cannot be easily determined, the lessee will use the incremental rate for lease loans.

On the initiation 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 initiation date:

- Fixed payments, less any lease incentive receivable.
- Variable lease payments, that depend of an index or a rate, initially measures using the index or rate on the initiation 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 measure for right to use

After the initiation date, the Company will measure its asset for right to use applying the cost model.

8.13 Loans costs

The costs for loans 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 the time when they are ready for their use or sale.

All the other costs for loans are recognized in the results during the period in which they are incurred.

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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 bonds, participations in profits, in the service period in which it is provided for the amount not discounted for the benefit that are expected to be paid for that service.

The liabilities recognized by 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 tax profits recorded during the year. The tax profit differs from the profit reported in the comprehensive income statement, 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, the highest, estimated at rates specified in the tax law.

8.15.2 Deferred tax

The differences between the carrying value of assets and liabilities and their tax basis generate 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 be 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 make 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:

- It is not a business combination; and
- At the time performed it did not affect either the accounting income or 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

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it is probable that the temporary differences will reverse in the foreseeable future and that future taxable income will be available against which the temporary differences may be used.

Current tax and changes in deferred tax of assets or liabilities are recorded in profit and loss 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, both assets and liabilities, are reviewed in order 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 the Company will have to make 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 revenues, 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 outflow of resources is possible, including those which values cannot be estimated.

8.17 Asset retirement obligations

Liabilities associated to asset retirement obligations are recognized when there are obligations, whether legal or implied, 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 is not possible to 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 profit and loss for the period as a financial expense.

(Continue)

8.18 Revenue recognition

Revenues are calculated at the fair value of the consideration received or receivable.

Revenues from gas transportation services are 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 revenues from transportation services. Said amounts are presented in current assets in the line of customer 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 book value 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 disbursements that do not classify to be recorded as cost or as investment.

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

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

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

(Continue)

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.

- *Investing activities*: those of acquisition, sale or other disposal of noncurrent 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 shareholder's 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 book value of the financial asset at initial recognition.

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 by IASB not yet in effect in Colombia.

The following issued accounting pronouncements are applicable to annual periods beginning after January 1, 2023, and have not been applied in the preparation of these separate financial statements. The Company plans to adopt the corresponding accounting pronouncements on their respective application dates and not in advance.

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
Reference to the Conceptual Framework (Amendments to IFRS 3)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Early application is permitted.
Property, Plant and Equipment – Income before intended use. (Amendments to IAS 16)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Early application is permitted. The effect of the application will not restate the comparative information.
Onerous Contracts – Contract Fulfillment Costs (Amendments to IAS 37).	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023, to existing contracts on the date of application. Permit your anticipate app. The effect of the application will not restate the comparative information.
Annual Improvements to IFRS Standards 2018–2020	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Early application is permitted.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Early application is permitted. The effect of the application on the comparative information will be made retrospectively.
Extension of the temporary exemption from the application of IFRS 9 - Financial Instruments (Amendments to IFRS 4)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023.
Definition of Accounting Estimates (Amendments to IAS 8).	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Earlier application is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in where the company applies the modifications.
Information to Disclosure on Accounting Policies (Amendments to IAS 1)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Early application is permitted.
Rental concessions related to covid-19	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Early application is permitted.

(Continue)

Financial reporting standard	Subject of the standard or amendment	Detail
beyond June 30, 2021 (Amendment to IFRS 16)		
Deferred Taxes related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Early application is permitted. Its application is retroactive which could constitute a restatement.

<u>Reference to the Conceptual Framework, amendments to IFRS 3:</u>

The amendment published in May 2021 addressed 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Liens; and confirm that contingent assets should not be recognized at the acquisition date. GEB does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

<u>IAS 1 – Presentation of financial statements, modifications related to the classification of Liabilities as Current or Non-Current:</u>

The amendments issued in January 2021 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The rating is not affected by the entity's expectations or events subsequent to the reporting date. The changes also clarify what the "settlement" of a liability refers to in terms of the standard. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

<u>IAS 16 – Property, plant and equipment, modifications in relation to products obtained before the intended use:</u>

The amendment published in May 2021 prohibits the deduction from the cost of an item of property, plant and equipment of any amount from the sale of items produced while bringing that asset to the place and conditions necessary for it to operate in the manner intended by The management. Instead, an entity would recognize the amounts of those sales in profit or loss. GEB does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

IAS 37 – Provisions, contingent liabilities and assets, Onerous Contracts — Cost of fulfilling a Contract:

The purpose of this amendment, which was also published in May 2021, is to specify the costs that an entity includes when determining the "cost of performance" of a contract for the purpose of assessing whether a contract is onerous; clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs that are directly related to fulfilling the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

IFRS 4 – Insurance contracts, extension of the Temporary Exemption from the Application of IFRS 9 - Financial instruments:

Through this modification, the expiration date of the temporary exemption for the application of IFRS 9 Financial Instruments was extended, for annual periods beginning on or after January 1, 2023.

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:

The following enhancements were finalized in May 2022:

- IFRS 9 Financial Instruments: clarifies which commissions must be included in the 10% test for derecognition of financial liabilities.

- IFRS 16 Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, in order to eliminate any confusion about the treatment of lease incentives.

- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities by the book value recorded in their parent's accounting, to also measure accumulated translation differences using the reported amounts. by the matrix. This amendment will also apply to associates and joint ventures with certain conditions.

- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

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Definition of Accounting Estimates (Amendments to IAS 8)

Amendments issued to clarify how companies must distinguish between changes in accounting policies and changes in accounting estimates, with the main focus being the definition and clarification of accounting estimates.

The amendments clarify the relationship between accounting policies and estimates, specifying that a company develops an accounting estimate to achieve the objective previously defined in an accounting policy.

Information to Disclosure on Accounting Policies (Amendments to IAS 1)

Modifications include the following:

- Requires companies to disclose their material accounting policies rather than significant accounting policies.

- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore need not be disclosed.

- Clarify that not all accounting policies that relate to material transactions, other events, or conditions are themselves material to the company's financial statements.

Rent reductions related to covid-19 beyond June 30, 2021 (Amendment to IFRS 16)

Amendment issued as an optional workaround that simplifies how a tenant accounts for rent reductions that are a direct result of COVID-19. The practical solution included in the 2020 modifications only applies to rent reductions related to payments that were originally due on or before June 30, 2021. In this sense, the application of the practical expedient has been extended by 12 months, allowing tenants to apply it to rent reductions related to payments originally due on or before June 30, 2022.

Deferred Taxes related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Amendments issued to clarify how companies must account for deferred taxes in certain types of transactions where an asset and a liability are recognized, for example, leases and decommissioning obligations.

The amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and decommissioning obligation.

(Continue)

GEB does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

Conceptual framework:

The IASB has issued a revised Conceptual Framework to be used in standard-setting decisions with immediate effect. Key changes include:

- Increase the importance of administration in the objective of financial information;

- Restore prudence as a component of neutrality;

- Define a reporting entity, which may be a legal entity or a part of an entity;

- Review the definitions of an asset and a liability;

- Remove the probability threshold for recognition and add guidance on deletion of accounts.

- Add guidance on different measurement bases, and

- Indicate that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled when this improves the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework to determine their accounting policies for transactions, events, or conditions that are not otherwise addressed in accounting standards will need to apply the revised Framework beginning January 1, 2023. These entities will need to consider whether its accounting policies continue to be appropriate under the revised Framework.

The following accounting pronouncements issued incorporated into the accounting framework accepted in Colombia, whose application is mandatory as of January 1, 2024. The Company plans to adopt the corresponding accounting pronouncements on their respective application dates and not in advance.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, Definition of accounting estimates:

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates apply prospectively to future transactions and other future events, but changes in accounting policies generally apply retrospectively to past transactions and other past events, as well as to the current period.

The amendment applies to annual periods beginning on or after January 1, 2024. Earlier application is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first period. annual report where the company applies the modifications.

IAS 1 – Presentation of financial statements and IFRS 2 Practice Paper, information to be disclosed about accounting policies:

The IASB amended IAS 1 to require entities to disclose their material accounting policies instead of their significant accounting policies. The amendments define what "material accounting policy information" is and explain how to identify when accounting policy information is material. They further clarify that it is not necessary to disclose information on immaterial accounting policies. If disclosed, you must not hide important accounting information.

In support of this amendment, the IASB also amended IFRS 2 Practice Paper Making Judgments About Materiality to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IFRS 16 – Leases, rental concessions related to covid-19 beyond June 30, 2021:

Rental concessions related to covid-19 beyond June 30, 2021. The amendment applies to annual periods beginning on or after January 1, 2024. Earlier application is permitted.

IAS 12 – Income tax, Deferred taxes related to assets and liabilities arising from a single transaction:

The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will generally apply to transactions such as lessee leases and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur after the beginning of the first comparative period presented. In addition, entities must recognize deferred tax assets (to the extent that it is probable that they can be used) and deferred tax liabilities at the beginning of the first comparative period for all deductible and taxable temporary differences associated with:

right-of-use assets and lease liabilities, and decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the respective assets.

(Continue)

The cumulative effect of recognizing these adjustments is recognized in retained earnings or in another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions, and various approaches were considered acceptable. Some entities may already have accounted for such transactions in accordance with the new requirements. These entities will not be affected by the amendments.

IAS 1 Presentation of financial statements, amendment on the classification of liabilities as current or non-current:

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The rating is not affected by the entity's expectations or events subsequent to the reporting date (eg, receipt of a waiver or breach of a clause). The amendments also clarify the meaning of IAS 1 when it refers to the "settlement" of a liability.

The amendments could affect the classification of liabilities, particularly in the case of entities that previously took management's intentions into account in determining the classification and in the case of some liabilities that can be converted into equity.

They should be applied retrospectively in accordance with the normal requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Since the approval of these amendments, the IASB has issued an exposure draft proposing additional changes and the deferral of the amendments until at least January 1, 2024.

The new regulations issued by the International Accounting Standards Board (IASB) and which have not yet been incorporated into the accepted accounting framework in Colombia are listed below:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts. It also requires similar principles to apply to reinsurance contracts held and investment contracts issued with discretionary participation features. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts in order to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 supersedes IFRS 4 Insurance Contracts, which was an interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations from those requirements. Some prior insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

Sale or contribution of assets between an investor and its associate or joint venture: Amendments to IFRS 10 and IAS 28

The IASB has made limited-scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment of sales or contributions of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 Business Combinations).

When non-monetary assets constitute a business, the investor will recognize the entire gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the investor recognizes the gain or loss only to the extent of the other investor's interest in the associate or joint venture. These amendments apply prospectively.

In December 2015, the IASB decided to defer the date of application of this amendment until the IASB has completed its research project on the equity method.

10. Cash and cash equivalents

		2022	2021
Cash (1)	$	3	6
Banks (1)		59,737	106,708
Temporary investments and collective portfolio (2)		30,975	32,823
Trust (3)		4,495	1,205
Cash and cash equivalents in the statement of cash flows	$	95,210	140,742

(1) Only balances in foreign currency for 2022 were recognized in the total cash. The total of Banks, of $ 50,031 for 2022 and $ 106,708 for 2021, 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.
(3) The Trusts are made up of the Ariari Trust Commission for $ 1,780, the Ocensa Trust for $ 179 and the Trust with the Ministry of Education - Interactive classrooms for $18, and the Fidupopular trust Works for Taxes for $3,892, which receive and administer the resources for which they were constituted.

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11. Accounts receivable from customers and other accounts receivable

		2022	2021
Trade accounts receivable	$	25,492	25,831
Doubtful debts (1)		1,130	1,365
Less – provision for impairment		(5,370)	(5,142)
Trade accounts receivable net		21,252	22,054
Prepayment and advances delivered		536	824
Other current debtors (2)		954	1,435
Accounts receivable from employees (3)		9,614	11,418
		32,356	35,731
Current		25,291	24,272
Noncurrent	$	7,065	11,459

(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 ($ 7 in 2021), to Empresas Públicas de Medellín S.A. E.S.P. for $ 1 ($ 1 in 2021) and Dinagas for $ 1 ($ 1 in 2021).

(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.

(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, 2022, and 2021 is the following:

		2022	2021
Materials	$	19,599	19,752
Provision for obsolescence		(742)	(1,014)
	$	18,857	18,738

The movement of the provision is the following:

		2022	2021
Balance at the beginning of the year	$	1,014	1,143
Losses for impairment recognized on the inventory accounts		27	1,165
Recoveries of the year		(299)	(1,294)
Balance at the end of the year	$	742	1,014

13. Other non financial assets

The composition of this item as of December 31, 2022, and 2021 is the following:

		2022	2021
Insurance policies	$	3,682	3,520
Judicial deposits (1)		5,784	9,356
		9,466	12,876
Current		3,682	3,520
Non-current		5,784	9,356
	$	9,466	12,876

(1) In December 2022 an embargo was established with the Municipality of Manizales according to resolution 3895, 3896, 3897 and 3898. In May 2018 an embargo was established with the Municipality of Guamo according to resolution 0012. In May and June 2019, an embargo was established of the Superintendence of Residential Public Services (SSPD) by coercive process 2019131540100131E and FINASER seizure Official Letter 1611 Sixth Court of Valledupar, respectively.

(Continue)

14. Properties, plants and equipment

The composition of this item as of December 31, 2022, and 2021 is the following:

		2022	2021
Cost			
Constructions in progress (1)	$	40,144	29,748
Land		11,321	10,300
Buildings and roads		87,032	85,349
Machinery and equipment		39,707	39,275
Plants and ducts		2,529,510	2,497,190
Furniture, fixtures and office equipment		3,728	3,734
Transportation, traction and lifting equipment		2	2
Kitchen and pantry equipment		45	45
Communication and computer equipment		15,442	15,747
Accumulated depreciation and impairment		(682,052)	(602,294)
	$	2,044,879	2,079,096

(1) As of December 31, 2022, the most relevant projects under construction in progress are Expansion of the Cogua Operational Center, Safe Infrastructure Stage II, Cruce Rio Upia and Cruce Rio Guayuriba For the year 2021 they were considered constructions in progress the projects: Expansion of the Cogua Operational Center, Safe Infrastructure, Upia River Crossing and Guayuriba River Crossing.

		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, 2020	$	72,672	10,506	71,738	12,292	7,304	2,479,913	6,999	13,536	10,742	2,685,702
Additions		11,483	-	-	-	-	-	-	-	-	11,483
Additions for spare parts		-	-	-	-	308	-	-	-	-	308
Dismantling		-	-	-	-	-	2,189	-	-	-	2,189
Retirements			(206)	(8)	(2)		(66)	(20)	(7,963)	-	(8,265)
Transfer to Inventories		-	-	-	-	(6,346)	-	-	-	-	(6,346)
Consumption of spare parts		-	-	-	-	(1,266)	-	-	-	-	(1,266)
Transfers for capitalizations		(54,407)	-	13,619	26,985		15,154	(3,245)	10,221	(10,742)	(2,415)
Balances as of December 31, 2021	$	29,748	10,300	85,349	39,275	-	2,497,190	3,734	15,794	-	2,681,390
Additions		21,934	1,021	-	-	-	-	-	-		22,955
Dismantling		-	-	-	-	-	27,363	-	-	-	27,363
Retirements		-	-	(13)	(322)	-	(1,891)	(6)	(2,995)	-	(5,227)
Transfers for capitalizations		(11,423)	-	1,696	754	-	6,894	-	382	-	(1,697)
Transfer to intangibles		(905)	-	-	-	-	(46)	-	-	-	(951)
Transfer to Renting		-	-	-	-	-	-	-	2,308	-	2,308
CAPEX Provision		790	-	-	-	-	-	-	-	-	790
Balances as of December 31, 2022	$	40,144	11,321	87,032	39,707	-	2,529,510	3,728	15,489	-	2,726,931

		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, 2020	$	(12,620)	(6,749)	(487,888)	(3,926)	(11.357)	(1,357)	(523,897)
Retirements	$	(13)	1	38	-	7,971	-	7,997
Depreciation expense		(3,811)	(10,432)	(68,154)	1,800	(7,154)	1,357	(86,394)
Balances as of December 31, 2021	$	(16,444)	(17,180)	(556,004)	(2,126)	(10,540)	-	(602,294)
Retirements	$	5	208	1,051	4	2,989	-	4,257
Depreciation expense		1,515		5	-	-	-	1,520
Transfer		(1,992)	(2,139)	(79.519)	(211)	(1,674)	-	(85,535)
Balances as of December 31, 2022	$	(16,916)	(19,111)	(634,467)	(2,333)	(9,225)	-	(682,052)

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Losses for impairment recognized during the year - TGI evaluated as of December 31, 2022, and 2021 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, 2022,	$	820	15,405	16,225
Additions (Retreats)		84	890	974
Effect on conversion		-	-	-
As of december 31, 2022	$	904	16,295	17,199
Depreciatión accumulated				
As of January 1, 2022,	$	(709)	(5,617)	(6,326)
Depreciatión Expense		(3,336)	(3,136)	(6,472)
As of december 31, 2022		(4,045)	(8,753)	(12,798)
Balance				
As of december 31, 2022	$	(3,141)	7,542	4,401
As of december 31, 2021	$	111	9,788	9,899

		Buildings	Property, plant and equipment	Total
Cost				
As of January 1, 2021	$	412	11,084	11,496
Additions (Retreats)		408	4,321	4,729
Effect on conversion		-	-	-
As of december 31, 2021	$	820	15,405	16,225
Depreciatión accumulated				
As of January 1, 2021	$	(378)	(8,258)	(8,636)
Depreciatión Expense		(331)	2,641	2,310
As of december 31, 2021		(709)	(5,617)	(6,326)
Balance				
As of december 31, 2021	$	111	9,788	9,899
As of december 31, 2020	$	34	2,826	2,860

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 $974 in 2022.

16. Intangible assets

The composition of this item as of December 31, 2022, and 2021 is as follows:

		2022	2021
Cost:			
Business rights	$	142,839	142,839
Software and licenses		11,372	9,826
Easements		49,755	48,335
		203,966	201,000
Less – Accumulated depreciation		(50,048)	(45,852)
	$	153,918	155,148

		Business rights (1)	Software and licenses (2)	Easements (3)	Total
Cost					
Balances as of December 31, 2021	$	142,839	9,826	48,335	201,000
Transfers			1,552	143	1,695
Retirements			(6)	1,277	1,271
Balances as of December 31, 2022	$	142,839	11,372	49,755	203,966
Amortization					
Balances as of December 31, 2021		(32,630)	(6,413)	(6,809)	(45,852)
Total as of December 31, 2021	$	(32,630)	(6,413)	(6,809)	(45,852)
Amortization expense		(2,198)	(1,258)	(736)	(4,192)
Transfer				(4)	(4)
Balances as of December 31, 2022		(34,828)	(7,671)	(7,549)	(50,048)
Total as of December 31, 2022	$	(34,828)	(7,671)	(7,549)	(50,048)

(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.

(Continúa)

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

		2022	2021
Contugas S.A.C (1)	$	14,284	20,319
TGI International Ltd. (2)		-	-
TGI Regasificadora S.A.S. (3)		-	-
	$	14,284	20,319

Details of associates and subsidiaries

Name of associate and subsidiary	Main activity	Place of incorporation and operations	Proportion of shareholding and voting power 2022	Proportion of shareholding and voting power 2021
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.

(Continúa)

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 Internacional S.A. E.S.P, 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, 2022 and 2021, Contugas presents accumulated results and accumulated losses of US $ (3,482) thousand and US $ 17,475 thousand, respectively, mainly associated with its operations and the estimate of impairment of the concession assets that for the year 2022 generated a recovery for thousands of US $ 20,000 and a loss for thousands of US $ 33,000 in the year 2021, said impairment estimate has been made based on the recovery of the investment for the future flows of the Company. During 2022 y 2021 no capital contributions have been received from shareholders.

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 assets. long life. 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 the Contugas structure, cover its financial costs, and continue to recover accumulated losses.

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 the month of 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.

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, 2021, is for thousands of US $ 83,166 (thousands of US $ 61,822 as of December 31, 2020).

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, 2021, 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, including, 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 2021 for US $ 28,762 thousand (US $ 7,890 thousand for the financial year 2020), being that the accumulated uncollectible provision as of December 31, 2021, with these customers amounts to US$ 47,308 thousand

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 of 2016 onwards, 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.

Therefore, during the year 2021, the Company has written off the uncollectible provision that it maintained in its accounting books accumulated as of December 31, 2020, with CAASA for US$ 26,919 thousand.

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, 2022, and 2021, amounted to $ 414,285 million and $ 411,477 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, 2022, an expense for amortization of the concession assets of US $ 14,639 thousand (for US $ 15,929 thousand

(Continúa)

in 2021). 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, 2021 and 2020, 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 2022 and 2021 was 7,33% and 6.58% 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's assets is greater than their amount recognized in the books, therefore, the accompanying financial statements contain an impairment recovery of US $ 20,000 thousand (in the 2021, an impairment of assets of the concession was recognized for thousands of US $ 33,000).

Financial obligations:

The Company maintains 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 above-mentioned bonds were cancelled and TGI issued directly new bonds. As of December 31, 2022, this company has no assets or liabilities.

(3) *TGI Regasificadora S.A.S.* – In order to serve as investment vehicle in projects, TGI incorporated this affiliate in Bogota, to December 31 of 2022, 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.

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

	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.	64,670	17,475	31.41927%	$	20,319	5,490
TGI Regasificadora S.A.S.	-	-	100%		-	-
				$	20,319	5,490

December 31, 2022

	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.	45,462	(19,208)	31.41927%	$	14,284	6,035
TGI Regasificadora S.A.S.	-	-	100%		-	-
				$	14,284	6,035

December 31, 2021 –

18. Financial liabilities

The composition of this item as of December 31, 2022, and 2021 is as follows:

	Interest rate	Expiration date		2022	2021
Loans granted by:					
Bonds (1)	5.55% SA in A.	01/11/2028	$	594,146	750,000
Cost of issue				2,321	(2,670)
Leasing Operations– Renting (2)	DTF + 2.9% QA	29/09/2024		2,216	2,035
Interest Bonds Issued				5,496	6,938
Reserve Fund				1,518	4,577
Ariari Trust Commission				1,074	(11)
			$	606,771	760,869

	Interest rate	Expiration date	2022	2021
Current			10,304	13,379
Noncurrent			596,467	747,330
			$ 606,771	760,869

Financial Liabilities	January 1, 2021	Financing Cash Flows (ii) Loans Received	Payment of Principal	Payment of Interest	Accrual of Financial Expenses (Interest Expense)	Exchange Difference	Amortized Cost	December 31, 2021
Bonds - TGI	$ 753,291	-	-	(41,625)	41,625	-	977	754.268
Bank Credits - Leasing-Renting	6,004		(3.475)	(216)	216	(478)	-	2,051
	$ 759,295	-	(3,475)	(41,841)	41,841	(478)	977	756,319

Financial Liabilities	January 1, 2022	Financing Cash Flows (ii) Loans Received	Payment of Principal	Payment of Interest	Total Accrual of Financial Expenses (Interest Expense)	Exchange Difference	Amortized Cost	December 31, 2022
Bonds - TGI	$ 754,268	-	(155,854)	(38,156)	36,715	-	4,990	601,963
Bank Credits - Leasing-Renting	2,051	-	(669)	(270)	270	834	-	2,216
	$ 756,319	-	(156,523)	(38,426)	36,985	834	4,990	604,179

(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

2022:

TGI, in the year 2022, made payment of the bond debt, for a value of USD (156) million, now the value of bonds in the international capital markets is USD 594 million. The bonds maturing in 2028 have the following conditions:

Amount:	USD$594 million
Interest rate	5,55% annual, biannually in arrears
Date of Issue:	November 1, 2018
Due date	November 1, 2028

(Continúa)

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:	180-094099
Amount:	$3.161
Interest rate:	DTF + 2.9% QA. Monthly payments
Issue Date:	May 27, 2014
Expiration Date:	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

For the year 2021, the Leasing contract 180-080010 that the Company had with Banco de Occidente was ended and the purchase option was executed.

(Continúa)

19. Leasing liabilities

	Interest rate	Expiration date		2022	2021
Leasing Liabilities:					
Financial Liabilities IFRS 16	0.90% MV	31/12/2024	$	3,220	8,539
				3,220	8,539
Current				2,554	8,333
Noncurrent				666	206
			$	3,220	8,539

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
	January 1, 2021	Loans received	Payment of principal	Payment of interest	Accrual of financial expenses (Interest expense)	New financial leasing	December 31, 2021
Financial liabilities:							
Rights of use Assets IFRS 16	$ 1,948		(4,688)	(353)	353	11,279	8,593

		Financing cash flows			Changes nor originated in cash		Total
	January 1 de 2022	Loans received	Payment of Principal	Payment of Interest	Accrual of financial expenses (Interest expense)	New financial leasing	December 31 2022
Financial Liabilities:							
Rights of use Assets IFRS 16	$ 8,593		(6,104)	(309)	309	785	3,220

20. Accounts payable to suppliers and other accounts payable

The composition of this item as of December 31, 2022, and 2021 is the following:

		2022	2021
Accounts payable to suppliers (1)	$	4,212	8,165
Other accounts payable (2)		1,523	-
Development installment		668	1,590
Transportation tax (3)		850	2,989
	$	7,253	12,744

(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, 2022, the largest guarantee corresponds mainly to Terpel Energy S.A. with 13.66% and Perenco Colombia Limited S.A. E.S.P. with 12.59%. Additionally, it is made up by social security advances of TGI employees. For year 2022, the largest guarantee corresponds to Gases de Occidente with 24.55%.

(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, 2022, and 2021 is as follows:

		2022	2021
Other current provisions	$	16,500	18,444
Judicial provisions (1)		4,904	4,263
Environmental and dismantling provisions		83,272	62,321
		104,676	85,028
Current		16,500	18,444
Noncurrent		88,176	66,584
	$	104,676	85,028

(Continúa)

Following is the movement of the provisions:

		Other provisions Current	Judicial provisions	Environmental and dismantling provisions	Total
			Noncurrent		
Balances as of December 31, 2020	$	14,477	6,109	75,713	96,299
Additions		12,435	184	-	12,619
Difference in Exchange		(5,772)	(782)	(8,735)	(15,289)
Financial cost		-	-	4,864	4,864
Uses		(2,696)	(1,248)	(9,521)	(13,465)
Balances as of December 31, 2021	$	18,444	4,263	62,321	85,028
Additions		94,827	4,317	28.376	127,520
Difference in Exchange		3,130	(838)	42,452	44,743
Financial cost		-	-	4,851	4,851
Uses		(99,901)	(2,838)	(54,727)	(157,466)
Balances as of December 31, 2022	$	16,500	4,904	83,272	104,676

As of December 31, 2022, and 2021 the balances correspond to provisions for environmental obligations and claims against TGI for civil, administrative and labor litigations, mainly.

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 $4,7 and other Civil judicial contingencies $0,2. 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, 2022 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.

(Continúa)

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, 2022, and 2021 is as follows:

		2022	2021
Income received in advance (1)	$	11,206	13,539

(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

		2022	2021
Capital stock	$	703,868	703,868
Premium on placement of shares		56,043	56,043
	$	759,911	759,911

The capital stock issued is made up by 145,402,814 common shares fully paid consisting of common shares with face value of $10,766.55 pesos.

24. Reserves

		2022	2021
Legal reserve (1)	$	143,830	133,789
Occasional reserve (2)		74,882	69,392
	$	218,712	203,181

(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 2022 and 2021, 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.

		2022	2021
Gas transportation services – fixed charges	$	338,433	325,446
Gas transportation services – variable charges		23,073	16,389
Complementary gas transportation services		39,121	42,898
	$	400,627	384,733

26. Cost of sales

		2022	2021
Depreciations	$	87,543	89,428
Intangible amortizations		739	757
Maintenance and repair orders and contracts		16,968	13,791
Cost of goods and services		12,352	12,698
Professional services		13,182	12,957
Insurance		11,147	9,995
Leasing		72	98
Fees		2,795	4,410
Taxes, rates and contributions		2,132	2,656
Public utilities		816	909
Transportation, freight and haulage		23	72
Relations with communities – direct operations		334	298
Studies and projects		43	43
Other		730	424
	$	148,876	148,536

27. Operating and administration expenses

		2021	2021
Personal services			
Integral salary	$	3,911	4,430
Personnel salaries		1,376	1,425
Subsidy benefit, loan rate and bonus		791	306
Vacations		333	313
Training		197	164
Other personal services		3,872	3,815
	$	10,480	10,453
Taxes			
Sales tax VAT not discountable	$	189	140
Tax on financial movements		752	992
Contributions to Superintendencies and CREG		412	997
Other taxes		61	51
	$	1,414	2,180
Depreciation, amortization and provision			
Amortization	$	3,452	4,142
Provision		2,667	2,466
Depreciation		4.464	1,980
	$	10,583	8,588

28. Financial costs

		2022	2021
Long term external public debt bonds	$	44,785	42,601
Interest on internal financing operations, long term – related parties		18,184	19,046
Fixed assets – financial cost of dismantling		4,851	4,864
Interest on long term internal operations – leasing		268	217
Interest IFRS 16		310	353
Other interest		21	34
	$	68,419	67,115

29. Financial income

		2022	2021
Interest (savings accounts, funds of securities)	$	279	20
Interest national and foreign currency CDs		629	430
Amortized cost (loans, deposits)		534	1,844
Interest on accounts receivable		-	60
Income Profit Repurchase Bonds		13,559	-
Other interest		5,299	1,709
	$	20,300	4,063

30. Other expenses

		2022	2021
Fees	$	4,595	4,097
Fees GEB technical support		568	909
Other general expenses		7,112	7,618
Services		485	709
	$	12,760	13,333

31. Other income

		2022	2021
For claims	$	3,173	4,743
Recovery of provisions		2,174	2,185
Recovery of costs and expenses		670	67
Other miscellaneous revenues		1,744	10
	$	7,761	7,005

32. Income tax related to continuing operations

32.1 Income tax

In accordance with current tax regulations, the Company is subject to income and complementary taxes. The applicable rate for the years 2022 and 2021 was 35% and 31%, respectively. Taxable income from occasional earnings tax is taxed at the rate of 10%. As of taxable year 2021, the presumptive income rate is zero percent (0%).

Law 1819 of 2016, determined through article 22 that for the validity of 2017 and following, the determination of income tax and complementary, in the value of assets, liabilities, equity, income, costs and expenses, of the Taxpayers of this tax obliged to keep accounts, will apply the recognition and measurement systems, in accordance with the accounting regulatory technical frameworks in force in Colombia, when the tax law expressly refers to them and in cases where this does not regulate the matter. In any case, the tax law may expressly provide a different treatment, in accordance with article 4 of law 1314 of 2009.

In addition:

The income tax returns for the taxable years 2017, 2018, 2020 and 2021 are open for tax review by the tax authorities, no additional taxes are foreseen on the occasion of an inspection.

Similarly, the income tax expense includes current and deferred tax. It is recognized in results, except to the extent that it is related 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.

		2022	2021
Current tax:			
Income tax current year	$	(51,925)	(54,284)
Adjustment previous periods		35	(137)
		(51,890)	(54,421)
Deferred tax		(7,860)	2,731
Total income tax recognized in the period	$	(59,750)	(51,690)

The reconciliation between the profit before taxes and the net taxable income for year 2022 and 2021 is as follows:

		2022	2021
Income tax:			
Profit before taxes	$	173,069	152.105
Tax expense calculated (2021-31%; 2022-35%)		60,574	47,152
Tax effect of reconciling entries:			
Effect of income that is tax exempt		(1,757)	(2,162)
Effect of expenses that are non-deductible when determining the taxable profit		4,445	3,086
Exchange difference realized		(18,423)	-
Tax deductions		(678)	169
Temporary differences for expenses accrued in the accounting		7,764	6,039

Current income tax		51,925	54,284
Adjustments recognized in the current year in respect to tax accrued in previous years		(35)	137
Effect of deferred tax for temporary differences generated in accounting balances		7,860	(2,731)
Tax expense on profits recognized in profit and loss (related to continuing operations)	$	59,750	51,690

32.2 Assets and liabilities of the current year

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

		2022	2021
Income and complementary tax advance	$	34,336	49,944
Industry and commerce tax advance		7	1
	$	34,343	49,945

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

		2022	2021
Withholdings payable (Income and CREE)	$	1,638	1,960
Income tax payable		45,934	54,284
Works for taxes		3,560	-
Taxes payable (other than income)		28	(3)
Industry and commerce tax payable		18	16
		51,178	56,257
Total Net	$	16,835	6,312

32.3 Balances of current deferred taxes

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

		2022	2021
Deferred tax asset	$	392,848	342,561
Deferred tax liability		(800,283)	(742,136)
Total	$	(407,435)	(399,575)

(Continúa)

2022	Initial Balance	Effect Result	Ending Balance
Trade accounts and other accounts receivable	1,095	30	1.125
Land	(778)	(454)	(1,232)
Property, plant and equipment	(473,729)	(89.654)	(563,383)
Accumulated depreciation	10,670	44.336	55,006
NIIF 16	0	(976)	(976)
Intangible Assets and other assets	(48,037)	(3.776)	(51,813)
Liabilities - Debt in USD	81,855	35.363	117,218
Other passives	29,349	7.271	36,620
	(399,575)	(7.860)	(407.435)

2021	Initial Balance 2020	Recl. for presentation purposes Effect Result	Effect Result	Accumulated results	Ending Balance 2021
Trade accounts and other accounts receivable	1.538	38	- 497	17	1.095
Land	-	- 743	- 36	-	- 778
Property, plant and equipment	- 344.018	14.214	- 78.378	- 65.546	- 473.729
Accumulated depreciation	-	- 24.102	33.495	1.277	10.670
Intangible Assets and other assets	- 40.192	1.821	- 3.180	- 6.486	- 48.037
Liabilities - Debt in USD	-	24.883	46.935	10.036	81.855
Other passives	-	21.406	4.392	3.551	29.349
Other non-financial assets – current	165	- 165	-	-	-
Provisions	1.084	- 1.084	-	-	-
Employee benefits	34.824	- 34.824	-	-	-
Trade accounts and other non-current accounts receivable	1.445	- 1.445	-	-	-
Total	- 345.155	-	2.731	- 57.152	- 399.575

(Continúa)

32.3 Uncertainties in open tax positions

In September 2021, the Constitutional Court declared the Financing Law unenforceable in its entirety (Law 2010 of 2019). As a consequence, the National Government issued Law 2155 of 2021 called "Social Investment Law", which incorporates, among others, the following provisions as of January 1, 2022:

Income Tax and Complementary Taxes – The rate on taxable income to entities in Colombia, required to submit an income statement will be 31% for taxable year 2021 and 35% as of taxable year 2022.

Additionally, the deduction of 100% of the taxes, rates and contributions effectively paid during the year that have a causal relationship with the economic activity of the entity is included. In the industry and commerce tax, notices and boards (ICA) the taxpayer may take 50% of what was actually paid for this tax as a tax discount on income tax. The tax on financial movements will be 50% deductible.

As of December 31, 2022, and December 31, 2021, the Company has no tax uncertainties. For this reason, no additional taxes are foreseen on possible visits by the tax authorities or due to the existence of uncertainties related to 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 auditing, and the declaration of validity 2020 and 2021 are still open to inspection by the tax authorities.

For the year 2021, it includes the effect of the remeasurement of the change in the income tax rate in accordance with the provisions of Decree 1311 of 2021.

In accordance with current tax legislation in Colombia, neither the distribution of dividends nor the withholding of profits has an effect on the income tax rate.

The temporary differences for the concepts indicated as of December 31, 2022, and December 31, 2021, amounted to $369,073 and $406,030, respectively.

Deferred tax assets are recognized to the extent that their realization is probable through future tax benefits. As of December 31, 2022, the Company has not recognized deferred tax assets on the following items because it does not have sufficient evidence to demonstrate its possibility of recovery with future tax benefits.

Considering the increase in the basic income tax rate from 31% in the year 2021 to 35% applicable from the year 2022, provided by Law 2155 of 2021 (Social Investment Law), in accordance with the provisions of the Decree 1311 of 2021, the Company chose to record in 2021 the remeasurement of the deferred tax in the account of accumulated results of previous years of equity, the effect of which was an expense that amounted to $55,049.

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32.4 Social Investment Law - (Tax Reform)

In September 2021, the Colombian Tax Law was modified through Law 2155, increasing the income tax rate to 35% for the year 2022 and after.

• 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 effectively paid and to the extent that it has a causal relationship with its economic activity.

• The increase to 35% of the income tax rate generated an impact on the deferred tax of the company in the amount of $55,049, by applying this rate to the temporary differences that are the calculation basis for said tax.

• Through national decree 1311 of October 2021, the national government established an alternative for the recognition and presentation of the deferred tax caused by the change in the Income Tax rate to mitigate the effects that this change generated on the results of the companies. The company decided to adopt this alternative and recorded in the retained earnings of its equity the effect caused by the rate change mentioned above.

32.5 Law for Equality and Social Justice (Tax Reform)

Through Law 2277 of December 13, 2022, a tax reform was adopted, said provision introduces some modifications in terms of income tax, which we present below:

The general income rate remains at 35% for national companies and their assimilates, permanent establishments of foreign entities and foreign legal entities with or without residence in the country required to submit the annual income tax return and complementary.

For financial institutions, insurance entities, reinsurance companies, stock brokerage firms, agricultural brokerage firms, exchanges of goods and agricultural, agro-industrial or other commodity products and infrastructure providers of the stock market, a surcharge of 5 additional points of the general rental rate during the taxable periods 2023 to 2027, with the total rate being 40% if they have a taxable income equal to or greater than 120,000 UVT ($5,089,440,000-year 2023). The surcharge will be subject to a 100% down payment.

Taxpayers who receive income from the extraction of Hard Coal (CIIU 0510) and lignite Coal extraction (CIIU 0520), must settle additional points (5%, 10%) when the average price of the taxable year is within certain percentiles with respect to the average monthly prices of the 120 months prior to the year being declared and the taxable net income exceeds 50,000 UVT. ($2,120,600,000, year 2023).

Taxpayers who receive income from the extraction of crude oil (ISIC 0610), must settle additional points (5%, 10%, 15%) when the average price of the taxable year is within certain percentiles with respect to the average monthly prices of the 120 months prior to the year being declared and the taxable liquid income exceeds 50,000 UVT. ($2,120,600,000, year 2023).

Taxpayers whose main activity is the generation of energy from water sources and who have a net income of more than 30,000 UVT ($1,272,360,000 for the year 2023) must pay for the years 2023 to 2026 a surcharge of three additional tax points on the rent being its rate of 38%, this surcharge is subject to an advance of 100%. This surcharge does not apply to small hydroelectric plants whose installed capacity is less than 1,000 Kw.

A differential rate of 15% is established for the provision of services provided in new hotels, theme park projects, new ecotourism and agrotourism park projects for a period of ten years from the start of the provision of the service.

For publishing companies constituted in Colombia as legal persons, whose economic activity and corporate purpose is exclusively book publishing, under the terms of Law 98 of 1993, the rate will be 15%.

For users of Free Zones, a differential rate of 20% is established on the proportion of net taxable income that corresponds to income from the export of goods and services, on the proportion of net taxable income that corresponds to different income from the export of goods and services. services the rental rate will be 35%.

The above may be applied by those who agree on an internationalization plan in 2023 or 2024 with a maximum threshold of income from operations in the TAN and income different from the authorized activity. An agreement must be signed annually.

Services from the provision of health services to patients without residence in Colombia by special permanent free zones for health services or industrial users of health services of a permanent free zone and free zones dedicated to the development of infrastructure related to airports will add as income from the export of goods and services.

Offshore Free Zones, industrial users of special permanent free zones for port services, industrial users of Free Zones whose main corporate purpose is the refining of fuels derived from petroleum or refining of industrial biofuels, industrial users of services that provide logistics services of numeral 1 of article 3 of Law 1004 of 2005 and operator users will have a 20% rate. Free zone users will have a period of 1 year (2023) to meet the requirement and their rate will correspond to 20%.

If the growth of gross income is 60% in 2022 in relation to 2019, the 20% rate will be in force until 2025. Commercial users must apply the general rate of 35%. For Free Zone users with legal stability contracts, the rate will be that established in the contract. However, they will not be entitled to the exemption of contributions referred to in art. 114-1 Tax Statute

(Continúa)

and may not apply the deduction of AFRP (Real Productive Fixed Assets) that Art 158-3 dealt with. of Tax Statute.

A minimum tax is established for residents in Colombia, fixing an additional tax in the event that the adjusted income tax with some adjustments is less than 15% of the accounting profit before taxes with certain adjustments. Thus, taxpayers must:

Determine the debugged tax of the Colombian taxpayer, or the debugged tax of the group in case it becomes part of a business group.

Determine the adjusted profit of the Colombian taxpayer or of the group in case it becomes part of a business group, and,

(iii) Determine the refined tax rate of the Colombian taxpayer or the group if it becomes part of a business group. If the effective rate (cleared tax/cleared profit) is less than 15%, the tax to be added must be calculated to reach the rate of fifteen percent (15%) of the taxpayer or of the group in case it becomes part of a business group.

The Economic and Social Zones - ZESE are excepted from this norm during the period that their rental rate is zero (0%), taxpayers whose purified utility is equal to or less than zero, who are governed by the provisions of Art 32 of the Tax Statute. (Concessions), the industrial and commercial companies of the state or mixed economy companies that exercise the monopolies of luck, chance and liquors; hotels and theme parks as long as they are not required to submit a country-by-country report.

The amount of the sum of some non-income income, special deductions, exempt income and tax discounts is limited to 3% per year of ordinary liquid income.

Article 158-1 is repealed, eliminating the possibility of deducting the costs and expenses associated with investments in Science, Technology and Innovation (CTeI), that is, these investments will only give the right to a tax discount. The possibility of taking as a tax discount 30% of investments in Science, Technology and Innovation (CTeI) that have the approval of the National Council of Tax Benefits (CNBT) is maintained; the previous norm established a discount of 25%.

The possibility of deducting royalty payments dealt with in articles 360 and 361 of the National Constitution is eliminated, regardless of the name of the payment, the accounting treatment and the form of payment (money or kind), the non-deductible amount corresponds to the total cost of production of non-renewable resources.

The possibility of taking as a tax discount 50% of the ICA actually paid before filing the declaration is eliminated. 100% accrued and paid prior to filing the income statement will be deductible.

(Continúa)

100% of the taxes, rates and contributions actually paid in the taxable year, which have a causal relationship with the generation of income (except income tax), continue to be deductible; 50% of the tax on financial movements (GMF) will be deductible, regardless of whether it has a causal relationship with the income-generating activity.

Payments for affiliations to social clubs, work expenses of support staff in the home or other activities unrelated to the income-producing activity, personal expenses of partners, participants, shareholders, clients and/or their relatives, all of which will not be deductible. they will be considered income in kind for their beneficiaries.

It is established that non-deductible values for convictions from administrative, judicial, or arbitration processes, correspond to values that are punitive, sanctioning or compensation for damages. (Number 3 of Article 105 of the E.T.). The occasional income tax rate is established at 15%.

A 10% withholding rate is established for dividends received by national companies that do not constitute income or occasional earnings (previously 7.5%), which will be transferable to the resident natural person or to the foreign investor. The exceptions established in the current regulations are maintained. Dividends and participations received by permanent establishments of foreign national companies that do not constitute income or occasional gain will be taxed at the special rate of 20%.

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 (35%) and (ii) the rate corresponding to the untaxed dividend will be applied to the remainder, depending on of the beneficiary (if he is a resident natural person or illiquid succession of resident deceased, the table of article 241 of the Tax Code will apply).

Dividends declared charged to profits from 2016 and prior years will retain the treatment in force at that time; and those corresponding to profits obtained from the year 2017 that are decreed from the year 2023, will be governed by the rates provided in Law 2277 of December 2022.

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:

		2022	2021
Income:			
Gas Natural S.A. E.S.P.			
Transportation service (1)	$	132,482	49,395
O&M		114	29
Provision		10,192	11,271
Other		689	676
Total		143,477	61,371
Enel Colombia S.A. E.S.P.			
Transportation		1,364	
306			
Other		40	10
Total		1,404	316
Total income	$	144,881	61,687
Costs / Expenses			
Grupo Energía Bogotá S.A. E.S.P.			
Interest	$	18,185	19,046
Technical support (2)		568	908
Total		18,753	19,954
Enel Colombia S.A. E.S.P.			
Energy service		89	-
Fuel gas		7,076	1,757
Christmas lightning		31	86
Energy District Service		30	-
Total		7,226	1,843
Gas Natural S.A. E.S.P.			
O&M gas pipeline of La Sabana		1,527	389
Lease gas pipeline of La Sabana		3,357	795
Gas supply compressor stations		4,098	881
Total		8,982	2,065
Trecsa			
Reimbursement of Vic-Financial services		7	-
Total		7	-
Total costs and expenses	$	34,968	23,862

(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, 2022 Vanti S.A. ESP has 85 contracts in effect with expirations that range from 2021 to 2037.

(2) On January 05, 2009, a contract was signed with Grupo Energia 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:

		2022	2021
Current asset:			
Accounts receivable			
Gas Natural S.A. E.S.P. (1)	$	17,512	20,374
Enel Colombia S.A. E.S.P.		-	-
Total assets	$	17,512	20,374
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.	$	3,046	2,962
Gas Natural S.A. E.S.P.		-	-
Enel Colombia S.A. E.S.P.		65	71
Promigás S.A. E.S.P.		-	-
Trecsa			5
-			
		3,116	3,033
Total liabilities	$	373,116	373,033
Current	$	3,116	3,033
Noncurrent		370,000	370,000
	$	373,116	373,033

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, 2022, 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, 2022 the debt in foreign currency with Grupo de Energia 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

As of December 31, 2022, the debt in foreign currency with Grupo de Energía Bogotá S.A. E.S.P. (GEB), majority shareholder, amounts to USD 370 million. And it was extended from December 14, 2022 for 1 more year. The conditions of said credit are the following:

Amount	USD 370 million
Interest rate	5.22% annual, semi-annually in arrears
Issue date	December 14, 2022
Expiration date	December 15, 2023

33.2 Compensation of key management personnel

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

		2022	2021
Short time benefits (1)	$	3,309	3,493

(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, 2022 and December 31, 2021, the value of the claims against TGI for administrative, civil and labor litigations amount to $44,384 and $83,304, respectively. Based on the evaluation of the probability of success in the defense of these cases, TGI has provisioned $7.314 and $5,835, 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	31	$	41,239
Civil	4		2,382
Labor	13		763
	48		44,384

(1) Includes the process in the first instance in the Administrative Court of Santander, associated with the contentious-administrative process of Servinacional Ltda against TGI. The claim of the plaintiffs amounts to the sum of USD $400 for the year 2022, for breach of contract No. 0073. It also includes the first instance process in the Administrative Court of Cundinamarca, associated with the contentious administrative process of MG Ingenieria against TGI . The claim of the plaintiffs amounts to the sum of USD$773 for the year 2022 for breach of contract No. 750910. On the other hand, there is the process in the Administrative Court of Boyacá, of Bellelli Engineering SPA Sucursal Colombia against TGI. The claim of the plaintiffs amounts to the sum of USD $39,645 for the year 2022, due to the illegality of the termination of contract No. 750759 and that the corresponding damages generated by it be compensated. In the same way, there are other possible processes that amount to the sum of USD $3,566.

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:

		2022	2021
Debt (See Note 18)	$	606,771	760,885
Debt – Related parties (See Note 33.1)		373,116	373,033
Cash and banks (See Note 10)		95,210	140,742
Net debt	$	1.075.097	1,274,660
Equity (capital contributed + reserves)	$	856,693	828,257
Index of net debt to equity		97%	83%

35.2 Indebtedness risk management

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

- Credit risk
- Liquidity risk
- Market risk

This disclosure 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

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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 2022.

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 2	Status 3	Total
Provision for impairment:				
Balance as of January 1, 2022	$	(3,780)	(1,362)	(5,142)
Movements chargeable to the income statement		(1.104)	-	(1.104)
Exchange difference		876	-	876
Balance as of December 31, 2022	$	(4,008)	(1,362)	(5,370)

Cash and cash equivalents

The Company had cash and cash equivalents for 95,210 thousand of U.S dollar as of December 31, 2022 (2021 140,472), 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 by 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 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 it reduced considerable 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, 2022 – 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	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Banco Occidente (180-094099)	DTF +2.9ptos	40	43	83	200	215	415	-	-	-	240	258	498
Leasing Banco Bogotá (33531719410)	DTF +2.9ptos	22	19	41	110	95	205	-	-	-	132	114	246
Leasing Banco Bogotá (33531719310)	DTF +2.9ptos	105	91	196	525	455	980	-	-	-	630	546	1,176
Renting CEMTRAL	DTF+2%	-	-	-	-	-	-	-	-	-	-	-	-
Renting FIDELITY	DTF+2%	452	74	526	760	370	1,130	-	-	-	1,212	444	1,656
Financial liability IFRS 16		-	310	310	666	642	1,308	2,554	838	3,392	3,220	1,790	5,010
Liability to related parties and others:													
Accounts payable to related parties	5,02%	370,000	19,174	389,174	-	-	-	-	-	-	370,000	19,174	389,174
Instruments at fixed interest rate – Bonds and securities issued	5,5%	-	32,794	32,794	-	98,922	98,922	594,146	164,870	759,016	594,146	296,766	890,912

(Continúa)

December 31, 2021 – 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
Leasing Banco Occidente (180-094099)	DTF +2.9ptos	47	29	76	506	203	709	-	-	-	553	232	785
Leasing Banco Bogotá (33531719410)	DTF +2.9ptos	26	14	40	284	98	382	-	-	-	310	112	422
Leasing Banco Bogotá (33531719310)	DTF +2.9ptos	124	71	195	2,175	567	2,742	-	-	-	2,299	638	2,937
Renting CEMTRAL	DTF+2%	-	-	-	-	-	-	-	-	-	-	-	-
Renting FIDELITY	DTF+2%	589	36	625	1,854	645	2,499	-	-	-	2,443	681	3,124
Financial liability IFRS 16		-	214	214	1,900	276	2,176	6,639	1,567	8,206	8,539	2,057	10,596
Liability to related parties and others:													
Accounts payable to related parties	6125%	370,000	18,574	388,574	-	-	-	-	-	-	370,000	18,574	388,574
Instruments at fixed interest rate – Bonds and securities issued	5.70%	-	41,625	41,625	-	208,125	208,125	750,000	41,625	79,625	750,000	291,375	1,041,375

(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 Interest rate 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) tariffs indexed to the Colombian peso that remunerate the operation and maintenance expenses that the Company incurs 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 and also cover debt service since 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 in financial income; however, TGI has been applying a policy of keeping part 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.

(Continúa)

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.

35.5 Fair value of financial instruments

Some of the Entity's financial assets and liabilities are valued at their fair value at the closing of each period. The following table presents information on how the fair values of the financial assets and financial liabilities are determined (particularly, the valuation technique and the entry data used.

Financial assets / liabilities	Fair value		Hierarchy of fair value	Valuation technique(s) and main entry data
	12/31/22	12/31/21		
Financial Assets:				
1) Investment / Concentra	$ 18	$ 54	Level 2	The intrinsic value was used as source of the fair value because this financial instrument is not negotiated in an active market.

35.6 Fair value of instruments recorded at amortized cost

Except as detailed in the following table, Management considers that the carrying value of the financial liabilities recognized in the financial statements are approximated to their fair value:

		2022		2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial liabilities					
Financial liabilities carried at amortized cost:					
Securities issued	$	594,146	601,963	750,000	888,743
Accounts payable to related parties		370,000	370,000	370,000	370,000

		Hierarchy of fair value as of December 31, 2021			
		Level 1	Level 2	Level 3	Total
Financial liabilities carried at amortized cost:					
Securities issued	$	888,743			888,743
Accounts payable to related parties				370,000	370,000

36. Events occurring subsequently to the reporting period

As of February 25, 2023, there were no relevant events after the closing of these financial statements that may affect significantly the financial position of the Company reflected in the financial statements as of December 31, 2022.