

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P.

Consolidated Financial Statements

As of December 31, 2022 and 2021

With Statutory Auditor's Report



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

To the Shareholders
Grupo Energía Bogotá S.A. E.S.P.:

Report on the audit of the consolidated financial statements

Opinion

I have audited the consolidated financial statements of Grupo Energía Bogotá S.A. E.S.P. and Subordinates (the Group), which comprise the consolidated statement of financial position at December 31, 2022 and the consolidated 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 consolidated financial statements, attached to this report, present fairly, in all material aspects, the consolidated financial position of the Group at December 31, 2022, the consolidated results of its operations, and its 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 "Statutory Auditor' Responsibilities for the Audit of the Consolidated Financial Statements" section of my report. I am independent of the Group in accordance with the Accountant's Professional Code of Ethics 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 consolidated 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

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assessment of the Group's long-life assets impairment under IAS 36 (see note 20 to the consolidated financial statements)	
Key Audit Matter	How our audit approached this matter
<p>The Group maintains long-life assets as at December 31, 2022, represented in intangibles for USD \$247 million.</p> <p>The Group performs the assessment of the long-life assets' value impairment as long as there is objective evidence that the book value of the assets is higher than its recoverable value. Such determination is one of the most significant and complex estimates in the preparation of the consolidated financial statements attached, due to the high level of judgment involved in the development of the financial model for the determination of whether there is impairment of the Group's long-life assets based on the approach required by IAS 36.</p> <p>I considered the assessment of long-life assets impairment as a key audit matter because there was significant judgment and audit effort to evaluate the evidence obtained in relation with: (1) methodology; (2) the main inputs: (i) the volumes agreed in the contracts, (ii) the projected prices, (iii) the work capital investments, (iv) the projection periods; (3) the discounts rate; (4) the macroeconomic assumptions; (5) the mathematical accuracy of the model; and (6) the recovery deadline of projected flows in favor.</p>	<p>My audit procedures to assess impairment of the Group's long-life assets included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluation of the design, implementation, and operative efficiency of certain internal controls established by the Group to perform the review of the impairment test of the long-life assets. This included controls related to: (1) the review of the execution of the business plans of Contugas S.A.C., (2) the determination of the macroeconomic hypothesis and variables used in the measurement of the recoverable value of the cash generating unit, and (3) the review by management of the impairment calculation. • Involvement of professionals with experience and knowledge in valuation, who assisted me in: (1) evaluate if the methodology used is consistent with the valuation practices generally used for this purpose; (2) analyze and evaluate the main inputs such as: (i) volumes agreed on the contracts, (ii) the logic of the prices projected in relation with external sources, (iii) work capital investments, (iv) projection periods; (3) Recalculate the discount rate used in the model; (4) Compare the macroeconomic assumptions included in the valuation with historical and market data, and available information; and (5) perform independent recalculations to ensure the mathematical accuracy of the model.

Assessment of the acquisition of Elecnorte S.A.S. ESP (see note 14 to the consolidated financial statements)	
Key audit matter	How our audit approached this matter
<p>On June 17, 2022, the Group acquired 100% of the shares of Elecnorte S.A.S. ESP for a consideration of USD \$ 117 million. The transaction was recorded by the acquisition methods established in the International Financial Reporting Standards IFRS 3 – “Business mergers”. Under this approach, the Group assigned the fair value of the consideration transferred on the assets acquired and liabilities assumed based on the fair value estimates at the date of the acquisition.</p> <p>The audit of this transaction is complex due to the judgments and significant estimates required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired, liabilities assumed, and the goodwill.</p> <p>Due to the size and complexity of the acquisition, I consider this acquisition is a key audit matter.</p>	<p>My audit procedures to assess the acquisition of Elecnorte S.A. ESP, included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluation of the competence and objectivity of the external expert hired by the Group, as well as the competence of those responsible within the Group for reviewing and approving the final designation of the price paid in the transaction. • Meetings with those responsible within the Group of reviewing the transaction and with the external expert for the understanding of the conclusion report and obtention of the valuation supports from the external expert hired by Management. • Involvement of professionals with knowledge and experience in valuation, who assisted me in the valuation of: (1) the methodology used in the valuation of the business acquired, and (2) the key assumptions used in determining the fair value of the assets acquired, liabilities assumed, and the goodwill. • Assessment of the disclosures on the consolidated financial statements, including the disclosures of the key assumptions and the judgements used by management for the recognition of the transaction.

Other matters

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

**Other information**

Management is responsible for the other information. The other information includes the information included in the corporate governance report, but does not include the consolidated financial statements or my corresponding audit report. The other information is expected to be available to me after the date of this audit report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion on it.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information when available and, in doing so, consider whether there is a material inconsistency between that information and the consolidated financial statements or my knowledge obtained in the audit, or whether, somehow, there appears to be a material misstatement.

When reading the content of the corporate governance report, if I conclude that there is a material misstatement in that other information, I am required to report this fact to those charged with governance and take applicable action under the ISAs.

Responsibilities of Management and those in charge with the Group's corporate governance for the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated 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 consolidated 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 consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern accounting basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated 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 users' economic decisions taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriate accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern hypothesis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 disclosure in the consolidated financial statements or, if such disclosure is inadequate, to 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 Group ceases to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate to those charged with the corporate 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.



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with corporate governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my statutory auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lidia Nery Roa Mendoza
Statutory Auditor of Grupo Energía Bogotá S.A. E.S.P.
Registration 167431 - T
Member of KPMG S.A.S.

February 26, 2023

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position
For the years ended December 31, 2022 and 2021
(Expressed in thousands of U.S. Dollars)

	<u>Note</u>	<u>December</u> <u>2022</u>	<u>December</u> <u>2021</u>		<u>Note</u>	<u>December</u> <u>2022</u>	<u>December</u> <u>2021</u>
Assets				Liability and equity			
Current assets:				Current liabilities:			
Cash and Cash equivalents	7	307,227	424,886	Financial obligations	20	223,538	219,462
Investments	8	876	1,058	Trade and other payables	21	171,612	146,052
Trade debtors and other receivables	9	262,087	288,805	Lease obligations		8,382	2,355
Accounts receivable from related parties	33	31,980	32,111	Accounts payable to related parties	33	81	3
Inventories		71,968	63,378	Hedging derivative financial instruments	27	25,990	37,950
Tax assets	10	39,278	34,226	Employee benefits	22	30,703	34,704
Hedging transactions	27	143,765	26,904	Provisions	23	31,127	21,361
Other Non-financial assets	12	<u>17,780</u>	<u>9,731</u>	Incomes received in advance		4,431	5,762
				Tax liabilities	24	36,802	28,044
		874,960	881,098	Other Non-financial liabilities	26	<u>4,018</u>	<u>21,711</u>
Non-current assets held for sale	11	<u>37,589</u>	<u>45,653</u>	Total current liabilities		<u>536,684</u>	<u>517,404</u>
Total current assets		<u>912,549</u>	<u>926,751</u>	No current liabilities:			
No current assets:				Financial obligations	20	4,005,676	3,579,387
Investments in associates and joint ventures	14	3,233,997	2,493,195	Trade and other payables	21	11,254	11,472
Property, Plant and Equipment	15	3,536,909	3,423,997	Lease obligations		13,912	13,268
Right-of-use assets	17	16,220	25,116	Tax liabilities	24	-	192
Investment properties	16	6,261	7,566	Employee benefits	22	20,378	26,381
Investments	8	2,709	1,912	Provisions	23	117,861	93,032
Trade debtors and other receivables	9	63,584	73,873	Incomes received in advance		11,753	13,736
Goodwill	18	129,618	75,996	Deferred tax liabilities	25	576,782	544,641
Intangible assets	19	1,789,538	1,677,724	Other Non-financial liabilities	26	-	<u>5,271</u>
Tax assets	10	25,561	27,419	Total no current liabilities		<u>4,757,616</u>	<u>4,287,378</u>
Deferred tax assets	25	849	643	Total liabilities		5,294,300	4,804,782
Other Non-financial assets	12	<u>3</u>	<u>9,359</u>	Equity:	28		
Total non-current assets		<u>8,805,248</u>	<u>7,816,800</u>	Share Capital		102,306	123,610
Total Assets		<u>9,717,797</u>	<u>8,743,551</u>	Additional paid-in capital		174,171	210,441
				Reserves		1,006,486	1,024,403
				Retained earnings		1,677,552	1,511,141
				Other comprehensive income		<u>1,301,785</u>	<u>925,783</u>
				Total equity of the controlling company		4,262,300	3,795,378
				Non-controlling interest	13	<u>161,197</u>	<u>143,390</u>
				Total equity		<u>4,423,497</u>	<u>3,938,768</u>
				Total liabilities and equity		<u>9,717,797</u>	<u>8,743,550</u>

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

(Original Signed)
Jorge Andrés Tabares Ángel
Legal Representative

(Original Signed)
Julio Hernando Alarcón Velasco
Accounting and Tax Manager
T.P. 53.918 - T

(Original Signed)
Lidia Nery Roa Mendoza
Statutory Auditor
T.P. No 167.431-T
Member of KPMG S.A.S.
(See my report dated on February 26, 2023)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES
Consolidated statement of income and other comprehensive income
For the years ended December 31, 2022 and 2021
(Expressed in thousands of U.S. Dollars)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Natural gas distribution		867.156	803.667
Natural gas transportation		400.627	384.733
Electricity transmission		214.115	185.230
Electricity distribution		<u>133.585</u>	<u>111.398</u>
Total revenues		<u>1.615.483</u>	<u>1.485.028</u>
Natural gas distribution		(619.061)	(564.506)
Natural gas transportation		(148.876)	(150.289)
Electricity transmission		(71.423)	(64.327)
Electricity distribution		<u>(80.056)</u>	<u>(67.255)</u>
Total costs	29	<u>(919.417)</u>	<u>(846.377)</u>
Gross profit:		696.066	638.650
Administrative and operating expenses	30	(211.222)	(223.149)
Other income, net		<u>11.788</u>	<u>64.232</u>
Results of operating activities		496.632	479.733
Finance income	31	60.864	20.462
Financial expenses	32	(239.666)	(179.720)
Foreign exchange difference income (expense), net		36.306	(22.954)
Equity method in associates and joint ventures	14	<u>492.566</u>	<u>533.767</u>
Income before taxes	25	846.702	831.289
Current tax		(103.184)	(107.864)
Deferred tax		<u>(32.196)</u>	<u>(10.334)</u>
Consolidated income for the year		<u>711.322</u>	<u>713.091</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		2.744	15.202
Exchange differences on translation of foreign operations		511.301	303.734
Hedging instruments		8.298	(22.140)
Gains or losses from other comprehensive income in investments in associates and joint ventures		<u>123.961</u>	<u>11.058</u>
Total other comprehensible income for the year		<u>646.304</u>	<u>307.854</u>
Consolidated comprehensive income for the year		<u>1.357.626</u>	<u>1.020.945</u>
Consolidated income for the year attributable to:			
Controlling interest		670.388	674.809
Non-controlling interest		<u>40.934</u>	<u>38.282</u>
		<u>711.322</u>	<u>713.091</u>
Consolidated comprehensive income for the year attributable to:			
Controlling interest		605.379	290.817
Non-controlling interest		<u>40.925</u>	<u>17.037</u>
		<u>646.304</u>	<u>307.854</u>

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

(Original Signed)
Jorge Andrés Tabares Ángel
Legal Representative

(Original Signed)
Julio Hernando Alarcón Velasco
Accounting manager
T.P. 53.918 - T

(Original Signed)
Lidia Nery Roa Mendoza
Statutory Auditor
T.P. No 167.431-T
Member of KPMG S.A.S
(See my report dated on February 26, 2023)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES
Consolidated statement of changes in equity
For the years ended December 31, 2022 and 2021
(Expressed in thousands of U.S. Dollars)

	<u>Share Capital</u>	<u>Additional paid-in capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Other comprehensive income</u>	<u>Non-controlling interest</u>	<u>Total Equity</u>
Balance as of December 31, 2020	\$ 143.368	244.078	1.185.819	1.819.762	756.631	141.811	4.291.469
Income for the year	-	-	-	634.456	-	35.992	670.449
Appropriations	-	-	221.091	(221.091)	-	-	-
Acquisition non-controlling interest	-	-	-	(2.606)	-	-	(2.606)
Dividend distribution	-	-	(219.085)	(410.496)	-	(24.274)	(653.855)
Other	-	-	-	(58.096)	-	(26.332)	(84.428)
<u>Other comprehensive income:</u>							
Translation adjustment	(19.758)	(33.637)	(163.423)	(250.789)	(104.274)	174	(571.706)
Remeasurement of defined benefit obligations	-	-	-	-	14.293	-	14.293
Exchange differences on translation of foreign operations	-	-	-	-	267.255	18.316	285.571
Hedging instruments	-	-	-	-	(18.518)	(2.298)	(20.816)
Gain from other comprehensive income investments in associates and joint ventures	-	-	-	-	10.397	-	10.397
Balance as of December 31, 2021	<u>\$ 123.610</u>	<u>210.441</u>	<u>1.024.403</u>	<u>1.511.141</u>	<u>925.783</u>	<u>143.390</u>	<u>3.938.768</u>
Income for the year	-	-	-	593.072	-	36.213	629.285
Appropriations	-	-	158.639	(158.639)	-	-	-
Acquisition non-controlling interest	-	-	-	(25.511)	-	-	(25.511)
Dividend distribution	-	-	-	(366.468)	-	(29.897)	(396.365)
Enel Fusion Effect	-	-	-	384.403	-	-	384.403
<u>Other comprehensive income:</u>							
Translation adjustment	(21.304)	(36.270)	(176.556)	(260.446)	(159.559)	(24.713)	(678.848)
Remeasurement of defined benefit obligations	-	-	-	-	2.428	-	2.428
Exchange differences on translation of foreign operations	-	-	-	-	429.516	22.817	452.333
Hedging instruments	-	-	-	-	(6.047)	13.388	7.341
Gain from other comprehensive income investments in associates and joint ventures	-	-	-	-	109.665	-	109.665
Balance as of December 31, 2022	<u>\$ 102.306</u>	<u>174.171</u>	<u>1.006.486</u>	<u>1.677.552</u>	<u>1.301.785</u>	<u>161.197</u>	<u>4.423.497</u>

Notes are an integral part of the consolidated financial statements.

(Original Signed)
Jorge Andrés Tabares Ángel
Legal Representative

(Original Signed)
Julio Hernando Alarcón Velasco
Accounting manager
T.P. 53918 - T

(Original Signed)
Lidia Nery Roa Mendoza
Statutory Auditor
T.P. No 167.431-T
Member of KPMG S.A.S
(See my report dated on February 26, 2023)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

Consolidated statements of cash flows

For the years ended December 31, 2022 and 2021

(Expressed in thousands of U.S. Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows of operating activities:		
Income	711.322	713.091
Adjustments to reconcile net income with net cash provided by the operation activities:		
Income tax	135.380	118.198
Income by equity method in investments in associates and joint ventures	(492.566)	(533.767)
Financial expenses	239.666	179.720
Financial income	(60.864)	(20.462)
Depreciation and amortization	196.505	183.640
Gain on disposal of property, plant and equipment	1.569	1.457
Exchange difference	(36.306)	22.954
Impairment of long-term assets, net	(20.000)	(33.000)
Provisions, net	18.682	5.987
Taxes paid	(87.077)	(142.946)
	<u>606.311</u>	<u>494.872</u>
Net changes in operating assets and liabilities		
Trade debtors and other receivables	128.528	(118.855)
Inventories	(9.430)	3.503
Other non-financial assets	(54.944)	(2.231)
Accounts payable	10.429	1.544
Employee benefits	(2.294)	2.907
Provisions	34.590	(8.638)
Other non-financial liabilities	(2.623)	(13.890)
Lease liabilities	(14.368)	4.137
Net cash flow provided by (used in) operating activities	<u>89.888</u>	<u>(131.522)</u>
Cash flows from investing activities		
Acquisition of investment in subsidiary	(100.969)	-
Acquisition of non-controlling interest	-	(3.582)
Capitalization of associated investments	(226.053)	(2.279)
Acquisition of joint ventures	(265.999)	-
Capital reductions in joint ventures	-	(126.668)
Dividends Received	432.524	589.769
Interest Received	9.444	8.206
Investments in financial assets	(43)	311.803
Acquisition of property, plant and equipment	(279.717)	(143.306)
Acquisition of intangible assets	(168.339)	(39.241)
Net cash flow (used in) provided by investment activities	<u>(599.151)</u>	<u>594.702</u>
Cash flows from financing activities:		
Dividends paid	(451.200)	(693.758)
Interest paid	(204.975)	(164.240)
Borrowings received	748.842	347.195
Payment of borrowings	(263.418)	(260.559)
Net cash flow used in financing activities	<u>(170.751)</u>	<u>(771.361)</u>
(Decrease) increase in cash and cash equivalents	(73.703)	186.692
Cash acquired in business combination	11.245	-
Effect of exchange rate changes on cash and cash equivalents:	<u>(55.201)</u>	<u>(9.772)</u>
Cash and cash equivalents at the beginning of year	<u>424.886</u>	<u>247.992</u>
Cash and cash equivalents at the end of year	<u>307.227</u>	<u>424.886</u>

The attached notes are an integral part of the consolidated financial statements

(Original Signed)
Jorge Andrés Tabares Ángel
Legal Representative

(Original Signed)
Julio Hernando Alarcón Velasco
Accounting and Tax Manager
T.P. 53918 - T

(Original Signed)
Lidia Nery Roa Mendoza
Statutory Auditor
T.P. No 167.431-T
Member of KPMG S.A.S

(See my report dated on February 26, 2023)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

1. General Information

Parent company - in accordance with Law 142 of 1994 and Agreement 1 of 1996 of the District Council, on May 31, 1996 the Grupo Energía Bogotá S.A. E.S.P. was transformed from an industrial and commercial state-owned company of the district order to a joint stock company. Grupo Energía Bogotá S.A. E.S.P. (hereinafter "GEB" or the "Group"), transformed into a public utility company under Law 142 of 1994, continued to be engaged in the generation, transmission, distribution and commercialization of energy. The term of the Company's legal duration is indefinite. At the October 6, 2017 session of the General Shareholders' Meeting, as recorded in Minute No. 078, raised to Public Deed No. 3679 of 2017, recorded on October 25, 2017 at the Bogota Chamber of Commerce, the Company changed its corporate name from Empresa de Energía de Bogotá S.A. E.S.P. to Grupo Energía Bogotá S.A. E.S.P. Its primary address is carrera 9 No. 73 - 44 in Bogotá D.C., Colombia.

The Company's main corporate purpose is the generation, transmission, distribution and commercialization of energy, including gas and liquid fuels in all their varieties, and it may also participate as a partner or shareholder in other utility companies, either directly or in association with other parties. Currently, the Company carries out operating activities related to energy transmission and has an investment portfolio in the energy sector.

It has investments in subsidiaries, associates and joint ventures and directly provides electricity transmission services in Colombia.

In the value chain, the business controls the largest natural gas operator in Colombia, TGI S.A., which has a representative participation in the market, including an extension of approximately 3,957 kilometers of gas pipelines, has an available capacity of approximately 733.8 MPCD (million cubic feet per day) with which it serves the most populated areas of the country such as Bogotá, Cali, the Eje Cafetero, Medellín and the Piedemonte Llanero. The Group operates and maintains the most extensive gas pipeline network in Colombia, from Guajira to Valle del Cauca and from the Eastern Plains to Cundinamarca, Boyacá, Tolima and Huila.

In Peru, through its participation in Calidda, it has the concession to design, build and operate the natural gas distribution system in the department of Lima and the Constitutional Province of Callao in Peru. It is the pioneer company in providing this public service in Peru, thus contributing to the improvement of the quality of life of the population and the preservation of the environment.

Translated with www.DeepL.com/Translator (free version)The company Contugas has a 30-year concession through which it participates in the transportation and distribution of natural gas in the department of Ica. On April 25, 2008, the Private Investment Promotion Agency - PROINVERSION awarded the consortium formed by Grupo Energía Bogotá S.A. E.S.P. and Transportadora de Gas del Interior S.A. E.S.P. the international public bidding process, under the integral project modality, 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 Concession Contract for the Natural Gas Distribution System by Duct Network in the department of Ica was signed, a contract that is being executed by the Company in its capacity as concessionaire.

On April 30, 2014, the Company started commercial operations after having completed the construction of the Natural Gas Distribution System by Duct Network in Ica.

On August 9, 2019, the Grupo Energía Bogotá acquired the shares of Dunas Energía S.A.A., Cantaloc Perú Holding S.R.L. and PPC Perú Holdings S.R.L. (hereinafter Dunas Group), through the acquisition of shares and voting interest in these companies.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The Group wanted to obtain a higher level of regional coverage to consolidate its position in the energy sector chain.

In the same country, together with ISA, it owns shares in REP S.A. and TRANSMANTARO S.A., which operate 63% of the electricity transmission network in Peru, operating from four Transmission Departments, through the Northern Transmission Department to the branches in Chiclayo and Chimbote; through the Central Transmission Department to the branches in Lima and Pisco; through the Eastern Transmission Department to the branches in Huánuco and Huancayo and through the Southern Transmission Department to the branches in Arequipa and Cusco.

In Guatemala, through its investment in Transportadora de Centroamérica S.A., TRECSA provides energy transmission services and associated activities by means of the construction of the most important infrastructure project in Guatemala, which started to provide electricity transmission services in 2014. This company's projects aimed at the Construction, Operation and Maintenance of a set or group of transmission works.

On June 17, 2022, the Group acquired control over Elecnorte S.A.E.S.P., a public utilities company whose main purpose is the energy distribution activity, especially the regional transmission of electric energy in accordance with Colombian regulations, and to operate all the energy structure required for the development of its activities, for more information see note 14 of business combination below.

Additionally, on October 26, 2022, the Group incorporated the company Enlaza Grupo Energía Bogotá SAS E.S.P., with the purpose of strengthening the management of the electric power transmission projects and its assets in operation in Colombia.

In addition, the Group has a portfolio of investments in important companies in the electric energy sector, including Enel S.A. E.S.P., Gas Natural S.A. E.S.P. and Promigas S.A. E.S.P.

2. Legal and regulatory framework

Colombian companies - Under the guidelines of the framework ordered by the Constitution, the Law of Residential Public Utilities Law 142 of 1994 and Law 143 of 1994 or Electricity Law were issued, which define the provisions or general criteria that must regulate the companies that provide residential public utilities in the national territory.

The Electricity Law of July 1, 1994 (Law 143 of 1994) regulates the activities related to the generation, transmission, distribution and commercialization of electricity, creating a competitive structure and strengthening the electricity sector in the country.

The main entity of the electricity sector is the Ministry of Mines and Energy, which develops the national energy plan and the reference generation-transmission expansion plan through the Mining and Energy Planning Unit (Unidad de Planeación Minero Energética UPME). The Superintendency of Domiciliary Public Utilities (SSPD by its acronym in Spanish) and the Energy and Gas Regulatory Commission (CREG by its acronym in Spanish) are the entities in charge of overseeing and regularizing the companies in the sector.

Peruvian companies - They are governed by the Organic Hydrocarbons Law No. 26221, enacted on August 19, 1993 and the Law for the Promotion of the Development of the Natural Gas Industry No. 27133, enacted on November 18, 1999, and its regulations approved by means of the Supreme Decree 040-99-EM, which sets

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

forth the conditions for the promotion of the development of the natural gas industry. On the other hand, they are supervised by the Energy and Mining Investment Supervisory Agency - OSINERGMIN, which oversees the quality and efficiency of the service provided and monitors compliance with the obligations assumed by the concessionaires in the concession contracts, as well as with the legal provisions and technical standards in force.

Guatemalan Companies - Are ruled by the Legal Framework defined in the General Electricity Law (Decree 93-96 of the Congress of Guatemala) enacted on November 15, 1996, the Regulations of the General Electricity Law (Agreement 256-97 of April 2, 1997, amended by Agreement 68-2007) and the Regulations of the Wholesale Market Administrator - AMM - (Agreement 299-98 of June 1, 1998, amended by Agreement 69-2007).

The Ministry of Energy and Mines -MEM- is the State entity responsible for formulating and coordinating policies, State plans, indicative programs related to the Electricity Subsector and applying the Law and its Regulations.

Brazilian companies - In 2015, the Company formalized the acquisition of a 51% interest in four electric power transmission concessions in Brazil: Transenergia Renovável S.A., Transenergia Sao Paulo S.A., Goiás Transmissão S.A. y MGE Transmissão, S.A.

The four concessions acquired by the Company were awarded through a public bidding process in 2008 and 2009 for 25 years. The length of the lines is 1,094 kilometers and are composed of assets with voltage levels of 500, 345, 230 and 138 kV located in the following states: Espírito Santo, Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais and Sao Paulo.

Likewise, this acquisition will allow The Company, through GEBBRAS, the holding company of these four concessions, as well as future expansions, to have a strategic partner in Brazil, Furnas, which holds the remaining 49% stake in these four concessions.

3. **Basis of presentation**

3.1 Accounting standards applied

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

GEB applies the following guideline in accordance with laws and other standards in force in Colombia:

Decree 1311 of October 20, 2021, which establishes for one only time the alternative to accountably recognize with charge to the accumulated profit in equity, the variation in the deferred income tax, derived from the increase in the income tax rate, in accordance with the provisions of the Law of Social Investment 2155 above mentioned.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Grupo Energía Bogotá S.A. E.S.P. and its subsidiaries present this financial statement in thousand U.S. Dollars and the values have been adjusted to the nearest million pesos, except when otherwise indicated.

3.2. Consolidated financial statements**Subsidiaries**

The consolidated financial statements include the financial statements of Grupo Energía Bogotá S.A. E.S.P. and its controlled subsidiaries. These consolidated financial statements should be read in conjunction with the separate financial statements of Grupo Energía Bogotá S.A. E.S.P. and the individual financial statements of its subsidiaries.

Control is achieved when the Company:

- Has power over an investee.;
- Is exposed to, or has rights to, variable returns from its relationship with the investee; and
- Has the ability to use its power over the investee and exercise influence over the amount of investor returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

When the Company has less than most of the voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are adequate to give it the power, including:

- The amount of the Company's percentage of voting rights relative to the size and dispersion of the percentages of other voting holders.
- Potential voting rights held by the Company, other shareholders or other parties.
- Rights arising from contractual arrangements; and
- Any additional facts or circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company obtains control until the date the Company ceases to control the subsidiary.

The profit or loss of each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. The total comprehensive income of the subordinated companies is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a negative balance.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

When necessary, adjustments are made to the financial statements of subsidiaries to adapt their accounting policies to those used by other members of the Group.

All intercompany transactions, balances, income and expenses are removed on consolidation.

Changes in the Group's interests in its existing subsidiaries - Changes in interests in subsidiaries that do not result in the loss of control of the Company to the subsidiaries are accounted for as equity transactions. The amounts of the Company's interests and noncontrolling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to such subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable standards). The fair value of the investment retained in the former subsidiary at the date when control is lost is considered as the fair value at initial recognition for subsequent accounting under IFRS 9, if applicable, the cost at initial recognition of an investment in an associate or joint venture.

The following are the companies over which GEB has control and therefore are part of the consolidation of Grupo Energía de Bogotá:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

<u>Name of the subordinate</u>	<u>Activity principal</u>	<u>% Shares</u>	<u>Country of incorporation and operation</u>
Transportadora de Gas Internacional S.A. E.S.P.	Gas transportation	99,9%	Colombia
EEB Internacional LTD.	Investment vehicle	100%	Islas Caimán
Contugas S.A.C.	Gas Distribution	100%	Perú
Gas Natural de Lima y Callao S.A.	Gas Distribution	60%	Perú
Transportadora de Energía de Centroamérica S.A.	Energy transport	96,84%	Guatemala
EEB Perú Holdings LTD.	Investment vehicle	100%	Islas Caimán
EEB Ingeniería y Servicios S.A.	Engineering services	100%	Guatemala
EEB Gas S.A.S.	Investment vehicle	100%	Colombia
EEB Energy RE.	Captive Insurance	100%	Bermuda
GEBBRAS Participacoes LTDA.	Investment vehicle	100%	Brasil
Dunas Energía S.A.A.,	Distribution and marketing of Energy	100%	Perú
PPC Peru Holdings S.R.L	Distribution and marketing of Energy	100%	Perú
Cantaloc Peru Holdings S.R.L	Distribution and marketing of Energy	100%	Perú
Elecnorte S.A.S. E.S.P.	Energy transmission	100%	Colombia
Enlaza Grupo Energía Bogotá S.A.S. E.SP.	Energy transmission	100%	Colombia

Transactions between entities under common control:

The combination of entities under common control, i.e. transactions in which entities that are under the control of the GEB Group are combined are outside the scope of IFRS 3. There is currently no specific guidance for the treatment of these transactions in other IFRS, therefore, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has developed an accounting policy considering the pronouncements of other normative entities.

Assets and liabilities recognized as a result of transactions between entities under common control are recognized at the carrying amount in the financial statements of the acquiring entity.

Investments in associates and joint ventures:

An associate is a company over which the Group has significant influence. Significant influence is the power to intervene in the financial and operating policy decisions of the investee, without having control or joint control of the investee.

A joint venture is an arrangement whereby the Group, together with other participants, jointly controls the relevant activities of the arrangement and decision-making requires the unanimous consent of the parties sharing control.

Likewise, in these consolidated financial statements, the operations of the following associated and joint ventures are considered:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

<u>Name</u>	<u>Activity Principal</u>	<u>% Shares</u>	<u>Country of incorporation and operation</u>
Enel Colombia S.A E.S.P	Energy generation and commercialization	42,52%	Colombia
Promigas S.A.	Gas	15,24%	Colombia
Gas Natural S.A. E.S.P.	Gas	24,99%	Colombia
Electrificadora del Meta S.A E.S.P – EMSA	Energy	16,23%	Colombia
Consortio Transmantaro S.A	Energy	40,00%	Perú
Red de Energía del Perú S.A.	Energy	40,00%	Perú
Agencia analítica de datos S.A.S.	Others	40,00%	Colombia
Goiás Transmissao S.A.	Electricity generation	51,00%	Brasil
Mge Transmissao S.A.	Electricity generation	51,00%	Brasil
Transenergia Renovavel S.A.	Electricity generation	51,00%	Brasil
Transenergia Sao Paulo S.A.	Electricity generation	51,00%	Brasil
Argo	Electricity generation	50,00%	Brasil
Argeb Energía S.A.	Special Purpose Vehicle	37,50%	Brasil

Investments in Brazil correspond to entities for which there is joint control.

Non-controlling interest:

Non-controlling interest is initially measured at fair value or at the non-controlling shareholders' proportionate interest in the identifiable net assets of the acquiree. The election is made for each transaction. Non-controlling interests in the net assets of consolidated subsidiaries are presented separately within the Group's equity. Likewise, the result for the period and other comprehensive income are attributed to the non-controlling interests and the owners of the controlling company.

Purchases or sales of interests in subsidiaries to non-controlling interests that do not imply a loss of control are recognized directly in equity.

3.3. Basis measurement

The Group's consolidated financial statements have been prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss and/or changes in other comprehensive income which are measured at their fair values at the end of each period, as explained in the accounting policies included below.

Generally, historical cost is based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the Group considers the features of the asset or liability if market participants take those features into account when valuing the asset or liability at the measurement date.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

3.4. Functional and presentation currency

Each entity of the group uses the functional currency of the main economic environment where it operates. The consolidated financial statements are presented in Colombian pesos, which corresponds to the functional and presentation currency of the Group's parent company; therefore, all balances and transactions denominated in currencies other than the Colombian peso are considered as foreign currencies.

Consolidated figures are expressed in millions of Colombian pesos, except for net income per share and the representative market rate, which are expressed in Colombian pesos.

Transactions in foreign currencies - Transactions in foreign currencies are recognized using the exchange rates in effect on the dates on which the transactions are carried out. At the end of each period, monetary items denominated in foreign currencies are translated at the exchange rates in effect at that date. Non-monetary items measured at cost are carried at the exchange rate at the date of the transaction. Non-monetary items recorded at fair value, denominated in foreign currency, are translated using the exchange rate at the date the fair value was determined.

During the year, exchange gains or losses arising on the settlement of transactions for the difference between the exchange rate recorded and the exchange rate prevailing at the date of collection or payment are recognized in the consolidated statement of income.

Exchange gains or losses are recognized in equity (other comprehensive income), if they relate to cash flow hedges or net investments of a foreign operation. When a gain or loss arising from a non-monetary item is recognized in other comprehensive income, any exchange difference arising on such gain or loss is also recognized in other comprehensive income, on the other hand, if the gain or loss arising from a non-monetary item is recognized in profit or loss for the period, any exchange difference arising on such transaction is also recognized in the consolidated statement of income.

Balances denominated in foreign currency are expressed in Colombian pesos at representative exchange rates as of December 31, 2022 and December 31, 2021 of \$4.810,20 and \$3.981,16 for US\$1 y \$921,95 and \$707,98 for 1 Real, for soles S/1.262,85 and S/999,06 respectively.

Foreign operations - Assets and liabilities of foreign operations are translated using the exchange rates in effect at the end of the period. Income and expense items are translated at the average exchange rates in effect for the period. Exchange rate differences arising, if any, are recognized in consolidated other comprehensive income.

3.5. Classification of current and non-current assets and liabilities

In its Statement of Financial Position, the Group presents assets and liabilities classified according to their due dates as current and non-current. Current assets and liabilities are those due in twelve months or less, and non-current liabilities are those due in more than twelve months.

The Group, within the current and non-current classification, should consider that assets and liabilities available for sale as well as cash and cash equivalents are classified directly as current, because they are

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

intended to be realized, disposed of or consumed during the normal cycle of operations or within twelve months after the reporting period.

In all cases, deferred tax balances recognized as assets or liabilities will be classified as non-current assets and liabilities in the presentation of the consolidated statement of financial position.

3.6. Accounting period

The Group prepares and discloses general purpose financial statements once a year, as of December 31.

By decision of the General Ordinary Shareholders' Meeting of Grupo Energía Bogota S.A. E.S.P., in Act No. 32 of August 22, 2002 and by means of a duly authorized and notarized Bylaw Amendment, the Board of Directors was authorized, after studying and analyzing the financial statements and in accordance with the provisions of the Code of Commerce, to determine at any time the account cuts it deems necessary, for the purpose of distributing profits.

4. Significant accounting policies

The significant accounting policies applied in the preparation of the accompanying general purpose consolidated financial statements are as follows:

4.1. Financial instruments

Financial assets and liabilities are initially recognized at fair value plus (minus) directly attributable transaction costs, except for those that are subsequently measured at fair value through profit or loss. GEB and its subsidiaries subsequently measure financial assets and liabilities at amortized cost or at fair value, depending on the Group's business model for managing financial assets and the characteristics of the contractual cash flows of the instrument.

4.1.1 Financial assets - Financial assets other than those at amortized cost are subsequently measured at fair value with changes recognized in profit or loss. However, for investments in equity instruments that are not held for trading purposes, GEB and its subsidiaries may elect, on initial recognition and irrevocably, to present gains or losses from fair value measurement in other comprehensive income.

On disposal of investments at fair value through other comprehensive income, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss for the period. Dividends received in cash from these investments are recognized in the statement of income. A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold them to obtain contractual cash flows and the contractual terms of the same grant, on specific dates, cash flows that are solely payments of principal and interest on the outstanding principal value..

A financial asset or part of it is derecognized from the statement of financial position when it is sold, transferred, expires or lost control over the contractual rights or cash flows of the instrument. A financial liability or part of a financial liability is derecognized from the statement of financial position when the contractual obligation has been settled or has expired.

When an existing financial liability is replaced by another from the same counterparty under substantially different terms, or if the terms of an existing liability are substantially modified, such exchange or

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

modification is accounted for as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

4.1.1.1 Impairment of financial assets – The Group recognizes a provision for expected credit losses on financial assets of investments measured at amortized cost or at fair value recognized in other comprehensive income, lease receivables, balances due from customers on construction contracts, as well as on credit commitments and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to recognize changes in credit risk since the initial recognition of the respective financial instrument.

GEB and its subsidiaries record expected credit losses on their debt securities, trade and lease receivables at the end of the reporting period. In determining expected credit losses under IFRS 9, GEB and its subsidiaries apply a simplified approach, which allows it not to monitor changes in credit risk, but to recognize a loss allowance based on expected credit losses over the life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected life of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Group recognizes a provision for individual impairment loss, and excludes the item from the collective assessment under the expected loss model.

To determine expected credit losses, GEB and its subsidiaries have used an allowance matrix based on the number of days that a trade account receivable is past due, that is, grouping the portfolio by ranges of days of default and applying to the outstanding balance of accounts receivable at the measurement date for each range of days of default a percentage of expected default of each subsidiary is segmented into two homogeneous groups, industrial business and mass business.

The impairment loss is recognized in administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable is considered uncollectible, the gross carrying amount of the receivable is written off against the associated allowance.

4.1.2 Financial liabilities - Financial liabilities correspond to the sources of financing obtained by the Company through bank loans and bond issues, accounts payable to suppliers and creditors.

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

Accounts payable to suppliers and creditors are short-term financial liabilities recorded at their nominal value since they do not differ significantly from their fair value.

The Group will derecognize a financial liability if, and only if the Group's obligations are canceled, met or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.2. Inventories

The inventories of the Group correspond to stocks that include the materials on which the risks and rewards of ownership have been acquired. Inventories are presented in the consolidated statement of financial position under current assets.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Inventories are valued at the lower of acquisition cost and net realizable value. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs.

The acquisition cost of inventories is comprised of the purchase cost, and all costs directly or indirectly attributable to the inventory, for example: transportation, customs costs, insurance, non-recoverable indirect taxes, etc., and should be subtracted from any commercial discounts, bonuses and premiums.

The cost of inventories may not be recoverable if the inventories are damaged, partially or totally obsolete, or due to low turnover.

Obsolete materials are those that are not expected to be sold or used in the Group's ordinary operating cycle, such as scrap. The Group determines the inventory provision according to their obsolescence and impairment.

4.3. Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are recognized at the lower of the carrying amount and fair value of the assets less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its current condition. Management must commit to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group commits to a sale plan involving the disposal of an investment in an associate or, a portion of an investment in an associate, the investment or the portion of the investment in the associate, which will be disposed of, is classified as held for sale when the criteria described above are met. The Group ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

4.4. Property, Plant and Equipment

The Group values its property, plant and equipment at acquisition cost, net of the related accumulated depreciation and any impairment losses that may have arisen. In addition to the amount paid for the acquisition of each item, the cost also includes, if applicable, the following items:

Land is not depreciated. Property under construction for rendering services is recorded at cost less any recognized impairment loss. Cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Construction in progress is transferred to operating assets at the end of the trial period, i.e., when it is available for use and in the condition intended by management.

Additional to the Price paid for the acquisition of each element, the cost also includes, in each case, the following concepts:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

- General and specific interest costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are those assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially prepared for their intended use or sale. The Group considers a substantial period to be a period exceeding twelve months. The interest rate used is that corresponding to the specific financing or, if it does not exist, the average financing rate of the investee company.
- Personnel expenses directly related to construction in progress.
- Future disbursements that the Group will face for any effect of the closing of its facilities are incorporated to the value of the asset at the restated value, recognizing for accounting purposes a provision for dismantling or restoration.

Feasible cost of capitalization is defined as those that individually are greater than 50 TVU. Those assets with a value lower than 50 TVU (Tax Value Unit) must be capitalized and depreciated during the remaining time of the year they are capitalized.

The costs of expansion, modernization or improvement that represent an increase in productivity, capacity, efficiency or a lengthening of the useful lives of the assets are capitalized as an increase in the cost of the corresponding assets.

Replacements or renewals of complete items that increase the useful life of the asset, or its economic capacity, are recorded as an increase in the value of the respective assets, with the consequent accounting retirement of the replaced or renewed items.

Periodic maintenance, upkeep and repair expenses are recorded directly in the statement of income as a cost for the period in which they are incurred.

Depreciation is recognized to take to income the cost of assets (other than land and property under construction) less their residual value, 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 change in the recorded estimate is recognized on a prospective basis.

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

The following are the main types of property, plant and equipment together with their respective estimated useful lives;

	Electricity transmisión	Electricity distribution	Gas distribution	Natural gas transportati on
Buildings	50	40 a 100	-	20 a 50
Plants, pipelines and stations	10 a 40	15 a 40	-	10 a 50
Nets, lines and cables	40 a 63	15 a 40	-	-
Machinery and equipment	10	15 a 40	10	10
Scientific equipment	10	-	-	-

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Furniture and accessories	10	5 a 10	10	10
Communication equipment	10	3 a 10	-	3 a 5
Computer equipment	5	3 a 10	4	3 a 5
Transport Equipment	5	5	4 a 5	20
Other equipment	10	3 a 10	4 a 10	5

4.5 Investment properties

Investment properties are those held for rental income and/or goodwill (including investment properties under construction for such purposes) and are initially stated at acquisition cost, including transaction costs incurred. After initial recognition, investment property is recorded at cost less accumulated depreciation.

An investment property is disposed of upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the period in which the property is derecognized.

4.6. Intangible assets

4.6.1 Intangible assets acquired separately - Intangible assets with finite useful lives acquired separately are recognized at acquisition cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at each year-end, and the effect of any change in the recorded estimate is recognized on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are recorded at cost less accumulated impairment losses.

Intangible assets correspond mainly to computer software and rights of way and rights of use. They are initially recognized at acquisition or production cost and subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

For rights of way and rights of use, the useful lives are related to the duration of the main asset for which they were acquired. The amortization process of the related easements and rights of way is initiated at the time the main asset is put into operation.

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

4.6.3 Concessions - The Group records through the subsidiary Contugas S.A.C. the Build-Own-Operate-Transfer (BOOT) concession contract, in accordance with the guidelines established by IFRIC 12 - Concession Contracts. The Group considers that IFRIC 12 is applicable because:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

- The Ministry of Energy and Mines ("grantor") regulates the services to be provided by the Company, setting the tariff calculation method, as well as the control of compliance with the same.
- The Ministry of Energy and Mines has control over a significant residual portion of the concession assets, as the assets will be returned to the grantor at the end of the contract at their book value.
- The construction of the infrastructure was carried out exclusively for the concession purpose. Such construction is not carried out directly by the Group but is entrusted to a third party under its supervision and responsibility.

Management has assessed that the IFRIC 12 model applicable to the Group is the intangible model, since Contugas has the right to charge for natural gas distribution services, which are associated with the actual consumption of users, and are within the regulatory regime established by the regulatory body OSINERGMIN. Likewise, the State controls any residual participation of the assets, in case they are generated.

Distribution assets that are in the process of construction or improvement are classified as contract assets, and are assets that will form part of the right to charge for natural gas distribution services.

Construction revenues for the concession assets are calculated at the fair value of the consideration received or receivable, for these purposes the subsidiary Contugas will use a 0% margin on the construction costs incurred, since the construction contract is with independent third parties and the margins are outside the concession, taking into account that they would be the market values that customers would pay if they contracted directly with the aforementioned third parties, since they are expected to generate future economic benefits for Contugas, since according to the Law, they are remunerated at a fee.

Concession assets include professional fees and, for qualifying assets, costs for loans obtained. The subsidiary determines the amortization expense using the straight-line method based on the remaining term of the concession.

Estimates of useful life, residual interest, if any, and amortization method are reviewed periodically to ensure that the amortization method and period are consistent with the expected pattern of economic benefits of the concession asset items.

4.7. Impairment of tangible and intangible assets

At the end of each reporting period, the Group evaluates the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets have suffered any impairment. If so, the recoverable amount of the asset is estimated to determine the extent of the impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation is identified, common assets are also allocated to individual cash-generating units or distributed to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Intangible assets with an indefinite useful life or not yet available for use must be tested for impairment annually, or more frequently if there is any indication that they may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In estimating value in use, the estimated future cash flows are discounted from present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than its 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.

When the impairment is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for that asset (or cash-generating unit) in prior years. The reversal of impairment is automatically recognized in profit or loss.

4.7.1. Impairment of investments in subsidiaries and associates - At the end of each reporting period, the Group assesses the carrying amounts of its assets for investments in subsidiaries and associates to determine whether there is any objective evidence that the value of the net investment is impaired. If so, the entire carrying amount of the investment (including goodwill which forms part of the cost of the investment, if applicable) is tested for impairment in accordance with IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount.

4.7.2. Impairment of the assets' value – property, plant, and equipment, and investment properties – The property, plant, and equipment, and intangible assets are valued to calculate their impairment, when the events or changes in the circumstance suggest that the carrying amount could not be entirely collected. If the recoverable value of an asset is lower than its carrying amount, an impairment is recognized in the profit and loss statement. Future cash flows used to calculate fair value are discounted using specific rates based on expectations on the future of the Group's operations, mainly estimates of sale, costs, capital investment, among others, changes in these estimates could impact the recoverable value of the assets. The estimates are periodically reviewed by management.

4.8. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence over financial and operating policy decisions, but not control or joint control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement are entitled to the net assets of the arrangement.

At the acquisition date, the excess of the cost of acquisition over the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed of the associate or joint venture is recognized as goodwill. Goodwill is included in the carrying value of the investment, is not amortized and is individually tested for impairment.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Investments in joint ventures and associates are included in the financial statements using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognized in the statement of financial position at cost, and are subsequently adjusted to account for the Group's share of profit or loss and other comprehensive income of the associate..

4.9. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. Under this method the identifiable assets acquired, liabilities and contingent liabilities assumed in the acquisition are recognized at fair value at the acquisition date, goodwill is recognized as an asset in the consolidated statement of financial position or a gain from a bargain purchase, as appropriate.

The consideration transferred on acquisition is measured as the fair value of the assets transferred, the liabilities assumed from the previous owners of the acquiree and the equity interests issued by the Group (if applicable).

Goodwill is measured as the difference, when positive, between the sum of the consideration transferred, the value of the non-controlling interest and, when applicable, the fair value of the previously held interest, over the net fair value of the assets acquired and the liabilities and contingent liabilities assumed.

The non-controlling interest is measured at fair value or at the proportionate share of the acquiree's identifiable assets acquired, liabilities and contingent liabilities assumed.

Any contingent consideration is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of financial instruments is classified as equity it should not be remeasured and its subsequent settlement should be accounted for within equity. Otherwise, the other contingent consideration is remeasured at fair value at each balance sheet date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Transaction costs are expensed as incurred, unless they relate to the issuance of debt or equity instruments.

4.10. Leases

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

In assessing whether a contract conveys the right to control the use of an identified asset, an assessment is made of whether, over the entire period of use, it has:

- (a) the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- (b) the right to decide the use of the identified asset.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The Group assesses whether a contract contains a lease at its origin. The Group recognizes a right-of-use asset and a corresponding lease liability in respect of all leases in which it is a lessee, except for short-term leases (term of 12 months or less) and leases of low-value assets (such as electronic tablets, personal computers and small items of office furniture and telephones). For these leases, the Group recognizes rental payments as an operating expense under the straight-line method over the lease term, unless another method is more representative of the time pattern in which the economic benefits from the consumption of the leased assets.

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

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

Initial measurement of a right-of-use asset - At the starting date, a lessee shall measure a right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- The amount of the initial measurement of the lease liability;
- Lease payments made before or as of the starting date, less lease incentives received;
- The initial direct costs incurred by the lessee; and
- An estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee could incur obligations because of those costs either on the starting date or because of having used the underlying asset during a particular period.

Initial measurement of lease liability - At the starting date, a lessee shall measure the lease liability at the present value of the lease payments that have not been paid at that date.

Lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the starting date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the starting date:

- Fixed payments, less any lease incentive receivable;
- Variable lease payments, which are dependent on an index or rate, initially measured using the index or rate at the starting date
- Amounts expected to be paid by the lessee as residual value guarantees;

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

- The exercise price of a purchase option if the lessee is reasonably certain to pursue that option
- Penalty payments for terminating the lease, if the lease term reflects that the lessee will exercise an option to end the lease.

Subsequent measurement of the right-of-use asset - After the starting date, the Group will measure its right-of-use asset using the cost model.

4.11. Borrowing Costs

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

Income earned on the temporary investment of specific unused loan proceeds in qualifying assets is deducted from loan costs eligible for capitalization.

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

4.12. Employee benefits

Employee benefits comprise:

(a) short-term employee benefits, such as the following, if they are expected to be settled in full within twelve months after the end of the annual reporting period in which the employees render the related services:

- (i) wages, salaries and social security contributions;
- (ii) paid leave and paid sick leave entitlements;
- (iii) profit sharing and incentives; and

(b) Post-employment and other long-term benefits.

In the case of defined benefit plans, which include seniority premiums and pensions, their cost is determined using the projected unit credit method, with actuarial valuations performed at the end of each reporting period.

The remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income will not be reclassified to profit or loss in a subsequent period.

Net interest is calculated by applying the discount rate at the beginning of the period of the defined benefit asset or liability. Defined benefit costs are classified as follows:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

- Service cost (including current service cost, past service cost, as well as gains and losses from curtailments or settlements).
- Net interest expense or income.

The Group presents the first two components of defined benefit costs as an expense or income depending on the item. Curtailment gains and losses are recognized as past service costs.

The postretirement benefit obligations recognized in the statement of financial position represent the current gains and losses on the Group's defined benefit plans. Any gain arising from this calculation is limited to the present value of any economic benefit available from refunds and reductions of future contributions to the plan.

4.13. Income tax

Taxes comprise the value of the mandatory levies for private liquidations determined on the tax bases of the fiscal period, in accordance with national and territorial tax regulations.

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

Current tax - The current tax payable is based on taxable income recorded during the year. Taxable income differs from the income reported in the statement of comprehensive income due to items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates enacted or substantively enacted at the end of the reporting period. The Group determines the provision for income tax and supplementary taxes based on taxable income, estimated at rates specified in the tax law.

Deferred tax - Differences between the book value of assets and liabilities and their tax base generate deferred tax assets or liabilities, which are calculated using the tax rates that are expected to be in effect when the assets and liabilities are realized, considering for such purpose the rates that at the end of the reporting period have been approved or for which the approval process has been practically completed.

Deferred tax assets are recognized for all deductible temporary differences, losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available to recover the deductions for temporary differences and to realize the tax credits, 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 it was made, it did not affect either the accounting profit or the tax gain (loss).

With respect to deductible temporary differences related to investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profits will be available against which the temporary differences can be used.

Deferred tax liabilities are recognized for all temporary differences, except those arising from the initial recognition of goodwill and those arising from the valuation of investments in subsidiaries, associates and joint ventures, where the Group can control the reversal thereof and it is probable that they will not reverse in a foreseeable future.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The effect of temporary differences that result in the payment of a lower or higher income tax in the current year is recorded as a deferred tax credit or debit respectively at the tax rates in effect when the differences reverse if there is a reasonable expectation that such differences will reverse in the future and furthermore for the asset, that enough taxable income will be generated at that time.

Income tax expense is accounted for in accordance with IAS 12 "Income Taxes".

Current tax and changes in deferred tax assets or liabilities are recorded in profit or loss for the period, other comprehensive income or consolidated equity, depending on where the gains or losses giving rise to them have been recorded.

Any reductions that may be applied to the amount determined as current tax liabilities are charged to profit or loss as a credit to "Income tax expense", unless there are doubts as to their tax realization, in which case they are not recognized until their effective materialization, or they correspond to specific tax incentives, in which case they are recorded as grants.

At each accounting close, the deferred tax assets and liabilities are reviewed to verify that they are still in force, and the appropriate adjustments are made in accordance with the results of the analysis.

Income tax is presented net, after deducting advances paid and withholdings at source.

Deferred tax assets and liabilities are presented net in the statement of financial position, if there is a legally enforceable right to offset current tax assets versus current tax liabilities, and only if these deferred taxes relate to income taxes corresponding to the same tax authority.

The Group periodically evaluates tax positions taken in tax returns and determines potential tax contingencies, provided that it has a present obligation and it is more likely than not that the Group will have to give up economic resources to settle the obligation, making the best estimate of the amount of the obligation.

Social Investment Law – (Tax Reform 2021)

In September 2021, the Tax Law in Colombia was modified through Law 2155 increasing the income tax rate from 2022 to 35%, rate that will be reviewed 5 years after this Law comes into force.

Other modification introduced by the Social Investment Law correspond to the tax discount for industry and commerce tax, which is kept at 50%, leaving unapplied the 100% discount previewed for 2022.

Decree 1311 of 2021:

The Group decided to recognize with charge the retained earnings in equity, the variation in the deferred income tax, derived from the increase in the income tax rate, in accordance with the provisions of the Social Investment Law 2155 of September 14, 2021.

The aforementioned is as established in Decree 1311 of October 20, 2021, issued by the Ministry of Industry and Commerce.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

4.14. Provisions

Obligations existing at the date of these financial statements, arising because of past events that could result in a probable loss for the Group, the amount and timing of which are uncertain, are recorded in the statement of financial position as provisions for the present value of the most probable amount that the Group estimates it will have to disburse to settle the obligation.

Provisions are quantified based on the best information available at the date of issuance of the financial statements on the consequences of the event giving rise to them and are re-estimated at each subsequent balance date.

As part of the provisions, the Group includes the best estimate of the risks for civil, labor and administrative litigation, so it is not expected that these will result in additional liabilities to those recorded; given the characteristics of the risks covered by these provisions, it is not possible to determine a certain date of cancellation of the estimated obligation. In assessing the probability of loss, available evidence, case law and legal evaluation should be considered.

Risks from civil and labor litigation that are considered contingent are disclosed in the notes to the financial statements.

A contingent asset arises from the existence or nonexistence of one or more uncertain events in the future that are not wholly within the control of the entity. It is disclosed when the inflow of benefits is probable; if the realization of the revenue is virtually certain, it is recognized in the financial statements. The Group shall refrain from recognizing any asset of a contingent nature.

Contingent liabilities are not recognized but are subject to disclosure in the explanatory notes when it is probable that an outflow of resources will be required, including those whose values cannot be estimated.

Disbursements related to environmental conservation, linked to income from current or future operations, are recorded as expenses or assets, as appropriate. The creation of these provisions coincides with the identification of an obligation related to environmental remediation and the Group has adequate information to determine a reasonable estimate of the respective cost.

4.15. Derivative financial instruments

A derivative financial instrument is an instrument whose value varies in response to changes in a variable, for example, interest rate, exchange rate, price of a financial instrument, credit rating or index. These types of instruments do not require an initial investment or it is lower in relation to other financial instruments with similar response to changes in market conditions and is generally settled at a future date.

Operations with derived financial instruments - Derivatives are initially recognized at fair value at the date the derivative contract is entered into and subsequently remeasured at fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in profit or loss depends on the nature of the hedging relationship.

Hedges of a net investment in a foreign operation - GEB uses different financial instruments to manage its exposure to exchange rate risks. The financial obligations are measured at their amortized cost. Profit or loss from the effect of difference in exchange for the obligations in foreign currency are recognized in the profit and

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

loss of the period unless the financial obligation is designated as a hedge instrument, in which case the moments of recognition in profit and loss depends on the nature of the hedge relationship.

Hedge is classified as a net investment in a foreign operation when the exchange rate risk originated by the effect of exchange of a net investment in a foreign operation is covered.

The effective portion of the changes in the financial liabilities designated that qualify as hedges of a net investment are recognized in other comprehensive income and accumulated under the title of hedge of net investment.

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified in profits in the periods in which the item covered is recognized in profit.

Hedge accounting is discontinued when the hedging relationship does not meet the requirements of the effectiveness assessment, the hedging instrument is terminated, sold or exercised, the item no longer meets the conditions for hedge accounting or if the hedging relationship no longer meets the risk management objective.

4.16. Revenue recognition

The Group recognizes revenue from ordinary activities in a manner that represents the transfer of goods or services committed to customers in exchange for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group recognizes revenue from ordinary activities in accordance with this basic principle by applying the following steps:

- i. Identifying the contract (or contracts) with the customer
- ii. Identifying the performance obligations in the contract
- iii. Determining the transaction price
- iv. Allocating the transaction price between the performance obligations of the contract
- v. Recognizing revenue when (or as) the entity satisfies a performance obligation

When (or as) a performance obligation is satisfied, the Group shall recognize as revenue from ordinary activities the amount of the transaction price that is allocated to that performance obligation.

A contract is an agreement between two or more parties that creates enforceable rights and obligations. The enforceability of the rights and obligations of a contract is a matter of the legal system. Contracts may be written, oral or implicit in the Group's traditional business practices.

The Group recognizes revenue from contracts with customers for the activity of power transmission, transportation and distribution of natural gas, recognized at a point in time.

4.17. Recognition of costs and expenses

Costs and expenses are recognized by the Group to the extent that occur economic facts in such a way that they are systematically registered in the corresponding accounting period, independent of the monetary

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

resources or financial flows. Expenses are comprised of expenditures that are not classified to be recorded as a cost or as an investment.

Costs include personnel or third-party costs directly related to the rendering of services, depreciation, amortization, among others.

Expenses include maintenance of assets, taxes, utilities, among others. All of them incurred by the processes responsible for the provision of services.

Costs directly related to the formation or acquisition of an asset that requires a substantial period of time to bring it to a condition for use and sale are included as investments. Among others, personnel costs directly related to the construction of projects, interest costs on debt used to finance projects and major maintenance costs that increase the useful life of existing assets, among others, are capitalized as construction in progress.

4.18. Statement of cash flows

The statement of cash flows shows the cash movements during the year, determined by the indirect method using the following expressions as shown below:

- Cash flows: inflows and outflows of cash or cash equivalents, understood as investments with a term of less than three months with high liquidity and low risk of changes in value.
- Operating activities: activities that constitute the principal source of the Group's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of total equity and financial liabilities.

4.19. Related parties

Related parties are considered to be those where the Group has the capacity to control, exercise significant influence or exercise joint control in the decision-making of other companies or is a member of key management personnel.

4.20. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the company by the weighted average number of common shares outstanding during the period.

5. Critical accounting judgments and estimates

In the application of accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that do not appear

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

to arise from other sources. The associated estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

The underlying estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period of the revision if the revision affects only that period, or in future periods.

5.1. Critical judgments

The following are critical judgments, other than those involving estimations, that the Group's management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements. The judgments refer basically to:

Contingencies - The Company has provided for estimated loss impacts related to various claims, situations or circumstances related to uncertain outcomes. The Company records a loss if an event occurred on or before the date of the statement of financial position and (i) information is available at the date the financial statements are issued that indicates 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. The Company continually evaluates contingencies for lawsuits, environmental remediation and other events.

Deferred taxes - Judgment is required to determine whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unused tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods to use the deferred tax assets recorded. Assumptions about the generation of future taxable profits depend on expectations of future cash flows. Estimates of future tax earnings are based on expected cash flows from operations and judgment about the application of the tax laws in effect in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the Company's ability to realize the net deferred tax assets recorded at the reporting date could be affected.

Functional currency - Management uses its judgment in determining its functional currency. The determination of the functional currency of Grupo Energía Bogotá S.A. E.S.P. and each of its investments in subsidiaries, associates and joint ventures is determined by evaluating the principle and indicators established in IAS 21: "Effect of changes in foreign currency exchange rates."

Cash-generating units - In performing impairment tests on non-current assets, assets that do not individually generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets should be grouped to the cash-generating unit to which the asset belongs, which is the smallest identifiable group of assets that generates cash inflows in favor of the company that are largely independent of the cash flows derived from other assets or groups of assets. Management uses its judgment in determining the cash-generating units for impairment testing purposes.

Determination of average exchange rates for translation of financial statements - Consolidated revenues, costs and expenses of subsidiaries whose functional currency differs from the parent company's functional currency are translated to the presentation currency using the average exchange rate for the reporting period. Management considers that the average exchange rates approximate the rates in effect at the date of the transaction.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

5.2. Key sources of uncertainty in estimates

Key assumptions regarding the future and other key sources of uncertainty in estimates at the end of the period, which have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next year.

Employee benefits - The cost of the defined benefit pension plan, other post-employment benefits and the present value of pension obligations are determined by actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual events in the future. These include the determination of the discount rate, future salary increases, mortality rates and pension increases. Due to the complexity of the valuation process and their long-term nature, the obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of Investments in associates - At the end of each reporting period, the Group assesses the carrying amounts of its investment assets in associates to determine whether there is an indication that these assets have suffered an impairment loss. If so, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Goodwill impairment - Determining whether goodwill is impaired involves calculating the value in use of the cash-generating units to which the goodwill has been allocated. The calculation of value in use requires the Group to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate the present value.

Impairment of assets - property, plant and equipment and investment property - Investments in joint ventures, other investments, advances and loans, property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recovered. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized in the income statement. Future cash flows that are used to calculate fair value are discounted using specific rates based on expectations of the future of the Company's operations, mainly estimates of sales, costs, commodity prices, capital expenditures, among others, changes in these estimates could impact the recoverable amount of the assets. The estimates are periodically reviewed by management.

Impairment of financial assets - The Group recognizes a provision for expected credit losses in investments in debt instruments that are measured at amortized cost or at fair value recognized in other comprehensive income, lease receivables, balances due from customers on construction contracts, as well as on credit commitments and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to recognize changes in credit risk since the initial recognition of the respective financial instrument.

The Group records expected credit losses on its debt securities and trade receivables at the end of the reporting period. In determining expected credit losses under IFRS 9, GEB applies a simplified approach, which allows it not to monitor changes in credit risk, but to recognize a loss allowance based on expected credit losses over the life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected life of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Group recognizes a provision for individual impairment loss, and excludes the item from the collective assessment under the expected loss model.

To determine expected credit losses, GEB and its subsidiaries have used an allowance matrix based on the number of days that a trade account receivable is past due, that is, grouping the portfolio by ranges of days of

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

default and applying to the outstanding balance of accounts receivable at the measurement date for each range of days of default a percentage of expected default of each subsidiary is segmented into two homogeneous groups, industrial business and mass business.

The impairment loss is recognized in administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable is considered uncollectible, the gross carrying amount of the receivable is written off against the associated allowance.

Decommissioning, retirement or rehabilitation liabilities - Provision for future decommissioning, retirement and rehabilitation costs require estimates and assumptions about a relevant regulatory framework, the magnitude of possible disruptions, the duration, extent and costs of required closure and rehabilitation activities, and the risk-adjusted discount rates used to determine the present and future value of cash outflows. To the extent that real future costs differ from those estimated, adjustments are recognized, and the income statement will be impacted. The provisions, including the estimates and assumptions contained therein, will be reviewed regularly by management.

The calculations of these estimates are complex and involve significant judgments by management, such as internal cost projections, future inflation and discount rates.

Significant variations in external factors used in the calculation of the estimate may have a significant impact on financial statements.

6. **Standards issued by IASB**

The following accounting pronouncements issued under the accounting framework accepted in Colombia are applicable to annual periods beginning after January 1, 2023 and have not been applied in the preparation of these consolidated financial statements. The Group intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not in advance.

Reform of the Benchmark Interest Rate, amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement; and IFRS 7 - Financial Instruments: Disclosures:

Following the financial crisis, the reform and replacement of benchmark interest rates such as LIBOR GBP and other interbank offered rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise timing and nature of these changes. In order to transition existing contracts and agreements that reference LIBOR, term spread and credit spread adjustments may need to be applied to allow the two reference rates to be economically equivalent in the transition

The amendments made to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures provide certain alternatives in relation to the reform of the benchmark interest rate. The alternatives relate to hedge accounting and have the effect that the reforms generally should not cause hedge accounting to end. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBORs), the alternatives will affect companies in all industries.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Accounting policies related to hedge accounting will need to be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between fair value hierarchy levels as markets become more or less liquid.

The Group will evaluate the impact these could have on the consolidated financial statements.

Reference to the Conceptual Framework, amendments to IFRS 3:

The amendment published in May 2021 addressed 3 amendments to the standard in order to: update 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. The Group will evaluate the impact that these could have on the financial statements.

IAS 1 - Presentation of financial statements, amendments related to the classification of liabilities as current or non-current:

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 classification is not affected by the entity's expectations or events after the reporting date. The changes also clarify what is meant by "settlement" of a liability in terms of the standard. The Group will assess the impact they may have on the financial statements.

IAS 16 - Property, plant and equipment, amendments in relation to products obtained before their intended use:

The amendment issued 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 location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity would recognize the amounts of those sales in profit or loss for the period.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, Onerous Contracts - Cost of Contract Performance:

The purpose of this amendment, which was also issued in May 2021, is to specify the costs that an entity includes when determining the "cost of performing" a contract for the purpose of assessing whether a contract is onerous; it clarifies that the direct costs of performing a contract include both the incremental costs of performing a contract and an allocation of other costs that relate directly to the performance of the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, an entity should recognize impairment losses on assets used to fulfill the contract. GEB shall evaluate the impact that such losses could have on the financial statements.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

IFRS 4 - Insurance Contracts, extension of the Temporary Exemption from the Application of IFRS 9 - Financial Instruments:

By means of this amendment, 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 2018-2020, amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture:

The following improvements were finalized in May 2022:

- IFRS 9 Financial Instruments: clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases: amends illustrative example 13 of the standard to remove the illustration of lessor payments related to leasehold improvements, to eliminate any confusion on the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the carrying amounts recorded in their parent's accounts to also measure cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures under certain conditions.
- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

Conceptual Framework:

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

- Increasing the importance of management in the objective of financial reporting;
- Restoring prudence as a component of neutrality;
- Defining a reporting entity, which can be a legal entity or a part of an entity;
- Revise the definitions of an asset and a liability;
- Remove the probability threshold for recognition and add guidance on derecognition;
- 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 the accounting standards will be required to apply the revised Framework as of

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

January 1, 2023. These entities will need to consider whether their accounting policies continue to be appropriate under the revised Framework.

The following accounting pronouncements issued incorporated into the accounting framework accepted in Colombia, the application of which is mandatory as of January 1, 2024. The Company intends to adopt the accounting pronouncements applicable to them on their respective dates of application 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 annual reporting period in which the company applies the amendments.

IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2, Disclosure of Accounting Policies:

The IASB amended IAS 1 to require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments define what is "material information about accounting policies" and explain how to identify when information about accounting policies is material. They further clarify that immaterial accounting policy information need not be disclosed. If disclosed, it should not obscure material accounting information.

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

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

Lease 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 Taxes, Deferred taxes related to assets and liabilities arising from a single transaction:

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

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The amendment should be applied to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest 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.

The cumulative effect of the recognition of 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 on-balance sheet tax effects of leases and similar transactions, and various approaches were considered acceptable. Some entities may have already 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 classification of liabilities as current or non-current:

The limited-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 classification is not affected by the entity's expectations or events after the reporting date (e.g., receipt of a waiver or breach of a covenant). 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 into account management's intentions in determining classification and in the case of some liabilities that may be converted to 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 adoption of these amendments, the IASB has issued an exposure draft proposing additional changes and deferral of the amendments until at least January 1, 2024.

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

IFRS 17 Insurance Contracts

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

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

IFRS 17 repeals 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 previous 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 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-cash assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 Business Combinations).

When the nonmonetary assets constitute a business, the investor recognizes 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 are applied 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.

7. Cash and Cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash and banks and investments in money market instruments, net of bank overdrafts. Cash and cash equivalents at the end of the period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<u>2022</u>	<u>2021</u>
Cash and Banking	193.750	323.941
Cash equivalents (1)	113.477	100.945
	<u>307.227</u>	<u>424.886</u>

(1) Cash and equivalents are shown below:

2022

2021

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Short-term liquidity deposits (2)	113.477	37.966
Rights in securities funds and trusts	-	62.961
Others	-	18
	<u>113.477</u>	<u>100.945</u>

(2) Short-term liquidity deposits, which are mainly from Transportadora de Gas Internacional S.A. E.S.P - TGI for 35.471, Grupo de Energía de Bogotá for 44.889 and EEB Gas for 13.225.

The cash and cash equivalents disclosed above and the statement of cash flows as of December 31, 2022 and December 31, 2021, do not present balances classified as restricted cash.

8. Financial assets

As of December 31, 2022 and 2021, the balance of financial assets comprises the following:

	2022	2021
Investments recorded at amortized cost - Trust Funds	2.691	1.884
Investments in equity instruments	876	1.058
Investments at fair value through profit or loss	18	28
	<u>3.585</u>	<u>2.970</u>
Current	876	1.058
Non-current	2.709	1.912
	<u>3.585</u>	<u>2.970</u>

9. Trade debtors and other receivables

The balances of accounts receivable as of December 31, 2022 and 2021 are presented below:

	<u>2022</u>	<u>2021</u>
Clients	337.362	289.789
Allowance for doubtful accounts	<u>(38.496)</u>	<u>(81.814)</u>
Net clients	298.866	207.975
Advances	4.882	4.758

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Employees	11.136	13.816
Others (1)	14.178	29.861
Difficult debts	56.596	50.479
Impairment	(59.987)	(60.451)
Total Accounts receivable	325.671	246.439
Revenue to be billed	-	116.238
	<u>325.671</u>	<u>362.677</u>
Current	262.087	288.805
No current	63.584	73.873
	<u>325.671</u>	<u>362.677</u>

(1) As of December 31, 2022 corresponds mainly to recoveries, private debtors and pension installments and as of December 31, 2021 corresponds mainly to balances receivable from private and official debtors, judicial deposits of liens and easements and Subsidies to OSINERGMIN.

As of December 31, 2022 and 2021, the amount of the allowance for impairment of accounts receivable amounts to 98.483 and 142.265, respectively. The changes in the provision for impairment of accounts receivable are described in the following table:

	<u>2022</u>	<u>2021</u>
Opening balance	(142.265)	(80.111)
Impairment	(5.770)	(23.988)
Write-off	447	-
Reversals	(42.832)	(40.657)
Exchange Difference	1.868	6.944
Conversion effect	(4.405)	(4.452)
	<u>(98.483)</u>	<u>(142.265)</u>

10. Tax assest

As of December 31, 2022 and 2021, the balance of tax assets comprises the following:

	<u>2022</u>	<u>2021</u>
Income tax (1)	14.843	16.100
Prepaid taxes (2)	48.976	18.126
VAT - Balances in favor (3)	<u>1.020</u>	<u>27.419</u>
	<u>64.839</u>	<u>61.645</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

current	39.278	34.226
non-current	25.561	27.419
	64.839	61.645

(1) The income tax credit balance corresponds to the difference between withholdings and self-withholdings made to companies and the current tax expense.

(2) Corresponds to withholdings and self-withholdings at source made during the period and that at year-end will be offset with the current income tax provision liability.

(3) The balance corresponds mainly to VAT credit balances.

11. Non-current assets held for sale

As of December 31, 2022 and 2021, the balance of assets held for sale comprises the following:

	<u>2022</u>	<u>2021</u>
Land and buildings. net	37.589	45.653

Correspond to land and fixed assets buildings which are available in their current conditions for immediate sale, although these assets have remained in this classification for more than one year, at December 31, 2022 GEB will continue to maintain the assets in this category making use of the exception of IFRS 5, since the sale of these assets has been managed and due to circumstances beyond GEB's control the sale of these assets has not been completed, however, GEB complies with the provisions of the international standard.

12. Other non – financial assets

As of December 31, 2022 and 2021, the balance of other non-financial assets comprises the following:

	<u>2022</u>	<u>2021</u>
Insurance	6.467	8.054
Judicial deposits	5.706	9.356
Others	5.610	1.680
	<u>17.783</u>	<u>19.090</u>
Current	17.780	9.731
No current	3	9.359
	<u>17.783</u>	<u>19.090</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

13. Non- controlling interest

Details of significant non-controlling interest at the end of the reporting period are as follows:

As of December 31, 2022

Subsidiarie	Country	Participation	Current assets	Non-current assets	Current liabilities	No current liabilities
Gas Natural de Lima y Callao S.A.	Perú	40%	112.119	450.467	68.217	333.209

Subsidiarie	Revenues	Profit for the year	Dividends declared
Gas Natural de Lima y Callao S.A.	332.505	40.929	33.791

As of December 31, 2021

Subsidiarie	Country	Participation	Current assets	Non-current assets	Current liabilities	No current liabilities
Gas Natural de Lima y Callao S.A.	Perú	40%	110.913	411.154	72.877	305.814

Subsidiarie	Revenues	Profit for the year	Dividends declared
Gas Natural de Lima y Callao S.A.	299.021	38.278	64.534

14. Business Combination

On May 16, 2022, Grupo Energía Bogotá S.A. E.S.P., signed an agreement for the purchase of the shares that Green Electribus S.A.S, Fondo Ashmore Andino II FCP and NB Laof Wayu S.a.r.l. owned in ELECNORTE SAS ESP, with a participation of 68.70135%, 31.29860% and 0.00005% respectively; fact that represented Grupo Energía Bogotá S.A. E.S.P. the acquisition of 100%, thus exercising direct control of said Company. This operation was carried out within the framework of the expansion strategy and portfolio focused on strengthening the Group.

Elecnorte seeks to strengthen the electrical system of the Caribbean coast and is in charge of the design, procurement of supplies, construction, operation and maintenance of the electrical reinforcement of La Guajira: Riohacha-Maicao 110 kV and Riohacha-Cuestecitas 110 kV in the department of La Guajira.

The consideration transferred at the time control of Elecnorte was obtained corresponds to 116.943 paid in cash, of which 7.114 correspond to a loan from GEB to Elecnorte for the purpose of paying the financial obligations held by the acquired entity at the time of acquisition transaction, and which will be recovered through an account receivable

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

from Elecnorte and 109.829 corresponding to the price paid in the purchase transaction of Elecnorte for the assets acquired and liabilities assumed.

The consideration paid by GEB and the fair values of the assets acquired and the liabilities assumed on the acquisition date are summarized below:

	<u>Fair Value</u>
Cash and cash equivalents	11.245
Trade debtors and other receivables	1.879
Tax assest current	1.541
Other non – financial assets	62
Prepaid expenses	2
Inventory	134
Net Property, plant and equipment	125.154
Borrowings and obligations	(80.133)
Trade and other payables	(1.747)
Employee benefits	(25)
Retention in guarantee	(61)
Guarantee deposit	(246)
Deferred tax liabilities	(12.875)
Other non-financial liabilities	(173)
Net identifiable assets acquired	<u>44.756</u>
Goodwill	<u>65.073</u>
Net assets acquired	<u><u>109.829</u></u>

Goodwill is attributable to the cash flows and profitability of the acquired business.

Consideration - cash outflow

	<u>June 17, 2022</u>
<i>Cash used to acquire a subsidiary, net of cash acquired</i>	
Cash payment	109.829
Less: Balance acquired	
Cash and cash equivalents	<u>11.245</u>
Net cash flow used - investing activities	<u>98.584</u>

15. Investment in associates and Joint ventures

The detail of the Group's investments in associates is as follows:

**Proportion of ownership and voting
shareholding and voting power**

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

<u>Name of the associated</u>	<u>Principal Activity</u>	<u>Place of incorporation and operation</u>	<u>Type</u>	<u>2022</u>	<u>2021</u>
Enel Colombia S.A. E.S.P.	Energía	Colombia	Ordinaria	42,52%	-
Emgesa S.A. E.S.P.	Energy	Colombia	Regular	-	37,44%
Emgesa S.A. E.S.P.	Energy	Colombia	Preferential	-	14,07%
Codensa S.A. E.S.P.	Energy	Colombia	Regular	-	36,49%
Codensa S.A. E.S.P.	Energy	Colombia	Preferential	-	14,83%
Consortio Transmantaro S.A.	Energy	Perú	Ordinaria	40,00%	40,00%
Red de Energía del Perú S.A.	Energy	Perú	Ordinaria	40,00%	40,00%
Agencia Analítica de Datos S.A.S.	Others	Colombia	Regular	40,00%	40,00%
Gas Natural S.A. E.S.P.	Gas	Colombia	Regular	24,99%	24,99%
EMSA S.A. E.S.P.	Energy	Colombia	Regular	16,23%	16,23%
Promigas S.A. E.S.P.	Gas	Colombia	Regular	15,24%	15,24%

The detail of the Group's investments in joint ventures is as follows:

<u>Name of joint venture</u>	<u>Principal Activity</u>	<u>Place of incorporation and operation</u>	<u>Type</u>	<u>2022</u>	<u>2021</u>
Goiás Transmissao S.A.	Electricity generation	Brasil	Ordinaria	51,00%	51,00%
Mge Transmissao S.A.	Electricity generation	Brasil	Ordinaria	51,00%	51,00%
Transenergia Renovavel S.A.	Electricity generation	Brasil	Ordinaria	51,00%	51,00%
Transenergia Sao Paulo S.A.	Electricity generation	Brasil	Ordinaria	51,00%	51,00%
ARGO S.A.	Electricity generation	Brasil	Ordinaria	50,00%	50,00%
Argeb Energía S.A.	Special Purpose Vehicle	Brasil	Ordinaria	37,50%	-

The corporate purpose and other relevant information of the main associated companies is as follows:

Enel Colombia S.A. E.S.P. - Through Resolution No. 325-002477 of February 28, 2022, the Superintendence of Companies approved the merger process of the companies Emgesa S.A. ESP, Codensa S.A. E.S.P., Enel Green Power Colombia S.A.S. ESP and ESSA2 SpA (subsidiaries in Central America) into a single company whose corporate name is Enel Colombia S.A. ESP.

The merger of these Enel Group companies contemplates the addition of the assets of Colombia, Costa Rica, Panama and Guatemala. It also enables the corporate reorganization between Enel Américas (57.345%), Grupo Energía de Bogotá (42.515%) and other minority shareholders (0.140%). The above, as a result of the Investment Framework Agreement (IFA) signed with GEB in January 2021.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Consortio Transmantaro S.A. – CTM– Transmantaro is a Peruvian company domiciled in the city of Lima. It was incorporated in January 1998, but it was on December 13, 2006 that GEB became part of this company. Its main activity is the transmission of electric power and it provides operation and maintenance services. GEB directly owns 40% of the capital stock.

Red De Energía Del Perú S.A. – REP– is a Peruvian company domiciled in the city of Lima. It was incorporated on July 3, 2002. REP offers electric power transmission services, associated services, among which are operation and maintenance services of power transmission and transportation facilities and specialized technical services. GEB directly owns 40% of the capital stock of this company.

Gas Natural S.A E.S.P. - It was incorporated as a commercial company on April 13, 1987. In June 1997, the sale process of Ecopetrol's participation in the company culminated, entering as new majority shareholder a Spanish Investor Group, through the company Gas Natural Latinoamericana. In 1999, the shareholding of the Spanish Investor Group was defined, through Gas Natural Internacional SDG. The purpose of this company is the distribution and commercialization of natural gas, as well as the execution of exploration, production, generation, transportation and/or transmission, distribution and commercialization of any type of energy.

According to minute No 270 of October 25, 2018, the board of directors approved the socialization of the new brand called "VANTI S.A. E.S.P." widespread as of November 23, 2018. To the date of report, GEB, for its share percentage and other relevant aspects, exerts significant influence over its investment.

Electrificadora del Meta S.A E.S.P. – EMSA - EMSA - Electrificadora del Meta S.A. E.S.P., is a joint stock company that is part of the companies of the Nation and its main purpose is to provide the public electric energy service.

EMSA E.S.P. develops activities of commercialization and distribution of electric energy in 24 of the 29 municipalities of the Department of Meta. To the date of report, GEB, for its share percentage and other relevant aspects, exerts significant influence over its investment.

Promigas S.A E.S.P. - Colombian company whose purpose is the purchase, sale, transportation, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general and of the gas and oil activity in all its manifestations..

To the date of report, GEB, for its share percentage and other relevant aspects, exerts significant influence over its investment.

Transenergía Renovável S.A.- TER - Incorporated on December 18, 2008, in the form of a closed joint stock company, by Furnas Centrais Elétricas SA and Gebbras Participações Ltda, winner of Lot C of Auction No. 008/2008 of the National Electric Energy Agency (ANEEL), to execute the object of Concession Contract No. 009/2009.

In the electric power transmission sector, TER is responsible for the construction, operation and maintenance of transmission lines and substations located in the states of Goiás, Mato Grosso and Mato Grosso do Sul, with the objective of draining the surplus energy from the cogeneration processes of seven sugar and alcohol plants in the region.

Transenergía São Paulo S.A.- TSP – Incorporated on July 8, 2009, in the form of a closely held corporation, currently Furnas Centrais Elétricas S.A. and Gebbras Participações Ltda., winner of Lot G of the National Electric Energy Agency (ANEEL) Auction No. 001/2009, to execute the object of Concession Contract No.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

024/2009.

Operating in the electric power transmission sector, TSP is responsible for the construction, operation and maintenance of transmission facilities located in the State of São Paulo.

Goiás Transmissão S.A. – GOT - Incorporated on February 3, 2010, in the form of a closely-held corporation, currently Furnas Centrais Elétricas SA. and Gebbras Participações Ltda., winner of Lot A of the National Electric Energy Agency (ANEEL) Auction No. 005/2009, to execute the object of Concession Contract No. 002/2010.

Operating in the electric power transmission sector, GOT is responsible for the construction, operation and maintenance of transmission lines located in the State of Goiás.

MGE Transmissão S.A. – MGE - Incorporated on February 3, 2010, in the form of a closely-held corporation, currently Furnas Centrais Elétricas SA. and Gebbras Participações Ltda., winner of Lot G of the National Electric Energy Agency (ANEEL) Auction No. 005/2009, to execute the object of Concession Contract No. 008/2010.

Operating in the electric power transmission sector, MGE is responsible for the construction, operation and maintenance of transmission lines located in the states of Minas Gerais and Espírito Santo.

Argo Energia Empreendimentos e Participações S.A.: In February 2022, the Brazilian company Argo Energia Empreendimentos e Participações S.A. (Argo), in which GEB has a 50% stake, upon compliance with the conditions of the share purchase agreement signed with Rialma Administração e Participações S.A., and after the regulatory authorities in Brazil approved the transaction, acquires the entire share capital of Rialma Transmissora de Energia III S.A. (Rialma III). Rialma III is the winning company of Lot 30 of auction 005/2016 conducted by the National Electric Energy Agency (ANEEL) in April 2017. The concession is located in the states of Piauí, Pernambuco and Ceará, and is responsible for the construction and operation of 322 kilometers of transmission lines in 500kv - C1. From now on, the corporate name of Rialma III will be Argo IV Transmissão de Energia S.A.

At the end of 2022, Argo Energia Empreendimentos e Participações S.A. (Argo - which holds with the Spanish company Redeia) and Gebbras Participações Ltda (Gebbras) acquired 100% of the ordinary shares of five electric power transmission concessions in northeastern Brazil.

These are the concessions Esperanza Transmissora de Energia S.A., Odoyá Transmissora de Energia S.A., Transmissora José Maria de Macedo de Eletricidade S.A., Giovanni Sanguinetti Transmissora de Energia S.A., and Veredas Transmissora de Energia S.A., which are in the states of Bahia, Ceará, Minas Gerais, Paraíba, Piauí and Rio Grande do Norte. They entered commercial operation between 2017 and 2021; they total 2,416 kilometers of 500 kilovolt (kV) and 230 kV transmission lines and 20 substations, the acquisition was made for about USD \$834 million.

Agencia Analítica de Dados - AGATA: Grupo Energía Bogotá S.A. E.S.P. joined as a founding partner, with a share of 40%, in the creation of Agencia Analítica de Dados (Ágata), entity that will allow to improved the quality of life of the citizens by using information analysis and improving decision-making. During 2022, two capitalizations were made, in January in the amount of USD \$0,7 and in June in the amount of USD \$0,5, these capitalizations did not imply a change in the Company's percentage of ownership.

Argeb Energia Empreendimentos e Participações S.A.: is a corporation, listed as category "B" in the São Paulo Stock Exchange - B3, incorporated on August 2, 2022.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Argeb's corporate purpose is to participate in the capital of other entities, as a shareholder. In addition, Argeb may explore activities in the areas of infrastructure, electricity, civil construction and electrical installations, and may participate in auctions and concessions, bid for tenders and form Specific Purpose Companies - SPEs.

On July 29, 2022, Argeb signed a purchase and sale agreement for all the shares of Argo V Transmissão de Energia S.A. (formerly ODOYA TRANSMISSORA DE ENERGIA S.A.), Argo VI Transmissão de Energia S.A. (formerly Esperanza Transmissão de Energia S.A.), Argo VI Transmissão de Energia S.A., (formerly Esperanza Transmissora de Energia S.A.), Transmissora JoéMaria de Macedo de Eletricidade S.A., Giovanni Sanguinetti Transmissora de Energia S.A. and Argo IX Transmissão de Energia S.A. (formerly Veredas Transmissora de Energia S.A.). The transfer of control occurred on November 30, 2022.

As of December 31, 2022, Argeb holds 100% of its shareholdings in the companies: Argo V Transmissão de Energia S.A. ("Argo V"), Argo VI Transmissão de Energia S.A. ("Argo VI"), Transmissora José Maria de Macedo de Eletricidade S.A. ("Argo VII"), Giovanni Sanguinetti Transmissora de Energia S.A. ("Argo VIII"), Argo IX Energia Transmissão S.A. ("Argo IX").

The financial information recorded with respect to the Group's interest in each of the associates and joint ventures is shown below in the statement of financial position and statement of income:

As of December 31, 2022

	Total net assets of Associates/joint ventures	Group's share of net assets of associates/joint ventures	Goodwill	Carrying amount
<u>Associates</u>				
Enel Colombia S.A. ESP. (1)	3.154.116	42,52%	351.453	1.692.426
Gas Natural S.A. E.S.P.	122.381	24,99%	40.301	70.895
Red de Energía del Perú S.A.	139.300	40,00%	-	55.720
Consorcio Transmantaro S.A.	474.899	40,00%	9.373	199.333
Promigas S.A. E.S.P.	1.184.304	15,24%	-	209.525
Agencia Analítica de Datos S.A.S.	4.881	40,00%	-	1.952
EMSA, S.A. E.S.P.	66.548	16,23%	-	10.797
Total interest in associates				2.240.649

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	Total net assets of Associates/joint ventures	Group's share of net assets of associates/joint ventures	Goodwill	Carrying amount
<u>Joint ventures</u>				
Goias Transmissao S.A.	75.820	51,00%	-	38.668
Mge Transmissao S.A.	73.753	51,00%	-	37.614
Transenergia Renovavel S.A.	35.000	51,00%	-	17.850
Transenergia são Paulo S.A.	17.732	51,00%	-	9.043
Argeb Energía S.A. (2)	706.484	37,50%	-	264.931
Argo S.A.	916.769	50,00%	-	625.241
Total interest in joint ventures				993.348
Total interest in associates and joint ventures				3.233.997

(1) On March 1, 2022, Emgesa S.A. E.S.P. and Codensa S.A. E.S.P., through the approval of the Superintendence of Companies, merged into a single company whose corporate name is Enel Colombia S.A. ESP.

(2) On November 30, 2022, Gebbras made a capital contribution by Argo Energia Empreendimentos e Participações S.A for Reais 1.374 million obtaining a 37.5% interest.

As of December 31, 2021

	Total net assets of Associates/joint ventures	Group's share of net assets of associates/joint ventures	Goodwill	Other	Carrying amount
<u>Associates</u>					
Emgesa S.A. E.S.P. (1)	1.279.183	51,51%	307	2.079	968.469
Codensa S.A. E.S.P. (1)	811.621	51,32%	117.157	1.790	535.484
Gas Natural S.A. E.S.P.	146.016	24,99%	48.693	-	85.196
Red de Energía del Perú S.A.	128.177	40,00%	-	-	51.271
Consortio Transmantaro S.A.	420.080	40,00%	11.325	-	179.357
Promigas S.A. E.S.P.	1.252.105	15,24%	35.117	-	225.910
Agencia Analítica de Datos S.A.S.	3.706	40,00%	-	-	964
EMSA S.A. E.S.P.	80.018	16,32%	-	-	12.983
Total interest in associates					2.059.634

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	Total net assets of Associates/joint ventures	Company's share of net assets of associates/joint ventures	Goodwill	Carrying amount
<u>Joint ventures</u>				
Goias Transmissao S.A.	59.642	51,00%	-	30.417
Mge Transmissao S.A.	58.021	51,00%	-	29.591
Transenergia Renovavel S.A.	32.963	51,00%	-	16.811
Transenergia são Paulo S.A.	15.361	51,00%	-	7.810
Argo S.A.	697.863	50,00%	-	348.931
Total interest in joint ventures				433.560
Total interest in associates and joint ventures				2.493.195

(1) For purposes of calculating the book value of the investment, the equity of Emgesa S.A. E.S.P. and Codensa S.A. E.S.P. is reduced by the effect of preferred dividends.

Summarized financial information with respect to each of the Company's associates and businesses is presented below:

Associates

As of December 31, 2022

	<u>Current assets</u>	<u>Non-current assets</u>	<u>Current liabilities</u>	<u>No current liabilities</u>
Enel Colombia S.A. ESP. (1)	775.786	4.849.982	1.025.781	1.445.871
Gas Natural S.A. E.S.P.	164.166	214.305	134.770	121.320
Red de energía del Perú S.A.	89.119	389.823	95.375	244.267
Consorcio Transmantaro.	78.938	1.809.831	64.794	1.349.076
Electrificadora del Meta S.A. E.S.P.	32.764	128.349	51.400	43.164
Promigas S.A. E.S.P.	243.736	2.082.142	131.116	1.010.458
Agencia Analítica de Datos S.A.S.	4.221	923	263	-

(1) On March 1, 2022, Emgesa S.A. E.S.P. and Codensa S.A. E.S.P., through the approval of the Superintendency of Companies, merged into a single company whose corporate name is Enel Colombia S.A. E.S.P.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>Revenues</u>	<u>Profit (loss) for the year</u>	<u>Dividends declared</u>
Enel Colombia S.A. ESP.	2.569.699	672.072	347.307
Gas Natural S.A. E.S.P.	792.152	82.036	16.151
Red de energía del Perú S.A.	182.509	63.995	10.275
Consortio Transmantaro S.A.	364.418	74.819	7.183
Electrificadora del Meta S.A. E.S.P.	28.027	9.210	1.500
Promigas S.A. E.S.P.	263.998	262.422	19.294
Agencia Analítica de Datos S.A.S.	1.791	(280)	-

As of December 31, 2021

	<u>Current assets</u>	<u>Non-current assets</u>	<u>Current liabilities</u>	<u>No current liabilities</u>
Emgesa S.A. E.S.P.	167.127	2.102.660	381.659	606.625
Codensa S.A. E.S.P.	429.789	1.856.791	572.235	900.722
Gas Natural S.A. E.S.P.	232.562	201.372	150.933	136.984
Red de energía del Perú S.A.	74.511	415.106	122.707	238.733
Consortio Transmantaro.	142.241	1.680.105	124.849	1.277.416
Electrificadora del Meta S.A. E.S.P.	40.253	154.809	51.992	63.052
Promigas S.A. E.S.P.	7.872	2.239.458	103.841	976.787
Agencia Analítica de Datos S.A.S.	3.595	248	137	-

	<u>Revenues</u>	<u>Profit (loss) for the year</u>	<u>Dividends declared</u>
Emgesa S.A. E.S.P.	1.262.753	454.995	245.915
Codensa S.A. E.S.P.	1.706.879	260.325	162.487
Gas Natural S.A. E.S.P.	787.263	73.448	16.121
Red de energía del Perú S.A.	178.846	54.165	28.256
Consortio Transmantaro.	370.122	62.677	45.698
Electrificadora del Meta S.A. E.S.P.	156.704	15.013	1.044
Promigas S.A. E.S.P.	254.822	306.978	21.343
Agencia Analítica de Datos S.A.S.	181	(1.973)	-

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Join ventures

As of December 31, 2022

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Net income</u>
Goias Transmissao S.A.	156.280	80.460	75.820	15.285
Mge Transmissao S.A.	101.870	28.117	73.753	14.861
Transenergia Renovavel S.A.	61.466	26.467	35.000	4.806
Transenergia são Paulo S.A.	45.565	27.833	17.732	4.686
Argeb Energía S.A.	838.950	132.466	702.223	4.305
ARGO S.A.	2.045.218	1.128.450	916.769	111.351

As of December 31, 2021

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Net income</u>
Goias Transmissao S.A.	130.635	70.993	59.642	16.891
Mge Transmissao S.A.	86.027	28.006	58.021	14.126
Transenergia Renovavel S.A.	59.780	26.817	32.963	5.482
Transenergia são Paulo S.A.	39.193	23.832	15.361	4.079
ARGO S.A.	1.246.171	865.967	380.205	53.974

16. Property, plant and equipment

The following are the balances and movements of property, plant and equipment as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cost	4.362.267	4.139.668
Accumulated depreciation	(825.358)	(713.986)
Impairment	-	(1.685)
	<u>3.536.909</u>	<u>3.423.997</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in U.S. Dollars)

	<u>Lands</u>	<u>Construction in progress</u>	<u>Buildings</u>	<u>PPE component</u>	<u>Plants and pipelines</u>	<u>Networks, lines and cables</u>	<u>Machinery and equipment</u>	<u>Furniture, fixtures and office equipment</u>	<u>Communication and computer equipment</u>	<u>Transport equipment</u>	<u>Right of use assets</u>	<u>Others</u>	<u>Total</u>
Balance as of December 31, 2020	23.706	735.186	110.494	7.810	2.778.116	213.536	214.720	14.155	16.668	12.140	10.522	4.778	4.141.831
Additions	524	127.509	441	290	173	1.901	2.990	115	139	206	430	17	134.736
Capitalizations	-	(56.245)	12.804	-	16.567	3.628	25.372	(3.051)	9.795	(192)	(10.100)	8	(1.414)
Capitalized interest	-	10.437	-	-	-	-	-	-	-	-	-	-	10.437
Disposals	(194)	(4.675)	(2.974)	(5.967)	(486)	(822)	(1.331)	(416)	(82)	(7.620)	(36)	(85)	(24.687)
Dismantling	-	-	-	-	2.058	-	-	-	-	-	-	-	2.058
Consumption	-	-	-	(1.191)	-	-	-	-	-	-	-	-	(1.191)
Transfers	(33)	(26.201)	3.868	-	6.608	17.670	(699)	(164)	(1.049)	-	-	-	-
Translation adjustment	(1.119)	(65.635)	(2.408)	(507)	(20.586)	(15.147)	(15.021)	(491)	236	(657)	(434)	(333)	(122.102)

(Continúa)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>Lands</u>	<u>Construction in progress</u>	<u>Buildings</u>	<u>PPE component</u>	<u>Plants and pipelines</u>	<u>Networks, lines and cables</u>	<u>Machinery and equipment</u>	<u>Furniture, fixtures and office equipment</u>	<u>Communication and computer equipment</u>	<u>Transport equipment</u>	<u>Right of use assets</u>	<u>Others</u>	<u>Total</u>
Balance as of December 31, 2021	22.884	720.376	122.225	436	2.782.449	220.767	226.031	10.149	25.708	3.878	382	4.384	4.139.668
Additions	1.802	232.147	1.626	-	1.469	2.327	7.121	34	444	47	-	439	247.457
Capitalizations	-	(73.537)	1.501	-	24.608	8.807	861	-	339	-	-	-	(37.422)
Capitalized interest	-	29.773	-	-	-	-	-	-	-	-	-	-	29.773
Disposals	(6)	(902)	(312)	-	(1.703)	(1.116)	(1.326)	(515)	(5.159)	(155)	(1)	(112)	(11.307)
Dismantling	-	-	-	-	23.900	-	-	-	-	-	-	-	23.900
Consumption	-	(1.220)	-	-	-	-	-	-	-	-	-	-	(1.220)
Intangible transfers	(63)	-	-	-	(40)	-	-	-	-	-	-	-	(103)
Transfers	-	(89.706)	2.823	-	45.636	-	(330)	15	961	-	-	942	(39.659)
Provisions	-	699	-	-	-	-	-	-	-	-	-	-	699
Advances	-	(821)	-	-	-	-	-	-	-	-	-	-	(821)
Elecnorte acquisition	-	-	-	-	-	133.278	-	14	18	24	-	-	133.333
Translation adjustment	(385)	(84.383)	(1.357)	(75)	(14.893)	(38.247)	16.382	(240)	306	188	742	(69)	(122.031)
Balance as of December 31, 2022	24.233	732.425	126.506	361	2.861.426	325.814	248.740	9.456	22.617	3.982	1.124	5.584	4.362.267

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>Buildings</u>	<u>PPE component</u>	<u>Plants and pipelines</u>	<u>Networks, lines and cables</u>	<u>Machinery and equipment</u>	<u>Furniture, fixtures and office equipment</u>	<u>Communication and computer equipment</u>	<u>Transport equipment</u>	<u>Right of use assets</u>	<u>Others</u>	<u>Total</u>
Accumulated depreciation Balance as of December 31, 2020	(24.431)	-	(519.556)	(23.773)	(19.688)	(7.797)	(10.732)	(7.996)	(1.451)	(1.413)	(616.837)
Depreciation	(5.414)	-	(71.609)	(12.609)	(11.333)	(485)	(6.586)	(295)	(165)	(216)	(108.710)
Disposals	2.112	-	(1.134)	(295)	2.827	489	986	7.617	16	42	12.660
Translation adjustment	336	-	(1.857)	1.724	(1.774)	166	(122)	213	55	159	(1.099)
		-									
Balance as of December 31, 2021	(27.397)	-	(594.156)	(34.952)	(29.968)	(7.626)	(16.453)	(462)	(1.545)	(1.427)	(713.986)
Depreciation	(3.261)	(72)	(79.220)	(7.805)	(8.194)	(513)	(2.200)	(358)	(122)	(341)	(102.087)
Disposals	286	(18)	978	995	1.243	482	5.117	149	1	107	9.341
Elecnorte acquisition	-	-	-	(8.153)	-	(9)	(13)	(5)	-	-	(8.179)
Translation adjustment	1.376	-	6.196	3.445	(8.800)	303	711	(516)	84	(855)	(10.446)
Balance as of December 31, 2022	(28.995)	(90)	(678.594)	(46.470)	(45.719)	(7.363)	(12.838)	(1.190)	(1.582)	(2.516)	(825.358)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>Buildings</u>	<u>PPE component</u>	<u>Plants and pipelines</u>	<u>Networks, lines and cables</u>	<u>Machinery and equipment</u>	<u>Furniture, fixtures and office equipment</u>	<u>Communication and computer equipment</u>	<u>Transport equipment</u>	<u>Right of use assets</u>	<u>Others</u>	<u>Total</u>
Impairment											
Balance as of December 31, 2020	-	-	(1.515)	-	-	-	-	-	-	-	(1.515)
Additions	-	-	-	-	(92)	(4)	(11)	(58)	-	-	(165)
Reversals	-	-	-	-	(3)	(0)	(0)	(2)	-	-	(6)
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2021	-	-	(1.515)	-	(95)	(4)	(11)	(60)	-	-	(1.685)
Additions	-	-	-	-	(82)	(5)	(6)	(51)	-	-	(145)
Reversals	1.389	-	-	-	(3)	-	-	(2)	-	-	1.384
Translation adjustment	171	-	261	-	8	-	1	5	-	-	446
Balance as of December 31, 2022	1.559	-	(1.254)	-	(173)	-	(16)	(108)	-	-	-

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in U.S. Dollars)

17. Investment properties

The following are the carrying amount balances of investment properties as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Lands	6.218	7.513
Buildings	47	57
Accumulated depreciation	(4)	(4)
	<u>6.261</u>	<u>7.566</u>

The amounts recorded in the financial statements do not differ significantly from their fair value, all the Company's investment properties are held under freehold.

18. Assets for rights of use

Right-of-use assets as of December 31, 2021 and 2022 comprise the following:

	Property	Vehicle	Machinery and equipment	Computer equipment	Total
Balance as of December 31, 2020	8.394	681	801	3.413	13.288
Additions	11.078	7.732	447	1.000	20.257
Disposals	(65)	-	-	(421)	(486)
Depreciation	(3.629)	(1.831)	(313)	(1.995)	(7.768)
Translation adjustment	(293)	334	(44)	(172)	(175)
Balance as of December 31, 2021	<u>15.484</u>	<u>6.916</u>	<u>892</u>	<u>1.824</u>	<u>25.116</u>
Additions	3.281	1.465	181	757	5.685
Disposals	(4.751)	(45)	-	-	(4.796)
Depreciation	(5.228)	(2.751)	(255)	(641)	(8.876)
Translation adjustment	(548)	(281)	(3)	(77)	(909)
Balance as of December 31, 2022	<u>8.239</u>	<u>5.304</u>	<u>814</u>	<u>1.863</u>	<u>16.220</u>

19. Goodwill

The following are the balances of the carrying amount of goodwill as of December 31, 2022 and 2021:

(Continúa)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>2022</u>	<u>2021</u>
Grupo Dunas	50.656	49.958
Transportadora de Gas Internacional S.A. E.S.P.	14.577	14.577
EEB Perú – Holding	11.461	11.461
Elecnorte S.A. E.S.P.	52.924	-
	<u>129.618</u>	<u>75.996</u>

The Group assesses at least annually the impairment of goodwill recorded in business combinations by estimating the recoverable amount of a group of cash-generating units (CGU). Fair value is determined by reference to market value, if available, by valuation models. The determination of fair value requires management to make assumptions and use estimates to forecast cash flows for periods beyond the normal management reporting requirements: the evaluation of the appropriate discount rate, the estimation of the fair value of cash-generating units, and the valuation of the separable assets of each business.

In order to comply with the provisions of IAS 36 Impairment of Assets we show below some of the key assumptions used in the impairment review for these indefinite-lived assets. As of December 31, 2022, and 2021, the results of our assessments conclude that there is no impairment for these indefinite-lived assets.

Grupo Dunas:

A valuation methodology based on Discounted Cash Flows was used, taking into consideration the following factors:

- A WACC of 12.46% was used to discount the projected cash flows.
- The unlevered beta was used considering the Damodaran database for emerging countries and the industry to which Electro Dunas S.A.A. belongs.

Transportadora de Gas Internacional S.A. E.S.P.:

A valuation methodology based on Discounted Cash Flows was used for the valuation, assuming that:

- The cost of capital used to discount the flows is after tax.
- The valuation of a going concern is considered, implying the existence of a going concern value.
- A WACC of 11.88% was considered to discount cash flows.
- An unlevered beta was used considering the median of all comparable companies.

EEB Perú – Holding – Investment vehicle owner of 60% of Calidda:

- A discount rate of 12.2% was used to discount the cash flows.
- Cash flows were projected through the year 2034.

Elecnorte S.A. E.S.P.

Due to the fact that the acquisition of this company took place during the year 2022, the value of this company is at fair value, for this measurement the purchase price was assigned through a report prepared by an external expert to the Group, using as valuation methodology the income approach

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

according to the capacity to generate future earnings of Elecnorte through the valuation of the company's flows using the WACC of 9.5%, with a deleveraged beta of the industry of 0.41 and a debt-equity ratio of 111.4%. For more information on this acquisition see note 14.

20. Intangible assets

The following are the balances and movements of intangible assets as of December 31, 2022 and 2021:

	2022	2021
Concession assets (1)	1.789.248	1.663.872
Business rights (2)	244.388	239.441
Easement	203.438	188.691
Software and licenses	92.155	76.286
Accumulated amortization and impairment	(539.691)	(490.566)
	<u>1.789.538</u>	<u>1.677.724</u>

Cost	<u>Concession assets (1)</u>	<u>Business rights (2)</u>	<u>Easement</u>	<u>Software and licenses</u>	<u>Total</u>
Balance as of December 31, 2020	1.522.073	249.101	166.112	48.232	1.985.519
Additions	133.802	-	19.357	25.550	178.710
Transfers	-	-	6.351	2.465	8.815
Disposals	-	-	(174)	(78)	(252)
Traslations adjustment	7.996	(9.660)	(2.955)	117	(4.502)
Balance as of December 31, 2021	<u>1.663.872</u>	<u>239.441</u>	<u>188.691</u>	<u>76.286</u>	<u>2.168.290</u>
Additions	111.407	21	20.543	19.716	151.688
Transfers	-	-	501	1.895	2.397
Disposals	-	-	(28)	(4.464)	(4.493)
Others	-	167	1.129	1.255	2.551
Traslations adjustment	13.969	4.760	(7.399)	(2.534)	8.796
Balance as of December 31, 2022	<u>1.789.248</u>	<u>244.388</u>	<u>203.438</u>	<u>92.155</u>	<u>2.329.229</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Accumulated depreciation and impairment	<u>Concession assets (1)</u>	<u>Business rights (2)</u>	<u>Easement</u>	<u>Software and licenses</u>	<u>Total</u>
Balance as of December 31, 2021	(393.444)	(30.598)	(11.694)	(25.120)	(460.856)
Depreciation	(47.920)	(2.184)	(2.567)	(5.535)	(58.206)
Impairment	31.027	-	-	(1.385)	29.642
Disposals	-	-	-	8	8
Others	-	-	(2)	(87)	(89)
Traslation adjustment	(1.050)	(133)	(134)	252	(1.064)
Balance as of December 31, 2021	(411.387)	(32.915)	(14.396)	(31.867)	(490.566)
Depreciation	(49.130)	(2.056)	(2.875)	(9.589)	(63.650)
Impairment	17.693	-	-	-	17.693
Disposals	-	-	-	395	395
Others	(19.372)	(131)	-	(841)	(20.344)
Traslation adjustment	15.301	(204)	781	902	16.780
Balance as of December 31, 2022	(446.895)	(35.306)	(16.489)	(41.000)	(539.691)
Net balance as of December 31, 2021	1.252.485	206.525	174.295	44.419	1.677.724
Net balance as of December 31, 2022	1.342.353	209.082	186.948	51.155	1.789.538

The useful lives used for the calculation of depreciation are as follows:

Easement	30 years
Software and licenses	5 years

(1) Concession assets**Contugas S.A.C.**

Concession assets represent the rights of collection for the natural gas distribution services, associated to the users' real consumption, and are within the regulatory regime established by the regulatory entity OSINERGMIN. The value of the intangibles of Contugas S.A.C. is USD \$303.136 thousand.

On April 30, 2014, the main network and branches that provide gas to the cities of Macona and Nazca started operations; therefore, from that date the amortization of the totality of the concession assets is recorded. The distribution assets in process correspond to contract assets represented by network

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

construction that at the date of the financial position statement have not been gasified. Once they are gasified, they are transferred to the item "distribution assets."

As of December 31, 2022 and 2021, the Company has accumulated results for US\$3.482 thousand and US\$17.475 thousand, respectively, mainly in relation with the operations of the Company and the estimated impairment of the concession assets that for 2022 generated a recovery of US\$20.000 thousand and US\$33.000 thousand for 2021. That impairment estimation has been made on the basis of the investment recovery of future flows of the Company. During 2022 and 2021, Contugas has not received shareholder capital contributions.

Contugas' management estimates continuing to comply with the business plans that will allow to recover the value of long-life assets. Those business plans include flows derived from income for gas distribution to be generated as a result of the implementation of electric generation projects and Liquid Natural Gas (LNG) in the concession zone in which Contugas operates and have been considered to measure the recovery value of the long-life assets. Likewise, it is expected to keep receiving financial support from the shareholders, that allow to generate profitable operations to comply with the obligations and planned development activities in accordance with Contugas' structure.

Gas Natural de Lima y Callao S.A. - Calidda

With the approval of each tariff schedule by the regulator, Calidda, performs an analysis of the recovery of the investments made and to be made, required in the five-year investment plan, considering the conditions stipulated in the BOOT contract; estimating those portions that are repaid with the approved tariffs and those that are repaid with the net book value of the assets of the concession, according to the residual participation of the same. On April 11, 2018, OSINERGMIN set the Single Tariff for Natural Gas Distribution by Pipeline Network applicable to the period 2018-2022.

(2) Business rights:**Transportadora de Gas Internacional S.A. E.S.P. - TGI**

On March 2, 2007, the financial closing of the disposal process of Ecogas' assets, rights and contracts was recorded. Each asset was recorded independently.

The value of the intangible corresponds to the rights for contracts of clients acquired in the transfer of title with Ecogas for USD 111 million.

Grupo Dunas

During the PPA process carried out on the acquisition of the Dunas Group, a business right intangible was recognized for USD 81,47 million.

21. Financial obligations

The following are the amounts and characteristics of the financial obligations obtained by the Group as of December 31, 2022 and 2021:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	<u>2022</u>	<u>2021</u>
Bonds issued (1)	2.069.048	2.239.954
Loans and promissory notes (2)	2.123.632	1.518.702
Finance leases	-	3.062
Financial interests	36.534	37.131
	<u>4.229.214</u>	<u>3.798.849</u>
Current	223.538	219.462
Non-current	4.005.676	3.579.387
	<u>4.229.214</u>	<u>3.798.849</u>

(1) Bonds Issued :

	Rate interest	Due date	December 31, 2022	December 31, 2021
GEB:				
GEB - Bonds UVR 2045 1er Lote	Fixed 3,99%	25/06/2045	100.997	108.560
Bonds second lot A/25 GEB	CPI + 4,10%	28/02/2047	68.031	81.361
GEB - Bonds COP 2027 1er Lot	CPI + 3,24%	25/06/2027	67.405	80.677
Bonds first lot A/15 GEB	CPI + 3,85%	28/02/2032	39.772	71.187
GEB - Bonds COP 2035 first Lot	CPI + 3,87%	25/06/2035	45.184	54.035
Bonds second lot A/15 GEB	CPI + 3,85%	28/02/2032	59.596	47.689
Bonds first lot A/7 GEB	CPI + 3,19%	28/02/2024	39.206	47.106
Bonds first lot A/25 GEB	CPI + 4,04%	28/02/2042	37.833	45.249
GEB – Bono COP 2035 2do Lote (1)			34.267	
GEB – Bono UVR 2042 2do Lote (1)			20.263	
Bonds second lot A/7 GEB	CPI + 3,21%	28/02/2024	27.229	32.646
			<u>539.784</u>	<u>568.510</u>
In Foreign Currency				
	Rate interest	Due date	December 31, 2022	December 31, 2021
GEB - Emisión Bonos Int 2030	Fijo 4,875%	15/05/2030	395.252	394.680
Bonos TGI	5.55% SV	1/11/2028	595.110	747.330
Bonos Internacional Calidda	4,375% SV	15/03/2023	319.895	319.662
Bono Local Calidda PEN 200MM	6,47%	23/07/2028	52.199	50.086

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Bono Local Calidda PEN 342MM	5,03%	06/09/2029	89.388	85.728
Bonos – Electrodonas	4,59%	11/12/2030	60.224	57.592
Bonos – Electrodonas	2,75%	11/12/2025	17.196	16.366

In foreign currency

1.529.264 1.671.444

TOTAL2.069.048 2.239.954**(2) Borrowings and promissory notes:****2022** **2021**

Foreing currency

2.123.632 1.518.702**(1) Bonds issued:*****Grupo Energía Bogotá S.A. E.S.P.***

Local Bonds Issuance: on February 28, 2017 the Company placed the first lot of local bonds for \$135.130 thousand, indexed to CPI, sub-series A7, A15 and A25 and on November 15, 2017 the placement of the second lot of bonds for \$135.130 thousand, indexed to CPI, sub-series A7, A15, A30 was carried out. GEB will use the resources obtained with the placement of the Bonds, to finance the investment plan, the refinancing of the debt and the costs and expenses associated with structuring and obtaining the financing, as well as to meet working capital requirements. The main characteristics of the issue are as follows:

Frist lot

Serie – Subserie	Amount approved	Margin/Cut-off rate
	USD	
Subserie A/7 - 7 años – IPC+Margen E.A.	38.876	3.19% E.A.
Subserie A/15 - 15 años – IPC+Margen E.A.	58.833	3.85% E.A.
Subserie A/25 - 25 años – IPC+Margen E.A.	37.420	4.04% E.A.
Total	<u>135.130</u>	

Second lot

Serie – Subserie	Amount approved	Margin/Cut-off rate
	USD	
Subserie A/7 - 7 años – IPC+Margen E.A.	27.067	3.21% E.A.
Subserie A/15 - 15 años – IPC+Margen E.A.	39.853	3.85% E.A.
Subserie A/30 - 30 años – IPC+Margen E.A.	68.209	4.10% E.A.
Total	<u>135.130</u>	

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

International Bonds Issuance: in development of the authorization granted by the Ministry of Finance and Public Credit through Resolution No. 1087 of May 7, 2020, the issuance and placement of External Public Debt Bonds in the international capital market was carried out under the conditions detailed below. The proceeds of the issue will be used to finance the 2020 - 2022 Investment Plan:

Amount	USD 400.000 (Thousand)
Term	10 years
Date of transaction	May 12, 2020
Date of issue (t + 3)	May 15, 2020
Due date	May 15, 2030 (Bullet)
Price	99,026
Yield	5,00%
Coupon Rate	4,875%
Interest Payment Periodicity	Every six months (May and November)

Internal Public Debt Bonds Issuance: in development of the authorization granted by the Ministry of Finance and Public Credit through Resolution No. 0749 of March 04, 2020 and by the SFC through Resolution No. 264 of 2020, on June 25, 2020 Grupo Energía Bogotá S. A. E.S.P. issued the first lot of internal public debt bonds for an amount of up to one hundred sixty-six billion three hundred thirteen million dollars (USD \$166.313) with the possibility of awarding up to one hundred ninety-seven billion, four hundred ninety-seven million dollars. (USD\$ 197.497), as follows:

Subseries	C7	C15	E25
Date of the issue	6/25/2020	6/25/2020	6/25/2020
Term	7 years	15 years	25 years
Due date	6/25/2027	6/25/2035	6/25/2045
Indexation	CPI	CPI	Fixed Rate (RVU)
Cut-off rate	3.24% AE.	3.87% AE.	3.99% AE.
Interest payment period	Quarterly due	Quarterly due	Annual due
Depreciation	At due date	At due date	At due date
Interest payment date	September 25, December 25, March 25, June 25 from date of issue to due date	September 25, December 25, March 25, June 25 from date of issue to due date	June 25 from the date of issuance to due date
Base	365	365	365
Amount claimed (Thousand USD)	105.669	66.058	185.051
Amount awarded (Thousand USD)	66.702	44.676	86.109

*For the calculation of these results, the RVU of the day of compliance, June 26, 2005, was used. 2020: 276.1975

The resources of the issuance were destined to the refinancing of financial obligations of GEB (debt replacement).

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Transportadora de Gas Internacional S.A. ESP – during 2018, TGI, carried out a bond issue in the international capital markets, under Rule 144 A / Reg. S, amounting to USD 750 million, to refinance the bonds issued in 2012 and term 2022 that had a rate of 5.70%. The issuance took place on November 1, 2018, date on which the early redemption of the bonds and the issuance of the new bonds took place. The bonds due 2028 have the following terms:

Amount:	USD\$ 750 million
Rate interest	5.55% annual semester overdue
Date of the issue:	November 1, 2018
Due date	November 1, 2028

Covenants – The issuance of the 2028 Bonds represented a significant improvement for TGI in terms of Covenants, since the new issue reflects the Investment Grade quality of the company, eliminating several restrictive Covenants. The main Covenants included in the 2028 Notes and found in the Indenture of the transaction are:

- Limitation on taxes.
- Limitation on Sale and Lease-Back transactions.
- Limitation on doing business other than in the ordinary course of business.

The issuance is rated investment grade by the following rating agencies:

- Fitch Ratings: BBB, Stable outlook.
- Moody's: Baa3, Stable outlook.

Gas Natural de Lima y Callao – Cálidda

International bonds: In March 2013, the Company placed bonds in the international market for USD\$320 million, under Rule 144A Regulation S, with a term of 10 years. The proceeds were used to prepay the loans with International Finance Corporation (IFC), Corporación Andina de Fomento (CAF), Infrastructure Crisis Facility Debt Pool (ICF) and Citibank del Perú S.A., as well as the subordinated shareholder loan. With the remaining resources from the bond issue, the Company financed its investment plans for 2013 and 2014, allowing it to continue expanding the gas network in the Department of Lima and the Constitutional Province of Callao. The main characteristics of the issue are as follows:

Type of title	Public Debt Bonds
Date of the issue	March 2013
Nominal <u>value</u>	USD \$320 million.
Term	10 years
Yield	4,375%
Rating	AAA (col) awarded by Fitch Ratings, BBB- by Standard & Poor's and Baa3 Moodys.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Local Bond PEN200TM - in July 2018, the Company issued bonds for thousands of S/ 200,000 placed in the local market. The bond issue was for a ten-year term, unsecured, with a coupon rate of 6.468% annually and six-monthly interest payments.

Local Bond PEN342TM - in September 2019, the Company issued bonds for thousands of S/ 342,000 placed in the local market. The bond issue was for a ten-year term, unsecured, with a coupon rate of 5.031% annually and six-monthly interest payments.

Electro Dunas S.A.A.- At the General Shareholders' Meeting held on June 16, 2020, it was agreed to approve the execution of the First Debt Instruments Program for up to thousands of US\$300,000 or its equivalent in Soles.

The proceeds raised through the issuance of bonds by public offering were used to finance the Company's investment plan, refinance and replace liabilities and finance working capital.

The bonds were issued with due dates of December 2030 and December 2025.

(2) Borrowings and promissory notes:**Grupo Energía Bogotá S.A. E.S.P**

Syndicated Loan: in accordance with the authorization given by the General Directorate of Public Credit and National Treasury of the Ministry of Finance and Public Credit through Resolution No. 2262 of July 15, 2019, GEB proceeded to subscribe, on July 22, 2019, the First Amendment to the Borrowing Agreement entered in December 2017, such that the new terms of the borrowing are:

Currency	USD
Amount	USD \$ 749,000 (Thousand)
Date Signature of First Amendment	July 22, 2019
Due date	July 22, 2024
Term	5 years from the date of execution of the First Amendment
Capital	Bullet
Payment method Interest	Six-monthly
Rate interest	Libor 6 months + 1.625%
Base	Act/360

Banks: Bank of América, Citibank, Sumitomo Mitsui Banking, Export Development Canada, Mizuho Bank, Natixis, New York Branch, Scotia, BBVA, BNP Paribas, MUFG Bank, Sabadell, Credit Agricole, JPMorgan, Intesa Sanpaolo, Bancolombia (Panamá), ICBC Perú, Bancaribe.

In development of the authorization given by the MHCP through Resolution No. 3933 of October 23, 2019, in May 2020 a hedging operation (Interest Rate Swap) 2.056% including the fixed margin was carried out.

During 2020, the Company paid off USD \$249 million, with a remaining balance equivalent in dollars of USD \$500 million.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

By the Resolution No. 1469 of June 28, 2021, the Ministry of Treasury and Public Credit authorized GEB to terminate partially and in advance the risk hedging operation authorized by Resolution 3933 of October 23, 2019, for USD 51.000.000. By Resolution No. 3472 of December 30, 2021, GEB S.A. E.S.P. was authorized to terminate partially and in advance the operation of external public debt management, consisting in a risk hedging operation authorized by Resolution 3933 of October 23, 2019, for a notional amount of USD 130.000.000, in development of the prepayment made on December 2021.

During 2021, the company paid off USD\$181 million, leaving a balance to pay with cutoff as of December 31, 2021 of USD\$319 million.

Through Resolution No. 1469 of June 28, 2021, the Ministry of Finance and Public Credit authorized GEB to partially and early terminate the risk hedging operation authorized through Resolution 3933 of October 23, 2019, in the amount of USD 51,000,000. Through Resolution No. 3472 of December 30, 2021, GEB S.A. E.S.P was authorized to partially and early terminate the external public debt management operation, consisting of a risk hedging operation authorized through Resolution 3933 of October 23, 2019, for a notional amount of USD 130,000,000, in development of the prepayment made in December 2021.

External Credit Banco Davivienda: in conformity with the authorization given by the Ministry of Treasury and Public Credit by Resolution No. 4791 of December 19, 2019, GEB celebrated an external loan contract with Banco Davivienda S.A. up for USD 300 million, destined to the financing of the Company's investment plan 2019-2022. The resources mentioned disbursed in totality in March 9, 2020, bullet at 12 years and biannual interests payment to Libor (6M) +2,35%.

In development of Resolution No. 1656 of August 27, 2020, GEB made a hedging operation (Interest Rate Swap) on the interest payment of the loan mentioned (Interest rate swap) IRS 3,3514% including the fixed margin.

Syndicated External Loan (UMB Admin Agent): Pursuant to the authorization granted by the Ministry of Finance and Public Credit through Resolution No. 3131 of November 23, 2022, on November 23, 2022, an External Borrowing Agreement was entered into with UMB Bank N.A. as Administrative Agent and The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporatin, Bank of China Limited Panama Branch, Citibank N.A. International Banking Facility and Banco de Sabadell S.A., as Administrative Agent. as Administrative Agent, and The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporatin, Bank of China Limited Panama Branch, Citibank N.A. International Banking Facility and Banco de Sabadell S.A. Miami Branch, as lenders, for up to USD 509 million, for the purpose of partially financing the 2022 investment plan. The disbursement was made on November 29, 2022, bullet and SOFR 6M + 1.95% interest rate.

Contugas

Syndicated Loan – On September 24, 2019, the company signed a US\$355 million Syndicated Loan, which had Mizuho Bank, Ltd. as lead banks and BBVA, and Mizuho as administrative agent.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The credit and guarantee agreements are under the laws of New York, Colombia and Peru. The following is the participation of the banks (hereinafter "the Lenders").

Lender	Commitment	Applicable Percentage
Banco Bilbao Vizcaya Argentaria S.A., New York Branch	U.S.\$ 85,000,000	23.94366%
Mizuho Bank, Ltd.	U.S.\$ 85,000,000	23.94366%
Sumitomo Mitsui Banking Corporation	U.S.\$ 45,000,000	12.67606%
Banco de Sabadell, S.A., Miami Branch	U.S.\$ 26,000,000	7.32394%
Banco Santander, S.A.	U.S.\$ 26,000,000	7.32394%
Export Development Canadá	U.S.\$ 26,000,000	7.32394%
Banco de Bogotá (Panamá) S.A.	U.S.\$ 26,000,000	7.32394%
Banco Latinoamericano de Comercio Exterior S.A.	U.S.\$ 18,000,000	5.07043%
Citibank, N.A. International Banking Facility	<u>U.S.\$ 18,000,000</u>	<u>5.07043%</u>
Total	<u>U.S.\$ 355,000,000</u>	<u>100%</u>

The contractual term is 60 months, with principal payable in full at the end of the term, plus compensatory interest accrued at that date. At the signing of the contract, the Company paid structuring expenses of US\$ 3.4 million and administrative agent's fees of US\$ 25 thousand.

This loan accrues interest at 180-day LIBOR rate plus 1.75%. Interest payments will be made every six months in March and September.

The funds obtained from this loan were mainly used to repay the Syndicated Loan (for US\$342 million in favor of Banco Davivienda S.A., Banco de Bogotá S.A. Nassau, Banco de Bogotá S.A. Panama and Corporación Andina de Fomento).

This loan 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 guarantee the payment obligations of the loan.

Gas Natural de Lima y Callao – Calidda – loan for USD90.000 thousand, net of the structuration expenses, which was awarded between August and November 2020, for the IDB Invest at a yearly rate between 2.10% and 2.35% +Libor 6M, with biannual amortization with a window of 8 years.

Loan to Banco BBVA Perú for USD80.000 disbursed on July 1, 2021, to an annual rate of 1.37% with a window of 2 years.

On December 2021, the Company signed a bilateral loan with Bank of Nova Scotia for a total amount of USD200.000 of which the company has received during 2021 a partial disbursement of USD100.000 and the deadline to receive the rest of the loan remains April 2023. The loan has a validity of 5 years, with amortization bullet at maturity, without guarantees, with variable rate of 2.25% + Libor 3M.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Trecsa

Citibank N.A.: Loan for an original amount of USD87,000,000 with a start date of June 30, 2016 and maturity date of June 30, 2028, interest rate of 2.97% (+) Libor 6 months. Principal amortization starting December 2018, semiannual interest from the beginning of the debt. This loan has a corporate guarantee from Grupo Energía Bogotá with respect to the payment obligations.

Bac International Bank Inc.: Fiduciary loan for USD65,000,000 with a fixed interest rate of 4.35% annual the first 90 days and 5.35% annual from day 90 to maturity. The window is of 11 months with contractual maturity on October 1, 2022 and with payment of principal and interests at maturity.

Banco de América Central S.A.: Fiduciary loan for USD50,000,000 with a fixed interest rate of 4.35% annual the first 90 days and 5.35% annual from day 90 to maturity. The window is of 11 months with contractual maturity on October 1, 2022 and with payment of principal and interests at maturity.

EEBIS

Citibank N. A.: A fiduciary loan is included for an amount of USD45,000,000 starting date March 26, 2020 and maturity March 26, 2025, fixed interest rate 5.40%, amortization at maturity, biannual interest payment. Credit issued with corporate guarantee by GEB with respect to the payment obligations.

Bac International Bank Inc.: Fiduciary loan for USD28,000,000 with fixed interest rate of 4.35% annual. The window is 11 months with contractual maturity on October 1, 2022, and with payment of principal and interests at maturity.

22. Trade and other Payables

The following are the balances of the carrying amount of trade payables and accounts payable as of December 31, 2022 and 2021:

		<u>2022</u>	<u>2021</u>
Dividends	USD	175	193
Suppliers		143.405	138.769
Creditors		39.285	14.878
Advances received		-	3.684
	USD	<u>182.866</u>	<u>157.524</u>
Current	USD	171.612	146.052
No current		<u>11.254</u>	<u>11.472</u>
	USD	<u>182.866</u>	<u>157.524</u>

23. Employee benefits

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The following is the detail of the balances of employee benefit liabilities as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Short-term benefits (a)	USD 25.552	27.053
Defined benefits :		
Net Pension Plan (b)	21.406	28.367
Complementary benefits	4.123	5.665
	<u>51.080</u>	<u>61.085</u>
Current	30.703	34.704
No current	<u>20.378</u>	<u>26.381</u>
	<u>51.080</u>	<u>61.085</u>

- (a) *Short-term employee benefits* - Pursuant to the agreed-upon conventional agreements and current labor legislation, the Company recognizes short-term employee benefits, which include accrued social benefits, performance bonuses, pension allowances and salaries pending payment, and the estimate of pension installments payable for the current period in favor of its employees and pensioners.

	<u>2022</u>	<u>2021</u>
Bonus	11.318	16.267
Social benefits, salaries and other	10.541	10.786
Salarios	3.693	-
Short-term employee benefits	<u>25.552</u>	<u>27.053</u>

- (b) *Defined benefits*

Retirement pension plan - Based on the conventional agreements agreed with the workers' union, the Company has recognized in its financial statements the obligations for the retirement benefit plan for retirement pensions for employees who met the requirements of age and time of work in the Company. Currently this benefit is only recognized for employees who met the requirements, i.e., current employees do not have the recognition of this benefit directly by the Company and in accordance with the Colombian pension law they can only access this benefit through a pension fund administrator.

The amounts recognized in the statement of financial position for defined benefit plans are as follows:

	<u>2022</u>	<u>2021</u>
Retirement pensions		

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Actuarial calculation of prior year pensions	46.996	72.039
Finance expenses	3.823	4.182
Payments	(5.496)	(6.476)
Other comprehensive income	(4.102)	(12.962)
Benefit obligation at end of period	41.222	56.783

The assets of the pension plans are kept separate from the assets of the Entity in autonomous assets, under the control of the trustees Fiducolumbia and Fiduprevisora, who manage these resources and make the payments to the pensioned personnel, as required annually by the Group, making new contributions to these autonomous assets. The term of the contracts is five (5) years, and they were renewed in July 2022 for one year until July 2023.

The fair value of the equity and debt instruments comprising the active plan of the pension plan are updated based on market prices quoted in active markets.

Assets Pension Plan	2022	2021
Fair value of plan assets	23.585	32.216
Interest income (expense)	2.004	1.933
Payments	(5.496)	(9.010)
Taxes paid	(52)	(49)
Contributions made	2.376	6.201
Other comprehensive income	(2.602)	(2.795)
Plan assets at end of period	19.817	28.496

24. Provisions

As of December 31, 2022 and 2021, the balance of the carrying amount of provisions comprises the following:

	2022	2021
Dismantling	77.398	57.064
Litigation	25.847	22.142
Other provisions	452.671	34.432
Pension contributions parties	477	755
	148.989	114.393
Current	31.127	21.361
No current	117.861	93.032
	148.989	114.393

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Changes in provisions are detailed below:

	<u>Litigation</u>	<u>Other provisions</u>	<u>Dismantling</u>	<u>Pension contributions parties</u>	<u>Total</u>
Balance as of December 31, 2020	28.907	36.956	74.080	1.093	141.036
Increases	2.726	11.061	-	-	13.787
Decreases	(5.279)	(11.104)	(8.952)	(187)	(25.522)
Others	333	543	-	-	875
Financial cost	-	-	4.576	-	4.576
Translation adjustments	(4.545)	(3.024)	(12.640)	(151)	(20.360)
Balance as of December 31, 2021	22.142	34.432	57.064	755	114.393
Increases	1.630	12.238	29.399	-	43.267
Decreases	-	(14.423)	(48.609)	(148)	(63.181)
Others	362	2.749	-	-	3.111
Financial cost	-	-	-	-	-
Translation adjustments	1.713	10.271	39.545	(130)	51.399
Balance as of December 31, 2022	25.847	45.266	77.398	477	148.989

25. Tax Liabilities

As of December 31, 2022 and 2021, the balance of tax liabilities comprises the following:

	2022	2021
Income tax	25.988	19.662
Withholdings payable	5.991	3.555
VAT	1.941	1.255
ICT	2.682	3.042
Other taxes and contributions	201	721
	<u>36.802</u>	<u>28.236</u>
Current	36.802	28.044
No corriente	-	192

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

36.80228.236**26. Income taxes related to continuing operations**

Income tax recognized in income - The income tax rates applicable to each Company, according to the jurisdiction where each Company is taxed, are as follows:

Country	2022	2021
Colombia	35% nominal	31% nominal
Perú	29,5%	29,5%
	30% for legal stability	30% for legal stability
Guatemala	25% on profits from profitable activities	25% on profits from profitable activities
Brasil	34%	34%

The income tax returns pending review by the tax authorities are as follows:

Company	Years
Grupo Energía Bogotá	2017 a 2021
Transportadora de Gas Internacional	2018 - 2020 - 2021
Contugas	2018 a 2021
Transportadora de Energía de Centro América	2019 a 2021
Gas Natural de Lima y Callao	2018 a 2021
EEB Perú Holdings	2018 a 2021
EEB Ingeniería y Servicios	2018 a 2021
EEB Gas SAS	2018 a 2021
Dunas Energía	2017 a 2021
PPC	2017 a 2021
Cantalloc	2017 a 2021

The detail of income tax expense (income) recorded in income for the period is as follows:

	2022	2021
Current tax		
Tax expense	90.388	101.414
Adjustment of prior periods	896	-
Total current tax	<u>91.284</u>	<u>101.414</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Deferred tax		
Net deferred taxes for the period	28.483	9.716
Total Deferred tax	28.483	9.716
Total tax expense	119.767	111.130

The reconciliation between income before income taxes and net taxable income for the periods ended December 2022 and 2021 is as follows:

	2022	2021
Earnings before taxes combined	1.158.315	1.146.066
Statutory tax rate	35%	31%
Theoretical tax expense according to current tax rate	359.078	355.280
Difference in rate with country of origin	5.400	(924)
Non-tax accounting expenses	12.855	23.290
Tax income not recognized in income	26.416	17.466
Tax deductions not recognized in income	(37.640)	(16.743)
Non-tax income recognized in income	(282.319)	(236.599)
Effect of income exempt from taxes	(20.119)	(15.686)
Effects of income nontaxable or occasional gain	(7.253)	(6.560)
Currency translation effects	-	-
Fiscal loss compensation	(579)	(11.849)
Presumend Tax effect	30.719	(7.068)
Previous year tax	1.013	188
Temporary differences	32.196	10.334
USD \$	119.767	111.130

The effective rate for december 2022 and 2021 was 11,69% y 10,31%, respectively.

Deferred tax balances - Differences between the carrying amounts of assets and liabilities and their tax bases give rise to the following temporary differences that generate deferred taxes, calculated and recorded in the periods ended December 31, 2022 and 2021, based on the tax rates in effect as benchmarks for the years in which such temporary differences will reverse.

The analysis of deferred tax assets and liabilities presented in the consolidated statements of financial position is presented below:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

			2022			2021		
			849			643		
Deferred tax assets			(576.782)			(544.641)		
Deferred tax liabilities			(575.933)			(543.998)		
Net deferred tax								
<u>December 31, 2022</u>	Balance as of December 31, 2021	Effect of business combinations	Recognized in Results	Recognized in ORI	Recognized in equity (1)	Translation adjustments	Balance as of December 31, 2022	
Deferred tax assets:								
Provision for trade receivables	2.331	-	(2.774)	-	-	7	(436)	
Accounts receivable	10	-	1.996	-	-	(2)	2.004	
Inventories	197	-	104	-	-	(13)	288	
Accounts payable	5.921	-	270	-	-	(1.331)	4.860	
Social benefits	1.967	-	(286)	-	-	(181)	1.499	
Other liabilities	81.769	-	(32.624)	-	-	50	49.196	
Other financial liabilities	49.536	-	102.178	(41.183)	-	(22.279)	88.252	
Employee benefits	461	-	46	-	-	24	531	
Pension actuarial calculation	129	-	(2.051)	(649)	-	289	(2.281)	
Tax losses	23.689	942	(942)	-	-	(770)	22.919	
Dismantling of assets	29.999	-	(11.560)	-	-	(1)	18.439	
Liabilities	-	-	68.753	-	-	(0)	68.753	
Total deferred tax assets	196.008	942	123.110	(41.831)	-	(24.206)	254.023	
Deferred tax liabilities								
Trade accounts	(34.278)	-	(37.704)	-	-	9.846	(62.136)	
Intangible assets	(105.853)	-	(10.798)	-	-	(15)	(116.665)	
Financial assets	(9.910)	-	(70.502)	42.143	-	4.979	(33.290)	
Investments in subsidiaries	(26.952)	-	-	-	-	4.645	(22.307)	
Property, plant and equipment	(524.401)	(12.778)	(33.434)	-	12.508	5.727	(552.378)	
Investment property	(35.486)	-	1.027	-	-	(2.094)	(36.554)	
Other non-financial assets	-	-	(1.540)	-	-	-	(1.540)	
Provisions	(3.126)	-	(2.356)	-	-	396	(5.086)	
Total deferred tax liabilities	(740.006)	(12.778)	(155.306)	42.143	12.508	23.483	(829.956)	
Total deferred tax	(543.998)	(11.836)	(32.196)	312	12.508	(723)	(575.933)	

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

- (1) Deferred tax is recorded in equity due to a change in the accounting policy for fixed assets in Elecnorte as from January 1, 2022, changing the measurement for functional units and easements, making the calculations retrospectively.

<u>31 de diciembre de 2021</u>	Balance as of December 31, 2020	Recognized in Results	Recognized in ORI	Recognized in equity (1)	Translation adjustments	Balance as of December 31, 2021
December 31, 2021						
Deferred tax assets:	1.456	1.807	-	371	(3.623)	10
Accounts receivable from employees	1.137	1.219	-	-	(26)	2.331
Provision for trade receivables	367	82	-	78	(329)	197
Inventories	13.074	12.188	-	-	(25.261)	-
Other non-financial assets	7.066	92	-	-	(1.237)	5.921
Accounts payable	1.895	122	-	126	(176)	1.966
Employee benefits	364	134	-	-	(37)	460
Employee benefits	4.419	776	3.730	591	(9.386)	130
Pension actuarial calculation	20.288	6.077	-	3.795	(160)	29.999
Dismantling of assets	5.967	44.579	7.770	4.782	(13.563)	49.536
Other financial liabilities	44.819	28.027	-	10.153	(1.228)	81.770
Other liabilities	22.567	1.088	-	508	(475)	23.688
Tax losses	85.337	90.678	4.040	20.247	(4.293)	196.008
Total deferred tax assets	-	-	-	-	-	-
Deferred tax liabilities:	26.794	-	-	4.095	(3.937)	26.952
Investments in subsidiaries	11.757	21.302	-	4.376	(3.156)	34.278
Trade accounts	6.167	14.254	10.787	1.388	(22.687)	9.910
Financial assets	91.482	7.555	-	7.016	(200)	105.853
Intangible assets	457.855	7.783	-	68.933	(10.169)	524.401
Property, plant and equipment	9.807	46.558	-	0	(20.879)	35.486
Investment property	101	3.560	-	317	(852)	3.126
Provisions	584.349	101.012	10.787	85.491	(41.632)	740.006
Total deferred tax liabilities	499.012	10.334	14.827	65.243	(45.419)	543.998

- (1) In accordance with the provisions of Decree 1311 of October 20, 2021, the Group opted to recognize the effect on deferred tax of the change in the rates at which the temporary differences will be reversed directly in equity for 50.770, in the retained earnings account.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Deductible unrecognized temporary differences, unused tax losses and unused tax credits - The balance of tax loss carryforwards as of December 31, 2022 is as follows:

	Year of Generation	Value original	Balance for use no recognized	Year of expiration
Grupo Energía Bogotá	2015	7.906	7.906	No expira
Contugas	2019	17.390	17.390	2023
	2022	77.912	77.912	2026
Calidda Energía	2019	499	499	2023
	2020	375	375	2024
	2021	60	60	2025
Transportadora de Energía de Centro América	2020	409	409	2023
	2021	588	588	2024
	2022	525	525	2024
EEB Ingeniería y Servicios	2020	149	149	2022
	2021	137	137	2023
	2022	267	267	2024
Elecorte	2018	208	208	2030
	2019	847	847	2031
	2020	391	391	2032
	2021	935	935	2033

Unrecognized taxable temporary differences associated with investments and participations -

Temporary differences related to investments in subsidiaries, branches and associates and interests in joint ventures for which deferred tax liabilities have not been recognized are attributable to the following:

	2022	2021
Local subsidiaries	(748.394)	(600.760)
Foreign subsidiaries	(12.821)	(2.590)
Associates and joint Ventures	(49.819)	(1.954)
Total	<u>(811.033)</u>	<u>(605.304)</u>

Significant modifications to the income tax regime

In Peru, Guatemala, and Brazil there were no significant modifications to the income tax regime that could affect the results of the operations.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Tax Reform for Equality and Social Justice

In Colombia, by means of Law 2277 of December 13, 2022, a tax reform was adopted, such provision introduces some modifications regarding income tax, which we present below:

- A minimum tax is established for residents in Colombia, setting an additional tax in case the income tax depurated with some adjustments is lower than 15% of the accounting profit before taxes with certain adjustments. Thus, taxpayers must: (i) Determine the adjusted tax of the Colombian taxpayer, or the adjusted tax of the group in case it is part of a corporate group; (ii) Determine the adjusted profit of the Colombian taxpayer or of the group in case it is part of a corporate group; and, (iii) Determine the adjusted tax rate of the Colombian taxpayer or of the group in case it is part of a corporate group. If the effective rate (adjusted tax/adjusted profit) is lower 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 is part of a corporate group.
- The amount of the sum of some income not constituting income, special deductions, exempt income and tax discounts is limited to 3% per year of the ordinary net income.
- Article 158-1 is repealed, eliminating the possibility of deducting the costs and expenses associated with investments in Science, Technology and Innovation (CTel), i.e. these investments will only be entitled to a tax discount. The possibility of taking 30% of the investments in Science, Technology and Innovation (CTel) that have the approval of the National Council of Tax Benefits (CNBT) as a tax discount is maintained; the previous regulation established a discount of 25%.
- The possibility of taking 50% of the ICA effectively paid before filing the tax return is eliminated as a tax discount. It will be deductible the 100% accrued and paid prior to the filing of the income tax return.
- 100% of the taxes, rates and contributions effectively paid in the taxable year, which have a causal relationship with the generation of income (except for income tax), will continue to be deductible; 50% of the tax on financial movements will be deductible, regardless of whether or not it has a causal relationship with the income generating activity.
- The occasional income tax rate is established at 15%.
- A withholding tax rate of 10% is established for dividends received by domestic companies that do not constitute income or occasional gain (previously 7.5%), which will be transferable to the resident individual or foreign investor. The exceptions established in the current regulations are maintained. Dividends and participations received by permanent establishments of national foreign companies that do not constitute income or occasional profit will be taxed at the special rate of 20%.
- It was provided that the tax on taxed dividends will be determined: (i) by applying the income rate corresponding to the year in which they are declared (35%) and (ii) on the remainder, the rate corresponding to the non-taxed dividend will be applied, depending on the beneficiary (if it is a resident individual or an unliquidated succession of a resident deceased person, the table of article 241 of the Tax Statute will be applied).

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Dividends declared against profits of 2016 and prior years will keep the treatment in force at that time; and those corresponding to profits of 2017 and 2018 and 2019 that are declared as from 2020 will be governed by the rates set forth in the 2010 Law.

Decree 1311 of 2021

The Ministry of Commerce, Industry, and Tourism, which issues the principle, standards, interpretations, and guidelines of accounting and financial information and information security, issued on October 20, 2021 the Decree 1311, for which it establishes for one only time the alternative to accountably recognize with charge to the accumulated profit in equity, the variation in the derived deferred income tax of the increase of the income tax rate, in accordance with the provisions of the Social Investment Law 2155 aforementioned.

As of December 31, 2021, the Company has complied with Decree 1311 of 2021, recognizing the effect directly on the accumulated profit.

Transfer pricing

Colombia

To the extent that companies carry out operations with related companies abroad, they are subject to the regulations regarding transfer pricing introduced in Colombia with Laws 788 of 2002 and 863 of 2003. For this reason, the company conducted a technical study on the operations carried out during 2021, concluding that there are no conditions to affect the income tax for that year. The informative returns for the year 2021 were filed in September 2022..

Perú

Transactions between related entities and those carried out through tax havens corresponding to fiscal year 2016 onwards must no longer be supported with a Transfer Pricing Technical Study, but with the informative affidavit local report, which will expire in April 2018 (transactions of fiscal year 2016) and June of each year (transactions of fiscal year 2017 onwards).

In turn, for the operations of the fiscal years 2017 onwards, it will be necessary to file the informative affidavits master report and country by country, whose formats, terms and conditions have not yet been approved by the Tax Administration.

Based on the analysis of the Companies' operations, Management and its legal advisors are of the opinion that there will be no significant liabilities for the financial statements as of December 31, 2022 and 2021, in relation to transfer pricing.

Guatemala

The special valuation rules for transactions between related parties originally became effective as of January 1, 2013. These rules required all taxpayers that have transactions with non-resident related parties in Guatemala that impact the taxable base, to determine the prices of those transactions according to the free

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

competition principle and to document it in a transfer pricing study. However, Article 27 of Decree 19-2013 published on December 20, 2013, suspended the application and validity of these rules and established that they take effect and apply again on January 1, 2015.

The companies carried out the Technical Study of Transfer Pricing, corresponding to 2019 (requested to all taxpayers by the Superintendence of Tax Administration -STA). According to the study, it was determined that transactions with related parties comply with the Principle of Free Competition.

Uncertain tax positions

Currently, GEB has two open processes with the tax administration related to income tax for the taxable periods 2017 and 2020. In both processes, the taxability of passive income in compliance with the Foreign Controlled Entities Regime - ECE is being discussed, especially the passive income of EEB Energy RE (captive insurance company, domiciled in Bermuda), Transportadora de Energía de Centroamérica S.A., and EEB Ingeniería y Servicios S.A., operating companies domiciled in Guatemala. In this respect, the tax administration is attributing the income of fully operational companies, which is an improper interpretation of the norm.

In relation to the 2017 income tax process, in July 2021 the Company received a special requirement. In the year 2022, the Tax Administration notified official review liquidation on April 27, 2022, in relation to ECE passive income without tax residence in Colombia and the Company filed the appeal for reconsideration. The special requirement was duly answered in October, highlighting why we consider that the DIAN's claims for this period do not proceed.

Regarding income tax for 2020, the company received an inspection order in 2021 for the request of the credit balance shown in the income tax return for the taxable year 2020. By means of a DIAN resolution dated May 12, 2022, a partial refund of the credit balance presented in the 2020 income tax return was confirmed, the confirmed refund amount was \$27,481 million pesos. On May 9, 2022, the tax administration issued an order of provisional disallowance of the balance in favor for \$9,236 million pesos, on the occasion of the ECE passive income. In the meantime, a special requirement dated May 4, 2022 was received, which was answered within the terms established on July 1, 2022. As of this date, it is pending the receipt of the order of file or notification of the review liquidation, if there is merit to do so.

No additional taxes are foreseen since the Company has sufficient exempt income and tax losses that make the annual net income zero.

27. Other non-financial liabilities

As of December 31, 2022 and 2021, the balance of the carrying amount of other liabilities comprises the following:

	2022	2021
Advances	-	12.454
Deposits received for third parties	-	9.952
Income received to third parties	<u>4.018</u>	<u>4.576</u>

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Total	<u>4.018</u>	<u>26.982</u>
Current	4.018	21.711
No current	-	5.271
	<u>4.018</u>	<u>26.982</u>

28. Risk Management

Capital risk management - The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to its shareholders through the optimization of debt and equity balances.

The capital structure consists of net debt (borrowings offset by cash and bank balances) and the Entity's equity (comprised of issued share capital, reserves and retained earnings).

Debt ratio - The debt ratio for the reporting period is as follows:

	2022	2021
Debt (i)	4.229.214	3.798.849
Cash and cash equivalents	-	424.886
Net debt	3.921.987	3.373.963
Stockholders' equity (ii)	4.262.300	3.795.378
Ratio of net debt to stockholders' equity	92,02%	88,90%

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

(ii) Stockholders' equity includes all reserves and capital stock of the Entity that are managed as equity.

Financial risk management objectives: Exposure to financial risks is continuously monitored, where net exposures and their magnitude are analyzed in order to manage them in a timely manner.

As part of the risk management system, different mitigation strategies are evaluated, including both natural hedges and financial hedges. In the use of financial hedges, it seeks to minimize the effects of these risks using derivative financial instruments to cover the risk exposure, duly approved by the Board of Directors, the highest control body that approves the guidelines on which financial risk management is governed.

Market risk - Given the nature of the Group, as well as its composition of assets and liabilities in foreign currency (FC), the behavior of the exchange rate impacts its results. Therefore, as a risk management strategy, the Company makes use of natural and financial hedges; in the use of natural hedges it seeks a balance between assets and liabilities in EM, while in the use of financial hedges it

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Cash flow hedges								
Purchase of Dollars								
3 months or less	3.988	4.092	Soles	Soles	49.561	60.846	(930)	(167)
3 months or more	N/A	353.527	Soles	Soles	-	182.561	-	(37.783)

Additionally, it is worth mentioning that Cálidda performs cross currency swaps (CCS) hedging both financial liabilities denominated in PEN and portfolio flows denominated in such currency. Below is a detail of the financial conditions of such transactions:

Entity	Amount (USD)	Currency claim	Currency obligation	Maturity	Amounts in millions
					Fair value (USD)
Cálidda	USD 29,1	PEN	USD	23-jul-28	USD (5,7)
Cálidda	USD 29,1	PEN	USD	23-jul-28	USD (5,7)
Cálidda	USD 99,4	PEN	USD	6-sep-29	USD (12,4)
Cálidda	USD 0,6	USD	PEN	31-ene-23	USD 0,1
Cálidda	USD 0,5	USD	PEN	28-feb-23	USD 0,1
Cálidda	USD 0,5	USD	PEN	31-mar-23	USD 0,1
Cálidda	USD 0,3	USD	PEN	28-abr-23	USD (0,4)
Cálidda	USD 0,6	USD	PEN	31-may-23	USD 0,1
Cálidda	USD 1,1	USD	PEN	30-jun-23	USD 0,2
Cálidda	USD 0,7	USD	PEN	27-jul-23	USD 0,1
Cálidda	USD 0,9	USD	PEN	31-ago-23	USD 0,1
Cálidda	USD 0,7	USD	PEN	29-sep-23	USD 0,1
Cálidda	USD 0,7	USD	PEN	30-nov-23	USD 0,1
Cálidda	USD 0,6	USD	PEN	29-dic-23	USD 0,1
Cálidda	USD 0,6	USD	PEN	31-ene-24	USD 0,1
Cálidda	USD 1,9	USD	PEN	29-feb-24	USD 0,2
Cálidda	USD 15,5	USD	PEN	31-oct-23	USD (0,2)

Hedge of Net Foreign Investment (NFI) – In order to stabilize the variations in equity caused by the effect of the exchange of business abroad, the Company has defined as hedging instruments to cover the previous risk, the amount of USD 1.110 million corresponding to part of its liability position for financial obligations.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Sensitivity analysis of foreign currency - The following is the sensitivity analysis assuming a variation of the Colombian peso due to the effect on the movement of the market representative rate (TRM by its acronym in Spanish), given the exposure as of December 31:

	Potential impact on the statement of comprehensive income (+/-)	
	dic-22	dic-21
	COP/MM	COP/MM
1%	408	46
5%	2.042	232

Additionally, the sensibility analysis is presented assuming a variation of the Peruvian sol, given the exposure as of December 31, 2022 and December 31, 2021, respectively:

	Potential impact on the statement of comprehensive income (+/-)	
	dic-22	dic-21
	COP/MM	COP/MM
1%	290	2.552
5%	1.451	12.761

Interest rate risk management - GEB is exposed to interest rate risk, originated in obtaining debt at variable rates; however, a proportion of debt is maintained at fixed rates and market variables are permanently monitored in order to implement risk mitigation strategies.

Interest rate swap contracts - Under interest rate swap contracts, the Company agrees to exchange the difference between the fixed and floating interest rate amounts calculated on the agreed notional capital amounts. These contracts allow the Company to mitigate the risk of changes in interest rates on the fair value of cash flow and fixed rate debt exposures issued on floating rate debt issued.

At the end of December 2022, GEB has nine Interest Rate Swap transactions under the following financial conditions:

Entity	Amount (USD)	Currency claim	Currency obligation	Maturity	Amounts in millions
					Fair value (USD)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

GEB	USD 319,0	USD	USD	22-jul-24	USD 25,6
GEB	USD 300,0	USD	USD	9-mar-32	USD 69,4
Cálidda	USD 80,0	USD	USD	15-nov-28	USD 10,0
Cálidda	USD 20,0	USD	USD	15-nov-28	USD 2,3
Cálidda	USD 100,0	USD	USD	16-dic-26	USD 9,5
Cálidda	USD 320,0	USD	USD	28-dic-26	USD 22,0
Cálidda	USD 30,0	USD	USD	28-dic-26	USD 2,4
Cálidda	USD 60,0	USD	USD	16-dic-26	USD 1,3
Cálidda	USD 40,0	USD	USD	16-dic-26	USD 1,3

Sensitivity analysis for interest rates - As of December 31, 2022, GEB has 62% of its debt at fixed rates and the remaining at variable rates (Libor 6 months 13.21%, SOFR 12.6%, CPI 8.4%, Libor 3 months 2.48% and DTF 1.37%), i.e. 38% of its total debt. Below is the one-year potential impact on GEB of a 100-point change in interest rates, all else constant, and not including the mitigating effect of interest rate hedges:

Interest rate Risk management	Potential impact on the statement of comprehensive income (+/-) Miles de USD
100 pbs	16.161

Business and Operative Risks – The strategic risks matrix of the Group considers the main risks associated with the social purpose. In accordance with the provisions of the Integral Risk Management Model, these risks are identified, assessed, and monitored periodically in order to establish the results and efficiency in the mitigation of risks by means of the implementation of controls and response plans. The following figure presents the list of risks active in the Strategic Risk Matrix of GEB and the heat map with the risk levels.

The more important risks for their extreme and high residual risk level are situated in the regulatory aspects, the financial risks, operative risks such as work accidents, and business continuity. These risks are described as follows:

Risk	Description	Materialized (Yes/No)	Materialization probability
Default in debt, loans, and other obligations payment CONTUGAS	Given the level of financial leverage, the non-payment of the accounts receivable of big consumers, or for non-compliance with the business plan, there could be	No	High

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

	incurrence in default of debt and credit obligations payment, which could generation a greater need of capitalization, decrease in the present net value of the investment and increase in financial loses.		
Non-compliance of the contract between TRECSA and the Government of Guatemala (PET 01/2009 with maturity 17/11/2020)	Declaration of non-compliance with contract by the Ministry of Energy and Mines for non-compliance with the Construction Execution Program or anu other obligation derived from this Contract or the Transporter License contract.	No	High
Normative changes detrimental to the Company's interests	Modification of the current regulations (laws, decrees, resolutions, circular letters, sentences, doctrines) that negatively impact GEB's interests.	No	High
Work accidents in the operations and activities performed by GEB and related companies	Work accidents in the operations and activities performed by GEB and related companies by direct and third-party collaborators that result in serious injury or death.	No	Medium
Lack of continuity in strategy and non-compliance with corporate governance practices	Periodic changes in the district administration and instability in the strategic guidelines, which leads to a lack of continuity in the implementation of the strategy and corporate governance.	No	Medium
No business continuity	Inadequate preparation to recover and restore the critical business activities against risk events that endanger the business continuity.	No	Medium

The main factor that have led to consider these risks as relevant correspond to:

Debt risk factor in the related company CONTUGAS and non-compliance with the PET contract in TRECSA are two risks that are permanently monitored from GEB due to the relevance and impact both economically and reputationally that could mean for the Group in case of materialization according to the level of valuation assigned and the risk appetite for the Group.

Regarding the risk associated with regulatory changes, an unfavorable regulatory change or modification may considerably affect business revenues due to the regulated nature of tariffs and revenues, a situation that leads to a decrease in business profitability and therefore to a decrease in GEB's revenues. Particularly for the electricity and gas businesses in Colombia, the public policies adopted by the current government, which may affect GEB's interests through the law of the national development plan and legal reforms to laws and regulatory regulations in force. Through regulatory monitoring and management, we seek to protect the interests of the company's shareholders and preserve the value of the company, guaranteeing respect for the criteria of economic efficiency and financial sufficiency, in the face of any reform project in the energy sector.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

The political environment and the decisions of the countries in which it has presence might affect the viability of the business and GEB's interests. The political situation in Peru caused uncertainty and affected the economic indicators of the country. For that reason, a scenario analysis and permanent monitoring to the political and economic events were made, generating alerts and response plan for the continuity of our business in this country.

Safeguard and protect life are part of GEB's values. In line with the corporate value "Life First" and based on the cultural transformation in security and health in work, the Group manages the risk of work accidents in the operations and activities performed by GEB and related companies by direct and third-party collaborators, aiming to eliminate impacts associated with serious and/or deadly injuries and mitigate other impact associated with economic loss and affectation of operations.

To ensure the continuity of the strategy and compliance with corporate governance standards in the face of environmental and organizational events in order to fulfill the promise of value to our stakeholders and demonstrate our commitment to the stability of the company's management.

Finally, to guarantee Business Continuity through the implementation of practices and international standard references that allow the adequate and timely management of Emergencies, Crisis and Crisis Communications, Continuity Plans and Technological Disaster Recovery Plans to guarantee the delivery of products and services at an acceptable level in the face of unplanned interruption events.

29. Equity

Capital - The authorized capital of the company is 44.216.417.910 shares with a par value of \$53.60 colombian pesos each of which 9.181.177.017 shares were subscribed and paid as of December 31, 2022 and December 31, 2021, distributed as follows:

	2022		2021	
	Shares	%	Shares	%
Bogotá Distrito Capital	6.030.406.241	65,68%	6.030.406.241	65,68%
Fondo de Pensiones Obligatorias Porvenir Moderado	719.678.230	7,84%	755.130.630	8,22%
Fondo de Pensiones Obligatorias Protección Moderado	535.849.356	5,84%	531.885.551	5,79%
Corporación Financiera Colombiana S.A.	475.298.648	5,18%	475.298.648	5,18%
Fondo de Pensiones Obligatorias Colfondos Moderado	206.558.994	2,25%	218.003.632	2,37%
Otros	1.213.385.548	13,22%	1.170.452.315	12,76%
	9.181.177.017	100%	9.181.177.017	100%

Additional paid - in capital - Generated mainly by the issuance and placement of shares, carried out by the Company in 2011.

Legal reserve – According to Colombian law, the company must transfer at least 10% of the year's profits to a legal reserve, until it equals 50% of the subscribed capital. This reserve is not available for distribution but may be used to absorb losses.

Reserve for rehabilitation, extension and replacement of systems – In order for the profits of the 1997 fiscal year to benefit from the income tax exemption of Article 211 of the Tax Statute, these

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

were appropriated as a reserve for the rehabilitation, extension and exposure of systems for the provision of residential public utilities.

Equity method reserve – A reserve is created for earnings generated by the application of special methods of valuation of investments under the equity method.

Occasional reserve Art. 130 of ET (by its acronym in Spanish) – This reserve was created to fulfill Article 130 of the Tax Statute in excess of the tax depreciation deductible from income tax.

Other occasional reserves – The Company has not distributed as profits in favor of the stockholders the profits obtained from the exchange difference (net), which are generated by accounting movements and have not been realized as effective profits.

Distribution of dividends – In accordance with the provisions of Act 090 of March 28, 2022, the General Shareholders' Meeting decided to decree dividends payable for USD 366.468.338

In the extraordinary General Shareholders' Meeting No. 089 of September 13, 2021 a reserve release and extraordinary dividend were made for USD 219.084.890.

In accordance with the provisions of Act 088 of March 29, 2021, the General Shareholders' Meeting decided to decree dividends per outstanding share for USD 339.746.788

30. Cost of sales

The following is a detail of the cost of sales as of December 31, 2022 and 2021:

		2022	2021
General (1)	USD	677.550	622.623
Depreciation y amortization		176.020	168.967
Personal services		38.400	24.882
Contributions and rates		22.807	24.431
Taxes		2.494	2.914
Contributions and inputs		2.145	2.559
	USD	919.417	846.377

(1) Corresponds mainly to fees, services, maintenance, installations, transportation, purchases, EPC contract costs, gas sales and transitory inventory.

31. Administrative and Operating expenses

The following is a detail of administrative and operating expenses as of December 31, 2022 and 2021:

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

		2022	2021
Fees, supplies and maintenance	USD	81.574	88.038
Personal services		50.670	58.274
Provisions		23.296	27.729
Taxes, contributions and fees		27.386	25.697
Depreciation and amortization		20.486	14.673
Contributions and inputs		7.811	8.738
	USD	<u>211.222</u>	<u>223.149</u>

32. Finance Income

Below is a detail of the financial income as of December 31, 2022 and 2021:

		2022	2021
Interests	USD	13.334	14.824
Hedging transactions		15.312	2.317
Valuation of investments		-	1.337
Others		32.218	1.949
Dividends - Equity investments		-	35
	USD	<u>60.864</u>	<u>20.462</u>

33. Financial Expenses

The following is a detail of the financial expenses as of December 31, 2022 and 2021:

		2022	2021
Interests	USD	225.754	173.924
Commissions		2.952	5.796
Actuarial computations		5.381	
Others		5.579	
	USD	<u>239.666</u>	<u>179.720</u>

34. Transactions with related parties

Balances and transactions between GEB and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note. Transactions between the entity and other related parties are detailed below. The balance is mainly due to dividends receivable from associated companies.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

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

	Accounts receivable		Accounts payable	
	2022	2021	2022	2021
Investments in associates				
Enel Colombia S.A. E.S.P.	-	-	81	-
Promigas S.A. E.S.P.	2.806	2.736	-	-
Gas Natural S.A. E.S.P.	21.084	24.163	-	-
Electrificadora del Meta S.A E.S.P.	-	-	-	-
Others	-	174	-	3
Joint ventures				
Gebbras	8.090	5.038	-	-
	31.980	32.111	81	3

35. Contingent assesst and liabilities

Contingencies – As of December 31, 2022, and December 31, 2021, the value of claims against the Company for administrative, civil, and labor litigations amount to \$23.403 and \$8.540, respectively. Based on the assessment of the probability of success in defenses of these cases, the Company has provisioned \$606 and \$974 to cover the probable loses for these contingencies.

The Company's management, with the assistance of external advisors, has concluded that the result of the proceedings corresponding to the unprovisioned portion will be favorable to the Company's interests and will not cause significant liabilities to be recorded or, if they result, they will not significantly affect the Company's financial position.

Legal proceedings that due to their probability of being resolved with an unfavorable verdict to GEB are classified as "provisioned", which are summarized as follows (see note 25):

Process type	Number of GEB processes	Total value	Number of processes Branch	Total value Branch	Total value
Labor	13	404	-	-	404
Civil	-	-	1	202	202
Totales	13	404	1	202	606

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in thousand of U.S. Dollars)

Legal proceedings that due to their probability of being resolved with an unfavorable verdict to GEB are classified as "contingent liability", which are summarized as follows:

Process type	Number of GEB processes	Total value	Number of processes Branch	Total value Branch	Total value
Labor	38	2.324	-	-	2.324
Laboral Executive	2	1	-	-	1
Administrative	1	8	6	1.937	1.945
Totales	41	2.333	6	1.937	4.270

Processes classified as probable, which are not included in the provision since they correspond to ordinary labor processes brought by pensioners for the reestablishment of extra-legal benefits suppressed in direct application of Legislative Act 01 of 2005. Are classified as probable unfavorable judgment, which are included in the provision of the actuarial calculation (see note 25):

Process type	Number of processes	Total value
Provisión	5	334

Judicial proceedings that, due to their probability of being resolved with a favorable verdict, are classified as "Remote":

Process type	Number of GEB processes	Total value	Number of processes Branch	Total value Branch	Total value
Administrative	6	829	3	(1) 16.834	17.663
Laboral Executive	3	26	8	82	108
Laboral	8	421	-	-	421
Totales	17	2.333	11	1.937	4.270

(1) Corresponds mainly to an administrative process in the amount of USD \$16.724, which is in first instance and is classified as remote according to its probability of occurrence by the legal expert.

36. Subsequent events

After the cut-off date and until their publication, there have been no relevant events that imply additional adjustments or disclosures to the consolidated financial statements.