Grupo Argos S.A.
and subsidiaries

Consolidated financial statements
As at 31 December 2021 and 2020

Certification of the Legal Representative of the Company

Medellin, 23 February 2022

To the shareholders of Grupo Argos S.A.

In my capacity as Legal Representative, I hereby certify that the consolidated financial statements as of the closing date of 31 December 2021 that are being disclosed do not contain defects, inaccuracies or material errors that would prevent knowing the true financial position or the operations performed by Grupo Argos S.A. during the corresponding period.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Certification of the Legal Representative and the accountant of the Company

Medellin, 23 February 2022

To the shareholders of Grupo Argos S.A.

The undersigned Legal Representative and the Accountant of Grupo Argos S.A. (hereinafter the Company), certify that the consolidated financial statements of the Company as at 31 December 2021 and 2020, before making them available to you and third parties, the following statements contained therein have been verified:

a) Assets and liabilities included in the Company's financial statements as at 31 December 2021 and 2020 exist and all transactions included in said statements have been made during the years ended on those dates.

b) The economic events completed by the Company during the years ended 31 December 2021 and 2020 have been recognized in the financial statements.

c) Assets represent probable future economic benefits (rights) and liabilities represent probable future economic sacrifices (obligations), obtained or at the expense of the Company as at 31 December 2021 and 2020.

d) All items have been recognized at their appropriate values in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

e) All economic events affecting the Company have been correctly classified, described and disclosed in the financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

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

To the Shareholders
Grupo Argos S.A.,

Report on the Audit of the Consolidated Financial Statements

Opinion

I have audited the accompanying consolidated financial statements of Grupo Argos S.A. and Subordinates (the Group), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In my opinion, the consolidated financial statements mentioned and attached to this report, present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia, applied on a basis consistent with that of the preceding year, except for the one-time application as of December 31, 2021 of the voluntary exemption allowed by Decree 1311 of 2021 Accounting alternative to mitigate the effects of the income tax rate change in the 2021 taxable period.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Consolidated Financial Statements* section of my Report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements that are relevant to my audit of the consolidated financial statements established in Colombia, 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.

<table>
<tr><th colspan="2">Goodwill impairment evaluation (See note 14 to the consolidated financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Group's consolidated statement of financial position includes goodwill for $3,211,125 million, derived from acquisitions made in previous years, for which an annual impairment assessment is required in accordance with IAS 36 – Impairment of Assets.

The foregoing represents a key audit matter due to the materiality of the goodwill balance, and because it involves the determination of complex and subjective judgments made by the Group in relation to long-term sales growth, operating costs and margins projected in the different countries where the Group operates, as well as in determining the rates used to discount future cash flows.</td><td>My audit procedures for goodwill impairment assessment included, among others, the following:

• Involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) evaluating the key assumptions used in the impairment tests carried out by the Group, including the input data; 2) carry out independent recalculations supported by information obtained from external sources on the discount rates and the macroeconomic variables used; 3) compare the result of the calculations obtained with those made by the Group; and 4) perform a sensitivity analysis including a possible reasonable reduction in key variables.

• Comparison of the previous year's budget with the actual data, to verify the degree of compliance and, consequently, the accuracy of the projections made by the Group's Management.

• Evaluation of whether the disclosures included in the notes to the financial statements are appropriate in accordance with IAS 36.</td></tr>
</table>

<table>
<tr><th colspan="2">Evaluation of the valuation of service concession agreements (See notes 8, 15 and 44 to the consolidated financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Group has entered into concession agreements for the construction, operation, and transfer of infrastructures, which are within the scope of IFRIC 12 - Service concession agreements. The remuneration of these agreements depends on the terms and conditions of each contract; some incorporate certain mechanisms that grant the Group the unconditional right to receive a guaranteed minimum income (financial asset), while other agreements originate exposure of the investment in the underlying assets to the traffic risk of the operation (intangible asset). As of December 31, 2021, the Group's consolidated statement of financial position includes financial assets of $393,720 million, and intangible assets of $3,596,023 million, derived from the concession contracts signed, mainly from its subsidiaries Odinsa S.A. and Opain S.A.

The foregoing represents a key audit matter due to the materiality of the balances related to those agreements, and because their valuation requires significant judgments by the Group in the determination of the discount rates and the selection of the key input data as are the projections of capital investments and operating expenses, incorporated in the financial models used as a basis for the valuation of the amounts derived from each concession contract.</td><td>My audit procedures for the evaluation of the valuation of service concession agreements included the involvement of professionals with knowledge and relevant experience in the industry who assisted me in: 1) the analysis of the methodology used in the valuation of derivative assets of the concession contracts, and if it is consistent with IFRIC 12 and with the valuation practices usually used in the market; 2) the identification of the key assumptions included in the financial models and the evaluation of the economic merits of each relevant assumption; 3) comparison of key assumptions with market data, if available; and 4) the recalculation of the financial asset / intangible asset, as well as the discount rates used and comparison of the results with those obtained by the Group.</td></tr>
</table>

<table>
<tr><th colspan="2">Evaluation of the valuation of investment properties in accordance with the provisions of IAS 40 – Investment Properties (see note 17 to the consolidated financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The consolidated statement of financial position of the Group as of December 31, 2021 includes a significant amount of investment properties for $2,352,836 million, mainly represented in land measured at fair value with changes in income.

The Group hires qualified external experts for the periodic determination of the fair value of its investment properties, who use significant judgments in the determination of key valuation hypotheses such as: the use of comparables in the market, the estimation of future cash flows, the discount rates applied and the expected growth of the market.

The main reasons for considering this a key audit matter are: (1) there was significant judgment by the Group in determining the key assumptions for the valuation of investment properties and (2) there was significant judgment and audit effort to assess the evidence obtained related to the appraisals performed, as well as the audit effort that involves the use of professionals with specialized skills and knowledge in real estate appraisal.</td><td>My audit procedures to evaluate the valuation of investment properties in accordance with the provisions of IAS 40 included, among others, the following:

• Evaluation of the design, implementation and operational effectiveness of the key control established by the Group to determine and recognize the fair value of investment properties, specifically in the review and approval by the Real Estate Strategy Department of the appraisals made by external professionals with specialized knowledge in the valuation of real estate contracted by the Group.

• Evaluation of the competence and capacity of the external professionals hired by the Group, who determined the fair value of the investment properties.

• Involvement of a professional with relevant knowledge and experience in real estate valuation, who assisted me in evaluating the key assumptions used by external professionals hired by the Group to determine the fair value of investment properties, and whether the procedures and techniques applied are in accordance with IFRS 13 – Fair Value Measurement, and with International Valuation Standards.</td></tr>
</table>

Other Matters

The consolidated financial statements as at and for the year ended December 31, 2020 are presented solely for comparative purposes. They were audited by another public accountant, a member of KPMG S.A.S. who in his report dated February 24, 2021 expressed an unqualified opinion thereon.

Other Information

The administration is responsible for the other information. The other information includes the integrated report but does not include the consolidated financial statements and my corresponding 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 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 in any way, there appears to be a material misstatement.

If, based on the work I have performed, I conclude that there is a material error in this other information, I am required to report this fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with the Group's Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing, and maintaining such internal control as Management determines is necessary to enable the preparation of 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 basis of accounting 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.

Auditors' 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 Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 to the audit in order to design audit procedures that are appropriate in the circumstances.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Group to cease 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 present the underlying transactions and events so as to achieve a fair presentation.

- I obtain sufficient appropriate audit evidence regarding the financial information of the Entities or business activities within the Group to express an opinion on the Group's consolidated financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate with Those Charged with the Group's Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I also provide Those Charged with Governance with confirmation that I have complied with relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that might reasonably be considered to bear on my independence and, where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, I determine the matters that were of most significance in the audit of the current period's consolidated financial statements and, therefore, are the Key Audit Matters. I describe these matters in my Auditor's Report unless law or regulation prevents public disclosure about the matter or when, in extremely exceptional circumstances, I determine that a matter should not be communicated in my Report because the adverse consequences of doing so would reasonably outweigh the benefits to the public interest of such communication.

(Original signed in Spanish)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Grupo Argos S.A.
Registration 43688 - T
Member of KPMG S.A.S.

February 23, 2022

CONTENTS

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figure stated in millions of Colombian pesos

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,683,143	2,701,096
Derivative financial instruments	7	20,856	6,354
Trade and other receivables	8	2,474,445	2,050,392
Inventories, net	9	1,376,345	1,237,080
Tax assets	10	272,079	205,495
Biological assets	20	4,312	5,634
Other financial assets	11	869,849	-
Prepaid expenses and other non-financial assets	12	229,924	212,046
CURRENT ASSETS		**7,930,953**	**6,418,097**
Non-current assets held for sale	13	58,304	247,954
TOTAL CURRENT ASSETS		**7,989,257**	**6,666,051**
NON-CURRENT ASSETS			
Trade and other receivables	8	867,991	2,828,008
Goodwill	14	3,211,125	3,139,063
Right-of-use assets property, plant and equipment, net	22	704,186	813,037
Intangible assets, net	15	4,219,758	4,574,574
Property, plant and equipment, net	16	21,057,939	19,659,963
Investment property	17	2,352,836	2,280,815
Investments in associates and joint Ventures	18	10,002,820	9,029,377
Derivative financial instruments	7	15,974	-
Deferred tax	10	400,299	388,664
Biological assets	20	56,866	53,721
Other financial assets	11	1,587,347	1,234,403
Prepaid expenses and other non-financial assets	12	122,946	105,891
TOTAL NON-CURRENT ASSETS		**44,600,087**	**44,107,516**
TOTAL ASSETS		**52,589,344**	**50,773,567**

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2021	2020
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	21	2,628,060	1,741,257
Lease liabilities	22	137,257	132,103
Employee benefits liabilities	23	290,224	208,396
Provisions	24	309,164	430,062
Trade and other payables	25	2,603,991	2,353,159
Tax liabilities	10	171,501	183,414
Derivative financial instruments	7	2,087	65,085
Bonds and compound financial instruments	26	1,126,948	643,567
Other financial liabilities		-	3,811
Other non-financial liabilities	27	487,959	407,731
CURRENT LIABILITIES		**7,757,191**	**6,168,585**
Liabilities associated with non-current assets held for sale	13	7,772	455,564
TOTAL CURRENT LIABILITIES		**7,764,963**	**6,624,149**
NON-CURRENT LIABILITIES			
Borrowings	21	4,038,878	5,386,230
Lease liabilities	22	628,449	685,001
Deferred tax	10	1,283,447	1,112,850
Employee benefits liabilities	23	362,307	445,591
Provisions	24	232,008	236,086
Trade and other payables	25	135,088	408,744
Derivative financial instruments	7	48,373	95,940
Bonds and compound financial instruments	26	8,678,684	8,974,024
Other non-financial liabilities	27	610,589	575,101
TOTAL NON-CURRENT LIABILITIES		**16,017,823**	**17,919,567**
TOTAL LIABILITIES		**23,782,786**	**24,543,716**

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2021	2020
EQUITY			
Share capital	28	54,697	53,933
Additional paid-in capital	28	1,503,373	1,354,759
Retained earnings		9,083,552	9,218,462
Reserves	29	3,339,623	3,673,583
Profit (loss) for the year		589,799	(100,013)
Other components of equity	30	(111,432)	(143,779)
Other comprehensive income	29	3,996,628	2,591,296
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**18,456,240**	**16,648,241**
Non-controlling interests	32	10,350,318	9,581,610
TOTAL EQUITY		**28,806,558**	**26,229,851**
TOTAL LIABILITIES AND EQUITY		**52,589,344**	**50,773,567**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz
Statutory auditor of Grupo Argos S.A.
Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 23 February 2022)

Grupo Argos S.A. and subsidiaries

Consolidated statement of profit or loss

Years ended as at 31 December | Figures stated in millions of Colombian pesos, except earnings per share

	Notes	2021	2020
Revenue	33	15,045,514	13,241,095
Interest income calculated using the effective interest method	33	208,712	209,887
Share of profit of associates and joint ventures	33	394,232	30,360
Other revenue	33	660,661	509,181
TOTAL REVENUE		**16,309,119**	**13,990,523**
Cost of ordinary activities	34	(11,848,313)	(10,631,924)
GROSS PROFIT		**4,460,806**	**3,358,599**
Administrative expenses	35	(1,490,786)	(1,425,248)
Selling expenses	36	(286,872)	(262,865)
STRUCTURE EXPENSES		**(1,777,658)**	**(1,688,113)**
Other income, net	37	(65,694)	(32,359)
PROFIT FROM OPERATING ACTIVITIES		**2,617,454**	**1,638,127**
Finance income	38	235,742	147,307
Finance expenses	38	(1,224,391)	(1,385,739)
Foreign exchange difference, net	38	27,815	6,347
PROFIT BEFORE TAX		**1,656,620**	**406,042**
Income tax	10.3	(450,587)	(252,097)
NET PROFIT		**1,206,033**	**153,945**
Attributable to:			
OWNERS OF THE PARENT		**589,799**	**(100,013)**
Non-controlling interests		616,234	253,958
EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS (*)			
Attributable to common shareholders of the owner company:	39		
Basic (*)		681.32	(116.67)
Diluted (*)		681.32	(116.67)

(*) Figures stated in Colombian pesos.

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
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Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 23 February 2022)

Grupo Argos S.A. and subsidiaries

Consolidated statement of other comprehensive income

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	2021	2020
NET PROFIT	**1,206,033**	**153,945**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**323,094**	**(61,868)**
Gains or losses of equity investments	237,317	(48,897)
Deferred tax on equity investment	(2,459)	(5)
Remeasurement of defined benefit liabilities	49,235	(22,525)
Defined benefit deferred tax	(15,310)	5,231
Gains or losses on property, plant and equipment revaluation	9,018	111
Deferred tax on property, plant and equipment revaluation	(2,372)	81
Share in associates and joint ventures	47,665	4,136
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**1,960,596**	**570,426**
Net profit from instruments under cash flow hedges	(72,577)	(54,147)
Deferred tax on cash flow hedges	27,380	9,578
Exchange differences on translating foreign operations	1,577,864	506,825
Deferred tax on translating foreign operations	(1,399)	1,770
Share in associates and joint ventures	429,328	106,400
OTHER COMPREHENSIVE INCOME, NET OF TAX	**2,283,690**	**508,558**
TOTAL COMPREHENSIVE INCOME	**3,489,723**	**662,503**
Attributable to:		
OWNERS OF THE PARENT	**2,022,077**	**150,807**
Non-controlling interests	1,467,646	511,696

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
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Statutory auditor of Grupo Argos S.A.
Registration No. 43668-T
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(See report of 23 February 2022)

Grupo Argos S.A. and subsidiaries

Consolidated statement of changes in equity

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Comprehensive Income	Retained earnings and profit for the year	Other components of equity	Attributable to owners of the parent	Non-controlling interests	Total Equity
Balance disclosed as at 31 December 2019	**1,408,692**	**29,665**	**3,483,496**	**2,364,976**	**9,711,599**	**(165,142)**	**16,833,286**	**9,656,971**	**26,490,257**
Accumulated effect of the adoption of new standards (Note 3.1.1)	-	-	-	-	(34,569)	-	(34,569)	(16,553)	(51,122)
Accumulated effect of the adoption of new standards by the share of associates and joint ventures	-	-	-	-	(647)	-	(647)	(14)	(661)
Adjusted balance as at 1 January 2020	**1,408,692**	**29,665**	**3,483,496**	**2,364,976**	**9,676,383**	**(165,142)**	**16,798,070**	**9,640,404**	**26,438,474**
Profit (loss) for the period	-	-	-	-	(100,013)	-	(100,013)	253,958	153,945
Other comprehensive income for the period, net of tax	-	-	-	250,820	-	-	250,820	257,738	508,558
Comprehensive income for the period	**-**	**-**	**-**	**250,820**	**(100,013)**	**-**	**150,807**	**511,696**	**662,503**
Issuance of shares	-	-	-	-	-	-	-	24,351	24,351
Ordinary cash dividends declared	-	-	-	-	(242,670)	-	(242,670)	(524,849)	(767,519)
Preferred cash dividends declared	-	-	-	-	(79,647)	-	(79,647)	(24,416)	(104,063)
Constitution of reserves	-	-	160,422	-	(160,422)	-	-	(3)	(3)
Share of associates and joint ventures	-	-	-	-	-	20,511	20,511	2,047	22,558
Transfer from other comprehensive income to retained earnings	-	-	-	(24,500)	24,500	-	-	-	-
Purchases and sales to non-controlling interests	-	-	-	-	-	3,981	3,981	(23,870)	(19,889)
Other variations	-	-	-	-	318	(3,129)	(2,811)	(23,750)	(26,561)
Balance as at 31 December 2020	**1,408,692**	**29,665**	**3,643,918**	**2,591,296**	**9,118,449**	**(143,779)**	**16,648,241**	**9,581,610**	**26,229,851**

Grupo Argos S.A. and subsidiaries

Consolidated statement of changes in equity

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Comprehensive Income	Retained earnings and profit for the year	Other components of equity	Attributable to owners of the parent	Non-controlling interests	Total Equity
Balance as at 31 December 2020	**1,408,692**	**29,665**	**3,643,918**	**2,591,296**	**9,118,449**	**(143,779)**	**16,648,241**	**9,581,610**	**26,229,851**
Profit for the period	-	-	-	-	589,799	-	589,799	616,234	1,206,033
Other comprehensive income for the period, net of tax	-	-	-	1,432,278	-	-	1,432,278	851,412	2,283,690
Comprehensive income for the period	**-**	**-**	**-**	**1,432,278**	**589,799**	**-**	**2,022,077**	**1,467,646**	**3,489,723**
Issuance of shares	-	-	-	-	-	-	-	67,570	67,570
Ordinary cash dividends declared (Note 31)	-	-	-	-	(97,165)	-	(97,165)	(440,091)	(537,256)
Preferred cash dividends declared (Note 31)	-	-	-	-	(80,918)	-	(80,918)	(19,484)	(100,402)
Ordinary share dividends declared (Note 31)	149,378	-	-	-	(149,378)	-	-	-	-
Ordinary in-kind dividends declared	-	-	-	-	-	-	-	(205,983)	(205,983)
Constitution of reserves (Note 29.1)	-	-	(333,960)	-	333,960	-	-	-	-
Share of associates and joint ventures	-	-	-	-	-	55,297	55,297	5,505	60,802
Transfer from other comprehensive income to retained earnings (Note 29.2)	-	-	-	(26,946)	26,946	-	-	-	-
Purchases and sales to non-controlling interests	-	-	-	-	-	(25,213)	(25,213)	(115,876)	(141,089)
Loss of control of subsidiaries or businesses	-	-	-	-	-	-	-	(89,159)	(89,159)
Effect of change in income tax rate in Colombia (Note 29.3)	-	-	-	-	(67,036)	-	(67,036)	(56,546)	(123,582)
Other variations	-	-	-	-	(1,306)	2,263	957	155,126	156,083
Balance as at 31 December 2021	**1,558,070**	**29,665**	**3,309,958**	**3,996,628**	**9,673,351**	**(111,432)**	**18,456,240**	**10,350,318**	**28,806,558**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz
Statutory auditor of Grupo Argos S.A.
Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 23 February 2022)

Grupo Argos S.A. and subsidiaries

Consolidated statement of cash flows

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
NET PROFIT		**1,206,033**	**153,945**
Adjustments by:			
Dividend and interest income	33	(45,554)	(38,698)
Income tax expense recognized through profit or loss	10	450,587	252,097
Share in results of associates and joint ventures	33	(394,232)	(30,360)
Finance expense, net recognized through profit for the period		794,901	866,004
Expenses recognized in respect to employee benefits and provisions		103,203	282,127
Loss on disposal of non-current assets		1,742,473	19,431
Gain on fair value measurement		(137,042)	(1,222)
Gain from a bargain purchase	37	(30,121)	-
Impairment, net of financial assets		37,684	45,195
Impairment, net of non-current assets and inventory		147,201	9,379
Depreciation and amortization of non-current assets	34	1,718,651	1,716,688
Foreign exchange gains and losses on financial instruments recognized through profit or loss		28,999	(11,532)
Other adjustments to reconcile profit (loss) for the year		43,102	(22,087)
		5,665,885	**3,240,967**
CHANGES IN WORKING CAPITAL OF:			
Trade and other receivables		(1,027,066)	463,224
Inventories		(36,503)	79,391
Other assets		(33,791)	(2,414)
Trade and other payables		185,671	(750,827)
Other liabilities		(34,727)	(39,252)
CASH GENERATED BY OPERATIONS		**4,719,469**	**2,991,089**
Income tax paid		(557,566)	(341,469)
Dividends and interests received		150,215	167,600
NET CASH FLOW FROM OPERATING ACTIVITIES		**4,312,118**	**2,817,220**
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial interest received		130,957	70,819
Acquisition of property, plant and equipment		(2,100,667)	(1,288,396)
Proceeds from the sale of property, plant and equipment		124,556	106,093
Acquisition of investment property	17	(16,696)	(2,213)
Proceeds from the sale of investment property		3,752	12,789
Acquisition of intangible assets		(53,799)	(52,388)
Proceeds from the sale of intangible assets		283	820
Acquisition of other non-current assets		(8)	(5,157)
Proceeds from the sale of other non-current assets		33,706	6,985
Acquisition of control of subsidiaries and other businesses		(125,386)	(30,000)
Sale of businesses with loss of control		672,338	11,500
Acquisition and/or contributions to interests in associates and joint ventures	18	(53,860)	(100,933)
Proceeds from the sale of investments in associates and joint ventures	18	6,131	36,575
Acquisition of financial assets		(457,983)	(225,961)
Proceeds from the sale of financial assets		529,674	454,440
Loans granted to third parties		-	(12,950)
Proceeds from the repayment of loans granted to third parties		10,054	12,876
Payments for financial derivative arrangements		-	(25,842)
Other cash inflows (outflows)		53,777	(347)
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(1,243,171)**	**(1,031,290)**

Grupo Argos S.A. and subsidiaries

Consolidated statement of cash flows

Years ended as at 31 December | Figures stated in millions of Colombian pesos

CASH FLOWS FROM FINANCING ACTIVITIES	Notes	2021	2020
Issue of shares and other capital instruments		67,090	24,351
Issue of bonds		815,571	737,361
Payment of bonds, structured notes and commercial papers		(1,015,379)	(777,344)
Acquisition of other financing instruments		6,185,703	4,590,425
Payment of other financing instruments		(7,251,376)	(4,140,438)
Payment of lease liabilities		(195,253)	(160,873)
Acquisition of non-controlling interests in subsidiaries		(52,013)	(15,446)
Proceeds from the sale of non-controlling interests in subsidiaries		-	39,813
Payments for financial derivative arrangements		(91,808)	(127,807)
Proceedings from financial derivative arrangements		47,526	105,497
Capitalization of non-controlling interests		223,106	-
Dividends paid on ordinary shares		(689,049)	(689,756)
Dividends paid on preferred shares		(149,164)	(125,114)
Interest paid		(1,083,488)	(1,056,163)
Other cash (outflows) inflows		(57,577)	9,226
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES		**(3,246,111)**	**(1,586,268)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(177,164)**	**199,662**
Cash and cash equivalents at the beginning of the period		2,713,358	2,474,008
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		148,623	39,688
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**2,684,817**	**2,713,358**
Less cash and banks included in a group of assets held for sale	6	1,674	12,262
CASH AND CASH EQUIVALENTS AT END OF PERIOD WITHOUT CASH AND BANKS INCLUDED IN A GROUP OF ASSETS HELD FOR SALE	**6**	**2,683,143**	**2,701,096**

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

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Grupo Argos S.A. and subsidiaries

Notes to the **consolidated financial statements**

As at 31 December 2021 and 2020.
In millions of Colombian pesos, except where otherwise indicated

NOTE 1: **OVERVIEW**

Grupo Argos S.A. (hereinafter the company), is a Colombian company incorporated by public deed N°472 of 27 February 1934, of the Second Notary of Medellín. Its main domicile is in the city of Medellin (Colombia), with address carrera 43A 1A sur 143. Its term expires on 27 February 2033, extendable.

The purpose of the Company is to invest in all types of movable and immovable property, and especially in shares, quotas or parts of interest or any other kind of participation in companies, bodies, organizations, funds, or any other legal entity that permits investment of resources. It may also invest in fixed or variable income papers or documents, whether or not they are registered on the public securities market. In any case, the issuers and/or receivers of the investment may be public, private, or mixed, national or foreign. The Company can form civil or commercial companies of any kind or join as a partner to those already established. The association permitted by this provision may include companies whose activity is different from its own, provided that it is convenient for its interests.

In addition, the company has sufficient capacity to act as a promoter, investor, structurer or developer of real estate projects of any kind, for which it may acquire movable or immovable assets necessary for the development of the corporate business, which may have the character of fixed or movable assets according to their purpose.

Grupo Argos S.A. is the parent company of Grupo Empresarial Argos and, through its subsidiaries, it participates in strategic sectors of the economy: cement, energy, concessions and large-scale infrastructure, coal, and real estate.

Its legal status corresponds to an anonymous company, registered in the Colombian Stock Exchange with a solid investment portfolio. The company has strategic investments in companies whose shares and bonds are listed on the stock exchange, such as Cementos Argos S.A. and Celsia S.A. as well as in companies with bonds listed in the stock market as Odinsa S.A. (whose shares were listed in the Colombian Stock Market until 13 March 2018) and other companies not listed. In the Colombian stock market, Grupo Argos S.A. is an issuer of ordinary and preferential shares, targeting the public represented by strategic investors, private investment funds, pension funds, brokerage firms and investors in general (individuals and companies), interested in participating in the country's stock market.

These consolidated financial statements present the financial information of Grupo Argos S.A., Cementos Argos S.A., Celsia S.A., Odinsa S.A., with their respective subsidiaries, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and other minor subsidiaries (hereinafter the Group), and have been prepared by applying uniformly or by standardization for all companies the basis of presentation and significant accounting policies described in Note 2 Basis of preparation and significant accounting policies.

On 23 February 2022 the Board of Directors authorized the issuance of the Consolidated Financial Statements of the Group for the year ended 31 December 2021 and their respective comparatives.

NOTE 2: **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

2.1 Compliance status

The consolidated financial statements for the years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia NCIF, which are based on International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB), as of the second half of 2020 and the endorsement of the amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions issued in 2020. The NCIF were established by Law 1314 of 2009, regulated by Decree 2420 of 2015, amended on 23 December 2015 by Regulatory Decree 2496, on 22 December 2016 by Regulatory Decree 2131, on 22 December 2017 by Regulatory Decree 2170, on 28 December 2018 by Regulatory Decree 2483, on 13 December 2019 by Regulatory Decree 2270, on 5 November 2020 by Decree 1432, and on 19 August 2021 by Decree 938 of 2021.

Additionally, in compliance with laws, decrees, and other regulations in force, applies the following accounting criteria issued specifically for Colombia by the regulatory entities:

- Decree 1311 of 20 October 2021, whereby an accounting alternative is established to mitigate the effects of the change in the income tax rate in the taxable period 2021. This alternative consists in the value of the deferred tax derived from the change in the income tax rate, generated by the amendment of article 240 of the Colombian Tax Code introduced by article 7 of Law 2155 of 2021, which must be reflected in the result of the 2021 period, that may be recognized within the equity of the entity in the retained earnings of previous years. Those who opt for this alternative must disclose it in the notes to the financial statements indicating its effect on the financial information.

- External Circular Letter 36 of 2014 of the Superintendence of Finance of Colombia by means of which it indicates the accounting treatment of positive net differences generated in the first application of the NCIF (Colombian Financial Reporting Standards), may not be distributed to wipe out losses, make capitalization processes, distribute profits and/or dividends, or be recognized as reserves and may only be available when they have been effectively made with third parties, different from those who are related parties, according with the principles of the NCIF. Negative net differences shall not count towards the legal controls applicable to preparers of financial information issuing securities subject to control.

- Decree 2496 of 23 December 2015, which determines that the parameters for establishing post-employment benefits in accordance with IAS 19, Employee Benefits, should correspond to Decree 2783 of 2001 as the best market approximation; for the year 2016, Decree 2131 of 22 December 2016, eliminated the obligation to apply these assumptions for the measurement of post-employment benefits, and continues to be applicable only for financial disclosure purposes. Decree 1625 of 2016 determines that the calculation of pension liabilities must be disclosed in accordance with the parameters established in that standard and in the case of partial pension commutations in accordance with Decree 1833 of 2016 and the differences with the calculation made in accordance with IAS 19 Employee Benefits.

2.2 Going concern basis

The consolidated financial statements have been prepared on a going concern basis and there are no material uncertainties at 31 December 2021 related to events or conditions that cast significant doubt on the ability of any of the Group's companies to continue as a going concern. The Group has the required liquidity and solvency to continue operating as going concern for the foreseeable future.

Financial grounds or criteria for establishing impairment losses and insolvency risks

To comply with the provisions of Article 1 of Decree 1378 of 28 October 2021, an analysis of the reference indicators was made to establish equity impairment and insolvency risks of the direct subsidiaries of Grupo Argos S.A., which correspond to: Cementos Argos S.A., Celsia S.A., Odinsa S.A., Opain S.A., Summa - Servicios Corporativos Integrales S.A.S.,

Sator S.A.S and Patrimonio Autónomo Ganadería Rio Grande. For the subsidiaries that in turn are parent companies, the analysis of the respective indicators of their subsidiaries was performed directly by them.
Although the companies listed below comply with one, two or three of the indicators established in Decree 1378 of 2021, in none of the cases there is non-compliance with the going concern basis, as follows:

- **Cementos Argos S.A.**
  - Current ratio for year 2021 of 0.37 and for 2020 of 0.56.

  The accounting working capital, defined as current assets less current liabilities, displays a negative balance for 2021 of ($1,095,731). This is mostly due to short-term loans and reclassification of long-term loans maturing within the next 12 months. At the end of December, the company has sufficient uncommitted quotas available to cover any cash needs. Additionally, it is a recurring issuer in the Colombian securities market, with an available quota in its program for the issuance and placement of bonds and commercial papers of $1,250,000 million. These bank and stock market quotas allow the structuring of sufficient financing alternatives to renew the current portion of the debt, together with the company's internal generation.

- **Celsia S.A.**
  - Current ratio for year 2021 of 0.49 and for 2020 of 0.25.

  In compliance with the provisions of Decree 1378 of 28 October 2021, Celsia S.A. performed permanent monitoring of the financial statements, financial information and projections of the company during 2021 to establish the existence or possibility of asset impairment and insolvency risks; although the result of the current ratio indicator is lower than 1.0 during the last two periods, the company has made an adequate management of its working capital materialized in actions that have allowed the improvement in the indicator, concluding that there are no alerts on asset impairment and insolvency risk.

- **Odinsa S.A.**
  - Losses for year 2021 of ($136,554) and for 2020 of ($45,965).
  - Current ratio for year 2021 of 0.11 and for 2020 of 0.43.

  It should be noted that, despite the accounting losses presented in 2020 and 2021, due to the impact of the pandemic in the airport and road concessions business and for the year 2021 due to the early termination of the concession contracts of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico, S.A. in the Dominican Republic, the capital and cash structure reflect positive results for the Company. During 2022 Odinsa S.A. expects to receive resources for more than COP 1,800 billion from the early termination of the concession contracts in Dominican Republic. These sources will allow to meet all operating commitments and make significant debt prepayments that will leave the Company with a very solid capital structure and ready to search and achieve new projects.

- **Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. Opain S.A**
  - Negative equity at 31 December 2021 of ($162,056).
  - Current ratio for the year 2021 of 0.74 and for 2020 of 0.84.

  Based on the Company's liquidity position to date and in the face of different traffic scenarios, given the recovery presented as of September 2020 due to the progressive lifting of traffic restrictions implemented by the Colombian National Government, Opain S.A. continues to have a reasonable expectation of having adequate resources to continue operations during the following concession years and that the going concern basis of accounting continues to be adequate. The company has the required liquidity and solvency to continue as going concern for the foreseeable future.

  The financial statements have been prepared on a going concern basis and there are no material uncertainties at 31 December 2021 related to events or conditions that cast significant doubt on the ability to continue as going concern.

- **Summa - Servicios Corporativos Integrales S.A.S:**
  - Negative equity at 31 December 2021 of ($206).
  - Current ratio for the year 2021 of 0.98 and for 2020 of 0.98.

The Company's Management presented to the Board of Directors on 3 February 2022 the company's financial statements and the action plan to remedy the negative equity, which consists of a capitalization by the partners during the year 2022 with the goal of reversing the company's negative equity status. Due to the company's operating model, the current ratio indicator does not represent a risk since the company has liquidity to operate and the application of IFRS16 "Leases" means that the current lease liability has a balance that has no association with current assets. For this reason, the financial statements of Summa - Servicios Corporativos Integrales S.A.S. have been prepared on the going concern basis.

- Sator S.A.S
  - Current ratio for the year 2021 of 0.96 and for 2020 of 0.31.

  Working capital, defined as current assets less current liabilities, shows a negative balance ($1,528) (2020 ($67,525)), mostly due to loans received from Grupo Argos S.A. to cover a tax liability of year 2009 and for the acquisition of investments; however, a less adverse behavior is observed in relation to the previous year, as a result of efforts made in which a new payment agreement was reached, thus transferring the maturity to the long term.

  The positive evolution of the company's operations has allowed it to have sufficient resources to fully comply with its obligations with its creditors within the payment policies defined by the organization, and so generating trust among its business partners.

2.3 Basis of preparation

The Group has defined in its bylaws to make an audit of its accounts, prepare, and distribute general purpose financial statements once a year, as of 31 December of each period. The Consolidated Financial Statements are expressed in Colombian pesos which is the functional currency, and that corresponds to the currency of the main economic environment in which the company operates, and the presentation currency of the parent company for all purposes, rounded to the nearest million, unless otherwise indicated.

For legal purposes in Colombia, the Separate Financial Statements are the basis for the distribution of dividends and other appropriations.

The Group's Consolidated Financial Statements as of 31 December 2021 and 2020, have been prepared on an accrual basis of accounting, except for the cash flow statement. The measurement basis is historical cost; however, some financial instruments, associates considered as investment entities, investment property and biological assets are measured at fair value at the end of each reporting period, the land and buildings component of property, plant and equipment for administrative use is measured at revalued cost every four years as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services in the initial measurement.

The Group must make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue, costs and expenses, and their respective disclosures at the date of the consolidated financial statements. Note 4 Significant accounting judgments and key sources of estimates provides details of the significant accounting judgments and key sources of estimates.

Fair value measurements:

The Group measures financial instruments, such as derivatives and financial assets and liabilities designated for measurement at fair value, and non-financial assets, such as investment property and biological assets, at fair value. Likewise, it uses fair value measurements to determine the revalued value of land and buildings for administrative use classified as property, plant and equipment at the revaluation date.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value of some financial assets and liabilities, investment property and biological assets is determined at a date near the date of presentation of the financial statements for recognition and disclosure.

Judgments include inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset or liability.

The main or most advantageous market must be accessible by the Group.

In estimating fair value, the Group considers the characteristics of the asset or liability if market participants take those characteristics into account when making the valuation at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on that basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment; if any, lease transactions, within the scope of IFRS 16 Leases and measurements that have certain similarities to fair value but are not, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient inputs are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2 or 3 based on the extent to which the inputs to those measurements are observable, and in accordance with the significance of those inputs to the measurements, which are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities for which the entity has access at the measurement date.

- Level 2 inputs are those other than the quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable data for an asset or liability that reflects the assumptions that market participants would use in pricing the asset or liability including the assumption of risk.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers between levels in the hierarchy have occurred by reassessing the categorization (based on the lowest level of input data that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has an established control framework regarding measurement of fair value. This includes a valuation team that has the primary responsibility of overseeing all significant fair value measurements, including Level 3 fair values, who report directly to the Vice President of Finance, and in the case of the valuation of investment property, to the Urban Development Business Management.

Independent valuation firms are involved on a recurring basis in the valuation of major assets, such as investment property, and in specific cases for relevant non-recurring valuations. The selection criteria for these firms include their extensive experience and knowledge of the market, reputation, and independence.

The valuation team regularly reviews significant unobservable inputs, the procedures used for the determination of fair value and changes in fair value measurements from period to period. Also, if the determination of fair value was made by independent third parties, the valuation team evaluates the evidence obtained from the third parties to support the conclusion that valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified, as well as the valuation techniques to be used for each case.

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy, as explained above.

Disclosures related to fair value for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

• Financial assets and liabilities - Note 7.5
• Assets and liabilities associated to non-current assets held for sale - Note 13
• Property, plant and equipment under the revaluation model - Note 16
• Investment property - Note 17
• Biological assets - Note 20
• Fair values used to perform impairment tests - Note 14 and 15

The Group has applied the accounting policies, judgements, estimates and significant accounting assumptions described in Note 2 Basis of preparation and significant accounting policies and Note 4 Significant accounting judgements and key sources of estimates. The judgements include data such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Consolidation principles:

The investments over which the Group has control are consolidated by means of the full integration method, in which all assets, liabilities, equity, income, costs and expenses of the subsidiaries are added to the financial statements of the parent or owners of the parent, after elimination in the parent or owners of the parent of the investment made by the latter in the equity of the subsidiaries, as well as the reciprocal operations and balances existing at the date of preparation of the consolidated financial statements and the standardization of the subsidiaries' accounting policies to those of the Group.

An investee is controlled when the Group has power over it, is exposed to or is entitled to variable returns from its involvement in the investee and has the capacity to influence those returns through its power over the investee. In determining whether to control an investee, an assessment is made of whether facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above. In assessing control, consideration is given to, among other things, existing substantive voting rights, contractual arrangements between the entity and other parties for relevant activities, and the rights and ability to appoint and remove key management personnel, among other aspects.

When most of the voting rights of an investee is not held, power over the investee is determined when the voting rights are sufficient to give the investee the practical ability to manage the relevant activities of the investee. The Group considers all relevant facts and circumstances in assessing whether voting rights in an investee are sufficient to give it power, including:

- The size of the percentage of voting rights relative to the size and dispersion of the percentages of other voting rights holders.
- Potential direct and indirect voting rights held by the Group, other shareholders, or other parties.
- Rights arising from contractual arrangements.
- Any additional facts or circumstances indicating that the Group 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.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which the Group obtains control over the subsidiary until the date on which control is lost. Revenue and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of income and other comprehensive income covering the period from the date on which the Group obtains control until the date on which control over the subsidiary is relinquished.

Changes in a parent's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of Group and non-controlling interests are adjusted to reflect changes in its relative share of the subsidiary. Any difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the controlling interest.

When control of a subsidiary is lost, assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity are derecognized. The resulting gain or loss is recognized in the statement of income for the period and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of the retained interest, and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

Amounts previously recognized through other comprehensive income in relation to that subsidiary are recorded as if the Group had sold the relevant assets directly (i.e., reclassified to profit or loss or transferred to another category of equity as specified and/or permitted by the applicable IFRS).

The fair value of the investment retained in the former subsidiary, at the date when control was lost, shall be considered as the fair value for the purposes of the initial recognition of a financial asset in accordance with IFRS 9 Financial Instruments, or where applicable the cost of the initial recognition of an investment in an associate or joint venture. If the retained interest in the former subsidiary is accounted for using the equity method, the portion of the gain or loss arising from the remeasurement at fair value is recognized through profit or loss for the period only to the extent of the interest in the new associate; if the retained interest is accounted for in accordance with IFRS 9 Financial Instruments, the portion of the gain or loss is recognized in full in profit (or loss) for the period.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from Group equity. Profit (or loss) for the period and other comprehensive income are also attributed to non-controlling and owners of the parent. The total comprehensive income of the subsidiaries is attributed to the owners and to the non-controlling interests even if the results in the non-controlling interests have a negative balance.

Management should make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, costs and expenses, as well as the disclosures of assets and liabilities at the date of the consolidated financial statements. Note 4 provides details of significant accounting judgments and key sources of estimates made by management.

A structured entity is one that is designed so that voting and similar rights are not the primary factor in deciding who controls the entity, for example, if any voting rights relate solely to administrative tasks and the relevant activities are governed by contractual arrangements.

Differences between the consolidated controlling equity of the Group and the equity of the Parent Company

The consolidated controlling equity of Grupo Argos presents differences compared to its separate equity mainly due to the selection, since the adoption of the Accounting and Financial Reporting Standards Accepted in Colombia NCIF, of the subsequent measurement model for associates and joint ventures, which for the separate financial statement is at cost in accordance with paragraph 10 of IAS 27 Separate Financial Statements, while for the consolidated financial statement it is through the use of the equity method. The cost model selected for associates and joint ventures in the separate financial statements makes it possible to reflect the results obtained by the Holding Company that would be eligible for distribution.

The difference in the measurement models causes the following adjustments, among others, to be made in the consolidated financial statement: (a) elimination of dividends from associates and joint ventures recognized in the separate financial statements, (b) application of the equity method of associates and joint ventures in the consolidated financial statements, (c) recording of the deferred tax associated with the application of the equity method in the consolidated financial statements and (d) recognition of a higher or lower cost on sale of investments (together with the associated effects from the realization of the components of other comprehensive income in the result for the period or in retained earnings, as applicable), when there is disposition and/or contribution of associates and joint ventures in the consolidated financial statements.

Additionally, there are differences between the consolidated controlling equity of the business group and the equity of the Parent Company, since current accounting standards require adjustments in the consolidated financial statements such as: (a) write-off of profits or losses resulting from transactions between the companies that are part of the business group, which may in turn give rise to deferred tax expenses or income, (b) recognition in the controlling equity, when there are increases or decreases in the interest in subsidiaries without obtaining or losing control, of the differences between the value at which non-controlling interests are adjusted and the fair value of the consideration paid or received and (c) recognition of those differences arising from a change in the use of an asset at the consolidated level.

2.4 Significant accounting policies

Below are the significant accounting policies applied by the Group in the preparation of its consolidated financial statements:

2.4.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method when control is transferred to the group. The consideration transferred and the identifiable assets acquired, liabilities and contingent liabilities assumed of the acquiree are generally recognized at fair value at the acquisition date, the acquisition costs are recognized in the statement of income for the period and goodwill is recognized as an asset in the consolidated statement of financial position.

The consideration transferred is measured as the sum of the acquisition-date fair values of the assets delivered, liabilities assumed, and equity instruments issued by the Group, including the fair value of any contingent consideration, to obtain control of the acquiree. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognized through profit or loss.

The identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date, except:

- Deferred tax assets or liabilities and assets or liabilities relating to employee benefit arrangements recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

- Assets or groups of assets for disposal that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest and, when applicable, the fair value of any previously held interest in the acquiree over the net value of the assets acquired. When the consideration transferred is less than the fair value of the net assets of the acquiree, the corresponding gain is recognized through profit or loss at the acquisition date.

Non-controlling interests that represent ownership interests and guarantee their holders a proportionate share of the entity's net assets in the event of liquidation may be measured initially at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The selection of the measurement model is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities that result from a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred in a business combination. Changes in the fair value of contingent consideration that qualify as an adjustment to the measurement period are adjusted retrospectively against goodwill. Measurement period adjustments are adjustments arising from additional information obtained during the measurement period, which may not exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners). Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments to goodwill are made and no gain or loss is recognized through profit or loss.

The subsequent recognition of changes in the fair value of contingent consideration that do not qualify as adjustments of the measurement period depends on how the contingent consideration is classified:

- Contingent consideration that is classified as equity is not discounted to subsequent reporting dates and its subsequent settlement is recorded within equity.
- Other contingent consideration that is within the scope of IFRS 9 Financial Instruments shall be measured at fair value at the reporting date and changes in fair value shall be recognized through profit or loss in accordance with this IFRS.

In the case of business combinations achieved in stages, the Group's equity interest in the acquiree is restated to its fair value at the acquisition date (i.e., the date on which the Group obtained control) and the resulting gain or loss, if any, is recognized through profit or loss for the period. Amounts resulting from the interest in the acquiree before the acquisition date that had previously been recognized through other comprehensive income are reclassified to profit or loss for the period, provided that such treatment is appropriate, as if the interest had been disposed of.

If the initial accounting for a business combination is not completed by the end of the financial period in which the combination occurs, the Group reports the provisional amounts of the items for which the accounting is incomplete. During the measurement period, the acquirer recognizes adjustments to the provisional amounts or recognizes additional assets or liabilities needed to reflect new information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized at that date, which are disclosed.

Goodwill acquired in a business combination is allocated at the acquisition date to the cash-generating units expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are allocated to those units.

Goodwill is not amortized; it is measured at cost less any accumulated impairment losses.

The cash-generating units to which goodwill is allocated are tested for impairment annually, or more frequently, if there is an indication that the unit may be impaired.

If the cash-generating unit's recoverable amount is less than the unit's carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the unit's other assets, on a pro rata basis, based on the carrying amount of each asset in the unit.

Impairment losses are recognized in the statement of income. An impairment loss recognized for goodwill purposes may not be reversed.

In the event of disposal of a cash-generating unit, the attributable amount of goodwill is included in the calculation of the withdrawal gain or loss.

2.4.2 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows include cash and cash equivalents and highly liquid investments that are readily convertible to a specified amount of cash and are subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition.

2.4.3. Financial assets

Upon initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income - debt instruments; fair value through other comprehensive income - equity instruments; or fair value through profit or loss.

Financial assets are initially recognized at fair value; for financial assets measured at amortized cost, directly attributable transaction costs are included. Financial assets are not reclassified after initial recognition, unless the

Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group subsequently measures financial assets at amortized cost or fair value, depending on the business model for managing the financial assets and the characteristics of the contractual cash flows of the instrument.

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 it to obtain the contractual cash flows and the terms of the business model give rise on specific dates to cash flows that are solely payments of principal and interest on the value of the outstanding principal.

Financial assets other than those at amortized cost are subsequently measured at a) fair value through other comprehensive income (OCI), if they are debt instruments that are held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the amount of principal; and b) fair value through profit or loss, being these all other financial assets that do not meet the criteria for classification at amortized cost or at fair value through other comprehensive income (OCI). This category includes all derivative financial assets. However, the Group may elect at initial recognition and on an irrevocable basis, to present gains or losses from measuring financial assets at fair value through other comprehensive income (OCI), for investments in equity instruments that are not held for trading purposes, on an investment-by-investment basis.

The Group has chosen to measure some of its investments in equity instruments at fair value through other comprehensive income (OCI). In the disposal of investments at fair value through other comprehensive income (OCI), the accumulated value of the gains or losses is transferred directly to retained earnings, not reclassified to profit or loss. Dividends received in cash from these investments are recognized in the statement of income.

The Group recognizes concession arrangements that represent an unconditional contractual entitlement to receive a State-guaranteed cash flow as a financial asset (receivable) within the scope of IFRIC 12 Service Concession Arrangements. This interpretation requires the investment in public infrastructure be recognized as a financial asset and is measured at the present value of the respective guaranteed cash flows discounted at the interest rate determined in the concession arrangement.

2.4.3.1. Impairment of financial assets

The Group records expected credit losses on its debt securities, trade receivables, contract assets and lease receivables at the end of the reporting period. In the calculation of expected credit losses under IFRS 9 Financial Instruments, the Group applies a simplified approach on a collective basis for the Cement and Energy segments, which allows it not to track changes in credit risk, but rather to recognize a loss provision based on expected credit losses over the useful life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected useful life of the financial instrument. For the Concessions segment, the general approach is used to calculate the expected credit losses of financial assets measured at amortized cost; therefore, expected credit losses are recognized over the useful life of the asset or over the next twelve months, if there has not been a significant increase in risk, evaluated on a collective or individual basis.

Where there is objective evidence that a financial asset is impaired, the Group recognizes an individual impairment loss provision and excludes the item from collective evaluation under the expected credit loss model.

To determine expected credit losses, the Group has used a methodology in accordance with the nature and characteristics of each of its businesses, namely:

- **Cement:** to determine expected credit losses, the cement segment uses a provision matrix based on the number of days a trade receivable is past due, i.e., by grouping the portfolio by default days ranges and applying to the current balance of receivables at the measurement date for each default range an expected default percentage. The percentage of default given the days of default of the portfolio was determined using the transition matrix methodology according to the Markov chain theory. The portfolio of each subsidiary is segmented into two homogeneous groups, industrial business, and mass business.

- **Energy:** when monitoring credit risk in this segment, clients are grouped according to their characteristics, including business segment, type of market and type of service. Loss rates are based on the historical behavior of collections through averages per month and per class of service. Trade and other receivables relate mainly to energy customers in the regulated and unregulated market, in the residential, commercial, industrial, and official sectors.

  Due to the conditions prevailing in the wholesale market (energy exchange and bilateral arrangements with third parties), an individual analysis of impairment is performed on the associated receivable, ranging from a preliminary study of the third parties to the coverage of the portfolio with collateral or promissory notes, the latter only in the case of well-qualified third parties.

- **Concessions:** for receivables with sovereign states, in which a public entity is the debtor, the following risk parameters are taken:
  - The probability of default assigned to the receivable corresponds to the average probability of default of the country where the counterparty is located, according to the rating of the sovereign risk of the counterparty.
  - The standards of the Basel Committee on Banking Supervision are used to estimate the loss given default, which assigns a loss of 45% to debts with sovereign States.
  - The loss is calculated for the entire unsecured amount exposed.

  For receivable in the concession segment with related parties or other receivables, where no historical recovery data exists, the following estimate is made to obtain the risk parameters:
  - The probability of default is estimated by applying Altman's financial stress test for an emerging market company, considering the ratios of working capital, retained earnings, earnings before taxes and interests (EBIT) and total assets, as well as the debt-to-equity ratio.
  - The standards of the Basel Committee on Banking Supervision are used to estimate the loss given default, which assign a loss of 75% to debt with related parties or other receivables.
  - Loss is calculated for the entire unsecured amount exposed.

  In the case of airport concessions, the estimation of expected credit losses on commercial and non-commercial receivable is made using historical data to estimate the loss rate, based on the average migration rate of the portfolio between 30-day age ranges.

Loss is recognized through administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the receivable will not be collectible, the gross carrying amount of the account is derecognized against the associated provision.

Financial assets - Subsequent measurement and profit and loss

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized through profit or loss. Any gain or loss from derecognition is recognized through profit or loss.
Debt investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized through profit or loss. Other net gains and losses are recognized through other comprehensive income (OCI). On disposal of these assets, the accumulated gains and losses in OCI are reclassified to profit or loss.
Equity investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of income unless the dividend clearly represents a recovery of

	a portion for the investment cost. Other net gains and losses are recognized through other comprehensive income OCI and are never reclassified to income for the period.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized through profit or loss.

2.4.3.2. Derecognition of financial assets

A financial asset, or a part of it, is derecognized from the consolidated statement of financial position when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred, and the transfer qualifies for derecognition.

A financial asset is transferred if the contractual entitlements to receive the cash flows of an asset have been transferred or if the contractual rights to receive the cash flows of the financial asset are retained but the entity assumes a contractual obligation to pay them to one or more recipients. When the Group transfers a financial asset, it shall assess the extent to which it retains the risks and rewards of ownership of the asset.

When a financial asset or part of it is derecognized, the difference between its carrying amount and the sum of the consideration received (including any new asset obtained less any liability assumed) must be recognized through profit or loss. The accumulated gain or loss that has been recognized directly through equity within other comprehensive income (OCI), and is related to financial assets derecognized, must be reclassified to retained earnings.

2.4.4 Inventories

Are classified as inventories those goods acquired with the intention of selling them in the ordinary course of business or of consuming them in the process of providing services, or those that were classified as investment property in the acquisition and are then intended for sale in the ordinary course of business.

The inventory of raw materials, work in process, finished product, unmanufactured merchandise for sale, and real estate inventory is initially measured at cost of acquisition plus expenses and disbursements necessary to place the asset in condition to be sold. The Group recognizes a decrease in the value of inventories if the cost is higher than the net realizable value. When a real estate inventory is transferred from investment property to inventories, the transfer is made at fair value, which corresponds to the new cost of the inventory for purposes of applying IAS 2 Inventories.

The Group classifies real estate inventories into current and non-current according to their business cycle. That is, according to the time that elapses from the purchase or classification of a real estate property as an inventory through its realization. Generally, inventory items are realized within the financial year when sale conditions do not require prior execution of development work by the Group and delivery of the property is agreed over periods of up to one year. In this case, they are classified as current inventories. Otherwise, they are classified as non-current inventories.

Net realizable value is the estimated selling price in the normal course of business, less estimated costs of completion and estimated costs necessary to make the sale. Inventories include goods in stock that do not require transformation, materials such as minor spare parts and accessories for the rendering of services, and goods in transit and held by third parties.

The Group recognizes inventories when sold, at book value, as costs in the period in which the corresponding income is recognized. In the case of inventories used in the rendering of services (operation and maintenance), this is recognized as a cost or expense in the results of the period in which they are consumed.

Disbursements for the maintenance of real estate inventories are presented as operating expenses.

Property tax corresponding to inventories of real estate for sale will be recognized in full as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia.

2.4.5 Intangible assets

Intangible assets are recorded at cost in accordance with IAS 38 Intangible Assets; those with indefinite useful lifes are not amortized and those with defined useful lifes are amortized based on the straight-line method over their estimated useful lifes, or the unit-of-production method. The estimated useful life and the method of amortization are reviewed at the end of each reporting period, with the effect of any changes in the estimate recorded on a prospective basis. At the end of each period, the Group assesses intangibles with definite useful lifes to determine whether they exhibit impairment signs and performs impairment test for intangibles with indefinite useful lifes.

Subsequent expenditures on intangible assets are capitalized only when future economic benefits increase, incorporated into the specific asset related to these expenditures. All other expenditures, including expenditures to generate goodwill and trademarks internally, are recognized through profit or loss when incurred.

Amortization begins when the asset is available for use, it is calculated on the basis of the cost of the asset less its residual value on a straight-line basis or by the unit-of-production method over the asset's estimated useful life and is recognized in the consolidated statement of income in the item selling cost and administrative and selling expenses, as appropriate, and impairment is recognized in the statement of income in the other expenses item.

Estimated useful life and amortization methods, for the current and comparative period, of the Group's intangible assets are as follows:

Intangible	Useful life ranges in years	Depreciation method
Concessions (1)	4 and 75	unit-of-production / straight-line
Rights	4 and 35	Straight-line
Brands	2 and 20	Straight-line
Customer lists and customer-related intangibles	5 and 15	Straight-line
Licenses, patents and software	1 and 10	Straight-line
Other intangible assets	1 and 50	Straight-line

(1) The term of concessions and licenses is established in accordance with the concession arrangement. The estimated useful life of an intangible asset in a service concession agreement corresponds to the period from the start of the infrastructure operation stage by the Group until the end of the concession period.

a. **Intangible assets from service concession arrangements.** The Group recognizes an intangible asset arising from a service concession arrangement, within the scope of IFRIC 12 Service Concession Arrangements, when it has the right to charge for the use of the concession infrastructure. On initial recognition, an intangible asset under a service concession arrangement is recognized at cost. After initial recognition, the intangible asset measured at cost includes capitalized borrowing costs, less amortization and accumulated impairment. Costs are capitalized until the concession is put into service.

b. **Separately acquired intangible assets.** The cost of separately acquired intangible assets comprises their purchase price, including non-recoverable indirect taxes, after deduction of any discount or markdown, and includes any costs directly attributable to preparing the asset for its intended use.

   When payment for an intangible asset is deferred beyond normal credit terms, its cost is the equivalent of the cash price, and the difference between the amount and total payments is recognized as interest expense over the period of the credit unless it is capitalized in accordance with IAS 23 Borrowing Costs.

c. **Internally generated intangible assets.** Disbursements arising from research activities are recognized as an expense in the period in which they are incurred.

   An internally generated intangible asset resulting from development activities, or from the development phase of an internal project, is recognized if and only if the following conditions are met:

   - It is technically possible to complete production of the intangible asset so that it can be made available for use or sale.

- The intention is to complete the intangible asset, for use or sale.
- There is capacity to use or sell the intangible asset.
- The intangible asset will generate probable future economic benefits.
- Availability of adequate technical, financial, or other resources to complete the development and to use or sell the intangible asset.
- That the expenditure attributable to the intangible asset during its development can be measured reliably.

The amount initially recognized for an internally generated intangible asset is the sum of the expenditure incurred from the time the asset meets the conditions for recognition. When an internally generated intangible asset cannot be recognized, development expenditure is charged to profit or loss the period in which it is incurred.

d. **Intangible assets acquired in a business combination.** When an intangible asset is acquired in a business combination and recognized separately from goodwill, its cost is its fair value at the acquisition date.

e. **Exploration and evaluation expenditures.** The Group recognizes as expenses those disbursements incurred before demonstrating the technical feasibility and commercial viability of the exploitation project, and which are directly related or associated with the activity of exploration and evaluation of the mineral resource.

After the technical feasibility and commercial viability of the exploitation project has been demonstrated, exploration-related expenditure is recognized at cost as incurred and is classified in a separate category called "assets for the exploration and evaluation of mineral resources", separating tangible or intangible assets, depending on the nature of the assets acquired, and applying this classification consistently.

The Group ceases to classify an asset for exploration and evaluation when the technical reliability and commercial viability of extracting a mineral resource are demonstrable.

An intangible asset is derecognized on disposal 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 the net proceeds from the sale and the carrying amount of the asset, are recognized through income at the time the asset is derecognized.

2.4.6 Impairment of tangible and intangible assets

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

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

The Group determines the recoverable amount of an asset or cash-generating unit by comparing the higher between:

- Its fair value less selling costs.
- Its value in use.

If either of these two values exceeds the book value of the asset under analysis, no impairment is considered, and it is not necessary to estimate the other.

Sometimes it is not possible to determine the fair value of the asset less selling costs. In this case the entity could use the asset's value in use as its recoverable amount. If there is no reason to believe that an asset's value in use significantly exceeds its fair value less costs to sell, the latter is its recoverable amount.

The recoverable amount of an individual asset cannot be determined when:

- The asset's value in use cannot be estimated to be close to its fair value less selling costs (for example, when future cash flows from continuing use of the asset cannot be determined because they are negligible).

- The asset does not generate cash inflows that are largely independent of those from other assets.

In such cases, the value in use and, therefore, the recoverable amount, may be determined only for the cash-generating unit.

Criteria for estimating fair value

The Group uses an appropriate valuation model, or an indicator of the fair value of assets, to determine fair value and must consider the following criteria, with evidence supporting those estimates:

- The existence of a price within a formal commitment to sell, in a transaction carried out under conditions of mutual independence, adjusted by the incremental costs directly attributable to the sale or disposal of the asset.

- If there is no formal commitment to sell, but the asset is traded in an active market, fair value is the market price less selling or disposal costs.

- If there is neither a firm sale agreement nor an active market, fair value is calculated based on the best information available to reflect the value that the Group can obtain (such as replacement cost at new less impairment) at the date of the statement of financial position, in an arm's length transaction between knowledgeable, willing parties, after deducting selling or disposal costs. To determine this value, the Group considers the results of recent transactions with similar assets in the same sector.

For cases in which it is not possible to estimate the fair value reliably, the recoverable value is the value in use.

Criteria for estimating value in use

The following elements should be reflected in the calculation of the value in use:

- The estimated future cash flows of the asset or cash-generating unit, based on the time the Group expects to use the asset or the period of the cash-generating unit, if defined.
- The expectations about possible variations in the amount or timing of those future cash flows.
- The time value of money.
- The price for the uncertainty inherent in the asset.
- Other factors, such as the illiquidity that market participants would reflect in pricing the future cash flows that the Group expects to derive from the asset.

The following variables should be excluded from the estimate of future cash flows that the Group expects to obtain:

- Cash outflows relating to obligations recorded as liabilities or costs and expenses generated during construction of the asset.
- Future cash inflows or outflows that are expected to arise from a future restructuring in which the Group is not yet committed; or the improvement or increase in the asset's performance.
- Flows related to tax payments or payments related to the financing of the asset.
- Cash inflows from other assets that are largely independent of the cash inflows from the asset in question.

Future cash flows are discounted to their present value using a pre-tax discount rate corresponding to current market rates and that reflects the time value of money and the risks specific to the cash-generating unit or group of cash-generating units.

If the recoverable amount of an asset or a 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 through profit or loss, except if the asset is recorded under the revaluation model, in which case the impairment loss must be considered as a decrease in the revaluation, until it is completely exhausted if necessary, and any outstanding impairment must be recorded against profit or loss.
The Group assesses whether previously recognized impairment losses no longer exist or have decreased; in this case, the carrying amount of the cash-generating unit or groups of cash-generating units is increased to the revised estimate of the recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment been previously recognized. This reversal is recognized as income in the statement of income for the period, except for goodwill, the impairment of which is not reversed under any circumstance.

2.4.7 Property, plant and equipment, net

Property, plant and equipment includes the value of land, buildings and constructions, machinery, furniture and office equipment, computer, communications and transportation equipment and other facilities owned by the Group, which are used in the operation of the entity.

The Group recognizes an item of property, plant and equipment when it is probable that the asset will generate future economic benefits, it is expected to be used over a period of more than one year, all risks and rewards inherent to the asset have been received and its value can be reliably measured.

The initial recognition of property, plant and equipment is recorded at acquisition cost, which includes professional fees, direct dismantling and removal costs (when applicable) and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy, as well as any other directly attributable expenses, less trade discounts, rebates and other similar items. Such properties are classified in the appropriate categories of property, plant and equipment upon completion and when they are ready for their intended use. Spare parts and permanent maintenance equipment are recognized as an item of property, plant and equipment when they meet the recognition criteria.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment, if any, except for the homogeneous group of land and buildings for administrative use, which are measured by the revaluation model, which is applied every four years. Properties under construction for production or service provision purposes are recorded at cost, less any recognized impairment loss.

Depreciation begins when the asset is available for use, and is calculated on a straight-line basis over the estimated technical useful life of the asset as follows:

• Constructions and buildings	40 to 80 years
• Generation Plants	20 to 100 years
• Communication routes	20 to 40 years
• Machinery and equipment	15 to 30 years
• Substations, lines and networks	40 to 50 years
• Furniture and office, computing and communications equipment	2 to 10 years
• Transport equipment	3 to 10 years
• Furniture, vehicles and tools	2 to 10 years

An item of property, plant and equipment shall be derecognized on disposal or when future economic benefits are no longer expected to arise from the continuing use of the asset. The gain or loss arising from the decommissioning or disposal of a property, plant and equipment asset is calculated as the difference between the gain or loss on the sale of the asset and the asset's carrying amount and recognized through profit or loss.

Estimates of the residual values, useful lifes and depreciation methods of assets are reviewed and adjusted prospectively at each financial year end, if required.

Provisions for decommissioning, restoration and rehabilitation

The Group recognizes a provision as part of the cost of an item of property, plant and equipment when there is a legal or implicit obligation to dismantle an asset or restore the site where it was built or operated, equivalent to the present value of the estimated future costs that are expected to be incurred to perform the dismantlement or restoration.

The provision for dismantling or restoration is recognized at the present value of estimated future expenditures to settle the obligation. Cash flows are discounted at a risk-free pre-tax rate when the inherent risks have already been incorporated in the cash flow.

The estimate of future cash flows for dismantling or restoration are reviewed periodically. Changes in the estimate, expected dates of disbursements or in the discount rate used to discount the flows are recognized as an increase or decrease in the cost of decommissioning included in the property, plant and equipment item. The change in the value of the provision associated with the passing of time is recognized as a finance expense in the statement of income.

2.4.8 Investment property

Investment property are those real estate properties held to generate value and/or to lease, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes.

An investment property is initially measured at cost, which comprises: the purchase price and all costs directly attributable to the investment property. The cost of investment property built by the Group includes: materials, direct labor and other directly attributable costs to bring the asset to its intended use by management, including capitalizable borrowing costs.

Costs arising from the maintenance of the asset are excluded from the initial recognition of an investment property. Such costs should be recognized through profit or loss of the period in which they are incurred. Also should be excluded:

- Commissioning costs (unless necessary to bring the investment property into use conditions).
- Operating losses incurred before the investment property achieves the planned level of occupancy.
- Abnormal amounts of waste materials, labor, or other resources incurred in the construction or development of the property.

In its subsequent measurement, the Group measures investment property under the fair value model, i.e., taking as a reference the price that will be received upon disposal of the asset in a market transaction, at a given measurement date.

To determine fair value, the Group engages independent experts with recognized professional capacity and experience in the valuation of real estate.

Changes in the fair value of investment property is recognized through profit or loss in the period in which they arise.

Investment property may be transferred to property, plant and equipment or inventories; at the time of transfer they are reclassified to their fair value, which becomes the cost for accounting purposes.

An investment property is withdrawn or derecognized from the statement of financial position at the time of its disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Disposal of investment property may occur either by sale or by incorporation into a financial lease. Any gain or loss on the sale of investment property (calculated as the difference between the consideration obtained on disposal and the carrying amount of the asset) is recognized through profit or loss in the period in which the withdrawal or disposal occurs. When an investment property that was previously classified as property, plant and equipment is sold, any amount included in the revaluation reserve in other comprehensive income (OCI) is transferred to accumulated profit.

Property tax corresponding to the Group's investment property will be recognized in its entirety as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia, or when the event giving rise to the legal or implicit obligation materializes accordance to each country’s legislation.

Disbursements for maintenance of investment property are presented as operating expenses.

2.4.9 Investment in associates and joint arrangements

An associate is an entity over which the Group exercises significant influence, i.e., the power to participate in the financial policy and operating decisions of the investee without having control or joint control over it.

A joint arrangement is one in which there is joint control, i.e., decisions on relevant activities require the unanimous consent of the parties sharing control and may be a joint venture or operation.

A joint venture is an arrangement whereby the parties involved are entitled to the net assets.

A joint operation is an arrangement whereby the parties involved are entitled to assets and income and obligations in respect of liabilities and expenses relating to the terms of the arrangement.

Profit and net assets of the associate or joint venture are included in the consolidated financial statements using the equity method, unless the investment or a portion of it is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations or associates considered to be investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

Under the equity method, the investment is initially recorded at cost, then adjusted for changes in the Group's share of the associate's or joint venture's results and other comprehensive income (OCI).

When the equity method is applicable, the necessary adjustments are made to bring the accounting policies of the associate or joint venture into line with those of the Group and the Group's share of the unrealized gains or losses arising from transactions between the Group and the associate or joint venture is not included, except for losses that evidence impairment. The equity method is applied from the date on which the investee becomes an associate or joint venture. Any resulting excess value between the price paid and the equity value of the associate or joint venture acquired is included in the carrying amount of the investment and is not amortized or tested individually for impairment.

When the Group's share of the losses of an associate or joint venture exceeds the value of the investment, which includes any long-term interest that, in substance, is part of the Group's net investment in the associate or joint venture, its share of future losses is no longer recognized. Additional losses are recognized provided that a legal or implicit obligation has been incurred or payments made on behalf of the associate or joint venture.

The Group impairs a net investment in an associate or joint venture if, and only if, objective evidence indicates that one or more events, which occurred after initial recognition, have had an impact on the future cash flows of the net investment and that impact can be reliably estimated. The following events allow to establish whether there is objective evidence that these investments may be impaired:

- Significant financial difficulties of the associate or joint Venture
- Breaches of the contract, such as defaults or delays in payment by the associate or joint Venture
- The granting of concessions to associates and joint ventures that would not have been granted in other circumstances
- It becomes probable that the associate or joint venture will enter bankruptcy or other form of financial reorganization
- The disappearance of an active market for the net investment due to the associate's or joint venture's financial difficulties
- Significant changes with adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates; or
- A significant and prolonged decline in the fair value of an investment in an associate or joint venture that is an equity instrument below its cost

The Group recognizes a joint operation, when the contractual arrangement is structured through a separate vehicle or otherwise, by assessing the entitlements granted to the Group over the assets and obligations with respect to the liabilities relating to the arrangement and does not grant rights to the net assets of the arrangement.

In recognizing a joint operation, the Group considers aspects such as the legal form of the separate vehicle, the terms of the contractual arrangement and, where appropriate, other factors and circumstances.

The contractual arrangement in which the Group participates should establish the entitlements of the parties to the assets and the obligations with respect to the liabilities relating to the arrangement, the entitlements to income and the obligations with respect to the expenses corresponding to the parties.

The Group should recognize the following in its financial statements in relation to its participation in a joint operation:

- Its assets, including its interest in jointly held assets.
- Its liabilities, including its share of jointly incurred liabilities.
- Its income, including its share of jointly earned income.
- It expenses, including its share of jointly incurred expenses.

The Group must account for the assets, liabilities, income, and expenses relating to its participation in a joint operation, in accordance with the applicable policies and the terms of the arrangement.

When the Group is a joint operator and performs sales transactions or contributions of assets to a joint operation, it should account for the transaction as follows:

- Recognize gains and losses from this transaction only to the extent of the other parties' interests in the joint operation.
- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, the Group recognizes all losses.

When the Group is a joint operator and enters a transaction to purchase assets from a joint operation, it must account for the transaction as follows:

- It recognizes its share of the profits and losses only when it resells those assets to a third party.
- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, its share of those losses must be recognized.

When the Group is a party to a joint operation, but does not have joint control over it, it should account for its interest in the joint venture in the manner described above only if it is entitled to the assets and obligations in respect of the liabilities relating to the joint operation.

2.4.10 Borrowing costs

Borrowing costs attributed directly to the acquisition, construction, or production of qualifying assets, which are assets that require a substantial time span before they are ready to use or sale (more than one year), are added to the cost of these assets until such time as they are ready to use or sale. The Group considers that a substantial time span is one that is greater than one year.

Income received from the temporary investment of resources pending use in the construction or production of qualifying assets is deducted from the cost of loans to be capitalized as an increase in the cost of the asset.

All other borrowing costs are recognized in profit or loss during the period in which they are incurred.

2.4.11 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount is recovered through a sale transaction rather than through continuing use. These assets or groups of assets are presented separately as current assets and liabilities in the statement of financial position at the lower of carrying amount or fair value less costs to sell and are not depreciated or amortized from the date of classification.

Any impairment loss recognized on a group of assets for disposal is allocated first to the goodwill associated with that group of assets, when applicable, and then to the other assigned assets pro rata on the basis of their book value. This loss is not distributed to financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment on the initial classification of assets as held for sale and subsequent gains and losses arising from the new measurements are recognized through profit or loss.

The condition for the classification of an asset as a non-current asset held for sale (or disposal group) is considered to be met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its current state subject only to terms that are customary and adapted for sales of such assets (or disposal group). Management must be committed to the sale, which should be recognized as a completed sale within one year of the date of classification.

When there is a sales plan involving the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale provided that the above-described criteria are met, regardless of whether a non-controlling interest in its former subsidiary will be retained after the sale.

When the Group is committed to a sales plan that involves the sale of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment to be sold is classified as held for sale when the above-described criteria are met.

The Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that is not classified as held for sale continues to be accounted for under the equity method; if at the time of sale of the retained portion of the associate or joint venture there is a loss of significant influence or joint control, the use of the equity method is discontinued and any retained interest in the associate or joint venture is recognized in accordance with the applicable regulations following its classification.

Where the Group commits to distribute an asset (or disposal group) to the owners, that non-current asset (or disposal group) is classified as held for distribution to the owners. For this to be the case, the assets must be available for immediate distribution in their current condition, and the distribution must be highly probable, i.e., activities to complete the distribution must have commenced and be expected to be completed within one year from the date of classification.

The measurement criteria of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are not applicable to investment property measured at fair value, financial assets within the scope of IFRS 9 Financial Instruments, deferred tax assets, assets arising from employee benefits, among others indicated by this IFRS.

Income, costs, and expenses from a discontinued operation are presented separately from those from continuing operations, in a single item after income tax, in the consolidated statement of comprehensive income for the current and comparative periods of the previous year, even if the Group retains a non-controlling interest in the subsidiary after the sale.

2.4.12 Biological assets

The Group recognizes a biological asset or agricultural produce when it controls it because of past events, it is probable that future economic benefits will be generated, and the cost of the biological asset or agricultural produce can be measured reliably.

The Group measures biological assets, both at the beginning and at the end of the period, at fair value less selling costs. The fair value of a biological asset is given by the quoted price in an active market. If there are different active markets for the same biological asset, the fair value of the asset will be the price given in the most relevant active market.

If no active market exists, the Group uses the following information to determine fair value, provided it is available and it will select the most reliable one:

- The price of the most recent market transaction, assuming there is no significant change in economic circumstances between the date of the transaction and the end of the reporting period,
- The market price of similar assets, adjusted to reflect existing differences,

- Industry benchmarks, such as the value of plantations expressed in terms of areas, units of capacity, weight or volume.

Gains or losses arising from the initial recognition of a biological asset or agricultural produce at fair value less selling costs and from a change in this value are included in profit or loss for the consolidated period when they arise.

2.4.13 Leases

The Group recognizes leases, subleases and contracts with similar characteristics and circumstances taking into account the capacity of the lessor or lessee, the underlying asset and the term of the arrangement.

At the beginning of an arrangement, the Group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period in exchange of a consideration. To assess whether a contract transfers the right to control the use of identified assets, the Group uses the definition of a lease in IFRS 16 Leases.

a. **The Group as a lessee.** As the lessee, at the commencement or amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component based on its relative independent prices.

   The Group initially recognizes at the commencement date of the lease a right-of-use asset representing the right to use the underlying asset of the contract and a lease liability representing its obligation to make the payments agreed in the contract.

   Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted with the remeasurements of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made before the inception date of the contract less any lease incentives received.

   Unless the Group is reasonably confident of obtaining ownership of the leased asset at the end of the lease term, assets recognized for the right of use are amortized on a straight-line basis over the lease term. Right-of-use assets are subject to impairment. Right-of-use assets associated with investment property are measured initially at cost, and subsequently at fair value, in accordance with the Group's accounting policy for subsequent measurement of investment property.

   At the commencement date of the lease, the Group recognizes lease liabilities measured at present value of the lease payments to be made over the term of the lease. Lease payments include fixed payments (including essentially fixed payments) less lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise price of a purchase option when the Group has reasonable assurance that it will be exercised and penalties for cancellation of the lease, if the term of the lease reflects that the Group will exercise an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

   In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the value of the lease liabilities is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the term of the lease, a change in the fixed payments in substance of the lease, or a change in assessment to acquire the underlying asset.

   The Group recognizes the depreciation expense for right-of-use assets and allocates the lease payments between the finance expense and the reduction of the lease obligations. Interest expense is charged directly to income, unless it is directly attributable to qualifying assets, in which case it is capitalized in accordance with the general policy for borrowing costs.

The Group presents the leased assets and liabilities separately in the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Group presents interest expense on lease liabilities separately from the depreciation charge on the leased asset. Interest expense on the lease liability is a component of finance costs, which are presented separately in the consolidated statement of comprehensive income.

In the consolidated statement of cash flows, the Group classifies cash payments for principal and interest on lease payments as financing activities and payments for short-term leases and low-value asset leases as operating activities.

Short-term leases and low-value asset leases.

The Group recognizes lease payments for contracts with a lease term of 12 months or less and without a purchasing option, or contracts with an underlying asset of low value (i.e., assets with a new value of USD 3,500 or less for operating assets and USD 5,000 or less for administrative assets) as lease expense less related lease incentives on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative of the time pattern of the lessee's benefit.

b. **The Group as a lessor.**
At the commencement or amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component based on its relative independent prices.

As the lessor, at the commencement of the lease, the Group classifies the leases as finance or operating leases, assessing the extent to which risks and rewards of ownership of the asset affect it. The Group classifies a lease as a finance lease when substantially all the risks and rewards of ownership are transferred, and as an operating lease when substantially all the risks and rewards of ownership are not transferred.

The Group recognizes amounts owed by lessees under finance leases as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated over the accounting periods to reflect a consistent and regular rate of return on the company's net investment in the leases.

Lease income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease.

2.4.14 Financial liabilities and equity instruments

a. **Classification as debt or equity.** Debt and equity instruments are classified as financial liabilities or equity, in accordance with the substance of the contractual arrangement and the definitions of financial liability and equity instrument.

b. **Equity instruments.** An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognized at the value received, net of direct issue costs.

   Repurchase of the Group's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in the results of the purchase, sale, issue or cancellation of own equity instruments.

c. **Compound instruments.** Components of compound instruments, such as mandatory convertible bonds issued by the Group, are classified separately as financial liabilities and equity, depending on the substance of the contractual

arrangement and the definitions of financial liability and equity instrument. A conversion option that will be cancelled through the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's equity instruments is considered an equity instrument.
At the date of issue, the fair value of the liability component is calculated using the prevailing market interest rate for similar non-convertible debt. This amount is recorded as a liability on an amortized cost basis, using the effective interest method, until it is extinguished upon conversion or upon maturity of the instrument.

The portion classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument. This value is recognized and included in equity, net of income tax effects, and cannot be re-measured subsequently. Additionally, the portion classified as equity remains in equity until it has been exercised, in which case, the balance recognized through equity is transferred to additional paid-in capital. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognized through equity is transferred to retained earnings. No gain or loss should be recognized through profit or loss upon conversion or expiration of the conversion option.

Transaction costs related to the issuance of convertible instruments are allocated to the liability and equity components, in proportion to the distribution of the gross amounts received. Transaction costs related to the equity component are recognized directly in equity. Transaction costs related to the liability component are included in the book value of the liability and are amortized over the life of the convertible instruments using the effective interest rate method.

Financial liabilities. Are classified at fair value through profit or loss or at amortized cost, using the effective interest method. The Group determines the classification of financial liabilities at initial recognition.

i. Financial liabilities at fair value through profit or loss:

A financial liability is classified as held for negotiation if:

- It has been acquired primarily for the purpose of short-term repurchase.
- At initial recognition it forms part of a portfolio of financial instruments managed by the Group and there is evidence of a recent current pattern of short-term profits.
- It is a derivative that has not been designated as a hedging instrument or as financial guarantee.
- It is an embedded derivative that is recognized separately, unless it is designated as an effective hedging instrument.

A financial liability that is not held for negotiation could also be designated as a financial liability at fair value through profit or loss at initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that may arise.
- The financial liability forms part of a group of financial assets or liabilities, or both, which is managed - and its performance is evaluated - on the fair value basis, in accordance with the risk management documented by the Group in its investment strategy, with the information provided internally on that basis.
- It is part of an arrangement that contains one or more embedded instruments. IFRS 9 Financial Instruments allows the entire combined contract to be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are recorded at fair value, with any gain or loss arising from the remeasurement recognized through the results of the period. The net gain or loss recognized through profit or loss incorporates any interest paid on the financial liability. The fair value is determined in the manner described in the fair value measurement policy, described in paragraph 2.

ii. Other financial liabilities. Other financial liabilities (including borrowings, trade payables and others) are subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating the finance expense over the term. The effective interest rate is the discount rate that exactly matches the cash flows receivable or payable (including all fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial liability, or when appropriate, a shorter period, with the net carrying amount at initial recognition.

iii. **Financial derivatives.** The Group holds financial derivative instruments to cover its exposures to foreign currency and interest rate risk. Financial derivatives are measured at fair value through profit or loss. Some derivatives embedded in other financial instruments or contracts (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and are not recorded at fair value.

Certain transactions with derivatives that do not qualify for hedge accounting are treated and reported as derivatives held for negotiating, even though they provide an effective hedge for managing risk positions.

Derecognition of financial liabilities. The Group derecognizes a financial liability if, and only if, the obligations expire, are cancelled, or fulfilled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through the statement of income. In the opposite case, where there is no substantial change in the terms of the liability, such replacement or modification is not treated as a derecognition of the original liability but as a modification of the existing liability, and it is necessary to calculate the present value of the future contractual cash flows under the new conditions discounted at the effective interest rate of the original liability. The difference between the carrying amount of the original liability and the current value of the modified cash flows is recognized in the statement of income.

The terms will be materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received, and using the original effective interest rate for discounting, differs by at least 10 percent from the discounted present value of the cash flows remaining on the original financial liability.

For replacements or modifications of liabilities that are not accounted for as a derecognition, the costs and fees paid by the Group will adjust the carrying amount of the liability and will be amortized over the remaining life of the modified liability.

In case of swaps and exchanges of debt instruments, the Group will only derecognize those original liabilities that result in substantially different terms.

2.4.15 Hedge accounting

The Group continues applying the hedge accounting requirements of IAS 39 Financial Instruments: Recognition and Measurement, in accordance with the exceptions permitted by the adoption of IFRS 9 Financial Instruments.

For derivatives that qualify for hedge accounting, at the inception of the hedging relationship, the Group designates and formally documents the relationship, the risk management objective and the strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the fair value of the hedging instrument in offsetting the exposure to changes in the fair value of the hedged item or in the cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have been effective over the reporting periods for which they were designated.

For hedge accounting purposes and those applicable to the Group, hedges are classified and accounted for as follows, once the criteria for hedge accounting are met:

a. **Fair value hedge.** When hedging exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

Change in the fair value of a derivative that is a hedging instrument is recognized in the statement of comprehensive income in the statement of income section, as finance cost or income. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the statement of comprehensive income in the statement of income section as finance cost or finance income.

b. **Cash flow hedge.** When hedging exposure to changes in cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable forecast transaction, or to foreign exchange risk in an unrecognized firm commitment.

   The purpose of cash flow hedge accounting is to recognize in other comprehensive income (OCI), the changes in fair value of the hedging instrument to apply them to the statement of income when and at the rate that the hedged item affects them.

   The effective portion of the gain or loss on the measurement of the hedging instrument is immediately recognized through other comprehensive income (OCI), while the ineffective portion is recognized in the statement of income as finance cost.

   The amounts recognized through other comprehensive income (OCI) are reclassified to income when the hedged transaction affects income, as well as when the hedged finance income or expense is recognized, or when the forecasted transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized through other comprehensive income (OCI) are reclassified to the initial book value of the non-financial asset or liability. If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized through other comprehensive income is reclassified to profit or loss.

   If the hedging instrument expires or is sold, terminated, or exercised without a successive replacement or renewal of a hedging instrument by another hedging instrument, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized through other comprehensive income (OCI) remains there until the forecast transaction or firm commitment affects profit or loss.

c. **Cobertura de la inversión neta en un negocio en el extranjero.** When hedging differences in foreign currency arising between the functional currency of the foreign operation and the functional currency of the parent company, regardless of whether the net investment is held directly or through an intermediate parent company.

   Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized through other comprehensive income (OCI) to the extent that the hedge is effective and presented in the equity translation reserve. To the extent that the hedge is not effective, such differences are recognized through profit or loss. When part of the hedge of a net investment is eliminated, the corresponding amount recognized through other comprehensive income (OCI) is transferred to income as part of the gain or loss on disposal.

2.4.16 Employee benefits

Post-employment benefit and defined contribution plans. The Group recognizes liabilities for pension, pension securities and bonds, retirement premiums and other post-employment benefits in accordance with the requirements of IAS 19 Employee Benefits.

The Group recognizes benefit plans classified as contribution plans in consolidated statement of income as an administrative, sales or cost of goods sold as the related service is rendered. Contributions paid in advance are recognized as an asset, to the extent that a cash refund or reduction in future payments is available.

The Group recognizes benefit plans classified as defined benefit plans as an asset or liability in the statement of financial position. This is done by the difference between the fair value of the plan assets and the present value of the plan obligation, using the Projected credit unit Method to determine the present value of its defined benefit obligation and the related current service cost, and where applicable, past service cost, at least annually. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, is the published market price.

The Projected Credit Unit treats each period of service as generating an additional unit of benefit entitlement and measures each unit separately to conform to the final liability. The Group discounts the total value of the obligation for post-employment benefits, even if a portion of the obligation is to be paid within 12 months of the reporting period.

Actuarial gains or losses, returns on plan assets and changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets), are recognized through other comprehensive income (OCI). Actuarial gains or losses include the effects of changes in actuarial assumptions as well as experience adjustments. The net interest on the net defined benefit liability (asset) comprises interest income on the plan assets, interest costs on the defined benefit obligation and interest expense on the effect of the asset ceiling.

Current service cost, past service cost, any settlement or curtailment of the plan are recognized in the statement of income in the period in which they arise.

The estimate of the post-employment benefit liability is made by an independent actuary.

Short-term benefits. Short-term benefits are those that the company intends to pay to employees within 12 months after the end of the period in which the employee has rendered services, some examples are salaries, wages, bonuses, vacations, paid absences, among others.

The Group records short-term benefits in the reporting period based on the undiscounted amount of the balances expected to be paid in consideration of the work performed by the employee.

Termination benefits. These are benefits granted to employees when it is decided to terminate the employment contract before the normal retirement date, or when the employee accepts an offer of benefits in exchange for the termination of the employment contract. Termination benefits are recognized as an expense in the results of the period when the Group cannot withdraw the offer related to the benefits or when the Group recognizes the costs for a restructuring, whichever occurs first. If the benefits are not expected to be settled in full within 12 months after the end of the reporting period, they are discounted.

2.4.17 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the value of the obligation. In cases where the provision is expected to be partially or fully reimbursed, the reimbursement is recognized as a separate asset only in cases where such reimbursement is practically certain, and the amount of the receivable can be reliably measured.

Provisions are measured by management's best estimate of future expenditures required to settle the present obligation and are discounted using a risk-free rate. The provision expense is presented in the statement of income, net of any reimbursement. The increase in the provision due to the passing of time is recognized as a finance expense in the statement of income.

The Group recognizes present obligations arising from an onerous contract as provisions for the lesser of expected costs to terminate the contract or the expected net cost to continue with the contract. An onerous contract is one in which the unavoidable costs of fulfilling the obligations involved exceed the economic benefits expected to be received from the contract. The Group recognizes any impairment loss on the assets associated with the contract.

A restructuring provision is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring itself has commenced or has been publicly announced. Future operating costs are not provisioned.

Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control are not recognized in the statement of financial position but are disclosed as contingent liabilities.

Contingent liabilities acquired in a business combination are initially recognized at their fair values at the acquisition date. At the end of subsequent reporting periods, these contingent liabilities are measured at the higher of the amount that would have been recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less any accumulated amortization recognized in accordance with IFRS 15 Revenue from Contracts with Customers.

2.4.18 Taxes

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

a. **Current income tax.** Current income tax assets and liabilities for the period are measured at amounts expected to be recovered or paid to the tax authority. The tax expense is recognized as current, in accordance with the comparison made between the taxable income and the accounting profit or loss affected by the income tax rate for the current year and in accordance with the provisions of the country's tax regulations. The current tax expense includes at least the amount settled by the presumptive income system in those periods in which there is no taxable income, which is zero or less than 0.5% of the taxable equity (0.5% for year 2020 and 0% from 2021 and onward) for companies located in Colombia. The tax rates and regulations used to compute such values are those enacted or approved at the end of the reporting period and that generate taxable income.

   Current tax assets and liabilities are offset for presentation purposes at the closing of each annual period, if they are related to the same tax authority, there is a legal right to do so, and the Group intends to settle them simultaneously.

b. **Deferred tax.** Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred tax liability is generally recognized for all temporary tax differences. The deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the entity can charge the deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that does not affect either taxable profit or accounting profit.

   The Group must recognize a deferred tax liability for taxable temporary differences relating to investments in associates and interests in joint ventures, except where it is able to control the reversal of the temporary difference and where there is a possibility that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized and that there is a possibility that the temporary difference will reverse in the foreseeable future.

   The carrying amount of a deferred tax asset should be reviewed at the end of each reporting period and reduced, if the Group considers it probable that sufficient taxable profit will not be available in the future to allow the asset to be recovered in full or in part.

   Deferred tax assets and liabilities should be measured using the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the end of the reporting period.

   Measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the way the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

   Deferred tax arising from the initial accounting for a business combination is treated as a net identifiable asset associated with the application of purchase accounting.

   Deferred tax assets and liabilities are offset for presentation purposes at the closing of each period, provided that they are related to the same tax authority, there is a legal right to do so, and the Group intends to settle them simultaneously.

2.4.19 Foreign currency

a. **Foreign currency transactions.** Transactions in currencies other than the entity's functional currency (foreign currency) are recorded using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rates prevailing at the date the fair value was determined. Non-monetary items that are measured at historical cost are not retranslated.

   Exchange differences on monetary items are recognized in the results of operations in the period in which they arise, except for:

   - Exchange differences arising from loans denominated in foreign currencies related to assets under construction for future productive use, which are included in the cost of such assets as an adjustment to interest costs on such loans denominated in foreign currencies, provided they do not exceed the borrowing costs of a liability with similar characteristics in the functional currency
   - Exchange rate differences arising from transactions related to exchange rate risk hedges
   - Equity instruments measured at fair value through other comprehensive income (except in the case of impairment when foreign currency differences that have been recognized through other comprehensive income are reclassified to income)
   - A financial liability designated as a hedge of the net investment in a foreign operation provided that the hedging is effective
   - Cash flow hedges provided the hedging is effective, which are recognized through other comprehensive income OCI.

b. **Translation of a foreign business.** Financial statements of subsidiaries that present a different functional currency are translated into Colombian pesos. Transactions and balances of a foreign operation are translated into the parent company's functional currency as follows:

   - Assets and liabilities are translated into Colombian pesos at the closing rate,
   - Profit or loss items are translated into Colombian pesos based on the average rate for the period, and,
   - Equity transactions in foreign currency are converted to Colombian pesos at the exchange rate of the day of the transaction.

   Exchange differences arising from the translation are recognized directly in other comprehensive income (OCI) in equity and are reclassified to the statement of income when the investment is sold:

   - On disposal of the Group's interest in a foreign operation, which involves a partial sale of an interest in a joint venture or an associate that includes a foreign operation of which the retained interest is converted into a financial asset, all accumulated exchange differences in equity related to that operation attributable to the Group's owners are reclassified to profit or loss.

   - On partial disposal of a subsidiary (which includes a foreign operation), the entity reattributes the proportionate share of the cumulative amount of the exchange differences to the non-controlling interests and they are not recognized through profit or loss for the period.

   Goodwill and net identifiable assets and liabilities acquired in a foreign business combination are treated as assets and liabilities of a foreign operation and are translated at the exchange rate prevailing at the end of each reporting period. Any exchange differences arising are recognized through other comprehensive income (OCI).

2.4.20 Recognition of income

The Group's income arises mainly from the sale of goods, the rendering of services, returns on investments and the equity method of investments with a recognition of income at a given time. Most of the Group's revenue arise from fixed-price contracts and, therefore, the value of revenue to be obtained from each contract is determined by reference to those fixed prices.

a. **Sale of goods.** A single performance obligation is established for the sale of goods. The Group recognizes revenue when the obligation is satisfied, i.e., when control of the goods or services underlying the performance obligation has been transferred to the customer, at some point in time. This performance obligation is fulfilled at the time of delivery of the asset to the customer. There is no significant financing component associated with the sale of goods. Revenue is reduced by discounts or rebates and other similar allowances estimated for the customers.

   The Group sells developed property with revenue generally recognized over time, since the customer receives the benefits of the performance obligation as the asset is partially delivered. In these cases, the Group recognizes revenue based on the progress of the percentage of the asset delivered, which is estimated by comparing the costs executed at the date of the project with the total budgeted costs.

b. **Rendering of services.** The Group provides certain services that are sold on their own under contracts with customers or grouped together with the sale of goods to a customer. In both scenarios, revenue from service contracts is recognized by reference to the stage of completion of the contract, which is determined as follows:

   - Installation fees are recognized as revenue by reference to the stage of completion of the installation, determined as the proportion of the total estimated installation period that has elapsed at the end of the reporting period.
   - Fees for services included in the price of products sold are recognized by reference to the proportion of the total cost of the service provided for the product sold.

c. **Income from dividends and interests.** Dividend income from investments is recognized once the rights to receive said payment have been established. In the case of associates and joint ventures, it is recorded as a reduction in value of the investment. For all other equity investments, it is recorded through profit or loss.

   Interest income on a financial asset is recognized when it is probable that the Group will receive the economic benefits associated with the transaction and the value of the income from ordinary activities can be measured reliably. Interest income is recorded on a time basis, with reference to the principal outstanding and the applicable effective interest rate.

d. **Income from equity method.** Corresponds to the recognition of the participation in the results of associated companies and joint ventures. This is recognized at the end of the reporting period considering the percentage of equity interest and the profits or losses obtained by the associates and joint ventures.

e. **Lease income.** The policy for recognition of income from investment property under operating leases is described in the lease policy.

f. **Toll income.** Toll income is recognized at the time of collection from users who use the concessioned road. The Group deducts from its income the portion associated with the financial asset for the projected income of the model determined in accordance with IFRIC 12, Service Concession Arrangements.

g. **Income from sales of energy and natural gas.** Income is recognized through profit for the year through the causation system when an increase in future economic benefits, related to an increase in assets or a decrease in liabilities, has arisen and its value is reliably measurable. When income is recognized, all costs and expenses associated with it are recognized.

   Income from the energy generation activity is derived mainly from sales of energy through bilateral contracts to the regulated and unregulated market, the Stock Exchange, the secondary frequency regulation service (AGC) and the Reliability Charge. Through Resolution CREG 071 of 2006, the current methodology for the remuneration of the Reliability Charge to the generators of the Wholesale Energy Market (MEM) was approved.

   The methodology for remuneration of the transmission activity is known as regulated income, through which the maximum annual income that remunerates each transmitter is established, in accordance with the assets that they effectively possess in the National Transmission System (STN). This income is collected through charges for the use

of the STN, which are paid by the marketers (demand) of the National Interconnected System (SIN). The collection and recovery resulting from the application of charges for use of the STN is handled centrally through the STN's Liquidator and Account Manager, who invoices and settles the charges for use.
For the purposes of remuneration of the distribution activity, the CREG defines the remuneration to be applied, which is reviewed every five years in accordance with the provisions of the regulations. The methodology established for remuneration has an associated quality scheme.

The marketer's income comes from buying energy from the Wholesale Energy Market (MEM) and selling it to end users, for which it carries out billing, measurement, collection, portfolio management and customer service activities, among others.

Income from the sale of energy in the regulated and unregulated market is recognized based on the kilowatts consumed by customers, both billed and unbilled; the sale of related services is recognized when billed. Energy not invoiced at the end of the month is estimated based on internal and external information, the latter supplied by the energy market regulator.

Income from natural gas sales is recognized based on the nominations established in the gas resale agreements.

In the case of foreign subsidiaries, energy sales are recognized when the energy produced is delivered to customers in accordance with the monthly settlements prepared by the National Dispatch Center (CND) and based on the prices and quantities of kilowatt-hours contracted or sold in the occasional market. Capacity income is recognized monthly based on contracts with electricity distribution companies or sold on the occasional market or the reserve market.

Energy not invoiced at the end of the month is estimated based on internal and external information, the latter supplied by the energy market regulator National Dispatch Center (CND). Relevant estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

h. **Construction contracts.** The Group performs construction activities with revenue generally recognized over time, since the customer receives the benefits of the performance obligation as the activity is performed. When the outcome of a construction contract can be estimated with sufficient reliability, revenue and costs associated with the contract should be recognized by reference to the stage of completion of the activity produced by the contract at the end of the reporting period, measured based on the proportion that contract costs incurred in the work performed at that date represent to the total estimated contract costs, except where such proportion is not representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that value can be reliably measured, and their reception is considered probable.

   When the outcome of a construction contract cannot be estimated with sufficient reliability, revenue should be recognized only to the extent that it is probable that costs incurred under the contract will be recovered. Contract costs should be recognized as an expense in the period in which they are incurred.

   When there is a possibility that total contract costs exceed total revenue, the estimated loss is immediately recognized as an expense.

   For contracts where invoices based on the progress of work exceed contract costs incurred to date plus recognized gains less recognized losses, the excess is shown as amounts owed by the Group to customers for the work contract. Amounts received before related work is performed are included in the consolidated statement of financial position as a liability. Amounts billed for work performed, but not yet settled by the customer, are included in the consolidated statement of financial position under trade and other receivables.

   The Group estimates revenue in the reporting period that have not yet been billed, assessing the degree of progress of construction projects that can be reliably measured and whose economic benefits are likely to be achieved. The cost method is that used to determine the degree of progress of construction projects in progress.

i. **Government grants.** Government grants should not be recognized until there is reasonable assurance that the Group will comply with the conditions attached; and that the subsidies will be received. Government grants are initially recognized at fair value.

Government grants whose main condition is that the Group buys, builds or otherwise acquires non-current assets are recognized as deferred income through the statement of financial position and are transferred to income on a systematic basis over the useful life of the assets. Government grants must be recognized as income or loss on a systematic basis over the periods necessary to match them with the related costs.

Any government grants to be received as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial support to the Group, without related subsequent costs, are recognized through profit as other income when they become receivable.

The benefit of a government loan at a below-market interest rate is treated as a grant, measured as the difference between the benefit received and the fair value of the loan based on the market interest rate in effect at the date.

j. Contract balances

a. **Contract assets:** a contract asset is the right to receive consideration in exchange for goods or services transferred to the customer, when that right is conditional on a different variable being present over time. If the Group transfers control of goods or services to a customer before the customer pays the consideration, a contract asset is recognized for the consideration earned that is conditional on the performance of one or more variables.

b. **Trade receivables:** a receivable represents the Group's unconditional right to a consideration for the transfer of goods or services to a customer. It is unconditional because only the passing of time is required for payment of the consideration.

c. **Contract liabilities:** a contract liability is the obligation to transfer goods or services to a customer for which the Group has previously received consideration from the customer. The payment of a consideration by a customer before the Group transfers goods or services to the customer is recognized as a contract liability at the time the payment is made or when the payment is due (whichever occurs first). Contract liabilities are recognized as income once the Group transfers the goods or services to the customer.

2.4.21 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur in expenses, whose operating results are regularly reviewed by the Group's highest operating decision maker to make decisions about resources to be allocated to the segment, assess its performance and for which differentiated financial information is available.

Management has determined its operating segments based on the financial information provided to the Group's steering committees, whose members are used to make operating decisions for the purpose of allocating resources and evaluating their performance. The Steering Committee evaluates the performance of the operating segments based on each segment's net sales, operating income, EBITDA, and net income. Total assets and liabilities by operating segment are not evaluated internally for management purposes and are not disclosed by the Group.

2.4.22 Related parties

For the purposes of IAS 24 Related Party Disclosures, the Group considers as related parties its associates and joint ventures, the entities that exercise joint control or significant influence over Grupo Argos S.A., its subsidiaries and the key management personnel, which includes members of the Board of Directors, Nomination and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Steering Committee (formed by the President and Vice Presidents), and any Committee that reports directly to the Boards of Directors of Grupo Argos S.A. and its subsidiaries, as well as corporate business managers who have the capacity to direct, plan and control activities.

Transactions between related parties are any transfer of resources, services and obligations between the Group and a related party, as well as outstanding balances between them at the date of preparation of the consolidated financial statements, including any commitments and guarantees given or received between them.

Related party disclosures are provided according to the categories established by IAS 24 Related Party Disclosures, which correspond to transactions with: (a) the parent, (b) entities with joint control or significant influence over the entity, (c) subsidiaries, (d) associates, (e) joint ventures, (f) key management personnel and (g) other related parties. Likewise, items of a similar nature are grouped together for disclosure purposes.

The characteristics of transactions with related parties do not differ from those with third parties and do not imply differences between market prices for similar transactions.

2.4.23 Materiality

In accordance with IAS 1 Presentation of Financial Statements, the Group considers information to be material if its omission or inappropriate expression could influence the decisions of users of the consolidated financial information.

2.4.24 Statement of cash flow

The Group prepares the statement of cash flows using the indirect method based on net profit (loss), broken down into three sections:

a. **Cash flows from operating activities:** flows from operations that constitute the company's main source of revenue, and from those activities that cannot be classified as investing or financing activities. These flows include, among others, taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates, joint ventures and financial instruments and interest received on service concession arrangements recognized as financial assets.

b. **Cash flows from investing activities:** flows from the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents. These flows include, among others, flows related to the acquisition of subsidiaries, associates and joint ventures (excluding for subsidiaries, transaction costs that are presented as cash flows from operating activities), contingent considerations paid for business combinations during the measurement period and up to the amount of the identified liability, cash flows from sales of subsidiaries with loss of control, associates and joint ventures; acquisitions and disposals of intangible assets and property, plant and equipment (including transaction costs and deferred payments at the time of receipt or delivery of the flows), interest received from investments, except for interest received under service concession arrangements recognized as financial assets that are presented as operating activities.

c. **Cash flows from financing activities:** flows from activities that result in a change in the company's capital structure, whether from own resources or from third parties. These flows include, among others, issues of equity instruments, repayment of contributions and payments of subordinated debt classified as equity instruments, obtaining and repaying loans, issuing bonds and commercial papers and cancelling them, transactions between shareholders that do not involve obtaining and/or losing control (including transaction costs and any deferred payment at the effective time of receipt or delivery of the flows), repayment of principal on leases, interest paid associated with financing costs (including withholding taxes assumed and paid on loans entered into with foreign entities and except for interest that is capitalized as part of the cost of an asset that is presented as investing activities), derivatives that hedge financial liabilities and dividend payments.

The Group considers that those transactions that result in compensation for obligations in its charge with claims in its favor, as in the case of payments of financial obligations with collections of dividends receivable, constitute monetary transactions since they have required the use of cash and should be reflected in the corresponding activities in the Consolidated Statement of Cash Flows. The foregoing applies even when the debtors, acting on behalf of the Company, have made payments directly to the Company's creditors and when the Company does the same to settle its obligations.

On the other hand, when these types of transactions occur in-kind, i.e., when they do not involve the use of cash, they will be considered as non-cash transactions and will not be reflected in the Consolidated Statement of Cash Flows and will be subject to disclosure.

NOTE 3: STANDARDS ISSUED BY THE IASB

3.1. Incorporated in Colombia

3.1.1 Incorporated in Colombia as of 1 January 2020 – Decree 2270 of December 2019 and Decree 1432 of November 2020.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 19 Employee Benefits	Accounting for plan amendments, curtailments, and settlements	The amendment requires entities to use updated assumptions to calculate current service cost and net interest for the remainder of the period upon amendment, curtailment, or settlement of a plan. It also requires entities to recognize any reduction in surplus as part of the past service cost or gain or loss on settlement.
Amendment to IFRS 3 Business Combinations	To improve the definition of a business	The amendment clarifies that to consider the set of activities and assets acquired as a business, these must include at least one input element and a substantive process that together with the input can create outputs or results. For this, the entity must: • Determine whether the fair value of the acquired assets is concentrated in a single identifiable asset or group of identifiable assets of a similar nature. • Determine whether that asset or group of assets includes a substantive process and, as a company, can generate an output.
Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Materiality	Information is material if omitting, misstating, or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity.
IFRIC 23 Uncertainty over Income Tax Treatment	Accounting for uncertain tax treatments	This interpretation explains how to recognize deferred and current tax assets and liabilities if there is uncertainty about a tax treatment. An entity shall manage uncertainties according to: • The rationale available to support its position • The approach expected to be taken by the tax authority in an audit of the matter.
Conceptual Framework	General update	Updates the definitions of concepts related to: • Measurement: to include factors to be considered when selecting measurement bases. • Presentation and disclosure: to determine the events in which income or expense is classified to other comprehensive income OCI. • Non-recognition: sets out guidance for determining when assets or liabilities should be removed from the financial statements. Additionally, it renews the definitions of assets and liabilities, and the criteria to include them in the financial statements. It also adds or clarifies the meaning of other concepts such as "controlled resource", "economic resource" and "expected cash flow", among others.
Amendment to IFRS 16 Leases	Covid-19-Related Rent Concessions	This amendment incorporates a practical expedient for the accounting treatment of rent concessions granted to lessees because of the COVID-19 pandemic, provided that the following conditions are met: (a) the change in lease payments results in revised lease consideration that is substantially equal to or less than the lease consideration

Financial Reporting Standard	Subject of the amendment	Detail
		immediately preceding the change, (b) any reduction in lease payments affects only payments due on or before 30 June 2021, and (c) there is no material change to other terms and conditions of the lease. This practical expedient is that lessees may elect to account for rent reductions in the same manner as they would if they were not lease modifications. Those applying this exemption should disclose this fact, as well as the amount recognized in income for the period arising from COVID-19 related rent reductions. As well as applying this practical expedient consistently to all leases with similar characteristics and circumstances. Voluntary application of this amendment in Colombia may be made early on financial statements beginning on or after 1 January 2020. Lessees are not required to restate prior period figures or provide the disclosures required by paragraph 28(f) of this standard. The Group opted not to apply this amendment in its consolidated financial statements.

CINIIF 23 la incertidumbre frente a los tratamientos del impuesto a las ganancias

To provide greater clarity in the accounting treatment of income taxes, in June 2017 the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments, which clarifies the application of recognition and measurement requirements of IAS 12 Income Taxes when there is uncertainty in the treatments of this tax. An entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements of IAS 12 Income Taxes based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and the tax rates determined by applying this Interpretation. In Colombia, this IFRIC became effective as of 1 January 2020.

IFRIC 23 Uncertainty over Income Tax Treatments requires the assumption that the tax authority, having the right to examine and challenge tax treatments, will examine the tax treatment of operations, and will have full knowledge of all related information.

If Grupo Argos or any of its subsidiaries concludes that it is not likely that an uncertain tax treatment will be accepted by the tax authority, it must reflect the effect of the uncertainty on its accounting, adjust income tax expense, and current and deferred tax assets and liabilities.

The impact of the uncertain tax position should be measured using either the most likely amount method or the expected value method depending on whether the Group believes that the uncertain position will be resolved. This IFRIC allows for its initial application with retrospective effect, impacting retained earnings (or another component of equity, as appropriate). The Group opted for application in these terms.

It is required to continue disclosing, in accordance with IAS 1 Presentation of Financial Statements, the judgments and estimates made in determining uncertain tax treatments.

According to the analysis performed by the management, uncertain tax positions that are likely to be rejected by the tax authority were recognized in the Group's Consolidated Financial Statements of year 2020, affecting the Group's equity by ($51,783), of which ($35,216) correspond to a decrease in the controlling equity and ($16,567) to a decrease in the non-controlling interest. This value corresponds mainly to the following uncertain tax positions:

Tax on Assets ("ISA") for the fiscal periods 2011 - 2018 in Autopistas del Nordeste S.A. ADN and tax on Assets ("ISA") for the fiscal periods 2011 - 2015 in Boulevard Turístico del Atlántico S.A. – BTA

The company Autopistas del Nordeste S.A. and the company Boulevard Turístico del Atlántico S.A. requested before the Ministry of Finance to be exempted from the payment of the Tax on Assets for the periods 2011 to 2018, and 2011 to 2015, respectively. Despite having obtained no objection from the Ministry in all cases, these requests were subsequently rejected by the General Directorate of Internal Taxes. The request was based on the fact that the concession contract dated 18 July 2001, was approved by the National Congress of the Republic through a resolution published on 22 March 2002; subsequently, through Law 557-05 dated 13 December 2005, the Tax on Assets was introduced to the tax system, which, according to the provisions of the concession contract, represents an adverse change in the tax legislation that may affect the economic balance of the Contract and that would oblige the grantor to reestablish it in favor of Autopistas del Nordeste S. A and Boulevard Turístico del Atlántico S.A. at its sole cost.

For the company Autopistas del Nordeste S.A. on 14 February 2020 the Supreme Court of Justice notified the ruling 001-033-2018-RECA-00769 by which it rejected the appeal filed by the company. In view of this decision, an appeal was filed before the Constitutional Court, also requesting the suspension of the SCJ ruling. In the case of Boulevard Turístico del Atlántico S.A., in view of the rejection by the General Directorate of Internal Taxes, the company initiated proceedings before the Superior Administrative Court (TSA) who rejected the arguments for the recognition of exemptions with respect to some of the periods under analysis, however, as an ordinary appeal against the decisions of the TSA, there are actions before the Supreme Court of Justice whose decisions in turn could be subject to actions before the Constitutional Court.

Regardless of the legal actions described above, the companies may formally request the grantor to reestablish the economic equilibrium according to the procedure provided for in the contract, which also foresees a dispute resolution phase, direct settlement, and conciliation prior to the authorization of actions before an arbitration court based in New York.

In December 2021, due to the agreement signed for the early termination of the ADN and BTA concession contract with the Government of the Dominican Republic, in Chapter IV of tax aspects, the taxpayers are obliged to pay DOP$394,844,442.76 (USD 6.7 million) as a single and agreed payment of the total tax debts and therefore the DGII expresses that the debts for all taxes existing to date are satisfied and thus waive or leave without effect the administrative acts, sentences, determinations, inspections, and audits in progress without any additional payment requirements for such concepts (See note 47 Significant events).

In the Dominican Republic concessions, the value recognized as a liability for uncertain tax positions as of 31 December 2021 for the tax on ISA assets amounts to $0 (2020 $43,235). In this regard, due to the signing of the early termination agreement of the ADN and BTA concession contract, income for recovery of the liability for uncertain tax positions for $30,417 was recognized in the tax item of the consolidated financial statement.

The other standards incorporated in Colombia as of 1 January 2020 did not generate significant impacts on the Group's consolidated financial statements.

3.1.2. Incorporated in Colombia as of 1 January 2023 - Decree 938 of August 2021

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures	Reform of the Reference Interest Rate	The amendment is intended to provide relief from the potential effects of the substitution of existing benchmark interest rates, such as the Interbank Offered Rate - (IBOR). The amendment modifies certain hedge accounting requirements. According to the IASB schedule, this amendment is effective from 1 January 2020 retrospectively. Earlier application is allowed, in which case this fact must be disclosed.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-Current	This amendment seeks to clarify the existing requirements in IAS 1 Presentation of Financial Statements on the classification in the statement of financial position as "current" and "non-current" of liabilities with an uncertain settlement date. The amendment includes clarification of the classification requirements for liabilities that the company could settle by transferring the entity's own equity instruments. In July 2020, the deadline for implementation of the amendment to IAS 1 Presentation of Financial Statements is extended from 1 January 2023, retroactively in accordance with IAS 8. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IAS 16 Property, Plant and Equipment	Products obtained prior to intended use	This amendment establishes that proceeds from the sale and related costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management may no longer be deducted from the cost of an item of property, plant and equipment, but must be recognized in profit or loss for the period, in accordance with the applicable standards. These amounts must be disclosed in the financial statements, indicating in which line item (or items) of the statement of comprehensive income they are included. According to the IASB schedule, this amendment is effective as of 1 January 2022 retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by the management as of the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Onerous contracts: cost of fulfilling a contract	This amendment clarifies the meaning of "costs of fulfilling a contract", a term associated with the definition of unavoidable costs, which corresponds to the net cost of exiting the contract and the costs to perform the contract. It is explained that the direct cost of fulfilling a contract comprises: a) the incremental costs of fulfilling that contract, and b) an allocation of other costs that are directly related to the fulfillment of the contracts. It also indicates that before establishing a separate provision for an onerous contract, an entity must recognize any impairment loss on assets used to fulfill the contract. The amendments will apply for annual periods beginning on or after 1 January 2022 to contracts for which it has not yet fulfilled all its obligations. Restatement of comparative information is not required. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IFRS 3 Business Combinations	Reference to the Conceptual Framework	This amendment updates the references in IFRS 3 Business Combinations to the Conceptual Framework for Financial Reporting 2018, to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the Conceptual Framework for Financial Reporting 2001.

Financial Reporting Standard	Subject of the amendment	Detail
		In addition, the amendment added a new exception in IFRS 3 Business Combinations for liabilities and contingent liabilities, which specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 Business Combinations should refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, or IFRIC 21 Levies instead of the Conceptual Framework 2018. The amendments will be applied prospectively to business combinations from 1 January 2022. Earlier application is allowed if at the same time or earlier, all amendments made by " Amendments to References to the Conceptual Framework of IFRS Standards " issued in March 2018 are also applied, in which case this fact must be disclosed.
Annual improvements to IFRS standards 2018-2020 cycle	Amendments approved by the IASB	IFRS 9 Financial Instruments: the amendment addresses which costs or fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. It establishes that costs or fees paid to third parties will not be included in the 10% test. IFRS 16 Leases: Illustrative Example 13 accompanying this standard is amended to eliminate the illustration of lessor payments in connection with leasehold improvements. The objective of the amendment is to eliminate any possible confusion about the treatment of lease incentives. IFRS 1 First-time Adoption of International Financial Reporting Standards: this standard is amended to allow subsidiaries, associates and joint ventures that have taken the exemption to measure their assets and liabilities at the carrying amounts that were included in their parent's consolidated financial statements, based on the parent's date of transition to IFRS, to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, associate or joint Venture. IAS 41 Agriculture: the requirement for entities to exclude tax cash flows when measuring the fair value of biological assets or agricultural products is eliminated. The amendments will be applied from 1 January 2022. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IFRS 4 Insurance Contracts	Extension of the temporary exemption from application of IFRS 9 Financial Instruments	For insurance companies that meet certain criteria established in IFRS 4 Insurance Contracts, this standard provides a temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 Financial Instruments for periods beginning on or after 1 January 2023. This amendment extends the deadlines since prior to its issuance the established date was 2021.

Financial Reporting Standard	Subject of the amendment	Detail
Benchmark interest rate reform - Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, supplement those made in 2019 in response to the ongoing reform of interbank offered rates (IBOR) and other interest rates and focus on the effects on organizations' financial statements when the previous benchmark interest rate is replaced by an alternative benchmark interest rate as a result of the reform. The amendments are effective for annual periods beginning on or after 1 January 2021, with early adoption allowed.

The impact on the consolidated financial statements will be quantified by the Group before 1 January 2023.

3.2. Issued by the IASB not yet incorporated in Colombia

The following standards have been issued by the IASB, but have not yet been incorporated by Decree in Colombia:

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 17 Insurance Contracts	It seeks to unify the delivery of results from insurance sector entities around the world.	They combine features of a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information on these features, IFRS 17 Insurance Contracts: • Combines current measurement of future cash flows with recognition of benefits over the period in which the services are provided under the contract. • Presents the results of the insurance service (including the presentation of insurance income) separately from the income or expense of the insurance finance; and • Requires an entity to make an accounting policy choice to recognize all insurance finance income or expense through profit or loss, or to recognize part of that income or expense in other comprehensive income (OCI). In June 2020, the International Accounting Standards Board (IASB) issued the amendment to IFRS 17 Insurance Contracts which is intended to assist companies in the implementation of this standard and make it easier for them to explain their financial performance. The fundamental principles of the standard issued in May 2017 remain unaffected. The amendments, which respond to stakeholder comments, are designed to: a) reduce costs by simplifying some requirements of the standard, b) make financial performance easier to explain, and c) ease the transition as it defers the effective date to 2023 and provides additional relief by reducing the effort required for first-time application. As of the amendment issued in June 2020, IFRS 17 Insurance Contracts is effective as of 1 January 2023, allowing its early application, provided that IFRS 9 is also applied. If it were to be applied early, this fact must be disclosed.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 1 Presentation of Financial Statements and Practice Statement No. 2 Making Materiality Judgments	Disclosure of accounting policies	Companies must disclose material information about their accounting policies, and in that sense, the amendment requires the application of the concept of materiality to the disclosures of accounting policies. This amendment will be effective for annual periods beginning on or after 1 January 2023, with early adoption allowed.
Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of accounting estimates	The amendment clarifies how companies should differentiate changes in accounting policies from changes in accounting estimates. This considering that only the effects of changes in estimates are to be applied prospectively. This amendment will be effective for annual periods beginning on or after 1 January 2023, with early adoption allowed.
Amendment to IFRS 16 Leases	Covid-19-Related Rent Concessions beyond 30 June 2021	The amendment extended the availability of the practical expedient for the accounting treatment of rent concessions granted to lessees as a direct consequence of the COVID-19 pandemic of paragraph 46A of IFRS 16 for one year. The 2021 amendment resulted in the practical expedient being applied to lease concessions for which any reduction in lease payments affects only payments originally payable on or before 30 June 2022, provided that the other conditions for applying the practical expedient are met. It is indicated that lessees who have applied the initial practical expedient should also apply the extended scope of the practical expedient proposed in this second amendment for leases with similar characteristics and circumstances. This proposal cannot be applied by lessees that have already established an accounting policy of not applying the practical expedient to eligible lease concessions with similar characteristics and circumstances. This amendment will be effective for annual periods beginning on or beyond 1 April 2021. Early adoption is allowed, including in financial statements not yet authorized for issue as of 31 March 2021. The application of this amendment shall be made retrospectively, with the cumulative effect of initial application recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. The disclosure in paragraph 28(f) of IAS 8 is not required.
Amendment to IAS 12 Income Taxes	Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	The amendment clarifies how companies should account for deferred taxes on transactions such as leases and decommissioning provisions. IAS 12 - Income Taxes specifies how an entity accounts for income taxes, including deferred taxes, which represent taxes payable or recoverable in future periods. Under given circumstances, entities are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously,

Financial Reporting Standard	Subject of the amendment	Detail
		there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning provisions, transactions for which entities initially recognize both an asset and a liability. The amendment clarifies that the exemption does not apply, and entities are required to recognize deferred taxes on leases and decommissioning. This amendment will be effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is allowed, in which case this fact must be disclosed. An entity shall apply this amendment to transactions occurring on or after the beginning of the earliest comparative period presented.

The Group will quantify the impact on the consolidated financial statements in a timely manner, so that once the Decree incorporating this standard into the Colombian Technical Regulations Framework is issued, all necessary activities for its implementation are being carried out.

During 2021 the Group has not adopted any standards or improvements to standards in advance.

NOTE 4: **SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATES**

In applying the Group's accounting policies, which are described in Note 2 Basis of preparation and significant accounting policies, management must make judgements and estimates that affect the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed regularly by the management. Revisions to accounting estimates are recognized in the period of revision, if the revision only affects that period, or in future periods if the revision affects both the current period and subsequent periods.

4.1. Significant judgements and estimates when applying accounting policies that do not present a significant risk of significantly affecting the subsequent period

In accordance with paragraph 122 of IAS 1 Presentation of Financial Statements, the following are the judgements and significant estimates made by the management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements. These judgements and estimates differ from the estimates referred to in paragraph 125 of the same IFRS, since in the management's opinion they are not identified as presenting a significant risk of causing significant adjustments in the subsequent accounting period.

4.1.1 Interests in other entities

The Group has equity investments in companies that under IFRS are classified as subsidiaries, associates, joint ventures and financial instruments, according to the degree of relationship with the investee: control, significant influence and the type of joint venture. The degree of relationship was determined in accordance with IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements.

The significant judgements and assumptions applied in making this classification are described below:

Subsidiaries - Entities over which the Group has control

In determining control, the Group assesses the existence of power over the entity, exposure, or entitlement, to variable returns from its involvement with the entity and the ability to use its power over the entity to influence the value of the returns. Judgement is applied in determining the relevant activities of each entity and the capacity to make decisions about these activities; for this, the purpose and design of the entity is assessed, the activities that most impact its performance are identified and how decisions about the relevant activities are made. The assessment of decision-making considers existing voting rights, potential voting rights, contractual arrangements between the entity and other parties, and the rights and ability to appoint and remove key management personnel, among other aspects. Judgement is also applied in identifying variable returns and exposure to them. Variable returns include, but are not limited to, dividends and other distributions of economic benefits from the entity, remuneration for managing the entity's assets or liabilities, fees and exposure to loss from providing credit or liquidity support.

The judgements and assumptions made to determine that the Group controls a company even when less than half the voting rights are retained are:

(a) Investment in SURCOL HOUDSTERMAATSCHAPPIJ N.V. Management has assessed the degree of influence that the Group has over SURCOL HOUDSTERMAATSCHAPPIJ N.V. and determined that it exercises control over the entity even though it maintains an indirect percentage of ownership, through the subsidiary Cementos Argos, equal to 50%, given the representation on the Board of Directors and the contractual terms of the arrangement, which establish that the Group has the current capacity to decide on the activities that most impact the performance of the entity in accordance with the terms.

(b) Investment in P.A. Ganadería Rio Grande. Management has evaluated the degree of influence that the Group has over this entity and determined that it exercises control over the entity even though it maintains a percentage of ownership equal to 13.39%, given that the Group is exposed to the variable returns from this investment and has the capacity to influence them through the exercise of its power by making relevant decisions.

The judgements and assumptions made to determine that the Group does not control a company even though it holds more than half of the voting rights are:

(a) Investment in Corporación de Cemento Andino C. A. and its subsidiaries Andino Trading Corporation, Comercializadora Dicemento C. A. and Depoan S. A.; and the companies Intership Agency Venezuela C.A. and Surandina de Puertos C.A. Management has evaluated the degree of influence that the Group has over the above-mentioned entities located in Venezuela and determined that it does not exercise control over the entities even though it maintains a percentage of ownership in excess of 50%, given the divestment of assets of Corporación de Cemento Andino, which was declared of public utility and social interest by the Venezuelan government on 13 March 2006. The Group is in the process of litigating to recover the companies.

(b) Investment in La Pintada S.A.S. Management has assessed the degree of influence that the Group has over La Pintada S.A.S. and determined that it does not exercise control over the entity, even though it holds more than 50% of the shares, since making relevant business decisions requires a special decision-making majority of 80% of the shares subscribed, thus forming a relationship of significant influence.

(c) Consorcio Constructor Nuevo Dorado (in the process of liquidation) and Consorcio Mantenimiento Opain (in the process of liquidation) and PA contingencias consorcio Nuevo Dorado. Management has assessed the degree of influence that the Group has over these consortiums and determined that it does not exercise control over them even though it holds a percentage of more than 50%, given that the quorum for financial and administrative decisions requires the favorable vote of all the consortiums, giving rise to a relationship of joint control.

(d) Patrimonio Autónomo Hacienda Niquía. Management assessed the degree of influence that the Group has over this entity and determined that it does not exercise control over it even though it holds an interest of over 50%, since the Group does not have the current capacity to decide on the activities that most impact the entity's performance.

(e) Caoba Inversiones S.A.S. Due to the mechanisms of joint governance established in the establishing of the company, management determined that it does not exercise control over the company even though it maintains a percentage of participation greater than 50%.

(f) Termoeléctrica El Tesorito S.A.S. E.S.P. as from the reform of its bylaws in December 2021, which modifies the regime of decision making by the Board of Directors of the company, it is established that no control is exercised over the entity but a significant influence in making relevant business decisions even when maintaining a percentage of nominal participation higher than 50%.

Associates - Entities over which the Group has significant influence

Judgment is applied in assessing significant influence. The Group is deemed to have significant influence over an associate when it has the power to intervene in the associate's financial and operating policy decisions. To this end, the Group considers the existence and effect of potential voting rights that may be exercised or converted at that time, including potential voting rights held by other companies, to assess whether it exercises significant influence over an investment. It should not consider those that cannot be exercised or converted until a future date, or until a future event has occurred.

The Group classifies its interests in Concesión la Pintada S.A.S., Caoba Inversiones S.A.S., Patrimonio Autónomo Hacienda Niquía and Termoeléctrica El Tesorito S.A.S. E.S.P. as an investment in an associate even though it maintains a percentage of participation of more than 50% because the percentage of participation maintained allows the Group to intervene in the financial and operating policy decisions of these companies without having control or joint control over them.

Joint arrangements as a joint operation or a joint Venture

Once the existence of a joint arrangement is determined by assessing the contractual arrangement in which two or more parties exercise joint control in an arrangement, the Group applies significant judgements and assumptions to determine whether the arrangement is a joint venture or a joint operation; That is, (i) if a joint operation exists despite having a separate vehicle, for example, if the Group is granted rights to the assets and obligations in respect of the liabilities relating to the arrangement and not rights to the net assets of the arrangement; or (ii) if a joint venture exists, through a contractual arrangement that is structured through a separate vehicle or not and grants rights to the net assets of the arrangement but not rights to the assets and obligations relating to the arrangement.

The Group should consider the following in recognizing a joint venture when it is formed through a separate vehicle: (i) the legal form of the separate vehicle; (ii) the terms of the contractual arrangement; and (iii) where appropriate, other factors and circumstances.

The Group classifies its interests in Consorcio Constructor Nuevo Dorado (in process of liquidation), Consorcio Mantenimiento Opain (in process of liquidation) and PA Contingencias Consorcio Nuevo Dorado as an investment in a joint venture, even though a percentage of participation of more than 50% is maintained, since the quorum for making financial and administrative decisions requires the favorable vote of all the consortium members.

4.1.2 Functional currency

Management uses its judgment in determining its functional currency. The determination of the Parent Company's functional currency and each of its investments in subsidiaries, associates and joint ventures is determined by evaluating the principle and indicators set forth in IAS 21 The Effects of Changes in Foreign Exchange Rates.

4.1.3 Cash generating units

In performing impairment tests on non-financial assets, assets that do not individually generate cash inflows that are largely independent of the cash flows generated by the other assets or groups of assets must be grouped to the cash-generating unit to which the asset belongs, which is the smallest identifiable group of assets that generates cash inflows for the company, which are largely independent of the cash flows derived from the other assets or groups of assets. Management uses its judgement in determining cash-generating units for the purposes of impairment testing in accordance with IAS 36 Impairment of Assets.

The determination of cash generating units - CGUs - was made based on the company's strategic definition as an infrastructure holding company engaged in the cement, energy, real estate, investment, coal, and concession businesses, regardless of where they operate or have assets to perform corporate purpose. Considering the relevance of each business and its capacity to generate cash flows, the CGUs are associated with each company which groups together the various investments of each business. In order to strengthen its businesses, the Group determines the allocation of capital to be invested by industry and carries out its return-on-investment capacity analysis from the same perspective. For the purposes of the analysis of permanence in a business, it always considers the sector in which it participates and not the assets individually. However, each business analyzes its CGU's independently, according to the grouping of assets or businesses that synergistically contribute to the business.

4.1.4 Hedge accounting

Management applies its judgment to establish whether a hedging relationship meets the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting, as well as the assessment of hedge effectiveness and sources of ineffectiveness. The Group applies fair value and cash flow hedge accounting in its financial statements to hedge primarily foreign currency and interest rate risk. The decision to apply hedge accounting may have a significant impact on the Group's financial statements.

4.1.5 Determination of the term of the lease with renewal options and leases whose term is automatically extended at the end of the original term.

Under certain leases, the Group has the option to lease the assets for additional periods. The Group applies its judgement in assessing whether it is reasonably safe to exercise the renewal option, i.e., it considers all the relevant factors that create an economic incentive to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in the circumstances under its control that affect its ability to exercise (or not exercise) the renewal option. In addition, the Group enters leases contracts that are automatically renewed at the end of the original lease term for another term of the same duration, or on a month-to-month basis, without any action being taken by the Group or the lessor. The Group also enters leases that are automatically extended at the end of each year or on the original termination date for another full term. For these contracts, the Group estimates the term of the lease based on the existence of economic incentives, experience, the expectation of use of the asset and the intention to continue the lease, without prejudice to the lessor's ability to exercise its legal rights and terminate the lease at any time. This judgment has a significant impact on the consolidated financial statements.

4.1.6 Distinction between investment property and inventories

The Group requires the application of professional judgment to determine whether a property meets the requirements to be classified as investment property or to be classified as inventory. Given the nature of the assets currently held by the Group, this classification may be difficult. Therefore, the parent has developed criteria to exercise such judgment in a manner consistent with the standard, such as:

- The separation of whether the property is held for income or capital appreciation or for sale in the ordinary course of operations.
- Land held for undetermined future use is held for capital appreciation and, therefore, is held as investment property.
- The commencement of a development with intent to sell it in the ordinary course of business is considered a change in use and therefore involves the transfer of investment property to inventory.
- When the Group decides to dispose of an investment property without carrying out a specific development, it maintains the asset in investment property until it is derecognized and does not treat it as an inventory item.

4.1.7 Current income tax

The Group recognizes current income tax amounts in the consolidated financial statements given the volume of transactions. The determination of current tax is based on management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on management's ability to integrate complex tax and accounting standards and to consider changes in applicable laws.

An uncertain tax treatment is a tax treatment for which there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law. The Group may have uncertain tax positions mainly because of the deductibility of certain expenses, or because of the differential treatment of certain profits in tax returns. For current active legal proceedings, a provision is recognized only for those proceedings classified as probable and not for those classified as remote or possible. The probability analysis is based on expert opinions and on the interpretation of the tax regulations in force in the applicable jurisdiction.

4.1.8 Provision for expected credit losses on trade receivables

To calculate expected credit losses, the Group applies the parameters established in the policy on impairment of financial assets to each operating segment (see Note 2.4.3.1 Impairment of financial assets).

The assessment of the key assumptions observed for each business, projections of economic conditions and expected credit losses constitute significant estimates. The value of expected credit losses is sensitive to changes in circumstances and the economic environment. The Group's historical information on credit losses and its economic projections may not be representative of the risk of default by a current customer in the future. Information on the Group's expected credit losses is disclosed in Note 8 on trade and other receivables, net.

4.1.9 Pension plans and other post-employment defined benefit plans

The liability for pension plans and other post-employment benefits is estimated using the projected credit unit technique, which requires the use of financial and demographic assumptions, including, but not limited to, discount rates, inflation rates, expected salary increases, life expectancy and employee turnover rates. The estimate of the liability, as well as the determination of the values of the assumptions used in the valuation, is made by an independent external actuary, considering the market conditions existing at the measurement date.

Given the long-term horizon of these benefit plans, the estimates are subject to a degree of uncertainty. Any change in actuarial assumptions directly impacts the value of the pension obligation and other post-employment benefits.

4.1.10 Decommissioning, retirement, or rehabilitation liabilities

The provision for decommissioning, retirement or restoration is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. In the process of measuring the present value of the obligation, management makes estimates of future disbursements to perform the decommissioning, retirement or rehabilitation activities, the estimated dates on which the disbursements will be made and the estimation of financial assumptions such as the inflation rate and the discount rate. Given the long-term horizon of the decommissioning obligations, estimates are subject to a significant degree of uncertainty and could affect the amounts reported in the consolidated financial statements.

4.1.11 Recognition of revenue and costs from construction activities

Since the causation of revenue and costs from construction activities that have not yet been invoiced is related to the execution of contracts, the estimate of the proportion that corresponds to the reporting period is assigned by evaluating the degree of progress of the construction projects through the cost method.

4.1.12 Estimation of useful life, depreciation method and residual values of property, plant and equipment and intangible assets

As described in Note 2 Basis of preparation and significant accounting policies, the Group reviews at least annually the estimated useful lifes, the depreciation or amortization method, and residual values of property, plant and equipment and intangible assets. When there is evidence of changes in the conditions or expected use of an item of property, plant and equipment or intangible assets, involving a change in the pattern of consumption of the future economic benefits embodied in the asset, management makes an evaluation of the appropriateness of the depreciation or amortization method used and a new estimate of the useful life of the item. The definition of the depreciation or amortization method, and the estimate of useful lifes of property, plant and equipment and intangible assets is determined based on the asset's historical performance, management's expectation of use of the asset and existing legal restrictions on use. The estimation of useful lifes requires management judgment.

The accounting policy for property, plant and equipment and intangible assets the estimation of useful life is indicated.

As mentioned in Note 15 Intangible assets, during the period the Group changed the useful life of the intangible assets associated with the concession of El Dorado International Airport.

4.1.13 Revalued value of land and buildings for administrative use classified as property, plant and equipment

For determining the revalued value, the Group opted to hire independent experts with recognized professional capacity and experience in real estate valuation.

For the valuation process, these experts select one of the three approaches mentioned in IFRS 13 Fair Value Measurement according to the characteristics of the property and its use:

- Market approach
- Cost approach
- Income approach

4.2. Key data on uncertainty in estimates that present a significant risk of significantly affecting the following period

Following are the assumptions made about the future and other sources of uncertainty used in applying the accounting policies for the preparation of the financial statements for the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following accounting period:

4.2.1 Provisions, contingent assets and liabilities

Certain contingent conditions may exist at the date the financial statements are issued, which may result in a loss for the Group and, in the case of contingent assets, an income for the Group, but will only be resolved in the future when one or more events occur or may occur.

The Group considers that a past event has given rise to a present obligation if, considering all the evidence available at the reporting date, it is probable that a present obligation exists, independent of future events. A provision is recognized when it is more likely than not that an event will occur. Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control are not recognized in the statement of financial position but are disclosed as contingent liabilities; the occurrence of events that are estimated to be remote is not recorded or disclosed. The occurrence of events giving rise to contingent assets is not recorded but disclosed (Note 24 Provisions and Note 43 Contingent assets and liabilities).

To determine the possibility of the occurrence of a present obligation, the professional judgment of internal and external specialist lawyers is involved. In estimating the provision, management considers assumptions such as, but not limited to, inflation rates, attorneys' fees, estimated duration of the lawsuit, statistical information of processes with similar characteristics, among others.

Further details on the Group's provisions, contingent assets and liabilities are provided in Note 24 Provisions and Note 43 Contingent assets and liabilities, including their amount at the end of the reporting period.

4.2.2 Assessment of goodwill impairment

The Group performs goodwill impairment tests at least annually or whenever market or business conditions present significant changes that indicate impairment. The impairment assessment of goodwill requires the estimation of the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill has been allocated. Estimating the recoverable amount requires estimating the future cash flows of the cash-generating unit or group of cash-generating units, and financial assumptions such as the inflation rate, discount rate and perpetual growth rate.

In the process of measuring expected future cash flows, management makes estimates of future operating results. Changes in valuation assumptions may result in adjustments to goodwill for future reporting periods if impairment occurs. In addition, it is required to estimate the fair value of the cash-generating unit, discounting transaction costs. The recoverable amount over which an impairment assessment is made is the higher of value in use, estimated from future cash flows, and fair value less transaction costs.

The key assumptions used in determining the recoverable amount of the cash-generating unit or group of cash-generating units to which goodwill has been allocated are provided in Note 14 Goodwill, as well as the carrying amount of goodwill at the end of the reporting period.

4.2.3 Identifiable assets, intangible assets and liabilities assumed in a business combination

At the acquisition date, identifiable assets, intangible assets, liabilities assumed and any contingent assets or liabilities arising from a business combination are included on a fully consolidated basis in the Group's consolidated financial statements at their fair values. In measuring fair value, management makes assumptions about future operating results, key assumptions such as the discount rate and the rate of growth in perpetuity. The estimation of the fair value of the assets and liabilities acquired, as well as the determination of the values of the assumptions used in the measurement is made by an independent external appraiser. Any subsequent change in estimates affects goodwill provided that the change qualifies as an adjustment to the measurement period. Any other change is recognized in the consolidated statement of income.

The fair value of intangible assets of concessions acquired through business combinations is estimated using a discounted cash flow (DCF) valuation approach. The estimation of fair value requires the estimation of key assumptions used in the projections of future cash flows of these assets, and the discount rate.

For determining the fair value, the Group opted to hire independent experts with the necessary skills and experience in this kind of transactions.

4.2.4 Impairment of assets, investments in associates and joint ventures, property, plant and equipment, and intangible assets

The Group assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is any indication of impairment of intangible assets, property, plant and equipment and other assets, as well as whether there is any objective evidence of impairment of investments in associates and joint ventures. If such indication or objective evidence of impairment exists, as applicable, the Group estimates the recoverable amount of the asset or cash-generating unit.

For assessing the appropriateness of performing the full impairment test, the Group will perform an annual review of the critical business variables that affect the fair value of the assets in each market. The indicator matrix is defined for each geography or market in which the business is conducted and is reviewed periodically with the different areas to ensure its validity. The general indicators are:

- Observable evidence that the value of the assets has decreased over the period significantly more than would be expected because of the passing of time or normal use.
- Changes in the legal, social, ecologic or market environment that may reduce the value of the asset.
- Changes in prices that affect future income.
- Changes in their capacity to generate income.
- Changes in its total cost.

The purpose of the impairment test is to determine the recoverable value, which is the higher of fair value less disposal costs and value in use, as mentioned in Note 2 numeral 2.4.6 Impairment of tangible and intangible assets.

The carrying amounts of property, plant and equipment and intangible assets at the end of the reporting period are provided in Note 16 Property, plant and equipment, net and Note 15 Intangible assets, net.

In the case of associates and joint ventures, the events that allow establishing whether there is objective evidence that these investments may be impaired are detailed in Note 2.4.9 Investments in associates and joint arrangements.

If there is objective evidence of impairment from the occurrence of one or more events, an impairment loss on associates and joint ventures will have occurred if the event (or events) causing the loss has an impact on the estimated future cash flows of the investment.

The carrying amounts of associates and joint ventures at the end of the reporting period are provided in Note 18 Investments in associates and joint Ventures.

4.2.5 Fair value of investment property

To determine the fair value, the Group opted to hire independent experts with recognized professional capacity and experience in the valuation of real estate.

For the valuation process, these experts select one of three approaches: market approach, cost approach, income approach. The carrying amount of investment property is presented in Note 17 Investment Property.

4.2.6 Deferred income tax

The Group recognizes deferred income tax amounts in the consolidated financial statements given the volume of transactions. The determination of deferred tax is based on management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on management's ability to integrate complex tax and accounting standards, to consider changes in applicable laws, and to evaluate, for purposes of recognition of the deferred tax asset, the existence of sufficient taxable income to realize it.

The Group applies its judgment not to recognize in its separate financial statements deferred tax liabilities on investments in subsidiaries, considering that it is able to control the timing of the reversal of temporary differences and it is probable that these will not reverse in the foreseeable future.

Further details on deferred income taxes are described in Note 10 Current and deferred income tax.

4.2.7 Fair value of financial instruments and financial derivatives that are not level 1

The Group uses assumptions that reflect the most reliable fair value of financial instruments including financial derivatives, which do not have an active market or have no observable market price, using valuation techniques widely known in the market.

Fair value measurements are performed using a fair value hierarchy that reflects the significance of the inputs used in the measurement (Note 2.3 Basis of preparation) for Level 2 and Level 3 inputs management must apply judgment to select the appropriate valuation method for the asset or liability being measured and maximizes the use of observable inputs.

The assumptions are consistent with market conditions at the measurement date and the information that market participants would consider in estimating the price of the instrument. Management considers that the valuation models selected, and the assumptions used are appropriate in determining the fair value of financial instruments. Notwithstanding the foregoing, the limitations of the valuation models and the parameters required by these models may result in the estimated fair value of an asset or liability not exactly matching the price at which the asset or liability could be delivered or settled at the measurement date. Additionally, changes in internal assumptions and rates used in the valuation may significantly affect the fair value of financial derivatives. The periodicity of the valuation of these instruments is monthly. Refer to note 7.5 Fair value of financial assets and liabilities for more information.

NOTE 5: **RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS**

The Group did not make changes in the presentation of items in the consolidated statement of income nor in the comparative consolidated statement of financial position as at 31 December 2020.

NOTE 6: **CASH AND CASH EQUIVALENTS**

The total balance of this item at the end of the reporting period, as shown in the consolidated statement of cash flows, can be reconciled to the related items in the consolidated statement of financial position as follows:

	2021	2020
Cash and banks	2,431,867	2,227,089
Cash equivalents (1)	251,276	474,007
Total cash and cash equivalents	**2,683,143**	**2,701,096**
Cash and banks included in a group of assets held for sale (Note 13)	1,674	12,262
Total cash and cash equivalents	**2,684,817**	**2,713,358**
The following is the value of restricted cash and cash equivalents not available for use:		
Current restricted cash and cash equivalents (2)	1,166,469	1,369,724
Total cash and cash equivalents of restricted use	**1,166,469**	**1,369,724**

(1) Cash equivalents correspond to resources available to the Group, managed through investment funds and collective portfolios $177,914 (2020 $363,661), fixed-term certificates of deposit "CDT" $38,934 (2020 $18), trusts $26,054 (2020 $103,514) and other cash equivalents $8,374 (2020 $6,814).

(2) Restricted cash and banks of $1,017,661 (2020 $1,241,759) and restricted cash equivalents of $148,808 (2020 $127,965), which are part of the Group's cash and cash equivalents, correspond to:

a) Concesión Vial de los Llanos S.A. for $484,856 (2020 $430,420), correspond mainly to restricted cash represented by the toll collection resources that are under the control and administration of the grantor Agencia Nacional de Infraestructura, (hereinafter ANI) with minutes in which it certifies the fulfillment of the conditions for its release, in accordance with the terms of the concession contract No. No. 004 of 2015 are at the disposal of this and are contractually assigned with a special purpose in the sub-accounts that were constituted within the project account and ANI such as land, networks, principal, environmental compensation, tolls, auditing, contractual support, minor works, commercial exploitation income, ANI and MACS surpluses. These amounts must be immediately available in accordance with the provisions of the contract with ANI to be used or assigned to the grantor and these amounts may be available as assessed for each purpose for more than one year and may also be transferred as provided by ANI, which has the power to immediately dispose of them.

b) Funds according to specific conditions of the financial obligations in charge of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. to guarantee the semiannual payments; with a balance at the end of the period amounting to $163,100 (2020 $112,062). Sociedad Concesionaria Operadora Operadora Aeroportuaria Internacional S.A. - Opain S.A. maintains part of the reserve in an investment fund in dollars managed by HSBC (HSBC Government Money Market) for USD 33,478,911 (2020 USD 32,826,770).

   As a consequence of the relevant regulations regarding COVID-19 issued by Colombian Governmental Authorities that significantly impacted the operation and revenue as well as cash flow of the project, on 29 April 2020, Bancolombia granted Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. the consent and waiver on the obligations established in section 5.16 of the Credit Agreement, as to release the debt service reserve account in pesos, and dispose of the same if necessary in execution of the operation of the project until 31 March 2021, in the established period. As at 31 December 2021 Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. complied with the obligation to maintain the funds in the reserve account with a balance equal to or greater than the balance required to service the debt, thus from 1 April 2021 the debt service reserve account is a restricted cash account.

c) Accounts created in accordance with the concession arrangement entered between Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and ANI in the amount of $159,515 (2020 $220,054), where the disposition and administration of the resources corresponds directly to ANI, in accordance with the terms of the contract and its addenda.

d) Concession Túnel Aburra Oriente S.A. for $139,080 (2020 $28,314) corresponding to the resources of the sub-accounts constituted in the project that are exclusively for the execution of the Conexión Vial Túnel Aburra Oriente project and that are mainly at the disposal of the grantor (Government of Antioquia), which manages an average interest rate of (1.60%) EAR for 2021 and 3.17% EAR for 2020.

e) Restricted funds of Alternegy S.A. for $117,444 (2020 $92,852), whose resources are restricted and deposited in Banco Banistmo S.A., which are part of the guarantee of the Public Bond Issue for USD 320 million.

f) Autopistas del Café S.A. for $49,362 (2020 $121,123), corresponding to the resources of the subaccounts established in the project, at exclussive disposal of ANI.

g) Boulevard Turístico del Atlántico S.A. for $21,561 (2020 $207,921), cash received from the assignment of the concession contract to the Government of the Dominican Republic; in 2020 related to the collection of tolls and the payment of the minimum guaranteed income, restricted by multilateral institutions. These funds are deposited in savings accounts at the Bank of New York Mellon, which manages rates for Hedge Funds and Non hedge Funds of 0.01% for 2021 and 2020.

   This cash has a special and specific use for the performance of major maintenance for the concession as a commitment agreed in the delivery and completion of the road concession contract with the Government of the Dominican Republic, which is expected to be performed during the year 2022.

h) Caribbean Infrastructure Company N.V. for $16,581 (2020 $16,594) corresponding to the cash held in the accounts that guarantee the payment of the principal debt plus interest with lenders, as well as the resources that guarantee the major maintenance of the road. These resources do not generate returns.

   Although of restricted use, the concession has access to the resources in cases where the balance reserved for the operation, i.e., the administration expenses and maintenance costs in the *Cash Operating Account*, i.e., administration expenses and maintenance costs were not sufficient to cover such expenses and costs. In this case, the *Maintenance Reserve Account* is used, or when the balance in the *Florin Revenue Account* were not sufficient to pay the debt service, the *Debt Service Reserve Account* is used.

i) Balances with restricted use in Celsia Colombia S.A. E.S.P. for $9,038 (2020 $6,082), as resources for the auditing of Plan 5 Caribe, resources in the autonomous equity B&N, housing fund (from the collective agreement and the union), Fiducoldex UPME Toluviejo Substation, PA Fiducoldex UPME 02-2021 Pacifico, complementary health plan and active project funds.

j) Autopista del Nordeste S.A. for $5,406 (2020 $133,109) corresponding mainly to the cash received by the Government of the Dominican Republic due to the early termination of the road concession contract, which maintains some restrictions to be used in certain operating activities during the first half of 2022, as well as in the payment of tax liabilities, according to the continued commitment with the State. In 2020, related to the collection of tolls and the payment of the minimum guaranteed income, restricted by multilateral institutions.

k) On 29 May 2019, Zona Franca Argos S.A.S., a subsidiary of the Group, set up a trust as restricted cash and cash equivalents for $526 (2020 $1,193). The purpose of this operation is to administer the resources destined to the contracting of the controller of the works for the investment being made for the expansion of the company's private port in the city of Cartagena, in compliance with the obligations of the concession contract signed by ANI.

Restricted cash and equivalent have a differential treatment and is immediately available according to the contractual conditions, however, according to the concepts for which it was disposed, it can in some cases exceed a period of 12 months.

Significant non-cash transactions

As of December 2021, the Group presents the following significant non-cash transactions:

- At the General Shareholders Meeting held on 25 March 2021, the profit distribution project was approved, which observed that dividends would be paid at the shareholder's choice, Grupo Argos S.A. made the payment in shares to Grupo de Inversiones Suramericana S.A. for $87,591 corresponding to 7,170,753 shares and payments to other shareholders through Fiduciaria Bancolombia S.A. for $61,787 corresponding to 5,058,350 shares (Note 31 Dividends).

- The subsidiary Cementos Argos S.A. released 2,795,709 common shares, at the election of its shareholders, making the payment of dividends in shares of $14,901.
- On 1 September 2021, Cementos Argos S.A. formally repurchased shares from Provicem S.A. of Argos Panamá S.A. for $98,683, equivalent to 71,877 shares. This repurchase was cancelled against the account receivable that the minority had at that cut-off date with the Group. The transaction did not generate cash flow and consequently was excluded from the statement of cash flows for the amount indicated in operating and financing activities.
- At 31 December 2021, Odinsa S.A. and its subsidiaries received the treasury bonds from the government of the Dominican Republic as part of the payment of the indemnity for the early termination of the road concession contract of Autopista del Nordeste S.A and Boulevard Turístico del Atlántico S.A. for $1,285,291 (USD 322,843,271). Likewise, dividends to minority shareholders for $205,983 (USD 51,654,910), subordinated debt for $15,637 (USD 3,927,699) and advance of profits to minority shareholders for $196,478 (USD 49,362,547) were paid with these bonds (Note 47 Relevant events).

As of December 2020, the Group presents the following significant non-cash transactions:

- Of the total bond issue of Grupo Argos S.A. for $136,500, realized on October 2020, 94% was made through an exchange of ordinary bonds (Note 26 Bonds and Compound Financial Instruments).
- Contribution of a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project (Note 18.4 Incorporation, acquisition or divestment of associates and joint ventures)

NOTE 7: **FINANCIAL INSTRUMENTS**

7.1 Capital risk management

The Group's capital structure is based on net financial debt consisting of short- and long-term financial obligations, bonds, and equity, consisting of issued shares, both preferred and ordinary, reserves, retained earnings and other equity components, as disclosed in Note 21 Financial obligations, Note 26 Bonds and compound financial instruments, Note 28 Share capital, Note 29 Reserves and other comprehensive income and retained earnings, and Note 30 other components of equity.

The Group manages its capital to ensure its ability to continue as a going concern. It also strategically designs an efficient and flexible capital structure, consistent with growth, investment, and credit rating plans. To this end, it has established indicators of leverage, coverage, solvency, and profitability. This structure is reviewed periodically or whenever there are significant changes in the Group's strategy.

Likewise, the Group manages capital risk through the rotation of portfolio assets and the management of healthy debt levels (measured mainly at the consolidated financial statement level with the Financial Debt / Ebitda indicator and at the separate financial statement level with the Financial Debt / Adjusted Ebitda, Debt/Dividends and Debt/Portfolio Value indicators) that allow to develop its strategy and seek to maximize the generation of shareholder value. Adjusted Ebitda seeks to eliminate the effects that are not cash within the separate statement of income, for this reason the effect of the equity method is eliminated, and dividends received are included, among other adjustments. At the consolidated level, the Net Debt/EBITDA indicator is monitored.

The Group is not subject to external capital requirements, which is why all decisions on leverage and target capital levels are made with the premise of generating value for shareholders, while maintaining the investment grade credit rating. In addition, the duration and composition of the debt is consistent with the capital cycles of each of the Group's investments.

7.2 Financial instrument categories

	2021	2020
Prepayment for the purchase of financial assets (Note 11)	-	793
Financial Assets		
Financial assets measured at amortized cost (1) (Note 8)	3,342,436	4,878,400
Cash and cash equivalents (Note 6)	2,683,143	2,701,096
Financial assets at fair value through other comprehensive income (2) (Note 11)	1,351,862	1,142,850
Financial assets at fair value through profit or loss (3) (Note 11)	1,105,334	90,760
Derivative instruments at fair value	36,830	6,354
Total financial assets	**8,519,605**	**8,820,253**
Financial assets classified as non-current assets held for sale (Note 13)	12,158	19,554
Total financial assets including non-current assets held for sale	**8,531,763**	**8,839,807**

Financial liabilities		
Financial liabilities measured at amortized cost	19,211,649	19,510,792
Derivative instruments at fair value	50,460	161,025
Total financial liabilities	**19,262,109**	**19,671,817**
Financial liabilities associated with non-current assets held for sale (Note 13)	7,772	425,566
Total financial liabilities including liabilities associated with non-current assets held for sale	**19,269,881**	**20,097,383**

(1) The decrease corresponds mainly to the write-off of financial assets after completion and delivery of the road concession contract to the Government of the Dominican Republic in Autopistas del Nordeste S.A. for ($1,298,570) and Boulevar Turístico del Atlántico S.A. for ($639,459). Additionally, the write-off was recognized in accounts, JV ADN S.R.L. ($8,640) and JV BTA S.R.L. ($9,513) (Note 47 Significant events).

(2) The increase in equity investments through other comprehensive income corresponds mainly to the valuation adjustment of Grupo Nutresa shares for $209,931, during the period from January to December 2021.

(3) The increase in financial assets at fair value through profit or loss corresponds mainly to the Treasury bonds of the Government of Dominican Republic for $867,571 that were received as payment of the indemnity in the early termination of the road concession contract of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. and to the trust right acquired from Banistmo S.A. for $138,000 for the liquidation of Bahía las Minas Corp, a subsidiary of Celsia S.A. (Note 11 Other financial assets and Note 47 Significant events).

Following is the breakdown of financial liabilities measured at amortized cost:

	2021	2020
Bonds outstanding and structured notes (Note 26)	9,728,505	9,543,405
Financial liabilities (Note 21)	6,666,938	7,127,487
Trade liabilities and other payable (Note 25)	2,739,079	2,761,903
Preferential shares classified as compound financial instruments (Note 26)	77,127	74,186
Other financial liabilities	-	3,811
Total financial liabilities measured at amortized cost	**19,211,649**	**19,510,792**

7.2.1. Foreign currency derivative instruments and interest rates

Derivative instruments that arise within a financial hedging relationship, whose value depends on the price of an asset (e.g. a bond, share, product or *commodity*), of an interest rate, an exchange rate, an index (e.g. of shares, of prices), or any other quantifiable variable (which is called the underlying), may be constituted in such a way as to allow Group companies to anticipate and hedge risks or changes that may occur in the future, in such a way as to reduce volatility.

Financial derivatives are recognized in the consolidated statement of financial position at their fair values, considering the market curves in force at the measurement date and the cash flow structure of these instruments. Accounting for changes in the fair value of derivatives depends on the use of the derivative and its designation as an accounting hedge instrument.

Following is a detail of the foreign currency and interest rate derivatives outstanding at 31 December:

Type of instrument	Subsidiary	Hedged item	Underlying rate	Notional value of the underlying - Amount of the derivative instrument (*)		Rate of the derivative instrument	Expiration of the derivative instrument	Fair value of the asset (liability) derivative instrument	
				2021	2020			2021	2020
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 15,058,933	-	3,681.86	09-Jun-2022	5,443	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 25,000,000	-	3,820.30	26-Apr-2022	5,184	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 27,000,000	-	3,986.75	25-Aug-2022	2,483	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 8,000,000	-	3,785.76	16-Jun-2022	2,093	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 5,078,938	-	3,819.02	26-Apr-2022	1,060	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 30,038,316	-	4,046.56	16-Mar-2022	(1,048)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 2,195,389	-	3,675.59	23-Feb-2022	719	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 1,132,049	-	3,665.01	19-Jan-2022	367	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 525,048	-	3,684.70	23-Mar-2022	174	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 503,787	-	3,694.29	20-Apr-2022	168	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 810,652	-	3,783.81	12-Jan-2022	164	-
Interest rate swap	Grupo Argos S.A.	Ordinary bonds	IPC + 4.24%	150,000	-	3.62%	10-Jun-2022	1,309	-
Interest rate swap	Grupo Argos S.A.	Ordinary bonds	IPC + 4.24%	200,000	-	3.70%	10-Jun-2022	1,692	-
Interest rate swap	Grupo Argos S.A.	Ordinary bonds	IPC + 3.95%	85,000	-	5.60%	10-Dec-2022 10-Jun-2023	(726) (922)	- -
Interest rate swap	Cementos Argos S.A.	Long-term credit	5.28%	160,000	-	IBR + 1.85%	20-Nov-2023	(1,879)	-
Interest rate swap	Cementos Argos S.A.	Long-term credit	3.83%	60,000	-	IBR + 0.0792%	07-Sep-2022	(313)	-
Interest rate swap	Cementos Argos S.A.	Club Deal SMBC	LIBOR 3m + 1.10%	USD 300,000,000	-	4.17%	24-Oct-2023	(43,275)	-
Interest rate swap	Cementos Argos S.A.	Loan Davivienda	LIBOR 6m + 2.25%	USD 60,000,000	USD 60,000,000	3.79%	21-Aug-2026	(2,297)	(12,144)
Currency swap	Cementos Argos S.A.	Long-term credit	LIBOR 3m + 1.32%	USD 15,000,000	-	5.39%	18-Feb-2026	10,341	-
Currency swap	Cementos Argos S.A.	Long-term credit	LIBOR 3m + 1.32%	USD 15,000,000	-	IBR + 2.05%	18-Feb-2026	5,633	-
Currency swap	Cementos Argos S.A.	Long-term credit	LIBOR 3m + 1.35%	-	USD 30,000,000	4.37%	16-Sep-2022	-	(9,664)
Interest rate swap	Cementos Argos S.A.	Club Deal ITAU	LIBOR 3m + 1.85%	-	USD 300,000,000	4.92%	24-Oct-2023	-	(74,132)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 65,000,000	4,074.67	29-Jan-2021	-	(41,804)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 4,900,000	3,634.44	24-Feb-2021	-	(1,140)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 1,800,000	3,626.53	20-Ene-2021	-	(349)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 500,000	3,641.50	19-Abr-2021	-	(98)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 400,000	3,498.24	24-Feb-2021	-	(25)
Forward purchase	Celsia S.A.	Financial obligations	N/a	-	USD 250,000	3,662.75	21-Ene-2021	-	(58)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 30,087,063	3,805.75	02-Sep-2021	-	(10,546)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 21,042,002	3,745.58	11-Mar-2021	-	(6,497)

Type of instrument	Subsidiary	Hedged item	Underlying rate	Notional value of the underlying - Amount of the derivative instrument (*) 2021	Notional value of the underlying - Amount of the derivative instrument (*) 2020	Rate of the derivative instrument	Expiration of the derivative instrument	Fair value of the asset (liability) derivative instrument 2021	Fair value of the asset (liability) derivative instrument 2020
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 12,615,438	3,766.20	10-Mar-2021	-	(4,156)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 15,082,408	3,468.24	10-Jun-2021	-	(350)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 94,233	3,783.85	09-Jun-2021	-	(32)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 92,185	3,762.26	09-Mar-2021	-	(30)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	-	USD 8,012,471	3,437.11	16-Jun-2021	-	66
Forward purchase	Odinsa S.A.	Financial obligations	N/a	-	USD 15,000,000	3,025.11	30-Abr-2021	-	6,288
Total foreign currency and interest rate derivatives, net								**(13,630)**	**(154,671)**
Current asset derivative financial instruments								20,856	6,354
Non-current asset derivative financial instruments								15,974	-
Current liability derivative financial instruments								(2,087)	(65,085)
Non-current liability derivative financial instruments								(48,373)	(95,940)
Total foreign currency and interest rate derivatives, net								**(13,630)**	**(154,671)**

* Figures stated in millions of Colombian pesos or US dollars.

7.2.2 Reclassification of financial assets

During the current and prior periods, the Group has not made any changes in the business model for managing and administering financial assets, and therefore no financial assets have been reclassified from the fair value category to amortized cost, or vice versa.

7.2.3 Offsetting of financial assets and liabilities

At 31 December 2021 and 2020 the Group did not offset financial assets and liabilities and has no relevant offsetting agreements.

7.3 Financial risk management objectives

The Group's financial policies are defined by the Corporate Financial Committee and managed by the financial vice-presidencies of each company and seek to ensure a sound financial structure and to maintain the Group's exposure to market risk, liquidity, and credit at tolerable levels, depending on the nature of the operations and in accordance with the policies, exposure limits and attribution defined. The Group is exposed to exchange rate, interest rate, credit, and liquidity risks. The risk is mitigated towards tolerable exposure levels using natural hedging or financial derivatives, to the extent that the market permits. It is not a policy of the Group to use financial derivatives for speculative purposes.

Special operations such as acquisitions and issuance of shares or bonds may temporarily exceed the limit established by management, a situation that is controlled through permanent monitoring of volatility and the execution of investment plans associated with the specific transaction performed.

7.3.1 Market risk

Among the financial risks are market risks. These risks arise from fluctuations in macroeconomic and microeconomic variables that may generate changes in the value of assets and liabilities, affecting the result and therefore the profitability for shareholders.

In the management of its financial instruments, the Group is exposed to risk factors such as exchange rates, interest rates and price levels, such as stock market exchange listing and others. These risks are managed considering the guidelines in the Group's policies and market risk exposures are measured using different quantitative models, such as Value at Risk (VaR), scenario simulation and sensitivity analysis.

Sensitivity analysis of financial assets

A 1% variation in the price of the Grupo Nutresa S.A. share, which amount constitutes the main component of the financial assets measured at fair value through other comprehensive income (Note 11 Other financial assets), would generate variations in the other comprehensive income (OCI) of approximately $12,958 (2020 $10,859); however, it should be noted that this financial asset is not available to be realized in the short term.

A 1% variation in the price of the Dominican Republic Government Treasury bonds, which amount constitutes the main component of financial assets measured at fair value through profit or loss (Note 11 Other financial assets), would generate variations in the consolidated statement of income of approximately $8,676. These bonds are expected to be realized in the short term.

7.3.2 Foreign exchange risk management

The Group is exposed to exchange risk because of the operations of its subsidiaries with a functional currency other than the Colombian peso, and for transactions carried out in currencies other than its functional currency, as well as the holding of financial instruments denominated in currencies other than the functional currency of the subsidiary, fluctuations in exchange rates have a direct impact on cash and on the consolidated financial statements. The Group monitors foreign exchange rate risk by analyzing balance and cash flow exposure.

The Group's general policy is to limit the effects of exposure to exchange rate risk. When the Group carries out investment, financing, and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument. The following options are available for this purpose:

- Natural hedges, consisting of taking two positions that are reflected in the assets and liabilities in the statement of financial position, such as a dollar investment and a dollar liability.
- Financial hedges, realized with derivative instruments such as forwards, futures, options, swaps, among others.

The Group monitors the concentration of foreign exchange risk to avoid volatility in the consolidated financial statements and in accordance with the target exposure limits defined for each of the subsidiaries. For this purpose, a sensitivity analysis is performed on the exchange rate, based on the monetary cycles that impact the businesses where the Company has a presence. The results of these analyses have a direct influence on the capital structure, with respect to the functional currencies of the debt, reference indices and the contracting of derivative instruments.

The analysis of exposure to exchange rate risk is performed on Grupo Argos S.A. and the operations of subsidiaries whose functional currency is different from the Colombian peso. The exposure of the consolidated statement of financial position is determined by calculating the net position in dollars, which arises from the holding of monetary items in currencies other than the respective functional currencies of each of the companies and is intended to minimize the volatility of the exchange difference item in the consolidated statement of income.

Interest on loans is denominated in the currency of the loan. Generally, loans are denominated in currencies that match the cash flows generated by the Group's underlying operations, primarily the Colombian peso, but also other foreign currencies. This provides an economic hedging without the use of derivatives and therefore, except in some cases, hedge accounting does not apply in these circumstances.

For other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is maintained at an acceptable level of foreign currencies at market rates where necessary to address short-term imbalances.

Cash flow exposure is monitored by analyzing the offsetting of income and expenses in foreign currency, seeking to generate equivalent income and expenses during the period to minimize purchases or sales of dollars in the spot market.

The Group's exposure to changes in the exchange rate against the U.S. dollar (excluding those entities whose functional currency is the U.S. dollar and transactions between Group companies), based on the nominal amounts of monetary assets and liabilities after incorporating hedges made with derivative financial instruments, is presented below:

U.S. dollar exposure (In thousands of U.S. dollars)	2021	2020
Monetary assets	499,296	526,957
Monetary liabilities	641,760	688,972
Net exposure	**(142,464)**	**(162,015)**

U.S. dollar exposure (In millions of Colombian pesos)	2021	2020
Monetary assets	1,987,779	1,808,781
Monetary liabilities	2,554,951	2,364,898
Net exposure	**(567,172)**	**(556,117)**

Details of the foreign currency derivative instruments outstanding as of 31 December 2021 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

Sensitivity analysis of foreign currency

The Group performs sensitivity analyses to quantify the impact of the exchange rate on consolidated figures. In general terms, the Group benefits from increases in the exchange rate, largely explained by the weight of the investments in Cementos Argos S.A., Celsia S.A., Odinsa S.A. and the exposure that these companies have to the United States, Caribbean, and Ecuadorian markets. The Group's hedging structures allow it to maintain a balanced net position in the statement of income and financial position.

The Group is mainly exposed to the U.S. dollar currency. The following table details the Group's sensitivity to a 20% increase or decrease in the Colombian peso against the relevant foreign currencies after considering the effect of hedge accounting. 20% represents management's assessment on the reasonable possible change in exchange rates. The sensitivity analysis includes only the outstanding monetary items denominated in foreign currencies and adjusts their translation at the end of the period for a 20% change in exchange rates. A positive figure below indicates an increase in results where the Colombian peso weakens by 20% against the relevant currency, i.e., there is an increase in the peso/dollar exchange rate. If there were to be a 20% strengthening in the functional currency against the reference currency, then there would be an opposite impact on the results.

Impact of a 20% devaluation on net exposure:

	2021	2020
Income before taxes	116,388	117,231
Other comprehensive income (*)	(126,995)	(250,684)

(*) Based on the Group's net exposure to the US dollar, an increase in the peso/US dollar exchange rate of 20% would generate a decrease in the consolidated other comprehensive income due to the existence of cash flow hedges with derivative instruments or financial liabilities of the entity designated as hedging instruments in some subsidiaries of the Group.

The sensitivity analysis to currency translation risk shows that a 20% devaluation of the closing and moving average exchange rate of the Colombian peso against the US dollar, that is, an increase in the peso/dollar exchange rate, would have the following impact on the translation to pesos of the income before taxes and on the Group's equity for those subsidiaries which functional currency is not the Colombian peso, after eliminating transactions with other Group companies:

Impact of a 20% devaluation on the translation of foreign business:

	exchange rate risk against U.S. dollar	
	2021	2020
Income before taxes	272,604	147,477
Equity	1,843,035	2,015,890

A 20% strengthening of the Colombian peso against the U.S. dollar would have produced the opposite effect. For the analysis it is assumed that all other variables are constant.

Operations and balances in foreign currency are translated at the representative market exchange rate certified by Banco de la República. In the preparation of the Group's consolidated financial statements, assets, and liabilities, as well as income, costs and expenses in foreign currency have been translated into Colombian pesos at the exchange rates observed at the date of each closing and averaged as follows:

Against U.S. dollar	2021		2020	
	Closing exchange rate	Average exchange rate	Closing exchange rate	Average exchange rate
Colombian Peso	3,981.16	3,747.24	3,432.50	3,691.27
Dominican Peso	57.34	57.07	58.22	56.52
Euro	0.879	0.846	0.817	0.877
Honduran Lempira	24.43	24.10	24.20	24.67
Haitian Gourde	99.87	89.13	72.16	93.39
Eastern Caribbean Dollar	2.7	2.7	2.7	2.7
Guatemalan Quetzal	7.72	7.74	7.79	7.72

Contracts derived from interest rates

Derivative instruments entered by the Group to cover exchange risk are generally designated as cash flow hedging instruments. The value recognized through other comprehensive income for the valuation of these derivative instruments is detailed in Note 29 Reserves and other comprehensive income.

The following table details the notional principal amounts and remaining terms of the outstanding foreign exchange forward and swap contracts at the end of the reporting period.

	Notional value of the hedged item in Colombian pesos		Fair value of the asset (liability) derivative instrument	
	2021	2020	2021	2020
Cash flow hedging				
1 year or less	438,629	-	15,215	-
1 to 5 years	119,435	102,975	15,974	(9,664)
Fair value hedging				
1 year or less	-	298,837	-	(21,545)
Not designated under hedge accounting				
1 year or less	20,570	301,545	1,592	(37,186)
Derivative contracts in foreign currency	**578,634**	**703,357**	**32,781**	**(68,395)**

7.3.3 Gestión del riesgo de tasas de interés

The Group is exposed to interest rate risks because it borrows money at rates that can be variable. This risk is managed based on market readings of the macroeconomic environment and of the counterparties, monitoring risk premiums, investment returns and the cost of debt, in real terms.

At the end of 2020, the balance of the Group's consolidated debt corresponding to financial obligations and to bonds and compound financial instruments is $16,472,570 (2020 $16,745,078). The Group is largely exposed to changes in the general consumer price index (CPI) and the intervention rate of the economies in which it participates.

The reference interest rates of the Colombian financial market that generate exposure to the Group are the CPI, DTF and IBR, and the international reference rate LIBOR for loans in dollars. The Group has not considered exposure to other local or international rates.

The Group monitors its exposure to interest rate risk through an exposure analysis that depends on the projection of market conditions. A relationship very different from this would indicate a concentration in one of the references. The Group's debt profile is consolidated and reported monthly to the Financial Committee. The concentration levels of fixed rate versus variable rate and distribution by currency (COP versus USD versus other currencies) are reported by the subsidiaries to the holding company monthly. With the results presented, decisions are made to manage the debt portfolio, such as the prepayment of obligations, the structuring of financial derivatives to balance the position in interest rates and/or currencies, etc.

As of 31 December 2021, 26% of the consolidated debt is agreed at a fixed interest rate (2020 29%), considering the effect of derivative financial instrument contracts.

Contracts derived from interest rates and inflation indexes

Derivative instruments entered by the Group to cover interest rate risk are designated as cash flow hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 29 Reserves and other comprehensive income.
The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

	Notional value of the hedged item in Colombian pesos		Fair value of the asset (liability) derivative instrument	
	2021	2020	2021	2020
Cash flow hedging				
1 year or less (*)	350,000	-	2,275	-
1 to 5 years (*)	1,518,218	1,029,750	(46,494)	(74,132)
5 years or more	-	205,950	-	(12,144)
Fair value hedging				
1 year or less	60,000	-	(313)	-
1 to 5 years	160,000	-	(1,879)	-
Interest rate derivative contracts	**2,088,218**	**1,235,700**	**(46,411)**	**(86,276)**

(*) Includes in the year 2021 in the range from 1 to 5 years the notional value of the derivative instrument interest rate swap of Grupo Argos S.A. for $85,000, base value to settle both current and non-current coupons of the instrument. The fair value of the instrument associated to the same derivative is included in the year 2021 for the maturity range of 1 year or less ($726) and for the range of 1 to 5 years ($922).

Details of interest rate derivative instruments outstanding as of 31 December 2021 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

Sensitivity analysis of interest rates and inflation indexes

The following sensitivity analyses have been determined based on the exposure to interest rates and inflation indexes for both derivative and non-derivative instruments at the end of the reporting period. For variable rate liabilities, an analysis is prepared assuming that the amount of the outstanding liability at the end of the reporting period has been the outstanding liability for the entire year. When reporting internally to key management personnel on interest rate risk, an increment of 100PB over the indexer spot rate is used, holding all other variables constant, which represents management's assessment of the reasonable potential change in interest rates.

	CPI		IBR		LIBOR	
	2021	2020	2021	2020	2021	2020
Income before taxes (*)	(65,729)	(67,352)	(29,214)	(17,555)	(22,989)	(35,667)
Other Comprehensive Income	-	-	(1,300)	-	(20,889)	(36,143)

(*) The value of loan costs eligible for capitalization in qualifying assets is not included, if applicable.

7.3.4 Credit risk management

and valuations of clients with exposure, or that require credit and/or collateral beyond established limits. At 31 December 2021 and 2020, the maximum exposure to credit risk is represented by the balance of financial assets, including trade and other receivables. Management has developed policies for authorizing credit to customers.

In sales in which the counterpart is determined in advance and it is lawful to agree on special conditions that allow it to mitigate the risk of default, the Group and its subsidiaries adjusts its respective offers (price, form of payment, etc.) to reflect the valuation made to the counterpart, as well as the amount exposed in each of those transactions. Exposure to credit risk is constantly monitored in accordance with the payment behavior of debtors.

Credit risk management of receivables associated with concession financial assets is based on country risk monitoring activities in the areas where there are active projects, such monitoring is made from the project evaluation, what guarantees that the Group does not undertake activities in high-risk countries, likewise, concession contracts include clauses that oblige the counterparty to reestablish the contract immediately, as well as the generation of onerous costs for the state, which allows reducing default in concession payments.
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are financial institutions with high credit ratings assigned by risk rating agencies. The Group applies quota allocation models to avoid concentration of resources in a single entity or security and performs impairment analyses on its investments and assets, including receivables.

Impairment of current trade and other receivables is explained in Note 8 Trade and other receivables, net.

7.3.5 Liquidity risk management

Liquidity risk can be generated when there is an inadequate capital structure and/or an adverse effect on the return on investments. This risk is managed based on financial planning and cash management exercises, with permanent monitoring of the cash flow of the Group and its subsidiaries. Likewise, through the design and monitoring of working capital needs and capital structure, the Group efficiently plans sources and uses, guaranteeing financial flexibility, risk management and return.

To minimize liquidity risk in the maturities of principal and renewals of financial obligations, the Group monitors the concentration of debt maturities periodically, what allows to manage maturities in advance. In addition, it has a broad portfolio of liquidity providers in different currencies, types of indexers and maturities, including domestic banks, international banks, commercial finance companies, stockbrokers and issuance of bonds and commercial papers in the capital market as a recurring issuer. Likewise, the Group has uncommitted credit quotas with domestic and international banks in an amount sufficient to meet any eventuality.

The balance between the distribution of debt by term is another clear objective of the management, with the goal of not concentrating more than 30% of maturities of financial liabilities in the short term. The duration in years of financial liabilities is monitored every month, and the goal is to maintain the average life of the debt in accordance with the return-on-investment cycle of each of the subsidiaries. These debt duration objectives may be affected at specific times by acquisitions, divestitures, etc., involving bridge or short-term financing while adjusting the capital structure to the set goals.

The Group and its subsidiaries may also be exposed to liquidity risk in the event of a breach of financial covenants, which could trigger performance clauses in other contracts. To mitigate this risk, subsidiaries regularly monitor financial covenants and report to management.

7.3.5.1 Maturity analysis of non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been designed based on undiscounted cash flows of financial liabilities based on the date on which the Group must make payments. The tables include both interest and capital cash flows. To the extent that interest is at a floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the minimum date on which the Group must make payment.

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As of 31 December 2021					
Non-interest-bearing financial liabilities	2,523,158	6,164	-	2,529,322	2,529,322
Floating rate instruments	3,672,825	7,434,251	8,247,259	19,354,335	13,675,949
Fixed-rate instruments	948,066	2,043,116	321,197	3,312,379	2,929,250
Other liabilities	3,260	13,652	206,541	223,453	77,128
Total	**7,147,309**	**9,497,183**	**8,774,997**	**25,419,489**	**19,211,649**
As of 31 December 2020					
Non-interest-bearing financial liabilities	2,132,493	159,167	-	2,291,660	2,291,660
Floating rate instruments	2,198,432	7,875,454	7,657,448	17,731,334	13,463,792
Fixed-rate instruments	1,358,175	2,744,021	291,831	4,394,027	3,677,343
Other liabilities	7,011	13,402	208,651	229,064	77,997
Total	**5,696,111**	**10,792,044**	**8,157,930**	**24,646,085**	**19,510,792**

The contractual flows of lease liabilities are disclosed in Note 22 Leases.

7.3.5.2 Maturity of derivative financial instruments

The following table details the maturity of the Group's derivative financial instruments. The table has been designed based on the discounted contractual net cash flows that cancel on a net basis, and the gross discounted cash flow on those derivatives that require a gross payment. Where the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to projected interest rates as illustrated by yield curves at the end of the reporting period. At 31 December 2021 and 2020 the Group has no derivative contracts that are settled gross.

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
At 31 December 2021					
Forward	16,807	-	-	16,807	16,807
Swaps	1,962	(32,399)	-	(30,437)	(30,437)
Total	**18,769**	**(32,399)**	**-**	**(13,630)**	**(13,630)**
At 31 December 2020					
Forward	(58,731)	-	-	(58,731)	(58,731)
Swaps	(9,664)	(74,132)	(12,144)	(95,940)	(95,940)
Total	**(68,395)**	**(74,132)**	**(12,144)**	**(154,671)**	**(154,671)**

7.4 Collaterals

Collaterals for financial assets and liabilities provided by the Group are detailed below:

- In 2021, the stock exchange value of the Group's financial assets pledged as collateral for financial liabilities is $2,132,423 (2020 $1,146,646). These collaterals correspond to 71,080,751 shares (2020 36,724,303 shares) of Grupo de Inversiones Suramericana S.A. On 22 January 2021 the pledge of Grupo Nutresa S.A. shares was lifted, which as of December 2020 were 9,093,972 shares. Of the pledged shares, 16,995,333 shares back a loan from Bancolombia for $392,200, an amount of 27,683,344 shares back a loan with Banco Santander for USD 100 million and the remaining shares have been pledged for an indefinite period to give the Company financial flexibility.

- The bond issue of Grupo Alternegy S.A.'s subsidiary for USD 227.54 million (2020 USD 287.48 million) backed as joint debtors by Bontex S.A. and Planta Eólica de Guanacaste S.A. with a local and foreign guarantee that includes mainly (i) mortgage on the material assets of the issuer and the guarantors (real estate and personal property); (ii) pledge on 100% shares of the Celsia S.A. promoter's plants; (iii) allocation of all revenues (PPAs and spot sales) with a payment cascade mechanism and; (iv) transfer of insurance and material contracts of the issuer and the guarantors.

- In 2021, the Grupo through its subsidiary Argos SEM LLC, has pledged 360,600 common shares of Argos Puerto Rico Corp. to guarantee the credit between Argos Puerto Rico Corp. and Banco Popular de Puerto Rico. Under this credit facility, receivables, deposits, and inventory of Argos Puerto Rico Corp. were also pledged.

- Additionally, there is an open pledge without first degree holding of 305,804 (2020 305,804) shares of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., in accordance with the "Stock Pledge Agreement" entered with its lenders.

- In 2019, the Group pledged as collateral for financial liabilities the shares of Autopista del Nordeste Cayman Ltda. in the issuance of the bonds of this subsidiary for an original amount of USD 162 million. This issuance was used to finance the construction of the concessioned highway in the Dominican Republic. With the agreement signed with the Government of the Dominican Republic on 9 December 2021 for the early termination of the concession contracts, this collateral was terminated, since full payment was made with an acknowledgement of interest at maturity; case that was one of the conditions to be able to deliver the road assets of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A., fulfilled on 22 December 2021.

- During 2021, for the subsidiary of Grupo Bahía Las Minas Corp. the activities defined in the plan for disposal of assets and repayment of claims defined by the shareholders in 2020 were executed. This plan saw the sale of assets, the payment of claims both in cash and with securities of a liquidation trust, and the cancellation of balances with their corresponding settlement, which allowed the guarantees associated with the issuance of bonds for USD 53.42 in Panama to be lifted.

7.5 Fair value of financial assets and liabilities

The following is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	Carrying amount	Fair value	Carrying amount	Fair value
	2021		2020	
Prepayments on investment purchases (i)	-	-	793	793
Financial assets, measured at:				
Fair value through other comprehensive income (OCI)				
Equity investments (ii) (1)	1,351,862	1,351,862	1,142,850	1,142,850
Derivative financial instruments	35,238	35,238	-	-
Fair value through profit or loss				
Investments (2)	1,105,334	1,105,334	90,760	90,760
Derivative financial instruments	1,592	1,592	6,354	6,354
Amortized cost				
Cash and cash equivalents (iii) (3)	2,684,817	2,684,817	2,713,358	2,713,358
Trade and other receivables (iii) (3)	3,352,920	3,678,903	4,885,692	6,414,234
Total	**8,531,763**	**8,857,746**	**8,839,807**	**10,368,349**
Financial liabilities, measured at:				
Amortized cost				
Bonds in circulation (4) (iv)	9,728,505	9,630,614	9,727,774	9,742,447
Financial obligations (4) (iv)	6,666,938	6,532,307	7,363,594	7,338,861
Suppliers and payables (3) (iv)	2,746,851	2,746,851	2,766,993	2,767,018
Preferential shares classified as debt	77,127	55,331	74,186	70,920
Other financial liabilities (3)	-	-	3,811	3,811
Fair value				
Derivative financial instruments	50,460	50,460	161,025	161,025
Total	**19,269,881**	**19,015,563**	**20,097,384**	**20,084,082**

(i) Prepayments for the purchase of shares of the company Stem INC. for $793 were legalized in 2021.
(ii) Equity investments measured at fair value through other comprehensive income mainly include shares of Grupo Nutresa for $1,295,782 (2020 $1,085,851). The increase in equity investments corresponds mainly to the

valuation adjustment of these shares during the period from January to December 2021 for $209,931, recognized in other comprehensive income.

(iii) The carrying amount and fair value of cash and cash equivalents and trade and other receivables include amounts for $1,674 (2020 $12,262) and $10,484 (2020 $7,292) respectively, corresponding to assets classified by the Group as non-current assets held for sale. (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(iv) The carrying amount and fair value of the catogories: bonds in circulation, financial liabilities and suppliers and payables, include amounts for $0 (2020 $420,476) and $7,772 (2020 $5,090), respectively, corresponding to liabilities associated with assets classified by the Group as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(1) The fair values of these equity investments are derived mainly from quoted prices in active markets (Colombian Stock Exchange). However, there are some minor equity investments measured at fair value through other comprehensive income, which considering that there is no Level 1 input data (quoted prices), the Group assumes the position of keeping them at cost; in addition, the costs involved in carrying out the valuation would be greater than the benefits obtained.

(2) Fair values of these investments are derived from: a) prices quoted on active markets and b) available resources provided by the subsidiary Celsia S.A. (formerly Celsia S.A. E.S.P.) to SURA SAC LTD for the management of the risk related to the property damage insurance policy. Certain equity investments are measured at fair value on a non-recurring basis only when a market value is available. The Group considers that this omission of the recurrent measurement of these investments is immaterial for the presentation of its financial statements.

(3) The Group assessed that the fair values of cash and short-term deposits, receivables other than those associated with concession contracts, dividends receivable and payable, suppliers, accounts payable, and other current liabilities approximate their book values due largely to the short-term maturities of these instruments. The method used to calculate the fair value of receivables associated with concession contracts is the discounted cash flow to shareholder valuation and they are brought to present value at a market discount rate (cost of equity).

(4) Financial liabilities for financial obligations and outstanding bonds are measured at amortized cost by reference to the contractual cash flows of the obligations according to the agreed terms.

The significant variables used in measuring the fair value of financial instruments at 31 December 2021 and 2020 are presented below:

	Hierarchy Level	Valuation technique	Significant variables
Financial assets, measured at:			
Fair value through other comprehensive income			
Equity investments	Level 1	(ii)	Quotation price
Derivative financial instruments	Level 2	(iii)	Interest rate swap curve for dollar-denominated rates, to discount flows in dollars; and BRI swap curve for peso-denominated rates, to discount flows in pesos. LIBOR, CPI, TRM.
air value through profit or loss			
Investments	Level 1	(ii)	Quotation price
Derivative financial instruments	Level 2	(iii)	Foreign exchange rate fixed in the contract. Exchange rate calculated on the day of valuation. Forward market points "forward" peso-foreign currency on the valuation date. Number of days between the valuation date and the maturity date. Interest rate in USD and COP.
Amortized cost			
Cash and cash equivalents	Level 1	(ii)	Not applicable

	Hierarchy Level	Valuation technique	Significant variables
Commercial and other accounts	Level 2	(i)	The discount rate used corresponds to the effective rate agreed and indexed to the CPI.
Financial liabilities, measured at:			
Amortized cost			
Financial obligations	Level 2	(i)	The discount rate used corresponds to the market rate for loans in similar conditions.
Bonds in circulation	Level 2	(i)	Interest rate structure through the zero-coupon curve for similar issuers
Preferential shares classified as debt	Level 2	(i)	The discount rate used corresponds to the Cementos Argos peso bond curve in accordance with the maturities of the preferential shares.
Non-current suppliers and payable	Level 2	(i)	The discount rate used corresponds to the effective rate agreed upon and indexed to the CPI.
Fair value			
Derivative financial instruments	Level 2	(iii)	*Swap derivative instruments:* Interest rate swap curve for dollar-denominated rates, to discount flows in dollars; and BRI swap curve for peso-denominated rates, to discount flows in pesos. LIBOR, CPI, TRM *Forward derivative instruments:* Foreign currency to peso exchange rate fixed in the contract. Exchange rate calculated on the valuation date. Forward points of the peso-foreign currency forward market on the valuation date. Number of days between the valuation date and the maturity date. USD and COP interest rate. *Options derivative instruments:* Foreign currency to peso exchange rate fixed in the contract (strike price). Spot rate on the valuation day. Volatility and implied devaluation. Number of days between the valuation date and the maturity date.

Below are the valuation techniques used to measure the Group's financial assets and liabilities at fair value for disclosure purposes:

i. Discounted cash flows: future cash flows are discounted to present value using the discount rate for the financial instrument measured at the measurement date according to the days of maturity.

ii. Quoted market prices: the fair values of these investments are determined by reference to quoted prices published in active markets for the financial instrument at issue.

iii. Operating cash flow projection model: the method uses the cash flows inherent to the derivative financial instrument, projected with the treasury stock curves of the issuing state of the currency with which each flow is expressed and then discounted to present value, using market rates for derivative financial instruments disclosed by the competent authorities of each country. The difference between the cash flow and the cash outflow represents the net value of the derivative at the evaluated cut-off date.

   For Options derivative instruments, the valuation technique corresponds to the Black-Scholes-Merton pricing model. For Forward derivative instruments, the difference between the market rate and the forward rate on the valuation date corresponding to the remaining term of the derivative financial instrument is established and discounted to its present value using an interest rate in USD and COP, respectively. The amount of the valuation is the difference between the present value of the right and the obligation.

7.6 Reconciliation between changes in liabilities and cash flows arising from financing activities

	Obligations and other financial liabilities	Bonds and compound financial instruments	Lease liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Dividend liabilities	Other liabilities associated with financing activities	Total
31 December 2019	**6,721,884**	**9,790,259**	**1,062,881**	**55,611**	**229,469**	**531,675**	**18,391,779**
Changes in cash flows from financing activities							
Issuance of bonds and structured notes	-	737,361	-	-	-	-	737,361
Payment of bonds and commercial papers	-	(777,344)	-	-	-	-	(777,344)
Increase in other financing instruments	4,527,725	-	-	-	-	62,700	4,590,425
Decrease in other financing instruments	(4,079,424)	-	-	-	-	(61,014)	(4,140,438)
Payments for lease liabilities	-	-	(160,873)	-	-	-	(160,873)
Payments made to financial derivative contracts with coverage of financial liabilities	-	-	-	(127,807)	-	-	(127,807)
Collections from financial derivative contracts with financial liability hedging	-	-	-	105,497	-	-	105,497
Dividends paid on ordinary shares	-	-	-	-	(689,756)	-	(689,756)
Dividends paid on preferential shares	-	(2,102)	-	-	(123,012)	-	(125,114)
Interest paid (1)	(343,668)	(658,677)	(52,806)	-	-	-	(1,055,151)
Other cash inflows (outflows)	-	135	-	-	-	-	135
Total changes by cash flows from financing activities (2)	**104,633**	**(700,627)**	**(213,679)**	**(22,310)**	**(812,768)**	**1,686**	**(1,643,065)**
Currency Conversion	207,087	12,920	39,367	1,198	(1,326)	10,137	269,383
Effect by conversion	(5,715)	61,132	(2,051)	(19,924)	-	-	33,442
Changes in fair value	-	-	-	93,200	-	-	93,200
Changes in lease contracts	-	-	(43,420)	-	-	-	(43,420)
Interest caused	340,201	635,910	52,967	46,667	-	45,190	1,120,935
Reclassification to liabilities associated with non-current assets held for sale (Note 13)	(236,107)	(184,369)	-	-	-	-	(420,476)
Other changes	(685)	2,366	(78,961)	229	870,656	11,684	805,289
31 December 2020	**7,131,298**	**9,617,591**	**817,104**	**154,671**	**286,031**	**600,372**	**18,607,067**

(*) Other changes associated to dividend liabilities correspond to the accrual for the declaration of dividends.

	Obligations and other financial liabilities	Bonds and compound financial instruments	Lease liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Dividend liabilities	Other liabilities associated with financing activities	Total
31 December 2020	**7,131,298**	**9,617,591**	**817,104**	**154,671**	**286,031**	**600,372**	**18,607,067**
Changes in cash flows from financing activities							
Issuance of bonds and structured notes	-	815,571	-	-	-	-	815,571
Payment of bonds and commercial papers	-	(1,015,379)	-	-	-	-	(1,015,379)
Increase in other financing instruments	6,142,528	-	-	-	-	43,175	6,185,703
Decrease in other financing instruments	(7,251,376)	-	-	-	-	-	(7,251,376)
Payments for lease liabilities	-	-	(195,253)	-	-	-	(195,253)
Payments made to financial derivative contracts with coverage of financial liabilities	-	-	-	(91,808)	-	-	(91,808)
Collections from financial derivative contracts with financial liability hedging	-	-	-	47,526	-	-	47,526
Dividends paid on ordinary shares	-	-	-	-	(689,049)	-	(689,049)
Dividends paid on preferential shares	-	(3,287)	-	-	(145,877)	-	(149,164)
Interest paid (1)	(269,452)	(626,703)	(41,502)	-	-	(144,719)	(1,082,376)
Other cash inflows (outflows)	-	216	-	-	-	-	216
Total changes by cash flows from financing activities (2)	**(1,378,300)**	**(829,582)**	**(236,755)**	**(44,282)**	**(834,926)**	**(101,544)**	**(3,425,389)**
Business combinations	-	-	-	-	-	-	-
Loss of control of a subsidiary or business	-	-	(9,890)	-	-	-	(9,890)
Currency Conversion	557,233	161,735	74,835	9,860	9,906	(24,416)	789,153
Effect by conversion	85,778	189,395	3,854	(48,821)	-	-	230,206
Changes in fair value	-	-	-	(93,281)	-	-	(93,281)
Changes in lease contracts	-	-	68,309	-	-	-	68,309
Interest caused	272,829	666,493	41,502	35,483	-	26,651	1,042,958
Reclassification to liabilities associated with non-current assets held for sale	-	-	-	-	-	-	-
Other changes (*)	(1,900)	-	6,747	-	667,777	(8,096)	664,528
31 December 2021	**6,666,938**	**9,805,632**	**765,706**	**13,630**	**128,788**	**492,967**	**17,873.661**

(*) Other changes associated to dividend liabilities correspond to the accrual for the declaration of dividends.

(1) Interest paid does not include the associated with trade liabilities for $1,112 (2020 $1,012).
(2) For 2020 the consolidated statement of cash flows includes cash inflows and outflows associated with equity transactions for $48,718 and other cash inflows for $9,091, and for 2021 includes net cash inflows associated with equity transactions for $238,183 and other net cash outflows for $57,793.

NOTE 8: **TRADE AND OTHER RECEIVABLES, NET**

The balance of trade and other receivables, net, as at 31 December comprises:

	2021	2020
Trade receivables		
Clients	2,333,243	1,634,964
Other receivables		
Receivables from related parties (Note 41)	126,040	441,807
Services and other receivables (1)	1,017,175	2,928,562
Employee receivables	68,912	66,586
Provision for expected credit losses (2)	(202,934)	(193,519)
Total trade and other receivables	**3,342,436**	**4,878,400**
Current	2,474,445	2,050,392
Non-current	867,991	2,828,008
Total trade and other receivables	**3,342,436**	**4,878,400**

(1) Services receivable and other debtors, mainly include receivables from concession contracts for $393,720 (2020 $2,390,160), corresponding to the financial assets of the concessions Autopistas del Nordeste S.A., Boulevard Turístico del Atlántico S.A., Autopistas del Café S.A., and Caribbean Infrastructure Company N.V. The decrease corresponds mainly to the write-off of financial assets after the completion and delivery of the road concession contract to the Government of the Dominican Republic in Autopistas del Nordeste S.A. for ($1,298,570) and Boulevar Turístico del Atlántico S.A. for ($639,459). Furthermore, the write-off was recognized in accounts, JV ADN S.R.L. ($8,640) and JV BTA S.R.L. ($9,513) (Note 47 Significant events).

(2) Includes provision for expected credit losses from related parties for $465 (2020 $1,368).

Trade receivables are mainly generated from the cement industry, the production of concrete mixes and any other materials or items based on cement, lime or clay, the acquisition and disposal of minerals or ore deposits. Also, the sale of services for the generation and marketing of electricity, services for the resale of natural gas and the sale of other goods and services.

Long-term receivables are measured at amortized cost under the effective interest rate method and short-term receivables are presented at their nominal amount.

Following is a detail of changes in the provision for expected credit losses on trade and other receivables as of 31 December:

Changes in the provision for expected credit losses and doubtful receivables	2021	2020
Balance at the beginning of the year presented	**(193,519)**	**(167,262)**
Expected credit losses	(49,850)	(50,624)
Foreign currency translation profit or loss	(13,162)	(3,667)
Derecognition of amounts considered uncollectible	33,561	23,201
Amounts recovered during the year	4,107	1,811
Reversal of expected credit losses	15,598	3,048
Other changes	331	(26)
Balance at the end of the year	**(202,934)**	**(193,519)**

The average credit period on the sale of goods and services is 30 days, for both cases no interest charge is made on trade receivables. In the case of sale of land from the real estate business, the term and interest charges will depend on the negotiated conditions. At the end of the reporting period, the Group assesses whether there is objective evidence that the financial assets are impaired, and if this is the case, it recognizes an impairment loss in the consolidated statement of income.

The provision for expected credit losses is recognized through administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable will not be collectible, the gross carrying amount of the receivable is derecognized against the associated provision.

For each operating segment, the following table presents the value of trade and other receivables subject to credit risk before recognizing any impairment the values of expected losses determined individually and collectively, and the value of receivables after considering expected impairment at the end of the reporting period.

	2021			2020		
	Gross receivables	**Expected credit loss**	**Net receivables**	**Gross receivables**	**Expected credit loss**	**Net receivables**
Cement (1)	1,267,893	(88,858)	1,179,035	1,151,895	(90,382)	1,061,513
Energy (2)	1,127,038	(79,947)	1,047,091	952,525	(63,665)	888,860
Concessions (3)	971,647	(27,634)	944,013	2,824,503	(33,057)	2,791,446
Other segments and adjustments	178,792	(6,495)	172,297	142,996	(6,415)	136,581
Total	**3,545,370**	**(202,934)**	**3,342,436**	**5,071,919**	**(193,519)**	**4,878,400**

Below is information on expected credit losses for the Group's main operating segments:

(1) **Cement:** the provision for expected credit losses of the Cement segment is estimated based on the age of trade and other receivables, and at 31 December, the balance is as follows:

	2021			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Unmatured	0.12%	709,554	(851)	708,703
Between 0 and 30 days	0.17%	277,338	(470)	276,868
Between 31 and 60 days	0.88%	78,390	(689)	77,701
Between 61 and 90 days	4.27%	23,505	(1,005)	22,500
Between 91 and 120 days	4.86%	17,805	(865)	16,940
Between 121 and 150 days	5.49%	5,556	(305)	5,251
Between 151 and 180 days	6.22%	7,638	(475)	7,163
Between 181 and 360 days	17.07%	21,924	(3,743)	18,181
More than one year	63.76%	126,183	(80,455)	45,728
Total		**1,267,893**	**(88,858)**	**1,179,035**
Average age (days)				**32**

	2020			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Unmatured	0.03%	668,113	(229)	667,884
Between 0 and 30 days	0.37%	139,686	(516)	139,170
Between 31 and 60 days	1.32%	53,520	(708)	52,812
Between 61 and 90 days	5.63%	18,188	(1,023)	17,165
Between 91 and 120 days	6.47%	10,031	(649)	9,382
Between 121 and 150 days	12.04%	5,707	(687)	5,020
Between 151 and 180 days	11.39%	3,858	(439)	3,419
Between 181 and 360 days	5.55%	91,715	(5,092)	86,623
More than one year	50.31%	161,077	(81,039)	80,038
Total		**1,151,895**	**(90,382)**	**1,061,513**
Average age (days)				**36**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

(2) **Energy:** the provision for expected credit losses in the Energy segment is estimated based on the business, market type and class of services for trade and other receivables and at 31 December is as follows:

	2021			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Conventional Energy and new businesses	4.00%	476,750	(56,740)	420,010
Wholesale Market and Distribution	0.00%	172,556	(6,084)	166,472
Other debtors	NA	477,732	(17,123)	460,609
Total		**1,127,038**	**(79,947)**	**1,047,091**
Average age (days)				**47**

	2020			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Conventional Energy and new businesses	2.10%	235,650	(45,476)	190,174
Wholesale Market and Distribution	NA	295,819	(12,612)	283,207
Other debtors	NA	421,056	(5,577)	415,479
Total		**952,525**	**(63,665)**	**888,860**
Average age (days)				**47**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

As of 31 December 2020, receivables were sold to the financial institution Inter-American Development Bank (IDB), the sold portfolio corresponds to the tariff option of Resolution 012 and the "Estamos contigo" (We are with you) program, the sale value was $98,624 with a cost of $127,688 and originating a finance expense of $29,063. The Group signed a mandate contract with the IDB, where it continues to act as collector for the sold portfolio and in turn commits to the monthly transfer of the resources with minimum payments, which continue until 2026; Although these payments act as guarantee, IDB has all associated risks and benefits, and shall absorb all variability, given that according to the relative variability analysis of the cash flows, the new expected volatility is much lower than the existing one; therefore, no provision has been recognized with respect to the credit guarantees.

(3) **Concessions:** the provision for expected credit losses in the Road Concessions segment is estimated based on the type of asset and the credit rating for trade and other receivables, and as of 31 December, the balance is as follows:

	2021			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Receivables from concession contracts				
Colombia (BBB-)	0.00%	73,069	-	73,069
Aruba (BBB)	0.00%	306,127	-	306,127
Dominican Republic (BB-) (*)	0.5% to 2.6%	14,525	-	14,525
Other receivables				
A- to AAA	0.00%	171,706	-	171,706
B- to BBB+	0.5% to 2.6%	313,113	(502)	312,611
D to CCC+	100%	10,275	(10,275)	-
Total		**888,815**	**(10,777)**	**878,038**

Decrease in receivables from concession contracts corresponds mainly to the early termination agreement of the road concession contracts of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. with the Government of the Dominican Republic (Note 47 Significant events).

	2020			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Receivables from concession contracts				
Colombia (BBB-)	0.00%	81,750	-	81,750
Aruba (BBB)	0.00%	269,770	-	269,770
Dominican Republic (BB-)	0.5% to 2.6%	2,038,640	(7,293)	2,031,347
Other receivables				
A- to AAA	0.00%	185,079	-	185,079
B- to BBB+	0.5% to 2.6%	166,310	(1,400)	164,910
D to CCC+	100%	9,974	(9,974)	-
Total		**2,751,523**	**(18,667)**	**2,732,856**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties. The expected credit loss rate contemplates as a parameter the credit rating of the Sovereign State where the concession is located.

For airport concessions, the provision for expected credit losses is estimated based on the age of trade and other receivables, and as of 31 December, the balance is as follows:

	2021			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Unmatured	0.12%	55,994	(69)	55,925
Between 0 and 30 days	7.02%	5,700	(400)	5,300
Between 31 and 90 days	27.14%	2,524	(685)	1,839
Between 91 and 180 days	19.25%	1,958	(377)	1,581
Between 181 and 360 days	55.41%	2,983	(1,653)	1,330
More than one year	100.00%	13,673	(13,673)	-
Total		**82,832**	**(16,857)**	**65,975**
Average age (days)				**228**

	2020			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Unmatured	0.14%	31,648	(43)	31,605
Between 0 and 30 days	8.74%	6,374	(557)	5,817
Between 31 and 90 days	38.18%	2,331	(890)	1,441
Between 91 and 180 days	38.78%	1,818	(705)	1,113
Between 181 and 360 days	27.33%	25,536	(6,978)	18,558
More than one year	98.94%	5,273	(5,217)	56
Total		**72,980**	**(14,390)**	**58,590**
Average age (days)				**183**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

The Group recognizes a provision for individual customers when they are in a state of economic insolvency or when a financing or restructuring arrangement is entered into for the receivable, and collectively, by grouping the portfolio by day of default and applying to these values the expected credit loss rates estimated by management.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the account from the date the loan was initially granted to the end of the reporting period. The concentration of credit risk is limited due to the large and independent customer base.

NOTE 9: **INVENTORIES, NET**

The balance of inventories, net, at 31 December comprises:

	2021	2020
Materials, spare parts and accessories	439,201	416,071
Raw materials and direct materials	308,410	259,710
Urban planning works	197,537	245,781
Work in process	142,786	118,723
Finished product	141,831	126,566
Inventory in transit	90,483	29,368
Goods not manufactured by the company	26,880	15,567
Inventory of containers and packaging	22,558	18,938
Real estate for sale	3,106	3,106
Prepayments for the acquisition of inventory	3,553	3,250
Total inventories, net	**1,376,345**	**1,237,080**
Current	1,376,345	1,237,080
Total inventories, net	**1,376,345**	**1,237,080**

As of 31 December 2021, the cost of ordinary activities from continuing operations is equal to $11,848,313 (2020 $10,631,924), of which the value for sale of goods is $8,174,165 (2020 $7,478,551), for rendering services $3,666,365 (2020 $3,090,632) and for financial activity $7,783 (2020 $62,741).

The changes in the net realizable value adjustments of inventories are presented below:

	2021	2020
Balance at the beginning of the period	**33,341**	**33,676**
Decrease in inventories to net realizable value (1)	11,662	22,742
Reversal of decline in value of inventories (2)	(795)	(10,574)
Other changes (3)	(3,476)	(12,503)
Balance at the end of the period	**40,732**	**33,341**
Current	40,732	33,341
Balance at the end of the period	**40,732**	**33,341**

(1) During the year there was a decrease in inventories at net realizable value of $11,662 (2020 $22,742), derived in 2021 mainly from Argos USA LLC for $7,328 and Argos Panama for $1,098, and in 2020 from Argos USA LLC for $17,300.

(2) During the year there was a reversal of the decrease in value of $795 (2020 $10,574). The reversal of the decrease in value of inventories for 2021 corresponds mainly to the company Argos Puerto Rico Corp. and for 2020 to the company Argos USA LLC.

(3) For 2021 corresponds mainly to currency translation differences and for 2020 mainly to account reclassifications and inventory write-offs.

The Group does not maintain inventories pledged as collateral for liabilities and has no restrictions or liens limiting their disposition.

NOTE 10: **CURRENT AND DEFERRED INCOME TAX**

Current and deferred income tax presented in the consolidated statement of financial position as of 31 December corresponds to the following:

	2021	2020
Current tax assets	272,079	205,495
Current tax liabilities	(171,501)	(183,414)
Total current tax, net	**100,578**	**22,081**

	2021	2020
Deferred tax liability	(1,283,447)	(1,112,850)
Deferred tax asset	400,299	388,664
Total deferred tax assets, net	**(883,148)**	**(724,186)**

Group companies offset their tax assets and liabilities for disclosure purposes provided that they are related to the same tax authority, there is a legal right to do so, and they intend to settle them simultaneously.

10.1 Current tax assets

Current tax assets at 31 December comprise:

	2021	2020
Surplus in private income tax settlement	166,217	102,671
Income tax prepayment	73,197	54,877
Deduction at source and self-withholding	32,665	47,947
Total tax assets	**272,079**	**205,495**

Current tax assets correspond to balances with tax authorities, mainly for tax prepayments and balances arising from settlements of income tax returns, contributions and rates to be requested in return or offset with future settlements within the following accounting period.

10.2 Current tax liabilities

Current tax liabilities at 31 December comprise:

	2021	2020
Income Tax	137,702	164,364
Self-withholdings	33,799	19,050
Total tax liabilities	**171,501**	**183,414**

The applicable tax provisions in force provide for the following:

The nominal income tax rates for 2021 and 2020 applicable to the Group and its subsidiaries are as follows:

Country	2021	2020	Country	2021	2020
Antigua	25.00%	25.00%	Haiti	31.00%	31.00%
Aruba	25.00%	25.00%	Honduras	30.00%	30.00%
Colombia	31.00%	32.00%	British Virgin Islands	0.00%	0.00%
Colombia duty-free zone	15.00%	15.00%	Panama	25.00%	25.00%
Costa Rica	30.00%	30.00%	Puerto Rico	37.50%	37.50%
Curaçao	27.50%	27.50%	Dominican Republic	27.00%	27.00%
Dominica	25.00%	25.00%	Saint Maarten	34.50%	34.50%

Country	2021	2020	Country	2021	2020
USA	21.00%	24.51%	Saint Thomas	35.00%	35.00%
French Guiana	26.50%	31.00%	Surinam	36.00%	36.00%
Guatemala	25.00%	25.00%			

Colombia

Income tax in Colombia was settled for 2021 at a rate of 31% according to Law 2010 of 2019. For the taxable period 2020, income tax was assessed at a rate of 32%.

The capital gains tax rate in Colombia is 10%.

Other relevant provisions

- For 2021 the minimum basis for determining the presumptive income tax is 0.0% of the net equity on the last day of the immediately preceding taxable year (0.5% for 2020).
- Companies may offset tax losses against ordinary net income obtained in the following twelve periods, without limiting the presumptive income of the year. Tax losses generated before the entry into force of Law 1819 of 2016, may be offset without any time limitation.
- Excesses of presumptive income over ordinary income may be offset with ordinary net income, within the following five years. Until the taxable year 2016 there was the possibility of applying inflation adjustments to the excess of presumptive income.
- Income taxpayers that enter transactions with economic related parties or related parties abroad, are required to determine for income and supplementary tax purposes the transfer pricing study, according to current regulations.
- Companies may apply tax discounts for taxes paid abroad, donations, Industry and Commerce tax paid and others.

Tax reform: Law 2155 of 2021 on social investment

The following is a summary of some modifications to the Colombian tax code for the years 2022 and following:

On 14 September the National Government issued Law 2155 of 2021 called " Ley de inversión social" (Social Investment Law), that seeks financing to establish social investment programs, promote the economic reactivation and the fiscal stability of the country.

The following are the main aspects that modify national taxation:

- Increase in the general income tax rate for legal entities from 31% to 35%. This is an important aspect with an effect on the current tax as from 2022 and the deferred tax of the companies as from 2021.
- The discount on income from the Industry and Commerce tax remains at 50% of the value paid, with an impact on the effective tax rate as from 2022. The expectation of 100% discount is eliminated.
- Audit benefit is granted to those who increase the value of the income tax paid by more than 35 or 25% and it would be final in 12 or 6 months. Effective for years 2022 and 2023.
- A special payment condition is established for tax obligations whose enforceability has been caused or aggravated during the sanitary emergency and present default in payment as of 30 June 2021, with which the penalties are reduced to 20% and the default interest will be 20% of the current bank interest, provided that the obligations are paid until 31 December 2021.
- Mechanisms for conciliation and termination by mutual agreement are provided, under which tax-related lawsuits may be terminated early with reductions of up to 80% of the updated penalties and interest. The UGPP and the territorial entities are empowered to apply these mechanisms. Applications must be filed before the National Tax Authority DIAN before 31 March 2022.
- In the mechanism of works for taxes, it is allowed to execute projects in areas other than ZOMACs, such as: (i) territories that have high poverty rates that lack, totally or partially, infrastructure for the provision of domiciliary public services; (ii) Projects in strategic territories for the economic and/or social reactivation of ZOMACs; (iii) non-interconnected zones and Orange Development Areas and (iv) projects declared of national importance that are strategic for the economic and/or social reactivation of the Nation.

Other matters

- The Formal Employment Support Program (PAEF) is extended until December 2021.
- Subsidies for companies affected by the national standstill of up to 20% of one SMLMV. Likewise, economic incentives of up to 25% of one SMLMV for companies that generate new jobs for young people and women over 28 years old.
- The concept of final beneficiary is unified for legal entities and unincorporated structures. A single registry of final beneficiaries is created.
- Concessions and public-private partnerships are extended to 10 years (previously 5 years) the possibility of distributing taxable commercial profits as non-taxable income or non-occasional profit.

Currently in Colombia the general term of finality of tax returns is three (3) years from the expiration of the filing deadline. In the case of returns in which tax losses are determined or compensated, finality depends on the year of filing:

Filing year	Term of finality
Until 2016	The returns in which losses were liquidated and/or compensated become final within five (5) years after their filing.
2017 to 2019	For the returns that showed tax losses, the finality is twelve (12) years; if tax losses were offset, the finality is six (6) years.
From 2020	For returns in which tax losses are liquidated and/or compensated, the finality shall be of five (5) years.

For returns filed by taxpayers subject to the transfer pricing regime, the term of finality will be five (5) years.

Grupo Argos S.A. presents open tax returns for review by the tax authorities, which were filed between 2016 and 2021.

United States of America

In the United States, the Federal tax rate is 21%. There is also a state tax rate, which varies by state in a range of 3% to 7%. The state of Texas has a particular rate of 1%, called the *Texas Margin Tax*. Federal tax returns for the years 2015, 2016, 2017, 2018, 2019 and 2020 are subject to review and audit of the exemptions applied by the tax authorities. Additionally, returns with net operating losses are subject to review even if the rules have expired.

On 27 March 2020, the Congress and the President of the United States enacted the Coronavirus Assistance, Relief, and Economic Security (CARES) Act in response to the COVID-19 pandemic. Among many other provisions of the Act, the CARES Act allowed for a temporary repeal of the 80% net operating loss (NOL) limitation for taxable years beginning before 1 January 2021 and modified rules related to certain types of newly generated carrybacks. However, since Argos has not been or is expected to be in a NOL position during the years affected by the Act, no additional tax benefit is expected to be generated by these changes. It should be noted that Argos USA's tax losses were generated prior to 1 January 2017, therefore, are subject to the previous rules, applicable to when the losses were generated, which allow a carryback period of two years and a carryforward period of 20 years to offset taxable income. These net operating losses (NOLs) may fully offset future taxable income until the pre-2017 NOLs are fully utilized.

On 28 July 2020, the Treasury Department published final regulations TD9905 that reverse the proposed Section 163(j) regulations, allowing the Company to add back depreciation and amortization when calculating ATI, even if its depreciation and amortization is capitalized into inventory under IRC Section 263A. While the final regulations are not required to be adopted until 2022, taxpayers may early adopt them if they have been consistently applied over the past years. The Company decided to early adopt the proposed regulations and to apply them on the 2019 tax return. This new law change does not cause a profit and loss impact to Argos, but will avoid a potential future write-off of deferred tax assets related to interest expense carryforwards.

Panamá

The income tax rate (ISR) applicable for 2021 is 25% (2020: 25%).

Law No. 8 of 15 March 2010 modified the Alternate Income Tax Calculation (CAIIR), forcing any legal entity that accrues income in excess of one million five hundred thousand balboas (US$1,500,000) to determine as taxable income for such tax, the greater amount between: (a) the net taxable income calculated by the ordinary method established in Title I of Book Four of the Fiscal Code of Panama and (b) the net taxable income resulting from applying to the total taxable income, four point sixty-seven percent (4.67%).

Legal entities that incur losses by reason of the tax calculated under the presumptive method or that, by reason of the application of said presumptive method, its effective rate exceeds the tax rates applicable for the tax period in question, may request the General Revenue Directorate to authorize the calculation of the tax under the ordinary method of calculation.

According to the regulations, income tax returns of companies incorporated in the Republic of Panama are subject to review by the tax authorities for the last three years.

According to current Panamanian tax legislation, companies are exempt from paying income tax on foreign source earnings. Also exempt from income tax are interest earned on time deposits in local banks, interest earned on Panamanian government securities and investments in securities issued through the Panamanian Stock Exchange.

Tax losses may be deductible from the taxable income of the following five years, 20% each year, but limited to 50% of the taxable income of each year.

Honduras

Companies resident in Honduras are taxed on territorial income. Non-resident companies are subject to corporate income tax (IRC) only on income derived from Honduran sources.

Decree No. 25 of 20 December 1963 established the obligation to pay income tax for individuals or legal entities engaged in civil or commercial activities. According to Article No. 22, section a) of the income tax law, legal entities shall pay a rate of 25% on the net taxable income. Furthermore, through Decree No. 278 of December 2013, the Tax Equity Act was reformed establishing an income tax surcharge called Solidarity Contribution, equivalent to five percent (5%) applied on the excess of the net taxable income over one million lempiras (L1,000,000), which must be paid in four quarterly payments on the following dates; June, September, December and the last payment in April of each year.

Tax returns open for audit are the periods 2018, 2019, 2020 and 2021.

As of 2017, the new tax code came into force, however, this has not been regulated, therefore there are no specific details for its application. This new regulation does not imply changes in tax rates, assets, or liabilities.

Dominican Republic

Companies resident in the Dominican Republic are taxed on territorial income, i.e., resident companies, branches and permanent establishments are generally taxed on Dominican source income.

Law No. 11 - 92 dated 31 May 1992, which institutes the Tax Code of the Dominican Republic, as amended, establishes the general provisions applicable to all domestic tax contributions and legal relationships arising therefrom. The income tax rate as of 31 December 2020 and 2021 for companies located in the Dominican Republic is 27%.

With the signing of the early termination agreement of the road concession contract between the Government of the Dominican Republic and Autopistas del Nordeste S.A. ADN and Boulevard Turístico del Atlántico S.A. BTA, the tax years not prescribed until 9 December 2021, date of signing the agreement, including the tax periods 2020 and 2021, are recognized as closed and audited for all tax purposes, with the obligation of ADN and BTA to file the corresponding tax returns for the year 2021 (Note 47 Significant events).

Aruba

Corporate income tax is levied on the profits of a company realized in Aruba in the form of an Aruban legal entity.

The corporate income tax rate for 2021 is set at 25% (2020: 25%). The taxable income consists of income less expenses, considering the limitations on the deduction of certain payments.

10.3 Income tax recognized through profit or loss for the period

Current and deferred income tax recognized in profit or loss for the period as of 31 December corresponds to:

	2021	2020
Current tax		
For the current year	412,279	378,253
Compared to previous years	(3,269)	(30,408)
Total current tax expense	**409,010**	**347,845**
Deferred tax		
Changes in temporary differences	57,333	24,034
Changes in laws and tax rates	12,156	1,676
Reductions in deferred tax assets	-	-
Losses, tax credits and excess presumptive income used	(14,042)	(70,089)
Reclassification of deferred tax from equity to the statement of income	(13,870)	(51,369)
Total deferred tax income	**41,577**	**(95,748)**
Total tax expense related to continuing operations	**450,587**	**252,097**
Total income tax expense	**450,587**	**252,097**

The following is a reconciliation of the effective rate applicable to Grupo Argos S.A. and its subsidiaries:

	2021	2020
Profit before income tax	1,656,620	406,042
Income tax (current and deferred)	**450,587**	**252,097**
Effective tax rate	27.2%	62.1%

Reconciliation of the effective tax rate	2021	2020
Profit before income tax	1,656,620	406,042
Statutory tax rate	31%	32%
Current tax expense at the legal rate applicable to companies	513,551	129,934
Adjustments related to current income tax from previous years	(3,269)	(30,408)
Effect of permanent tax differences and others:		
Income not subject to income tax	1,868	2,430
Taxed dividends and shares	338,167	159,024
Untaxed dividends and shares	(220,539)	(192,330)
Sale of investments and untaxed fixed assets	2,443	(11,533)
Other non-taxed income	(140,149)	(46,752)
Non-deductible expenses	128,145	153,341
Regime for Foreign Controlled Entities "ECE Regime", net	23,135	-
Other items	57,664	129,296
Net effect of temporary differences	(37,869)	82,886
Expense net of temporary differences	**663,147**	**375,888**
Use of tax losses or excess presumptive income	(58,038)	(148,125)
Effect of Tax Rate Differences by Foreign Subsidiaries	(22,943)	35,281
Effect of changes in tax rates due to tax reforms	(105,424)	(14,270)
Occasional income	1,118	4,288
Compensation for excess presumptive income	(27,273)	(965)
Income tax expense according to financial statements (at effective tax rate)	**450,587**	**252,097**
Effective tax rate	27.2%	62.1%

10.4 Deferred income tax recognized directly through equity and other comprehensive income for the period

Deferred taxes generated by temporary differences arising from transactions recognized through other comprehensive income were recognized directly in this account, as follows:

	2021	2020
Deferred tax		
Cash flow hedges	27,380	9,578
Remeasurements of Defined Benefit Plans	(15,310)	5,231
Valuation of equity instruments	(2,459)	(5)
Revaluation of property, plant and equipment	(2,372)	81
Translation of foreign businesses	(1,399)	1,770
Subtotal deferred tax recognized through other comprehensive income	**5,840**	**16,655**
Deferred income tax on the equity method of associates and joint ventures recognized through other comprehensive income	27,768	10,860
Total deferred tax recognized through other comprehensive income	**33,608**	**27,515**

On 14 September 2021 the National Government issued Law 2155 of 2021 called "Social Investment Act", which seeks financing to establish social investment programs, promote the economic reactivation and the fiscal stability of the country. As a main aspect, this Act generates a direct impact on the Group due to the increase of the general income tax rate as from taxable year 2022 to 35%, while with the previous legislation a rate of 30% was expected as from taxable year 2022 and following.

Decree 1311 of 20 October 2021, established the alternative of recognizing the value of the deferred tax derived from the change in the income tax rate, generated by the amendment to Article 240 of the Tax Code, introduced by Article 7 of Law 2155 of 2021, within equity in retained earnings of prior years. According to this, the Group opted to apply the alternative allowed by Decree 1311 of 2021, and therefore the consolidated equity of the Group presented a decrease of $123,582, of which $67,036 corresponds to the decrease in retained earnings of the controlling interest and $56,546 of the portion corresponding to non-controlling interests.

10.5 Deferred tax assets and liabilities

The movement in the Group's net deferred tax liability for the period ended at 31 December 2021 and 2020 is as follows:

2021	Initial balance	Included in results	Included in other comprehensive income	Procurement and Disposal	Other changes	Currency Conversion	Final balance
Current assets	(26,957)	(32,966)	-	499	(14,365)	2,717	(71,072)
Associates and joint ventures	29,454	(691)	-	-	(11,868)	-	16,895
Other equity investments	28,170	(19,999)	23,788	-	606	31	32,596
Property, plant and equipment	(967,806)	52,600	(2,372)	(30,221)	(32,842)	(60,995)	(1,041,636)
Investment property	(276,891)	4,306	-	-	(12,555)	(34)	(285,174)
Intangible Assets	(735,712)	48,004	-	5,066	(21,179)	(44,063)	(747,884)
Other non-current assets	25,583	55	-	(128)	7,718	308	33,536
Provisions	50,065	(13,306)	-	3,360	660	2,698	43,477
Employee Benefits	30,489	(4,700)	(15,310)	(2,155)	41	912	9,277
Financial liabilities	22	60,701	32,272	2,033	1,041	3,702	99,771
Financial instruments	14,181	(10,614)	(4,770)	(453)	-	316	(1,340)
Financial leases	25,905	1,164	-	392	77	2,674	30,212
Other liabilities	(258,362)	33,001	-	-	(76,518)	(26,720)	(328,599)
Deferred tax without tax credits	**(2,061,859)**	**117,555**	**33,608**	**(21,607)**	**(159,184)**	**(118,454)**	**(2,209,941)**
Tax losses	1,216,389	(143,570)	-	24,164	44,652	62,072	1,203,707

2021	Initial balance	Included in results	Included in other comprehensive income	Procurement and Disposal	Other changes	Currency Conversion	Final balance
Excess presumptive income	121,284	(15,562)	-	12,733	5,372	(741)	123,086
Tax Credits	**1,337,673**	**(159,132)**	**-**	**36,897**	**50,024**	**61,331**	**1,326,793**
Total deferred tax	**(724,186)**	**(41,577)**	**33,608**	**15,290**	**(109,160)**	**(57,123)**	**(883,148)**

2020	Initial balance	Included in results	Included in other comprehensive income	Other changes	Currency Conversion	Final balance
Current assets	(24,331)	(2,638)	-	1,446	(1,434)	(26,957)
Associates and joint ventures	19,117	(15,560)	11,718	14,179	-	29,454
Other equity investments	9,851	24,941	905	(7,705)	178	28,170
Property, plant and equipment	(1,019,555)	(67,586)	81	106,030	13,224	(967,806)
Investment property	(278,927)	2,326	-	(276)	(14)	(276,891)
Intangible Assets	(745,331)	32,441	-	(22,520)	(302)	(735,712)
Other non-current assets	389,744	(215,265)	-	(138,697)	(10,199)	25,583
Provisions	60,134	(6,791)	-	(3,050)	(228)	50,065
Employee Benefits	69,746	(8,963)	5,231	(33,131)	(2,394)	30,489
Financial liabilities	22,034	2,176	1,464	(24,643)	(1,009)	22
Financial instruments	-	(31,418)	8,116	37,423	60	14,181
Financial leases	6,758	12,340	-	2,229	4,578	25,905
Other liabilities	(567,849)	188,165	-	100,702	20,620	(258,362)
Deferred tax without tax credits	**(2,058,609)**	**(85,832)**	**27,515**	**31,987**	**23,080**	**(2,061,859)**
Tax losses	1,072,082	168,035	-	(8,133)	(15,595)	1,216,389
Excess presumptive income	107,088	13,545	-	700	(49)	121,284
Tax Credits	**1,179,170**	**181,580**	**-**	**(7,433)**	**(15,644)**	**1,337,673**
Total deferred tax	**(879,439)**	**95,748**	**27,515**	**24,554**	**7,436**	**(724,186)**

The Group evaluates the recoverability of its deferred tax assets arising from tax credits, reviewing the validity of the rights, the compensation times according to the regulations in each country, and estimating the probability of their use before their expiration, by analyzing the generation of sufficient future taxable income. When the analysis indicates that there is not a high probability that the deferred tax asset will be fully utilized, the asset is reduced to its recoverable amount. In cases where it is concluded that it is not possible to use a deferred tax asset before its expiration, the asset is not recognized. Decreases in the deferred tax asset are recognized in income tax expense in the period in which it is concluded that it is not probable that all or part of the deferred tax asset will be recovered.

To assess the likelihood of realizing the deferred income tax assets, the companies' financial and taxable income projections are considered, which include all available evidence, both positive and negative, including, among other factors, industry analysis, market conditions, expansion plans, tax strategies, tax structure and expected changes therein, the expiration of tax loss carryforwards and other applicable tax credits, and the future reversal of temporary differences. Likewise, in each period, the variations between actual and estimated results are analyzed to determine whether such variations affect the amounts of such assets and to make the adjustments considered necessary, based on the relevant information available, which are recognized through profit or loss the period in which they are determined.

10.6 Deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences not recognized and unused tax losses and tax credits by the Group are as follows:

Unused losses and tax credits	2021	2020
To one year	5,851	6,452
Over one year and up to five years	79,795	36,098
More than five years	24,510	217,673
No time limit	35,766	330,648
Total unused tax losses and credits	**145,922**	**590,871**

Excess presumptive income over ordinary liquid income	2021	2020
To one year	4	22,374
Over one year and up to five years	3,728	115,874
More than five years	-	107
No time limit	-	-
Deductible temporary differences	**3,732**	**138,355**
Total unused tax benefits (*)	**149,654**	**729,226**

(*) In accordance with paragraph 81 (e) of IAS 12 Income Taxes, the Group is required to disclose the amount and effective date of deductible temporary differences, tax losses and tax credits on which it has not recognized deferred tax assets. However, for the year 2020, the amount includes $518,011 of tax losses and tax credits of Grupo Argos S.A. and the subsidiary Sator S.A.S on which the Group had recognized deferred tax assets. For the year 2021 the amount only includes deductible temporary differences, tax losses and tax credits on which the Group has not recognized deferred tax assets.

The Group has not generated any deferred tax assets that depend on the reversal of taxable temporary differences.

10.7 Unrecognized taxable temporary differences from investments in subsidiaries, associates and joint Ventures

	2021	2020
Investments in subsidiaries	8,497,889	6,510,261
Investments in associates and joint ventures	2,850,884	2,901,246

Impact on deferred income tax assets from business combinations during the period

During the periods disclosed, there were no changes in the value of deferred income tax assets related to business combinations.

Impact on income taxes of potential dividend payments to shareholders

he Group has no potential consequences on its tax return in the event of dividend payments to its shareholders.

Finality of declarations:

The Group presents open tax returns for review by the tax authorities of each country in which it operates, which were filed between 2010 and 2021.

NOTE 11: **OTHER FINANCIAL ASSETS**

The balance of other financial assets at 31 December corresponds to:

	2021	2020
Financial assets at fair value through other comprehensive income (1)	1,351,862	1,142,850
Financial assets at fair value through profit or loss (2)	1,105,334	90,760
Prepayment for the purchase of financial assets	-	793
Total other financial assets	**2,457,196**	**1,234,403**
Current	869,849	-
Non-current	1,587,347	1,234,403
Total other financial assets	**2,457,196**	**1,234,403**

(1) Financial assets measured at fair value through other comprehensive income (OCI) correspond to investments held for medium and long-term strategic purposes. These assets are measured at fair value, except for some minor investments that, since Level 1 input data (quoted prices) are not available, the Group assumes the position of holding them at cost; in addition, the costs involved in performing the valuation would be greater than the benefits obtained.

These investments correspond mainly to the shares of Grupo Nutresa S.A. for $1,295,782 (2020 $1,085,851) in which, as of 31 December 2021, the Group has an interest of 9.88% (2020 9.83%), equivalent to 45,243,781 shares (2020 45,243,781 shares). The percentage of participation of Grupo Argos S.A. in Grupo Nutresa S.A. increased due to the share repurchase operation by Grupo Nutresa S.A. The equity investment in this company is not maintained for trading purposes, but for strategic purposes in the medium and long term. Thus, the accounting recognition of its valuation is made through other comprehensive income (OCI) using prices of an active market (Colombian Stock Exchange).

Likewise, Grupo Argos S.A. and its subsidiaries Cementos Argos S.A., Celsia S.A. and Odinsa S.A. have made investments in the companies Occipital INC. (process automation for construction), Innowatts (energy), Quantela Inc. (technology) and Bird Global INC. (micro mobility) for USD 8.8 million (2020 USD 10.7 million), classified as financial assets at fair value through other comprehensive income, whose value update is made at the price per share of the most recent financing round. These equity investments allow the Group to explore new businesses, either in line or complementary to current businesses, with a long-term development horizon on technologies that are shaping the future.

During 2021, the following transactions were performed:

Stem INC. Grupo Argos S.A. sells 294,624 shares of Stem INC. For $23,120 (USD 5.9 million), likewise, Celsia Centroamérica S.A. sells 294,624 shares of this company for $25,533 (USD 6.5 million)

Investments in the Corporate Venture project, recognized within Financial assets measured at fair value through other comprehensive income, the following changes occurred:

Quantela Inc. Grupo Argos S.A. owned 186,731 shares of Cimcon Lighting Inc. which merged with Quantela Inc. the Company received 96,991 shares, generating a variation of USD 2.76 in the unit value of the investment. Likewise, in Odinsa S.A. 280,097 shares of Cimcon Lighting Inc. were exchanged for 145,487 shares of Quantela Inc.

Bird Global Inc. During 2021 Bird Rides Inc. merged with Bird Global Inc. and as a result stock dividends, warrants and discounts were obtained, increasing the number of Bird Rides Inc. shares from 82,016 to 95,560; additionally, in accordance with the exchange ratio established in the merger, these 95,560 Bird Rides Inc. shares are exchanged for 84,052 Bird Global Inc. Shares.

Dividends recognized in the income from ordinary activities item of the consolidated statement of income for financial assets measured at fair value through other comprehensive income, for the period ended 31 December correspond to:

	Dividends from investments held at the end of the period	
	2021	2020
Grupo Nutresa S.A.	31,761	29,372
Other investments	251	3,513
Total dividend income	**32,012**	**32,885**

No dividends were received from investments written off during 2021.

(2) Financial assets measured at fair value through profit or loss include:

Investment	2021 (USD)	2020 (USD)	2021	2020
Treasury Bonds of the Government of the Dominican Republic (i)	217,919,208	-	867,571	-
Banistmo S.A. trust rights (ii)	34,636,412	-	138,000	-

Investment	2021 (USD)	2020 (USD)	2021	2020
Sura SAC LTD – Cell Celsia – Investment in captive reinsurance company (iii)	11,852,328	11,405,598	47,185	39,150
Sura SAC LTD – Cell Celsia – Investment in premium captive company (iv)	11,779,239	13,660,312	46,885	46,889
Trust investments	-	-	3,155	4,473
Colombian Government Treasury Bonds (TES) fixed rate	-	-	2,116	-
Other miscellaneous investments	-	-	422	248
Total financial assets at fair value through profit or loss	**276,187,187**	**25,065,910**	**1,105,334**	**90,760**

(i) Corresponds to Treasury bonds of the Government of the Dominican Republic that were received as payment of the indemnity in the early termination of the road concession contract of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. (Note 44 Concession contracts).

(ii) Corresponds to the liquidation trust of Bahía Las Minas Corp. whose purpose is to guarantee the disposition and sale of certain assets of the company for the repayment of its claims.

(iii) Corresponds to investment of USD 9.6 million delivered as capital by Celsia S.A. to Captive cell.

(iv) Right on the risk retained in the interest over Captive cell, in relation to the property damage insurance policy in force.

According to the operation of the Cell, the resources invested in Sura SAC LTD. in the cell do not meet the condition of obtaining contractual cash flows with specific dates of payment of principal and interest, therefore, they should be classified as investments at fair value through profit or loss for the year.

In the event of a loss, any obligation will be backed by the resources existing in the captive company's cell, in which case the change in the fair value of the financial asset resulting from the loss will be recognized with a charge to profit or loss for the year. In the event that the loss implies a greater obligation of the resources existing in the cell, an obligation in favor of Sura must be recognized for the resources that it must pay, were not sufficient to cover with what is maintained in the cell.

NOTE 12: **PREPAID EXPENSES AND OTHER NON-FINANCIAL ASSETS**

The balance of prepaid expenses and other non-financial assets at 31 December comprises:

	2021	2020
Tax assets (1)	62,824	52,579
Insurance (2)	61,169	56,365
Related parties (Note 41)	50,048	41,855
Other prepaid expenses	27,685	31,397
Services	26,249	14,820
Contract assets	2,163	15,769
Other non-financial assets (3)	122,732	105,152
Total prepaid expenses and other non-financial assets	**352,870**	**317,937**
Current	229,924	212,046
Non-current	122,946	105,891
Total prepaid expenses and other non-financial assets	**352,870**	**317,937**

(1) Includes VAT withheld, Industry and Commerce Tax, and special contribution to the Superintendencies.

(2) Corresponds to insurance contracted by the Group to safeguard its productive assets and activities, mainly covering property damage caused by civil liability, fire, explosion, short circuit, natural disasters, terrorism, and other risks.

(3) Includes assets receivable from Prime Colombia for the sale of Zona Franca Celsia S.A. E.S.P. made by Celsia S.A. that will be recovered through the supply of energy for $114,155 (2020 $98,423), as established in the PPA contract (Power Purchase Agreement) for USD 35 million and net assets of the liability associated with the plan to close the

pension gap, net of the liability of the actuarial calculation of the same benefit of the Group for $8,543 (2020 $6,694), among others.

NOTE 13: ASSETS AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

13.1 Assets and liabilities associated with non-current assets held for sale

Non-current assets held for sale correspond mainly for 2021 to investment property of the lot la Gabriela and Bodega en Mosquera Warehouse for $42,587 (2020 $70,121), debtors of the subsidiary Bahía las Minas Corp for $10,484 (2020 $7,292), inventories of the subsidiary Bahía las Minas Corp for $3,131 (2020 $66,964) and for the year 2020 property, plant and equipment of the subsidiary Bahía las Minas Corp for $91,222.

Liabilities associated with non-current assets held for sale of the subsidiary Bahía Las Minas Corp. for $7,772 (2020 $455,564) correspond mainly to commercial liabilities for 2021 and to financial obligations and bonds for 2020.

Non-current assets and liabilities held for sale at 31 December are detailed as follows:

	2021	2020
Assets		
Cash and cash equivalents (Note 6)	1,674	12,262
Debtors	10,484	7,292
Inventories (1)	3,131	66,964
Property, plant and equipment (1)	428	91,222
Investment property (2)	42,587	70,121
Other assets	-	93
Assets	**58,304**	**247,954**
Liabilities		
Financial obligations (3)	-	236,107
Bonds (3)	-	184,369
Labor obligations	-	2,737
Commercial liabilities	7,772	5,090
Taxes	-	27,261
Liabilities	**7,772**	**455,564**
Total assets (liabilities), net	**50,532**	**(207,610)**

(1) Decreased because as part of the liquidation process of Bahía Las Minas Corp. a liquidation trust was created to guarantee the disposition and sale of certain assets of the company for the repayment of its debts. Property, plant and equipment and inventories were delivered to this trust at their realizable value.

(2) As of 31 December 2021 and 2020, includes non-operating real estate assets that are expected to be realized through a sale transaction. During 2021, assets were sold including Lote Villa Sur for $28,212, generating a gain of $289, with no impact on income tax or associated deferred tax. In 2020, a sale plan was authorized for the land called La Gabriela for $39,866.

(3) During 2021 the financial obligations and bonds of Bahía Las Minas Corp. were cancelled in compliance with the process of ordered liquidation of the company. In this process, the creditors cancelled part of the debt, which generated the recognition of finance income for $77,532 (Note 38 Finance expenses, net).

Bahía Las Minas Corp.

At the end of 2014 Celsia acquired generation assets in Panama and Costa Rica which included the thermal generation plant of Bahia Las Minas Corp. ("BLM"), a Panamanian company in which Celsia obtained a 51.24% interest, and the Panamanian Government had a 48.76% interest.

In a general shareholders' meeting held on 17 December 2020, the shareholders of Bahia Las Minas Corp. (BLM), empowered the Company's directors, following discussions with senior creditors, including bondholders, and other stakeholders, to take the necessary actions to implement the plan for the sale of assets and cancellation of liabilities presented to the shareholders for their consideration.

In line with this, the Group reflected in its financial statements as of December 2020 the assets and liabilities classified as held for sale, measured at the lower of their carrying amount and fair value less costs of disposal, at the time of reclassification did not generate any impact on the Group's income or losses, considering the discussions that had been developed with the interested parties.

The operation of Bahia Las Minas, Corp. that was reclassified as assets and liabilities held for sale, did not represent a separate principal line of business or geographical area of operations, nor is it part of a single coordinated plan to dispose of a separate principal line of business or geographical area of operations, according to which it is not considered as a discontinued operation.

During 2021, the activities defined in the asset disposal and debt repayment plan defined by the shareholders in 2020 were executed. This plan observed the sale of assets, the payment of claims in cash, the payment of claims with securities of a liquidation trust and the cancellation of balances with their corresponding settlement. These activities generated, among others, the following impacts on the Group's consolidated financial statements during the year 2021: (a) finance income for $77,532 for the settlement of financial obligations, (b) impairment of the liquidation trust of Bahia Las Minas Corp. for ($62,908), (c) gain on the sale of land for $22,265, (d) impairment of assets for ($3,333), (e) deferred tax recovery income for $31,512, and (f) reversal of the impairment of property, plant and equipment for $23,184 (Note 38 Finance expenses, net and Note 37 Other income (expense), net).

As of 31 December 2021, only the definitive assignment of the contract for the sale of energy and power to Celsia Central America was pending, which is subject to approval by the ASEP, which causes still balances in some accounts arising from activities that BLM will perform to complete the transfer.

As a result, the Shareholders will not receive any assets, nor will they have to assume additional liabilities, and accordingly, at the year's closing the process of disposition of the investment is considered as completed, and thus the effects of currency translation that had been accrued in the other comprehensive income for previous periods for $17,848 were reclassified to the statement of income as exchange difference income.

13.2 Discontinued operations

At 31 December 2021 and 2020, the Group does not have non-current assets held for sale that are classified as discontinued operations.

NOTE 14: GOODWILL

14.1 Allocation of goodwill by operating segment

	Cement	Energy	Concessions	Total
Gross value	2,354,410	998,796	337,793	3,690,999
Accumulated impairment loss (1)	(535,703)	(16,233)	-	(551,936)
Goodwill as of 31 December 2020	**1,818,707**	**982,563**	**337,793**	**3,139,063**
Gross value	2,484,245	1,095,495	337,793	3,917,533
Accumulated impairment loss (1)	(621,332)	(85,076)	-	(706,408)
Goodwill as of 31 December 2021	**1,862,913**	**1,010,419**	**337,793**	**3,211,125**

(1) For the Cement segment, the accumulated impairment variation between 2021 and 2020 corresponds to currency translation differences.

Goodwill is allocated at the operating segment level since it is operated by the Management at that level, both for financial reporting purposes and for impairment testing. Impairment is recognized as an expense in the consolidated statement of income in the other expenses item.

14.2 Changes in goodwill by operating segment

	Cement	Energy	Concessions	Total
Goodwill as of 1 January 2020	**1,718,298**	**955,181**	**337,793**	**3,011,272**
Currency translation effect	100,409	27,382	-	127,791
Goodwill as of 31 December 2020	**1,818,707**	**982,563**	**337,793**	**3,139,063**
Sale of businesses (1)	(218,298)	-	-	(218,298)
Impairment (2)	-	(68,843)	-	(68,843)
Currency translation effect	262,504	96,699	-	359,203
Goodwill as of 31 December 2021	**1,862,913**	**1,010,419**	**337,793**	**3,211,125**

(1) During 2021, the following sales operations of subsidiaries and groups of assets constituting a business that represented change in goodwill were performed:

On 14 June 2021, Argos USA LLC, a subsidiary of Cementos Argos S.A., sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC for USD 184 million. The sale price of the assets, less the recorded value of the assets delivered generated an accounting gain on disposal of business for $180,163 (USD 48.1 million), and an increase in current tax expense by $6,506 (USD 1.7 million) and deferred tax by $93,642 (USD 25 million), presented in the other operating income and expenses and income tax items of the consolidated statement of income. The disposed plants were part of several acquisitions including Southern Star Concrete, a company acquired in 2005. The disposed assets meet the definition of a business as established in IFRS 3 Business Combinations.

In 2020 no sales operations of subsidiaries and groups of assets constituting a business that represented change in goodwill were performed.

(2) For the Energy segment corresponds to the impairment of goodwill on the assets of the company Porvenir II S.A.S., a subsidiary of Celsia S.A., for $19,078, caused by the discounted cash flows due to the delayed entry into operation of the project because of the provisional suspension of the environmental license, and impairment of goodwill of Central America for $49,765 recognized after performing the impairment tests according to the provisions of IAS 36 Impairment of assets.

Goodwill impairment losses for $68,843 (2020 $0) were recognized at the end of the reporting period.

14.3 Acquisitions during the period that did not involve changes in goodwill

During 2021, the Group did not perform any acquisitions that did not involve changes in goodwill.

During 2020 and 2019, the Group acquired the following investments in subsidiaries that did not give rise to changes in goodwill (Note 19.3.1 Contributions, contribution refunds and/or changes in ownership interest in a subsidiary that do not result in a gain or loss of control and Note 30 Other components of equity).

On 9 June 2020, Cementos Argos S.A., through its subsidiaries Argos SEM LLC and Colcaribe Holdings S.A., acquired a 100% interest in the company Argos Guatemala S.A., equivalent to 2 shares for $96,724 pesos (200 quetzales), whose main corporate purpose is the manufacture, sale, import and export of cement, clinker, concrete and related products and derivatives. The value was paid in cash at the date of purchase. The acquired subsidiary is not a business in accordance with the requirements of IFRS 3 Business Combinations, thus no goodwill was recognized.

14.4 Analysis of goodwill impairment

IAS 36 Impairment of Assets requires that at the end of the reporting period, the existence of indicators of impairment of non-current assets is assessed, based on available external and internal information, and goodwill is tested for impairment. The Group reviews the carrying amount of non-current assets and goodwill for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. If the total discounted future cash flows are less than the carrying amount, the carrying amount of the non-current asset is not recoverable, and impairment loss is recognized in the consolidated statement of income.

Accordingly, The Group performed impairment tests based on the fair value less disposal costs of its operating segments, using the discounted cash flow model and the dividend discount model as valuation techniques. The key assumptions used by the Group in determining fair value less disposal costs are as follows:

Key assumption	Description
Cash flow projection	The Group projects revenue based on the inflation of each country plus the addition of points associated with the market growth expectation. Costs are projected based on the inflation of each country.
Cash flow projection period	The period defined by Management for cash flow projections is 5 to 10 years in perpetuity, since the capital investments made by the Group in the operating segments require long recovery periods. Except for the concessions segment for which the cash flow projection corresponds to the term of each concession.
Discount rate applied to cash flow projections	To determine the discount rate, the Group uses the financial asset valuation model known as the Capital Asset Pricing Model (CAPM), which uses as its main variables: - Risk-free rate: profitability of a portfolio that has no risk of default. It takes as a reference the profitability of American Treasury bonds with a long-term maturity. - Beta: measure of risk that associates the volatility of a stock with market volatility. - Market premium: margin between the risk-free rate and the market return. - Country risk premium: the margin above U.S. Treasury bonds demanded by investors in international markets. The sources used to determine these variables were: Damodaran and SBBI (stocks, Bonds, Bills, and inflation) yearbook. The discount rate used to discount cash flows and calculate the fair value of the Cement and Energy segments corresponds to the Weighted Average Cost of Capital (WACC). For the Concessions segment, the fair value is calculated based on cash flows to the shareholder and, therefore, the cost of equity is used. The discount rates are subject to changes in the macroeconomic environment, such as in the characteristics of each of the sectors and business segments.
Growth rate	Perpetuity corresponds to the value of the company at the end of the explicit period. The growth rate is defined considering not exceeding the growth expectations of the country of operation and business segment and the average growth of the flows of the last years of the explicit period.

Input data for the estimation of fair value is classified as Level 3 input data within the fair value hierarchy. The growth rate in perpetuity and the discount rate used by the Group in this determination are presented below:

	Cement	Energy	Concessions
2021			
Growth rate in perpetuity	2.3%	2.5%	NA
Discount rate	7.9% - 9.7%	8.4%	6.5% - 15.0%
2020			
Growth rate in perpetuity	2.3%	3.0%	NA
Discount rate	7.8% - 10.6%	8.4%	7.8% - 13.2%

NOTE 15: **INTANGIBLE ASSETS, NET**

balance of intangible assets, net at 31 December, comprises

	2021	2020
Concessions and rights (1)	3,596,023	3,909,853
Brands, customer lists and related	360,854	393,239
Intangible assets in progress (2)	108,141	81,701
Patents, licenses and software	63,736	104,028
Others	91,004	85,753
Total intangible assets other than capital gains, net	**4,219,758**	**4,574,574**

(1) Concessions and rights include those recognized based on the stipulations of IFRIC 12 Concession Agreements, since the remuneration is not guaranteed for a net amount of $3,281,168 (2020 $3,552,374). As of 31 December 2021, the net value of these concessions corresponds to: El Dorado International Airport for $1,606,778 (2020 $1,868,195), the Túnel Aburra Oriente for $1,219,972 (2020 $1,266,636), the Guanacaste Wind Power Plant for $146,028 (2020 $149,082), the Los Llanos Road Concession for $240,509 (2020 $208,624) and the power plant concession in Panama for $67,881 (2020 $59,837).

(2) As of 31 December 2021, intangible assets in progress include capitalized borrowing costs of $7,540 (2020 $11,684). The average rate used to determine the amount of borrowing costs was 3.97% (2020 6.61%), which corresponds to the average effective interest rate of generic loans.

Below is the breakdown of changes in intangible assets during the reporting periods:

Historical cost	Concessions and rights	Brands, customer lists and related	Patents, licenses and software	Intangible assets in progress	Others	Total
1 January 2021	**5,893,282**	**1,128,588**	**396,009**	**81,701**	**99,986**	**7,599,566**
Additions, other than internally generated assets (1)	33,721	-	365	28,118	-	62,204
Translation effect	80,038	161,312	5,993	63	-	247,406
Sales and withdrawals (2)		(130,404)	(1,924)		-	(132,328)
Loss of control of a subsidiary or business (3)					(19,777)	(19,777)
Transfers (4)	20,845	-	7,662	(1,713)	34,457	61,251
Other changes	(206)	(557)	-	(28)	(1,184)	(1,975)
Historical cost	**6,027,680**	**1,158,939**	**408,105**	**108,141**	**113,482**	**7,816,347**
Amortization and impairment						
1 January 2021	**1,983,429**	**735,349**	**291,981**	**-**	**14,233**	**3,024,992**
Amortization (5)	392,898	60,830	48,755	-	8,393	510,876
Translation effect	54,869	108,860	5,258	-	-	168,987
Sales and withdrawals (2)	-	(106,954)	(1,641)	-	-	(108,595)
Transfers (4)	461	-	16	-	-	477
Other changes	-	-	-	-	(148)	(148)
Amortization and impairment	**2,431,657**	**798,085**	**344,369**	**-**	**22,478**	**3,596,589**
Intangible assets, net	**3,596,023**	**360,854**	**63,736**	**108,141**	**91,004**	**4,219,758**

Historical cost	Concessions and rights	Brands, customer lists and related	Patents, licenses and software	Intangible assets in progress	Others	Total
1 January 2020	**5,863,771**	**1,080,085**	**375,236**	**64,560**	**82,162**	**7,465,814**
Additions, other than internally generated assets (1)	35,947	-	8,707	21,382	-	66,036
Internally generated assets	-	-	319	-	-	319
Assets classified as held for sale	(28,411)	(11,962)	-	-	-	(40,373)
Translation effect	29,857	67,577	1,648	-	-	99,082
Sales and withdrawals	-	(7,112)	(6,898)	-	(4)	(14,014)
Transfers	(7,882)	-	13,840	(3,257)	17,828	20,529

Historical cost	Concessions and rights	Brands, customer lists and related	Patents, licenses and software	Intangible assets in progress	Others	Total
Other changes	-	-	3,157	(984)	-	2,173
Historical cost	**5,893,282**	**1,128,588**	**396,009**	**81,701**	**99,986**	**7,599,566**
Amortization and impairment						
1 January 2020	**1,597,122**	**647,304**	**239,815**	**-**	**7,126**	**2,491,367**
Amortization (4)	409,471	73,822	52,219	-	7,121	542,633
Assets classified as held for sale	(28,411)	(11,962)	-	-	-	(40,373)
Translation effect	12,585	33,297	1,228	-	-	47,110
Sales and withdrawals	-	(7,112)	(2,061)	-	-	(9,173)
Transfers	(8,166)	-	496	-	-	(7,670)
Other changes	828	-	284	-	(14)	1,098
Amortization and impairment	**1,983,429**	**735,349**	**291,981**	**-**	**14,233**	**3,024,992**
Intangible assets, net	**3,909,853**	**393,239**	**104,028**	**81,701**	**85,753**	**4,574,574**

(1) Additions to the Group's intangible assets correspond mainly to the capitalization of costs of the Concesión Vial los Llanos for $31,925 (2020 $27,092), capitalization of works of the intangible asset of the El Dorado International Airport of Bogotá for $1,796 (2020 $6,572) and exploitation right on mining title $0 (2020 $2,283).

Intangible assets in progress include additions mainly for environmental impact studies mining project $17,329 (2020 $7,894), development projects of private initiatives: Perimetral de la Sabana $4,725 (2020 $2,271), Airport System of Bogota $2,317 (2020 $4,538), Campo Vuelo $1,216 (2020 $2,806) and Ciudadela Aeroportuaria de Cartagena $1,157 (2020 $2,996) and other additions of intangible assets in progress for $1,374 (2020 $877).

(2) Sales and retirement of intangible assets made during 2021 correspond mainly to customer lists associated with the sale of twenty-four concrete plants in Dallas by Argos USA LLC - subsidiary of Cementos Argos S.A. on 14 June 2021 (Note 16.1.2 Loss of control transactions of a subsidiary or assets constituting a business).

(3) During 2021 the Group, through its subsidiary Celsia Colombia S.A. E.S.P., presented loss of control of the subsidiary Tesorito S.A.S. E.S.P., according to the reform to the decision-making regime of the Board of Directors, reform that was registered before the Chamber of Commerce; this led to reflect the non-consolidation of other intangible assets for $19,777 corresponding to engineering studies for the construction and operation of a gas-fired electricity generation plant.

(4) Transfers for the year 2021 correspond mainly to the capitalization of projects that were in progress and transfers from other accounts to the categories of concessions and rights for the Guanacaste wind plant, for the power plants in Panama, and an increase in other intangible assets for the optimization of production processes in the cement plants and for energy loss management (Resolution CREG 015 of 2018).

(5) Amortizations of the Group's intangible assets correspond mainly to concession agreements: the El Dorado International Airport for $263,212 (2020 $307,792), the Túnel Aburra Oriente for $46,664 (2020 $23,817), the Guanacaste Wind Plant and the concession of power plants in Panama for $70,855 (2020 $9,059).

On 16 December 2019 Odinsa S.A., a subsidiary of Grupo Argos, acquired 52.62% of the political rights and 39.46% of the economic rights of Concesión Túnel Aburrá Oriente obtaining control over this company. In May 2021 and 2020, the conditions precedent necessary for the acquisition of an additional 10.13% (2020 3.03%) were met, thus reaching a 52.62% (2020 42.49%) participation in the economic rights of the company. The voting rights associated with the 10.13% (2020 3.03%) acquired are included in the 52.62% acquisition made in December 2019 (Note 19 Subsidiaries).

During the twelve-month period ended December 2021 and 2020 no research and development project disbursements were recognized as expenses in the consolidated statement of income.

As of 31 December 2021 and 2020 there are no restrictions on the realization of intangible assets and no contractual obligations to acquire or develop intangible assets, except for those established in the share and asset purchase agreement entered into with Macquarie Infrastructure and Real Assets ("MIRA") and its related party, Macquarie Infrastructure Partners V ("MIP V") (Note 47 Significant events). For the concessions there is an obligation to perform maintenance developed works and to continue their operation.

The value and remaining amortization period of net intangible assets, other than goodwill, are as follows:

Intangible assets	Remaining amortization period in years	2021	2020
Concessions and rights	3 to 38	3,596,023	3,909,853
Customer lists	1 to 11	344,214	376,930
Intangible assets in progress	Indeterminate	108,141	81,701
Licenses, patents and *software*	1 to 5	63,736	104,028
Brands	9	16,640	16,309
Other intangible assets	As agreed	91,004	85,753
Total intangible assets other than goodwill, net		**4,219,758**	**4,574,574**

Impairment of intangible assets

As a result of the different measures taken by the National Government within the framework of the sanitary emergency due to COVID-19, Opain S.A. has been working with the Agencia Nacional de Infraestructura ANI seeking different contractual modifications. Among the most relevant contractual modifications is the addendum 34, signed on 31 December 2020, through which the payment of the consideration for the first half of 2020 was deferred to the first semester of 2022 at the latest, and the extension agreements for the payment of the consideration for the second semester of 2020 that was extended to 30 April 2021, with the act signed on 30 March 2021, thus generating less pressure on the Company's cash flow.

On the other hand, on 29 May 2020, a negotiation table was set up between ANI and the concessionaires, with the moderation of the Colombian Chamber of Infrastructure CCI, to address the effects generated to these Concession Contracts. Consequently, a Memorandum of Understanding MOU was drafted with ANI and the airport concessionaires, with the support of the National Agency of Legal Defense of the State, the Comptroller General of the Republic, the Attorney General's Office, and the Transparency Secretariat of the Presidency of the Republic, which was signed on 15 February 2021, in accordance with the agreements reached at the worktables during the year 2020.

Through this agreement, it was sought to reestablish the economic balance of airport management Concession Contracts, recognizing the impact on regulated and non-regulated revenue due to the restrictions made to commercial operations between 23 March and 30 September 2020. In this measure, the compensation focused on recognizing both the revenue foregone during the period of operational restrictions (difference between revenue caused during 2020 versus revenue caused during 2019), as well as the expenses associated with operating, maintaining, and managing the airports.

Based on the foregoing, the Agencia Nacional de Infraestructura ANI and Opain S.A. signed on 26 April 2021 the Addendum 35 to the Concession Contract in which the compensation for the effects on the regulated and non-regulated revenues lost due to the COVID-19 contingency is recognized, using the formula established in the methodology of the Ministry of Finance and Public Credit of Colombia. The value of the net compensation represented in the extension of the Concession Contract that begins on 20 January 2027 and will end on the date in which the Concessionaire obtains the value of the net compensation or achieves the maximum term established in the addendum, whichever occurs first, therefore, with the addendum 35 the clause 3 of the Concession Contract is modified.

As a result of the signing of the Memorandum of Understanding MOU and the addendum 35 of the Concession Contract, the useful life of the intangible asset associated to the operation of the concession of the El Dorado International Airport, without including business combination adjustments, presents an extension of 16.5 months, period that corresponds to the shorter term between the time in which the Administration expects to use the asset to recover the income foregone due to the COVID-19 situation and the maximum contractual time of 20.85 months granted by ANI for that purpose.

Additionally, on 7 October 2021, resuming the worktables to reestablish the economic balance due to the operational restrictions, the Agencia Nacional de Infraestructura ANI and Opain S.A. signed the second extension of the El Dorado Airport Concession Contract. Which recognizes, using the formula established in the methodology of the Ministry of Finance and Public Credit of Colombia, the compensation for the effects of the regulated and non-regulated revenues lost due to the COVID-19 contingency for the period between 1 October 2020 and 31 August 2021, and will start from the scope of the extension defined in the addendum 35 to the Concession Contract. As of 31 December 2021, the extension of the concession is expected to be 15.5 months, a period that corresponds to the shorter period between the time in which the Administration expects to use the asset to recover the revenues foregone due to the COVID-19 situation and the maximum contractual time of 21.54 months granted by ANI for that purpose.

Extensions of useful lifes of the asset arising from the signing of the extensions to the concession contract established in the addenda 35 and 36 implies for the twelve-month period ended December 2021 a lower amortization expense of $45,000 and a lower deferred tax income of $13,950 for a net effect of $31,050. Is estimated that the lower annual amortization expense as from 2022 from the extension of the useful life of the intangible asset would be approximately $71,977.

The subsidiary Opain S.A., and after a period of low dynamism in the airport industry due to the COVID-19 situation, has seen a positive recovery in traffic and airport activity around the world in recent months, which allows to foresee a better outlook for the asset and the sector.

The Group performed the impairment test as of 31 December 2021 on the Cash Generating Unit - CGU of Opain S.A., that corresponds to the net assets of this company including the business combination adjustments, showing no impairment. The analysis considered, among others, the evolution of passenger traffic, the extension of the concession term granted by the Government, the optimizations in Opex and Capex of the asset as from the previous situation that led us to generate savings in the operation of the asset and the reprofiling of the debt. As of December 2021, the level of passenger traffic at El Dorado International Airport has been higher than the projections estimated by Management, showing that, with no extraordinary events in the global sanitary situation, the airport sector is once again on a growth path, thanks to the reactivation of mobility restrictions.

The recoverable value of the Cash Generating Unit - CGU, which corresponds to the fair value less the costs of disposal of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. calculated under the dividend flow methodology exceeded the recorded value of the CGU. The projections consider the best forecast as of 31 December 2021 of the evolution in passenger traffic, prepared under the assumption of a recovery of 2019 passenger volumes over an approximate three-year horizon. The average discount rate used for the recoverable value calculation was 11.0%.

The inputs to the fair value estimate are classified as Level 3 inputs within the Fair Value Hierarchy.

NOTE 16: **PROPERTY, PLANT AND EQUIPMENT, NET**

16.1 Composition and changes of property, plant and equipment

The balance of property, plant and equipment, net as of 31 December, comprises:

	2021	2020
Land	1,736,316	1,644,258
Construction in progress, equipment in assembly and transit	2,247,624	1,740,313
Constructions and buildings for administrative use	50,405	39,438
Constructions and buildings	1,656,033	1,560,489
Machinery and production equipment	5,156,477	4,906,206
Furniture, office, computer and communication equipment	185,955	178,285
Mines, quarries and ore deposits	2,388,537	2,139,645
Ground transportation equipment	537,396	627,802
River fleet	42,671	34,864
Aqueduct, plants, networks and communication routes	7,053,712	6,786,851
Other assets	-	2
Prepayments	2,813	1,810
Total property, plant and equipment, net	**21,057,939**	**19,659,963**

	Land	Construction in progress, equipment in assembly and transit (2)	Constructions and buildings for administrative use	Constructions and buildings	Machinery and production equipment	Furniture, office, computer and communication equipment	Mines, quarries and ore deposits	Ground transportation equipment	River fleet	Aqueduct, plants, networks and communication routes	Other assets	Pre-payments	Total
1 January 2021	**1,645,392**	**1,740,313**	**67,726**	**2,501,442**	**7,990,839**	**500,405**	**2,334,573**	**1,288,489**	**45,503**	**10,215,418**	**12**	**1,810**	**28,331,922**
Additions	12,830	2,024,841	-	1,610	26,417	3,691	2,965	16,901	1,138	5,641	-	4,523	2,100,557
Transfers from (to):								-					
Held for sale	-	(323)	-	-	144	-	-	-	-	-	-	-	(179)
Other accounts (1)	42,286	(981,409)	633	101,649	286,106	54,878	(37,028)	96,155	3,440	461,237	-	(2,914)	25,033
Investment property	1,026	-	-	763	-	-	-	-	-	-	-	-	1,789
Translation effect	92,332	13,328	10,930	265,457	739,244	30,161	344,048	134,111	7,024	577,147	-	250	2,214,032
Sales and withdrawals	(6,104)	(3,933)	-	(25,665)	(83,232)	(41,096)	-	(76,549)	(368)	(74,230)	-	-	(311,177)
Loss of control of a subsidiary or business	(48,938)	(537,677)	-	(179,052)	(54,473)	(8,813)	-	(239,018)	-	(37,133)	-	-	(1,105,104)
Revaluation adjustment	-	-	8,528	-	-	-	-	-	-	-	-	-	8,528
Other changes	80	(7,516)	-	4,993	2,479	80	(14,190)	1,293	-	-	-	(856)	(13,637)
Historical cost	**1,738,904**	**2,247,624**	**87,817**	**2,671,197**	**8,907,524**	**539,306**	**2,630,368**	**1,221,382**	**56,737**	**11,148,080**	**12**	**2,813**	**31,251,764**
1 January 2021	**1,134**	**0**	**28,288**	**940,953**	**3,084,633**	**322,120**	**194,928**	**660,687**	**10,639**	**3,428,567**	**10**	**0**	**8,671,959**
Depreciation of the period	-	-	1,285	99,880	427,770	49,849	36,323	100,066	2,160	272,669	2	-	990,004
Transfers from (to):													
Other accounts	-	-	-	14,493	25,060	(228)	(265)	1,189	-	(132)	-	-	40,117
Translation effect	1,454	-	4,594	108,522	284,449	23,730	15,978	77,799	1,552	404,030	-	-	922,108
Sales and withdrawals	-	-	-	(21,101)	(70,736)	(37,771)	-	(69,420)	(285)	(11,788)	-	-	(211,101)
Impairment losses	-	-	-	79	18,043	-	-	-	-	6,774	-	-	24,896
Loss of control of a subsidiary or business	-	-	-	(127,807)	(18,484)	(4,341)	-	(86,654)	-	(5,752)	-	-	(243,038)
Revaluation adjustment	-	-	3,245	-	-	-	-	-	-	-	-	-	3,245
Other changes	-	-	-	145	312	(8)	(5,133)	319	-	-	-	-	(4,365)
Depreciation and impairment	**2,588**	**0**	**37,412**	**1,015,164**	**3,751,047**	**353,351**	**241,831**	**683,986**	**14,066**	**4,094,368**	**12**	**0**	**10,193,825**
Total Property, Plant and Equipment at 31 December 2021	**1,736,316**	**2,247,624**	**50,405**	**1,656,033**	**5,156,477**	**185,955**	**2,388,537**	**537,396**	**42,671**	**7,053,712**	**0**	**2,813**	**21,057,939**

(1) As of 31 December 2021, includes transfers from (to) investment property, transfers from (to) right-of-use assets and intangibles, mainly due to the exercise of purchase options in lease contracts and transfers of construction in progress and equipment in assembly corresponding to the capitalization of projects that ended during the reporting period, recognizing the assets that entered operation mainly in Aqueducts, Plants and Networks.

(2) Within the item constructions in progress, equipment in assembly and transit, assets of the Helios project are included for an amount of $527,111 (2020 $568,223); corresponding to the construction and updating project of one of the cement plants, which is part of the existing integrated network for Colombia and its start in operation estimated for 2025.

	Land	Construction in progress, equipment in assembly and transit (1)	Constructions and buildings for administrative use	Constructions and buildings	Machinery and production equipment	Furniture, office, computer and communication equipment	Mines, quarries and ore deposits	Ground transportation equipment	River fleet	Aqueduct, plants, networks and communication routes	Other assets	Pre-payments	Total
1 January 2020	**1,619,154**	**1,724,853**	**64,370**	**2,260,782**	**7,881,383**	**415,229**	**2,228,153**	**1,092,514**	**3,305**	**9,617,952**	**12**	**2,341**	**26,910,048**
Additions	950	1,120,096	-	10,043	14,556	3,767	4,313	127,715	-	16,997	-	2,767	1,301,204
Transfers from (to):													
Held for sale	(2,002)	(10,371)	-	10,147	(350)	69	-	(102)	-	(222,346)	-	-	(224,955)
Other accounts	3,906	(1,106,752)	974	178,260	(22,021)	77,721	26,509	119,875	45,705	679,257	-	(3,377)	57
Investment property	(226)	-	-	-	-	-	-	-	-	-	-	-	(226)
Translation effect	27,816	13,855	2,188	62,147	274,808	10,682	99,595	38,094	(3,152)	175,660	-	79	701,772
Sales and withdrawals	(4,206)	-	-	(28,612)	(149,717)	(7,063)	(17,477)	(89,814)	(355)	(51,042)	-	-	(348,286)
Revaluation adjustment	-	-	194	-	-	-	-	-	-	-	-	-	194
Other changes	-	(1,368)	-	8,675	(7,820)	-	(6,520)	207	-	(1,060)	-	-	(7,886)
Historical cost	**1,645,392**	**1,740,313**	**67,726**	**2,501,442**	**7,990,839**	**500,405**	**2,334,573**	**1,288,489**	**45,503**	**10,215,418**	**12**	**1,810**	**28,331,922**
1 January 2020	**62**	**0**	**25,555**	**813,026**	**2,734,821**	**269,092**	**172,562**	**631,867**	**1,529**	**3,178,885**	**9**	**0**	**7,827,408**
Depreciation of the period	-	-	1,239	87,107	412,594	45,160	34,905	73,226	1,306	266,861	1	-	922,399
Transfers from (to):													
Held for sale	-	-	-	-	25	-	-	(102)	-	(134,156)	-	-	(134,233)
Other accounts	-	-	371	33,200	(59,259)	5,078	700	15,992	8,541	13,940	-	-	18,563
Translation effect	3	-	1,074	27,188	80,651	7,403	2,366	23,480	(672)	107,553	-	-	249,046
Sales and withdrawals	-	-	-	(19,392)	(84,851)	(4,341)	(13,218)	(84,166)	(65)	(5,552)	-	-	(211,585)
Impairment losses	1,069	-	-	-	160	-	-	-	-	1,120	-	-	2,349
Other changes	-	-	49	(176)	492	(272)	(2,387)	390	-	(84)	-	-	(1,988)
Depreciation and impairment	**1,134**	**0**	**28,288**	**940,953**	**3,084,633**	**322,120**	**194,928**	**660,687**	**10,639**	**3,428,567**	**10**	**0**	**8,671,959**
Total Property, Plant and Equipment at 31 December 2020	**1,644,258**	**1,740,313**	**39,438**	**1,560,489**	**4,906,206**	**178,285**	**2,139,645**	**627,802**	**34,864**	**6,786,851**	**2**	**1,810**	**19,659,963**

(1) Includes the assets of the project called "Helios" in Cementos Argos S.A. for $568,223 (2019 584,826), for the construction and upgrade of one of the cement plants of the current integrated network in Colombia.

16.1.1 Property, plant and equipment acquisition transactions

As of 31 December 2021, the Group reflects relevant movements of acquisitions of property, plant and equipment mainly in the assets of construction in progress, equipment in assembly and transit and machinery and equipment. Below are the details of the most representative:

- Transmission and distribution projects for $667,401 for the expansion of photovoltaic assets, including equipment and system for a monitoring center for all solar farms and roofs, and final works for the farms Celsia solar Espinal, Celsia Solar Carmelo and Celsia solar la Paila; as well as the construction of the Sahagún and Toluviejo substations, expansion of electric assets in Tolima and smart metering, construction of the Vijes digital substation, energy efficiency project with efficient lighting, reliability of the San Pedro and Paloblanco lines, San Pedro, Farfán, el Lago and Riofrio substations, construction of the Espinal substation, purchase and assembly of the fourth mobile substation. Additionally, investments in equipment replacement for $24,360 were made to guarantee the quality and continuity of service.

- Power Generation Projects for $708,189, highlighting the investments made in the Tesorito hydroelectric project until November, hydraulic dredging in the Bajo Anchicayá reservoir, in the Camelias and Acacias II wind farms (Guajira), activities for the construction and adaptation of the thermal district La Gran manzana were executed, acquisition of salvajinas and calima equipment, collection and replacement of auxiliary equipment of the Riofrio II plant.

- Projects in Central America for $5,630, mainly in the CelSolar Prudencia project, the Dicarina Divisa and Provivienda photovoltaic projects, the Alternegy and Bontex hydroelectric projects, the wind power system in PEG, and the solar roof of Cervecería Nacional in Honduras, among others.

- Internet projects for $54,710 to expand capacity for 10,601 new customers, including 9 schools in Palmira-Valle; with 661.7 km of network to provide this service in Palmira, Jamundí, Buga, Yumbo, Tuluá, Roldanillo, Cerrito, Zarzal, Florida, Pradera, Candelaria, Melgar and Ibagué.

- In other projects, $49,699 were invested in technological renewal of equipment and licensing of new users, and in innovation, investments for $3,823 were made in data science and micro-network projects.

- The other acquisitions of property, plant and equipment correspond to the normal course of business of Cementos Argos and its subsidiaries for $413,671 and Celsia for $97,358.

- In machinery and equipment, acquisitions were made for $26,417 for the availability of spare parts for the different projects under execution and in aqueducts, plants, networks and communication routes.

As of 31 December 2020, the Group reflects relevant movements of acquisitions of property, plant and equipment mainly in construction in progress assets. Below are the details of the most representative:

- Transmission and distribution projects linked to expansion and extension of assets in solar roofs and electrical assets in the departments of Valle and Tolima for $434,802, additional investments in transmission and distribution network replacements in Tolima and Valle for $114,811.

- Generation projects for $150,863, highlighting mainly the investment in the San Andres hydroelectric project, which is already in operation, in hydraulic dredging in the lower Anchicayá reservoir, Gran Manzana thermal district, Entrepalmas cogeneration, execution in the Parque Camelia and Acacias II wind projects and in the Tesorito hydroelectric Project.

- In other projects, investments for $42,649 were made in business expansion and technological infrastructure of the companies, $12,162 in Internet to expand capacity for new customers, and in innovation strategies, projects for $3,943 were executed.

- In Central America, investments were made in solar farms, generation and innovation projects for $51,532 and investments in aqueducts, plants and networks for $16,898, corresponding to Cativa assets that were in Alternegy.

- In Celsia Colombia, investments were made in machinery and equipment for $163 for the increase of equipment available for the development of projects, in communication equipment for $225, as well as the purchase of 11 electric vehicles for $407 required for the commercial operation in the development of the electric mobility initiative and the purchase of electric buses in the company Celsia Move for $125,606.

- Other acquisitions of property, plant and equipment correspond to the normal course of business of Cementos Argos and its subsidiaries for $329,189 and other additions of the Group companies for $18,305.

16.1.2 Relevant loss of control transactions of a subsidiary or assets constituting a business

Sale of concrete plants in Dallas:

On 14 June 2021, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC - for USD 184 million. The sale price of the assets, less the recorded value of the assets delivered generated an accounting gain on disposal of business for $180,163 (USD 48.1 million), and an increase in current tax expense by $6,506 (USD 1.7 million) and deferred tax by $93,642 (USD 25 million), presented in the other operating income and expenses and income tax items of the consolidated statement of income. The sold plants were part of several acquisitions including Southern Star Concrete, a company acquired in 2005. The sold assets meet the definition of business established in IFRS 3 Business Combinations.

Sale of assets of Celsia Move S.A. and loss of control of Termoeléctrica El Tesorito S.A.S. E.S.P.

During 2021, the loss of control of the subsidiaries Celsia Move S.A. and Tesorito S.A. E.S.P. occurred, which implied the write-off of property, plant and equipment for $657,984. As of 30 November 2021, the sale of the electric mobility assets of Celsia Move S.A. was formalized for a net value of $119,111 and on 23 December the loss of control of Tesorito S.A.S. E.S.P. was recorded. According to the reform to the decision-making regime of the Board of Directors, registered before the Chamber of Commerce; this led to reflect the retirement of property, plant and equipment for $538,873, value that was recognized as land and construction in progress (Note 2.3. Basis of preparation).

As of 31 December 2020, there were no sale transactions of property, plant and equipment that at the individual agreement or transaction level were considered relevant.

16.2 Fair value of land and buildings for administrative use

To determine the fair value of land and buildings for administrative use, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement, and the International Valuation Standards (IVS), being the most used for this case the market comparison approach.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, a hierarchy that also corresponds to complete estimation, since it corresponds to bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as location, marketing, finishing, among others.

The Group must perform technical valuations at least every four years to ensure that the revalued value of the land and buildings for administrative use is updated. The last update was performed as of December 2021 and generated an increase in the recorded value of administrative buildings and constructions for $5,351.

The recorded value of land and buildings for administrative use that would have been recognized if accounted for under the cost model would be $29,705 (2020 $26,128).

16.3 Capitalization of borrowing costs

During 2021, borrowing costs capitalized to property, plant and equipment amount to $11,345 (2020 $11,887). The average rate used to determine the amount of borrowing costs was 3.37% (2020 5.33%), which corresponds to the average effective interest rate of generic loans.

16.4 Collateral and contractual commitments for property, plant and equipment

As of 31 December property, plant and equipment for $1,876 (2020 $1,607) have been pledged as collateral for the fulfillment of obligations.

The Group has no contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained from third parties for impaired, lost or abandoned property, plant and equipment. The Group has adequate insurance policies to protect its productive assets, covering mainly property damage caused by fire, earthquake, weak current, natural disasters, terrorism, and other risks.

16.5 Changes in estimates of property, plant and equipment

The Group has not had any changes in accounting estimates that have a significant effect on the residual value, useful lifes, and depreciation methods of property, plant and equipment during the period.

16.6 Impairment of property, plant and equipment

At the end of the reporting period, the Group assesses the existence of impairment indicators of non-current assets, based on available external and internal information. The Group reviews the book value of non-current assets for impairment whenever events or circumstances indicate the book value may not be recoverable. If the total discounted future cash flows are less than the book value, the carrying amount of the non-current asset is not recoverable and an impairment loss is recognized in the consolidated statement of income. After the assessment performed, the following assets were found to be impaired:

- In 2021 Cementos Argos S.A. performed the impairment analysis at the individual asset level, confirming by the technical area that the main item of "crude oil milling" of Sabanagrande will not generate future economic benefits and consequently it was required to recognize impairment for $18,122 in the consolidated financial statements, in the item of non-current assets impairment, in the Colombia segment. This loss was allocated in its entirety to the property, plant and equipment item.

  Since this was an individual analysis, the value in use (cash flow projection) was not determined, what leads to determining a discount rate. In conclusion, such rate is not applicable.

- As of 30 September 2021, the main electric transformer of the Ferranti Packard brand at the Meriléctrica power plant was impaired for $6,774, which corresponds to the net value of the asset at the time of damage.

- In 2020 Argos Dominicana S.A., a subsidiary of the Group, evaluated indicators of impairment of assets and identified no possibility of recovery of its recorded valua on two HFO fuel generating units with a combined capacity of 6.8 MW with engines manufactured by ALLEN and ABB generators, which were inactive. After identifying indications of impairment on these assets, the recoverable value was measured using the Level 2 Fair Value hierarchy, making an estimate at market value, which was compared with the recorded value, and it was found that the net recorded value exceeded the recoverable value. Therefore, an impairment loss for $1,120 was recorded in the consolidated financial statements. This loss was allocated in the property, plant and equipment item.

- Likewise, in other Group companies are minor impairment losses of property, plant and equipment for $1,229.

NOTE 17: **INVESTMENT PROPERTY**

The balance of investment property at 31 December comprises:

	2021	2020
Land	2,340,885	2,271,444
Constructions and buildings	11,951	9,371
Total	**2,352,836**	**2,280,815**

Following are the changes in investment property during the period:

	2021	2020
Investment property as of 1 January	**2,280,815**	**2,317,216**
Additions (1)	16,696	2,136
Gain from fair value measurement (2)	76,468	67,276
Translation effect	13,421	2,873
Transfers from investment property (3)	(33,829)	(67,644)
Dispositions	(735)	(688)
Assets classified as held for sale (4)	-	(40,354)
Investment property as of 31 December	**2,352,836**	**2,280,815**

(1) Corresponds to capitalized disbursements for the adequacy of the Pavas Molina land in Barranquilla and Barú in Cartagena

(2) As of 31 December 2021 and 2020 the fair value of all investment property was adjusted, among the main properties appraised in 2021 are Parcela de Agricultura Frederick, Parcela Frederick I Quarry, Pavas Molina, Pajonal, Palma Real, Insignares, Parcela el Genovés and Mata de Plátano, and in 2020 are Pajonal, Pavas Molina, Insignares, Parcela el Genovés and Barú (Note 33 Revenue).

(3) As of 31 December 2021, transfers were made from investment property to inventories of the portion of the Pavas Norte land for $23,141, of the Recoveco land and Pajonal Manzana 3 land for $12,015, reclassifications from investment property to property, plant and equipment for $1,789 and reclassifications from non-current assets held for sale to investment property for $3,116.

As of 31 December 2020, transfers were made from investment property to inventories of the Pajonal land for $68,017. Likewise, other transfers were made to investment property for $373.

(4) During 2020, there were transfers from investment property to assets classified as held for sale for $40,354, mainly for the La Gabriela Lot for $39,866.

To determine the fair value of investment property, independent firms with extensive experience and recognition in the market were hired. In order to estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement and International Valuation Standards (IVS), in the following manner:

- For property where the regulations allow a constructed product the valuation methodology used is discounted cash flow, a methodology where the value of the property is equivalent to the discounted value of future profits. These profits represent the annual cash flows (positive and negative) over a period, plus the net profit derived from the hypothetical sale of the property at the end of the investment period. This methodology requires the application of two rates: a discount rate applicable to future cash flows, which is determined primarily by the risk associated with the income, and a capitalization rate used to obtain the future value of the property based on estimated future market conditions.

- For property where the regulations do not permit a constructed product, the valuation methodology used is the comparative market approach, a methodology based on the substitution principle. The characteristics of identified operations are compared to those of the property under study under conditions of location, size, quality, expenses incurred in the purchase, market conditions on the date of sale, physical characteristics, economic situation of the investor, among others; with the purpose of defining a range of values based on a unit of value to be compared.

- For assets already built, the valuation methodology used is direct capitalization or discounted cash flow. The Direct Capitalization methodology converts the net operating income produced by the property into an indication of value by using an appropriate capitalization rate based on market information and investor expectations.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimation, associated with bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as area, access roads, immediate neighborhood, finishes, improvements, state of conservation, among others.

Lease income from investment properties for the period corresponds to $3,476 (2020 $3,293).

Direct expenses related to investment properties are $38,252 (2020 $33,416) of which $38,208 (2020 $22,394) relate to investment property that did not generate lease income.

As of 31 December 2021 and 2020, the Group has no relevant contractual obligations to acquire, construct or develop investment property, nor are there any restrictions on any investment property.

NOTE 18: **INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

18.1 General information on associates and joint ventures

Company name	Main activity	Country	Interests (*)		Investment classification	Book Value	
			December 2021	December 2020		December 2021	December 2020
Grupo de Inversiones Suramericana S.A.	Financial	Colombia	34.14%	33.67%	Associate	7,492,274	6,792,397
Fondo de Capital Privado Pactia Inmobiliario	Real estate management	Colombia	37.13%	37.18%	Associate	870,763	879,792
Concesión La Pintada S.A.S.	Road concession	Colombia	78.85%	78.85%	Associate	584,132	522,506
Corporación Quiport S.A.	Airport concession	Ecuador	46.50%	46.50%	Joint venture	578,153	524,244
Caoba Inversiones S.A.S.	Commercial	Colombia	51.00%	51.00%	Joint venture	154,447	145,372
Termoeléctrica El Tesorito S.A.S. ESP	Public utilities	Colombia	57.50%	0.00%	Associate	136,675	-
Quito Airport Management (Quiama) LTD	Airport concession operator	British Virgin Islands	50.00%	50.00%	Joint venture	70,932	62,746
P.A. Fideicomiso Hotel Calablanca Barú	Real estate management	Colombia	21.04%	77.81%	Joint venture	35,129	22,470
Consorcio Farallones	Construction	Colombia	50.00%	50.00%	Joint venture	24,007	21,782
Trans Atlantic Shipmanagement Ltd.	Sea freight transportation	British Virgin Islands	50.00%	50.00%	Joint venture	18,099	18,156
International Airport Finance S.A.	Financial	Spain	46.50%	46.50%	Joint venture	8,827	6,600
MMC Cement Division C.V.	Cement marketing	Curaçao	50.00%	50.00%	Joint venture	5,655	4,948
Pactia S.A.S.	Real estate management	Colombia	50.00%	50.00%	Joint venture	5,539	6,788
Consorcio Imhotep	Construction	Colombia	50.00%	50.00%	Joint venture	3,549	3,549
CNC del Mar.S.A.S. E.S.P. (1)	Public utilities	Colombia	50.00%	50.00%	Joint venture	2,811	4,619
Fideicomiso Plan Luz	Energy	Colombia	50.00%	50.00%	Joint venture	2,621	523
Patrimonio Autónomo Hacienda Niquía	Real estate management	Colombia	51.00%	51.00%	Associate	2,255	3,690
P.A. Muverang	Commercial	Colombia	33.33%	33.33%	Joint venture	1,819	1,716
Internacional Ejecutiva de Aviación S.A.S.	Executive air transportation	Colombia	25.00%	33.33%	Associate	1,648	3,125
P.A. Contingencias Nuevo Dorado	Contingency management	Colombia	65.00%	65.00%	Joint venture	1,449	1,443
Soluciones de Crédito S.A.S	Granting of loans and microcredits	Colombia	48.98%	48.98%	Associate	1,358	1,726
Consorcio Constructor Nuevo Dorado (en proceso de liquidación)	Construction	Colombia	65.00%	65.00%	Joint venture	607	607
Consorcio Mantenimiento Opain (en proceso de liquidación)	Maintenance services	Colombia	65.00%	65.00%	Joint venture	71	71

Company name	Main activity	Country	Interests (*)		Investment classification	Book Value	
			December 2021	December 2020		December 2021	December 2020
Granulados Reciclados de Colombia Greco S.A.S.	Sanitation services	Colombia	41.91%	41.91%	Joint venture	-	507
Total investments in associates and joint ventures						**10,002,820**	**9,029,377**

(*) In relation to the associate Grupo de Inversiones Suramericana S.A., the percentage of economic right participation as of December 2021 and December 2020 of 27.51% and 27.13%, respectively, is different from the percentage with voting rights of 34.14% and 33.67%, respectively. The foregoing considering that the issuer has shares with preferred dividend and without voting rights. For other investments in associated companies, the percentage of ownership indicated is equal to the percentage of economic ownership.

The table above does not include the following associates and joint ventures: Aerotocumen S.A (in liquidation process), Consorcio Dovicon O&MC, Dovicon S.A., JV Dovicon EPC S.A.S., JV Dovicon O&M S.A.S, P.A. Operación Hotel Calablanca Barú, C2 Energía S.A.S and Promotora de Proyectos S.A. because as of 31 December 2021 and 2020 their book value is zero, except for the P.A. Operación Hotel Calablanca Barú which for the comparative period had not been constituted.

The P.A. Operación Hotel Calablanca Barú, C2 Energía S.A.S, Promotora de Proyectos S.A. present negative equity as of 31 December 2021 and 2020, for this, after the application of the equity method in the Group's consolidated financial statements these investments were carried at zero, considering that this does not imply a legal obligation for the Group. The book value of Aerotocumen S.A. (in process of liquidation), Consorcio Dovicon O&MC, Dovicon S.A., JV Dovicon EPC S.A.S., JV Dovicon O&M S.A.S. amounts to zero due to recognition of impairment on these investments for the current or previous periods.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements, except for the Pactia Inmobiliario Private Equity Fund, which is accounted for at fair value through profit or loss in accordance with the exemption established in paragraph 19 of IAS 28 Investments in Associates and Joint Ventures. The value of the Pactia Inmobiliario Private Equity Fund unit as of December 2021 is $12,263.48 Colombian pesos per unit (2020 $11,708.19 Colombian pesos per unit).

Of all these investments, the only one listed on the stock market is Grupo de Inversiones Suramericana S.A. whose stock market value as of 31 December 2021, is $30,000 pesos per common share (2020 $25,280 pesos per common share). This is for information purposes only since the investment of Grupo de Inversiones Suramericana S.A. is accounted for using the equity method. However, even though the market value of the share is lower than the book value, no impairment is generated because the business fundamentals and the valuation performed do not imply impairment.

18.2 Corporate purpose of principal associates and joint ventures and nature of the relationship

Grupo de Inversiones Suramericana S.A. Grupo Sura S.A.: is a company with strategic investments in the banking, insurance, pension, savings, and investment sectors. Its main domicile is in Colombia.

In Grupo de Inversiones Suramericana S.A. the significant influence is exercised through the participation in the Board of Directors, where there are two officers of Grupo Argos (out of seven in total). This is a relevant investment for Grupo Argos S.A. given its expansion in the region, its leadership in the insurance, pension, banking and investment markets, its financial strength, and the demographic evolution in the geographies where it is located. It also has a policy of corporate responsibility and citizenship, complying with the highest standards in social, environmental and governance matters.

Fondo de Capital Privado Pactia Inmobiliario: is a closed-end private equity fund made up of all the resources transferred to the fund by the contributors in kind and in cash. The private equity fund is the sole trustor and beneficiary of the Pactia - P.A. Pactia Autonomous Equity.

The fund’s main objective is the long-term strategic investment in assets for their economic exploitation and to obtain an attractive return for its investors with a moderate level of risk. Each of the real estate assets in which the fund invests has a defined management, business and brand strategy, whose focus is the generation of value for the fund.

This private equity fund is managed according to the instructions given by the professional fund manager, Pactia S.A.S., whose principal place of business is in Colombia.

The fund has a duration of 30 years, extendable for an additional 10-year period. The alliance between Grupo Argos S.A., Conconcreto S.A. and Protección S.A. is developed through the delivery of contributions represented in real estate and cash to Fiduciaria Bancolombia S.A., which acts as the managing Company.

Concesión La Pintada S.A.S: charged with the operation and maintenance of the new Fourth Generation (4G) highway known as Autopistas de la Prosperidad, between La Pintada - Bolombolo and the road between La Pintada - Santa Bárbara - Primavera, in the Southwest of Antioquia. The Pacific Connection Highway 2 project, together with Pacific Connections 1 and 3, connect the input and production centers of northern Colombia with Antioquia, the Coffee Zone, the Cauca Valley, and the Colombian Pacific.

Its corporate purpose is the entering into and executing a concession contract under the public-private partnership scheme under the terms of Law 1508 of 2012, whose activities are focused on the studies and definitive designs, financing, environmental, property and social management, construction, improvement, rehabilitation, operation, maintenance and reversion of the La Pintada S. A. S. Concession, The concession contract has a maximum term of 29 years (2043) subject to compliance with the Present Value of Toll Revenue (*VPIP*) established by the Agencia Nacional de Infraestructura (ANI) in the concession contract.

Corporación Quiport S.A.: responsible for acting as concessionaire to manage and operate the old Quito airport, Mariscal Sucre International Airport, and to develop, build, manage, operate, and maintain the New Quito International Airport and the execution of all activities inherent to the concession contract granted by Corporación Aeropuerto y Zona Franca del Distrito Metropolitano de Quito. The contract establishes a duration of 35 years for the concession, starting from 27 January 2006 and ending in January 2041. This investment was held by Odinsa S.A. indirectly through the investment vehicle Quiport Holding S.A., until the date on which the capital redemption was made, and the investment was transferred directly to Odinsa S.A.

18.3 Contributions, contribution refunds, changes in ownership interest and distribution of dividends in associates and joint ventures

Below are the changes presented for contributions, contributions refunds and/or changes in the ownership interest in associates and joint ventures during 2021:

Grupo de Inversiones Suramericana S.A.: the Group's interest in this associate reached 27.51% (2020 27.13%) in economic rights and 34.14% (2020 33.67%) share with voting rights due to operations inherent to the administration of the portfolio and the repurchase of shares by Grupo de Inversiones Suramericana S.A. The Group did not recognize an equity increase in the investment at the time of the repurchase of shares by Grupo Sura. The effects on the investment are subsequently produced with the application of the equity method using the new share of participation.

Termoeléctrica El Tesorito S.A.S. E.S.P: in December 2021 the Group, through its subsidiary Celsia Colombia S.A. E.S.P, presented loss of control of the subsidiary Tesorito S.A.S E.S.P., in accordance with the reform to the decision-making regime of the Board of Directors, reform that was registered before the Chamber of Commerce. Consequently, the investment was reclassified as an associate in the Group's financial statements. This movement did not imply any change in the company's shareholding.

Trans Atlantic Shipmanagement Ltd: as of December 2021, the Group, through its subsidiary Cementos Argos S.A., made contributions for $3,737. This contribution did not imply changes of interest in the joint venture.

P.A. Muverang: as of December 2021, the Group, through its subsidiary Celsia S.A., made contributions for $2,220. This contribution did not imply changes of interests in the joint venture.

Fideicomiso Plan Luz: as of December 2021, the Group, through its subsidiary Celsia S.A., made contributions for $1,500. This contribution did not imply changes of interests in the joint venture.

Soluciones de Crédito S.A.S.: as of December 2021, the Grupo, through its subsidiary Cementos Argos S.A., made contributions for $960. This contribution did not imply changes of interests in the associate.

Fondo de Capital Privado Pactia Inmobiliario: as of December 2021, the Group received returns for $6,867. Additionally, redemption of 4,138,695.83 units equivalent to $50,496. Interests decreased from 37.18% to 37.13% due to increase of units in circulation.

Pactia S.A.S.: as of December 2021, the Group received dividends for $6,748. There are no changes in interests.

Caoba Inversiones S.A.S.: as of December 2021, the Group, through its subsidiary Celsia S.A., received dividends for $5,315. This distribution did not imply changes of interests in the joint venture.

Quito Airport Management LTD. (Quiama): as of December 2021, the Group, through its subsidiary Odinsa S.A., received distribution of profits for $5,312. This distribution did not imply changes of interests in the joint venture.

Consorcio Farallones: as of December 2021, Odinsa S.A., subsidiary of Grupo Argos S.A., repaid an advance payment of profits received in 2020 for $10,000. This payment did not imply changes of interests in the associate.

Patrimonio Autónomo Hacienda Niquía: as of December 2021, refund of contributions for $2,819 and distribution of profits for $93 was received.

P.A Fideicomiso Hotel Calablanca Barú: unrealized profits for $4,765 were recognized, according to an equity participation of 21.04%. The decrease in the participation of 56.77% corresponds to dilution due to contributions of the other trustors, according to agreement compliance, and not to sale of interests.

Concesión La Pintada S.A.S.: as of December 2021, the Group, through its subsidiary Odinsa S.A., received interest payment on subordinated debt loan for $78,883. This payment did not imply changes of interests in the associate.

During 2020 the following contributions, contribution refunds and/or changes in the ownership interest in associates and joint ventures were made:

Concesión La Pintada S.A.S.: as of December 2020, the Group, through its subsidiary Odinsa S.A., made contributions for $97,932. This contribution did not imply changes of interests in the associate.

Consorcio Farallones: as of December 2020, the Group received profit distribution for $22,500. This distribution did not imply changes of interests.

Quito Airport Management LTD. (Quiama): as of December 2020, the Group received profit distribution for $5,730. This distribution did not imply changes of interests.

Pactia S.A.S.: in March 2020, the company declared dividends for $5,195. There were no changes of interests.

Fondo de Capital Privado Pactia Inmobiliario: during 2020, the Group received a profit distribution for $2,435. Interests decreased from 37.20% to 37.18% due to increase of units in circulation.

P.A. Muverang (formerly P.A. Dinamarca): as of December 2020, the Group, through its subsidiary Celsia S.A., made contributions for $2,013. This contribution did not imply changes of interests in the joint venture.

Consorcio de Mantenimiento Opain: as of December 2020, the Group received profit distribution for $462 and contribution refund for of $188.

18.4 Incorporation, acquisition or divestment of associates and joint ventures

During 2021, the following incorporations, acquisitions and/or divestments of associates and joint ventures were made:

P.A. Fideicomiso Operación Hotel Calablanca Barú: the Group incorporated this company with a 49% share interest, according to a mercantile trust agreement for a value of $1. As of December 2021, there was a dilution in the participation of 29% due to contributions made by the other trustors, with the Group now holding 20% of this investment.

Its corporate purpose is to advance procedures, obtain permits, enter into contracts and arrangements and manage the resources required to initiate and execute the operational stage of Hotel Calablanca Barú.

Internacional Ejecutiva de Aviación S.A.S: On 5 April 2021, the Group sold 375,000 shares of the company for $1,148 to Grupo Nutresa S.A., for a $238 profit. The shae interests sold amount to 8.33%, going from 33.33% to 25%. The consideration was received in cash in April.

During 2020, the following incorporations, acquisitions and/or divestments of associates and joint ventures were made:

Caltek S.A.S.: in December 2020, 50% of the participation that the Group held through its subsidiary Cementos Argos S.A. was sold, represented in 21,857,974 shares. The sale was made to the company Calidra Latam S.A.S., subsidiary of Grupo Calidra S.A. de C.V. The value of the transaction was $4,984 and the carrying amount of the investment was $19,465 (See Note 33 Revenue and Note 34 Cost of ordinary activities, respectively), generating a loss on disposal of investments of $14,481. The consideration was paid in January 2021 in a single installment.

P.A. Fideicomiso Hotel Calablanca: its main corporate purpose corresponds to the real estate management for the development of the Hotel Barú Calablanca project. It is constituted with a contribution of the lot Hotel Calablanca Barú for an amount of $40,040.

According to the fiduciary rights subscription promise signed between Grupo Argos S.A., Patrimonio Autónomo Estrategias Inmobiliarias - PEI and Arquitectura y Concreto in December 2018, the Company contributed a lot in Barú for the development of the Hotel Sofitel Calablanca project, which will have a value of $200,200 which will be invested as follow:

- 20% (i.e., $40,040) corresponds to the total value of the land contributed by the Company during 2020.
- 20% (i.e., $40,040) corresponds to contributions from Arquitectura y Concreto as the sole responsible for building and delivering the hotel fully equipped and in operating conditions.
- 60% (i.e., $120,120) will correspond to capital contributions to be made by PEI in compliance with the promise and upon compliance with the agreed conditions.

The lot is pledged as collateral for a mortgage for the construction of the hotel.

The development time of the project, as agreed in the rights subscription promise, is 24 months. The opening of the hotel is estimated for the second half of 2021. Currently, Arquitectura y Concreto is developing the works of the Project.

For the operation of the hotel, the parties signed a hotel management contract with a well-known operator for a 30-year term.

P.A. Contingencias Nuevo Dorado.: in March 2020, this autonomous equity was incorporated with a 65% share interest between Grupo Argos S.A. and its subsidiary Odinsa S.A. This investment was classified as joint venture and the main purpose of the autonomous equity is to receive and manage of the resources to make the restitutions in favor of the trustors and/or the payments in favor of third parties according to the contingencies that arise from Consorcio Constructor Nuevo Dorado.

Soluciones de Crédito S.A.S.: in February 2020, through the subsidiary Cementos Argos S.A., this company was incorporated as an investment in associate, with a share interest of 48.98%, equivalent to 1,920,000 shares, for a total capital contribution of $1,920, which, by agreement of the partners, 50% was paid in July 2020 according to the commitment acquired for $960. Soluciones de Crédito S.A.S. is a company whose main purpose is to grant consumer loans or microcredits. This company is in Colombia.

Occidental de Empaques S.A.: during March 2020, Grupo Argos S.A., and its subsidiary Cementos Argos S.A., divested the total interest held in Occidental de Empaques S.A., which corresponded to 49.99%, generating a loss of $6,701. The sale price of $36,575 was received in full in cash in the same period (Note 33 Revenue). The transaction was performed through Smurfit Kappa Centroamérica SLU and was classified as a non-current asset held for sale at the time of divestment.

18.5 Summary Financial Information

The summary financial information included in the following tables represents the values reported to the Group by its associates and joint ventures, prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia, and restated, when appropriate, for the adjustments made by the Group for the application of the equity method, such as: adjustments related to the homologation of accounting policies, write-offs of acquisitions or asset transfers between Group companies up to the percentage of ownership interests in the associates or joint ventures, among others. For the purposes of this disclosure and summary financial information, the presentation of each associate and/or joint venture in accordance with its accounting policies is considered.

December 2021	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario	Corporación Quiport S.A.	Concesión La Pintada S.A.S	Other non-significant associates and joint ventures
Current assets (1)			276,042	374,632	450,612
Non-current assets (1)			2,966,157	2,090,308	4.200,675
Total assets	**75,901,683**	**3,830,173**	**3,242,199**	**2,464,940**	**4,651,287**
Current liabilities (1)			818,807	126,067	760,534
Non-current liabilities (1)			1,543,293	1,654,993	3,020,210
Total liabilities	**44,636,469**	**1,355,996**	**2,362,100**	**1,781,060**	**3,780,744**
Equity	**31,265,214**	**2,474,177**	**880,099**	**683,880**	**870,543**
Revenue	24,847,945	316,323	374,641	316,169	463,609
Net profit from continuing operations	1,517,218	162,532	30,778	62,253	(17,995)
Net profit after discontinued operations	1,524,592	162,532	30,778	62,253	(17,995)
Other comprehensive income	1,452,221	43,249	118,705	33,246	3,849
Total comprehensive income	2,976,813	205,781	149,483	95,499	(14,146)
Received dividends or distributed profits (2)	94,475	6,867	-	-	17,468

December 2020	Grupo de Inversiones Suramericana S.A. (ii)	Fondo de Capital Privado Pactia Inmobiliario	Corporación Quiport S.A.	Concesión La Pintada S.A.S (iii)	Other non-significant associates and joint ventures (iii)
Current assets (1)			235,953	271,019	374,257
Non-current assets (1)			2,558,335	2,108,237	3,285,978
Total assets	**70,860,135**	**3,952,373**	**2,794,288**	**2,379,256**	**3,660,235**
Current liabilities (1)			723,566	142,914	626,633
Non-current liabilities (1)			1,340,105	1,635,544	2,533,574
Total liabilities	**42,318,410**	**1,507,558**	**2,063,671**	**1,778,458**	**3,160,207**
Equity	**28,541,725**	**2,444,815**	**730,617**	**600,798**	**500,028**
December 2020					
Revenue	20,873,566	262,247	261,664	436,376	570,786
Net profit from continuing operations	342,906	(13,489)	(99,861)	31,928	27,940
Net profit after discontinued operations	336,237	(13,489)	(99,861)	31,928	27,940
Other comprehensive income	481,700	27,672	44,272	(38,701)	6,031
Total comprehensive income	817,937	14,183	(55,589)	(6,773)	33,971
Received dividends or distributed profits (2)	98,809	2,435	-	-	33,887

The following is additional financial information on the Group's associates or joint ventures:

December 2021	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario	Corporación Quiport S.A.	Concesión La Pintada S.A.S	Other non-significant associates and joint ventures
Cash and cash equivalents	2,282,924	122,592	144,417	182,954	122,944
Current financial liabilities (1) (3)			57,638	167,201	465,988
Non-current financial liabilities (1) (3)			1,537,003	1,418,545	2,958,395
Financial liabilities (3)	9,852,408	1,264,262	1,594,641	1,585,746	3,424,383
Depreciation and amortization expense	543,424	431	60,677	625	81,694
Interest income	1,252,953	3,089	9,377	1,021	186,025
Interest expenses	734,430	90,026	181,488	44,439	109,950
Income tax expense	462,583	-	-	27,852	13,284

December 2020	Grupo de Inversiones Suramericana S.A. (ii)	Fondo de Capital Privado Pactia Inmobiliario	Corporación Quiport S.A.	Concesión La Pintada S.A.S (iii)	Other non-significant associates and joint ventures (iii)
Cash and cash equivalents	3,304,391	157,864	112,419	267,309	118,949
Current financial liabilities (1) (3)			39,605	137,711	171,511
Non-current financial liabilities (1) (3)			1,332,457	1,409,371	2,468.920
Financial liabilities (3)	10,728,550	1,393,150	1,372,062	1,547,082	2,640,431
December 2020					
Depreciation and amortization expense	524,165	419	105,599	584	79,558
Interest income	724,490	8,054	10,622	1,265	192,279
Interest expenses	731,408	99,119	188,392	41,050	66,981
Income tax expense	453,537	-	-	33,555	14,607

(i) Summary financial information of the associate Grupo de Inversiones Suramericana S.A., does not include the homologation made by the Group, for the calculation of the equity method on the associate as of 31 December 2021, of the negative effect of the deferred tax for $38,134 arising from the change in income tax rate from 31% to 35% due to the tax reform in Colombia (Law 2155 of 2021) from the profit or loss for the period to equity.

(ii) The comparative financial information of the associate Grupo de Inversiones Suramericana S.A., presented changes according to its latest official financial statements presented in its statement of financial position and statement of income.

(iii) For the comparative period of December 2020, summary financial information of the associate Concesión La Pintada S.A.S. is presented in detail. This information had been reported under the category of Other associates and non-significant joint ventures.

(1) The associate Grupo de Inversiones Suramericana S.A. and the Private Equity Fund Pactia Inmobiliario, present the statement of financial position in order of liquidity, therefore the detail of current and non-current assets and liabilities, and current and non-current financial liabilities is not included.

(2) Corresponds to dividends paid by associates and joint ventures for the twelve-month period ended 31 December 2021 and 2020. Dividends received from other associates and joint ventures correspond to: $6,748 (2020 $5,195) from Pactia S.A.S., $5,315 (2020 $0) from Caoba Inversiones S.A.S, $5,312 (2020 $5,730) from Quito Airport Management LTD. (Quiama), $93 (2020 $0) from Patrimonio Autónomo Hacienda Niquia, $0 (2020 $22,500) from Consorcio Farallones, $0 (2020 $462) from Consorcio de Mantenimiento Opain. Also, contribution refunds from Fondo de Capital Privado Pactia $50,496 (2020 $0), Consorcio Farallones $10,000 (2020 $0), Patrimonio Autónomo Hacienda Niquia for $2,819 (2020 $0) and from Consorcio de Mantenimiento Opain for $0 (2020 $188).

(3) Trade and other payables are excluded for presentation purposes.

Financial liabilities of the associate Fondo de Capital Privado Pactia Inmobiliario include lease liabilities mostly with financial entities for $913,638 (2020 $966,738).

18.6 Significant restrictions and commitments

No significant restrictions exist on the ability of joint ventures and associated companies to transfer funds by way of dividends, loan repayments, prepayments or otherwise. Also, there are no unrecognized commitments with joint ventures and associates at 31 December 2021 and 2020 that could give rise to future cash or other resource outflows, such as: contributions of funds or resources, loan or financial support commitments, commitments to acquire an interest in the associate or joint venture from another party.

The Group pledged 71,080,751 (2020 36,724,303) shares of Grupo de Inversiones Suramericana S.A. as collateral for financial liabilities. During 2021, the Group increased by 34,356,448 the number of shares pledged as collateral for financial liabilities (Note 7.4 Collaterals).

18.7 Analysis of objective evidence of impairment

The Group assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is objective evidence of impairment of assets. If such evidence exists, the Group tests the assets for impairment.

Impairment tests are performed through a combination of different valuation techniques, mainly under the Discounted Free Cash Flow (DFCF) methodology, sum of parts and discounted cash flows to the shareholder to find its value. These valuations take as a reference a baseline of results such as the budget and financial projections approved by the management of each business. Likewise, the discount rate used is the WACC (Weighted Average Cost of Capital) or the Cost of Equity (Ke) of each one.

The following is a description of management's judgments regarding objective evidence of impairment for the Group's most representative investments in associates and joint ventures accounted for using the equity method:

For the associate Grupo de Inversiones Suramericana S.A., although during 2021 the impacts of the pandemic continued affecting the insurance business, other lines of businesses of the Group presented an important recovery, evident in a better operating result at consolidated level. Thanks to the active and permanent management of the companies, in addition to the adequate implementation of strategies for the continuity of the business and good commercial dynamics, the sustainability and growth of the operations has been ensured, which is endorsed by the impairment assessments performed at the end of December 2021, where no impairment was recorded on the investment.

For the joint venture Corporación Quiport S.A., and after a period of low dynamism in the airport industry due to the known situation of COVID-19, a positive recovery in traffic and airport activity around the world has been seen in recent months, which allows to foresee a better outlook for the asset and the sector.

The Group, through its subsidiary Odinsa S.A., performed impairment assessments as of 31 December 2021 on this investment, showing no impairment. The assessment considered, among others, the evolution of passenger traffic, the optimizations in Opex and Capex of the asset because of the previous situation that led to generating savings in the operation of the asset, the cash position and capacity of the asset to meet its financial obligations without resorting to any type of refinancing structures or deferral of installments. As of December 2021, the Airport has been meeting and even exceeding its main financial metrics against the budget forecast for 2021, showing that, if nothing extraordinary happens in the global sanitation setting, the airport sector is once again on a growth path, thanks to the lifting of mobility restrictions.

For the associate Concesión La Pintada S.A.S. impairment assessment was performed as of 31 December 2021, showing no impairment. For the impairment assessment, a baseline of results such as the budget and financial projections approved by Management were taken as a reference. For this assessment, the most recent information on traffic, discount rates and other variables that could have an impact on dividends were considered.

Accordingly, the Group's investments in associates and significant joint ventures were not impaired as of 31 December 2021, because, although the current contingency situation brings challenges in the short term for operations in financial terms, in line with the assessments performed, the ability of the companies to do business and maintain their market share positions in their operating markets has not been affected, which allows to still have expectations of growth and profit generation in the long term. Some non-significant associates and joint ventures of the Group were impaired due to the impossibility of recovering their investment as of 31 December 2021 and their comparison with December 2020:

Aerotocumen S.A. en liquidación: company in liquidation, and due to the low probability of recoverability of its investment, an impairment was recorded in 2021 for $509 (2020 $3,188).

Promotora de Proyectos S.A.: the assessment of this investment shows as highly probable that the profitability of the funds managed by this company will be below expectations, thus generating an impairment in 2020 for $1,165.

18.8 Reciprocal interests

During their operations, Grupo Sura S.A. and Grupo Nutresa S.A. have in turn equity interests in Grupo Argos S.A. This equity interest is permitted by Colombian law since the shareholders are not subordinate companies of Grupo Argos S.A. Grupo Sura S.A.'s interest in Grupo Argos S.A. as of December 31 is as follows:

	% Voting interest of the investment in Grupo Argos		% Interest with economic right of the investment in Grupo Argos	
	2021	2020	2021	2020
Grupo Sura S.A.	35.63%	35.53%	26.95%	26.75%

Grupo Argos S.A. and its associate Grupo Sura S.A. record their crossholdings by the equity method, as described in note to the financial statements 2.4.9 investment in associates and joint arrangements. When calculating this method, both the associated company and Grupo Argos S.A. do so simultaneously and without considering the effect of the reciprocal interests, i.e., without affecting the results between them.

Likewise, Grupo Argos S.A. owns 9.88% (2020 9.83%) of the common shares of Grupo Nutresa S.A. (Note 11 Other financial assets) and Grupo Nutresa S.A. owns 12.51% (2020 12.37%) of the common shares. (Note 11 Other financial assets) and Grupo Nutresa S.A. owns 12.51% (2020 12.37%) of the common shares and 9.47% (2020 9.31%) of the common and preferred shares of Grupo Argos S.A., in both cases these interests are recognized as a financial instrument and measured at fair value with changes in Other Comprehensive Income - OCI, as described in the note to the financial statements 2.4.3 Financial assets.

NOTE 19: **SUBSIDIARIES**

19.1 Composition of Grupo Argos

At 31 December Grupo Argos S.A. consolidates the following companies:

				Effective shareholding (*)	
Name of the subsidiary	Main activity	Country	Functional currency	2021	2020
Industrias Metalúrgicas Apolo S.A. liquidated	Metallurgy	Colombia	Colombian Peso	0.00%	89.54%
Patrimonio Autónomo Ganadería Rio Grande	Livestock Business	Colombia	Colombian Peso	13.39%	13.39%
Sator S.A.S. (1)	Coal mining	Colombia	Colombian Peso	98.77%	98.75%
Summa - Servicios Corporativos Integrales S.A.S. (1)	Any lawful activity	Colombia	Colombian Peso	77.81%	77.70%
Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.	Concessions	Colombia	Colombian Peso	64.96%	64.96%

				Effective shareholding (*)	
Name of the subsidiary	**Main activity**	**Country**	**Functional currency**	**2021**	**2020**
Cementos Argos S.A. (1)	Cements and related products	Colombia	Colombian Peso	58.51%	58.07%
American Cement Terminals LLC. (1)	Investments	United States	US Dollar	58.51%	58.07%
American Cement Terminals Trust (BVI) (1)	Investments	British Virgin Islands	US Dollar	58.51%	58.07%
Argos (Dominica) Ltd. (1)	Cement distribution	Dominica	East Caribbean Dollar	58.51%	58.07%
Argos Dominicana S.A. (1)	Cement production and marketing	Dominican Republic	Dominican Peso	47.15%	46.80%
Argos Guatemala S.A. (1)	Cement production and marketing	Guatemala	Quetzal	58.51%	58.07%
Argos Guyane S.A.S. (1)	Cement production and marketing	French Guiana	Euro	58.51%	58.07%
Argos Honduras S.A. de C.V. (1)	Cement production and marketing	Honduras	Lempira	31.18%	30.94%
Argos North America Corp. (1)	Investments	United States	US Dollar	58.89%	58.46%
Argos Panamá, S.A. (1)	Cement and concrete industry and marketing	Panama	US Dollar	48.77%	45.55%
Argos Ports (Wilmington) LLC. (1)	Distribution and sale of cement	United States	US Dollar	58.51%	58.07%
Argos Puerto Rico Corp. (1)	Distribution and sale of cement	Puerto Rico	US Dollar	35.11%	34.84%
Argos SEM LLC (1)	Investments	United States	US Dollar	58.51%	58.07%
Argos St. Maarten N.V. (1)	Cement distribution	St. Maarten	US Dollar	58.51%	58.07%
Argos Trading Puerto Rico LLC (1)	Export	Puerto Rico	US Dollar	35.11%	34.84%
Argos USA LLC. (1)	Cement and concrete industry	United States	US Dollar	58.89%	58.46%
Argos USVI Corp. (1)	Cement distribution	United States Virgin Islands	US Dollar	58.51%	58.07%
Cementos Argos Company Limited (1)	Cement distribution	Antigua	East Caribbean Dollar	58.51%	58.07%
Cement and Mining Engineering Inc. (1)	Investment	Panama	US Dollar	58.51%	58.07%
Cementos de Caldas S.A. (1)	Cement production	Colombia	Colombian Peso	58.30%	57.86%
CI del Mar Caribe (BVI) Inc. (1)	Marketing	British Virgin Islands	US Dollar	58.52%	58.08%
Cimenterie Nationale S.E.M. (CINA) (1)	Cement industry and marketing	Haiti	Gourde	38.03%	37.75%
Colcaribe Holdings S.A. (1)	Investments	Panama	US Dollar	58.51%	58.07%
Comercial Arvenco C.A. (1)	Marketing	Venezuela	Venezuelan sovereign Bolivar	58.51%	58.07%

Name of the subsidiary	Main activity	Country	Functional currency	Effective shareholding (*) 2021	Effective shareholding (*) 2020
Concreto S.A. (1)	Manufacture of ready-mix concrete	Panama	US Dollar	48.77%	45.55%
Concretos Argos S.A.S. (1)	Concrete production and marketing	Colombia	Colombian Peso	58.74%	58.30%
Concretos Argos Dominicanos, S.R.L. (1)	Concrete Industry and Marketing	Dominican Republic	Dominican Peso	47.26%	46.91%
Corporaciones e Inversiones del Mar Caribe S.A.S. (1)	Investments	Colombia	Colombian Peso	58.51%	58.07%
Haití Cement Holding S.A. (1)	Investments	Panama	US Dollar	58.51%	58.07%
Inmuebles Miraflores S.A. (1)	Real Estate management	Panama	US Dollar	58.51%	58.07%
Logística de Transporte S.A. (1)	Transport	Colombia	Colombian Peso	58.51%	58.07%
Southern Star Leasing, LLC (1)	Concrete industry	United States	US Dollar	58.89%	58.46%
Supply Link LLC (1)	Product unloading at port	United States	US Dollar	58.89%	58.46%
Surcol Houdstermaatschapij NV (1)	Investments	Suriname	US Dollar	29.26%	29.04%
Terminal Granelera Bahía Las Minas S.A. (1)	Seaport operation	Panama	US Dollar	48.77%	45.55%
Transatlantic Cement Carriers Inc. (1)	Sea transport	Panama	US Dollar	58.51%	58.07%
Valle Cement Investments Inc. (formerly Valle Cement Investments Ltd.) (1)	Sea transport	Panama	US Dollar	61.91%	61.50%
Venezuela Ports Company S.A. (1)	Investments	Panama	US Dollar	58.51%	58.07%
Vensur N.V. (1)	Cement production and marketing	Suriname	US Dollar	24.63%	24.45%
Zona Franca Argos S.A.S. (1)	Cement industry	Colombia	Colombian Peso	58.51%	58.07%
Celsia S.A.	Investments	Colombia	Colombian Peso	52.93%	52.93%
Alternegy S.A.	Energy	Panama	US Dollar	52.93%	52.93%
Bahía Las Minas Corp.	Energy	Panama	US Dollar	27.12%	27.12%
Bontex S.A.	Energy	Panama	US Dollar	52.93%	52.93%
Celsia Centroamérica S.A.	Services	Panama	US Dollar	52.93%	52.93%
Celsia Colombia Inversiones S.A.S.	Services	Colombia	Colombian Peso	34.46%	34.46%
Celsia Colombia S.A. E.S.P.	Energy	Colombia	Colombian Peso	34.46%	34.46%
Celsia Costa Rica S.A.	Commercial and industrial	Costa Rica	US Dollar	52.93%	52.93%
Celsia Honduras S.A. de C.V.	Energy	Honduras	US Dollar	31.76%	31.76%
Celsia Move S.A.S.	Transport	Colombia	Colombian Peso	0.00%	34.46%
Celsolar S.A.	Energy	Panama	US Dollar	52.93%	52.93%

Name of the subsidiary	Main activity	Country	Functional currency	Effective shareholding (*) 2021	2020
Colener S.A.S.	Energy	Colombia	Colombian Peso	52.93%	52.93%
Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA	Energy	Colombia	Colombian Peso	33.96%	33.96%
Divisa Solar 10MW, S.A.	Energy	Panama	US Dollar	52.93%	52.93%
Enerbit S.A.S. E.S.P.	Business management and energy	Colombia	Colombian Peso	34.46%	0.00%
Enerwinds de Costa Rica S.A.	Energy	Costa Rica	US Dollar	32.34%	32.34%
LandCO La Gloria S.A.	Commercial and industrial	Costa Rica	US Dollar	52.93%	52.93%
Planta Eólica Guanacaste S.A. (PEG)	Energy	Costa Rica	US Dollar	52.93%	52.93%
Porvenir II S.A.S E.S.P. (2)	Energy	Colombia	Colombian Peso	52.93%	52.93%
Termoeléctrica El Tesorito S.A.S. E.S.P.	Energy	Colombia	Colombian Peso	0.00%	19.82%
Odinsa S.A.	Infrastructure and concession	Colombia	Colombian Peso	99.88%	99.88%
Autopistas de los Llanos S.A. en Liquidación	Road concession	Colombia	Colombian Peso	68.38%	68.38%
Autopistas del Café S.A.	Road concession	Colombia	Colombian Peso	59.60%	59.60%
Autopistas del Nordeste Cayman LTD	Investment	Cayman Islands	US Dollar	67.42%	67.42%
Autopistas del Nordeste S.A.	Road concession	Dominican Republic	US Dollar	67.42%	67.42%
Autopistas del Oeste S.A.	Road concession	Dominican Republic	Dominican Pesos	79.82%	79.82%
Boulevard Turístico del Atlántico S.A.	Road concession	Dominican Republic	US Dollar	67.42%	67.42%
Caribbean Infraestructure Company N.V.	Road concession	Aruba	US Dollar	99.88%	99.88%
Chamba Blou N.V.	Road concession	Aruba	US Dollar	99.88%	99.88%
Concesión Túnel Aburrá Oriente S.A.	Road concession	Colombia	Colombian Peso	52.56%	52.56%
Concesión Vial de los Llanos S.A.S.	Road concession	Colombia	Colombian Peso	50.94%	50.94%
Consorcio App Llanos	Road construction	Colombia	Colombian Peso	50.94%	50.94%
Consorcio Grupo Constructor Autopistas del Café S.A.	Road construction	Colombia	Colombian Peso	59.60%	59.60%
Constructora Bogotá Fase III – Confase S.A.	Road construction	Colombia	Colombian Peso	50.94%	50.94%
JV Proyecto ADN, S.R.L.	Road construction	Dominican Republic	Dominican Peso	67.42%	67.42%
JV Proyecto BTA, S.R.L.	Road construction	Dominican Republic	Dominican Peso	67.42%	67.42%
Marjoram Riverside Company S.A.	Investment	British Virgin Islands	US Dollar	99.88%	99.88%
Odinsa Holding. Inc.	Investment	British Virgin Islands	US Dollar	99.88%	99.88%
Odinsa Proyectos e Inversiones S.A.	Road concession	Colombia	Colombian Peso	99.55%	99.55%

				Effective shareholding (*)	
Name of the subsidiary	**Main activity**	**Country**	**Functional currency**	**2021**	**2020**
Odinsa Servicios S.A.S.	Road Signaling Services	Colombia	Colombian Peso	99.88%	99.88%
Odinsa Vías S.A.S.	Engineering and architectural services	Colombia	Colombian Peso	99.88%	0.00%
Quadrat Group Inc.	Investment	British Virgin Islands	US Dollar	99.88%	99.88%

(*) For the subsidiary Cementos Argos S.A. the percentage of economic right participation as of December 2021 and 2020 of 49.64% and 49.14%, respectively, is different from the percentage with voting rights of 58.51% and 58.07%, respectively. The foregoing considering that such subsidiary has shares with preferential dividend but without voting rights.

(1) The change in the ownership interest of these investments is due to the fact that Grupo Argos received dividends in shares of Cementos Argos S.A. in April 2021 (See 19.3.1 Contributions, contribution refunds and/or changes in the ownership interest in a subsidiary that do not result in a gain or loss of control).

(2) Porvenir II S.A.S E.S.P. is a simplified joint stock company, a public utility company whose main corporate purpose is the generation and commercialization of electric energy according to Laws 142 and 143 of 1994. Its registered office is in Medellín and its term is indefinite.

The company is the holder of the environmental license for the development of the Porvenir II hydroelectric project, granted by Resolution 0168 of 13 February 2015 and confirmed by Resolution 0726 of 19 June of the same year.

Within the process of simple nullity processed under file No. 2016-0149 against the environmental license of the Porvenir II project, on 24 May 2019 the Council of State notified an order by which it provisionally suspended said license, considering that the development of the Project under the conditions endorsed by the ANLA could disregard some precepts of Law 1448 of 2011. The company and the ANLA, the authority that issued the environmental license, filed an appeal against the order. Unless the Council of State revokes the provisional suspension or rules definitively in the process denying the nullity, the Project's environmental license will remain suspended.

Currently, the environmental license is still suspended by the Council of State and the company continues to execute all existing legal mechanisms to enable the license and continue with the process of finding a partner to take the lead and develop the project. Hydroelectricity continues to be very important for the development of the country, given its efficiency and our hydrographic wealth, and thus complements the strategy of increasing the participation of non-conventional renewable energies in the generation matrix.

The following are the direct subsidiaries of Grupo Argos S.A. included in the Group's consolidated financial statements:

Cementos Argos S.A.: a commercial company incorporated under Colombian law on 14 August 1944. The company's corporate purpose is the exploitation of the cement industry, the production of concrete mixtures and other materials or articles based on cement, lime or clay; the acquisition and sale of minerals or mineral deposits that can be used in the cement industry and its similar industries, of rights to explore and exploit minerals of the aforementioned, whether by concession, privilege, lease or any other title; the provision of port services; acting as a contractor, builder, consultant, controller, designer or planner of civil works or other types, before any public or private entity. The main domicile is in Colombia and its term expires on 14 August 2060.

This company consolidates with: American Cement Terminals LLC, American Cement Terminals Trust (BVI), Argos Dominicana S.A. (this company consolidates with Concretos Argos Dominicanos S.L.R.), Argos Guatemala S.A., Argos Guyane S.A.S., Argos Honduras S.A. de C.V., Argos North America Corp. (this corporation consolidates with Argos USA LLC, Southern Star Leasing LLC, Supply Link LLC), Argos Panama S.A. (this company consolidates with Concreto S.A. and Terminal Granelera Bahía Las Minas S.A.), Argos Ports (Wilmington) LLC, Argos Puerto Rico Corp., Argos SEM, LLC. , Argos Trading Puerto Rico LLC, Cement and Mining Engineering Inc, Cementos de Caldas S.A., CI del Mar Caribe (BVI) Inc., Colcaribe Holdings S.A., Comercial Arvenco C.A., Concretos Argos S.A.S., Corporaciones e Inversiones del Mar Caribe S.A.S. (this company consolidates with Argos USVI Corp., Argos (Dominica) Ltd., Argos Saint Maarten N.V. and Cementos Argos Company Limited), Haití Cement Holdings S.A. (this company consolidates with Cimenterie Nationale S.E.M. - CINA), Inmuebles Miraflores S.A., Logística de Transporte S.A., Surcol Houdstermaatschappij N.V. (this company consolidates with Vensur N.V.), Transatlantic Cement Carriers Inc., Valle Cement Investments Inc. (formerly Valle Cement Investments Ltd.), Venezuela Ports Company S.A. and Zona Franca Argos S.A.S.

Celsia S.A.: incorporated under the laws of Colombia on 4 October 2001, its principal place of business is in Colombia. At the ordinary meeting of Celsia S.A.'s Shareholders' Meeting held on 27 March 2019, a statutory reform was approved which included, among other things, the change of the company name by virtue of which it ceased to be a public home utility company and the modification of the corporate purpose as a result of the business reorganization carried out through the sale of certain electricity generation assets, and the commercial representation, sale of capacity and electricity from a thermal asset to Celsia Colombia S. A. E.S.P. This amendment to the bylaws was notarized through Public Deed No. 2795 dated 11 September 2019 of the Notary 7 of the Circle of Medellín, registered at the Medellín Chamber of Commerce for Antioquia on 13 September 2019. The above taking into consideration that the registration of the statutory reform before said entity was conditioned to the company's effective withdrawal as Market Agent, which took place at the beginning of September.

As a consequence of the above, the main purpose of the company now consists of the administration, supervision or increase of its assets through the encouragement and promotion of industrial or commercial activities, especially through investment in companies or other legal entities, or participation in other types of corporate structures, related to the energy industry, public utilities and their related or complementary activities, or through entities, organizations, funds or any other legal figure, either by participating as a founding member in its constitution, making subsequent capital contributions or acquiring capital participations. Likewise, it may invest in all types of movable and immovable property, fixed and variable income papers or documents; or any type of securities, whether they are registered on the public securities market. It may also provide advice on economic, administrative, and financial matters to all types of companies. Its legal term is until 4 April 2069.

This company consolidates with Bahía Las Minas Corp., Celsia Centroamérica S.A. (this company consolidates with Alternegy S.A., Bontex S.A., Celsia Costa Rica S.A., Celsia Honduras S.A. de C.V., Celsolar S.A., Divisa Solar 10MW, S.A. and Enerwinds de Costa Rica S.A. (this company consolidates with LandCO La Gloria S.A. and Planta Eólica Guanacaste S.A. (PEG))), Colener S.A.S. which consolidates with Celsia Colombia S.A. E.S.P., (this company consolidates with Celsia Colombia Inversiones S.A.S., Celsia Move S.A.S. (this company was sold in November 2021), Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA, Enerbit S.A.S. E.S.P. and Termoeléctrica El Tesorito S.A.S. E.S.P. (in December 2021, this company became an associate by amendment to its bylaws) and Porvenir II S.A.S. E.S.P.

Celsolar S.A. was incorporated with the purpose of being an investment vehicle for new non-conventional energy projects.

Odinsa S.A.: incorporated under the Colombian law on 16 July 1992. Its main corporate purpose is the study, implementation, financing, and exploitation of all activities and works of engineering and architecture in all its forms, modes, and specialties, inside or outside the country. Its main domicile is in Colombia and its term expires on 31 December 2100.

This company consolidates with Autopistas de los Llanos S.A. en liquidación, Autopistas del Café S.A., Autopistas del Nordeste Cayman LTD., Autopistas del Nordeste S.A., Autopistas del Oeste S.A., Boulevard Turístico del Atlántico S.A., Caribbean Infrastructure Company N.V., Concesión Túnel Aburrá Oriente S.A., Concesión Vial de los Llanos S.A.S., Consorcio Grupo Constructor Autopistas del Café S.A., Consorcio APP Llanos, Constructora Bogotá Fase III - Confase S.A., JV Proyecto ADN, S.R.L., JV Proyecto BTA, S.R.L., Marjoram Riverside Company S.A, N.V. Chamba Blou, Odinsa Holding Inc., Odinsa Proyectos e Inversiones S.A., Odinsa Servicios S.A.S., Quadrat Group Inc., and Odinsa Vías S.A.S.

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.: the company has as its sole corporate purpose the subscription and execution of the concession contract subject to public bidding 5000091 OL of 2005, the object of which is the granting of a concession for the concessionaire to carry out, on its own account and at its own risk, among others, the administration, operation, commercial exploitation, maintenance and modernization and expansion of the El Dorado International Airport in the city of Bogotá D.C.

The investment in Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. recognized in the separate financial statements of Grupo Argos S.A. includes the adjustments of the purchase price allocation process for the acquisition of control of this company, considered for application of the equity method and subsequent consolidation purposes. As of 31 December 2021, the equity of Opain S.A. with these adjustments presented a negative value, for this, after application of the equity method in the separate financial statements of Grupo Argos this investment was brought to zero, considering that this does not imply a legal obligation for Grupo Argos S.A., and it is also expected the situation will revert due to the recovery of the business and the airport industry, which among other considerations confirms the going concern assumption established in Law 2069 of 31 December 2020 and that serves as the basis for the preparation of the current financial statements of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Sator S.A.S.: incorporated under Colombian law on 28 October 1981, its main domicile is in Medellin and its term is indefinite; its corporate purpose is to perform the prospecting, exploration, exploitation, production, benefit, transformation, acquisition, disposal, marketing and transportation of coal and any other mineral substance associated with coal, import, export, marketing and supply of raw materials, inputs, equipment and machinery required for mining coal and other minerals.

Valle Cement Investments Inc. (formerly Valle Cement Investments Ltd.): incorporated on 18 December 1998. Its corporate purpose is to make investments of any kind. At present it invests in shares, quotas or interest shares and other types of securities. The term of the company is indefinite. Control of this company is held through Cementos Argos S.A.

By means of a private document dated 17 March 2021, Book 9, Number 9358 of 29 March 2021, the company changes its name from Valle Cement Investments Ltd. to Valle Cement Investments Inc. and its domicile changes from British Virgin Islands to Panama.

Concretos Argos S.A.S.: incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transport, benefit, integral use, marketing, and sale of stone minerals such as: sand, cement, gravel, premixed concrete and prefabricated concrete elements, concrete blocks and any other material and elements of its own, accessories and complementary used in the construction industry. Its domicile is in Colombia and the term is indefinite. Control of this company is held through Cementos Argos S.A.

Summa - Servicios Corporativos Integrales S.A.S.: incorporated on 7 December 2016. Its corporate purpose is to provide specialized business services in Colombia and abroad to companies linked to Grupo Argos or to third parties, in any area that can create value for its clients; to provide consulting or auditing services in any of the businesses of the companies that make up Grupo Argos or to third parties; to carry out all acts that are intended to exercise the rights and fulfil the obligations, legally or conventionally, derived from the existence and activities of the Company and to perform any other legal economic activity both in Colombia and abroad. Its domicile is in Colombia.

Patrimonio Autónomo Ganadería Río Grande: incorporated on 14 August 2017. Includes all activities related to the operation and management of the business of breeding and marketing of livestock, biotechnology, and maintenance of the farms where the livestock are located. Through the execution of a participation account contract, in which the assets associated with the livestock business were contributed, Fundación Grupo Argos as Managing participant, manages and operates on its own behalf the assets related to this business.

Subsidiaries with special corporate characteristics:

Industrias Metalúrgicas Apolo S.A. liquidated: incorporated on 6 March 1958. Since the closing of the 2001 accounting year, the company suspended the development of its corporate purpose. Its corporate purpose focused on the fulfillment of its obligations under the agreement and administration expenses. Its main domicile was Colombia. On 28 October 2020, an Extraordinary Shareholders' Meeting was held at which an amendment to increase its capital was approved, as well as a capitalization of receivables and the final liquidation account. On 3 February 2021 its corporate commercial registry was cancelled, liquidating the investment.

19.2 Principal subsidiaries with significant non-controlling interests

The following table shows summarized financial information as of December 2021 and 2020, for the main subsidiaries that the Group have significant non-controlling interests, this information is prepared in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF, for its Spanish initials), which are based on International Financial Reporting Standards (IFRS), and is restated, when appropriate, by adjustments related to the homologation of accounting policies. The values below are presented before write-offs between Group companies:

	Celsia S.A.		Cementos Argos S.A.		Odinsa S.A.	
	2021	2020	2021	2020	2021	2020
Main Address	Colombia		Colombia		Colombia	
Revenue	4,110,735	3,536,007	9,859,929	9,002,090	820,877	628,336
Income from continuing operations	544,566	338,919	518,322	140,957	(113,677)	(60,334)
Other comprehensive income	264,142	57,613	1,389,876	113,650	287,018	56,450
Total comprehensive income	808,708	396,532	1,908,198	254,607	173,341	(3,884)
Current assets	1,334,948	1,426,594	2,990,320	2,662,601	2,519,825	1,547,724
Non-current assets	11,348,192	10,384,078	16,598,998	15,924,016	3,435,741	5,298,944
Current liabilities	1,672,281	2,055,711	3,484,672	2,665,159	1,388,069	1,134,096
Non-current liabilities	4,687,287	4,014,293	5,885,430	7,200,528	2,385,671	3,328,602
Net Assets	6,323,572	5,740,668	10,219,216	8,720,930	2,181,826	2,383,970
Attributable to non-controlling interests:						
Continuing operations	210,019	89,572	92,723	62,528	(45,628)	54,127
Total comprehensive income	188,140	83,595	213,358	116,942	20,898	73,903
Net Assets	1,475,559	1,192,343	956,999	874,763	539,817	860,023
Dividends paid to Grupo Argos S.A. (1)	173,873	136,776	211,708	152,398	-	74,954
Dividends paid to non-controlling interests (2)	237,055	201,817	298,447	214,592	265,474	82,343

(1) Dividends paid to Grupo Argos S.A. by Cementos Argos S.A. include dividends paid in shares for $85,337 and cash dividends for $126,371 for December 2021.

(2) Dividends paid to non-controlling interests by Cementos Argos S.A. include dividends paid in shares for $14,901 and cash dividends for $283,546 for December 2021. Likewise, dividends paid to non-controlling interests by Odinsa S.A. include dividends paid with Treasury bonds of the Government of the Dominican Republic for $205,983 and cash dividends for $59,491 for December 2021.

19.3 Contributions, contribution refunds and/or changes in the ownership interest of a subsidiary

19.3.1 Contributions, contribution refunds and/or changes in ownership interest in a subsidiary that do not result in a gain or loss of control

Cementos Argos S.A.: in April 2021, the Group received dividends in shares for $85,337 corresponding to 16,010,723 shares, leaving it with an effective voting percentage of 58.51% over Cementos Argos S.A.

Concesión Túnel Aburrá Oriente S.A.: in May 2021 the precedent conditions established in the purchase and sale agreement were fulfilled, with which Odinsa S.A. increased its interests of economic rights in 10.13%, reaching 52.62% interest over the entity. With this transaction, the Group now has an effective economic interest of 52.56%.

Argos Panamá S.A.: in September 2021, Cementos Argos S.A. repurchased shares of Argos Panamá S.A. from Provicem S.A. equivalent to 4.75% interest in this entity. Through this contract 71,877 shares were acquired, resulting in a total purchase payment of USD $26,148,260 (COP $98,683). With this transaction the Group now has an effective interest of 48.77%.

The following changes occurred during 2020:
Cementos Argos S.A.: in March 2020, the Group acquired 1,039,826 shares for $4,581, leaving it with an effective interest of 58.07% in Cementos Argos S.A.

Concesión Túnel Aburrá Oriente S.A.: in May 2020 the precedent conditions established in the purchase and sale agreement were fulfilled, with which Odinsa S.A. increased its interests of economic rights in 3.03% reaching 42.49% interest over the entity. With this transaction, the Group now has an effective economic interest of 42.44%.

Agregados Argos S.A.S.: in September 2020 Cementos Argos S.A. acquired 3,024,000,000 shares for a value of $2,512 increasing its participation in 48.00%. With this transaction the Group now has an effective interest of 58.07% in Agregados Argos S.A.S. (See 19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption).

Industrias Metalúrgicas Apolo S.A. liquidated: in October 2020, an Extraordinary Shareholders' Meeting was held at which a reform was approved to increase its capital, as well as a capitalization of its receivables. As a result of the capitalization, the Group's shareholding rose to 89.54%. Likewise, the Assembly approved the final liquidation account of the company.

Odinsa S.A.: in October 2020 Grupo Argos acquired 140 ordinary shares of Odinsa S.A. for $1.

Celsia Honduras S.A. de C.V.: with the objective of supporting the investments made in photovoltaic projects in Honduras, Celsia S.A. sold 40% of its interest held in the subsidiary Celsia Honduras S.A. de C.V., equivalent to 40 shares for $3,149. With this operation the Group now has an effective interest of 31.76% in this company.

Celsia Tolima S.A. E.S.P.: Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., acquired in 2020 a 0.06% interest to complete the holding of 100% of the shares of Celsia Tolima S.A. E.S.P. for $16, with which Celsia S.A. goes from an effective participation of 65.05% to 65.11%. With this transaction the Group now has an effective shareholding of 34.46% (See 19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption).

19.3.2 Contributions, contribution refunds and/or changes in the bylaws or in the ownership interest in a subsidiary resulting in loss of control

Industrias Metalúrgicas Apolo S.A. liquidated: in February 2021, Act 078 of the General Shareholders' Meeting of the subsidiary Industrias Metalúrgicas Apolo S.A., at the time in liquidation process, was registered in the Chamber of Commerce, whereby the final liquidation account was approved, and its liquidation process was completed in accordance with the regulations in force.

Celsia Move S.A.S.: in November 2021, 10,000 shares of this company were sold. The sale price was $5,836 (Note 33 Revenue) and the cost was $6,874 (Note 34 cost of ordinary activities), presenting a gross loss of $1,038, and generating taxes for $582. With this sale, control over this subsidiary was lost.

Termoeléctrica El Tesorito S.A.S. E.S.P.: in December 2021, an amendment was made to the bylaws of the company Termoeléctrica El Tesorito S.A.S. E.S.P., to modify the decision-making regime of the company's board of directors. With this reform the company is now classified as an associate. There was no consideration for this modification.

The following changes occurred during 2020:

Fundiciones Colombia S.A. liquidated: in August 2020 the company's commercial registration was cancelled, liquidating the investment.

Wetvan Overseas Ltd.: in September 2020 this subsidiary was liquidated.

Vientos de la Gloria S.A., Vientos de Limonal S.A. y Vientos de Mogote S.A.: these companies were liquidated, a process initiated in November 2019. This transaction has no impact on the consolidated financial statements.

19.3.3 Acquisition or incorporation of subsidiaries

Odinsa Vías S.A.S.: in September 2021, the company Odinsa Vías S.A.S. was incorporated as part of the strategic vision of Odinsa S.A. to consolidate, together with other players in the sector, as one of the most important road platforms in the region, which will seek new opportunities for value creation in this market through the development of new projects in Colombia, as a first stage. The effective interest of the Group in this company is 99.88%.

Enerbit S.A.S. E.S.P.: in December 2021, the company Enerbit S.A.S. E.S.P. was incorporated, whose activity is the performance of any commercial activity permitted by the law of the Republic of Colombia and the provision of public energy services. The effective interest of the Group in this company is 34.46%.

The following change occurred during 2020:

Argos Guatemala S.A.: in June 2020, Cementos Argos S.A., through its subsidiaries Argos SEM LLC and Colcaribe Holdings S.A., acquires 100% interest in the company Argos Guatemala S.A., equivalent to 2 shares for $96,724 pesos (200 quetzales). The value was paid in cash on the date of purchase. The acquired subsidiary is not a business in accordance with the requirements of IFRS 3; therefore, no goodwill was recognized. Its main activity is the import and commercialization of cement. The Group's effective interest is 58.07%.

19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption

During 2021 no changes in the ownership interest in a subsidiary due to a merger by absorption process occurred.

The following changes occurred during 2020:

In December 2020, the statutory reform of the merger between Celsia Colombia S.A. E.S.P. (absorbing company), Celsia Tolima S.A. E.S.P. and Begonia Power S.A.S. (absorbed companies) was solemnized through Public Deed 3,046 in the Seventh Notary of Medellín, said merger had been previously authorized by Resolution notified by the Superintendence of Companies on 15 December 2020.

In December 2020 the merger between Celsia Centroamérica S.A. and CTC Curazao, S.A. was completed, surviving Celsia Centroamérica S.A.

In December 2020 the company Concretos Argos S.A.S. absorbed the company Agregados Argos S.A.S.

19.4 Significant restrictions

The Group has the following restriction on investments in subsidiaries:

Bonds issued by the subsidiary Autopistas del Nordeste (Cayman) for an original amount of USD 162 million used to finance the construction of the concessioned highway in the Dominican Republic, were backed with the shares of Autopistas del Nordeste (Cayman) Ltda. and imposed certain restrictions that limited the capacity of this subsidiary to incur additional debt, but through the agreement with the Government of the Dominican Republic for the early settlement of the concession contracts this guarantee disappears.

With the prior authorization of the board of directors, Odinsa S.A. constituted a security interest over 100% of its shares in the company Concesión Túnel Aburrá Oriente S.A. The security interest was granted in favor of the holders of the issue of ordinary bonds guaranteed for a total amount of $700,000 of the Fidubogotá / Concesión Túnel Aburrá Oriente S.A. trust fund, administered by Fiduciaria Bogotá S.A. in the second market, and to back the guaranteed obligations derived from such issuance.

NOTE 20: **BIOLOGICAL ASSETS**

The balance of biological assets at 31 December comprises:

2021	Plantations	Livestock and others	Total
Book value at 1 January	**20,404**	**38,951**	**59,355**
Increases for purchases or births	-	3,468	3,468
Decrease due to sales or deaths	(199)	(5,588)	(5,787)
Changes in fair value less selling costs	(252)	4,394	4,142
Carrying Cost as of 31 December	**19,953**	**41,225**	**61,178**
Current	-	4,312	4,312
Non-current	19,953	36,913	56,866
Total biological assets	**19,953**	**41,225**	**61,178**

2020	Plantations	Livestock and others	Total
Book value at 1 January	**20,638**	**36,963**	**57,601**
Increases for purchases or births	-	3,090	3,090
Decrease due to sales or deaths	-	(5,938)	(5,938)
Changes in fair value less selling costs	(234)	4,836	4,602
Carrying Cost as of 31 December	**20,404**	**38,951**	**59,355**
Current	-	5,634	5,634
Non-current	20,404	33,317	53,721
Total biological assets	**20,404**	**38,951**	**59,355**

The Group undertakes agricultural and livestock activities through Cementos Argos S.A. and P.A. Ganadería, respectively. The Group's biological assets are measured at fair value less estimated selling costs, considering significant observable inputs, level 2 for livestock and level 3 for plantations. Changes in the fair value of biological assets are presented in the statement of comprehensive income as income, cost or valuation expense, as appropriate.

The discounted cash flow model was used for the valuation of the plantations, considering that the future economic benefits associated with forestry are expected to be realized 3 or 4 times over time, as follows: at the time 2 or 3 thinnings are made, which depend on the age and diameter of the plantation, and at a final moment when the clear-felling is made. Fair value is determined by applying a discount rate to future net cash flows, using the Weighted Average Cost of Capital (WACC), estimated at 8.46% for 2021 (2020 8.78%). The sales price, volume, determined based on experience and forestry studies, and cost and expense estimates are significant unobservable inputs to the measurement.

The Group's biological assets are composed of plantations and livestock, as follows:

	2021	2020
Plantations (number of hectares sown)	1,158	1,172
Livestock (number of cattle)	6,338	6,405

The fair value of the livestock was estimated using the market approach, which in this case corresponds to the market price that is agreed according to an estimation of the weight, age and other conditions of the livestock that determine the price of the kilo of meat in the market.

As of 31 December 2021, the plantations include mainly teak, eucalyptus, pine, rubber, acacia and melina, distributed in the national territory in Boyacá, Riosucio (Caldas), Montebello (Antioquia), Rioclaro (Antioquia), Cartagena (Bolívar), Victoria (Caldas) and Puerto Nare (Antioquia). The livestock is made up of cattle and horses, and is mainly represented in Brahman, GYR and Guzera breeds, distributed in the national territory in Antioquia (Puerto Nare and Arboletes), Cordoba (Montelibano) and Sucre (San Onofre).

At 31 December 2021 and 2020, there were no restrictions on the ownership of the Group's biological assets or contractual commitments for their development or acquisition and they had not been pledged as security for the repayment of debts.

NOTE 21: **FINANCIAL OBLIGATIONS**

Financial obligations at 31 December comprise:

	2021	2020
Foreign currency liabilities (1)	3,691,334	4,344,950
Local currency liabilities (1)	2,959,431	2,775,108
Other obligations	12,974	875
Bank overdrafts (2)	3,199	6,554
Total financial obligations	**6,666,938**	**7,127,487**
Current	2,628,060	1,741,257
Non-current	4,038,878	5,386,230
Total financial obligations	**6,666,938**	**7,127,487**

(1) Financial obligations in local and foreign currency comprise both short and long-term loans taken by Group companies.

Below are the Group's main loans at their nominal value, expressed in the original currency, and their recorded values at 31 December:

			2021		2020	
Company	**Financial institution**	**Expiration**	**Nominal value (*)**	**Recorded value**	**Nominal value (*)**	**Recorded value**
Foreign banks						
Cementos Argos S.A.	Various (a)	2023	USD 300,000,000	1,192,891	-	-
Cementos Argos S.A.	Davivienda Intern.	2029	USD 80,000,000	320,817	USD 80,000,000	276,751
Odinsa S.A.	Davivienda Miami	2022	USD 50,000,000	200,229	USD 20,000,000	68,797
Odinsa S.A.	The Nova scotibank	2022	USD 50,000,000	199,305	-	-
Cementos Argos S.A.	Santander	2025	USD 50,000,000	197,312	-	-
Cementos Argos S.A.	Santander	2026	USD 50,000,000	197.222	-	-
Odinsa S.A.	Banco de Bogotá New York	2022	USD 36,200,000	145,237	USD 35,000,000	121,162
Cementos Argos S.A.	Scotiabank	2022	USD 32,000,000	127,449	-	-
Odinsa S.A.	Bladex S.A.	2029	USD 30,000,000	120,408	-	-
Cementos Argos S.A.	Banco General S.A.	2022	USD 30,000,000	119,684	-	-
Odinsa S.A.	Massachusetts Mutual Life Insurance Company	2033	USD 21,265,830	84,663	USD 25,225,753	86,587
Odinsa S.A.	Sun Life Assurance Company of Canada	2033	USD 17,841,284	71,029	USD 16,817,169	57,725
Cementos Argos S.A.	Sumitomo Mitsui	2022	USD 16,000,000	63,757	-	-
Odinsa S.A.	Banco de Bogotá New York	2023	USD 15,000,000	60,007	-	-
Celsia S.A.	Banco Davivienda Honduras S.A.	2022	USD 12,030,550	47,973	-	-
Odinsa S.A.	Bancolombia Panama	2022	USD 11,791,000	47,027	-	-
Cementos Argos S.A.	Banco Popular	2026	USD 7,800,000	31,273	-	-
Celsia S.A.	Banco de América Central Honduras S.A	2034	USD 6,716,078	27,613	-	-
Odinsa S.A.	AIB Bank N.V	2033	USD 6,796,732	27,059	USD 7,301,229	25,061
Celsia S.A.	Banco General S.A.	2022	USD 6,450,000	25,695	-	-
Celsia S.A.	Banco Davivienda Honduras S.A.	2033	USD 4,035,671	16,067	-	-
Celsia S.A.	Leasing Banistmo S.A.	2029	USD 3,930,660	15,649	-	-
Cementos Argos S.A.	Volvo	2022	USD 2,339,169	9,313	-	-
Celsia S.A.	Banco Financiera Comercial Hondureña, S.A.	2030	USD 2,138,039	8,512	-	-
Odinsa S.A.	Banco de Credito del Peru	2022	USD 1,820,000	7,293	-	-

			2021		2020	
Company	**Financial institution**	**Expiration**	**Nominal value (*)**	**Recorded value**	**Nominal value (*)**	**Recorded value**
Celsia S.A.	Banco Financiera Comercial Hondureña, S.A.	2036	USD 1,328,517	5,289	-	-
Celsia S.A.	Banco de América Central Honduras S.A.	2023	USD 738,766	2,974	USD 6,699,913	23,678
Celsia S.A.	Leasing Banistmo S.A.	2023	USD 470,334	1,916	USD 5,404,127	18,619
Celsia S.A.	Banco Financiera Comercial Hondureña, S.A.	2023	USD 175,169	697	USD 2,444,932	8,418
Cementos Argos S.A.	Varios (b)	2023	-	-	USD 530,000,000	1,810,816
Cementos Argos S.A.	Scotiabank	2021	-	-	USD 112,000,000	384,748
Celsia S.A.	The Bank of Nova Scotia	2021	-	-	USD 65,000,000	223,281
Odinsa S.A.	Santander España	2021	-	-	USD 54,300,000	186,615
Cementos Argos S.A.	Banco de Bogota NY (b)	2022	-	-	USD 40,000,000	137,504
Odinsa S.A.	Banco Santander España	2021	-	-	COP 117,480,000,000	119,505
Odinsa S.A.	Davivienda Miami	2029	-	-	USD 30,000,000	103,915
Odinsa S.A.	Bladex S.A	2022	-	-	USD 30,000,000	103,861
Cementos Argos S.A.	BCP	2021	-	-	USD 30,000,000	103,048
Cementos Argos S.A.	Banco de Bogotá Miami (b)	2022	-	-	USD 30,000,000	103,043
Odinsa S.A.	Europea Investment Bank (BEI) (c)	2024	-	-	USD 17,898,048	62,301
Odinsa S.A.	Inter American Development Bank (IDB) (c)	2024	-	-	USD 17,898,048	62,301
Odinsa S.A.	Banco de Desarrollo de America Latina (CAF) (c)	2024	-	-	USD 16,579,665	57,414
Odinsa S.A.	Banco de Bogotá New York	2021	-	-	USD 16,200,000	55,939
Odinsa S.A.	Santander Negocios Colombia	2021	-	-	USD 9,560,593	32,922
Odinsa S.A.	Proparco (c)	2024	-	-	USD 7,990,200	27,827
Cementos Argos S.A.	Banco de Bogotá Miami	2021	-	-	USD 8,000,000	27,464
Odinsa S.A.	Bancolombia Puerto Rico	2021	-	-	USD 7,090,549	24,353
Odinsa S.A.	Banco de Crédito del Perú	2021	-	-	USD 4,900,000	16,965
Celsia S.A.	Banco Davivienda Honduras S.A.	2023	-	-	USD 1,250,000	4,305
Odinsa S.A.	Banco BHD Leon	2021	-	-	USD 60,479	208
Domestic banks						
Grupo Argos S.A.	Bancolombia S.A. (d)	2026	COP 392,200,000,000	394,757	COP 392,200,000,000	392,317
Celsia S.A.	Bancolombia S.A.	2029	COP 280,000,000,000	280,882	-	-
Opain S.A.	Bancolombia S.A. (e)	2028	COP 279,144,653,795	276,144	COP 297,103,169,897	306,791
Celsia S.A.	Scotiabank Colpatria	2025	COP 265,000,000,000	268,939	-	-
Cementos Argos S.A.	Banco de Bogotá	2022	USD 60,000,000	239,007	-	-
Odinsa S.A.	Banco de Bogota	2026	COP 222,612,114,304	222,409	COP 239,612,114,304	238,264
Celsia S.A.	Banco de Bogotá S.A.	2023	COP 199,988,512,777	201,248	-	-
Cementos Argos S.A.	BBVA	2023	COP 160,000,000,000	160,961	COP 160,000,000,000	160,783
Celsia S.A.	Banco de Occidente S.A.	2028	COP 150,582,023,501	150,610	-	-
Celsia S.A.	Bancolombia S.A.	2030	COP 147,843,668,091	147,846	-	-
Cementos Argos S.A.	Bancolombia (f)	2024	COP 135,000,000,000	136,042	-	-
Cementos Argos S.A.	Bancolombia	2022	COP 110,000,000,000	110,311	-	-
Opain S.A.	Bancolombia S.A.	2025	COP 100,000,000,000	96,968	COP 100,000,000,000	96,551
Odinsa S.A.	Banco de Occidente	2022	COP 90,000,000,000	90,566	-	-
Odinsa S.A.	Banco Popular	2022	COP 90,156,821,918	90,506	-	-
Cementos Argos S.A.	Itaú	2022	COP 90,000,000,000	90,314	-	-
Odinsa S.A.	Banco Corpbanca- Itau	2022	COP 64,246,400,000	64,739	-	-
Odinsa S.A.	Banco de Bogota	2022	COP 60,000,000,000	60,130	-	-
Cementos Argos S.A.	Davivienda	2022	COP 40,000,000,000	40,143	-	-
Odinsa S.A.	Banco Davivienda	2022	COP 40,000,000,000	40,095	-	-
Cementos Argos S.A.	Banco de Bogota NY	2022	USD 10,000,000	39,843	-	-
Odinsa S.A.	Banco de Occidente	2022	USD 9,561,000	38,124	-	-

Company	Financial institution	Expiration	2021 Nominal value (*)	2021 Recorded value	2020 Nominal value (*)	2020 Recorded value
Celsia S.A.	Financiera de Desarrollo Territorial	2023	COP 9,731,563,831	9,732	COP 13,957,500,516	13,838
Celsia S.A.	Banco BBVA S.A.	2022	COP 7,298,798,453	7,299	-	-
Odinsa S.A.	Banco Av Villas	2022	COP 6,395,570,035	6,404	-	-
Celsia S.A.	Banco BBVA S.A.	2023	COP 5,270,225,144	5,284	-	-
Celsia S.A.	Financiera de Desarrollo Territorial	2024	COP 2,734,489,492	2,734	-	-
Celsia S.A.	Bancolombia S.A.	2022	COP 2,000,000,000	2,001	-	-
Celsia S.A.	Banco BBVA S.A.	2024	COP 1,121,254,979	1,143	-	-
Celsia S.A.	Banco de Bogotá S.A.	2022	COP 1,100,000,000	1,102	-	-
Celsia S.A.	Banco Popular S.A.	2023	COP 121,373,105	122	-	-
Odinsa S.A.	Bancolombia S.A. (g)	2021	-	-	COP 322,652,860,899	317,527
Odinsa S.A.	Banco de Bogotá (g)	2021	-	-	COP 165,148,422,296	162,528
Celsia S.A.	Banco de Occidente	2028	-	-	COP 160,148,567,434	160,164
Celsia S.A.	Bancolombia	2031	-	-	COP 154,980,317,125	155,237
Cementos Argos S.A.	Davivienda (b)	2023	-	-	COP 135,264,920,000	136,315
Celsia S.A.	Banco de Bogotá	2022	-	-	COP 111,550,409,941	112,790
Odinsa S.A.	Banco Davivienda (g)	2021	-	-	COP 89,521,075,349	88,095
Odinsa S.A.	Banco Popular (g)	2021	-	-	COP 79,594,268,858	79,017
Cementos Argos S.A.	Scotiabank - Colpatria	2021	-	-	USD 21,000,000	72,106
Odinsa S.A.	Banco de Occidente S.A. (g)	2021	-	-	COP 53,240,194,516	52,716
Grupo Argos S.A.	Banco de Bogotá (h)	2024	-	-	COP 52,500,000,000	52,554
Odinsa S.A.	Banco Corpbanca	2021	-	-	USD 15,000,000	51,747
Cementos Argos S.A.	Bancolombia	2021	-	-	COP 50,000,000,000	50,096
Grupo Argos S.A.	Banco Popular (h)	2024	-	-	COP 35,000,000,000	35,065
Celsia S.A.	Banco BBVA	2023	-	-	COP 28,559,801,032	28,770
Odinsa S.A.	Banco Av Villas	2021	-	-	COP 14,995,512,006	15,071
Cementos Argos S.A.	Banque Populaire	2021	-	-	EUR 1,500,000	6,260
Cementos Argos S.A.	GFCM Comercial Mexico - Sucursal Colombia	2021	-	-	COP 323,028,511	323
Total financial obligations				**6,650,765**		**7,120,058**

(*) Figures stated in Colombian pesos and US dollars.

	2021	2020
Total financial obligations in local currency	**2,959,431**	**2,775,108**
Current	661,228	477,860
Non-current	2,298,203	2,297,248
Total financial obligations in foreign currency	**3,691,334**	**4,344,950**
Current	1,950,739	1,256,036
Non-current	1,740,595	3,088,914

The recorded value of financial obligations in local and foreign currencies by expiration year is as follows:

Expiration	2021 Financial obligations in local currency	2021 Financial obligations in foreign currency	2021 Total
1 year or less	661,228	1,950,739	2,611,967
From 1 to 5 years	1,696,829	1,188,382	2,885,211
5 years or more	601,374	552,213	1,153,587
Total financial obligations	**2,959,431**	**3,691,334**	**6,650,765**

Expiration	2020 Financial obligations in local currency	 Financial obligations in foreign currency	 Total
1 year or less	477,859	1,256,036	1,733,895
From 1 to 5 years	1,985,082	2,594,776	4,579,858
5 years or more	312,167	494,138	806,305
Total financial obligations	**2,775,108**	**4,344,950**	**7,120,058**

Relevant information on the Group's financial obligations as of 31 December 2021 and 2020 is detailed below:

(a) Club Deal facility with the participation of a group of banks, whose managing agent is Sumitomo Mitsui Banking Corporation and Argos North America Corp. as debtor, guaranteed by Cementos Argos S.A. and Argos USA LLC. BNP Paribas Securities Corp., Natixis, New York Branch, Sumitomo Mitsui Banking Corporation and The Bank of Nova Scotia are participating in the loan. The initial amount of the loan was for USD 300 million, with a total term of 2 years. This arrangement has the following financial covenants:

- Net Debt/EBITDA ratio less than 4.00 times by December 2021.
- EBITDA/Finance expenses ratio greater than 2.5 times by December 2021.

(b) The syndicated loan, whose value as of December amounted to USD 530 million, was prepaid with resources generated in the divestment of concrete assets in the USA region in June, and with resources from the Club Deal loan (see previous paragraph) disbursed in August. This contract had the following financial covenants at the time of prepayment:

- Net Debt/EBITDA indicator less than 4.50 times.
- EBITDA/Finance expenses ratio greater than 2.5 times.

In February 2021, an exception to compliance with the restrictive payment indicator was accepted in the syndicated loan, modifying the compliance levels of the leverage indicator (5.00 times for March and September 2021, with gradual return to 4.00 times in December 2021), and minor changes in the minimum cash required, directed at allowing the payment of cash dividends at the Ordinary Shareholders' Meeting of Cementos Argos S.A.

Additionally, the loans with Banco de Bogotá Miami, Banco de Bogotá N.Y. and Davivienda were prepaid during 2021.

(c) The companies Boulevard Turístico del Atlántico S.A. and Autopistas del Nordeste Cayman Ltd, subsidiaries of Odinsa S.A., prepaid their financial obligations with the resources received from the early termination of the road concession contract with the Government of Dominican Republic (Note 47 Significant events).

(d) On 26 April 2021, Grupo Argos S.A. and Bancolombia entered into the first credit agreement tied to gender equity and climate change indicators in Colombia through the modification of a loan for $392,200, in which the interest rate went from IBR + 1.93% to IBR +1.85 and was tied to the performance of the companies of the Business Group in terms of gender equity and climate change.

The transaction recognizes the Company's track record and its sustainability strategy, allowing it to obtain a competitive advantage in financing, linked to compliance with ESG indicators on which Grupo Argos S.A. has been working for more than five years. Annually, Grupo Argos S.A. must report its progress in terms of compliance with the goals previously defined within the loan in terms of gender equity and climate change to benefit from a reduction of up to 100 basis points in the interest rate during the term of the loan, which extends from 2025 to 2026.

Such modification did not represent substantially different terms; therefore, the transaction did not generate the derecognition of the current liability but its modification in accordance with the Group's accounting policies (Note 2.4.14 Financial liabilities and equity instruments) and did not increase the Group's current indebtedness.

(e) On 21 December 2021, Opain S.A. entered into the refinancing of the senior credit agreement with Bancolombia S.A., extending the term of the loan to December 2028 (previously December 2026) in order to adapt the cash flows of the loan with the term extension of the concession agreement. Interest on the outstanding principal amount of the loan will be paid at an annual rate equivalent to IBR+3.73%.

(f) Financing agreement between Bancolombia and Concretos Argos S.A. for $135,000, in which the interest rate is linked to the performance of three ESG indicators: specific net CO_2 emissions (scope 1), specific water consumption in the cement business and number of suppliers evaluated in sustainability in the last three years.

(g) These obligations were cancelled with the resources generated in the bond issue made in September by the company Concesión Túnel de Aburra Orienta S.A. (Note 26 Bonds and compound financial instruments).

(h) During 2021, the obligations with Banco de Bogotá for $52,500 and Banco Popular for $35,000 were prepaid.

(2) At the end of December 2021 correspond mainly to overdrafts of the subsidiary Vensur N. V. and Argos Honduras S.A. de C.V. for $3,199 (2020 $6,554).

During the reported periods, the Group did not present any default on payment of principal or interest on financial liabilities and/or loans payable, nor in the indicators of its loan agreements.

NOTE 22: **LEASES**

22.1 Leases as a lessee

22.1.1 Lease arrangements

In the ordinary course of business, the Group enters into leases of land, buildings, heavy machinery, vehicles, including concrete mixer trucks and equipment, which are accounted for as leased assets in the consolidated financial statements, except for those leases which have a term of less than 12 months or the underlying asset of the new lease is less than $3,500 for operating assets and $5,000 for administrative assets. The terms of the most significant non-cancellable leases range from 12 years for land leases, 1-10 years for buildings and 1 to 5 years for vehicles.

In addition, there are no significant lease arrangements that stipulate significant restrictions on dividend distribution, additional debt, or new leases, nor are there significant contingent fees, renewal options or escalation clauses.

As of 31 December 2021, most of the recognized real estate leases are linked to the consumer price index of each jurisdiction in which they were entered. Few leases are referenced to reference rates or payments that vary to reflect changes in market rental prices.

22.1.2 Right-of-use lease assets and liabilities

The balance of right-of-use lease assets and liabilities comprises:

As of 31 December 2021	Right-of-use lease assets					Final balance of lease liabilities
	Initial balance	Additions	Depreciation	Other changes	Final balance	
Land	55,461	93,302	(12,022)	13,074	149,815	233,168
Constructions and buildings	271,477	27,162	(42,605)	(40,966)	215,068	176,793
Machinery and production equipment	229,763	13.486	(35,430)	(67,049)	140,770	147,275
Office and communication equipment	35	70	(40)	(39)	26	27
Mines, quarries and ore deposits	1,165	3	(168)	(1,000)	-	-
Ground transportation equipment	207,235	37,144	(63,948)	(35,953)	144,478	151,801
River fleet	46,030	8,506	(9,392)	7,302	52,446	54,714
Aqueduct, networks and communication routes	1,871	-	(288)	-	1,583	1,928
Other assets	-	-	-	-	-	-
Right-of-use assets (liabilities), net	**813,037**	**179,673**	**(163,893)**	**(124,631)**	**704,186**	**765,706**

As of 31 December 2020	Right-of-use lease assets

	Initial balance	Additions	Depreciation	Other changes (1)	Final balance	Final balance of lease liabilities
Land	69,225	3,141	(8,164)	(8,741)	55,461	125,035
Constructions and buildings	268,241	41,337	(38,802)	701	271,477	239,836
Machinery and production equipment	215,325	91,764	(38,326)	(39,000)	229,763	180,444
Office and communication equipment	-	-	(47)	82	35	36
Mines, quarries and ore deposits	-	637	(399)	927	1,165	-
Ground transportation equipment	389,398	7,786	(80,270)	(109,679)	207,235	222,697
River fleet	122,365	-	(7,828)	(68,507)	46,030	46,926
Aqueduct, networks and communication routes	2,159	-	(288)	-	1,871	2,130
Other assets	4,616	-	-	(4,616)	-	-
Right-of-use assets (liabilities), net	**1,071,329**	**144,665**	**(174,124)**	**(228,833)**	**813,037**	**817,104**

(1) Includes mainly variation due to changes in the valuation of leases recorded in assets for $(122,320), retirement of right-of-use assets for $(103,100) and the effect of foreign exchange differences of the subsidiary Cementos Argos S.A.

The contractual cash flows of lease liabilities classified by maturity as of 31 December are as follows:

	2021	2020
One year or less	166,437	169,824
1 to 3 years	275,664	310,984
3 to 5 years	160,690	211,377
5 to 10 years	194,290	218,886
More than 10 years	195,438	136,689
Total contractual cash flows from lease liabilities	**992,519**	**1,047,760**
Effect of discounting lease liabilities	(226,813)	(230,656)
Total lease liabilities	**765,706**	**817,104**
Current	137,257	132,103
Non-current	628,449	685,001
Total lease liabilities	**765,706**	**817,104**

22.1.3 Partidas reconocidas en el estado de resultados y flujos de efectivo por arrendamientos

	2021	2020
Interest expense on lease liabilities	41,502	52,806
Variable lease payment expense and changes in estimates	(207)	(657)
Expenses related to short-term leases	59,229	56,463
Expenses related to low value asset leases	5,469	3,312
Cash flows from leases	236,755	213,679

22.1.4 Renewal options

Most of the Group's leases contain renewal options that can be exercised by the Group to extend the lease term from one year to 20 years, that can be exercised up to one year before the end of the non-cancellable period of the lease. Generally, the Group can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Group and not by the lessor. The Group assesses at the commencement date of the lease whether it is reasonably safe to exercise the renewal options and considers them in determining the lease term. The Group reassesses whether it is reasonably safe to exercise the options if there is a significant event or change in the circumstances under its control.

22.2 Leases as a lessor

22.2.1 Financial leases

The Group does not have any lease arrangements in which it acts as the lessor.

22.2.2 Operating leases

The Group enters lease arrangements as lessor mainly on land, buildings and constructions such as: commercial premises, warehouses, apartments and houses; machinery and operating and fleet equipment and transport equipment. All leases are classified as operating leases from the lessor's perspective.

Future lease payments by year range and in total consisted of the following:

leases under IFRS 16	**2021**	**2020**
1 year or less (*)	307,082	221,181
Between 1 and 2 years (*)	234,942	195,648
Between 2 and 3 years (*)	221,081	166,340
Between 3 and 4 years	206,075	154,143
Between 4 and 5 years	176,784	143,052
5 years or more	11,991	144,220
Lease payments	**1,157,955**	**1,024,584**
Guarantee deposits (Note 27)	**(141,030)**	**(143,670)**
Lease payments, net	**1,016,925**	**880,914**

(*) The indicated flows would be subject to the variation in traffic and commercial use of the terminals in accordance with the evolution of the COVID-19 juncture.

Lease income from real estate and other assets recognized by the Group during 2021 was $251,908 (2020 $171,218).

NOTE 23: **EMPLOYEE BENEFITS LIABILITIES**

The balance of employee benefit liabilities, as of 31 December comprises:

	2021	**2020**
Post-Employment Benefits, net	411,743	486,397
Short-term employee benefits	222,848	144,847
Termination benefits	8,488	16,022
Long-term employee benefits	5,524	4,233
Share-based payment liabilities	3,928	2,488
Total employee benefits	**652,531**	**653,987**
Current	290,224	208,396
Non-current	362,307	445,591
Total employee benefits	**652,531**	**653,987**

23.1 Post-employment employee benefits

The Group's employee benefit plans vary according to the local requirements of the countries and the obligations acquired by the subsidiaries in the labor conventions in force (according to the type of employee and the duration of these within the organization).

The actuarial valuation of plan assets and the present value of the defined benefit obligation is performed annually by independent actuarial consultants. The present value of the defined benefit obligation and the current service cost and related past service cost were measured using the projected credit unit method.

The Group's employees belong to a public retirement benefit plan managed by the Government, or a private pension fund, which are accounted for as defined contribution plans. The Group covers its pension obligation through the payment of contributions to the Government and/or private pension funds under the terms and conditions provided by law. In such cases, the Group's obligation is limited to the contributions made to such funds. The benefits for which the Group assumes the full obligation under the plan are accounted for as defined benefit plans.

The amount included in the consolidated statement of financial position arising from the entity's obligation with respect to post-employment benefit plans and the changes in the present value of the post-employment benefit obligation in the current and prior years are presented below

	2021	2020
Present value of obligations at 1 January	**526,528**	**509,576**
Cost of current service	5,987	6,379
Cost of past service	(2,837)	-
Interest cost on defined benefit obligation	32,721	29,186
New defined benefit plan measures net of contributions	(2,183)	579
Actuarial gain (loss) from changes in:		
Experience	(3,603)	9,380
Financial assumptions	(59,029)	9,517
Demographic assumptions	(3,119)	107
Exchange rate difference	11,154	3,090
Benefits paid directly by the Group	(39,129)	(35,630)
Benefits paid from the asset fund	-	(5,753)
Other changes	(2,816)	97
Present value of obligations at 31 December	**463,674**	**526,528**
Fair value of plan assets at 1 January	**76,479**	**62,856**
"Risk-free" interest income	2,423	3,421
Return on plan assets, excluding interest	(1,990)	3,411
Contributions made to the plan by the Group	5,897	3,670
Payments made by the plan	-	(3,631)
Exchange rate difference due to translation	4,613	729
Other changes	2,495	6,021
Fair value of plan assets at 31 December	**89,917**	**76,479**
Net present value of liabilities at 31 December	**373,757**	**450,049**
Average duration of defined benefit obligation	8.8	9.6
Present value of obligations at 31 December	**373,757**	**450,049**
Defined contribution plan liabilities and other reclassifications	37,986	36,348
Post-Employment Benefits, net	**411,743**	**486,397**

The fair value of plan assets is contributed to private investment funds which in turn invest these resources in a diversified portfolio that may include cash and cash equivalents for $4,750 (2020 $3,861) and investment funds for $85,167 (2020 $72,618).

Defined contribution plan costs and expenses at 31 December 2021 were $108,513 (2020 $101,229). Short-term payables for contributions to pension and severance funds amounted to $29,443 (2020 $29,654).

The best estimate of the contributions expected to be paid to the plan during the next financial year is $76,334 (2020 $74,491).

The Group uses the resources from its working capital to implement the defined benefit plans. The allocation of these resources does not affect the Group's operations.

At 31 December 2021 and 2020, the Group has no reimbursement rights related to obligations under defined benefit plans.

The Group's main defined benefit plans are:

23.1.1 Pension plans, pension bonds and securities

Retirement benefits for the companies of Grupo Argos S.A., Cementos Argos S.A. and Celsia S.A.

According to the Colombian Labor Code, Group employees are entitled to a pension benefit which, depending on the system to which they belong, is payable by each of the companies directly (defined benefit plans) or by a public pension fund, Colpensiones, formerly Instituto de Seguros Sociales, or private (defined contribution plans).

Pension benefits granted to employees not belonging to a fund are accounted for as unfunded defined benefit plans, in which case the Group must pay the retirement pensions or issue pension bonds to its employees or beneficiaries who meet the requirements as to age and length of service established in the agreements.

The retirement benefit is equal to 75% of the average monthly salary, payable for life, subject to the following limits:

a) Minimum payment equal to the Monthly Minimum Wage.
b) Maximum payment equal to 25 minimum monthly salaries for Grupo Argos S.A. and Cementos Argos S.A., and 20 minimum monthly salaries for Celsia S.A.

In addition, two additional payments are made for employees who retired before 25 July 2005, one payment being made in June and another in December. For those who retire after that date, the additional payment is only made in December except for participants who receive less than 3 Minimum Wages. After 31 July 2011, all participants who retire are not eligible for the June payment, and therefore, receive only 13 annual payments.

When the participant expects to receive benefits under the Colpensiones, these benefits are deducted from the benefits payable by the Group plan, thereby reducing the Group's obligation. Pensions in payment increase in accordance with inflation. When a participant receives a pension equal to the minimum wage, the pension increases in accordance with increases in the minimum wage.

In case of death after retirement, the beneficiary receives 100% of pension. The beneficiary or beneficiaries are those established by legal provisions.

Roberta Plant Pension Plan (Alabama) - United States

For all our employees in the United States, we fund a 401(k)-retirement savings plan, which is accounted for as a defined contribution plan.

For a group of hourly compensated employees of the Roberta plant located in Alabama, United States, who meet a specific enrollment date and are represented by United Steelworkers International Union # 9-537, there is a retirement plan attached to the collective labor convention.

The normal retirement benefit is applicable to those who have reached the age of 65 as of their retirement date, effective 21 May 2011, in the form of a monthly annuity payable for life (or other optional forms to be elected prior to retirement). The normal and special early retirement benefit is applicable to employees who are 55 years of age or older and under 65 years of age and who have at least 5 years of service but less than 30 years of service, or who have 30 or more years of continuous service regardless of age, with some restrictions and reductions in the value of the pension applied to the latter.

In addition, the following benefits are provided to plan employees: termination payments, disability benefit and death benefit upon completion of certain years of service.

Pension Gap at Retirement Benefit

This benefit consists of the granting of a single premium at the time of separation from the entity to enjoy the old-age pension, the value of which corresponds to the money needed to close the executive's pension gap. This benefit currently has contributions in private pension funds that will be used only when the requirements for obtaining the benefit are met.

Pension bonds and securities plan - Colombia

According to the Colombian Labor Code, employers must pay retirement pensions or issue pension bonds to their employees who meet certain requirements regarding age and length of service. The Group, through its subsidiary Cementos Argos S.A., has issued pension securities, Type A Modality 2 Pension Bond and Type A Modality 1 Pension Bond. This obligation applies to certain areas where Colpensiones, formerly Instituto de Seguros Sociales, did not have pension coverage prior to 1994.

The benefit is granted at the time of retirement from the company until the time the participant retires from the Colombian Social Security system. In this period, the company makes contributions to the social insurance system on behalf of the employee. The Pension Bonds and Titles constitute resources destined to contribute to the conformation of the necessary capital to finance the pensions of the affiliates of the Colombian General Pension System.

In addition, the defined benefit obligation for retirement pensions includes the employees of Industrial Hullera S. A., in liquidation, because of the pension liability normalization process in which the Group definitively assumes the proportion of the obligation that corresponds to it according to the Official Letter of 9 October 2012, issued by the Ministry of Labor.

23.1.2 Seniority and severance plans

Retroactive Severance Plan – Colombia

According to Colombian labor regulations, employees who were employed before Law 50 of 1990 came into force are entitled to receive, upon termination of the employment contract, one month's salary in effect for each year of service and proportionally for a fraction of the year as severance assistance, for any cause that terminates the employment, including: retirement, disability, death, etc. The benefit is settled at the time of the employee's retirement based on the last salary earned. There may be distributions prior to the retirement date at the employee's request, which are not mandatory distributions.

Retroactive severance of employees who entered labor contracts before the effective date of Law 50 of 1990 are accounted for as unfunded defined benefit plans.

With the entry into force of Law 50 of 1990, the Colombian government allowed companies, subject to employee approval, to transfer their severance obligation to private pension funds.

The severance of all workers who entered labor contracts after Law 50 of 1990 came into force and of former workers who availed themselves of this system, are accounted for as a defined contribution plan.

Seniority Premium Plan and Severance Fund – Panama

In accordance with the labor regulations of the Republic of Panama, any employee on a permanent employment contract who retires from the company for any reason and regardless of his age or years of service at the date of retirement, is recognized with an amount of money equivalent to the average weekly salary in the last five years of service or the entire period of service if this is less than five years for each year and fraction of year of service that the employee has at retirement.

On the other hand, as from 1995, Law 44 of 1995 introduced the Labor Code the obligation of the employer to establish a trust through a pension fund administrator, which guarantees the employee with the payment of a Seniority Premium obligation and the indemnifications for unjustified dismissal called the Severance Fund, which is considered, for the purposes of the valuation of the commitment, as the asset that supports the payment of the Seniority Premium.

Severance Assistance Plan – Honduras

According to the provisions of the Honduran Labor Code, compensation accruing to company employees may be paid in the event of unjustified dismissal or death at the rate of one month's salary for each year of continuous service with a maximum of 25 years; however, it is the company's policy to pay such compensation to its employees, even if they have resigned.

For unionized personnel, the payment is 100% of the benefits (severance and notice). For voluntary retirement of trusted personnel, the amount is recognized from 40% of the benefits after one year to 110% of the benefits after 5 years of service, the amount being determined based on the years of service of the employee who establishes the percentage of the benefit.

23.1.3 Otros planes de beneficios definidos

Plan for dental care, education, death, and others – Colombia

For retired employees in Colombia, through the subsidiary Cementos Argos S.A., a death benefit is granted, which is increased in accordance with the Consumer Price Index (CPI), equivalent to five times the current legal monthly minimum wage (SMMLV). For retired employees of the Valle plant in Colombia, through the Cementos Argos S.A. subsidiary, educational assistance is provided until death and for the children of retirees until they reach 25 years of age. The beneficiary receives the amount regardless of the worker's survival. Each year the benefit is increased in accordance with the Consumer Price Index (CPI), as well as dental assistance until death, provided they formally request the service, with an annual increase in accordance with the Consumer Price Index (CPI).

Retirement bonus for Cementos Argos S.A. companies

For employees covered by any of the collective labor conventions, when a worker's contract is terminated due to recognition of retirement, disability or old age pensions, a bonus equivalent to 5 minimum monthly salaries in force is granted.

Funeral assistance

In Group Argos S.A., a funeral assistance allowance benefit is granted to participants who do not receive benefits from Colpensiones, which consists of a single payment equal to the participant's monthly pension, subject to the following limits:

a) Minimum payment of 5 current monthly minimum wages.
b) Maximum payment of 10 current monthly minimum wages.

For retired employees of Cementos Argos S.A. and its subsidiaries in Colombia, an assistance allowance equivalent to 5 current monthly minimum legal wages in Colombia.

Social Security Contribution Benefit

Corresponds to a post-retirement benefit in addition to the statutory pension plan (retirement benefit), in which the Group assumes the payment of health contributions to social security entities. The beneficiary or beneficiaries are those established by legal provisions.

Sensitivity analysis and main actuarial assumptions

The following is a sensitivity analysis for the actuarial assumption of a discount rate for defined benefit plans as:

	Defined benefit plans	
	2021	**2020**
Change in discount rate		
Increase in discount rate by +1%	(25,793)	(39,601)
Decrease in the discount rate by -1%	28,379	61,182
Basis of the obligation	**439,185**	**500,797**

The basis of the obligation on which the sensitivity analysis is performed does not include primarily plan assets of $89,917 (2020 $76,479), nor short-term payables for pension fund contributions and severance payments of $29,443 (2020 $29,654).

The methods used to perform the sensitivity analysis presented correspond to the projected credit unit method at the end of the reporting period, which is the same as the one applied in the calculation of the defined benefit obligation liability recognized in the statement of financial position. There have been no changes in the methods used to perform the analyses.

The main actuarial assumptions used to determine the obligations for the defined benefit plans of the Group companies are as follows:

	2021	**2020**
Inflation rate (%)	3.50%-4.50%	2.32%-3.25%
Discount rate (%)	8.00%-8.31%	6.17%-6.57%

	2021	2020
Minimum wage increase (%)	4.00%-5.50%	3.80%-4.21%

The actuarial assumptions are presented by percentage ranges, taking the information from each of the Group companies. The mortality rate is based on publicly available mortality tables for the specific countries of each of the Group companies.

Disclosure on Defined Benefit Plans required by the Decree 2131 of 2016

On 23 December 2015, the Ministry of Commerce, Industry and Tourism issued Decree 2496, which amended Decree 2420 of 2015 on Accounting, Financial Reporting and Information Assurance Standards in the Republic of Colombia. The Decree established provisions on the parameters for determining post-employment benefit liabilities, specifically establishing that the parameters established in Decree 2783 of 2001 would be used as the best market approximation in estimating liabilities for pension plans and for pension bonds and securities.

For the period of 2016, Decree 2131 of 22 December 2016 abolished the requirement to apply these assumptions for the measurement of post-employment benefits; they continue to be applicable only for financial reporting purposes.

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations in accordance with Decree 1625 of 2016 and partial pension commutations of Decree 2833 of 2016, are as follows:

	2021	2020
Inflation rate (%)	2.60%	3.64%
Discount rate (%)	4.80%	4.80%
Minimum wage increase (%)	2.60%	3.64%

Below is the difference between the calculation of defined benefit plans and pension commutations, under the methodology described in decree 2131 of 2016 and the methodology applicable to comply with the Technical Regulatory Framework applicable in Colombia, as of 31 December:

	Assumptions Employee Benefits (IAS 19)	Assumptions Decree 1625 of 2016 (Decree 2131 of 2016)	Difference
Present value of defined benefit plan obligations at 31 December 2021	318,278	318,594	(316)
Present value of defined benefit plan obligations at 31 December 2020	393,779	340,106	53,673

This comparison only includes post-employment benefit plans that correspond to pension liabilities recognized by companies in Colombia.

23.2 Short-term employee benefits

Below is the difference between the calculation of defined benefit plans and pension commutations, under the methodology described in decree 2131 of 2016 and the methodology applicable to comply with the Technical Regulatory Framework applicable in Colombia, as of 31 December.

NOTE 24: **PROVISIONS**

The balance of the provisions, at 31 December, comprises:

	Lawsuits, claims and other contingencies (1)	Dismantling (2)	Environmental (3)	Other Provisions (4)	Total
1 January 2021	**368,438**	**120,091**	**20,588**	**157,031**	**666,148**
Provisions made	116,483	3,717	6,016	59,510	185,726
Provisions used	(183,714)	(2,980)	(1,453)	(97,859)	(286,006)

	Lawsuits, claims and other contingencies (1)	Dismantling (2)	Environmental (3)	Other Provisions (4)	Total
Reversals made	(63,529)	(4,504)	(191)	(12,242)	(80,466)
Discount effect and discount rate adjustment	4,079	(3,989)	(584)	1,090	596
Translation effect	14,166	9,485	964	32,002	56,617
Other changes	113	(390)	-	(1,166)	(1,443)
31 December 2021	**256,036**	**121,430**	**25,340**	**138,366**	**541,172**
Current	253,804	9,898	10,298	35,164	309,164
Non-current	2,232	111,532	15,042	103,202	232,008
Total provisions	**256,036**	**121,430**	**25,340**	**138,366**	**541,172**

(1) The companies are involved in legal proceedings of various kinds, acting both as plaintiffs and defendants, and these proceedings are diligently handled by qualified lawyers hired by the Group. The disputes may be of a civil, administrative, criminal or tax nature; this type of lawsuit is that which arises in the ordinary course of business for any company of the size and complexity of the Group's operations and is likely to involve an outflow of resources.

The corresponding reserves for these proceedings have been estimated on the basis of criteria such as the nature of the proceedings, evidence presented, economic factors, the possible sentence projected, etc., to cover possible convictions or unfavorable decisions that may arise. We consider that the estimated time of completion of these proceedings ranges from three (3) to eight (8) years approximately.

The subsidiaries located in the United States are self-insured for workers' compensation claims up to USD 500 per incident, general liability claims up to USD 350 per incident and automotive claims up to USD 500 per incident and have insurance for values exceeding these amounts. As of 31 December 2021 and 2020, there were a number of open claims. The value recognized through expense for these claims is based on actual occurrences and management's estimate of liabilities resulting from each claim. Although the ultimate outcome of these claims cannot currently be determined, management believes that the amounts of $55,059 and $49,439 provided for these claims in the consolidated financial statements at 31 December 2021 and 31 December 2020, respectively, are adequate.

In July 2017, two of the Company's Competitors (Southest Ready Mix, LLC and Mayson Concrete Inc) filed a lawsuit against the Company alleging antitrust violations before the U.S. District Court for the District of North Georgia, which began to be investigated by the U.S. Department of Justice (DOJ). As part of the investigations carried out by the DOJ, Argos USA LLC has been cooperating with the provision of information required by this entity and responding to its different requests.

On 4 January 2021, an indirect subsidiary of Cementos Argos entered into a Deferred Prosecution Agreement (DPA) with the Antitrust Division of the U.S. Department of Justice (DOJ), under which the subsidiary agreed to pay a fine in the amount of USD $20 million to the U.S. Treasury for antitrust violations by former employees at a local sales office for the ready-mix concrete market in Savannah, Georgia. The sales office and related concrete plants involved in the conduct were acquired by the subsidiary in 2011, as part of a larger acquisition, and sold in 2019. Subject to compliance with the terms of the DPA, the DOJ has agreed to defer prosecution of any charges against the subsidiary for such violations for three years and to dismiss any charges at the end of the three-year period. As of 31 December 2020, a provision was recorded for the agreed amount of the penalty.

The balance of the provision for lawsuits, claims and other contingencies includes $142,773 (2020 $199,840) corresponding to the value of the percentage of the sentence in the class action lawsuit filed by some Community Councils of the Afro-descendant Community of the Anchicayá River against Celsia Colombia S. A. E.S.P. and Corporación Autónoma Regional del Valle de Cauca - CVC, in which on 16 June 2021 the Council of State notified the judgment, ordering Celsia Colombia S.A. E.S.P, the Corporación Autónoma Regional del Valle del Cauca - CVC and the Ministry of the Environment, to pay compensation to the community of Bajo Anchicayá for the impacts caused in the river by the disposal of sediments from the power plant, in an operation executed between July and August 2001, usual practice for this type of dams to allow the passage of river sediments retained in the reservoir and that could not be evacuated by applying other types of technical maneuvers.

At the time of the happenings subject of the lawsuit, Empresa de Energía del Pacífico belonged to its previous owners. The effects of the discharge of these sediments on the river and on the riparian zones were the reason for the communities' lawsuit, as they claimed that there were impacts of different nature. The evidence provided on the magnitude of these effects was very controversial and did not demonstrate what was requested by the communities, and it was also established that it was impossible to perform new tests to assess the caused damage, which was declared temporary and reversible by the environmental authority in May 2002.

Finally, the Council of State declared that damage derived from the maintenance works executed in 2001 are legally attributable to EPSA for "exceptional risk", given the nature of the hazardous activity of hydroelectric generation - a lawful and necessary activity for life in society, i.e., it was not condemned for lack of skill, negligence, or fault in the maintenance. Now, the communities are repaired in full with this ruling of the Council of State, after a controversy that began in 2001.

The attorney of some of the members of the plaintiff group and the attorney of the Corporación Autónoma Regional del Valle del Cauca - CVC filed requests for clarification of the Unification Ruling, and to date these requests have not been resolved by the Council of State. Once the judgment is final, as prescribed by law, the provisional resources will be transferred to the Fund for the Defense of Collective Rights and Interests of the Ombudsman's Office, thus this entity, as determined by the judgment, will be the one making payments for compensation to the persons benefited by the ruling.

The item of reversals realized includes the recovery of provision for the Bajo Anchicayá process for $62,122 (Note 37 Other income (expense), net).

(2) The companies are obliged to incur future costs for compliance with mining legislation, with respect to the exploitation of mineral resources, corresponding to the dismantling of assets and restoration of the environment where these assets were built, which is carried out at the time a mining operation is completed or a mining title expires, whichever is shorter.

Dismantling obligations have a maximum execution date of the expiration of the mining title, and therefore the disbursement of economic resources is estimated to be five years before the legal requirement. However, in some cases, where the operation of an area covered by a title that is still more than five years old has been completed, it is estimated that the provision will be disbursed within five years of the completion of the operation. In determining the best estimate for settlement, management considers the areas affected by mining, the mining schedule and the costs incurred in past dismantling operations.

(3) Cementos Argos S.A. and its subsidiaries in Colombia are required to incur costs for environmental obligations related to forestry compensation for quarrying and logging, costs for the removal and subsequent disposal of hazardous waste, specifically PCB's (polychlorinated biphenyls), previously stored. For forestry compensation, Cementos Argos S.A. and its subsidiaries in Colombia have committed to settle their environmental obligations within a maximum period of five years or as indicated in the Resolution corresponding to each environmental liability identified. In determining the best estimate to be settled, Management considers mainly financial variables and the costs of seeding, isolation, and maintenance for a period of four years. The environmental provision for this concept amounts to $16,505 (2020 $15,566).

The concession Autopistas del Café S.A. and the concession Túnel de Aburrá Oriente S.A. are liable to pay 1% of the value invested in the construction of the works, derived from the environmental license granted to the project for the use of water resources. The environmental provision for this amounts to $8,096 (2020 $4,062). Autopistas del Café S.A. must pay this obligation to the Regional Autonomous Corporations of the departments where the works have been executed. Likewise, it has committed to settle its environmental obligations in a maximum period of five years or as indicated in the corresponding resolution for each environmental liability identified. Concesión Túnel de Aburrá Oriente S.A. must comply with the investment destined for the recovery, conservation, preservation, and surveillance of the hydrographic basin.

(4) The balance of the provision for major maintenance as of 31 December 2021 and 2020 for Boulevard Turístico del Atlántico S.A. is $19,282 (2020 $56,421) and Autopistas del Nordeste S.A. is $0 (2020 $9,966); for the contractual obligation to complete the major maintenance during the year 2022, which was agreed with the Government of the Dominican Republic upon signing the early termination of the road concession contract, which includes pavement treatment, signaling and all maintenance procedures necessary to maintain the pavement index required by the State and a road in optimal conditions. The balance of the provision for major maintenance of Concesión Túnel Aburrá Oriente S.A. amounts to $16,301 (2020 $10,376); due to its contractual obligation to perform major maintenance every 5 and 8 years to the two concessioned roads.

On 9 December 2021, the early termination agreement of the road concession contracts was signed with the Government of the Dominican Republic, which ended in the premature compliance of the performance of some major maintenance on the roads of Boulevard Turístico del Atlántico S.A. that were under its responsibility and in Autopistas del Nordeste S.A. the settlement of liabilities associated to this same item (Note 47 Significant events).

Argos USA LLC, an indirect subsidiary of Cementos Argos S.A., may extract limestone ("Chemical Grade Stone", CGS) from a quarry owned by Vulcan Construction Materials LP ("Vulcan"), which is located adjacent to the Group's plant in Alabama. Under the terms of the reserve exchange agreement with Vulcan, the Group has the right to extract limestone from Vulcan's quarry and, in exchange, supply Vulcan with Aggregate Grade Stone ("AGS") that is not suitable for cement manufacturing. The reserve exchange agreement grants the Group the right to mine limestone on Vulcan's property and effectively increases the Group's available reserves. The agreement with Vulcan expires on 31 December 2035, with an option to extend until December 2045. At 31 December 2021 and 2020, the estimated amounts of obligations for future mineral extraction from the Group's owned mines are $86,901 and $67,667, respectively.

NOTE 25: **TRADE LIABILITIES AND OTHER PAYABLES**

Trade liabilities and other payables at 31 December correspond to:

	2021	2020
Domestic suppliers	1,165,194	944,233
Official creditors (1)	706,254	549,285
Overseas suppliers	169,407	99,067
Dividends payable	128,788	264,495
Payables to related parties (Note 41) (2)	106,064	67,430
Related suppliers (Note 41)	1,115	1,786
Other payables (3)	462,257	835,607
Total trade liabilities and other payables	**2,739,079**	**2,761,903**
Current	2,603,991	2,353,159
Non-current	135,088	408,744
Total trade liabilities and other payables	**2,739,079**	**2,761,903**

(1) Corresponds mainly to payables to the Agencia Nacional de Infraestructura - ANI and Aerocivil.

On 31 December 2020, it was subscribed the addendum No. 34 by which it was defined by mutual agreement between the Agencia Nacional de Infraestructura - ANI and Opain S.A. that Opain S.A. will pay to the Aerocivil the consideration corresponding to the first semester of 2020 in a maximum of 4 installments proportionally to each disbursement to be made between December 2020 and July 2021 by the Ministry of Finance and Public Credit to the Aerocivil, for which Opain S.A. will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment.

The payment of each installation includes the amount, the value of the indexation with the current CPI and the financial costs incurred by Aerocivil on the amounts effectively disbursed. By means of an act dated 24 December 2021, the Aerocivil extended the suspension term of the obligation to pay the consideration for the second half of 2020 until 31 January 2022; subsequently, by means of a payment agreement between the Aerocivil and Opain S.A. signed on 28 December 2021, this will be paid on 31 March 2022, including in addition to the indexation, interest of 12% per annum as from 1 January 2022 and until the date of payment.

(2) Includes dividends payable to related parties for $0 (2020 $21,536).

(3) Mainly includes commitment with Integral S.A. acquired in 2015 in connection with the purchase of Porvenir II for $111,674 (2020 $106,865), such commitment begins from 2022 and is annually updated according to the CPI; in Cementos Argos S.A., transportation, freight and hauling payable $52,808 (2020 $49,232) and maintenance services payable $27,897 (2020 $25,910). In addition includes other payable in the following subsidiaries of Odinsa S.A.: in Concesión Vial de los Llanos S.A.S. interest accrued on the subordinated debt of minority shareholders $23,409 (2020 $20,235), in Autopistas del Café S.A. payables for costs, expenses, intervention and surplus of toll revenue $3,878 (2020 $3,109), in Concesión Túnel Aburrá Oriente S.A. payables for costs and expenses to suppliers and toll revenue surplus $2,957 (2020 $2,302), in Consorcio Grupo Constructor Autopistas del Café, services rendered for the construction of the

works for $2,727 (2020 $2,012), in Odinsa S.A., in 2021 corresponds mainly to payables to Veronorte S.A.S. and other suppliers, in 2020 corresponds mainly to the purchase-sale contract of Concesión Túnel Aburrá Oriente S.A. and the recognition of interest on the debt, which was settled in June 2021 for $735 (2020 $145,004). In 2020, in Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. includes subordinated debt and interest of minority partners for $152,704, which were settled in December 2021 due to the agreement with the Government of the Dominican Republic given the early settlement of the road concession contracts and any associated liabilities, of which $15,637 were settled with Treasury bonds of the Government of the Dominican Republic (Note 47 Significant events), in Odinsa Holding Inc. payables to Grodco Inversiones S.A. including translation effect, which was settled in 2021.

The Group has average credit periods for company purchases of 30 days for service obligations and between 30 and 90 days for commercial obligations. The Group has implemented financial risk management policies to ensure that all payables are paid in accordance with the previously agreed credit terms.

NOTE 26: **BONDS AND COMPOUND FINANCIAL INSTRUMENTS**

The balance of bonds and compound financial instruments, as of 31 December comprises:

	2021	2020
Bonds in circulation (i)	8,587,543	8,382,011
Structured notes (ii)	1,140,962	1,161,394
Liability for Preferential shares classified as debt (iii)	77,127	74,186
Total bonds and compound financial instruments	**9,805,632**	**9,617,591**
Current	1,126,948	643,567
Non-current	8,678,684	8,974,024
Total bonds and compound financial instruments	**9,805,632**	**9,617,591**

The Group maintains a liability for $8,736,616 (2020 $8,372,701) according to its nominal values, corresponding to ordinary bond issuance.

(i) Details of the conditions of the bonds issued are as follows:

Issuer	Placement date	Term	Rate	Currency	Current nominal value (*) 2021	2020
Alternegy S.A. (1)	Dec-17	10 years	LIBOR3M+4.5%EAR	USD	267,200,000	267,200,000
Autopistas Del Nordeste (Cayman) Ltd. (2)	Feb-06	18 years	9.39%EAR	USD	-	88,497,851
Celsia Colombia S.A. E.S.P. (3)	Jul-10	20 years	CPI+6.08%EAR	COP	300,126,000,000	300,126,000,000
Celsia Colombia S.A. E.S.P. (4)	Jul-18	12 years	IBR+2.695% NA	COP	70,000,000,000	70,000,000,000
Celsia Colombia S.A. E.S.P. (4)	Dec-18	10 years	CPI+3.69%EAR	COP	70,000,000,000	70,000,000,000
Celsia Colombia S.A. E.S.P. (5)	Apr-19	20 years	CPI+3.93%EAR	COP	325,975,000,000	325,975,000,000
Celsia Colombia S.A. E.S.P. (5)	Apr-19	12 years	CPI+3.68%EAR	COP	281,515,000,000	281,515,000,000
Celsia Colombia S.A. E.S.P. (5)	Apr-19	7 years	CPI+3.24%EAR	COP	256,270,000,000	256,270,000,000
Celsia Colombia S.A. E.S.P. (5)	Apr-19	3 years	5.99%EAR	COP	236,240,000,000	236,240,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-20	7 years	CPI+3.96%EAR	COP	171,000,000,000	171,000,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-20	3 years	6.50%EAR	COP	29,000,000,000	29,000,000,000
Celsia Colombia S.A. E.S.P. (7)	Nov-21	12 years	IBR+2.77% EAR	COP	140,000,000,000	-
Celsia S.A. (8)	Dec-13	20 years	CPI+5.33%EAR	COP	212,080,000,000	212,080,000,000
Celsia S.A. (8)	Dec-13	12 years	CPI+5.00%EAR	COP	240,650,000,000	240,650,000,000
Cementos Argos S.A.	Apr-09	15 years	CPI+7.19%EAR	COP	229,530,000,000	229,530,000,000
Cementos Argos S.A.	May-12	15 years	CPI+4.50%EAR	COP	303,082,000,000	303,082,000,000
Cementos Argos S.A.	May-12	10 years	CPI+4.24%EAR	COP	285,696,000,000	299,896,000,000
Cementos Argos S.A.	Nov-14	15 years	CPI+4.21%EAR	COP	311,707,000,000	311,707,000,000
Cementos Argos S.A.	Nov-14	10 years	CPI+3.80%EAR	COP	190,675,000,000	190,675,000,000
Cementos Argos S.A. (9)	Apr-16	15 years	CPI+4.47%EAR	COP	184,157,000,000	184,157,000,000
Cementos Argos S.A. (9)	Apr-16	10 years	CPI+4.19%EAR	COP	121,075,000,000	121,075,000,000
Cementos Argos S.A. (9)	Apr-16	5 years	CPI+3.74%EAR	COP	-	73,568,000,000
Cementos Argos S.A. (10)	May-17	25 years	CPI+3.99%EAR	COP	400,500,000,000	400,500,000,000
Cementos Argos S.A. (10)	May-17	13 years	CPI+3.64%EAR	COP	388,145,000,000	388,145,000,000
Cementos Argos S.A. (10)	May-17	6 years	6.65%EAR	COP	211,355,000,000	211,355,000,000
Cementos Argos S.A. (11)	Jun-18	20 years	CPI+4.04%EAR	COP	125,850,000,000	125,850,000,000
Cementos Argos S.A. (11)	Jun-18	10 years	CPI+3.75%EAR	COP	158,550,000,000	158,550,000,000
Cementos Argos S.A. (11)	Jun-18	3 years	CPI+2.88%EAR	COP	-	196,150,000,000

Issuer	Placement date	Term	Rate	Currency	Current nominal value (*) 2021	2020
Cementos Argos S.A. (12)	Nov-20	4.25 years	CPI+2.24%EAR	COP	250,000,000,000	250,000,000,000
Concesión Túnel Aburrá Oriente S.A. (13)	Sep-21	8 years	IBR+3.10%NA	COP	452,725,000,000	-
Concesión Túnel Aburrá Oriente S.A. (13)	Sep-21	8 years	CPI+4.15%EAR	COP	243,775,000,000	-
Grupo Argos S.A. (14)	Sep-14	15 years	CPI+4.24%EAR	COP	390,104,000,000	390,104,000,000
Grupo Argos S.A. (14)	Sep-14	10 years	CPI+3.95%EAR	COP	137,318,000,000	137,318,000,000
Grupo Argos S.A. (14)	Aug-19	15 years	CPI+3.20%EAR	COP	168,535,000,000	168,535,000,000
Grupo Argos S.A. (14)	Aug-19	6 years	CPI+2.44%EAR	COP	157,965,000,000	157,965,000,000
Grupo Argos S.A. (14)	Aug-19	3 years	5.78%EAR	COP	92,000,000,000	123,500,000,000
Grupo Argos S.A. (15)	Oct-20	7 years	CPI+2.65%EAR	COP	136,500,000,000	136,500,000,000
Odinsa S.A. (16)	Oct-17	5 years	CPI+3.98%EAR	COP	120,750,000,000	120,750,000,000
Odinsa S.A. (16)	Oct-20	3 years	5.2%EAR	COP	280,000,000,000	280,000,000,000
Total bonds in dollars (*)					**267,200,000**	**355,697,851**
Total bonds in pesos (*)					**7,672,850,000,000**	**7,151,768,000,000**

(*) Figures stated in Colombian pesos and in US dollars.

(1) Corresponds to the public bond issue made by Alternegy S.A. in the Panamanian stock market with Bontex S.A. and Planta Eólica de Guanacaste S.A. as joint debtors. With the resources obtained, the debt that these companies had with CTC Curaçao B.V. was cancelled. The bond issue is backed by local and foreign guaranty trusts (Note 7.4 Collaterals).
The bond issue made by the subsidiary Alternegy S.A. in 2018, which matures on 22 December 2027, contemplates compliance with the following financial agreements, among others:

a) A debt service coverage ratio equal to or greater than 1.1 times for the last 12 months from 31 December 2018;
b) A debt-to-EBITDA consolidated ratio equal to or less than the ratio applicable from time to time;
c) The issuer and joint debtors may not incur additional debt, except for permitted debt.

All the above financial covenants will be evaluated on a semi-annual basis, based on the combined financial statements of the Issuer, except for the Debt-to-EBITDA Ratio which will be evaluated based on the combined financial statements of the Issuer and the joint debtors. The combined financial statements contain Alternegy S.A., Bontex S.A. and Planta Eólica Guanacaste S.A. (PEG).

According to the definition of the calculation period, Alternegy S.A. has a term of up to 120 calendar days from the closing date of the corresponding period to present the reports with the calculation based on the audited financial statements.

(2) Bonds for USD$88,498 of Autopistas de Nordeste Cayman Ltd. were cancelled in advance because on 9 December 2021 the agreement for the early termination of the concession contract between Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. was signed with the Government of the Dominican Republic, which established that before the effective delivery, Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. had to cancel the bonds and financial obligations (Note 47 Significant events).

The bonds had the shares of Autopistas del Nordeste Cayman Ltd. Pledged as collateral by (Note 7.4 Collaterals).

(3) Corresponds to the issue of corporate bonds made by Celsia Colombia S.A. E.S.P. in July 2010, which was placed in the Colombian public securities market.

(4) In 2018 Celsia Colombia S.A. E.S.P. issued Green Bonds for $140,000 in the Secondary Market. The first tranche was awarded to the International Finance Corporation (IFC) for $70,000 and the second tranche was awarded to Financiera de Desarrollo Nacional (FDN) for $70,000.

The proceeds from the issuance will be used to finance investments in the company's solar generation farm development initiatives. The green bond program obtained Climate Bonds certification under the Climate Bonds Standard & Certification Scheme, which promotes large-scale initiatives to reduce carbon emissions and prevent or reduce climate change.

(5) Corresponds to the second issuance of ordinary bonds under the program for the issuance and placement of commercial paper and ordinary bonds. The issuance occurred on 24 April 2019 by Celsia Colombia S.A. E.S.P.

The resources obtained in this issuance were destined to finance the company's investment plan and strengthen its liquidity position, refinancing some debts and swapping financial liabilities, among others.

(6) On 20 April 2020, the company Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., made the third issue of ordinary bonds under the program for the issue and placement of commercial papers and ordinary bonds of the company for $200,000. In this issue an amount of $150,000 was offered, with the possibility of an over-allotment of $50,000. The issuer awarded $200,000 in the market.

(7) Celsia Colombia S.A. E.S.P. issued and placed the second issue of Green Bonds for $140,000 under the first issuance and placement program approved by the Superintendencia Financiera de Colombia ("SFC") in June 2018, whose authorization term was renewed in June 2021 for an additional period of five (5) years, to be offered in the secondary market, with a global quota of $210,000. The second tranche of the issue was awarded to the International Finance Corporation (IFC).

(8) In December 2013 Celsia S.A. made its first issue of ordinary bonds in the local securities market for an amount of $800,000. The placement was made through a Dutch auction in the Bolsa de Valores de Colombia S.A. The resources obtained through the placement of ordinary bonds were used entirely for the replacement of financial liabilities, within the strategy of optimizing the capital structure of the company.

(9) The issuance is part of the issuance and placement program of ordinary bonds and commercial paper under a global quota of $1,000 billion approved by Resolution No. 0422 of the Financial Superintendence of Colombia on 23 March 2012. In April 2021 the bonds matured with an initial nominal balance of $94,768.

(10) The issuance is part of the issuance and placement program of ordinary bonds and commercial papers under a global quota of $1,000 billion approved by Resolution No. 0518 of the Superintendence of Finance of Colombia dated 3 April 2017 whereby the increase of the global quota of the issuance and placement program previously approved by Resolution 0422 of 2012 was approved.

(11) The issuance is part of the issuance and placement program of ordinary bonds and commercial paper under a global quota of $1,000 billion approved by Resolution No. 0585 of the Superintendence of Finance of Colombia ("SFC") of 10 May 2018.

These issues are rated AA with stable outlook by the rating firm Fitch Ratings Colombia S.A. and are nominative securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange. In June 2021 the bonds matured with an initial nominal balance of $215,600.

(12) The issuance constitutes the second tranche that is part of the issuance and placement program of ordinary bonds and commercial paper under a global quota of $1,000 billion approved by Resolution No. 0585 of the Superintendencia Financiera de Colombia ("SFC") of 10 May 2018.

All issues are rated AA with stable outlook by the rating firm Fitch Ratings Colombia S.A. and are nominative securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange.

(13) The second stage was concluded with the issuance of bonds in the capital market on 6 September 2021 for $700,000, with an expected average maturity of 8 years. The proceeds from the issuance in the capital market would prepay the bridge loan, among others.

(14) In December 2021, prepayment of $31,500 of ordinary bonds was made. In 2020 it had been informed that the rate of this series was DTF+5.78%. However, the placement rate corresponds to a fixed rate of 5.78%.

Details of the conditions are included in the Prospectus of the Ordinary Bonds and Commercial Papers Issuance and Placement Program of September 2014 and August 2019.

(15) During 2020, Grupo Argos S.A. made an exchange of ordinary bonds for a total $136,500. This transaction is the first private debt exchange operation carried out in Colombia, representing a milestone in the domestic capital market and contributing to its development and deepening.

From a financial perspective, this operation strengthens the company's balance sheet structure, optimizes the debt maturity curve (increasing its average maturity from 5.5 to 5.7 years) and allows the company to seize attractive interest rates offered by the market. In addition to the benefits in terms of market development, this first operation allows Grupo Argos S.A. to strengthen its cash flow in the next 4 years and increase the maturity of a portion of the bonds issued in 3 additional years.

94% of the issuance was paid in-kind and therefore the issuance does not entail an increase in the company's leverage, beyond the costs and expenses associated to the transaction. The total quota of the Issuance and Placement Program of Ordinary Bonds and Commercial Papers of Grupo Argos S.A. (the "Program") is $2,350,000 of which, after the transaction, $1,936,500 has been placed.

The bonds have an AA+ rating issued by BRC Investor Services S.A.

(16) In October 2020, Odinsa S.A. issued and placed ordinary bonds in the public securities market for $280,000, authorized by the Financial Superintendence of Colombia through resolution No. 0730 of 18 August 2020, with the active participation of both institutional investors and individuals, The placement was made through the Dutch Auction mechanism and received offers for of $436,805, which represents 1.56 times the amount offered.
This issuance and placement provided the company with financial flexibility to continue strengthening its position in the sector and maintain growth under a structured financing scheme. The operation was led by Banca de Inversión Bancolombia S.A. financial corporation as structuring agent, Valores Bancolombia S.A. broker dealer as lead placement agent, Credicorp Capital Colombia S.A. as placement agent and the firm Posse Herrera Ruiz as legal advisors.

The proceeds from this issuance were used to replace financial liabilities, among them the liability of the ordinary bonds issued in 2017 and maturing on 4 October 2020, of which the issuance of $120,750 with maturity date October 2022 is still active.

The amount of interest on bonds and structured notes recognized in income in 2021 was $666,493 (2020 $434,628).

(ii) On 13 August 2019, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., issued notes for USD 415 million maturing on 15 December 2026 at an interest rate of 4.09%. The issue obtained a BBB international rating from Fitch Ratings and was made through an international private placement. The proceeds from the issuance were used to pay off all the bank loans abroad. Payments of USD 26.6 million have been made in 2019, USD 47.3 million in 2020 and USD 52.4 million in 2021, leaving a balance of USD 288.7 million (2020 USD 341.1 million).

In the process of constant evaluation and monitoring of our businesses and as a result of the effects generated by the Covid-19 contingency, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. significantly decreased its operation, which implied a variation in its financial indicators, highlighting a decrease in the debt service coverage indicator, presenting, as of June 2020, a result that was below the value required according to the credit agreement associated with the issuance of notes on 13 August 2019 for USD 415 million. Due to this situation on 2 September 2020 the company obtained from the lenders a waiver on the compliance with the debt service coverage indicator for the calculation period ended 30 June 2020. On 28 May 2021, a waiver for non-compliance was signed with Bancolombia S.A. with the debt service coverage ratio (DSCR) for December 2020.

Considering the terms negotiated in said waiver, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. recognized an additional interest premium to the financiers (due to non-compliance on December 2020 DSCR indicator), for the period from 1 January 2021 to 30 June 2021. As of 1 July 2021, the Group's subsidiary, Opain S.A., was not required to activate the interest rate premium since its DSCR indicator and the company's risk rating were within the appropriate levels negotiated with the counterparties, both for the notes and for the local senior credit.

(iii) Correspond to preferred shares classified as compound financial instruments of the subsidiary Cementos Argos S.A. and of Grupo Argos S.A.

According to the approval of the General Shareholders' Meeting of 15 March 2013, Cementos Argos S.A. made the issuance and placement of preferred dividend shares without voting rights (hereinafter, preferred shares) in May 2013, for $1,610,824 awarding 209,197,850 preferred shares, at the subscription price of $7,700 per preferred share, determined by the Company's Board of Directors.

The issuance of preferred shares is a compound financial instrument. The issuer, for its recognition and subsequent measurement, identified the debt and equity components by evaluating the contractual terms of the instrument and the issuer's obligations. Given the issuer's contractual obligation to pay the minimum annual dividend to the shareholders if the Company generates profits, the issue incorporates a financial liability component. Once this liability is measured, the difference between the value received and the value of the obligation constitutes an equity component. The portion corresponding to the financial liability must be measured at least in each interim period and its effects recognized in profit or loss for the period, the equity component is not subject to subsequent measurement.

Cementos Argos S.A. determined the liability component by discounting the cash flows corresponding to the minimum preferred dividend, which were calculated in perpetuity based on the provisions of section 11.1.1 of the issuance prospect; the discount rate applied corresponded to the market rate at the date of issuance of similar instruments that did not incorporate an equity component. Considering the difficulty of identifying in the market a financial instrument with the same issue characteristics, the discount rate of the financial liability was determined by reference to the current yield of the longer-term bonds issued by Cementos Argos S.A. denominated in Colombian pesos. For these purposes, the valuation rate of the Cementos Argos S.A. 2024 bond issue, issued in May 2012, long-term (15 years) indexed to CPI.

The preferred shares had a minimum annual dividend of 3% on the subscription price paid in the first 12 quarters from placement. In April 2016 this last minimum dividend corresponding to 3% per year on the subscription price was paid and from the thirteenth quarter onwards the minimum annual dividend will be $10 per share which will be increased by the annual CPI at the closing of each year. The prospect does not contain call or put options on the preferred shares.

Shareholders with preferential dividend and without voting rights will be entitled to receive a minimum dividend on a preferential basis as different from common shares, provided that distributable profits have been generated in the immediately preceding accounting period. In no case may the dividend received by the holders of the common shares be higher than that declared in favor of the preferred shares; the preferential reimbursement of their contributions, once the external liabilities have been paid, in the event of dissolution and liquidation of the issuer; and the other rights provided in the issuer's bylaws for the holders of common shares, except (i) the right to preferentially subscribe common shares, and (ii) the right to vote the proposals at the issuer's General Shareholders' Meeting. By way of exception, preferred shares will give their holders the right to vote in the events indicated in the placement and issuance prospect.

The liability recognized for the issuance of preferential shares is composed of the valuation of the debt component and the reduction of the direct costs of the issuance allocated to the liability component, according to the participation portion of each component in the amount of the issuance. At the time of initial recognition, issuance costs of $7,157 were included in the financial liability. The debt component is measured at amortized cost using the effective interest rate. The effective interest rate for subsequent measurement of the debt component at amortized cost was determined by matching the estimated cash flows receivable or payable over the expected life of the financial instrument with the net carrying amount of the liability component at initial recognition. The financial liability is increased by the recognition of interest at the effective interest rate and decreased as minimum dividends to preferred shareholders are recognized.

At year-end 2021 the number of preferred shares of Cementos Argos S.A. is 209,197,850 shares (2020 209,197,850 shares).

The liability also includes the preferential shares of Grupo Argos S.A., which confer holders the right to receive a preferred dividend of $4 (four pesos) per share, which will be paid preferentially as different to the common shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case will the preferential dividend be cumulative for subsequent years. In each case, the first payment of dividends will correspond to those decreed by the Company after the shares have been subscribed. The recognition and subsequent measurement of this instrument was made by applying the same procedure established above. The discount rate of the financial liability for the preferred shares of Grupo Argos S.A. was determined by reference to the average cost of debt of the Company.

The number of outstanding preferential shares of Grupo Argos S.A. at the end of the reporting period is 211,827,180 shares (2020 211,827,180 shares).

NOTE 27: **OTHER NON-FINANCIAL LIABILITIES**

the balance of other non-financial liabilities as of 31 December correspond to:

	2021	2020
Income received in advance (1)	544,324	456,947
Prepayments and deposits received from third parties (2)	274,060	267,129
Sales tax	85,411	66,932
Industry and commerce tax	54,317	29,842
Deduction at source	53,436	58,106
Income received for third parties (3)	47,259	37,815
Other taxes payable	28,229	57,359
Contract collateral (4)	4,493	2,891
Other non-financial liabilities	7,019	5,811
Total other non-financial liabilities	**1,098,548**	**982,832**
Current	487,959	407,731
Non-current	610,589	575,101
Total other non-financial liabilities	**1,098,548**	**982,832**

(1) Mainly due to the collections of the Concesión Vial de los Llanos, which are recognized based on the construction of the functional units established in the concession contract and income related to urban development costs pending of execution the sold lots.
(2) Correspond mainly to guarantee deposits from space holders under lease agreements. They also include prepayments received from customers for the purchase of products of the cement and ready-mix concrete business, a deposit received from the Ministry of Public Works and Communications, which corresponds to a guarantee to cover eventual cash deficits, prepayments received from customers for the sale of lots and prepayments with related parties for $54 (2020 $976) (Note 41 information on related parties).

(3) Comprise mainly collections received for sanitation and public lighting that must be reimbursed to comply with the contracts entered with the municipalities. Likewise, the income of the Concesión Vial de los Llanos from the funding of the subaccounts of auditing and supervision, contractual support, and MASC, which are affected with the invoicing with the prior approval of the Asociación Nacional de Infraestructura - ANI.

(4) Includes withholding as collateral in contracts with related parties for $143 (2020 $195), (Note 41 Information on related parties).

Income to be recognized in future periods, excluding lease income that is detailed in Note 22 Leases, when remaining performance obligations are satisfied is analyzed as follows:

	2021	2020
In one year (*)	156,791	116,945
Later than a year (*)	508,782	454,590

(*) The Group, through its subsidiary Odinsa S.A., has as of 31 December 2021 income received in advance from the concession Vial de los Llanos Road Concession for $455,950 (2020 $397,707), which correspond to toll collections under the concession contract made with the Asociación Nacional de Infraestructura - ANI. These amounts will be recognized through profit for the period, as agreed with this entity once the construction of each of the functional units of the project is completed and according to the financial model defined for this concession (Note 44 Concession Contracts). Likewise, includes advance payments received from customers for the sale of cement and concrete for $87,782 (2020 $76,950), income received in advance from Grupo Argos S.A. for $69,766 (2020 $41,033) related to the costs of urban development, pending to be executed in the sold lots and advance payments received from customers for $37,329 (2020 $15,533) for the sale of lots.

NOTE 28: **SHARE CAPITAL**

The balance of the share capital of the parent company Grupo Argos S.A. at 31 December comprises:

	2021	2020
Authorized capital:		
1,200,000,000 ordinary shares with a nominal value of $62.5	75,000	75,000

Subscribed and paid capital:		
663,331,535 (2020 651,102,432) ordinary shares with a nominal value of $62.5	41,458	40,694
211,827,180 Preferential shares with a nominal value of $62.5	13,239	13,239
Total subscribed and paid capital	**54,697**	**53,933**

Each ordinary and preferential share confers to its holder, among others, the following rights: (i) to transfer the shares, as established by law, the corporate bylaws and the shareholders' agreements, if any; (ii) to participate in the profits of the corporation, in proportion to the participation and under the conditions established in the respective issuance and placement regulations, when applicable; (iii) to receive a proportional part of the corporate assets, at the time of liquidation and once the external liabilities of the corporation have been paid, subject to the priority established for preferred shareholders in the respective regulations; (iv) be summoned to the meetings of the Shareholders' Meeting; and (v) exercise the right of inspection within the terms and conditions established in the corporate bylaws.

Each common share confers on its owner the right to participate in the decisions of the General Shareholders' Meeting and to vote thereat, and to subscribe preferentially in any new issue of ordinary shares, an amount proportional to those held on the date on which the competent corporate body approves the subscription regulations.

Preferential shares confer the following rights on the holders:

i. To receive a preferential dividend of $4 Colombian pesos per share, which will be paid in preference to that corresponding to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the dividend received by the holders of ordinary shares be greater than that declared in favor of the preferential shares.

   In no case will the preferred dividend be cumulative for subsequent years. In each case, the first payment of dividends will correspond to those declared by the company after the shares have been subscribed.

ii. To have priority in the reimbursement of contributions in the liquidation process, provided that the company's external liabilities have been fully covered.

iii. To participate in shareholders meetings and to vote thereat only in the following situations:

   a. When it is a matter of approving modifications that may deteriorate the conditions or rights established for the preferential shares. In this case, the favorable vote of 70% of the shares into which the subscribed capital is divided will be required, including in said percentage and in the same proportion the favorable vote of the preferential shares.

   b. When voting on the conversion of preferential shares into ordinary shares, unless the respective regulations specifically regulate the possibility of conversion and the terms on which it is to be carried out. In the event that it is decided to approve a conversion different from that approved in the regulations or that the regulations have not contemplated this option, the same majority indicated in the preceding paragraph will be applied.

   c. If at the end of a corporate year the company does not generate distributable profits that allow it to cancel the preferential dividend, and the Superintendence of Finance of Colombia, ex-officio or at the request of holders of preferential shares that represent at least 10% of these shares, establishes that benefits that reduce distributable profits have been hidden or distracted, may determine that the owners of these shares participate with voice and vote in the meetings of the shareholders' meeting, until it is verified that the irregularities that gave rise to this measure have disappeared, in accordance with the provisions of Article 64 of Law 222 of 1995.

The ordinary shares held by associates and joint ventures are: 234,285,682 shares (2020 229,295,179 shares).

During 2021 there were no transactions involving the acquisition of own shares.

	Number of shares	Share capital	additional paid-in capital
Reconciliation of ordinary shares			
Balance as at 31 December 2020 (*)	651,102,432	40,694	553
Dividends declared in ordinary shares (1)	12,229,103	764	148,614
Balance as at 31 December 2021 (*)	663,331,535	41,458	149,167
Reconciliation of preferential shares			
Balance as at 31 December 2019	211,827,180	13,239	1,354,206
Issuance of preferential shares	-	-	-
Balance as at 31 December 2020	211,827,180	13,239	1,354,206
Issuance of preferential shares	-	-	-
Balance as at 31 December 2021	211,827,180	13,239	1,354,206
Total ordinary and preferential 2020	862,929,612	53,933	1,354,759
Total ordinary and preferential 2021	875,158,715	54,697	1,503,373

(*) Includes 5,702,432 (2020 5,702,432) repurchased shares.

(1) On 23 April 2021, following the approval of the Profit Distribution Project at the Shareholders' Meeting, the Board of Directors released 12,229,103 ordinary shares from the reserve to make the payment of the dividend in shares to shareholders who elected this option.

As of 31 December 2021, outstanding common shares are 657,629,103 shares (2020 645,400,000 shares) and preferred shares are 211,827,180 (2020 211,827,180). Repurchased treasury shares are 5,702,432 shares (2020 5,702,432 shares).

NOTE 29: **RESERVES, OTHER COMPREHENSIVE INCOME AND RETAINED EARNINGS**

29.1 Reserves

Reserves at 31 December corresponds to:

	2021	2020
Legal reserves	29,665	29,665
Mandatory reserves	405,987	405,987
Other occasional reserves	2,903,971	3,237,931
Total reserves	**3,339,623**	**3,673,583**

(1) Legal reserves

Grupo Argos S.A. is required to appropriate 10% of its net annual profits as a legal reserve until the balance of this reserve reaches 50% of the subscribed capital. The reserve is not distributable prior to the liquidation of the parent company but must be used to absorb or reduce annual net losses. Appropriations made more than the 50% are freely available to the shareholders at the General Shareholders Meeting.

(2) Mandatory reserves

Mandatory reserves include the reserve for the repurchase of shares of $405,987 (2020 $405,987).

On 26 March 2020, the Stockholders' Meeting authorized the repurchase of common shares and shares with preferred dividend and without voting rights through a repurchase program, up to an amount of $400,000, in a term of up to three (3) years. For this purpose, it empowered the Board of Directors to regulate the Repurchase Program, and to define and approve the terms and conditions thereof and authorized the transfer of $400,000 from the reserves for future taxed investments to the reserve for repurchase of shares.

The repurchase shall be performed through mechanisms that guarantee equal conditions for all shareholders and the repurchase price for each type of share shall be set based on technically recognized procedures, in compliance with current regulations. If the Board of Directors considers that internal or market conditions are not adequate to perform the repurchase of shares, the company will not be obliged to implement, totally or partially, the repurchase of shares.

As of 31 December 2020, the reserve for reacquisition of shares has been used for the acquisition of 5,702,432 own shares (2020 5,702,432 own shares).

(3) Other occasional reserves

The balance of the other reserves at 31 December comprises:

	2021	2020
Reserves for future investments	2,734,044	3,068,004
Reserves for future expansion	163,427	163,427
Reserves for social responsibility activities	6,500	6,500
Total other occasional reserves	**2,903,971**	**3,237,931**

The other occasional reserves are freely available to shareholders.
The Shareholders' Meeting in an ordinary meeting held on 25 March 2021, appropriated from profits, and as reserves for future investments $333,960 and approved the appropriation of $6,500 to be allocated to social responsibility activities, at the same time, the Meeting approved the release of the reserve of $6,500 constituted in 2020 because it was already used.

29.2 Other comprehensive income (OCI)

Other comprehensive income at 31 December corresponds to:

	2021	2020
Exchange differences on translation of foreign operations	3,208,185	2,091,816
Gains and losses on equity investments	805,095	590,243
Revaluation of property, plant and equipment (1)	71,452	56,910
Cash flow hedges	(77,106)	(108,095)
New measures of defined benefit obligations	(10,998)	(39,578)
Total other comprehensive income (OCI)	**3,996,628**	**2,591,296**

(1) Other comprehensive income (OCI) from revaluation of land and buildings for administrative use of $71,452 (2020 $56,910), corresponds to $6,270 (2019 $3,648) from subsidiaries of Grupo Argos S.A. and $65,182 (2020 $53,262) from the application of the equity method of associates and joint ventures.

During 2021, the Group made transfers between other comprehensive income (OCI) and retained earnings of $26,946, corresponding to the realization of the revaluation surplus from the use of property, plant and equipment measured at revalued value of $355, the sale of investments measured at fair value through other comprehensive income (OCI) of Stem INC of $27,330 and other investment transactions of $(739).

Likewise, in 2020, the Group made transfers from other comprehensive income (OCI) to retained earnings of $24,500, corresponding to: the sale of investments measured at fair value through other comprehensive income (OCI) in Compañía Colombiana de Empaques Bates S. A. for $9,318, the realization of the revaluation surplus for the use of property, plant and equipment measured at revalued value of $144, and the realization of the equity method of associates for the sale of Odempa S.A., amounting to $15,038.

The value reclassified from the other comprehensive income (OCI) to profit or loss for the period for cash flow hedges is $57,108 (2020 $20,360) and for difference from translation of foreign business for $17,848 (2020 $8,141).

29.3 Retained earnings

The Group's consolidated equity showed a decrease of $123,582, of which $67,036 corresponds to the decrease in retained earnings of the controlling interest and $56,546 of the portion corresponding to non-controlling interests, due to the application of Decree 1311 of 20 October 2021 (Note 10.4 Deferred income tax recognized through equity and in other comprehensive income for the period)

NOTE 30: **OTHER COMPONENTS OF EQUITY**

When the proportion of equity held by non-controlling interests changes, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognize directly in equity the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received and attributed to the owners of the owners of the parent.

Accordingly, during 2021, the conditions precedent established in the purchase and sale agreement of the company Concesión Túnel Aburrá Oriente S.A. were fulfilled, with which the subsidiary Odinsa S.A. increased its participation in 10.13%, generating an equity effect of $10,976 as of December 2021.

Likewise, the Group increased its participation in the subsidiary Cementos Argos S.A. by 0.49% because of the payment of dividends in shares made by the company in April 2021. This change represented a net increase in equity of $7,760, which is included in the other changes items of the Consolidated Statement of Changes in Equity.
Finally, on 1 September 2021 the subsidiary Cementos Argos S.A. formalized the repurchase of shares held by Provicem S.A. in Argos Panamá S.A., equivalent to 4.75% of interests in this entity. Through this contract 71,877 shares were acquired for a total payment of $98,684, which implied a decrease in equity of $36,189.

During 2020, the Group increased its percentage of participation in Cementos Argos S.A. by 0.08%, which implied an increase in its indirect participation in Sator S.A.S., Fundiciones Colombia S.A. (company that was liquidated in August 2020), Odinsa S.A., Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and Servicios Corporativos Integrales S.A.S. - Summa S.A.S. This transaction generated an increase in consolidated equity of $1,178, considering the effect in indirect participations.

Additionally, in May 2020, Odinsa S.A., a subsidiary of the Group, increased its participation percentage in Concesión Túnel Aburrá Oriente S.A. by 3.02%, once the conditions precedent established in the purchase and sale agreement were fulfilled; this acquisition generated an increase in equity of $2,910.

Likewise, in September 2020, Cementos Argos S.A., a subsidiary of the Group, increased its percentage of participation in Agregados Argos S.A.S., through the acquisition of all the shares held by Construcciones El Condor S.A. and Odinsa S.A., also a subsidiary of the Group. At a consolidated level, this acquisition represented a decrease in the percentage of participation of economic rights of Agregados Argos S.A.S. of 0.38%, and a decrease in the equity of $98.

As of 31 December 2021, no transaction costs were recognized as of lesser value in equity. As of 31 December 2020, transaction costs were recognized as of lesser value in equity for $9.

NOTE 31: **DIVIDENDS**

Dividends declared

The General Shareholders' Meeting of Grupo Argos S.A., held on 25 March 2021, declared dividends on ordinary shares of $382 pesos per year per share (2020 $376), payable in a single installment on 23 April 2021, for a total value of $246,543. Dividends declared during 2020 for $242,670 were paid in four quarterly installments of $94 pesos per share beginning in April 2020.

Additionally, preferential dividends corresponding to 211,827,180 preferred shares (2020 211,827,180) were declared at the rate of $382 pesos per share (2020 $376 pesos per share), payable in a single installment on 23 April 2021 for a total amount of $80,918. Dividends declared during 2020 for $79,647 were paid quarterly starting April 2020.

The highest body of Grupo Argos S.A. also provided that the payment of the total dividend could be in cash, or 50% in cash and 50% in the Company's released shares, or 100% of the dividend in the Company's released shares, according to each shareholder's choice.

During 2021, dividends were paid in shares for $149,378 as elected by each shareholder according to the options set forth in the profit distribution project and in cash for $178,082.

Dividends declared in 2021	Shares	$ per share per year	2021
Ordinary dividends (*)	645,400,000	382	246,543
Preferential dividend	211,827,180	382	80,918
Total			**327,461**

Dividends declared in 2020	Shares	$ per share per year	2021
Ordinary dividends (*)	645,400,000	376	242,670
Preferential dividend	211,827,180	376	79,647
Total			**322,317**

(*) Does not include 5,702,432 (2020 5,702,432) shares of own shares repurchased. Additionally, in April 2021, 12,229,103 shares were issued for the payment of dividends (Note 28 Share capital).

NOTE 32: **NON-CONTROLLING INTERESTS**

The reconciliation of non-controlling interests at 31 December is as follows:

	2021	2020
Balance at the beginning of the year	**9,581,610**	**9,656,971**
Cumulative effect of the adoption of new standards (Note 3)	-	(16,553)
Cumulative effect of the adoption of new standards using the equity method (Note 3)	-	(14)
Adjusted balance at the beginning of year	**9,581,610**	**9,640,404**
Profit sharing for the year	616,234	253,958
Other comprehensive income for the period	851,412	257,738
Issuance of capital	67,570	24,351
Dividends declared in cash	(459,575)	(549,265)
Dividends declared in kind	(205,983)	-
Appropriation of reserves	-	(3)
Purchases and sales to non-controlling interests	(115,876)	(23,870)
Business combinations	-	-
Loss of control of subsidiaries or business (1)	(89,159)	-
Effect by change in income tax rate in Colombia (Note 10.4)	(56,546)	-
Interest in other changes in equity (2)	160,631	(21,703)
Balance at the end of the year	**10,350,318**	**9,581,610**

(1) Corresponds to the loss of control of Termoeléctrica El Tesorito S.A.S. ESP, a subsidiary of Celsia S.A., in November 2021 (Note 19 Subsidiaries).

(2) For 2021, corresponds mainly to the capitalization of non-controlling interests of Bahía Las Minas for $221,292 and the effect of the increase in the interest of Grupo Argos S.A. in Cementos Argos S.A. for ($34,408) (Note 30 Other components of equity).

NOTE 33: **REVENUE**

The composition of the Group's revenue is as follows:

	2021	2020
Revenue from sale of goods and rendering of services		
Revenue from sales of cement, concrete, and others (1)	9,774,259	8,951,875
Revenue from the sale of energy, gas and related activities (2)	4,172,579	3,552,097
Revenue from airport services	519,674	249,776
Revenue from toll collection	499,864	435,431
Others	79,138	51,915
Share of profit of associates and joint ventures (3)	394,232	30,360
Interest income computed using the effective interest method		
Financial activity (4)	208,712	209,887
Other revenue		
Real estate (5)	545,197	354,199
Valuation of investment property (6)	76,468	67,276
Financial activity (4)	38,996	87,707
Total revenue	**16,309,119**	**13,990,523**

1) Generated primarily from the sale of cement and ready-mix concrete.

   Sales of cement and ready-mix concrete are highly dependent on the performance of the construction industry, including residential, commercial and infrastructure projects, in each of the countries in which the products are sold or operated. Fluctuations in the construction industry's behavior significantly affect cement and ready-mix concrete sales volumes and sales prices.

2) Are generated mainly by: sale of electric energy in contracts, sale of electric energy in the stock exchange, commercialization of electric energy in the regulated and unregulated market, reliability charges, use and connection of networks, marketing of natural gas and transportation capacity and other operational services.

3) Corresponds to the equity method of associates and joint ventures, as follows:

	2021	2020
Grupo de Inversiones Suramericana S.A.	382,098	73,568
Concesión La Pintada S.A.S.	46,569	24,760
Pactia S.A.S.	5,500	6,811
Quito Airport Management (QUIAMA) Ltd.	3,510	355
Caoba Inversiones S.A.S.	3,387	(426)
Patrimonio Autónomo Hacienda Niquía	1,478	381
International Airport Finance S.A.	1,101	3,274
Interejecutiva de Aviación S.A.S.	(1,309)	(4,082)
Consorcio Farallones	(6,005)	3,904
Trans Atlantic Shipmanagement Ltd.	(6,533)	(1,264)
Corporación Quiport S.A.	(29,858)	(66,965)
Other associates and joint ventures	(5,706)	(9,956)
Total equity in associates and joint ventures	**394,232**	**30,360**

4) Corresponds to interest income from financial assets of concessions for $208,712, includes dividend income from Nutresa S.A. $31,761, sale of 10,000 shares of Celsia Move S.A.S. for $5,836, sale of 375,000 shares of Internacional Ejecutiva de Aviación S.A.S. for $1,148, dividends from investments of Celsia S.A. $138, from investments of Cementos Argos S.A. $47 and others $66.

   For December 2020 corresponds mainly to interest income from financial assets of concessions for $209,887, sale of 1,080,000 shares of Occidental de Empaques S.A. for $36,575, includes dividend income from Nutresa S.A. for $29,372, adjustment on the sale price of Zona Franca Celsia S.A. E.S.P. $13,263, sale of 21,857,971 shares of Caltek S.A.S. for $4,984, dividends from investments of Celsia S.A. $3,419, from investments of Cementos Argos S.A. $46 and others $48.

5) Income from the real estate business as of December 2021 corresponds to leases for $251,475, recognition for amortization of deferred income on land in the city of Barranquilla and sale of lots for $140,019, constructions in buildings and civil works for $88,598 (Note 45 Construction contracts), valuation of the Pactia Inmobiliario Private Equity Fund for $41,467, income from returns of the Fondo de Capital Privado Pactia Inmobiliario for $6,867, interest in the P.A. Fiduciaria Bogotá del proyecto Alameda del Río for $6,674 and other income for $10,097.

   As of December 2020, income from the real estate business corresponds to leases for $170,939, construction in buildings and civil works for $115,296 (Note 45 Construction contracts), recognition of deferred income from the sale of land in the city of Barranquilla and sale of lots for $52,170, valuation of the Pactia Inmobiliario Private Capital Fund for $9,659, interest in the P.A. Fiduciaria Bogotá del proyecto Alameda del Río for $3,378, income from returns of the Fondo de Capital Privado Pactia Inmobiliario for $2,435 and other income for $322.

6) Corresponds to the measurement at fair value of the Group's investment property (Note 17 investment property).

NOTE 34: **COST OF ORDINARY ACTIVITIES**

The cost of ordinary activities at 31 December comprises:

	2021	2020
Selling costs of goods and services	10,245,064	9,065,573
Depreciation and amortization	1,465,774	1,441,420
Cost of financial activity (1)	129,692	62,190
Cost of the real estate business (2)	7,783	62,741
Total cost of ordinary activities	**11,848,313**	**10,631,924**

(1) In 2021 and 2020, the cost of the real estate business includes mainly costs for the progress of work of Concesión Vial de los Llanos, Consorcio APP Llanos and Chamba Blou N.V., as well as urban development costs and lot sales of Pajonal Stage 1, Alejandría Stage 1 Block 25, Recoveco, Mata de Plátano, and Portal Empresarial del Norte 3 and Pajonal San José, for 2020 Alejandría Stage 1 Block 26, Cession Hotel Calablanca, CIC A1, C7, and Clúster Institucional A2.

(2) On 30 November 2021 the subsidiary Celsia S.A. formalized the sale of 100% of its interests in the company Celsia Move S.A.S. represented in 10,000 shares with a cost of $6,874 and in June 2021 Grupo Argos S.A., made the partial sale of 375,000 shares of its associate Internacional Ejecutiva de Aviación S.A.S. with a cost of $909. In March 2020, Grupo Argos S.A. and its subsidiary Cementos Argos S.A. sold its shares in the associate Odempa S.A., whose cost amounted to $43,276 and in December 2020, Cementos Argos S.A. sold its entire shareholding in the joint venture Caltek S.A.S., whose cost amounts to $19,465 (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 18 Investments in associates and joint ventures).

Employee benefits, depreciation and amortization expenses recognized in income as of 31 December are as follows:

Employee benefits expenses	2021	2020
Cost	1,306,890	1,251,330
Administrative expenses (Note 35)	566,127	481,540
Selling expenses (Note 36)	145,032	129,890
Total employee benefits	**2,018,049**	**1,862,760**

Depreciation and amortization expenses	2021	2020
Cost	1,465,774	1,441,420
Administrative expenses (Note 35)	208,807	234,381
Selling expenses (Note 36)	44,070	40,886
Total depreciation and amortization	**1,718,651**	**1,716,687**

Natural depreciation and amortization expenses in income as of 31 December is as follows:

	2021	2020

Depreciation of property, plant and equipment	1,000,264	975,345
Amortization of intangible assets	555,670	567,732
Depreciation of right-of-use assets	162,717	173,610
Total depreciation and amortization expenses	**1,718,651**	**1,716,687**

NOTE 35: **ADMINISTRATIVE EXPENSES**

Administrative expenses as of 31 December include:

	2021	2020
Staff expenses (1)	566,127	481,540
Services (2)	233,132	220,574
Fees (3)	129,029	160,009
Amortizations	126,778	150,551
Maintenance and repairs	87,707	81,130
Depreciations	82,029	83,830
Taxes	72,577	69,949
Impairment (4)	43,375	37,350
Insurance (5)	36,523	37,193
Travel expenses	27,183	20,577
Contributions and affiliations	12,652	9,865
Leases	10,479	11,949
Legal expenses	6,825	3,412
Adaptation and installation	2,401	3,128
Miscellaneous	53,969	54,191
Total administrative expenses	**1,490,786**	**1,425,248**

(1) The increase corresponds mainly to the accrual of variable remunerations and bonuses due to a better compliance with the business performance indicators.

(2) Corresponds to technical assistance services for $81,537 (2020 $72,749), security for $37,529 (2020 $39,656), cleaning for $27,778 (2020 $24,694), utilities for $23,820 (2020 $22,774), advertising, publicity, and promotion for $11,630 (2020 $13,426), electronic data processing for $10,643 (2020 $10,970), temporary services for $10,410 (2020 $9,313) and other services for $29,785 (2020 $26,992).

(3) Corresponds mainly to legal advisory services for $53,116 (2020 $72,056) that decreased due to lower legal advisory fees in Cementos Argos S.A. and in the vertical project in the subsidiary Odinsa S.A., technical advisory services for $21,068 (2020 $31,507) and financial advisory services for $4,543 (2020 $4,832).

(4) Corresponds to impairment of receivables mainly in the energy segment focused on the strata with lower collection percentages due to the COVID-19 contingency.

(5) Corresponds to fire insurance for $13,231 (2020 $8,505), civil and extracontractual liability for $9,804 (2020 $7,892), compliance for $3,310 (2020 $5,228), group life insurance for $2,566 (2020 $3,873), fleet and transportation equipment insurance for $1,547 (2020 $4,200) and other insurance for $6,065 (2020 $7,495).

NOTE 36: **SELLING EXPENSES**

Selling expenses at 31 December comprise:

	2021	2020
Staff expenses	145,032	129,890
Amortizations	40,381	38,801
Services	35,899	27,782
Taxes	30,172	23,586
Contributions and affiliations	9,657	8,415
Impairment of receivables	6,482	13,334

	2021	2020
Depreciations	3,689	2,085
Travel expenses	2,680	2,475
Insurance	2,436	3,638
Fees	1,416	1,127
Maintenance and repairs	1,356	1,300
Leases	1,215	2,181
Adaptation and installation	648	719
Legal expenses	176	435
Miscellaneous	5,633	7,097
Total cost of sales	**286,872**	**262,865**

NOTE 37: **OTHER INCOME (EXPENSES), NET**

Other net income (expense) as of 31 December comprise:

	2021	2020
Compensation (1)	1,695,568	2,140
Recoveries (2)	233,023	96,517
Profit from the disposal of assets constituting a business (3)	180,163	-
Profit from purchase on advantageous terms (4)	30,121	-
Government grants (5)	76	4,956
Fines, penalties and lawsuits (6)	(9,732)	(78,527)
Taxes assumed	(34,509)	(28,828)
Donations	(37,713)	(33,619)
Impairment losses on assets (7)	(168,433)	(4,757)
Loss on sale of fixed, intangible and other assets (8)	(1,941,020)	(16,201)
Other net gains (losses)	(13,238)	25,960
Total other income, net	**(65,694)**	**(32,359)**

(1) Corresponds mainly to Autopistas del Nordeste S.A. for $1,181,342 and Boulevard Turístico del Atlántico S.A. for $503,479 as consideration granted by the Government of the Dominican Republic due to compliance with the conditions aproved in the early termination agreement of road concession contracts. The indemnity was recognized at fair value (Note 47 Significant events).

(2) Corresponds mainly to recovery of provisions of $78,902 (2020 $29,948), especially in the subsidiary Celsia Colombia S.A. for the recovery of the provision of bajo Anchicayá for $62,122 (2020 $0) for the difference of the provisioned value and the amounts of the ruling in the final sentence, as well as recovery of provisions in Cementos Argos S.A., Odinsa S.A. and Sator S.A.S., reimbursement of payables for paving works in Boulevard Turístico del Atlántico S.A. $24,842 (2020 $0) these movements are made due to the early settlement agreement of the road concession agreement signed with the Government of Dominican Republic, impairment reversal of other assets for $23,652 (2020 $6,700) of which for the year 2021, $23,184 correspond to impairment reversal of property, plant and equipment in the subsidiary Celsia S.A. due to the ordered liquidation process of Bahía las Minas Corp., reversal of portfolio impairment for $19,705 (2020 $4,859) mainly in the subsidiaries Odinsa S.A., Cementos Argos S.A. and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., right-of-use asset retirement for $19,183 (2020 $4,869), reimbursement of the Dominican Republic ITBIS tax of the companies Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. for $5,971 (2020 $3,991), recovery of termination benefits for $3,544 (2020 $2,667) in the subsidiary Cementos Argos S.A., recovery of insurance mainly in the subsidiary Cementos Argos S.A. for$2,233 (2020 $7,864) and recovery of receivables for $914 (2020 $2,718).

(3) On 14 June 2021, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC - for USD 184 million. The sale price of the assets, less the recorded value of the delivered assets, generated an accounting gain on disposal of business for $180,163 (USD 48.1 million) (Note 16.1.2 Transactions for loss of control of a subsidiary or assets constituting a business).

(4) Corresponds to income generated in the purchase of shares by the Group of the associate Grupo de Inversiones Suramericana S.A. during 2021 (Note 18 Investments in associates and joint ventures).

(5) Recognition of subsidies from the formal employment support programs - PAEF and support for the payment of the service premium - PAP delivered by the Colombian National Government during the COVID-19 pandemic.

(6) For 2020, In July 2017, two of the Company's competitors (Southest Ready Mix, LLC and Mayson Concrete Inc) filed a lawsuit against it alleging antitrust violations, before the United States District Court for the District of North Georgia, which commenced investigations by the United States Department of Justice (DOJ). As part of the investigations Argos USA LLC has been cooperating with the provision of information required by the entity and attending different requests. On 4 January 2021 the Company reached an agreement (Defer Prosecution Agreement - DPA) with the U.S. Department of Justice, after a long process of accusations of anti-competitive practices for the sale of concrete in the Southern District of Georgia. Under this agreement, the company will pay USD 20 million to the U.S. Treasury. The signing of this agreement represents the closing of the contingencies related to the antitrust practices of the former employees of Argos USA LLC, who were inherited in the acquisition of concrete assets in Pooler, Georgia, as part of a large package of assets purchased by Argos USA LLC from another company in 2011. These assets were sold and no longer belong to Argos USA LLC. As of December 2020, a provision was recorded for the amount agreed to be paid.

(7) Corresponds for 2021 to impairment of the liquidation trust of Bahía Las Minas Corp. in Central America for $62,908, impairment of goodwill associated with the subsidiaries Celsia Centroamérica S.A. for $49,765 and Porvenir II S.A.S E.S.P. for $19,078, impairment on assets in Cementos Argos S.A. mainly due to raw milling of the Sabanalarga plant for $18,123, write-off of assets for $8,452, impairment on assets in Celsia S.A. due to damage in the transformer of the Merilectrica plant for $6,774 and impairment on assets of Bahía Las Minas Corp. for $3,333.

(8) Corresponds mainly to loss in the derecognition of financial assets after the termination and delivery of the road concession contract to the Government of the Dominican Republic in Autopistas del Nordeste S.A. for $1,033,880 and Boulevar Turístico del Atlántico S.A. for $461,085. Additionally, the derecognition of items in Odinsa S.A. and Odinsa Holding Inc. for the adjustments of the purchase price allocation process (PPA) for the acquisition of control of these companies associated to the road assets of Autopistas del Nordeste S. A. for $264,690 was recognized, Boulevar Turístico del Atlántico S.A. $178,374, JV ADN S.R.L. $8,640 and JV BTA S.R.L. $9,513. Also, a gain on the sale of land of Bahía Las Minas Corp. for $22,265 in process of liquidation. For 2020, corresponds mainly to losses in the derecognition of assets of the subsidiary Cementos Argos S.A. for $36,097, gain on the sale of high transmission assets to Caoba Inversiones S.A.S. and the transfer under the BOT contract by the subsidiary Celsia S.A. for $15,270.

NOTE 38: **FINANCE EXPENSES, NET**

Net finance income and expenses as of 31 December comprise:

	2021	2020
Interest income	96,964	115,028
Other finance income (1)	86,547	12,258
Income from valuation of financial instruments	52,231	20,021
Total finance income	**235,742**	**147,307**
Interest expense	(1,120,270)	(1,190,861)
Bank charges and commissions	(37,914)	(43,249)
Losses on valuation of financial instruments	(37,267)	(100,335)
Other finance expenses	(27,091)	(49,549)
Management and issuance of bonds	(1,849)	(1,745)
Total finance expenses	**(1,224,391)**	**(1,385,739)**
Exchange rate differences income	248,900	470,163
Exchange rate differences expenses	(221,085)	(463,816)
Total expenses / income for difference in change	**27,815**	**6,347**
Total net finance expense	**(960,834)**	**(1,232,085)**

(1) For 2021 includes $77,532 corresponding to income from the settlement of financial liabilities in the framework of the liquidation of Bahía Las Minas Corp.

As of 31 December 2021 and 2020 the weighted average annual capitalization rate of borrowing costs on property, plant and equipment is 3.37% (2020 5.33%) and on intangible assets is 3.97% (2020 6.61%).

The exchange rate at 31 December 2021 is $3,981.16 and at 31 December 2020 is $3,432.50.

NOTE 39: **EARNINGS (LOSS) PER SHARE**

Earnings (loss) per share attributable to controllers of the Company as of 31 December comprises:

	2021	2020
Basic earnings (loss) per share:		
From continuing operations (*)	681.32	(116.67)
Total basic earnings (loss) per share	**681.32**	**(116.67)**
Diluted earnings (loss) per share:		
From continuing operations (*)	681.32	(116.67)
Total diluted earnings (loss) per share	**681.32**	**(116.67)**

(*) Figures stated in Colombian pesos (pesos per share).

The Group does not hold financial instruments or other types of contracts that entitle it to receive potential ordinary shares, and therefore diluted earnings (loss) per share is equal to basic earnings (loss) per share.

39.1 Basic earnings (loss) per ordinary share

The earnings (loss) and weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share are as follows:

	2021	2020
Profit (loss) for the year attributable to controllers of the company	589,799	(100,013)
Earnings (loss) used in the calculation of basic earnings per share	589,799	(100,013)
Earnings (loss) used in the calculation of basic earnings per share from continuing operations	589,799	(100,013)
Weighted average number of ordinary shares for basic earnings (loss) per share purposes	**865,670,287**	**857,227,180**

39.2 Diluted earnings (loss) per share

The earnings (loss) used in the calculation of diluted earnings (loss) per share are as follows:

	2021	2020
Earnings (loss) used in the calculation of total basic earnings per share	589,799	(100,013)
Earnings (loss) used in the calculation of diluted earnings per share	589,799	(100,013)
Earnings (loss) used in the calculation of diluted earnings per share from continuing operations	**589,799**	**(100,013)**

The weighted average number of ordinary shares for diluted earnings (loss) per share purposes is reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share as follows:

	2021	2020
Weighted average number of ordinary shares used in calculation of basic earnings (loss) per share	**865,670,287**	**857,227,180**

Weighted average number of ordinary shares used in the calculation of diluted earnings (loss) per share	**865,670,287**	**857,227,180**

NOTE 40: **SEGMENT INFORMATION**

40.1 Products and services that generate revenue from the reportable segments

The Group's operating segments have been defined as the companies, consolidation groups and holding company that manage the operations of the following activities:

Cement: corresponds to the group of companies dedicated to the exploitation and production of cement-based mixtures and derivatives such as concrete and other materials based on cement, lime, or clay. These companies are consolidated through the subsidiary Cementos Argos S.A.

Energy: corresponds to the group of companies engaged in the provision of public utilities specializing in the generation, transmission, distribution and marketing of electricity. These companies are consolidated through the subsidiary Celsia S.A.

Real estate: refers to the activities of acquisition, participation, urbanization, promotion, design, provision of technical services, construction, administration, consultancy, management, and auditing in real estate businesses carried out by the Parent company Grupo Argos S.A.

Portfolio: this refers to investment activities in all types of shares, quotas or interest, interests in companies or entities which allow for the investment of resources, carried out in the Parent company Grupo Argos S.A.

Concessions: corresponds to the group of companies engaged in the management, promotion, and development of large infrastructure projects, such as road, airport and special project concessions. The consolidation of these companies is performed through the subsidiary Odinsa S.A., including the consolidation of the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Coal: exploitation activities of the coal industry and any other mineral substance associated with coal performed through the company Sator S.A.S.

Below is an analysis of the Group's revenue and results from continuing operations by reportable segments, including adjustments for consolidation purposes:

December 2021	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments	Total
Net income	9,859,929	4,110,736	237,711	440,892	99,549	1,614,996	(2,640)	16,361,173
Less: inter segment	(2,543)	(21,391)	(2,189)	(10,458)	(15,471)	(2)	-	(52,054)
Consolidated income	**9,857,386**	**4,089,345**	**235,522**	**430,434**	**84,078**	**1,614,994**	**(2,640)**	**16,309,119**
Cost of ordinary activities	(7,104,644)	(2,477,106)	(102,348)	(19,857)	(52,492)	(619,219)	(6,873)	(10,382,539)
Other income (expense), net	(803,164)	(347,337)	-	(173)	(3,712)	(311,388)	-	(1,465,774)
Operating profit	**1,949,578**	**1,264,902**	**133,174**	**410,404**	**27,874**	**684,387**	**(9,513)**	**4,460,806**
Other depreciation and amortization	(116,684)	(51,273)	(653)	(17,843)	(32)	(66,392)	-	(252,877)
Administration and sales	(807,392)	(259,017)	(44,865)	(79,030)	(5,019)	(329,619)	161	(1,524,781)
Loss on impairment of assets	(26,576)	(141,857)	-	-	-	-	-	(168,433)
Other income (expense), net	227,968	88,587	(2,837)	21,515	(3,261)	(230,271)	1,038	102,739
Operating profit	**1,226,894**	**901,342**	**84,819**	**335,046**	**19,562**	**58,105**	**(8,314)**	**2,617,454**

December 2021	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments	Total
EBITDA	**2,146,742**	**1,299,952**	**85,472**	**353,062**	**23,306**	**435,885**	**(8,314)**	**4,336,105**
Finance income	15,665	152,932	1,279	7,469	130	58,267	-	235,742
Finance expenses	(433,761)	(357,729)	(3,984)	(101,426)	(3,014)	(324,477)	-	(1,224,391)
Exchange rate difference, net	10,387	24,739	(5)	(1,654)	(845)	(4,807)	-	27,815
Others	(7,438)	(1,037)	-	-	-	-	8,475	-
Earnings before taxes	**811,747**	**720,247**	**82,109**	**239,435**	**15,833**	**(212,912)**	**161**	**1,656,620**
Income tax	(299,306)	(190,223)	-	29,144	(10,791)	20,589	-	(450,587)
Income from continuing operations	**512,441**	**530,024**	**82,109**	**268,579**	**5,042**	**(192,323)**	**161**	**1,206,033**
Net income	**512,441**	**530,024**	**82,109**	**268,579**	**5,042**	**(192,323)**	**161**	**1,206,033**

December 2020	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments	Total
Net income	9,002,090	3,536,006	143,705	160,645	32,824	1,146,881	11,586	14,033,737
Less: inter segment	(16,227)	(14,668)	(1,987)	(10,332)	-	-	-	(43,214)
Consolidated income	**8,985,863**	**3,521,338**	**141,718**	**150,313**	**32,824**	**1,146,881**	**11,586**	**13,990,523**
Cost of ordinary activities	(6,568,748)	(2,048,873)	(32,148)	(63,167)	(24,021)	(434,079)	(19,467)	(9,190,503)
Depreciation and amortization	(781,036)	(325,320)	-	(290)	(1,628)	(333,147)	-	(1,441,421)
Gross profit	**1,636,079**	**1,147,145**	**109,570**	**86,856**	**7,175**	**379,655**	**(7,881)**	**3,358,599**
Other depreciation and amortization	(131,024)	(55,554)	(687)	(17,963)	(30)	(70,009)	-	(275,267)
Administration and sales	(741,080)	(251,295)	(44,888)	(69,244)	(5,894)	(300,445)	-	(1,412,846)
Loss on impairment of assets	(2,797)	-	-	(472)	(20)	(1,468)	-	(4,757)
Other income (expense), net	(55,909)	24,175	241	(6,720)	663	9,492	456	(27,602)
Operating profit	**705,269**	**864,471**	**64,236**	**(7,543)**	**1,894**	**17,225**	**(7,425)**	**1,638,127**
EBITDA	**1,617,329**	**1,245,345**	**64,923**	**10,710**	**3,552**	**420,381**	**(7,425)**	**3,354,815**
Finance income	24,404	36,176	1,667	9,009	2,552	73,499	-	147,307
Finance expenses	(498,401)	(418,867)	(680)	(118,161)	(68)	(349,562)	-	(1,385,739)
Exchange rate difference, net	(10,754)	53,210	(6)	1,083	17	(37,203)	-	6,347
Others	(5,596)	(1,217)	-	-	-	-	6,813	-
Earnings before taxes	**214,922**	**533,773**	**65,217**	**(115,612)**	**4,395**	**(296,041)**	**(612)**	**406,042**
Income tax	(81,004)	(204,355)	-	(17,549)	(2,176)	52,987	-	(252,097)
Income from continuing operations	**133,918**	**329,418**	**65,217**	**(133,161)**	**2,219**	**(243,054)**	**(612)**	**153,945**
Net income	**133,918**	**329,418**	**65,217**	**(133,161)**	**2,219**	**(243,054)**	**(612)**	**153,945**

The accounting policies applied in the preparation of segment information and in the accounting for transactions between segments correspond to those described in the accounting policy of operating segments. The Group has not made asymmetric allocations in its operating segments.

40.2 Reconciliation of segment revenue and revenue

The reconciliation between income by segment and the Group's revenue is as follows (Note 33 Revenue):

December 2021	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments (*)	Total

Net income								
Sale of cement, concrete and other	9,774,259	-	-	-	-	-	-	9,774,259
Sale of energy, natural gas and related activities	1,079	4,087,843	-	-	83,657	-	-	4,172,579
Real estate	7,462	-	196,604	12	-	341,119	-	545,197
Revenue from airport services	-	-	-	-	-	519,674	-	519,674
Revenue from toll Collection	-	-	-	-	-	499,864	-	499,864
Equity method	-	-	5,303	382,270	-	15,320	(8,661)	394,232
Financial activity	-	-	-	32,965	-	208,722	6,021	247,708
Valuation of investment property	42,240	-	33,615	-	421	192	-	76,468
Others	32,346	1,502	-	15,187	-	30,103	-	79,138
Consolidated income	**9,857,386**	**4,089,345**	**235,522**	**430,434**	**84,078**	**1,614,994**	**(2,640)**	**16,309,119**

(*) Loss from the equity method for $8,661 corresponds to associates and joint ventures of Cementos Argos S.A. for ($7,486) and Celsia S.A. for ($1,175). Income from financial activity for $6,021 corresponds to the sale of 10,000 shares of Celsia Move S.A.S. for $5,836, dividends from investments of Celsia S.A. for $138 and from investments of Cementos Argos S.A. for $47, which are presented in each of the operating segments in the other operating income (expenses) item or in others, and are reclassified for consolidation purposes of the Group as revenue.

December 2020	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments (*)	Total
Net income								
Sale of cement, concrete and other	8,951,875	-	-	-	-	-	-	8,951,875
Sale of energy, natural gas and related activities	-	3,519,623	-	-	32,474	-	-	3,552,097
Real estate	8,875	-	68,397	-	-	276,927	-	354,199
Revenue from airport services	-	-	-	-	-	249,776	-	249,776
Revenue from toll Collection	-	-	-	-	-	435,431	-	435,431
Equity method	-	-	6,860	69,523	-	(35,745)	(10,278)	30,360
Financial activity	-	-	-	65,843	-	209,887	21,864	297,594
Valuation of investment property	1,541	-	66,461	-	351	(1,077)	-	67,276
Others	23,572	1,715	-	14,947	(1)	11,682	-	51,915
Consolidated income	**8,985,863**	**3,521,338**	**141,718**	**150,313**	**32,824**	**1,146,881**	**11,586**	**13,990,523**

(*) The loss from the equity method of $10,278 corresponds to associates and joint ventures of Cementos Argos S.A. for ($5,642) and Celsia S.A. for ($4,636). Income from financial activity for $21,864 corresponds to price adjustment on the sale of the subsidiary Zona Franca Celsia S.A. E.S.P. for $13,263, sale of the investment in the joint business Caltek S.A.S. for $4,984, dividends from investments of Celsia S.A. for $3,419 and from investments of Cementos Argos S. A. for $46, sale of investments of Cementos Argos S.A. for $152, which are presented in each of the operating segments in the line of other operating income (expenses) or in others, and are reclassified for purposes of the consolidated Group as revenue.

40.3 Geographic information

Revenue from external customers of the Group's continuing operations by geographic location at 31 December are as follows:

	Revenue by geographic location	
	2021	**2020**
Colombia	8,063,759	6,185,674
United States	5,468,679	5,364,795
Panama	739,238	608,690
Caribbean Islands	630,893	514,814
Dominican Republic	561,139	570,612
Honduras	554,611	421,068
Haiti	180,197	240,147

Costa Rica	53,380	51,352
Suriname	38,175	30,288
Guatemala	19,048	3,083
Total	**16,309,119**	**13,990,523**

For these purposes, the basis used to attribute revenue from external customers to countries is the location of each of the subsidiaries.

As of December 2021 and 2020, the Group does not have any customer representing 10% or more of consolidated income.

NOTE 41: **INFORMATION ON RELATED PARTIES**

41.1 Qualitative relationships between the Group and its related parties

(1) The Group contracts property, casualty, and personal liability insurance, mainly through life and general insurance companies that are subordinates of Grupo de Inversiones Suramericana S.A. This operation is performed to cover property losses, using the retention and risk distribution schemes negotiated with said insurance companies, all in compliance with applicable regulations in the corresponding jurisdiction. Dividends receivable and payable are also generated with Grupo de Inversiones Suramericana S.A. since this company is also an associate of the Group (Note 18.8 Reciprocal interests)

(2) Air transportation service between Internacional Ejecutiva de Aviación S.A.S. and the Group: the transaction consists of Internacional Ejecutiva de Aviación S.A.S. providing air transportation to senior executives of Grupo Argos S.A. and its subsidiaries.

(3) Corresponds mainly to CNC del Mar S.A.S. E.S.P. for *Back office* administrative support, receivables from Caoba Inversiones S.A.S. for the sale of transmission and distribution assets, for the last quarter of 2021 Celsia Colombia S.A. E.S.P. made an assignment of the credit it had with this company to the financial entity Scotiabank Colpatria for $260,000, therefore, the obligation remained with Caoba Inversiones S.A.S. To Fideicomiso Plan Luz for sales commissions, interest, and principal for the subordinated debt, to Consorcio Farallones for sale of concrete, dividends receivable from Quito Airport Management (QUIAMA) LTD, receivables from International Airport Finance S.A., receivables from Trans Atlantic Shipmanagement Ltd. for the rendering of water transport services and from Granulados Reciclados de Colombia Greco S.A.S. for rendering of services. Payables to Caoba Inversiones S.A.S. for collections in its favor for the use of networks, for the operation of distribution and transmission assets in Tolima and plan 5 Caribe, to Consorcio Imhotep for withholding of guarantees for construction contracts and reguarantee of Consorcio Constructor Nuevo Dorado.

(4) Sale of cement and concrete to Consorcio Farallones, the transaction consists of the sale of cement and concrete to Consorcio Farallones for infrastructure works in different regions of the country.

(5) Sale of distribution and transmission assets that Celsia Colombia S.A. E.S.P. made to Caoba Inversiones S.A.S. and representation contract with Caoba Inversiones S.A.S. for the operation of distribution and transmission assets in Tolima and the Caribbean plan.

(6) Subordinated debt between Odinsa S.A. and Concesión La Pintada S.A.S. with the purpose of covering operation, maintenance, and construction costs. On this subordinated debt interest is accrued at an agreed rate of Fixed Term DTF + 3%.

(7) Lease of constructions and buildings that the Group and its subsidiaries have with the Fondo de Capital Privado Pactia Inmobiliario.

41.2 Transactions with related parties

During the year, the Group companies performed the following transactions and present the following balances receivable from or payable to related parties that are not consolidated within the Group:

	Sale of goods and other income		Purchase of goods and other expenses	
	2021	2020	2021	2020
Entities with significant influence over the Group (1)	5,673	283	98,986	88,013
Associates (2)	44,002	35,356	26,897	27,915
Joint ventures (3)	44,756	62,721	39,498	53,944
Key Management Personnel (4)	325	200	203,880	172,460
Fees of the Board of Directors	-	-	4,321	4,239
Total related parties	**94,756**	**98,560**	**373,582**	**346,571**

(1) Corresponds to indemnities, insurance recoveries and other services. Expenses correspond to multi-risk policy and to the purchase of insurance to cover assets, civil liability and employee benefit plans with Grupo de Inversiones Suramericana S.A.

(2) Corresponds mainly to interest on subordinated debt to cover operating, maintenance and construction costs and reversal of impairment of receivables with Concesión La Pintada S.A.S., dividends from Fondo de Capital Privado Pactia Inmobiliario, rendering of administrative services to Internacional Ejecutiva de Aviación S.A.S., revenue from the sale of cement to Fondo de Capital Privado Pactia Inmobiliario and services with Termoeléctrica El Tesorito S.A.S. E.S.P. The expenses are represented in the rendering of air transportation services by Internacional Ejecutiva de Aviación S.A.S. to senior executives of Grupo Argos S.A. and its subsidiaries, depreciation of right-of-use assets in constructions and buildings, interest from valuation of lease liabilities and costs from the sale of cement to Fondo de Capital Privado Pactia Inmobiliario.

(3) Comprises mainly income from operation, maintenance, commercial representation and interest with Caoba Inversiones S.A.S., from the sale of distribution and transmission assets, commission income and interest with Fideicomiso Plan Luz and administrative services and interest with CNC del Mar S.A.S. E.S.P, sale of cement and concrete to Consorcio Farallones, income from sea transportation services with Trans Atlantic Shipmanagement Ltd and interest with International Airport Finance S.A. Costs and expenses correspond to the valuation of the lease agreement of vessels for sea transportation services and depreciation of right-of-use assets with Trans Atlantic Shipmanagement Ltd. for the transportation of raw materials and finished products and the sale of cement and concrete to Consorcio Farallones for infrastructure works in different regions of the country.

(4) Corresponds to interest income from loans and remuneration to key management personnel.

	Amounts receivable		Amounts payable	
	2021	2020	2021	2020
Entities with significant influence over the Group (1)	87,906	65,089	54,638	31,520
Associates (2)	24,666	70,047	1,319	1,647
Joint ventures (3)	49,921	335,705	51,396	37,190
Key Management Personnel (4)	13,130	11,453	23	30
Total related parties	**175,623**	**482,294**	**107,376**	**70,387**

Amounts receivable include $50,048 (2020 $41,855) for other prepaid expenses to related parties. Amounts payable include $197 (2020 $1,171) for other non-financial liabilities (Note 12 Prepaid expenses and other non-financial assets and Note 27 Other non-financial liabilities).

(1) Corresponds to dividends receivable, prepaid expenses for multi-risk insurance policy, receivables for reimbursement of claims, payables to Grupo de Inversiones Suramericana S.A. for insurance, health services and prepayment of invoices.

(2) Mainly comprises interest receivable from Concesión La Pintada S.A.S. for subordinated debt, energy reimbursement, connection rights and sale of cement with Fondo de Capital Privado Pactia Inmobiliario, rendering of administrative services to Internacional Ejecutiva de Aviación S.A.S. and loan to promotora de proyectos S.A. Payables are represented

in the rendering of air transportation services by Internacional Ejecutiva de Aviación S.A.S. to senior executives of Grupo Argos S.A. and its subsidiaries, advance payments for the purchase of cement and concrete and interest to Fondo de Capital Privado Pactia Inmobiliario for leasing of constructions and buildings with the Group and its subsidiaries.

(3) Corresponds mainly to CNC del Mar S.A.S. E.S.P. for *Back office* administrative support, receivables from Caoba Inversiones S.A.S. for the sale of transmission and distribution assets, for the last quarter of 2021 Celsia Colombia S.A. E.S.P. made an assignment of the credit it had with this company to the financial entity Scotiabank Colpatria for $260,000, therefore, the obligation remained with Caoba Inversiones S.A.S. To Fideicomiso Plan Luz for sales commissions, interest and principal for the subordinated debt, to Consorcio Farallones for the sale of concrete, dividends receivable from Quito Airport Management (QUIAMA) LTD, receivables from International Airport Finance S.A., receivables from Trans Atlantic Shipmanagement Ltd. for the rendering of sea transport services and from Granulados Reciclados de Colombia Greco S.A.S. for services rendered. Payables correspond to Caoba Inversiones S.A.S. for collections in its favor for the use of networks, for the operation of distribution and transmission assets in Tolima and plan 5 Caribe, to Consorcio Imhotep for withholdings of guarantees of construction contracts and reguarantee of Consorcio Constructor Nuevo Dorado.

(4) Receivables are represented by loans granted to key management personnel and payables for fees to members of the board of directors.

Right-of-use assets with Fondo de Capital Privado Pactia Inmobiliario for $72,150 (2020 $113,090) and lease obligations for $88,560 (2020 $103,743), rights of use assets with Trans Atlantic Shipmanagement Ltd. for $52,447 (2020 $46,031) and lease obligations for $54,714 (2020 $46,926).

As of 31 December the Group has recognized impairment of receivables from related parties for $465 (2020 $1,368) and impairment expense of $0 (2020 $587).

As of 31 December the Group has not received nor granted any guarantees for balances receivable from or payable to related parties, except for loans to key management personnel where the Group receives a guarantee on the disbursement made. Transactions between reporting companies and their related parties are made under conditions equivalent to those existing in transactions between independent parties.

The average term of receivables from related parties with respect to the sale of goods and services is 30 days; payables between related parties have an average term of between 30 and 60 days. The average term of loans as of December 2021 is between 1 and 7 years, agreed at a rate in pesos between 1.89% and 5.60%. For the subsidiary Celsia S.A., loans between related parties are at a LIBOR 3M + 2.50% rate.

41.3 Key management personnel compensation

Compensation awarded to key management personnel during the year was as follows:

	2021	2020
Short-term employee benefits (*)	192,499	164,065
Post-Employment Benefits	6,467	6,975
Other long-term benefits	4,797	3,920
Termination benefits	2,681	1,039
Share-based payments	1,757	700
Total compensation awarded to key management personnel	**208,201**	**176,699**

(*) Includes Fees of the Board of Directors' Members for $4.321 (2020 $4,239).

Amounts broke down in the table above correspond to the values recognized as expenses during the period.

NOTE 42: **BUSINESS COMBINATIONS**

42.1. Business combinations performed during the reporting period

In the twelve-month period ended 31 December 2021, the Group did not perform any business combinations.

42.2. Business combinations performed during the period immediately preceding the reporting period

In the twelve-month period ended 31 December 2020, the Group did not perform any business combinations.

NOTE 43: **CONTINGENT ASSETS AND LIABILITIES**

Certain contingent conditions may exist at the date the financial statements are issued, which may result in profit or loss for the Group. These contingencies will be resolved in the future when one or more events occur, or the probability of their occurrence varies. Such contingencies are estimated by the management and its legal advisors. The estimation of loss contingencies necessarily involves an exercise of professional judgment and is a matter of opinion. In estimating the contingencies that imply profit or loss in legal proceedings pending in favor or against the Group, the legal advisors assess, among other aspects, the merits of the claims, case law of the courts in this regard and the current status of the proceedings on a case-by-case basis.

The Group considers that these matters will be resolved without any material effect on our operations, financial position or operational results.

43.1 Contingent assets

The Group's relevant contingent assets at 31 December 2021 are broke down below:

43.1.1 Grupo Argos S.A.

At 31 December, the Company has contingent assets for $1,273 with the Special Industrial and Port District of Barranquilla for processes with pro-hospital stamp, of which $667 correspond to the plaintiff Grupo Argos S.A. and $606 correspond to Situm S.A.S. (Company absorbed by Grupo Argos). In turn, contingent assets for smaller amounts that add up to $1,016 (2020 $0) are held; which correspond for 2021 to processes for CREE taxes and executive processes for real estate properties.

43.1.2 Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

Nullification and reinstatement of rights

On 12 April 2019, OPAIN filed a lawsuit before the administrative jurisdiction, requesting the nullity of the administrative acts by which a fine was imposed for changing the *Bag Tag* (suitcase ticket) to a passenger's suitcase. The changed ticket was attached to a suitcase containing illegal substances. On 8 November 2019, Aerocivil answered the lawsuit and is waiting for the court to transfer it. On 10 December 2019, OPAIN filed the exceptions. On 18 December 2019, the court issued an order denying the exception filed by Aerocivil regarding the lack of jurisdiction of the court and stated that the process enters the office to set a date for the initial hearing.

43.1.3 Odinsa S.A. and subsidiaries

Autopista de los Llanos S.A. – in liquidation

The Company filed an administrative lawsuit with the Ministry of the Environment before the Council of State, seeking to declare the nullity of Resolution 930 of 28 August 1996, which ordered the municipality and the concession to build a dam to protect the Villa Suarez neighborhood. This resolution was suspended as a precautionary measure to protect the Guatiquía River neighborhood. When the bridge was built, the river was diverted, affecting the neighborhood. Once the work was completed, a dam was built at the site. As of 31 December the amount is still pending to be determined. First instance, on 8 July 2020 a memorial was filed informing the address and means of notification.

Meanwhile, contingent assets for minor amounts that add up to $1,500 (2020 $2,312) are readied for a claim for direct reparation of Odinsa S.A. and its subsidiaries.

43.2 Contingent liabilities

Lawsuits to which the Group is exposed are administered by the legal area, the administrative processes can be of a labor, civil, criminal, and administrative nature. The Group considers as contingent liabilities those proceedings for which it is estimated as possible, the probability of occurrence of the event and a future outflow of resources. The Group periodically monitors the evolution of the probability of loss of these proceedings and their classification as contingent liabilities or provisions. If the probability of loss increases from possible to probable, the Group recognizes a provision and the corresponding effect on consolidated profit for the year. The amount of the provision depends on each specific process.

As of 31 December 2021, the most significant contingencies that were not recognized as provisions in the financial statements are as follows:

43.2.1 Cementos Argos S.A. and subsidiaries

Lawsuit related to Transmilenio

Due to structural defects in the pavement of the North Highway Project in Bogotá D.C. developed by Transmilenio S. A. (hereinafter "Project"), a popular action is underway against the Mayor's Office of Bogotá, the Urban Development Institute, Concretos Argos S. A. and certain public officials and suppliers of the Project. The class action states that Concretos Argos S.A., together with other suppliers, supplied construction materials without complying with the required technical specifications, and as a result structural defects were generated in the pavement of the Autopista Norte Project, In response to which the corresponding defense arguments were presented.

In a first instance ruling, Concretos Argos S.A.S. was ordered to make some publications associated to the violation of consumers' rights and to apologize. The referred popular action is pending for a second instance ruling after the appeal and conclusion arguments presented by all parties.

Valuation Puerto Nare

In December 2018, the company filed a lawsuit for nullity and restoration of rights against a resolution to charge for the rectification and paving of the "Puerto Nare - Puerto Triunfo" road in the department of Antioquia for $18,126. The lawsuit was admitted, and in the response, the Department of Antioquia called the firm that performed the valuation study as guarantee. The company filed a written statement regarding the response to the lawsuit and again requested the suspension of the administrative act containing the valuation contribution. We have not recorded any accounting provision since we consider that we have sufficient arguments to disregard the payment obligation attributed to the company.

Southeast Ready Mix, LLC et al. vs. Argos North America Corp. et al.

Lawsuit filed by two competitors in July 2017 in the United States District Court for the Northern District of Georgia. The lawsuit alleges antitrust violation in the ready-mix concrete market in Savannah, Georgia by two indirect subsidiaries of the company and other defendants. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

Pro Slab, Inc. et al. vs. Argos Usa LLC. et al.

Class action lawsuit initially filed in November 2017 in the United States District Court for the District of South Carolina. The lawsuit alleges violation of competition law in the ready-mix concrete market in Savannah, Georgia and Charleston, South Carolina by an indirect subsidiary of the company and other defendants. The lawsuit alleges antitrust violation. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

Argos North America Corp. Texas Franchise Tax Audits (2008 & 2009)

In June 2016, the Texas State Tax Authority conducted an audit of the company's 2008 and 2009 state tax returns. The Authority disregarded some of the reported costs and, as a result, corrected the tax due, increasing it by USD 638 thousand ($2,190) in 2008 and USD 822 thousand ($2,822) in 2009, plus interest. The following fiscal years are not yet final and are subject to audit by the Authority. The tax assessment hearing requested by the company was held and the process was resolved as of 31 December 2021.

Kelly vs. Argos USA LLC.

This is a class action lawsuit filed in the United States District Court for the District of South Carolina in June 2020. The lawsuit alleges that concrete manufactured and distributed by Argos in the state of South Carolina was defective due to the use of excessive amounts of fly ash in the mix design. The process was resolved as of 31 December 2021.

43.2.2 Odinsa S.A. and subsidiarias

Autopistas del Café

1) In response to the Special requirement No. 162382019000001 of 6 February 2019 the company presents a process for determination for the Income Tax for taxable period 2013 for an amount of $74,521 corresponding to the higher tax determined by the National Tax Authority DIAN, plus the penalty for inaccuracy. On 27 October 2020 DIAN issued the resolution whereby it resolved the appeal for reconsideration filed, confirming the Official Revision Liquidation. On 6 December 2020, the conclusion arguments were filed.

2) Nullification and reinstatement of rights lawsuit filed by Autopistas del Café where the income tax for the taxable period 2010 for $50,004 is disputed, which corresponds to a higher amount of tax payable determined by DIAN, the penalty for inaccuracy, and a penalty for reduction of losses. This process is in its initial stage, the Court has requested the claim and evidence in digital media, as of 31 December 2021 there are no updates.

3) Autopistas del Café filed a lawsuit for nullification and reinstatement of rights filed by Autopistas del Café where the income tax for equity CREE for the taxable period 2013 for $9,370 corresponding to the higher tax payable determined by the DIAN, and the penalty for inaccuracy are discussed. On 18 December 2019 the conclusion arguments of second instance were filed before the Council of State. The Council of State must issue the final ruling. The process has been in the office for ruling since 14 July 2021.

4) The company files a class action process before the Fifth Administrative Court of the Pereira Circuit in which it intends that the defendants execute an adequate control of the surface waters that circulate in the area of the Argelia neighborhood in the municipality of Santa Rosa de Cabal, as well as to make a study to evidence the alleged risks in this area. As of 31 December 2021, the amount is yet to be determined. On 6 August 2021 and 15 October 2021 the evidentiary hearing was held.

5) A popular class action process was filed before the Fifth Administrative Court of the Circuit of Armenia, for the extension and termination of works and violation of collective rights. As of 31 December 2021 the amount is yet to be determined. This process is in the initial stage of the compliance agreement hearing (conciliation), and the date for evidentiary hearing is set for 17 February 2022.

6) An incident of integral reparation due to a traffic accident was filed against the company before the 4th Criminal Court of the Circuit of Armenia. On 3 July 2020 a writ was issued ordering the remission of digitalized procedural pieces. On 30 September 2021 the hearing of the incident of integral reparation was held after the nullity was decreed and was postponed at the request of the defendant for 19 November 2021. On 19 November 2021 the office granted the plaintiff's appeal. As of 31 December 2021 the amount is undetermined.

7) An action for protection was filed before the Second Criminal Court of the Circuit of Dos Quebradas, the plaintiff requests the protection of his right to life, dignity, and private property, clarifying the competent entity to perform the pertinent actions to prevent landslides in the sector of Alto Boquerón in Santa Rosa de Cabal. Second instance, the appeal process against the first instance judgment of 6 December 2021. As of 31 December 2021, the amount is pending to be determined.

8) This is a lawsuit for direct reparation pending in the First Administrative Court of the Circuit of Manizales against the Company related to a traffic accident. The amount is still to be determined.

Concesión Vial de los Llanos S.A.

1) The Company has two (2) processes by popular action filed before the Sixth Administrative Court of the Circuit of Villavicencio and the Ninth Administrative Court of the Circuit of Villavicencio, which seeks that the defendant performs the construction and lighting of pedestrian bridges in the water sources Sardinata, Acaciitas Orotoy and Caño Cola de Pato, restoration of public space in Via Granada. As of 31 December 2021 the amount is yet to be determined.

2) The Company filed a popular action before the Administrative Court of Meta, where it is intended that the defendant performs works to prevent the deterioration caused by rainwater that falls in the upper part of Cuncia. The amount is pending to be determined.

Autopistas del Nordeste S.A.

A civil liability suit was filed against the company before the Court of First Instance of the National District, First Chamber of the Civil and Commercial Chamber. The amount corresponds to $20,592. On 12 February 2020, the court granted successive 15-day terms at the expiration of which the file will be ready for judgment.

Autopistas del Nordeste S.A. and Compañía Boulevard Turístico del Atlántico, S.A.

In December 2021, due to the agreement signed for the early termination of the ADN and BTA concession contract with the Government of the Dominican Republic, in chapter IV of tax aspects, the taxpayers are obliged to pay DOP$394,844. 442.76 as a single and agreed installment of the total tax liability and therefore the DGII expresses that the debts for all the existing taxes to date are satisfied and they waive or leave without effect the administrative acts, sentences, determinations, inspections, and audits in progress without any additional payment requirements for such concepts (Note 47 Significant events).

Odinsa S.A. and its subsidiaries have contingent liabilities for minor amounts that together sum up to $15,058 (2020 $9,131) that correspond mainly to lawsuits for direct reparation, labor lawsuits and income tax.

43.2.3 **Celsia S.A. and subsidiarias**

Celsia Colombia S.A. E.S.P

1) Informs that based on Law 1955 of 2019 (articles 18 and 314), the Superintendence of Public Utilities officially liquidated the special contribution and the additional contribution to Celsia Colombia S.A E.S.P., Celsia Tolima S.A. E.S.P and Compañía de Electricidad de Tuluá S.A. E.S.P. for the year 2020. These liquidations were notified to the Company during the second half of the year and the respective appeals were filed, which are pending to be resolved, and no final decision has been notified to date.

The norms of Law 1955 of 2019 that supported the liquidations issued were declared unconstitutional through rulings C-484 of 2020 and C-464 of 2020, that declared the immediate and future effects of the unenforceability of article 18 (modifies the special contribution) and as of 2023 the unenforceability of article 314 (creates the additional contribution and orders its liquidation according to the rules of the special contribution), respectively. Said sentence establishes that the ruling applies to consolidated legal situations and that the text of article 85 before being modified by Law 1955 would become effective again, otherwise a legal vacuum would be generated which would lead to the Superintendence of Public Utilities being left without any financing mechanism to develop its functions.

Consequently, the liquidations of the special and additional contribution that were subject to appeals for reconsideration and appeal correspond to unfinished processes, unconsolidated legal situations and with respect to the acts of determination or collection of the additional contribution, the decay of the liquidations based on article 314 would operate, and the acts that seek the determination of an unconstitutional contribution must be revoked or nullified. The company has a written opinion from the external attorney ratifying the high probability of success of this administrative and judicial discussion, based on such expert opinion no related provisions have been recognized.

2) On 14 March 2014, the National Directorate of Taxes and Duties of Colombia (DIAN), by means of an official liquidation, modified the private liquid income for the taxable year 2010 of Celsia Colombia E.S.P., considering that the deduction for investment in fixed assets taken for the construction of the Cucuana hydroelectric plant would not comply with the requirements indicated in the current regulations. Accordingly, the tax and the penalty for inaccuracy, both under discussion according to the settlement of the DIAN, would amount to $16,800 and $26,880, respectively.

The company proceeded to file the corresponding appeals which were resolved against the interests of the company. Because of this, a claim for nullity and reinstatement of the right was filed before the Administrative Court of Valle del Cauca against the corresponding administrative acts, subsequently reforming it to include as evidence a recent decision of the Council of State's jurisprudence where it ratifies that the deduction for investment in real productive fixed assets (Art. 158-3 of the Tax Code), acquired through financial leasing, proceeds in the year in which the investment is made or in which the contract is signed. After completing the initial stages of the process and the initial hearing on 8 August 2017, the company filed closing arguments. Currently, the file is in the Office for the issuance of first instance ruling before the Contentious Administrative Court of Valle del Cauca.

43.2.4 **Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.**

There are contingent liabilities for minor amounts that total $2,038 (2020 $2,620), mainly for direct reparation claims and labor claims.

NOTE 44: **CONCESSION CONTRACTS**

The balance of the concession contracts at 31 December comprises:

	2021	2020
Financial Assets		
Commercial accounts (1)	393,720	2,390,160
Total financial assets (Note 8)	**393,720**	**2,390,160**
Intangible Assets		
Cost	5,261,933	5,152,366
Amortizations	(1,980,765)	(1,599,992)
Total intangible assets (Note 15)	**3,281,168**	**3,552,374**
Total assets from concession contracts	**3,674,888**	**5,942,534**

(1) The decrease corresponds mainly to the derecognition of financial assets after the completion and delivery of the road concession contract to the Government of the Dominican Republic in Autopistas del Nordeste S.A. for ($1,298,570) and Boulevar Turístico del Atlántico S.A. for ($639,460). Additionally, the derecognition was recognized in accounts, JV ADN S.R.L. ($8,640) and JV BTA S.R.L. ($9.513).

Changes in concessions recognized as financial assets during the period are as follows:

	2021	2020
Balance at the beginning of the year	**2,390,160**	**2,347,941**
Operating receivables	87,917	78,305
Interest receivables	207,415	213,060
Payment of principal	(388,461)	(252,201)
Payment of interest	(148,080)	(88,991)
Translation effect	291,702	118,978
Other changes	(2,046,932)	(26,932)
Balance at the end of the year	**393,720**	**2,390,160**

Changes in concessions recognized as intangible during the period is as follows:

	2021	2020
Balance at the beginning of the year	**3,552,374**	**3,866,055**
Additions	33,721	33,664
Amortization for the period	(337,818)	(359,085)
Translation effect	32,891	12,570
Transfer to other accounts	-	(2)
Business combinations	-	-
Impairment	-	-
Other changes	-	(828)
Balance at the end of the year	**3,281,168**	**3,552,374**

The following is a description of the main concession contracts of the subsidiaries of Grupo Argos S.A.:

Autopistas del Nordeste Cayman S.A.

In charge of the operation and maintenance of the Juan Pablo II highway, in the Dominican Republic; this highway communicates the capital of the republic with the northeast region of the country, in addition to the towns of Monte Plata, Bayaguana, Sabana Grande de Boya and Nagua. The concession was granted by the Dominican government in 2001, for a period of thirty (30) years, and the concessionaire began operating in June 2008, when it opened the road and toll stations.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the project's traffic demand study; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal conditions to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

As part of the contractual agreement for the concession Autopistas del Nordeste S.A., it has the obligation to renew assets. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.

The total cost of construction was approximately USD 224 million, in addition to the reception of the road in administrative concession by the toll system. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserve the economic balance of the contract, guaranteeing a minimum revenue of approximately USD 888 million as of 31 December 2021 (2020 USD 888 million) which is updated with the US inflation rate. According to the concession agreement, this flow will be cancelled quarterly from August 2008 until May 2038.

The concession arrangement will terminate ordinarily by the expiration of the term provided in the contract. There is no clause agreed to allow for an extension, except in the event of situations that significantly alter the conditions and performance of the contract.

The Concession Contract, in its article 5, includes as an additional scope for the project, the Nagua - Sanchez - Samaná circuit, known as the “Boulevard Turístico del Atlántico”.

* Article 27 of the referred contract allows the total or partial assignment of the project's scope.

*In the "Minutes of Agreement No. 10" dated 23 August 2007: Autopistas del Nordeste formally assigns the additional scope of its concession contract with the Dominican State, to the legal entity Boulevard Turístico del Atlántico, S.A., which has the same structure and share interests of the promoters of the Autopistas del Nordeste project.

In December 2021, an agreement was signed for the early termination of the Santo Domingo-Rincón de Molinillos highway concession contracts held in this country through the subsidiaries Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. The agreement implied the delivery of all assets related to the highway concessions to the Government of the Dominican Republic (Note 47 Significant events).

As of 31 December 2021, the value of the financial assets for concession contracts for this concession amounted to $14,524 (2020 $1,315,102).

Boulevard Turístico del Atlántico, S.A.

Development, construction and rehabilitation of the Nagua - Sanchez - Samaná - El Limón and Las Terrenas highway through the concession system, as well as the total or partial development of public and private facilities. Through agreement No. 10, dated 23 August 2007, signed between the government of the Dominican Republic, represented by the Ministry of Public Works and Communications and Autopistas del Nordeste S.A., an entity related to Boulevard Turístico del Atlántico S.A. (concessionaire), who was originally granted with the project.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the study of the project's traffic demand; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal condition to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

Within the contractual agreement of the Boulevard Turístico del Atlántico S.A. concession, it has the obligation to carry out an asset renewal. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, the equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.
The initial value of the contract is approximately USD 151 million, in addition to the reception of the road under administrative concession by the toll system. The act also indicates that the company commits to contribute 100% of the cost of the construction works, within a period of 24 months. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserving the economic balance of the contract, guaranteeing a minimum income of approximately USD 1,173 million as of 31 December 2020 (2020 USD 1,173 million) which is updated with the US inflation rate. According to the concession agreement, this flow will be cancelled quarterly from the first quarter of 2012 until April 2038.

The concession agreement will terminate on an ordinary basis due to the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

In December 2021, an agreement was signed for the early termination of the Santo Domingo-Rincón de Molinillos highway concession contracts held in this country through the subsidiaries Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. The agreement implied the delivery of all assets related to the highway concessions to the Government of the Dominican Republic (Note 47 Significant events).

As of 31 December 2021, the value of financial assets under concession contracts for this concession amounts to $0 (2020 $723,538).

Carribbean Infraestructure Inc.

PPP (Public Private Partnership) contract signed with the government of Aruba in July 2015 called "DBFM Agreement Green Corridor", for an initial value of approximately USD 77 million.

The purpose of this contract is the design, construction, financing and maintenance of the Green Corridor project, which consists of the construction of a second roadway between Reina Beatriz Airport and PosChiquito, with three roundabout type intersections, the construction of a bridge over Mahuma Canyon and the construction of an upper arch bridge over Española Lagoon. In the PosChiquito sector, a boulevard will be built, and secondary roads will be rehabilitated in the San Nicolás, Sabaneta, PosGrande and PosChiquito sectors. The construction stage was declared available on 23 July 2018, with a length of 34 kilometers of tracks in both double and single carriageway, the contract term is 18 years from the date of availability with a closing of the contract in the month of July 2036, currently is in operation and maintenance stage.

The concession agreement contemplates maintenance over time, since it must be done on the road during the 18 years after obtaining the certificate of availability, according to the financial model will be made as follows: annual from 2023 to 2035 (major maintenance) except in 2030 and 2031 and routine maintenance until 2036.

The concession contract will terminate ordinarily by the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

As of 31 December 2021, the value of financial assets under concession contracts for this concession amounts to $306,127 (2019 $269,770).

Autopistas del Café S.A.

Concession contract No. 0113 of first generation signed on 21 April 1997 with the National Institute of Roads (INVIAS); in 2003 this contract was assigned to the National Institute of Concessions (INCO) and finally, as of 2011, the grantor is the National Agency of Infrastructure (ANI). Its purpose is to carry out the concession system, the final studies and designs, the rehabilitation and construction works, the operation and maintenance, and the provision of services for the Armenia-Pereira-Manizales-Calarcá-La Paila road project.

Upon termination of the concession agreement, Autopistas del Café S.A. shall return to ANI the assets affected to the road project concession, including, among others: a) the land for the right-of-way and b) other assets established within the contract, free of any lien and with a level of service that reaches a minimum project status index rating of four (4) points, in accordance with the "Maintenance Standards for Concessioned Roads".

To comply with the previously mentioned condition index, the concession performs periodic and major maintenance to the asphalt layer on a permanent basis.

The concession estimates that the total value of the contract is $172,597 (expressed in 1996 pesos), and its duration will be until 1 February 2027. there is no agreed clause allowing for an extension.

On 5 May 2015, the contract No. 14 was signed between Autopistas del Café S. A. and the National Agency of Infrastructure - ANI, to carry out the rehabilitation of 8.66 kilometers of track in the section Calarcá - La Española, the contract has a value of $ 18,492 and a term of 12 months.

During the year 2016, addendum to the contract No. 15 was signed on 7 April 2016 by means of which 0.84 additional kilometers of the rehabilitation of the Calarcá - La Española section were contracted for a value of $1,800 as a complement to addendum No. 14. Similarly, addendum No. 16 was signed on 22 June 2016 by means of which the arbitration clause of the concession contract was modified and concluded with the signing of addendum No. 17 of 29 December 2016, by means of which the construction of the Bosques de la Acuarela pedestrian bridge in the municipality of Dosquebradas was contracted, as well as the operation and routine maintenance of the Western Trunk Road and the Studies and Designs Phase III of the Campoalegre Road Pair and the double roadway between the Tarapacá II toll and the La Paz Road in the municipality of Chinchiná, for $6,591.

On 3 October 2017 the addendum No. 11 to the commercial trust agreement No. 059 of 1997 was signed between the Fiduciaria Colombiana de Comercio Exterior S.A. - Fiducoldex and Autopistas del Café S.A., through which the obligation to implement IFRS is added to clause six (6). On 29 November 2019, the addendum No. 12 was signed, by means of which the trust payment cascade to the concessionaire was regularized and two savings accounts were opened for the management of the trustor's liquidity with the purpose of attending credit obligations.

Addendum No. 20 to the Concession Contract No. 0113 of 1997 was signed on 19 December 2018 with the purpose of preparing the following studies and designs: 1) studies and designs for the construction of an uneven intersection for the access to the municipality of Filandia (Quindío) from and to the national road under concession, section Armenia - Pereira, Km 15+450 of route 2901. 2) Studies and designs for the construction of an uneven intersection for the access to the municipality of La Tebaida (Quindío), section La Paila - Calarcá, K 37+900 route 4002, 3) Studies and designs for the construction of a level road solution for the access to the Caimo (Quindío) village, Km 6+650 of the national road concession, section La Paila - Calarcá, route 40QN01, 4) Studies and designs of the pedestrian bridge located in the Playa Rica sector, section Avenida del Ferrocarril, approximately at Km 2+600 route 2902A. 5) Studies and designs of the pedestrian bridge located in the Guacarí sector, section Point 30 - Pereira Terminal, approximately at Km 28+000 route 2901, 5) Geotechnical instability of the slope of km 24+380 route 4002 section La Paila - Calarcá. 6) Geotechnical instability of the Club Campestre de Manizales slope in the section La Ye - La Manuela, in the sector from km 3+300 to km 3+330 of route 29CL03. Additionally, the following work activities will be executed: 1) Construction of the El Rosario Pedestrian Bridge, 2) Construction of the "Postobón" uneven intersection, 3) Campoalegre (Caldas -Risaralda) road pair, The LICENSEE will also have tenure right to the sections of the Western Trunk Road VTO Section El Jazmín - Chinchiná Intersection (PR 20+150 to 31+773) + El Jazmín Intersection (16+700 to 17+140) and Santa Rosa Stadium - Jazmín Intersection right side (1.7 Km)), for one (1) year counted from 1 January 2019 to 31 December 2019 to perform routine maintenance and operation activities, the value of the present addendum corresponds to the sum of $96,663.

On 23 December 2019, addendum No. 22 was also signed for the construction of the continuation of the Campoalegre road pair between PR25+400 and PR26+250 (0.85 km) and the construction of the vehicular bridge over the Campoalegre river. Likewise, the management, compensation and environmental obligations were contracted for all the work on the Campoalegre road pair contracted in addendums No. 20 and No. 22, and the property management of the works contracted in this addendum. Likewise, the rehabilitation activities of the supports and joints of the bridges of the West Trunk Road were contracted, such as: Lembo Bridges 1 and 2, San Juan Menor and San Juan Mayor Bridges, Campoalegre Bridge, Cameguadua Bridge and El Chispero Bridge. As periodical maintenance, the section Variante Troncal de Occidente was agreed, including periodical maintenance in the existing Campoalegre bridge, with milling activities in the existing roadbed, placement of roadbed, vertical signaling, reconstruction of gabions and horizontal drains.

It will also extend the concessionaire's tenure of the sections of the Western Trunk Road VTO sector Jasmine - Chinchiná, for one (1) year starting on 1 January 2020 until 31 December 2020 to carry out routine maintenance and operation activities. Finally, in the present contract, the activities of studies and designs of updating to phase 3 of the return K23 in the Armenia - Pereira route and the elaboration of the studies and designs phase 3 of the instability of the slope of the kilometer 9+800 in the La Romelia - Postrera road pair in the sector of the El Rodeo sidewalk.

The term of the mentioned addendum is of maximum 36 months after signed the work initiation act and the value of the present addendum corresponds to the sum of COP $21,107.

On 24 December 2020, addendum No. 23 was signed with the purpose of performing the Boquerón slope stabilization, Aerocafé and La Paz variant designs, reestablishment of La Ye - La Uribe lighting and the routine maintenance and operation of the VTO during the year 2021. The value of this additional agreement is $8,812 and a term until 31 December 2021.

Likewise, on 12 July 2021, Addendum No. 24 was signed to establish the form of payment of the Studies and Designs Addendum 23, modify the value of "Property Management" in the table Clause 4 of Addendum No. 20 and Clause 3, numeral 2, "Property Management" of Addendum No. 22 and modify Clause 1, numeral 4, "LIGHTING" of Addendum 23. By means of this addendum, the amount of $2,562 from a lower investment in land of the addendum 20 was disaffected and thus, ANI could finish paying the amounts owed to the concession for the minimum guaranteed income for the year 2020.

As of 31 December 2021, the value of financial assets under concession contracts for this concession amounts to $73,069 (2019 $81,750).

Concesión Vial de los Llanos

Concession contract under the fourth generation Public Private Partnership scheme No. 004 signed on 5 May 2015 with the Agencia Nacional de Infraestructura, ANI. The purpose of this contract is to carry out studies, design, financing, construction, operation, maintenance, social, property and environmental management of the following items: i) Granada - Villavicencio- Puerto López- Puerto Gaitán- Puente Arimena corridor. ii) Villavicencio Road Ring and Access to the City - Meta Road Network. Currently, it is in pre-construction stage, the contract term is until September 2045. The initial value of the contract is $3.2 trillion COP of the year 2013.

Compensation of the concession will be made with respect to each Functional Unit, the sources for payment will be the collection of tolls and income from commercial exploitation.

At the end of the concession agreement, the entity must revert the infrastructure built in execution of the contractual agreement. Additionally, during the operation and maintenance phase, it must maintain and replace the weighing equipment, software and hardware, communications equipment and vehicles provided by the concessionaire.

During the operation and maintenance phase, the entity shall maintain the interventions executed during the construction phase and the other works and assets of the concession agreement, so that they always comply with the indicators.

The concession agreement has a variable term and will run from the start date to the end date of the reversion stage, which will begin once the operation and maintenance stage of the contract is concluded and will end with the signing of the reversion certificate. No clause has been agreed to allow for an extension.

On 1 December 2016, the Concession summoned an arbitration tribunal before the Arbitration and Conciliation Centre of the Bogotá Chamber of Commerce in order to review and re-establish the financial conditions with which the Concession Contract No. 004 of 2015 was structured, including the negative economic effects generated by the modifications made unilaterally by the Agencia Nacional de Infraestructura - ANI, to the contractual tariff scheme defined in Resolution 1130 of 2015, particularly, tariff affectations in the Yucao and Casetabla toll stations. This is because the Concession considers that these modifications were not previously agreed upon with the Concessionaire and directly affected the remuneration to which it is entitled for the execution of the Concession project.

On 28 February 2019, the Court of Arbitration issued an Arbitration Award ending the arbitration process against the Agencia Nacional de Infraestructura - ANI, resolving: i) that until the Concession has had the financial closure of the Project, the Construction Phase of the Project cannot be started, ii) that the Concession breached the obligation to obtain the financial closure and the obligation of the third round of Equity in the terms of the Concession Contract, iii) to condemn the Concession to the payment of the third round of Equity and, iv) consider that the Concession and ANI, in compliance with the postulates of good faith and conservation of the contract, and of the duties that the Law imposes in view of the purposes pursued with the state contracting, could renegotiate the bases of the contract and look for the arrangement formulas that allow the fulfillment of its objective. Therefore, on 12 November 2019, the Llanos Road Concession and the Agencia Nacional de Infraestructura - ANI signed the addendum No. 7 to the 2015 Concession Contract No. 004, where it was agreed, among other things, that i) the parties will hold working groups during the four months following the signing of addendum No. 7, to evaluate the financial, technical, legal, property, risk, environmental and social alternatives under which the bases of the aforementioned Concession Contract could be renegotiated and ii) the contribution of the third equity and the funding of the sub-accounts of the Autonomous Equity is suspended.

after the realization of several work tables and seeking to contribute to the connectivity, competitiveness and economic and social development of Meta, the Concesión Vial de los Llanos S.A.S. (of which it is the majority shareholder with a 51% participation in the capital stock) and the Agencia Nacional de Infraestructura (ANI) intend to subscribe during the month of January 2021, the addendum No. 10 to the Concession Contract No. 004 of 2015, through which the scope of the Malla Vial del Meta project will be modified in order to make it financially viable, in compliance with the postulates of good faith and conservation of the contract, in attention to the purposes pursued by the state contracting.

During 2020, worktables were held, with the support of the Comptroller General of the Republic, the components of the Malla Vial del Meta project were rigorously analyzed, alternatives were studied and finally, a new scope was defined that makes it viable and gives it continuity, to benefit the department and its inhabitants.

After holding several worktables and seeking to contribute to the connectivity, competitiveness and economic, and social development of Meta, Concesión Vial de los Llanos S.A.S. (of which it is the majority shareholder with a 51% equity interest) and the Agencia Nacional de Infraestructura (ANI) subscribed on 8 January 2021 the addendum No. 10 by means of which adjustments were made to the scope of the project in order to make it financially viable in accordance with the Arbitration Award of 28 February 2019, by which adjustments were made to the scope of functional units 1, 2, 3, 5, 6, 7 and 8, likewise the anticipated reversion of units 9 to 11 was defined.

In addition, was established that the Concessionaire will deliver on 31 March 2021, prior to the start of the Construction Phase, the adjusted Works Plan, as well as the schedules foreseen in the Land Acquisition Plan and the Socioeconomic Compensation Plan, as foreseen in the fourth clause of the addendum clause.

Regarding the construction phase of the contract, this will begin once the contractually agreed conditions are fulfilled, as stipulated in section 1.4 of the General Part of the contract, after the issuance and implementation of the resolution adopting the new tariff scheme for the project in accordance with Addendum 10. However, according to the provisions of clause 21 of addendum 10, if such resolution was not implemented by 15 April 2021, the financial obligations of the concession contract in charge of the Concessionaire shall be suspended, including the beginning of the construction phase".

On 8 September 2021, addendum No.11 was signed by means of which the interventions on the road that borders the Guayuriba River, K16 sector between abscissae K14+390 and K16+850 (functional unit 2 Par Vial de la Cuncia) of the national road that from Villavicencio leads to Acacías, in order to offer the service in optimal conditions, in compliance with the order of the Council of State in Ruling of 30 May 2019, in the framework of the class action suit.

Likewise, to begin the interventions of the new bridge over the Yucao River located at abscissa K96+790 (PR101+0109) functional unit 7-8, to avoid the paralyzation of an essential public service.

The parties agree to start the works in the preconstruction stage and the construction phase will begin once the conditions set forth in the Concession Contract are met.

As for the term of the contract, it remains as originally planned, i.e., with a maximum term of 30 years, of which the first 6 years have already been completed.

As of 31 December 2021, the value of the intangible asset for concession contracts of this concession amounts to $240,509 (2020 $208,624).

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

According with the provisions of the concession contract, the company obtained the concession for the administration, operation, commercial exploitation, maintenance, modernization and expansion of El Dorado International Airport in the city of Bogotá.

The contractual scheme consists of the Special Administrative Unit of Civil Aviation (hereinafter "the Aerocivil") entered into Concession Contract No. 6000169OK of 2006 with the company; and in compliance with Decree 4164 and 4165 of 2011 the Aerocivil signed with the National Agency of Infrastructure (hereinafter "the ANI") the Inter-administrative Cooperation Agreement No. 5 of 2013, by means of which ANI subrogated the functions of Aerocivil as regards the supervision of the execution of the Concession Contract, a subrogation that was perfected with the Act of Delivery and Receipt dated 27 December 2013.

The Concession Contract is divided into three main stages, namely:

(i) Preliminary stage

The preliminary stage included the period between the signing of the initiation act of execution on 19 January 2007 and the initiation act of the modernization and expansion stage on 19 September 2007.

During the previous stage, the following steps were taken, among other arrangements: (a) sign of the commercial trust contract for the collection, administration and distribution of the surplus generated by the regulated and non-regulated income, (b) executing the steps to obtain the financial closure, (c) ensure the connection for continuity with the Civil Aeronautics, and (d) deliver the studies and designs that will be developed in the modernization and expansion stage.

Within this first stage, it was also established to deliver the goods, services and revenues of the concession, by the Civil Aeronautics to the company, through the subscription of the delivery act.

(ii) Modernization and expansion stage

The modernization and expansion stage, in accordance with the work schedules in addendum No. 3 of the Contract, began with the signing of the initiation act signed on 19 September 2007, the total of the sub-projects and milestones that are part of the Modernization stage were completed on 31 January 2019, in compliance with the provisions of addendum No. 27 of the Concession Contract. Likewise, and in accordance with the provisions of Clause 36 of the Concession Contract, the Concessionaire delivered the technical report in accordance with numbers 36.1 "Bimonthly Reports" and 36.2 "Technical Report" of said Clause. Once the conditions set forth in the Concession Agreement dated 10 May 2019 had been met, ANI and the Concessionaire signed the act of closure of the modernization and expansion stage of Concession Agreement 6000169OK of 2006.

Completion of the concession contract

Once the Modernization and Expansion Stage of El Dorado Airport was completed, the Final Act was signed on 10 May 2019, noting that, although the act was signed on this date, it should be understood that the aforementioned stage culminated on 30 January 2019 and it is as of 1 February 2019 that Opain is in execution and complying with the obligations established contractually for the Final Stage.

Penalty proceedings

In accordance with the provisions of clause 63 of the Concession Contract "FINES", to date there are no penalty proceedings pending.

(iii) Final stage

This stage will be comprised from the date of the subscription of the modernization and expansion stage completion act, until the effective date of the termination of the Concession Contract in accordance with the provisions of Addendum 35. During this stage, the Concessionaire is responsible for managing all the maintenance activities of the modernization and expansion works, as well as managing the operation, administration, commercial exploitation and maintenance of the El Dorado Airport.

Addenda No. 3 al 36

During 2010, addendum No. 3 to the Concession Contract was signed, where, among other aspects, it was agreed: (i) the new schedule of works; (ii) the procedure to define the Delta for the demolition and replacement of the existing passenger terminal; and (iii) the manner in which the final modification to the technical specifications of the contract associated with the demolition and replacement of the existing passenger terminal would be executed, establishing 24 July 2010 as the deadline to finish the Delta.

Said term was extended by means of addenda No. 4 and 5, until 1 December 2010, and on that date, the Agreement Act on the Final Calculation of the Delta was signed, establishing the total amount of the so-called "Investment Delta", subject to the subscription of addendum No. 7 to the Concession Agreement.

In September 2011, addendum No. 6 was signed, by means of which the schedule of the modernization and expansion stage was modified, among others.

In 2012, addenda No. 7, 8 and 9 were signed; the first of them, related to the Investment Delta, its form of payment and respective procedures; the second, modifying the Concession Area, to allow the construction of the New Control Tower and the Schedule of the modernization and expansion stage, as opposed to the works related to the current maintenance hangars of Aerovías del Continente Americano S. A. (AVIANCA S.A.) and the eastern national cargo terminal; and the third, which modified milestone 6A and established milestone 7B, in response to the interventions associated with the northern runway.

On 5 May 2014, addendum No. 10 was signed, giving technical scope to Milestone 7A, corresponding to the subproject of "construction, installation and commissioning of the duct bank, cabling and new substation of the new control tower"; it also established the procedure for signing the verification act and form of payment, and made a modification to the concession area, the contractual guarantees and the schedule established in addendum No. 8 of the Concession Contract.

In 2015, addenda No. 11, 12, 13, 14, 15, 16 and 17 were signed; the first of these related to the declassification of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. called Hangar L 177 and L 178; the second, related to the extension of the Modernization and Expansion Stage, in order to execute milestones 7 and 8 and the sub-project of the works associated with the northern runway under the responsibility of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., the incorporation of the Friendly Composition mechanism in the Concession Contract including related issues; the third, related to the definition of the procedure for the presentation and approval of studies and detailed designs by the fast track methodology regarding the voluntary works; the fourth, related to the modification of the conditions for verification, approval and payment of the subproject of milestone 8 and the modification of paragraph f of the agreement in relation to the recognition of OPEX; the fifth, related to the reversal of an area granted to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., known as "Area 1 (Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.); the sixth, related to the delivery and approval of the designs and studies of some complementary works corresponding to Phase I and the last one, related to the creation of a transitory sub-account, called "Recursos Convenio 005" exclusively managed by ANI for the transfer of resources from the Aerocivil to ANI.

In the year 2016, addenda No.18, 19, 20, 21, 22, 23 and 24; were signed; in 18, 19 and 22, the intervening parties agreed to carry out the reversal of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A, as established by ANI and a Works Monitoring Committee was created; with the signature of addendum No. 20, the parties agreed and defined the execution of Complementary Works at El Dorado Airport in accordance with the provisions of Clause 34 of the Concession Contract; with addendum No. 21, the reprogramming of the sub-projects was established, as well as the completion date of the modernization and expansion stage, which was extended until 30 November 2018; with addendum No. 23 modified the requirement to include in the contracts of the cargo holders a reason for termination of the contracts, with the fact that they do not comply with the requirement to have an annual handling equivalent to at least 3% of the total tons of cargo processed at the Airport, due to a requirement for the cargo operators to deliver an annual report of the processed cargo, (ii) regulation of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A interventions in the 13L headland, which establishes changes to the obligations in the waiting bay areas of the 13L headland, and the exclusion from the scope of areas to be executed as part of the levelling of the northern runway strip; with addendum No. 24, the Civil Aeronautics is authorized to enter and intervene by its contractor Alpha Mike, in the concession area of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A to develop a series of interventions requested by ANI..

On 22 May 2017, addendum No. 25 was signed by which ANI and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. agreed to modify Clause Fourteen of addendum No. 20 to the Concession Contract; the parties modified the completion dates of the sub-projects of Phase I Complementary Works. Additionally, it was established that it was necessary to hold work meetings between Aerocivil, ANI, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and the Ministry of National Defense to evaluate the eventual impact on the scope of the "gate 6 reconfiguration" work, as well as its eventual execution.

On 15 December 2017, addendum No. 26 of the Concession Contract was signed, as the expansion works of the North and South Platforms was to be delivered on 18 December 2017 and 17 April 2018, respectively (according to addendum No. 25), complying with the technical specifications of the concession contract, which requires the supply of fuel through a network of hydrants for positions C or higher, positions which will be available at the new platforms, thus making it necessary to comply with the technical specifications. With addendum No. 26, the delivery dates of the fuel supply system by means of hydrants in these areas were moved to 30 November 2018, and the supply by means of refuelers (tank truck) and not by means of hydrants was allowed for the reasons set forth by Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and validated by the Technical Inspectorate at said platforms.

In 2018, addenda 27, 28 and 29 were signed. Addendum No. 27 to the Concession Contract, in which the maximum completion date of the Modernization and Expansion Stage was rescheduled for 28 February 2019, it was stipulated that in accordance with the provisions of the Concession Contract, Opain S.A. continues with its obligation to pay 4% of regulated revenue until the completion of the Modernization and Expansion Stage; with addendum No. 28 to the Concession Contract it was agreed: a) to include in the Concession Assets the Complementary Work called "South Platform Expansion", b) to reconfigure the horizontal signaling of the platform on the south side of Terminal T1 + T2 ADOSADA, c) to modify Clause 5 of addendum No. 20 to the Concession Contract, replacing the word "property" for “beneficiary” and d) to modify the Debtor's scope in the sub-project "leveling of the north runway strips" with respect to the leveling of the electrical boxes and the power supply network"; With addendum No. 29, reversal of the Concessioned Area was regulated by virtue of the expropriation that by administrative means was advanced of the lot called satellite 32. The date of completion of the subproject "Reconfiguration of Gate 6" was set at 105 calendar days from the date of subscription of addendum No. 29 and the modification was made so that the new resources would be deposited in the Aerocivil Surplus Sub-Account.

On 27 February 2019, addendum 30 was signed, through which the area of Lot 3 was incorporated to the concession area, and section 61.3 of Clause 61 of the Concession Contract was modified to incorporate the sub-account "Complementary Works"; section 6.1.2 of Appendix G of the Concession Contract was amended to replace the methodology of "Roughness Assessment" for "Assessment of the Graduation or Surface Regularity of Wellhead Type Elements"; section 5 of clause 21.2 of the Concession Contract was amended to reduce the number of printed copies of the plans/drawings of the final constructions of the works by contract from five to one, and a section is added to Clause 72 of the Concession Contract to allow the early acceptance of assignment contracts.

On 6 December 2019, addendum 31 was signed, the area for the construction of the H1 taxiway was incorporated into the concession area, and some areas were incorporated in accordance with the Agreement with the Military Forces signed in 2016, these areas are included in the real estate inventory. Handing over of areas to ANI in accordance with the Agreement with the Military Forces. Delivery of the designs at the detail level of the Complementary Work for the construction of the H1 taxiway. Modification of the start of voluntary works in Hangar 2 and Lot 2 of addendum No. 27, subject to the previous conditions established in the addendum No. 31. Modification of Appendix I in relation to dangerous goods, dangerous goods arriving at the Airport to be transported by air were excluded, and in relation to the quarantine area it was restricted to the activity of facilitating administration and operation. Likewise, Appendix F was amended to clarify that, with regard to ICAO Annex 18 (Safe Transport of Dangerous Goods by Air), is responsibility of the Concessionaire, in its capacity as airfield operator. Table 2.2 "Cargo Aircraft Parking Positions" of section 2.2 "Works in the Modernization and Expansion Stage" of Appendix D of the Concession Contract was modified to expand the operation and item 9.2 of the Hydrant Tank Network was modified to indicate how the new positions will be supplied.

On 23 December 2019, addendum 32 was signed. Delivery of conceptual and detailed designs of the following projects: Military Forces lease platform Phase I, Military Forces lease platform Phase II, Loading Platform, Eastern Platform T2 - Antiguo Inter y Calle B13, Eastern Platform T2 - LAS - MENZIES and Eastern Platform T2 - Servientrega. The projects listed above will not have a fuel network with hydrants. The use of area destined to the "morgue room" indicated in section 3.1.6 of section 3 "Terminal 2" of Appendix D of the Concession Contract was modified, assigning it operational sanitation activities, therefore, the Concessionaire committed to adapt at their own risk an area for the inspection of corpses in the Cargo Terminal. Finally, the insured value and the update formula for compliance and payment of salaries and social benefits for the Final Stage were changed.

On 4 June 2020, Addendum 33 was subscribed, which established the regulation related to the decision taken in the framework of the Amicable Composition process, which is associated to the electric assets stipulated in Addendum 7, In addition, the following clauses were modified: i) Clause 61.3 Surplus Subaccount, in which items j,k,l were included, in order to make the transfers to this subaccount of the income indicated in the mentioned items, ii) Paragraph (a) of Clause 65 Amicable Composition and Numeral (ii) of Item (e) of the Seventh agreement of the Addendum 12 (Clause 65 of the Concession Contract), by means of which it is allowed to submit to an Amicable Composition process, those technical controversies that are not expressly indicated in the Contract, prior subscription of the respective minutes and/or document and it was defined that the Panel of Friendly Composers shall have a maximum term of sixty (60) Business Days to define the controversy. iii) Addition of a paragraph to Clause Six of the Addendum No. 20, whereby it was established that the Amicable Settlement Panel shall have a maximum term of sixty (60) Business Days to define the dispute. 20, whereby it was established that Opain will transfer from the Main Subaccount to the Subaccount "Complementary Works Stage 1", in a maximum period of ten (10) days from the effective date of collection of the invoice, up to a term of 5 years; in case the term is shorter, ANI shall notify the Concessionaire as from what date the transfer of the regulated and non-regulated revenue generated by the operation of Stage 1 of the Complementary Works from the Main Subaccount to the Subaccount "Complementary Works Stage 1" will operate and iv) Numeral 61.3.8 of Clause 61 of the Concession Contract, modified by Clause Four of Addendum No. 20 - Subaccount "Complementary Works Stage 1 where it was stipulated that in this Subaccount exclusively the resources destined to the payment of all the costs associated with Stage 1 of the Complementary Works shall be deposited, as defined in Clause Three of Addendum No.20, as well as for the collection of the income from Stage 1 of the Complementary works, and for the management of the financing under the terms of the Sixth Clause of the referenced addendum.

On 31 December 2020, Additional Addendum 34 was subscribed by means of which the following was defined by mutual agreement between Opain and ANI: (i) OPAIN will pay to AEROCIVIL the consideration corresponding to the first semester of 2020 in a maximum of four (4) installments proportionally to each disbursement to be made between December 2020 and July 2021 by the Ministry of Finance and Public Credit to Aerocivil, for which OPAIN will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment, (ii) Deferment of the funding of the Interventoria Subaccount for March 2022, September 2022, December 2022 and March 2023, (iii) Elimination of the obligation established in the Fifteenth Clause of the Addendum No. 20, regarding the funding of the Interventoria Obras Complementarias Etapa 1 subaccount corresponding from August 2020 to August 2026.

On 26 April 2021, an Addendum 35 was signed whereby the following contractual aspects were agreed and defined: (i) Compensations were defined against the impact on revenues during the period from 23 March to 30 September 2020, because of the measures adopted by the government to prevent the spread of COVID-19, which implied the total restriction of commercial flights. (ii) The formula to determine the Net Compensation Value at the beginning of the extension period of the Concession Contract was defined, which is equivalent to $737,969 million pesos as of January 2027. (iii) It was defined that the value of the maximum compensatory extension period would be 20.85 months, considering that there will be no compensation for OPAIN in money for the damages generated between 23 March 2020 and 30 September 2020. (iv) It was established that the Concession Contract will terminate when the Net Compensation Value is obtained, either before the date estimated as the maximum compensatory term or at the time of expiration of the Maximum Compensatory Extension Term, whichever occurs first, and the parties must sign the respective termination deed. (v) Based on Clause 1 was modified in its definitions 1.61 and 1.104. Likewise, Clause 3 Estimated Term of the Contract was modified. Finally, clauses 72.1, 72.1.1, 72.1.1 and 72.1.3 of Clause 72 Reversion were modified.

On 7 October 2021, Addendum 36 was subscribed, whereby the following contractual aspects were agreed and defined:

- A compensatory term extension was agreed for the negative effects of the pandemic by COVID 19, due to the impact on OPAIN's Regulated and Non-Regulated Revenues between 1 October 2020 and 31 August 2021.
- The Net Compensation Value at the time of the extension was determined as equivalent to $759,557 million pesos of January 2027. Likewise, it was determined that the maximum term of the compensatory extension would be 21.5 months.
- It was determined that the compensatory extension term will start from the end of the extension defined in the addendum 35 to the Concession Contract and will end when the Net Compensation Value (NCV2) is obtained or the maximum extension term is reached, whichever occurs first.

- Based on the above, Clauses 1.61 - Effective Date of Termination of the Contract -, 1.104 - Estimated Term of the Contract, 3 - Estimated Term of the Contract; and clauses 72.1, 72.1.1, and 72.1.3 of clause 72 Reversion were modified.

Contractual documents consequence of the pandemic:

- Act of Suspension of Activities of 21 May 2020: suspends activities as of 1 April 2020, except for activities for operation and maintenance, which must continue to be executed.
- Act of 24 July 2020: Suspends the obligations of the payment of the consideration for the first semester of 2020 and the funding to the subaccount of interventory, until 30 September 2020.
- Act of 29 September 2020: Suspends the contractual obligations associated with the operation and maintenance activities of the north jetty of Terminal 1 and the Terminal Puente Aéreo of El Dorado Airport. Extended the term of suspension of the obligations of the payment of the consideration for the first half of 2020 and the funding to the subaccount of the interventory, until 30 October 2020.
- Act of 30 October 2020: Extended the suspension period of the obligations of the payment of the consideration for the first semester of 2020 until 29 December 2020.
- Act of 29 January 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 26 February 2021.
- Act of 26 February 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 March 2021.
- Act of 30 March 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 April 2021.
- Act of 30 April 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 31 May 2021.
- Act of 31 May 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 June 2021.
- Act of 30 June 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 July 2021.
- Act of 30 July 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 August 2021.
- Act of 30 August 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 September 2021.
- Minutes of 2 September 2021: Resumed certain obligations of the contract and extended the suspension of certain obligations in Terminal 1 and Terminal Puente Aereo of El Dorado Airport.
- Minutes of 30 September 2021: Extended the term of suspension of the obligations of the payment of the consideration for the second half of 2020 until 31 October 2021.
- Act of 29 October 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 November 2021.
- Act of 6 December 2021: Resumption of the contractual obligations suspended by the Act of 2 September 2021.
- Minutes of 30 November 2021: Extended the suspension period of the obligations of the payment of the consideration for the second half of 2020 until 31 December 2021.
- Act of 24 December 2021: Extended the suspension period of the obligation to pay the consideration for the second half of 2020 until 31 January 2022.
- Payment agreement between Aerocivil and Opain signed on 28 December 2021, regarding the consideration for the second semester of 2020 to be paid on 31 March 2022.

As of 31 December 2021 the value of intangible assets for concession contracts of this concession amounts to $1,606,778 (2020 $1,868,195).

Planta Hidroeléctrica Prudencia (Alternegy S.A.)

Contrato de concesión firmado con la Autoridad Nacional de los Servicios Públicos (ASEP) y refrendado por la Contraloría el 9 de febrero de 2007 el cual autoriza a la prestación de servicios públicos de generación de energía eléctrica, a través de una planta hidroeléctrica. La planta se encuentra ubicada en el corregimiento de Bijagual, distrito de David, provincia de Chiriquí, con una capacidad instalada de 58,7 MW, constituida por 2 turbinas hidráulicas tipo Kaplan.

La concesión se otorga por un término de cincuenta (50) años, contados a partir de la ejecutoría de la firma del contrato mencionado anteriormente que vence en diciembre de 2057 y podría ser extendida por un período adicional de cincuenta (50) años.

Lorena Hydroelectric Plant (Alternegy S.A.)

Concession contract signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 9 February 2007, which authorizes the provision of public utilities for the generation of electricity through a hydroelectric plant. The plant is located in the town of Bijagual, district of David, province of Chiriqui, with an installed capacity of 58.7 MW, consisting of 2 Kaplan-type hydraulic turbines.

The concession is granted for a term of fifty (50) years, starting from the execution of the contract that expires in December 2057 and could be extended for an additional period of fifty (50) years.

Gualaca Hydroelectric Plant (Bontex S.A.)

Through a concession contract for hydroelectric generation signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 12 June 2007, a concession for the construction and operation of an electric power generation plant was obtained and is authorized to provide public utilities for the generation of electricity, through a hydroelectric plant. This concession was granted for a period of 50 years that expires in June 2057 and could be extended for an additional period of 50 years by mutual agreement with ASEP.

The company is authorized to install, operate and exploit the hydroelectric plant, which is covered by the concession, and to sell the generated electricity according to the provisions of Law number 6 of 3 February 1997 and its regulations. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently ASEP.

The Gualaca plant is in the province of Chiriquí, with an installed capacity of 25.8 MW, and has two Kaplan-type hydraulic turbines. The activity of electric generation in Panama is subject to Law number 6 of 3 February 1997. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently National Public Utilities Authority (ASEP).

9 de enero Plant (Bahía Las Minas Corp.)

Operating license for the generation of electric energy through the exploitation and operation of the thermoelectric generation plants called 9 de enero Plant, located in Cativá, Province of Colón.

Among the main objectives and functions of the company are to establish, manage and execute, in general, the business of thermoelectric power generation; to acquire, build, install, operate, exploit, lease, sublease and maintain thermoelectric power plants, with their respective lines of connection to the transmission networks and transformation equipment and facilities and managing fuels, to produce and sell energy in the national and international electrical system.

The license also authorizes the company to own, possess, operate, and maintain the facilities covered by the license and to sell the power generated by the plant. The license has a term of 40 years expiring in December 2038 and could be extended for an additional period of 40 years by mutual agreement between the issuer and ASEP.

In 2019, considering the operational situation of Celsia S.A.'s subsidiary (formerly Celsia S.A. E.S.P.) Bahía Las Minas Corp., due to the termination of existing contracts, an impairment of intangible assets associated with the concession contracts was recognized amounting to $22,711.

Due to the financial and operational unfeasibility, aggravated by the pandemic and its effects on the Panamanian electricity market, at the end of 2020 the Panamanian subsidiary Bahía Las Minas Corp, a company in which Celsia S.A. has a 51.24% share and the Panamanian state has 48.76%, began a negotiation process with creditors, suppliers, and collaborators for the disposal of its assets and liabilities and, subsequently, to dispose of this operation. The decision is derived after a process of analysis of strategic options and the search for the least possible impact on the Panamanian electrical system.

This thermal plant has more than 4 decades of continuous operation in Panama, it is the last commercial coal-fired plant in the country and the age of its assets makes it less competitive, as it requires high and frequent maintenance investments, which makes its offer unfeasible compared to other more efficient and environmentally friendly technologies that have entered the Panamanian market. Furthermore, this decision has no impact on the generation of energy in the country, nor will it affect any of the users.

In line with what was indicated in the previous paragraphs, during 2021 the activities defined in the asset disposal and debt repayment plan defined by the shareholders in 2020 were executed. This plan contemplated the sale of assets, the payment of claims in cash, the payment of claims with securities of a liquidation trust and the cancellation of balances with their corresponding settlement.

As of 31 December 2021, the value of intangible assets for concession contracts of the plants in Panama (Prudencia, Lorena, Gualaca and 9 de enero Plant) amounts to $61,881 (2019 $59,837).

Wind Plant Guanacaste S.A. (PEG)

Concession in Costa Rica corresponds to a permit for the development of the wind plant, the corporate purpose of Winf Plant (Planta Eólica) Guanacaste, S.A. (PEG) and PEG Operaciones Ltda. is the construction and operation for a period of 18 years, which expires in June 2027, of a wind energy plant that will subsequently be handed over to the Costa Rican Electricity Institute (ICE). All the energy produced by the plant will be delivered to ICE.

As of 31 December 2021, the value of intangible assets from concession contracts for the Guanacaste Wind Farm amounts to $146,028 (2020 $149,082).

Concesión Túnel Aburra Oriente

It is a company whose corporate purpose is the conclusion and execution of a State Concession Contract defined in the fourth section of Article 32 of Law 80 of 1993, under the terms of Public Bidding No. 1197 of 1996 of the Government of Antioquia, Secretariat of Public Works and which consists of the execution of the designs, construction, operation and maintenance of the works, part of the road development called Aburrá - Oriente Road Connection, Túnel de Oriente and Complementary Road Development. It is valid until 31 December 2050.

It is a private legal entity incorporated on 12 December 1997, by means of public deed No. 3399 executed at the Seventh Notary's Office of Medellín, registered with the Chamber of Commerce of Medellín according to Commercial Registry No. 21-234824-4.

The term of the concession is 487 months, starting 1 January 1999, until 31 July 2039, or until the date on which the concessionaire obtains the expected income of $2,256 trillion constant 2004 COP. the contract shall be developed in the following phases.

- **Phase I:** construction of the double roadway of the Las Palmas road in the Los Balsos - Alto Las Palmas sector. It included the survey of the property records, valuations and acquisition of the land required for the construction of this section. The phase ended in 2007, currently is not a concessionary track, has contracted with the Grantor the routine maintenance.
- **Phase II:** design and construction of the tunnel through the Santa Elena corridor, the accesses between the city of Medellín and the Western Gate and the Sajonia roundabout. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. It includes the financing of

this phase that includes the construction of the tunnel and its accesses, the operation and maintenance of the tunnel. The grantor's contributions were made in accordance with AMB 29, 35, 40, 41 and 42. The Phase ended on 15 August 2019 and the operation of the Túnel de Oriente Tunnel began on 16 August 2019.

- **Phase III:** construction of the double roadway of the Las Palmas track in the Chuscalito - Los Balsos sector. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. The phase ended in 2009, currently it is not a concessionary road, it has contracted with the Grantor for routine maintenance.
- **Phase IV:** investment in complementary roads in the near east in the design and construction and improvement of the following sections: aeropuerto–Belén, Llanogrande–Canadá, El Carmen de Viboral–Santuario, El Retiro–Carabanchel. It is conditioned to the allocation of resources and considers pre-construction activities such as land management, land acquisition, social management, environmental management and licensing, network management, supervision, internal control, socialization plan and financing.

The concessioned roads are in the operation and maintenance stage and correspond to Variante las Palmas, Sajonia dual carriageway Km 0 to km 14+540 - Airport and Santa Elena Km 2+800 to Km 26+600 and Phase II corresponding to the road connection Aburrá - Oriente Tunnel Km 0 to Km 14+920.

As of 31 December 2021 the value of intangible assets for concession contracts amounts to $1,219,972 (2020 $1,266,636).

NOTE 45: **CONSTRUCTION CONTRACTS**

Information on construction contracts is presented below:

	2021	2020
Construction contracts commercial accounts	10,147	5,867
Total construction contracts commercial accounts	**10,147**	**5,867**
Prepayments received for contracts in progress	2,331	25,904
Withholdings for contracts in progress	5,581	3,458
Income received in advance (1)	466,586	407,608
Total liabilities from construction contracts	**474,498**	**436,970**

(1) For 2021, income received in advance correspond mainly to construction contracts of Concesión Vial de Los Llanos S.A.S $455,950 (2020 $397,707) (Note 27 Other non-financial liabilities), Concesión Túnel Aburra Oriente S.A. $7,254 (2020 $8,496) and Consorcio Grupo Constructor Autopistas del Café $3,382 (2019 $1,405).

Revenue, cost and profit from construction contracts is:

	2021	2020
Revenue from construction services (Note 33)	88,598	115,296
Costs for construction services	27,344	30,042
Profit from construction services	61,254	85,254

Revenue and cost for construction services correspond mainly to buildings and civil works performed by Autopistas del Café S.A., Consorcio Grupo Constructor Autopistas del Café, los Llanos Road Concession, Caribbean Infraestructure Company N.V., Consorcio APP Llanos, and Odinsa S.A.

The method used to determine revenue from construction contracts is by the percentage-of-completion method, based on the costs incurred in the contract.

NOTE 46: **ACQUIRED COMMITMENTS**

46.1 Power supply commitments

At the end of 2021 the Group has the following commitments for energy supply, which did not generate the recognition of a liability:

- Celsia Colombia S.A. E.S.P. has commitments with third parties for energy supply acquired through the traditional energy sale process (traditional public calls) or through SICEP (Centralized Information System for Public Calls) until 2028. On the other hand, and because of the auction process of the UPME for FERNC (Non-Conventional Renewable Energy Sources), there are energy sale commitments until 2037. These commitments are financial contracts and have no obligation of physical delivery of any specific plant. If the seller does not generate energy from its own portfolio, it is supplied from the stock Exchange.

  All contracts with third parties are *Take or Pay* Contracts where quantities are fixed at the hourly level and most prices are fixed in $/kWh for a given month and indexed monthly to the Producer Price Index. For the contracts resulting from the UPME auction, an additional correction is made in the tariff for the real evolution of the CERE (Real Equivalent Cost of Energy).

- Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA E.S.P. has no commitments for energy supply with third parties. Until 2035 it has commitments with a related company (Celsia Colombia S.A. E.S.P.). The amounts of the contract will depend on the generation of the plants of Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA E.S.P. in the ideal dispatch versus the signed contracts and will be equal to the surpluses. Such commitments are financial contracts and have no obligation of physical delivery of any specific plant. If seller does not generate energy with its own portfolio, it is supplied from the Exchange.

- Alternegy S.A. has commitment contracts for the supply of power and energy with distribution companies, power and energy reserve contracts with other generating companies and power reserve contracts with an annually renewable supply period.

- Bontex S.A. has commitment contracts for the supply of power and energy with distribution companies, power reserve contracts with other generating companies and power reserve contracts with an annually renewable supply period.

- Bahía Las Minas Corp. has commitment contracts for the supply of only power with distribution companies, power reserve contracts with other generating companies and power reserve contracts with annually renewable supply period.

- Celsia Centroamérica S.A. has power-only supply commitment contracts with distribution companies, power and energy reserve contracts with other generation companies, energy supply contracts with large customers and power reserve contracts with an annually renewable supply period.

- Divisa Solar 10MW, S.A. has power reserve contracts with other generation companies.

- Celsolar S.A. has power reserve contracts with other generation companies.

These commitments are financial contracts and have no obligation of physical delivery of any specific plant. In the event that the seller does not have the energy, it will be supplied from the energy stock exchange at the seller's expense.

46.2 Other acquired commitments

Coal supply contract with Carbonera Los Pinos S.A.S.

To date, Cementos Argos S.A. has a contract in force for the sale of coal with Carbonera Los Pinos S.A.S. which establishes that there must be a minimum purchase of 10 thousand tons, allowing a maximum deviation of 10%. The value of the contract is for $100,410, with a term of 4 years starting in 2018. Currently Cementos Argos S.A. has no defaulted on this contract.

NOTE 47: **SIGNIFICANT EVENTS**

Impact of the COVID-19 juncture

In late 2019, the World Health Organization reported the occurrence of cases of Severe Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID-19) in Wuhan, China. In March 2020, the World Health Organization declared the outbreak of coronavirus disease (COVID-19) a pandemic. In January 2020, the first cases were confirmed in the United States, followed in March 2020 by the first cases in Colombia and the rest of the countries in the Caribbean and Central American region where we operate. In the first half of 2020, the governments of these countries took significant governmental measures to address the crisis arising from the coronavirus disease pandemic in the health, social and economic areas to prevent the spread of the virus, including the temporary closure of businesses, severe restrictions on travel and mobility of people, and other relevant limitations on the operation of industries. In the second half of the year, businesses reopened, permanent restrictions on mobility were lifted while maintaining some selective restrictions, and economies began to gradually recover.

The following is a list of how the Group's operations were impacted by the measures adopted by the governments to mitigate the effects of COVID-19:

- The Cement business operations were impacted mainly during the second quarter of 2020. In this period Cementos Argos S.A. and its subsidiaries partially operated, reactivating at the end of the semester some of the operations that were suspended or with provisional decrease. Specifically, in the Caribbean and Central America, Panama suspended its operations in April and May 2020 due to a governmental order to cease industrial activities and reactivated its dispatches and sales in June to an increase of a little more than half of its usual performance. In April, Honduras, the Dominican Republic, and Puerto Rico operated partially, after which their operations continued to operate normally. French Guiana, Suriname and Antilles operated partially during April and May until their production, shipments and sales normalized in June. Production, shipments, and sales were normal in Haiti.

  For Colombia, in April, operations continued minimal with partial and gradual reactivation. In the second half of 2020 Cementos Argos S.A. and its subsidiaries reactivated all operations that were suspended or with a temporary decrease, with a recovery of demand almost at the levels of volumes existing before the quarantine declaration. As of 31 December 2021 and 2020, all operations are normal under biosafety protocols, with minor effects on volumes in 2020 and no significant effects for 2021.

  Cementos Argos S.A. and its subsidiaries have implemented the necessary actions to maintain continuity in operations and safeguard the health of its collaborators. The Group has a reasonable expectation that it has adequate and necessary resources to continue in operation for the foreseeable future and believes that none of its operations will present difficulties that would prevent it from continuing as a going concern.

  Most of the financial impacts of COVID-19 on the operations of the Cement business have already been reflected in the consolidated financial statements as of the reporting date, with the effects mainly presented in 2020. For the year 2021, no significant effects have been perceived in the financial statements.

- The operations of the Energy business during the year 2020 continued all fronts and it was possible to guarantee the provision of the electric energy utility considered by the State as an essential service during the contingency. During that same year, Celsia S.A. and its subsidiaries reviewed and adjusted the methodology used to determine the expected credit losses or impairment of receivables to reflect the substantial changes in the credit risk originated by the contingency.

  2021 was a year of transition and economic reactivation following the pandemic. In the last year Celsia S.A. and its subsidiaries made investments to grow and guarantee the electric energy service as a relevant foundation for economic recovery, competitiveness and preservation of employment in the countries where they operate.

  The year also brought some challenges. Bottlenecks in the international supply chains were faced, during a couple of months there were blockades in Colombia that impacted the operation, and all this added to the threats caused by the presence of COVID-19, its different variants and contagion peaks. Despite the above, and aware that energy utility is essential, Celsia S.A. and its subsidiaries focused all their efforts on guaranteeing one hundred percent of its operation and rendering a high quality and reliable service for its customers. The operational and financial results were remarkable, and attest to Celsia's resilience in overcoming difficulties.

- For the operations of the Urban Development Business, the increase in housing sales in Barranquilla, the reactivation of tourism, the first occupancy and rate figures for the Decameron hotel, the improved dynamics of the Calablanca Residencial project and the progress of construction, combined with our ongoing negotiations, provide positive expectations for this and the coming years.

  In the rental real estate market, hotel and commercial products are the segments that continue to feel the most the unfavorable effects of COVID-19. Gradual reopenings at an intermittent pace are keeping commercial activity and corporate and tourist travel down. With respect to office, warehouse and self-storage products, the market has remained stable, and in some cases growing, despite the challenges of the pandemic.

  At year-end 2021, the investment in the Fondo de Capital Privado Pactia presented an accumulated income for fund valuation of $41,467 (2020 $9,659) and for profits $6,867 (2020 $2,435) which is a clear indicator that the Fund's assets are on track to overcome the effects of the pandemic despite some negative impacts are still ongoing. The Fund has developed several business strategies focused on sustainability and the maintenance and strengthening of long-term relationships with its clients under the premises of adapting to the conditions of the environment and acting in a timely, close, and consistent manner.

- The operations of the Portfolio business, mainly represented by the participation in Grupo de Inversiones Suramericana S.A., had the following impacts:
  - Insurance: accumulated income from insurance premiums issued in 2021 present a growth leveraged by the health segment and due to the increase of EPS users, in addition to the growth of Health services by Ayudas Diagnósticas and IPS Sura, companies that actively participate in the benefits of diagnostic tests and vaccination by COVID-19. Labor Risk Insurance (ARL) premiums, which are consolidated in the life segment, grew, evidencing a positive dynamic in the growth of affiliates, which is a sign of employment recovery and of decreasing levels of absenteeism in employees. On the other hand, premiums for insurance income have displayed a greater growth, leveraged by an improvement in the trend in the creation of new business. In terms of claims, there continues to be a negative effect from claims associated with COVID-19, which are materialized mainly in increased mortality for life solutions, increased assistance benefits, economic benefits, and diagnostic costs.

  - Pensions: the good closing levels of assets under management at the end of 2020 drove the growth of fee income in the fourth quarter of 2021. Likewise, the business displayed growth linked to the staggered reactivation of operations.

  The Managements of Grupo Sura considers that at the end of the fourth quarter of 2021 none of its operations present difficulties that would prevent it from continuing as a going concern.

- Operations of the Coal business continued normally, considering that Sator S.A., being a company that is part of the country's energy chain, is outside of closure measures in cases of total quarantines.

- Operations of the business of Odinsa S.A. Concessions and its subsidiaries have had the capacity to cushion the economic effects of the COVID-19 pandemic mainly due to the following aspects: (i) assets in different productive stages (construction, operation and maintenance) and with long term projection, (ii) geographical diversification (Colombia, Aruba, Dominican Republic and Ecuador), and (iii) financial assets with Minimum Guaranteed Income (IMG), collection differentials or income for availability (where there is no traffic risk). These facts, added to the corporate measures to mitigate the financial impacts through a savings plan in Opex, Capex and Devex, at the level of the parent company and its subsidiaries, make for solid financial indicators even in adverse conditions.

  It is worth noting that, in roads, during 2021, the results were better than in 2019 (pre-pandemic), which attests to the resilience of these assets that met without problems their operational and financial commitments and distributed dividends to Odinsa. In the airports, the recovery is even stronger than in budgets or models and is reflected in both assets that generated net profits in 2021.

  Odinsa S.A. and its subsidiaries have also worked to face this situation proactively and caring for everyone. Within the action plan defined to address the risks identified during the economic juncture and has defined four work fronts:

life and health, operational continuity, financial health, and liquidity situation, as well as philanthropy and corporate citizenship.

Regarding mitigation measures for operational, legal, and regulatory risks, they are mainly focused on permanent communication with the granting authorities to comply first with the preventive isolation, always ensuring the availability of infrastructure and the continuity of the rendering of transport services as to contribute to the mobilization of people, as well as medical, food and other supplies required to address the situation.

Currently, all concessions present similar or even higher traffic levels than those reported before the pandemic, except for Quiport S.A. and Opain that, despite a fast recovery and a gradual increase in the passenger traffic, continue with lower levels than those reported before COVID-19.

Results obtained by Odinsa S.A. and its subsidiaries during this last quarter, excluding the accounting effects from the transaction and early termination of the contracts of the road concessions in Dominican Republic (Autopistas del Nordeste and Boulevard Turístico del Atlántico), as well as in the current year, show the resilience and recovery of its assets.

Thanks to the good relationship with the grantor and the support of said entity, we have been able to achieve compensations that seek to reestablish the lost value caused by the COVID-19 and the restrictions decreed by the national government, both in airports and in road concessions. In Colombia's assets, we have received compensations that leave our assets at values very similar to those they had before the Pandemic.

On 29 May 2020, the Agencia Nacional de Infraestructura - ANI and the airport concessionaires with the mediation of the Cámara Colombiana de Infraestructura - CCI and the assistance of the Agencia de Defensa Jurídica del Estado, the Contraloría, the Procuraduría, and the Secretaría de Transparencia, began a negotiation process with the objective of solving the negative effects of the COVID-19 pandemic. The negotiation culminated with the subscription of a general agreement between ANI and the airport concessionaires, which comprises compensation for lost revenue between 23 March and 30 September 2020 due to the restrictions on commercial flights. Following the guidelines of the general agreement, Opain S.A. and ANI in turn signed on 26 April 2021 the addendum No. 35 to the concession contract, which establishes a compensatory extension of a maximum of 20.85 months (Note 15 Intangible assets, net). The above means that Opain S.A. will have an additional term to recover lost revenue because of the pandemic and, on the other hand, ANI will not have to make any disbursement of resources.

Following that same negotiation, in October ANI by means of addendum No. 36 to the concession contract, which establishes a compensatory extension of a maximum of 21.54 months (Note 15 Intangible assets, net). These agreements constitute a direct solution to the controversy, saving time and resources, thus generating benefits for the concession and for the public and private sectors.

The Government of Antioquia and Concesión Túnel Aburrá Oriente S.A., agreed on an economic compensation for the lower revenue perceived due to the measures adopted by the National Government; to control the emergency generated by the COVID-19 pandemic in the period between 25 March and 31 August 2020.

The mechanism to compensate the amount of the affectation in favor of the concessionaire as of August 2021 is through the differential between the tariff foreseen in the financial model of the AMB29 and AMB35 (amendment to numeral two AMB46).

Economic compensation with transactional effect will be paid between 2021 and 2024, and its value will be part of the expected income of the concessionaire as contributions from the grantor.

Recognition of said compensation does not represent a significant change in the compliance date of the expected revenue, since it is intended to compensate the deviation in time of revenue during the pandemic and such figure in current pesos compared to the total expected revenue in current pesos, does not have a major impact.

Grupo Argos S.A. and its subsidiaries have and continue to closely monitor the evolution of the markets and take the pertinent measures and actions to mitigate risks associated to the COVID-19 pandemic, having as premise the protection of the life, health, and well-being of all its stakeholders, and the support and assistance to the provisions of the governments and authorities of each of the countries where it is present.

Tax reform Law 2155 of 2021 on social investment

On 14 September 2021, the National Government issued Law 2155 of 2021 called "Social Investment Act", which seeks financing to establish social investment programs, promote the reactivation of the economy and the fiscal stability of the country. Among the main modifications introduced by such reform are:

- The increase in the general income tax rate for legal entities from 31% to 35%. An important aspect with effect on the current tax as from 2022 and the deferred tax of companies as from 2021 (Note 4 significant accounting judgments and key sources of estimates).
- Mechanisms for conciliation and termination by mutual agreement are provided, under which tax lawsuits may be terminated early with reductions of up to 80% of the updated penalties and interests. The UGPP and the territorial entities are empowered to apply these mechanisms. Applications must be filed before DIAN prior to 31 March 2022.
- In the mechanism of works for taxes, it is allowed to execute projects in areas other than ZOMACs, such as: (i) territories with high poverty rates that lack, totally or partially, infrastructure for the provision of domiciliary public utilities; (ii) Projects in strategic territories for the economic and/or social reactivation of ZOMACs; (iii) non-interconnected areas and Orange Development Areas and (iv) projects declared of national importance that are strategic for the economic and/or social reactivation of the Nation.
- Concessions and public-private partnerships are extended to 10 years (previously 5 years) the possibility of distributing taxable commercial profits as non-taxable income nor occasional profit.

Note 10 Current and deferred income tax contains a more detailed description of other impacts due to the application of said Law.

Strategic alliance with the international infrastructure fund Macquarie Infrastructure Partners V

Odinsa S.A., concessions company of Grupo Argos, advances in the creation of an investment platform for road assets in the region, with which the company reiterates its confidence in the country and its interest to continue expanding, to strengthen and consolidate its presence and participation in road infrastructure projects that promote connectivity.

On 2 September 2021, after assessing the proposals of investors interested in participating in the constitution of this platform through a strategic alliance, the Board of Directors of Odinsa accepted the proposal presented by Macquarie Infrastructure and Real Assets ("MIRA") and its related company, Macquarie Infrastructure Partners V ("MIP V"), a private infrastructure fund focused in the Americas managed by Macquarie Asset Management ("MAM"), one of the largest infrastructure managers in the world, for the sale and purchase and contribution of its equity interests in road concessions in Colombia to the aforementioned platform, which will include the creation of a private equity fund in which Odinsa and MIP V will participate and whose professional manager will be a subsidiary of Odinsa that will be formed for this purpose.

The investment platform would manage Odinsa's current road assets in Colombia, including Concesión La Pintada S.A.S., Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. and Concesión Vial de los Llanos S.A.S., with a consolidated valuation close to COP 4.3 trillion. This platform would manage the private initiatives that Odinsa is leading to date in the road sector in Colombia, among which are the IP Perimetral de la Sabana and the IP Conexión Centro, as well as the eventual expansion of the concession Túnel Aburrá Oriente, which in case of being awarded, would have an important financial support and the technical strength for its management and, additionally, would continue exploring other opportunities of value creation through the development of new projects.

With the acceptance of the proposal, the companies entered into a share and asset purchase and sale agreement that encompasses the operations for the constitution of the investment platform, the closing and perfection of which is subject, as usual in this type of transactions, to the fulfillment of conditions precedent and the obtaining of the required governmental authorizations.

Early termination of Dominican Republic concession contract

In December 2021, after a negotiation of several months with the Government of the Dominican Republic, an agreement was signed for the early termination of the concession contracts for the Santo Domingo-Rincón de Molinillos highway in this country through Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. This transaction is relevant for Odinsa and generates benefits in terms of liquidity.

As consideration for the early termination of the concession contract, an amount of USD 410,214,841 was agreed as indemnification, of which USD 123,124,841 was received in cash for the payment of the amounts financed by the main lenders of the concessions and the bondholders, USD 283,442,000 in Treasury bonds of the Government of the Dominican Republic at fair value, the latter being valued at USD 322,843,271 at their fair value at the time of termination of the concession agreement, and USD 3,648,333 outstanding.

The origin of the agreement was based on the determination of the Government of the Dominican Republic to terminate the concession contracts, based on the judgment that they were not economically viable for the country and that, if they were to go to court, this could have negative repercussions for the parties.

The agreement implied the delivery of all assets related to the road concessions to the Government, with the commitment of the concessionaires to cancel all obligations arising from the financing of these projects with the main lenders, bondholders, and any other creditor. It was also agreed to collect the invoiced portfolio on the dates stipulated in the signing of the agreement and the resolution of certain tax debts before the DGII through a single installment.

During 2022, Management will continue the official liquidation process of the companies, subject to the approval of the meeting held on 11 February 2022.

Early termination of the ADN and BTA contracts presents for the Group the following accounting effects immersed in the figures presented in the Company's Consolidated Financial Statements:

- In terms of toll collection revenue, Odinsa at consolidated level, presented a decrease in its Dominican Republic operation due to the fact that in the negotiations with the Government of this country it was agreed that the portfolio generated by the operation would be paid until the amounts computed to August 2021 for ADN and until October 2021 for BTA, which generated a reversal of revenue already caused by the months that were not framed in the conditions of the signed agreement besides the non-recognition of the revenue for the concession management in the future.
- In terms of EBITDA and Operating Income, the accounting impact generated by the early settlement of the concession agreement is a loss of USD 76 million.
- The impact of this transaction on Net Income and Controlling Net Income is a loss of USD 74 million and USD 39 million, respectively.

NOTE 48: **EVENTS AFTER THE REPORTING PERIOD**

Between 31 December 2021 and the date of issuance of the consolidated financial statements of the Group, the following subsequent event considered significant has taken place:

1) On 15 February 2022, Odinsa S.A. registered in the Mercantile Registry the public deed through which the merger by absorption with Odinsa Holding Inc. was formalized. (Absorbed company), which was authorized by the Financial Superintendence of Colombia through Resolution No. 1558 of 22 December 2021. By virtue of this merger process, Odinsa S.A. absorbed Odinsa Holding Inc. and the later was transferred in block to Odinsa S.A. with all its assets, liabilities and equity.