Grupo Argos S.A.

Separated Financial Statements as at 31 December 2021 and 2020

CONTENTS

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 separated 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 transactions performed by Grupo Argos S.A. during the corresponding period.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

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 separated 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

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

(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 Separate Financial Statements

Opinion

I have audited the separate financial statements of Grupo Argos S.A. (the Company), which comprise the separate statement of financial position as at December 31, 2021 and the separate statements of income, 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 aforementioned separate financial statements faithfully taken from the books and attached to this report, present fairly, in all material respects, the separate financial position of the Company as of December 31 of 2021, the separate results of its operations and its separate cash flows for the year ending on that date, in accordance with Accounting and Financial Information Standards accepted in Colombia, applied uniformly with the previous 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 Separate Financial Statements* section of my Report. I am independent of the Company 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 separate financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 separate financial statements of the current period. These matters were addressed in the context of my audit of the separate 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">Assessment of the recoverability of investments in subsidiaries and a significant associate
(See Notes 16 and 17 to the separate financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Company's separate statement of financial position as at December 31, 2021 includes investments in subsidiaries and a significant associate of $13,932,967 million COP, representing 74% of the Company's total assets.

I have identified the assessment of the recoverability of these investments as a Key Audit Matter because it involves significant judgment in identifying impairment indicators for these investments. Additionally, due to the materiality of the balance, it is considered one of the areas of greatest audit attention.</td><td>My audit procedures to evaluate the recoverability of investments in subsidiaries and a significant associate included, among others, the following:

– Identification of events, facts, and/or circumstances that indicated the existence of objective evidence of impairment of the value of the investments, based on the impairment tests of the different cash-generating units in the context of the audit of the consolidated financial statements.

– Evaluation of the work performed by the audit team of significant Subsidiaries in relation to the identification of objective evidence of impairment in the underlying assets in the investees.

– Professionals with relevant industry expertise and experience assisted me in: (1) evaluating the key assumptions used in the impairment test performed by the Company on its investment in this significant associate, including input data; (2) performing independent recalculations supported with information obtained from external sources on the discount rate and macroeconomic variables used; and (3) comparing the result of the calculations obtained, with those performed by the Company.</td></tr>
</table>

<table>
<tr><th colspan="2">Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 – Investment Properties (See Note 15 to the separate financial statements)</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the Audit</th></tr>
<tr><td>The Company's separate statement of financial position as at December 31, 2021 includes a significant amount of investment properties of $2,123,104 million COP, mainly represented in land measured at fair value through profit or loss.

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

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

• Evaluation of the design, implementation, and operating effectiveness of the key control established by the Company to determine and recognize for accounting purposes the fair value of investment properties, specifically in the review and approval by the Real Estate Strategy Management, of the appraisals performed by external professionals with expertise in real estate valuation hired by the Company.

• Evaluation of the competence and capacity of the external professionals hired by the Company, 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 the evaluation of the key assumptions used by the external professionals hired by the Company 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 the International Valuation Standards.</td></tr>
</table>

Other Matters

The separate 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 separate financial statements and my corresponding audit report, nor the management report on which I pronounce myself in the Other legal and regulatory requirements section, in accordance with the provisions of Article 38 of Law 222 of 1995.

My opinion on the separate 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 separate 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 Company's Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate financial statements, Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company'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 separate 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate 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 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 Company'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 separate 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.

Report on Other Legal and Regulatory Requirements

Based on my test results, in my opinion, during 2021:

a) The bookkeeping of the Company has been kept in accordance with legal regulations and accounting techniques.

b) The transactions recorded in the ledgers are in accordance with the bylaws and the decisions of the Shareholders' Meeting.

c) Correspondence, account vouchers, minute books and share registry books are duly kept and maintained.

d) There is a concordance between the accompanying financial statements and the Management Report prepared by the administrators, which includes the Management's acknowledgment of the free circulation of invoices issued by vendors or suppliers.

e) The information contained in the self-assessment statements of contributions to the Comprehensive Social Security System, particularly that related to affiliates and their contribution base income, has been taken from the accounting records and supports. The Company is not in arrears for contributions to the Comprehensive Social Security System.

In order to comply with the requirements of Articles 1.2.1.2. and 1.2.1.5. of the Single Regulatory Decree 2420 of 2015, in development of the responsibilities of the Statutory Auditor contained in numerals 1°) and 3°) of Article 209 of the Commercial Code, related to the evaluation of whether the acts of the Partnership's administrators are in accordance with the bylaws and the orders or instructions of the Shareholders' Meeting and whether there are adequate measures of internal control, conservation and custody of the Partnership's assets or those of third parties in its possession, I issued a separate report dated February 23, 2022.

(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

Grupo Argos S.A.

SEPARATED STATEMENT OF FINANCIAL POSITION

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

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	16,237	24,148
Derivative financial instruments		3,000	-
Trade and other receivables, net	8	160,230	302,429
Inventories, net	9	200,354	248,887
Tax assets	10	39,821	27,787
Prepaid expenses and other non-financial assets	12	5,631	5,026
CURRENT ASSETS		**425,273**	**608,277**
NON-CURRENT ASSETS			
Trade and other receivables, net	8	151,250	32,062
Right-of-use assets property, plant and equipment, net	20	6,723	8,777
Intangible assets, net	13	76,020	91,296
Property, plant and equipment, net	14	1,806	856
Investment property	15	2,123,104	2,108,885
Investments in associates and joint ventures	16	5,285,646	5,278,733
Investments in subsidiaries	17	9,562,131	8,549,998
Other financial assets	11	1,313,006	1,105,896
Prepaid expenses and other non-financial assets	12	7,134	6,694
TOTAL NON-CURRENT ASSETS		**18,526,820**	**17,183,197**
TOTAL ASSETS		**18,952,093**	**17,791,474**

Grupo Argos S.A.

SEPARATED STATEMENT OF FINANCIAL POSITION

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

	Notes	2021	2020
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	19	2,556	237
Lease liabilities	20	2,053	1,720
Employee benefits liabilities	21	12,510	13,522
Provisions	22	5,005	253
Trade and other payables	23	11,274	94,586
Tax liabilities	10	15,683	7,453
Derivative financial instruments	7	726	-
Bonds and compound financial instruments	24	95,117	535
Other non-financial liabilities	25	109,056	57,883
TOTAL CURRENT LIABILITIES		**253,980**	**176,189**
NON-CURRENT LIABILITIES			
Financial liabilities	19	392,281	479,768
Lease liabilities	20	4,679	6,763
Deferred tax	10	185,302	207,369
Employee benefits liabilities	21	2,122	2,760
Derivative financial instruments	7	921	-
Bonds and compound financial instruments	24	1,003,177	1,125,849
TOTAL NON-CURRENT LIABILITIES		**1,588,482**	**1,822,509**
TOTAL LIABILITIES		**1,842,462**	**1,998,698**
EQUITY			
Share capital	26	54,697	53,933
Additional paid-in capital	26	1,503,373	1,354,759
Retained earnings		8,588,287	8,675,833
Reserves	27	3,339,623	3,673,583
(Loss) Profit for the year		336,205	(59,123)
Other components of equity	28	275,290	301,186
Other comprehensive income	27	3,012,156	1,792,605
TOTAL EQUITY		**17,109,631**	**15,792,776**
TOTAL LIABILITIES AND EQUITY		**18,952,093**	**17,791,474**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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

Grupo Argos S.A.

SEPARATED STATEMENT OF PROFIT OR LOSS

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

	Notes	2021	2020
Income from financial activity	30	111,239	148,087
Income from real estate business	30	238,484	142,144
Equity-accounted investees net in the results of subsidiaries	30	303,037	(33,924)
REVENUE	30	**652,760**	**256,307**
Cost of ordinary activities	31	(103,496)	(55,103)
GROSS PROFIT		**549,264**	**201,204**
Administrative expenses	32	(134,521)	(127,478)
Selling expenses	33	(1,669)	(1,144)
STRUCTURE EXPENSES		**(136,190)**	**(128,622)**
Other expenses, net	35	(10,701)	(7,877)
PROFIT FROM OPERATING ACTIVITIES		**402,373**	**64,705**
Finance income	36	14,179	51
Finance expenses	36	(105,336)	(102,729)
Foreign exchange difference, net	36	(1,307)	(92)
PROFIT (LOSS) BEFORE TAX		**309,909**	**(38,065)**
Income tax	10	26,296	(21,058)
NET PROFIT (LOSS)		**336,205**	**(59,123)**
EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS (*)			
Attributable to shareholders			
Basic	37	388	(69)
Diluted	37	388	(69)

(*) Figures stated in Colombian pesos.

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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

Grupo Argos S.A.

SEPARATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

	Notes	2021	2020
NET INCOME (LOSS)		**336,205**	**(59,123)**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	27.2	**344,743**	**(181,465)**
Gains (losses) of equity investments		232,702	(58,091)
Deferred tax on equity investments		(2,581)	(7)
Remeasurement of employee defined benefit liabilities		3,347	882
Net interests in other comprehensive income of subsidiaries		111,275	(124,249)
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	27.2	**901,754**	**218,063**
Net gains from instruments under cash flow hedges		1,059	46
Deferred tax of cash flow hedging instruments		(474)	(13)
Net interests in other comprehensive income of subsidiaries		901,169	218,030
OTHER COMPREHENSIVE INCOME, NET OF TAX	27.2	**1,246,497**	**36,598**
TOTAL COMPREHENSIVE INCOME		**1,582,702**	**(22,525)**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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

Grupo Argos S.A.

SEPARATED STATEMENT OF CHANGES IN EQUITY

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

	Notes	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Compre-hensive Income	Retained earnings	Profit for the year	Other components of equity	Total Equity
Disclosed balance as at 31 December 2019	**26 to 28**	**1,408,692**	**29,665**	**3,483,496**	**1,765,469**	**9,184,187**	**-**	**301,188**	**16,172,697**
Accumulated effect of the adoption of new standards by the equity method	3.1.2	-	-	-	-	(35,077)	-	-	(35,077)
Adjusted balance as at 1 January 2020	**26 to 28**	**1,408,692**	**29,665**	**3,483,496**	**1,765,469**	**9,149,110**	**-**	**301,188**	**16,137,620**
Profit for the period		-	-	-	-	-	(59,123)	-	(59,123)
Other comprehensive income for the period, net of tax		-	-	-	36,598	-	-	-	36,598
Comprehensive income for the period 2020		**-**	**-**	**-**	**36,598**	**-**	**(59,123)**	**-**	**(22,525)**
Ordinary dividends declared in cash		-	-	-	-	(242,670)	-	-	(242,670)
Preferential dividends declared in cash		-	-	-	-	(79,647)	-	-	(79,647)
Constitution of reserves		-	-	166,922	-	(166,922)	-	-	-
Release of reserves		-	-	(6,500)	-	6,500	-	-	-
Transfers to retained earnings		-	-	-	(9,462)	9,462	-	-	-
Other variations		-	-	-	-	-	-	(2)	(2)
Balance as at 31 December 2020	**26 to 28**	**1,408,692**	**29,665**	**3,643,918**	**1,792,605**	**8,675,833**	**(59,123)**	**301,186**	**15,792,776**
Disclosed balance as at 31 December 2020	**26 to 28**	**1,408,692**	**29,665**	**3,643,918**	**1,792,605**	**8,675,833**	**(59,123)**	**301,186**	**15,792,776**
Adjusted balance as at 1 January 2021	**26 to 28**	**1,408,692**	**29,665**	**3,643,918**	**1,792,605**	**8,616,710**	**-**	**301,186**	**15,792,776**
Profit for the period		-	-	-	-	-	336,205	-	336,205
Other comprehensive income for the period, net of tax		-	-	-	1,246,497	-	-	-	1,246,497
Comprehensive income for the period 2021		**-**	**-**	**-**	**1,246,497**	**-**	**336,205**	**-**	**1,582,702**
Ordinary dividends declared in cash		-	-	-	-	(97,165)	-	-	(97,165)
Preferential dividends declared in cash		-	-	-	-	(80,918)	-	-	(80,918)
Ordinary share dividends declared		149,378	-	-	-	(149,378)	-	-	-
Constitution of reserves		-	-	6,500	-	(6,500)	-	-	-
Release of reserves		-	-	(340,460)	-	340,460	-	-	-
Transfers to retained earnings		-	-	-	(26,946)	26,946	-	-	-
Effect of change in income tax rate in Colombia		-	-	-	-	(60,636)	-	-	(60,636)
Other variations		-	-	-	-	(1,232)	-	(25,896)	(27,128)
Balance as at 31 December 2021	**26 to 28**	**1,558,070**	**29,665**	**3,309,958**	**3,012,156**	**8,588,287**	**336,205**	**275,290**	**17,109,631**

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

Jorge Mario Velásquez Jaramillo

CEO
Legal representantive

Claudia Patricia Álvarez Agudelo

Accountant
Registration No. 69447-T

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

Grupo Argos S.A.

SEPARATED 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 (LOSS)		**336,205**	**(59,123)**
Adjustments by:			
Dividend and interest income	30	(130,473)	(122,786)
Income tax recognized through profit or loss	10	(26,296)	21,058
Equity-accounted investees in the results of subsidiaries	30	(303,037)	33,924
Finance expense, net recognized through profit or loss		91,157	92,486
Loss recognized in respect to employee benefits and provisions		4,840	150
Gain on disposal of non-current assets		(55)	(12,561)
Gain on fair value measurement	30	(74,275)	(66,646)
Depreciation and amortization of non-current assets		17,486	18,378
Impairment (reversal), net of financial assets		231	(52)
Impairment, net of non-current assets and inventory		-	1,165
Foreign exchange gains and losses on financial instruments recognized through profit or loss	36	1,307	64
Other adjustments		(10,424)	(5,065)
		(93,334)	**(99,008)**
CHANGES IN WORKING CAPITAL OF:			
Trade and other receivables		(34,742)	(5,120)
Inventories		105,311	11,783
Other assets		333	(7,346)
Trade and other payables		(3,629)	(9,491)
Provisions		(139)	-
Other liabilities		29,222	3,974
CASH USED IN OPERATIONS		**3.022**	**(105,208)**
Dividends received		422,774	407,091
Income tax, reimbursed (paid)		(5,260)	29,695
NET CASH FLOW FROM OPERATING ACTIVITIES		**420,536**	**331,578**

Grupo Argos S.A.

SEPARATED STATEMENT OF CASH FLOWS

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

	Notas	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial interest received		4,516	13,036
Acquisition of property, plant and equipment		(1,201)	(301)
Proceeds from the sale of property, plant and equipment		260	40
Acquisition of investment property		(16,696)	(2,136)
Proceeds from the sale of investment property		3,502	10,723
Acquisition of interests in subsidiaries		(492)	(4,582)
Proceeds from the sale of interests in subsidiaries		-	3,712
Acquisition of interests in associates and joint ventures		(7,054)	-
Proceeds from the sale of investments in associates and joint Ventures		1,148	36,422
Acquisition of financial assets		(318)	(793)
Proceeds from the sale of financial assets		23,635	6,262
Payments for financial derivative arrangements		-	(10,882)
Loans granted to third parties		(22,085)	(1,490)
contribution refunds		53,737	188
CASH FLOW FROM INVESTING ACTIVITIES		**38,952**	**50,199**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of bonds		-	7,979
Payment of bonds and commercial papers		(31,716)	(433)
Increase in other financing instruments		327,800	203,703
Payment of other financing instruments		(417,302)	(150,462)
Payment of lease liabilities		(1,706)	(1,860)
Collections from financial derivative arrangements with hedging of finance liabilities		1,322	-
Payments from financial derivative arrangements with hedging of finance liabilities		-	(227)
Dividends paid on ordinary shares		(167,445)	(238,694)
Dividends paid on preferential shares		(90,674)	(77,424)
Interest paid		(87,665)	(101,877)
Other cash inflows		(617)	135
NET CASH FLOW USED IN FINANCING ACTIVITIES		**(468,003)**	**(359,160)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(8,515)**	**22,617**
Cash and cash equivalents at the beginning of the period		24,148	1,729
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		604	(198)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**16,237**	**24,148**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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

Grupo Argos S.A.

NOTES TO THE SEPARATED 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 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 those already established. The association permitted by this provision may include companies whose activity is different from its own if 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.

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

NOTE 2: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Compliance status

The 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 and on 13 December 2019 by Regulatory Decree 2270, and 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, the Company 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.

The separate financial statements have been prepared in compliance with the legal provisions to which the Company is subject as an independent legal entity; some accounting principles may differ from those applied in the consolidated financial statements and, additionally, do not include the adjustments and eliminations necessary for the presentation of the consolidated financial position and consolidated comprehensive income of the Company and its subsidiaries. Consequently, the separate financial statements should be read in conjunction with the consolidated financial statements of Grupo Argos and its subsidiaries.

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

2.2 Going concern basis

The separated financial statements have been prepared on a going concern basis. On 17 March 2020, the Colombian government declared a state of health emergency due to the COVID-19 coronavirus, that affect the operations of Grupo Argos and its subsidiaries; for this, the Company has been implementing mitigation plans to address the impacts produced by the declaration of emergency, which allow us to conclude that even in the current situation, the ability of Grupo Argos S.A.to continue as a going concern is not affected (see Note 41 Significant events).

Financial reasons or criteria to establish equity impairment and insolvency risks

According to the provisions of Article 1 of Decree 1378 of 28 October 2021, the Company performed the analysis of the reference indicators to establish equity impairment and insolvency risks, concluding that at the end of 2021 there are no indications of non-compliance with the going concern assumption:

Indicator	Dimension	Formula	Recorded value	Conclusion
Negative equity position	equity impairment	Total equity < $0	Total equity for 2021 $17,109,631	The Company remains in compliance with the guidelines of the going concern basis

Indicator	Dimension	Formula	Recorded value	Conclusion
				by the equity position indicator
Two consecutive closing periods with negative profit for the year	equity impairment	(Profit of previous year < 0) and (Profit of last year < 0)	Profit for 2020 (\$59,123) < 0 and profit for 2021 \$336,205 > 0	The Company remains in compliance with the guidelines of the going concern basis by the profit for the year indicator
Two consecutive closing periods with current ratio below 1.0	Insolvency Risk	(Current Assets / Current Liabilities < 1.0, for the previous year) and (Current Assets / Current Liabilities < 1.0, for the last year)	Current ratio for 2020 (\$608,277 / \$176,189) = 3.45 > 0 and current ratio for 2021 (\$425,273 / \$253,980) = 1.67> 0	The Company remains in compliance with the guidelines of the going concern basis by the current ratio indicator

2.3 Preparation basis

The Company 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. For legal purposes in Colombia, the annual Separate Financial Statements are the basis for the distribution of dividends and other appropriations, are expressed in Colombian pesos as this is the functional currency, which corresponds to the currency of the main economic environment in which the Company operates, and the presentation currency for all purposes, rounded to the nearest million, unless otherwise indicated.

The Company's Separated 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, and investment property 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 Company 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 separated financial statements. Note 4 provides details of the significant accounting judgments and key sources of estimates used by the Company.

Fair value measurements

The Company 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 and of investment property 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 Company.

In estimating fair value, the Company 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 separated financial statements is determined on the basis indicated, 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 Company 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 Company 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 Company 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 Company 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
• Investment property - Note 15

The Company has applied the accounting policies, judgements, estimates and significant accounting assumptions described in Note 2 Basis of presentation 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.

The Separated Financial Statements were prepared to comply with legal reporting requirements to which the Company is subject as a separate legal entity and, therefore, do not consolidate the assets, liabilities, equity or profit or loss of subordinate companies, nor do they include the adjustments or eliminations necessary for the presentation of the consolidated financial position and results of the Company and its subordinates. Investments in these companies are accounted for by the equity method as indicated below. These should be read in conjunction with the Consolidated Financial Statements.

The Separate Financial Statements have been prepared on a going concern basis and there are no material uncertainties related to events or conditions as of 31 December 2021 that would cast significant doubt on the ability of Grupo Argos S.A. to continue as a going concern.

Differences between the consolidated controlling equity of the business group and the equity of the 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 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 Company in the preparation of its separated financial statements:

2.4.1 Cash and cash equivalents

Cash and cash equivalents in the separated statement of financial position and the separated 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.

Interest income generated by cash equivalents is recognized through profit for the period.

2.4.2 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 Company 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 Company 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 Company 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 Company 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.

2.4.2.1 Impairment of financial assets

The Company 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 Company applies a simplified approach on a collective basis which allows it not to track changes in credit risk, but rather to recognize a loss provision based on expected credit losses over the lifespan of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected lifespan of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Company recognizes an individual impairment loss provision and excludes the item from collective evaluation under the expected credit loss model.

The Company has established an impairment matrix based on experience regarding payment collection, an increase in the number of past due payments in the portfolio that exceeds the average credit period, as well as observable changes in local and national economic conditions that are related to default. For trade receivables, which are reported net, said impairment is recorded in a separate account and the loss is recognized through administrative and selling expenses in the Company's separate statement of income. When there is confirmation that the receivable will not be recoverable, the carrying amount of the account receivable is derecognized against the associated provision.

2.4.2.2 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 through profit or loss.
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.

2.4.2.3 Derecognition of financial assets

A financial asset, or a portion thereof, is derecognized from the separated 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 Company 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.

2.4.3 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 is initially measured at cost of acquisition plus expenses and disbursements necessary to place the asset in condition to be sold. The Company 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 Company classifies 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 Company 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 mainly costs for lots, urbanization works and real estate for sale.

The Company shall recognize inventories when sold, at book value, as costs in the period in which the corresponding income is recognized.

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

Property tax corresponding to inventories of real estate for sale of Grupo Argos S.A. 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.

2.4.4 Intangible assets

Intangible assets are recorded at cost in accordance with IAS 38 Intangible Assets; those with indefinite lifespans are not amortized and those with defined lifespans are amortized based on the straight-line method over their estimated lifespans. The estimated lifespan 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 Company assesses intangibles with definite lifespans to determine whether they exhibit impairment signs and performs impairment test for intangibles with indefinite lifespans.

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 lifespan and is recognized in the 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.

Amortization of intangible assets for rights on concession contracts is also recognized through profit or loss, even if the Company maintains an investment associated with such rights.

Estimated lifespan and amortization methods, for the current and comparative period, of the Company's intangible assets are as follows:

Intangible	Lifespan	Lifespan ranges in years	Depreciation method
Patents, licenses and software	Finite	3 to 5 years	Straight-line
Concessions, franchises and rights	Finite	10 years	Straight-line (*)
Intangible assets in progress	Indeterminate		

(*) Due to the impacts caused by the COVID-19 juncture and considering that the concession has a maximum exploitation term contractually established with the State, in September 2020 the amortization method applied to the intangible asset generated in the takeover of Opain S.A. by Grupo Argos was reviewed. It was concluded that for the purposes of the Holding Company as an investor, the amortization method per passenger did not adequately reflect the expected consumption of the asset. Therefore, and according to the evaluation of the consumption pattern of the asset, the straight-line method was adopted to continue prospectively with the amortization of the intangible asset. The amount recognized as of December 2020 for amortization of this intangible asset amounted to $15,204, if it had been recognized under a method based on the number of passengers it would have been $13,607. The annual amortization amount as of 2021 will be $15,204.

1. **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.

2. **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.

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.

2.4.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Company 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 lifespan 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 Company 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 Company 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 Company 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 Company 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 the estimation of 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 Company 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 Company expects to derive from the asset.

The following variables should be excluded from the estimate of future cash flows that the Company 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 Company 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 Company 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.

2.4.6 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 Company, which are used in the operation of the entity.

The Company 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 Company'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.

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 lifespan of the asset as follows:

Constructions and buildings	40 to 80 years
Machinery, furniture and office, computer and communication equipment	3 to 30 years
Transport equipment	3 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, lifespans and depreciation methods of assets are reviewed and adjusted prospectively at each financial year end, if required.

Provisions for decommissioning, restoration and rehabilitation

The Company 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 their inherent risks have already been incorporated in the flows.

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.

2.4.7 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 Company 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.
- Expenses for routine maintenance of investment property.

In its subsequent measurement, the Company 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 Company 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.

Subsequent disbursements related to additions to investment properties that are capitalizable correspond to:

- The purchase price of lots that increase the area of investment property.
- Costs of new construction that generate a higher fair value of the property.

Such values must be regarded by independent experts in the valuation immediately following the additions.

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 will be transferred to inventory when the Company establishes plans for its real estate development as inventory, that is, when it has formally applied for urbanization, construction, subdivision, subdivision and/or public space intervention licenses, to prepare a property for sale on an individual basis, either directly or through agreements with potential buyers.

However, in the case of parceling licenses that do not allow their execution in phases, the Company will review the portion of lots on which it contemplates the intention to begin a specific development plan to facilitate its disposition as an Urbanized Lot and that portion will be the one to be reclassified to inventory.

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 retained earnings.

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

Property tax corresponding to investment property of Grupo Argos S.A. 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.

2.4.8 Investments in associates and joint arrangements

An associate is an entity over which the Company 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.

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 a joint 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.

The Company has elected to account for investments in associates and joint ventures at cost in its separate financial statements, in accordance with the measurement models permitted by IAS 27. Therefore, it recognizes investments in associates and joint ventures under the cost method; subsequently, they continue at cost except for associates considered as investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

The Company Recognizes a joint operation, when the contractual arrangement is structured through a separate vehicle or otherwise, by assessing the entitlements granted to the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company recognizes all losses.

When the Company 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 Company 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.

The Company 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 make it possible 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

2.4.9 Investments in subsidiaries

The Company controls an investee when it has power over, is exposed to, or is entitled to, variable returns from its involvement in the investee and can influence those returns through its power over the investee. The Company assesses whether it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above. In assessing control, it considers existing substantive 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. When the Company has less than most of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Company considers all relevant facts and circumstances in assessing whether voting rights in an investee are sufficient to confer power on the investee, including:

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

Investments in subsidiaries are accounted for in the separated financial statements using the equity method, unless the investment or a portion thereof 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.

Under the equity method, investments in subsidiaries are initially recorded in the separated statement of financial position at cost and are subsequently adjusted to account for the Company's share of profit or loss and other comprehensive income (OCI).

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 Company 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 based on 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 Company'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 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 Company 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 Company discontinues the use of the equity method in subsidiaries in relation to the portion that is classified as held for sale. Any retained portion of an investment in a subsidiary 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 subsidiary there is a loss of control, the use of the equity method is discontinued and any retained interest in the subsidiary is recognized in accordance with the applicable regulations following its classification.

In case the Company 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 statement of comprehensive income for the current and comparative periods of the previous year.

2.4.12 Leases

The Company recognizes leases, subleases and contracts with similar characteristics and circumstances considering the capacity of the lessor or lessee, the underlying asset and the term of the arrangement.

At the beginning of an arrangement, the Company 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 Company uses the definition of a lease in IFRS 16 Leases.

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

   The Company 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 Company 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 Company's accounting policy for subsequent measurement of investment property.

At the commencement date of the lease, the Company 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 Company has reasonable assurance that it will be exercised and penalties for cancellation of the lease, if the term of the lease reflects that the Company 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 Company 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 Company 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 Company presents the right-of-use assets and lease liabilities separately in the separated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Company 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 separated statement of comprehensive income.

In the separated statement of cash flows, the Company 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 Company 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 Company as a lessor.** At the commencement or amendment of a contract containing a lease component, the Company 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 Company classifies the leases as finance or operating leases, assessing the extent to which risks and rewards of ownership of the asset affect it. The Company 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 Company Recognizes amounts owed by lessees under finance leases as receivables at the amount of the Company'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.

2.4.13 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 its liabilities. Equity instruments issued by the Company are recognized at the value received, net of direct issue costs.

   Repurchase of the Company'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 Company, 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 Company'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 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.

d. **Financial liabilities.** Are classified at fair value through profit or loss or at amortized cost, using the effective interest method. The Company 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 Company 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 Company 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 section 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 Company 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 Company derecognizes a financial liability if, and only if, the obligations expire, are cancelled, or fulfilled. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized through profit or loss.

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.

2.4.14 Hedge accounting

The Company 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 Company 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 Company 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 Company, hedges are classified and accounted for as follows, once the criteria for hedge accounting are met:

1. **Fair value hedges.** 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.

2. **Cash flow hedges.** 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 only the ineffective portion of the derivative is recognized in the profit or loss account as they arise, 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.

3. **Hedges of net investment in a foreign operation.** When hedging differences in foreign currency arising between the functional currency of the foreign operation and the functional currency of the controlling company, regardless of whether the net investment is held directly or through an intermediate controlling 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.

2.4.15 Employee benefits

Post-employment benefit and defined contribution plans. The Company 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 Company recognizes benefit plans classified as contribution plans in profit or loss 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 Company recognizes benefit plans classified as defined benefit plans as an asset or liability in the separated 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 of said plan, 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 Company 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 Company 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

Correspond to the 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 Company cannot withdraw the offer related to the benefits or when the Company 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.

2.4.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation because 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 the Company's best estimate of future expenditures required to settle the present obligation and are discounted using a discount rate according to the nature of the obligation. The provision expense is presented in the separated 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 Company 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 Company recognizes any impairment loss on the assets associated with the contract.

A restructuring provision is recognized when the Company 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 Company’s control are not recognized in the separated statement of financial position but are disclosed as contingent liabilities.

2.4.17 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. Until 2020, current tax expense included at least the amount settled by the presumptive income system in those periods in which there was no taxable income, which was zero or less than 1.5% of the taxable equity (1.5% for 2019, 0.5% for 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 end of each annual period, if they are related to the same tax authority, there is a legal right to do so, and the Company 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 Company recognizes a deferred tax liability for taxable temporary differences relating to investments in subsidiaries and associates, and interests in joint ventures, except where it can 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 Company 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 assets and liabilities are offset for presentation purposes at the closing of each period, if they are related to the same tax authority, there is a legal right to do so, and the Company intends to settle them simultaneously.

2.4.18 Foreign currency

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 (OCI) 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).

2.4.19 Income recognition

The Company's income arises mainly from the sale of goods, the rendering of services, returns on investments and the equity method on investments. Its obligations from contracts with customers are fulfilled at a given time and revenue recognition is made at that time.

Most of the Company'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.

Exceptionally, income from a small number of leases and easements contracts is determined in relation to the volume of mineral material extracted by the lessee and the beneficiary of the easement.

Also, in most contracts, there is no judgment involved in assigning the contract price because there is a fixed unit price for each good or service sold. Therefore, the assignment of the transaction price is the total contract price divided by the number of units (for the sale of goods) or services delivered (for the rendering of services). When the sales prices of each good or service are different, the determination of the price is established by reference to the independent sales prices of each good or service, when it is possible to separate them.

a. **Sale of goods.** A single performance obligation is established for the sale of goods. The Company 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 Company 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 Company 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 Company 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 satisfied at some point in time.

   The Company provides some services for the development of lots whose performance obligation is fulfilled over time and income is recognized at the time when progress is made in fulfilling the obligation. In these contracts, advance payments are required before the service is provided.

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 subsidiaries, 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 Company 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 subsidiaries. This is recognized at the end of the reporting period considering the percentage of equity interest and the profits or losses obtained by the subsidiaries.

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

f. **Contract balances**

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 Company 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.

Trade receivables: a receivable represents the Company'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.

Contract liabilities: a contract liability is the obligation to transfer goods or services to a customer for which the Company has previously received consideration from the customer. The payment of a consideration by a customer before the Company 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 Company transfers the goods or services to the customer.

2.4.20 Materiality

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

2.4.21 Statement of cash flow

The Company 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 Company 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.

2.4.22 Related parties

For the purposes of IAS 24 Related Party Disclosures, the Company 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, Finance and risks 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 Company 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.

NOTE 3: STANDARDS ISSUED BY THE IASB

3.1 Incorporated in Colombia

3.1.1 Standards Incorporated in Colombia as of 1 January 2020 - Regulatory Decree 2270 of 13 December 2019.

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:

Financial Reporting Standard	Subject of the amendment	Detail
		• 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 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

Financial Reporting Standard	Subject of the amendment	Detail
		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 Company opted not to apply this amendment in its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

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 how to apply the 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 started being effective from 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 treatment and will have full knowledge of all related information.

If the Company 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 Company 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 Company will opt for application in these terms.

According to the analysis performed by the Company's management, no accounting impacts have been recognized in the Separate Financial Statements for tax positions that are likely to be rejected by the tax authorities.

However, as of December 2020, an impact of the adoption of IFRIC 23 via the equity method was recognized for Odinsa and its subsidiaries, in which it recognized in equity a value of $35,125 and due to the holding interest, the value in the Company was:

Equity	**Estimated impact 1 January 2020**
Investments in associates and joint ventures	(35,077)
Total assets	**(35,077)**
Total liabilities	**-**
Retained earnings	(35,077)
Equity attributable to owners of the company	**(35,077)**
Non-controlling interests	-
TOTAL EQUITY	**(35,077)**

However, as of December 2021, Odinsa and its subsidiaries reached the final closing of the tax positions that originated this initial recognition in 2020 and the liability on this uncertain tax position no longer exists.

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

Other standards incorporated in Colombia as of 1 January 2020 did not generate significant impacts on the Company's financial statements.

3.1.2 Standards Incorporated in Colombia as of 1 January 2021 - Regulatory Decree 1432 of 5 November 2020.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IFRS 16 Leases	Covid-19-Related Rent Concessions	IFRS 16 contained in the compilation and updated technical annex 1 2019 is amended, stating that when applying the practical expedient provided in paragraph 46A of the amendment incorporated in 2020, lessees may to account for rent concessions as if they were not lease modifications, complying with paragraph 46B: "Any reduction in lease payments affects only payments originally due on or before 30 June 2021". The foregoing without prejudice to compliance with the other conditions contained in the paragraph. These reductions shall be applied retrospectively, recognizing the cumulative effect of the initial application of the amendment 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.

3.1.3 Standards Incorporated in Colombia as of 1 January 2023 - Regulatory Decree 938 of 19 August 2021.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-Current	Paragraphs 72A, 75A, 76A, 768 and 139U are incorporated; paragraph 139D is eliminated and paragraphs 69, 73, 74 and 76 are amended. The requirement to classify a liability as current is amended by establishing that a liability is classified as current when it does not have the right at the end of the reporting period to defer settlement of the liability, for at least twelve months after the reporting period. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Amendment to IAS 16 Property, Plant and Equipment	Products obtained prior to intended use	Paragraphs 17 and 74 are amended and paragraphs 20A, 74A, 80D and 81N are incorporated. From the effective date of the amendment, proceeds from the sale of items (e.g., test products) obtained before the related property, plant and equipment is available for its intended use are no longer deducted from cost. Instead, such revenue will be

Financial Reporting Standard	Subject of the amendment	Detail
		recognized in profit or loss, together with the production costs of those items. Likewise, companies must clearly distinguish (in their financial statements or disclosures) between income and costs of producing and selling items obtained before the intended use of the property, plant and equipment, from revenue and costs from the entity's ordinary activities. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Onerous contracts: cost of fulfilling a contract	Paragraphs 68A, 94A and 105 are added, and paragraph 69 is amended. It is clarified that the cost of fulfilling a contract comprises costs directly related to the contract (direct labor and material costs, and the allocation of costs directly related to the contract). The effect of the application of the amendment will not restate comparative information. Instead, the cumulative effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
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	Paragraphs 6.8.1 to 6.8.12 of IFRS 9 are added, regarding temporary exceptions to the application of specific hedge accounting requirements. Paragraphs 102A to 102N and 108G are incorporated, regarding temporary exceptions to the application of the specific hedge accounting requirements of IAS 39. Paragraphs 24H on uncertainty arising from the reform of the benchmark interest rate, 44DE and 44DF of IFRS 7 are incorporated. A hedging relationship is directly affected by the reform of the benchmark interest rate only if the reform gives rise to uncertainties on such rate designated as a hedged risk or on the timing or amount of cash flows based on such rate. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. Early application of the Reference Interest Rate is allowedas from fiscal year 2021.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IFRS 3 Business Combinations	Reference to the Conceptual Framework	Amendment to the references to align them with the conceptual framework issued by IASB in 2018 and incorporated to the Colombian regulatory framework. In this sense, the identifiable assets acquired and liabilities assumed in a business combination, at the transaction date, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework. Paragraphs 21A, 21B and 21C are incorporated regarding the exceptions to the recognition principle for liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21. Paragraph 23A is incorporated to define a contingent asset and clarify that the acquirer in a business combination shall not recognize a contingent asset at the acquisition date. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1.
Annual improvements to IFRS standards 2018-2020 cycle	Amendments approved by the IASB	**IFRS 1 First-time Adoption of International Financial Reporting Standards:** Subsidiary adopting IFRS for the first time. Paragraph D13A of IFRS 1 is added, incorporating an exemption for subsidiaries that adopt IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the parent company (paragraph D16 "a" of IFRS 1) so it may measure the cumulative translation differences for the carrying amount of such item in the consolidated financial statements of the parent company (also applies to associates and joint ventures). **IFRS 9 Financial Instruments:** Fees on the "10% test" regarding derecognition of financial liabilities. A text is added to paragraph B3.3.6, and paragraph B3.3.6A is added, to clarify the recognition of fees paid (to profit or loss if it is a derecognition of the liability, or as a reduction in the value of the liability if it is not treated as a derecognition). **IAS 41 Agriculture:** Taxes on fair value measurements. The phrase "nor cash flows for tax" is removed from paragraph 22 of IAS 41. This because "*prior to Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the use of a pre-tax discount rate to discount those cash flows*". This aligns the requirements of IAS 41 with those of IFRS 13. This amendment applies from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. **IFRS 4 Insurance Contracts:** Paragraphs 20_A, 20_J and 20_O are amended to authorize the temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial

Financial Reporting Standard	Subject of the amendment	Detail
		Instruments: Recognition and Measurement instead of IFRS 9 for annual periods beginning before 1 January 2023 (due to the new international requirement contained in IFRS 17 as from that date).
IFRS 9 Financial Instruments	Reform to benchmark interest rate phase 2	Adds paragraphs 5.4.5 to 5.49 Changes in the basis for the determination of contractual cash flows because of the reform of the benchmark interest rate (measurement at amortized cost), 6.8.13 Termination of the application of the temporary exception in hedge accounting, 6.9.1 to 6.9.13 Additional temporary exceptions arising from the reform of the benchmark interest rate, 7.1.10 Effective date, and 7.2.43 to 7.2.46 Transition for the reform of the benchmark interest rate Phase 2 to IFRS 9. **Amendment to IAS 39 Financial Instruments: Recognition and Measurement:** Paragraph 102M Termination of the application of the temporary exception in hedge accounting, paragraphs 102_O to 102_Z3 Additional temporary exceptions arising from the reform of the benchmark interest rate and 108H to 108K Effective date and transition, and new headings are added. **Amendment to IFRS 7 Financial Instruments: Disclosures:** Paragraphs 24_I, 24_J Additional disclosures related to the reform of the benchmark interest rate, 44GG and 44HH Effective date and transition, and new headings are added. **Amendment to IFRS 4 Insurance Contracts**: Paragraphs 20R and 20S Changes in the basis for determining contractual cash flows because of the reform of the benchmark interest rate, and paragraphs 50 and 51 Effective date and transition, and new headings are added. **Amendment to IFRS 16 Leases:** Paragraphs 104 to 106 Temporary exception arising from benchmark interest rate reform are amended, and paragraphs C20C and C20D Benchmark interest rate reform phase 2 are added. These amendments apply from 1 January 2023 for general purpose financial statements of entities classified in IFRS Group 1. Early application of the Benchmark Interest Rate is allowed from fiscal year 2021.

The Company has not opted for early application of these standards.

The Company will quantify the impact on the Separate Financial Statements in a timely manner, so that once these standards become effective, all the necessary activities for their implementation are being advanced.

3.2 Issued by the IASB not 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.
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

Financial Reporting Standard	Subject of the amendment	Detail
		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. AS 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, 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 Company will quantify the impact on the separated financial statements in a timely manner, so that once the Decree incorporating this standard into the Colombian Technical Regulations Framework is issued, all the necessary activities for its implementation are being advanced.

As at 31 December 2021 the Company has not adopted any standards or improvements to standards in advance.

NOTE 4: SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES

In applying the Company's accounting policies, which are described in Note 2 Basis of presentation and significant accounting policies, the 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 Company's accounting policies that have a significant effect on the amounts recognized in the separated 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 Company 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:

a. Subsidiaries - Entities over which the Company has control

In determining control, the Company 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 Company controls a company even when less than half the voting rights are retained are:

(a) Investment in P.A. Ganadería Rio Grande. Management has evaluated the degree of influence that the Company 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 Company 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 Company does not control a company even though it holds more than half of the voting rights are:

(b) Consorcio Constructor Nuevo Dorado, Consorcio Mantenimiento Opain and Patrimonio Autónomo Contingencias Consorcio Constructor Nuevo Dorado. Management has assessed the degree of influence that the Company 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.

(c) Patrimonio Autónomo (autonomous equity) Hacienda Niquía. Management assessed the degree of influence that the Company 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 Company does not have the current capacity to decide on the activities that most impact the entity's performance.

b. Associates - Entities over which the Company has significant influence

Judgment is applied in assessing significant influence. The Company 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 Company 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.

c. 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 Company 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 Company 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 Company 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.

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 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 Company 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 Company's financial statements.

4.1.4 Determination of the term of the lease of contracts with renewal options

Under certain leases, there is the option to lease the assets for additional periods. The Company 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 Company 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 Company 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 Company or the lessor.

4.1.5 Distinction between investment property and inventories

The Company 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 Company, this classification may be difficult. Therefore, the Company 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 Company 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.

4.1.6 Current income tax

The Company recognizes current income tax amounts in the separated 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 Company 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.

To date, no tax positions have been identified that may be disputed by the tax authorities and for which the tax treatment adopted by the Company is not found to be accepted and therefore should be recognized in the separate statement of financial position; and 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.

4.1.7 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.

4.1.8 Recognition of revenue and costs from construction activities

Since recognition 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. These estimates do not normally vary significantly from subsequent actual measurements.

4.1.9 Estimation of lifespan, depreciation method and residual values of property, plant and equipment and intangible assets

As described in Note 2 Basis of presentation and significant accounting policies, the Company reviews at least annually the estimated lifespans, 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 lifespan of the item. The definition of the depreciation or amortization method, and the estimate of lifespans 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 lifespans requires management judgment.

The accounting policy for property, plant and equipment and intangible assets the estimation pf lifespan is indicated.

As mentioned in paragraph 2.4.4 Intangible assets in note 2 Basis of presentation and significant accounting policies, for the comparative of the reporting period there was a change in the amortization method of the intangible assets of the El Dorado International Airport concession based on the consumption pattern of these assets.

4.2 Key data on uncertainty in estimates that represent 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 Company and, in the case of contingent assets, an income for the Company, but will only be resolved in the future when one or more events occur or may occur.

The Company 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 Company'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. Events giving rise to contingent assets is not recorded but disclosed (Note 22 Provisions and Note 39 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.

4.2.2 Impairment of assets, investments in associates and joint ventures, property, plant and equipment and intangibles

The Company assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions present significant changes, whether there is any indication of impairment of assets. If such an indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit.

For assessing the appropriateness of performing the full impairment test, the Company will perform a 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 paragraph 2.3.5 Impairment of tangible and intangible assets.

In the case of associates and joint ventures, the events that allow establishing whether there is objective evidence that these investments may be impaired can be seen in note 2.4.8 Investments in associates and joint arrangements.

If there is objective evidence of impairment due to 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 (Note 16.6 Impairment analysis investments in associates and joint ventures).

4.2.3 Fair value of investment property

To determine the fair value, the Company 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 (Note 15 Investment Property).

4.2.4 Deferred income tax

The Company 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.

Exception from IAS 12 Income Tax, on investments: The Company 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.

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 Company 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. Accordingly, the financial statements were impacted with an increase in the deferred tax liability, as well as a reduction in retained earnings of prior years for $1,323 due to the change in the tax rate.

Likewise, the Company presented a reduction in the retained earnings of prior years for $59,313 attributable to the deferred tax arising from the change in the income tax rate resulting from the application of the equity method of its subsidiaries.

4.2.5 Fair value of financial instruments

The Company 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. (Note 7.5 Fair value of financial instruments).

NOTE 5: CHANGE IN POLICIES AND RECLASSIFICATIONS OF ITEMS IN THE FINANCIAL STATEMENTS

5.1 Change in policies

During 2021, the Company made no changes to its accounting policies.

During 2020, the Company began the application of IFRIC 23 Uncertainty over Income Tax Treatments as explained in section 3.1.1 on standards incorporated in Colombia from 2020.

5.2 Reclassification of Items in the Financial Statements

During 2021, the Company did not make any reclassification on its comparative figures. On the other hand, the Company made changes in the presentation of items in the separate income statement that implied a greater openness of the finance income in the net finance expense section reported at the closing of 2020:

	As at 31 December 2021	As at 1 January 2021	As at 31 December 2020
Finance income	14,179	15,898	51
Finance expenses	(105,336)	(118,576)	(102,729)
Net foreign exchange difference	(1,307)	(92)	(92)
Total finance expenses, net	**(92,464)**	**(102,770)**	**(102,770)**

Accordingly, the Company made the corresponding changes in the presentation of note 36 of finance expenses, net (Note 36: Finance expenses, net):

	2021	As at 1 January 2021	As at 31 December 2020
Interest income	7,188	12,092	
Income from valuation of financial instruments	6,736	3,755	
Other finance income	255	51	51
Total finance income	**14,179**	**15,898**	**51**
Other finance expenses	(1,612)	(1,185)	(810)
Losses on valuation of financial instruments	(10,905)	(18,256)	-
Interests	(92,819)	(99,135)	(87,419)
Valuation loss or amortized cost	-	-	(5,067)

(Losses) gains from valuation of financial assets at fair value	-	-	(9,433)
Exchange rate differences	-	-	(92)
Total finance expenses	**(105,336)**	**(118,576)**	**(102,821)**
Exchange gains	6,179	574	-
Exchange expenses	(7,486)	(666)	-
Foreign exchange difference, net	**(1,307)**	**(92)**	**-**
Total finance expenses, neto	**(92,464)**	**(102,770)**	**(102,770)**

NOTE 6: CASH AND CASH EQUIVALENTS

The total balance of this item at the end of the reporting period, as shown in the Separated Statement of Cash Flows, can be reconciled to the related items in the Separated Statement of Financial Position as follows:

Breakdown of cash	2021	2020
Cash and banks	13,297	1,678
Cash equivalents (*)	2,940	22,470
Total cash and cash equivalents	**16,237**	**24,148**

(*) The following are the cash equivalents held by the Company at the end of the reporting period:

Breakdown of cash equivalents	2021	2020
Collective portfolios and investment funds	1	7,913
Trusts (1)	2,939	14,557
Total cash equivalents	**2,940**	**22,470**

Cash equivalents correspond to resources available to the Company managed through liquidity funds.

(1) Comprises the liquidity income trust Valores Bancolombia for $2,910 and BTG Pactual for $30 (2020 Valores Bancolombia $74, BTG Pactual for $14,483, Credicorp $3,670 and BBVA $4,243) corresponding to highly liquid investments easily convertible into cash and subject to an insignificant exchange risk in value, with a maturity of three months or less from the date of acquisition, which the Company manages at its discretion, according to its treasury policies.

Significant non-cash transactions

During 2021 there were non-cash transactions, represented in:

- Payment in shares, as elected by the shareholders, of dividends decreed at the Shareholders' Meeting held on 25 March 2021 as follows: 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.

- Collection in shares of dividends declared by Cementos Argos S.A. for $85,337 corresponding to 16,010,723 shares (Note 17.2 Investments in subsidiaries).

During 2020, the following non-cash transactions took place:

- Of the total bond issuance for $136,500, performed in October 2020, 94% of the issuance was made through the exchange of ordinary bonds as detailed in Note 24 of Bonds and Compound Financial Instruments.

- Contribution of a lot in Baru for $40,040 for the development of the Hotel Sofitel Calablanca project (Note 16.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures).

At 31 December 2021 and 2020, the Company has no current or non-current restricted cash or cash equivalents.

NOTE 7: FINANCIAL INSTRUMENTS

7.1 Capital risk management

The Company's capital structure is based on net financial debt consisting of short- and long-term financial obligations, bonds and commercial papers, and equity, consisting of issued shares, both preferred and ordinary, reserves, retained earnings and other components of equity, as disclosed in Note 19 Financial obligations, Note 24 Bonds and compound financial instruments, Note 25 Other non-financial liabilities, Note 27 Reserves and other comprehensive income and Note 28 other components of equity.

The Company manages its capital to ensure its ability to continue as a going concern. Similarly, it strategically designs an efficient and flexible capital structure, consistent with growth, investment and credit rating plans. To this end, indicators of leverage, coverage, solvency and profitability have been established. Said structure is reviewed periodically or whenever there are relevant changes in the strategy.

In the same way, the Company manages capital risk through the rotation of portfolio assets and the management of healthy debt levels (measured mainly in terms of Gross Debt / Dividends and Net Debt / Portfolio Value) that allow it to develop its strategy and seek to maximize the generation of shareholder value.

The Company is not subject to external capital requirements, which is why all leverage decisions and target capital levels are made with the premise of generating value for shareholders, while maintaining an investment grade credit rating. Also, debt term and composition is consistent with the capital cycles of each investment.

7.2 Financial instrument categories

	2021	2020
Financial Assets		
Cash and cash equivalents (Note 6)	16,237	24,148
Prepayment purchase of financial investments (Note 11)	-	793
Financial assets measured at fair value through profit or loss (Note 11)	1	1
Financial assets measured at fair value through other comprehensive income – OCI (*) (Note 11)	1,313,005	1,105,102
Financial assets measured at amortized cost (Note 8)	311,480	334,491
Derivatives in Hedging Relationships	3,000	-
Total financial assets	**1,643,723**	**1,464,535**
Financial liabilities		
Derivatives in Hedging Relationships	1,647	-
Financial liabilities measured at amortized cost (Notes 19, 23 and 24)	1,504,405	1,700,975
Total financial liabilities	**1,506,052**	**1,700,975**

* The increase in equity investments is mainly due to valuation adjustments of Grupo Nutresa shares for $209,931 (2020 $63,341), Ventures Corporativo for $22,988 (2020 ($1,733)) and Fondo de Capital Privado Progresa ($217) (2020 $231).

7.2.1 Financial liabilities measured at amortized cost

	2021	2020
Bonds and commercial paper in circulation (Note 24)	1,082,365	1,111,008
Financial liabilities (Note 19)	394,837	480,005
Trade and other payables (Note 23)	11,274	94,586
Preferential shares classified as compound financial instruments (Note 24)	15,929	15,376
Total financial liabilities measured at amortized cost	**1,504,405**	**1,700,975**

At the closing of 2021 and 2020, the financial liabilities presented by the Company correspond to short- and long-term loans, ordinary bonds, suppliers, and payables.

7.2.2 Reclassification of financial assets

During 2021 and 2020 no changes in the business model for managing and administering financial assets were made, 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 Company, for presentation purposes, did not offset financial assets and liabilities and has no relevant offsetting agreements.

7.3 Financial risk management objectives

The Company's financial policies are defined by the Treasury Committee and managed and seek to ensure a sound financial structure and to maintain the 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 Company 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 Company 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 are derived from fluctuations in macroeconomic and microeconomic variables that can generate fluctuations in the value of assets and liabilities with an impact on profit and therefore on profitability for shareholders.

In the management of its financial instruments, the Company is exposed to risk factors such as exchange rates, interest rates and price levels, such as stock exchange listing and others. These risks are managed according to the Company's policy guidelines and market risk exposures are measured using various 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 (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.

7.3.2 Foreign exchange risk management

The Company 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, fluctuations in exchange rates have a direct impact on cash and on the financial statements. The Company monitors foreign exchange rate risk by analyzing balance and cash flow exposure.

The Company's general policy is to limit the effects of exposure to exchange rate risk. When the Company makes 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.

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 in order to minimize purchases or sales of dollars in the spot market.

The Company's exposure to changes in the exchange rate against the U.S. dollar, based on the nominal amounts of monetary assets and liabilities after incorporating hedges made with derivative financial instruments, is presented below:

Exposure to U.S. dollar and other currencies (In thousands of dollars)	2021	2020
Monetary assets	153	1,019
Monetary liabilities	(98)	(304)
Net exposure	**55**	**715**

Exposure to U.S. dollar and other currencies (In millions of Colombian pesos)	2021	2020
Monetary assets	610	3,497
Monetary liabilities	(391)	(1,042)
Net exposure	**219**	**2,455**

7.3.2.1 Foreign currency sensitivity analysis

The Company's general policy is to limit the effects of exposure to exchange rate risk. When the Company carries out investment, financing, and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument.

The Company performs various sensitivity analyses to quantify the impact of exchange rates on its financial statements. In general terms, benefits from exchange rate differences from the translation of foreign operations by application of the equity method with increases in exchange rates, which is 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 markets of the United States, the Caribbean and Ecuador. The hedging structures of the Company allow it to maintain a balanced net position in the statement of income and of financial position.

At the profit or loss level, the Company is mainly exposed to the U.S. dollar currency due to its items in that 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 when applicable. 20% represents the sensitivity percentage used when reporting foreign exchange risk internally to key management personnel and 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. 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.

The sensitivity analysis to currency translation risk shows that a 20% devaluation of the Colombian peso against the U.S. dollar would have the following impact on income before taxes:

	In millions of Colombian pesos	
	2021	2020
Impact on profit before taxes	32	410

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.

7.3.2.2 Foreign currency derivative contracts

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

Derivative instruments contracted by the Company to hedge foreign exchange risk are generally designated as cash flow hedge instruments. At the closing of 2021, the Company has no outstanding foreign exchange derivative instruments.

7.3.3 Interest rate risk management and inflation indexes

The Company is exposed to interest rate risks because of the disbursement of borrowings 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.

The reference interest rates in the Colombian financial market that generate exposure to the Company are the CPI and IBR, and the international reference rate LIBOR for loans in U.S. dollars.

This monitoring is done through the Treasury Committee, considering the cash flow projections in the short and medium term, to establish the efficient index and term compositions. For support, quantitative models are used that allow analyzing the duration, using interest rate curves. Another efficient mechanism for the management of this risk is the interest rate derivatives.

The Company believes that most of its debt should be indexed to indicators such as CPI and IBR, since the structure of revenue, costs, and expenses. At the closing of 2021, it had financial obligations and bonds payable at a nominal value of $1.47 trillion pesos (2020 $1.59 trillion pesos), with an average life of 5.6 years (2020 6.3 years) and an average cost of 6.96% EAR (2020 4.82% EAR).

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 floating rate liabilities, an analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period has been the liability outstanding for the entire year.

Based on the exposure of the Company's debt to market rates, an increase of 100 PBS (basic points) in the CPI would affect the cost of debt by $9,318 (2020 $9,807); an increase of the same magnitude in the Bank Reference Indicator (BRI) would increase it by $9,976 (2020 $4,851).

7.3.3.1 Contracts derived from interest rates and inflation indexes

Derivative instruments entered by the Company to cover interest rate risk are designated as cash flow hedging instruments. The Company does not hold any derivative instruments to cover this risk that have not been designated as hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 27 Reserves and other comprehensive income (OCI).

At the end of 2021, the Company has interest rate derivative instruments outstanding, as follows:

			Notional value of the underlying - Amount of the derivative instrument				Fair value of the asset (liability) derivative instrument)	
Type of instrument	Hedged item	Underlying rate	2021	2020	Rate of the derivative instrument	Expiration of the derivative instrument	2021	2020

CPI Swap	Ordinary bonds	CPI+4.24%	150,000	-	3.62%	10/06/2022	1,309	-
CPI Swap	Ordinary bonds	CPI+4.24%	200,000	-	3.70%	10/06/2022	1,691	-
CPI Swap	Ordinary bonds	CPI+3.95%	85,000	-	5.60%	10/12/2022	(726)	-
						10/06/2023	(921)	-

	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	-	2,274	-
1 to 5 years (*)	85,000	-	(921)	-
Total cash flow hedging	**435,000**	**-**	**1,353**	**-**

(*) Includes in 2021 in the range of 1 to 5 years the notional value of the derivative instrument interest rate swap for $85,000, base value to settle both current and non-current coupons of the instrument. In the fair value of the instrument associated to the same derivative is included in 2021 in 1 year or less ($726) and in 1 to 5 years for ($921).

7.3.4 Credit risk management

Credit risk is defined as the potential failure to meet contractual obligations arising from the Company's business activities. The Company's cash inflows come from four main sources:

- Dividends from subsidiaries and associates.
- Lot sales.
- Portfolio activities.
- Financial returns.

Of the sources of income for the Company, there are no credit risks on resources coming from divestments, financial returns, and dividends, due to the nature of these flows. In the case of real estate sales, this risk is managed through the following mechanisms:

- Analysis of counterparties and their technical, financial, and administrative qualities, using qualitative and quantitative criteria.
- Disposal policies that require advance payment of a percentage of the value of the property.
- Definition of maximum client concentration thresholds in relation to the total portfolio.
- Contractual clauses and required collaterals.

The Company periodically performs impairment analysis of its financial assets, including an analysis of expected losses in the portfolio. Details of trade current and other receivables are shown in Note 8 trade and other receivables, net. As of 31 December 2021 and 2020, these balances constitute the maximum credit risk exposure.

7.3.5 Liquidity risk management

Liquidity risk is generated when there is no close relationship between the capital structure and 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 Company and working capital needs. Likewise, through the design and monitoring of the capital structure, the Company 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 Company 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 Company 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.

In the COVID19 uncertainty scenario, the Company adjusted its minimum cash policies and disbursed liquidity borrowings to maintain flexibility in working capital management. This excess liquidity is invested in highly liquid fixed-income instruments and savings accounts.

7.3.5.1 Maturity analysis of non-derivative financial liabilities

The maturity profile of the Company's non-derivative financial liabilities previously agreed upon is detailed below. The tables have been designed based on the undiscounted cash flows of the financial liabilities, considering the date on which payments must be made. Additionally, they include both interest and capital cash flows. To the extent that interest is floating rate, the undiscounted amount is derived from the last known interest rate at the end of the reporting period. The contractual maturity is based on the minimum date on which payment must be made.

31 December 2021	Weighted average effective rate	3 months to 1 year	1 to 5 years	5 years or more	Total	Carrying amount
Non-interest-bearing		11,274	81	-	11,355	11,355
Fixed-rate instruments	5.78%	95,895	-	-	95,895	92,593
Variable rate instruments	7.56%	102,580	1,033,065	915,917	2,051,562	1,384,528
Other liabilities		847	3,389	11,693	15,929	15,929
Total 31 December 2021		**210,596**	**1,036,535**	**927,610**	**2,174,741**	**1,504,405**
31 December 2020						
Non-interest-bearing		94,586	68	-	94,654	94,654
Fixed-rate instruments	5.78%	6,990	128,728	-	135,718	122,504
Variable rate instruments	4.61%	68,545	1,022,846	863,901	1,955,292	1,468,441
Other liabilities		847	3,389	11,140	15,376	15,376
Total 31 December 2020		**170,968**	**1,155,031**	**875,041**	**2,201,040**	**1,700,975**

7.3.5.2 Maturity of derivative financial instruments

At the closing of 2021 the Company has no derivative financial assets. The detail of the maturity profile of the Company's derivative financial assets as of 2020 was as follows:

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2021					
Swaps (net)	2,274	(921)	-	1,353	1,353
Total (net)	**2,274**	**(921)**	**-**	**1,353**	**1,353**

7.4 Collaterals

Following is the breakdown of Collateral guarantees for financial assets and liabilities provided by the Company:

In 2021, the market value of the Company's financial assets pledged as collateral for financial liabilities is $1,301,922 (2020 $1,146,646). These collaterals correspond to 43,397,407 shares of Grupo Sura S.A. (2020, 36,724,724,922). (2020, 36,724,303 shares). On 22 January 2021, the pledge of Grupo Nutresa S.A. shares was lifted (2020, 9,093,303 shares). Of the pledged shares, 16,995,333 back a loan from Bancolombia for $392,200 and the remaining shares have been pledged for an indefinite period to give the Company financial flexibility.

7.5 Fair value

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2021		2020	
Financial Assets				
Measured at fair value through OCI				
Equity investments *(1)	1,313,005	1,313,005	1,105,895	1,105,895
Swap derivative financial instruments (5)	3,000	3,000	-	-
Measured at fair value through profit and loss				
Other investments (1)	1	1	1	1
Measured at amortized cost				
Cash and cash equivalents	16,237	16,237	24,148	24,148
Trade and other receivables (2) and (3)	311,480	302,816	334,491	338,559
Total financial assets	**1,643,723**	**1,635,059**	**1,464,535**	**1,468,603**
Financial liabilities				
Measured at fair value through OCI				
Swap derivative financial instruments (5)	1,647	1,647	-	-
Measured at amortized cost				
Financial obligations (2)	394,837	346,046	480,005	488,871
Bonds and securities in circulation (2) and (4)	1,082,365	1,077,589	1,111,008	1,195,778
Preferential shares classified as debt	15,929	15,929	15,376	15,376
Suppliers and payables **(3)	11,274	11,274	94,586	94,586
Total financial liabilities	**1,506,052**	**1,452,485**	**1,700,975**	**1,794,611**

* The increase in equity investments is mainly due to valuation adjustments of Grupo Nutresa shares for $209,931, Ventures Corporativo for $22,988 and the sale of Stem Inc. for ($23,120).

** This amount includes $5,809 of dividends payable (December 2020, $85,846).

In paragraph 7.5.1, in accordance with reference number (1), (2), (3), (4) and (5), the significant valuation variables for each of the instruments described above are described.

7.5.1 Description of significant valuation variables

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	Technical description of valuation	Significant variables
Financial Assets				
Measured at fair value through OCI				
Equity investments	1	Market prices (Colombian Stock Market)	(1)	Share price
Derivative financial instruments	2	Fair value	(5)	Swap: CPI curve and OIS COP curves

Measured at fair value through profit and loss				
Equity investments	1	Market prices	(1)	Trust's Unit Value
Measured at amortized cost				
Trade and other receivables	2	Discounted cash flows	(2) and (3)	The discount rate used corresponds to the agreed effective rate indexed to the CPI or the Company's average debt rate in the absence of the agreed rate.
Financial liabilities				
Measured at fair value through OCI				
Derivative financial instruments	2	Fair value	(5)	Swap: CPI curve and OIS COP curves
Measured at amortized cost				
Bonds in circulation	2	Discounted cash flows	(2)	The discount rate used corresponds to the market rate for loans under similar conditions.
Preferential shares classified as debt	2	Discounted cash flows	(4)	Discount rate yielded by the zero-coupon curve.
Suppliers and payables	2	Discounted cash flows	(2)	The discount rate used corresponds to the market rate.
Bonds in circulation	2	Discounted cash flows	(3)	The discount rate used corresponds to the effective rate agreed and indexed to the CPI.

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

1) Quoted market prices: the fair values of these investments are determined by reference to published quoted prices in active markets, for the financial instrument in question.

2) Market discount rate: future cash flows are discounted to present value at the market rate for loans with similar conditions on the measurement date according to the days of maturity.

3) The Company assessed that the fair values of receivables, dividends receivable and payable, suppliers, payables and other current liabilities approximate their carrying values due largely to the short-term maturities of these assets. Future cash flows of receivables or payables maturing in more than 12 months are discounted to present value at the market rate for loans in similar conditions at the measurement date, according to the days of maturity.

4) The fair value is calculated by discounting the future cash flows with the zero-coupon curve of the ordinary bonds issued by the Company.

5) The measurement method of the swap financial instrument uses the derivative financial instrument's own cash flows, which are then discounted to their present value. The right is projected using the CPI curve and the obligation corresponds to the same amount, according to the agreed rate in the payment periods during the life of the instrument. Since both flows correspond to future values, they are discounted to present value using the rates of the OIS COP curve (Overnight Index Swap, on the Bank Reference Indicator (BRI) Overnight rate negotiated in the OTC market). The difference between the inflow of the right and the outflow of the obligation represents the net value of the derivative at the evaluated cut.

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

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Cash flow from financing activities for financial liabilities

Balance at the beginning of the period 1 January 2021	**480,005**	**1,126,384**	**8,483**	**85,846**	**8,740**	**-**	**1,709,458**
Payment of bonds and commercial papers	-	(31,716)	-	-	-	-	(31,716)
Increase in other financing instruments	327,800	-	-	-	-	-	327,800
Decrease in other financing instruments	(417,302)	-	-	-	-	-	(417,302)
Payments for lease liabilities	-	-	(1,706)	-	-	-	(1,706)
Collections from financial derivative contracts with financial liability hedging	-	-	-	-	-	1,322	1,322
Dividends paid on ordinary shares	-	-	-	(167,445)	-	-	(167,445)
Dividends paid on preferential shares	-	-	-	(90,674)	-	-	(90,674)
Interest paid	(15,976)	(71,239)	(446)	-	(4)	-	(87,665)
Other cash inflows	-	216	-	-	(833)	-	(617)
Total changes by cash flows from financing activities	**(105,478)**	**(102,739)**	**(2,152)**	**(258,119)**	**(837)**	**1,322**	**(468,003)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	1,682	-	-	-	73	-	1,755
Fair value measurement	-	-	-	-	-	(1,353)	(1,353)
Interest caused	18,628	74,649	446	-	2,001	(1,322)	94,402
Other changes (*)	-	-	(45)	178,082	(4,512)	-	173,525
Total changes other than cash flows in financial liabilities	**20,310**	**74,649**	**401**	**178,082**	**(2,438)**	**(2,675)**	**268,329**
Balance at the end of the period 31 December 2021	**394,837**	**1,098,294**	**6,732**	**5,809**	**5,465**	**(1,353)**	**1,509,784**

(*) Other changes in dividend liabilities for $178,082 correspond to $327,461 of dividends declared by the Company's General Shareholders' Meeting in March 2021 less non-cash dividends paid for $149,378 which were paid with shares.

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Cash flow from financing activities for financial liabilities
Balance at the beginning of the period 1 January 2020	**502,009**	**1,113,481**	**12,300**	**79,647**	**14,117**	**42**	**1,721,596**
Issuance of bonds	-	7,979	-	-	-	-	7,979
Payment of bonds and commercial papers	-	(433)	-	-	-	-	(433)

Increase in other financing instruments	203,703	-	-	-	-	-	203,703
Decrease in other financing instruments	(150,462)	-	-	-	-	-	(150,462)
Payments for lease liabilities	-	-	(1,860)	-	-	-	(1,860)
Collections from financial derivative contracts with financial liability hedging	-	-	-	-	-	(227)	(227)
Dividends paid on ordinary shares	-	-	-	(238,694)	-	-	(238,694)
Dividends paid on preferential shares	-	-	-	(77,424)	-	-	(77,424)
Interest paid	(33,401)	(67,238)	(649)	-	(589)	-	(101,877)
Other cash inflows	-	135	-	-	-	-	135
Total changes by cash flows from financing activities	**19,840**	**(59,557)**	**(2,509)**	**(316,118)**	**(589)**	**(227)**	**(359,160)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	-	-	-	-	56	-	56
Fair value measurement	-	-	-	-	-	(42)	(42)
Recognition of leases	-	-	263	-	-	-	263
Interest caused	29,397	71,277	649	-	557	-	101,880
Other changes	(71,241)	1,183	(2,220)	322,317	(5,401)	227	244,865
Total changes other than cash flows in financial liabilities	**(41,844)**	**72,460**	**(1,308)**	**322,317**	**(4,788)**	**185**	**347,022**
Balance at the end of the period 31 December 2020	**480,005**	**1,126,384**	**8,483**	**85,846**	**8,740**	**-**	**1,709,458**

NOTE 8: TRADE AND OTHER RECEIVABLES, NET

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

	2021	2020
Trade receivables		
Domestic customers (1)	131,986	102,296
Other receivables		
Receivables from related parties (Note 38)	162,966	218,377
Income and other receivables (2)	12,574	12,360
Employee receivables (3)	5,274	2,697
Impairment for doubtful accounts	(1,320)	(1,239)
Total trade and other receivables, net	**311,480**	**334,491**
Current	160,230	302,429
Non-current	151,250	32,062
Total trade and other receivables, net	**311,480**	**334,491**

(1) At the end of 2021, there was a balance receivable for $131,986 corresponding mainly to the sale of lots Pajonal San José Norte Manzana 1A, Pajonal Etapa I Manzana 1,4,6, and lot 2A Barú Calablanca.

At the end of 2020, there was a balance receivable of $102,296 corresponding mainly to the sale of lots Pajonal San José Norte Manzana 1A and lot 2A Barú Calablanca whose maturities are agreed even until 2022, complying with the payment schedules in the established terms.

(2) At the end of 2021, corresponds to dividends receivable from Grupo Nutresa S.A. for $7,940 payable in March 2022, to collections for hospital stamp Tax to the District of Barranquilla for $1,770 and other debtors for $2,864.

At the end of 2020, corresponds mainly to dividends receivable from Grupo Nutresa S.A. for $7,343 payable in March 2021 and educational sponsorships for $2,494.

(3) Employee receivables do not include key management personnel balances of principal level, which are grouped under related party receivables.

During 2021, there were no transfers of financial assets, nor portfolio endorsed or negotiated with banks or other economic entities.

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 the maturities for trade and other receivables as of 31 December:

	2021	2020
Unmatured trade receivables	311,308	328,609
Matured trade receivables not impaired (1)	172	5,882
Impaired trade receivables (2)	1,320	1,239
Total gross receivables	**312,800**	**335,730**
Impairment for doubtful accounts	(1,320)	(1,239)
Total net receivables	**311,480**	**334,491**

(1) Age of matured but not impaired receivables

	2021	2020
Age of matured but not impaired receivables		
Matured between 1-30 days (*)	59	3,754
Matured between 31-90 days	-	3
Matured between 91-180 days	113	79
Matured between 181-360 days (**)	-	2,046
Matured more than one year	-	-
Total matured receivables not impaired	**172**	**5,882**
Average age (days)	**25**	**104**

(*) In 2020, Corresponded mainly to the outstanding balance of $3,500 from the Miramar V project.
(**) During 2020 Included mainly outstanding receivables from the sale of the Pajonal Oreja 53 strip for $1,949.

(2) Age of impaired receivables:

	2021	2020
Between 0-90 days	276	377
Between 91-180 days	-	-
Between 180-360 days	-	-
Between 1-3 years	1,044	862
Total impaired receivables	**1,320**	**1,239**

The movement in impairment for doubtful accounts at 31 December is detailed below:

	2021	2020
Balance at the beginning of year	**1,239**	**1,447**
Impairment losses	559	461
Derecognition of amounts considered uncollectible	(150)	-
Reverted impairment losses	(9)	(448)
Recovered balances	(319)	(221)
Balance at the end of year	**1,320**	**1,239**

NOTE 9: INVENTORIES, NET.

The balance of inventories, net, at 31 December 2021 comprises:

	2021	2020
Urbanized lots	197,247	245,781
Real estate for sale	3,107	3,106
Total inventories, net	**200,354**	**248,887**
Current	200,354	248,887
Total inventories, net	**200,354**	**248,887**

The cost of inventories recognized as cost of sales at 31 December 2021 is $102.348 (2020 $32,148). (Note 31 Cost of ordinary activities).

None of the lots in the inventory are pledged as collateral for liabilities, nor do they have any restrictions or liens that limit their disposition.

As of 31 December 2021, there were transfers from investment property of the lots of Alejandría Etapa II (Manzana 21), Recoveco, Mata de Plátano, Mendihuaca 1 and 3, Palma Real and Pajonal Etapa I (Manzana 3) and sales of the lots Pajonal Etapa I (Manzana 1,2,3,4,5 and 6), Pajonal San José Norte (Manzana 1B), Portal Empresarial del Norte 3 (D3 and D4), Alejandría Etapa I (Manzana 25), Recoveco and Mata de Plátano for $35,156 (2020 Pajonal Manzana 1, Manzana 2, Manzana 4, Manzana 5 and Manzana 6 for $68,017).

During 2020, according to the subscription agreement of fiduciary rights signed between Grupo Argos S.A., Patrimonio Autónomo Estrategias Inmobiliarias PEI and Arquitectura y Concreto in December 2018, the Company contributed in October 2020, a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project. The Company recognized in the result for the year a profit for $5,034, which corresponds to the profit realized with third parties, for being a contribution to a joint venture in which it maintains 77.81% interest, which will vary as the construction contributions of the participant Arquitectura y Concreto are executed, and the urban development is effectively executed as of 31 December 2020. (See Note 16.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures).

NOTE 10: CURRENT AND DEFERRED INCOME TAX

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

	2021	2020
Current tax assets	39,821	27,787
Current tax liabilities	(15,683)	(7,453)
Total current tax, net	**24,138**	**20,334**

	2021	2020
Deferred tax asset	230,915	214,058
Deferred tax liability	(416,217)	(421,427)
Total deferred tax liability	**(185,302)**	**(207,369)**

The Company offsets its tax assets and liabilities for disclosure purposes as long as they are related to the same tax authority, there is a legal right to do so, and it intends to settle them simultaneously.

10.1 Current tax assets

Current tax assets at 31 December comprise:

	2021	2020
Recoverable balance in private liquidation of income tax (*)	39,821	27,787
Total current tax assets	**39,821**	**27,787**

(*) At 2021, current tax assets consist mainly of:

- Self-withholdings for $41,161.
- Deduction at source made to the Company for $291.
- Current income tax liability ($1.670).

10.2 Current tax liabilities

L Current tax liabilities at 31 December comprise:

	2021	2020
Self-withholdings	15,683	7,453
Total current tax liabilities	**15,683**	**7,453**

In 2021, the current tax liability includes self-withholdings for $15,683 corresponding to taxable dividends received from Cementos Argos and sales of lot inventories (2020 $7,453).

Tax provisions applicable and in force

Income tax in Colombia is settled by 2021 at a rate of 31% according to Law 2010 of 2019. For the taxable period 2011, income tax was settled at a rate of 32%.

The capital gains tax rate in Colombia is 10%.

Other relevant provisions

- For 2021 the minimum base for determining the tax is 0.0% of the net worth 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 prejudice to the presumptive income for the year. Tax losses generated before the entry into force of Law 1819 of 2016 may be offset without any time limitation.

- Excess of presumptive income over ordinary income may be offset with the ordinary net income, within the following five years. Until taxable year 2016, there was the possibility of applying inflation adjustments to the excess of presumptive income.

- Income taxpayers who enter transactions with economic associates or related parties abroad are required to determine for income tax and supplementary tax purposes the transfer pricing study, in accordance with current regulations.

- Companies may apply tax discounts for taxes paid abroad, donations, and by paid Industry and Commerce Tax, 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.

10.3 Income tax recognized through profit or loss for the period

	2021	2020
Current tax		
For the current year	35	8,972
Compared to previous years	(1,521)	139
Total current tax expense	**(1,486)**	**9,111**
Deferred tax		
Changes in temporary differences	(4,873)	13,573
Changes in laws and tax rates	(1,323)	(1,626)
Uncompensated losses, tax credits and excess presumptive income used	(18,614)	-
Total deferred tax for the year	**(24,810)**	**11,947**
Total tax expense related to continuing operations	**(26,296)**	**21,058**

The determination of the effective rate applicable to the Company is as follows:

Income Tax	**2021**	**2020**
Earnings (loss) before income tax and discontinued operations	309,909	(38,065)
Income Tax (Current + Deferred)	**(26,296)**	**21,058**
Effective tax rate	8.5%	55.3%

The reconciliation between earnings before taxes and taxable net liquid income is as follows:

Reconciliation of the effective tax rate	**Reconciliation of current accounting and fiscal tax**	**Deferred tax for the year**	**Reconciliation of the effective tax rate**	**Reconciliation of current accounting and fiscal tax**	**Deferred tax for the year**	**Reconciliation of the effective tax rate**
		2021			**2020**	
Earnings (loss) before income tax and discontinued operations	309,909	-	309,909	(38,065)	-	(38,065)
Statutory tax rate in (%)	31%	-	31%	32%	-	32%
Current tax expense at the legal rate applicable to the Company	**96,072**	**-**	**96,072**	**(12,181)**	**-**	**(12,181)**
Effect of permanent tax differences and others						
Untaxed dividends and shares	(118,528)	-	(118,528)	(118,756)	-	(118,756)
Sale of listed investments and untaxed fixed assets	(7)	-	(7)	(7,440)	-	(7,440)
Tax expenses for the period	41,221	-	41,221	43,172	-	43,172
Income from measurement at fair value and other untaxed income	(108,288)	-	(108,288)	13,340	-	13,340
Expenses or other similar items not taxed	88,044	-	88,044	90,976	-	90,976
Effect of temporary differences						

Receivables, other items	-	(16,514)	(16,514)	-	10,378	10,378
Investments	-	(2,325)	(2,325)	-	5,451	5,451
Property, plant and equipment	-	(5,175)	(5,175)	-	(3,712)	(3,712)
Financial liabilities	-	1,692	1,692	-	508	508
Employee Benefits	-	147	147	-	(17)	(17)
Provisions	-	(1,985)	(1,985)	-	95	95
Other items	-	(650)	(650)	-	(756)	(756)
	(1,486)	**(24,810)**	**(26,296)**	**9,111**	**11,947**	**21,058**

	2021	2020
Current tax and deferred tax in profit or loss		
Deferred tax	(24,810)	11,947
Occasional Income Tax	35	2,961
Presumptive Income Tax	-	6,011
Adjustment of current tax estimate for previous years	(1,521)	139
Current and deferred tax	**(26,296)**	**21,058**
Effective tax rate (in %)	8.5%	55.3%

The income tax rate applicable to the 2021 taxable period is 31% (2020, 32%). The Company's effective tax rate is 8.5% (2020, 55.3%). This is mainly due to the recognition of deferred tax assets on tax shields that the Company had not used. Likewise, in 2021 the Company settled its current tax on occasional income.

10.4 Income tax recognized directly in equity and other comprehensive income (OCI)

Balances of deferred taxes recognized through equity, generated by temporary differences of transactions recognized through Other Comprehensive Income are detailed as follows:

	2021	2020
Deferred tax		
Cash flow hedges	473	-
Valuation of financial instruments	313	102
Total deferred tax recognized through other comprehensive income (OCI)	**786**	**102**
Adoption of new standards	1,323	-
Total deferred tax recognized in equity	**1,323**	**-**
Total deferred tax recognized through equity and other comprehensive income (OCI)	2,109	102

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 Statute introduced by Article 7 of Law 2155 of 2021, within equity in retained earnings of prior years. In accordance with the above, the Company opted to apply the alternative allowed by Decree 1311 of 2021, and therefore the financial statements were impacted with an increase in the deferred tax liability, as well as in a reduction of the retained earnings of previous years for $1,323 as a consequence of the change in the rate of the Company's own tax.

Likewise, the Company presented a reduction in retained earnings of previous years in the amount of $59,313 attributable to the deferred tax derived from the change in the income tax rate resulting from the application of the equity method of its subsidiaries.

10.5 Deferred tax assets and liabilities

Below is the balance of deferred tax assets and liabilities, which is presented net in non-current liabilities:

	2021	2020
Deferred tax asset	230,915	214,058
Deferred tax liability	(416,217)	(421,427)
Total deferred tax liability	**(185,302)**	**(207,369)**

Changes in deferred tax assets and liabilities are as follows:

2021	Opening Balance	Included in results	Included in other comprehensive income	Other changes	Final balance
Current assets	(46,701)	16,514	-	(4,642)	(34,829)
Associates and joint ventures	(16,271)	5,929	-	(2,771)	(13,113)
Other equity investments	(34,386)	(3,604)	(2,581)	606	(39,965)
Property, plant and equipment	38,851	826	-	(336)	39,341
Investment property	(279,450)	4,349	-	(12,555)	(287,656)
Intangible Assets	1,854	-	-	-	1,854
Other non-current assets	2,094	-	-	-	2,094
Provisions	1,842	1,985	-	-	3,827
Employee Benefits	133	(147)	-	17	3
Financial liabilities	3,292	(1,692)	(474)	317	1,443
	(328,742)	**24,160**	**(3,055)**	**(19,364)**	**(327,001)**
Tax losses	88,424	1,713	-	14,362	104,499
Excess presumptive income	32,949	(1,063)	-	5,314	37,200
	121,373	**650**	**-**	**19,676**	**141,699**
	(207,369)	**24,810**	**(3,055)**	**312**	**(185,302)**

2020	Opening Balance	Included in results	Included in other comprehensive income	Final balance
Current assets	(36,323)	(10,378)	-	(46,701)
Associates and joint ventures	(11,779)	(4,492)	-	(16,271)
Other equity investments	(33,420)	(959)	(7)	(34,386)
Property, plant and equipment	37,446	1,405	-	38,851
Investment property	(281,756)	2,306	-	(279,450)
Intangible Assets	1,854	-	-	1,854
Other non-current assets	3,589	(1,495)	-	2,094
Provisions	1,936	(94)	-	1,842
Employee Benefits	116	17	-	133
Financial liabilities	3,813	(508)	(13)	3,292
	(314,524)	**(14,198)**	**(20)**	**(328,742)**
Tax losses	86,173	2,251	-	88,424
Excess presumptive income	32,949	-	-	32,949
	119,122	**2,251**	**-**	**121,373**
	(195,402)	**(11,947)**	**(20)**	**(207,369)**

10.6 Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Unused deductible temporary differences, excesses of presumptive income, tax losses are as follows:

	2021	2020
Unused losses and tax credits		
Up to five years	216,822	216,822
No time limit	199,962	199,962
	416,784	**416,784**
Excess presumptive income over ordinary liquid income		
One year later	-	-
More than one year and up to five years	3,689	104,471
	3,689	**104,471**
Total unused tax benefits	**420,473**	**521,255**

As of 2021, there is a deferred tax for $393,529, due to its probable use expectation.

Unused tax benefits	2021	2020
Amount of tax shields on which deferred tax was calculated	393,529	393,529
Amount of tax shields for which no deferred tax was calculated (*)	26,944	127,726
Total unused tax benefits	**420,473**	**521,255**

(*) Tax shields expiring in 2021 were offset by $ 104,926.

Finality of declarations

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

Year of presentation	Term of finality
Until 2016	Statements in which losses were liquidated and/or offset become final within five (5) years of filing.
2017 to 2019	For returns that resulted in tax losses, the finality is twelve (12) years; if tax losses were offset, the finality is six (6) years.
From 2020 onwards	For returns in which tax losses are liquidated and/or offset, the finality is five (5) years.

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

Tax returns for the years 2016, 2017, 2018, 2019, 2020 and 2021 are subject to review by the tax authority as they have not yet become final. Management and the tax legal advisers consider that the amount recorded as taxes payable is sufficient to cover any liabilities that may be established with respect to those years.

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

Fiscal figures are detailed below:

	2021	2020
Investments in subsidiaries	3,660,231	2,707,405
Investments in associates and joint ventures	2,850,904	2,838,039

In accordance with paragraph 39 of IAS 12 Income Taxes, the Company applied the deferred tax recognition exception to investments in subsidiaries, associates, and joint ventures in which the timing of the reversal of the temporary difference is controlled and it is not likely to reverse in the foreseeable future.

NOTE 11: OTHER FINANCIAL ASSETS

The following table shows the composition of the other financial assets at the end of the periods:

	2021	2020
Financial assets at fair value through other comprehensive income (1)	1,313,005	1,105,102
Advance payment for purchases of financial assets (1)	-	793
Financial assets at fair value through profit or loss (2)	1	1
Total other financial assets	**1,313,006**	**1,105,896**
Non-current	1,313,006	1,105,896
Total other financial assets	**1,313,006**	**1,105,896**

(1) Financial assets measured at fair value through other comprehensive income are as follows:

	2021	2020
Grupo Nutresa S.A. (*)	1,295,782	1,085,851
Other investments	17,223	20,044
Total non-current	**1,313,005**	**1,105,895**

(*) As of 31 December 2021, the Company has a 9.88% (2020 9.83%) interest in Grupo Nutresa S.A., equivalent to 45,243,781 shares (2020 45,243,781 shares). The Company's interest increased due to the repurchase operation of a portion of its shares 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 active market prices (Colombian Stock Exchange). For investments that are not listed on the stock exchange, they are valued using financing rounds and the value of the trust unit.

The balance of these investments at 31 December is detailed below:

Investment	2021	2020
Grupo Nutresa S.A.	1,295,782	1,085,851
Quantela INC. (a)	7,694	-
Occipital INC.(b)	4,379	3,662
Innowatts (b)	2,588	2,164
Bird Global INC.(c)	1,032	-
Plaza Mayor Medellín Convenciones y Exposiciones (*)	507	507
Fondo Regional de Garantías del Caribe Colombiano S.A. (*)	424	424
Triple A Barranquilla S.A. E.S.P. (*)	252	252
Fondo de Capital Privado Progresa Capital (d)	194	834
Aeropuerto de Barranquilla S.A. (*)	153	153
Stem INC.(e)	-	6,639
Cimcon lighting INC.(a)	-	3,596
Bird Rides INC.(c)	-	1,813
Total other investments	**1,313,005**	**1,105,895**

(*) Considering that some investments do not have level 1 input data (quoted prices) and the figures are not representative, the Company assumes the position of holding them at cost.

During 2021, the following changes took place:

a. Cimcon Lighting Inc. merged with Quantela Inc.

b. The Company acquired an additional interest in the following investments: 7,863 shares of Occipital Inc. for $126; 6,021 shares of Innowatts Inc. for $75 and 3,000 shares of Quantela Inc. for $217.

c. Bird Rides Inc. merged with Bird Global Inc. a company listed on the New York Stock Exchange. Additionally, the Company acquired an additional 5,006 shares of Bird Rides Inc. for $178.

d. 106,173 units of the Progresa Private Equity Fund were redeemed for $423.

e. Stem Inc. was merged with STPK, a company listed in the New York Stock Exchange, which was renamed Stem Inc. Subsequently, this investment was sold for $23,635 (USD 5,892,604) with effects in OCI (Note 27.2 Other comprehensive income).

(2) The investment of Alianza Fiduciaria - Fideicomiso Prado Mar for $1 (2020 $1) is classified as measured at fair value through profit or loss, however, level 1 input data (quoted prices) are not available, and the figure is not representative, therefore, the Company assumed the position of holding it at cost.

Dividends recognized in the revenue item of the separated statement of income for financial assets measured at fair value through changes in other comprehensive income for the period ended December 31 are listed below:

	Investments held at the end of the period	
	2021	**2020**
Grupo Nutresa S.A.	31,761	29,372
Fondo Regional de Garantías del Caribe Colombiano S.A.	46	49
Bird Rides INC.	10	-
Total dividend income	**31,817**	**29,421**

NOTE 12: PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS

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

	2021	2020
Employee benefit plan assets, net (1)	7,134	6,694
Other current tax assets (2)	1,072	1,487
Prepayment for purchases of services (3)	3,133	2,327
Insurance (4)	1,416	1,210
Other prepaid expenses	10	2
Total prepaid expenses and other non-financial assets	**12,765**	**11,720**
Current	5,631	5,026
Non-current	7,134	6,694
Total prepaid expenses and other non-financial assets	**12,765**	**11,720**

1. In 2021 and 2020 corresponds to resources managed by Protección S.A. to fund the pension gap plan, net of the liability from the actuarial calculation of the same benefit (Note 21 Employee benefits liabilities).

2. Industry and commerce taxes $1,047 (2020 $1,462) and VAT credit balance $25 (2019 $25).

3. Comprising prepayments on construction contracts $3,114 (2020 $2,171), and purchase of goods and services $19 (2019 $156).

4. In 2021 and 2020 corresponds to civil and contractual liability insurance.

NOTE 13: INTANGIBLES, NET.

Intangible assets of the Company at 31 December are detailed below:

	2021	2020
Concessions, franchises and rights (*)	137,172	137,172
Patents, licenses and software	2,197	2,197
Total intangible assets other than capital gains, gross	**139,369**	**139,369**
Accumulated amortization	63,349	48,073
tal intangible assets other than capital gains, net	**76,020**	**91,296**

(*) Corresponds to the rights on contracts acquired in the purchase of Sociedad Concesionaria Operadora Aeroportuaria Internacional - Opain S.A.

As of 31 December 2021 and 2020, intangible assets under development do not include capitalization of borrowing costs and will begin to be amortized when they become available for use.

Changes in intangible assets are presented below:

	Concessions, franchises, and rights	Patents, licenses, and software	Intangible assets in progress	Total
1 January 2021	**137,172**	**2,197**	**-**	**139,369**
Historical cost as of 31 December 2021	**137,172**	**2,197**	**-**	**139,369**
1 January 2021	**45,946**	**2,127**	**-**	**48,073**
Amortization	15,206	70	-	15,276
Amortization and impairment	**61,152**	**2,197**	**-**	**63,349**
Total intangible assets, net at 31 December 2021	**76,020**	**-**	**-**	**76,020**

	Concessions, franchises, and rights	Patents, licenses, and software	Intangible assets in progress	Total
1 January 2020	**137,172**	**1,983**	**214**	**139,369**
Transfer to other accounts	-	214	(214)	-
Historical cost as of 31 December 2020	**137,172**	**2,197**	**-**	**139,369**
1 January 2020	**30,743**	**1,621**	**-**	**32,364**
Amortization	15,203	506	-	15,709
Amortization and impairment	**45,946**	**2,127**	**-**	**48,073**
Total intangible assets, net at 31 December 2020	**91,226**	**70**	**-**	**91,296**

Lifespans of intangible assets are:

Intangible	Lifespan	Lifespan ranges in years	Depreciation method
Patents, licenses and software	Finite	3 to 5 years	Straight line

Concessions, franchises and rights	Finite	10 years	Straight line (*)
Intangible assets in progress	Indeterminate		

(*) Due to the impacts caused by the COVID-19 juncture and considering that the concession has a maximum term of operation established contractually with the State, during the year 2020, the amortization method applied to the intangible asset generated in the acquisition of control of Opain S.A. by the Company was reviewed. It was concluded that for the purposes of the Holding Company as an investor, the passenger amortization method did not adequately reflect the expected consumption of the asset; therefore, it was changed to straight line, which was better adjusted to this type of intangible asset. (Note 2.4.4 Intangible Assets).

Amortization of intangibles is recognized as an expense in the separated statement of income under the heading of administrative and selling expenses, as applicable, and impairment losses are recognized as expenses in the 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.

he book values and remaining amortization periods for other intangible assets is:

Intangible	Remaining amortization period	2021	2020
Patents, licenses and software	1 year	-	70
Concessions, franchises and rights	6 years	76,020	91,226
		76,020	**91,296**

Impairment of intangible assets

Due to the current conditions of the airport industry because of the COVID-19 contingency, where passenger traffic expectations have been significantly impacted, in December 2021 the Company tested the intangible asset associated to the concession of El Dorado International Airport and the excess value paid at the time of its acquisition for impairment, which did not show impairment in the separate statement of income for that period or for the current period.

As a result of the different measures taken by the National Government within the framework of the sanitary emergency, Opain S.A. has been working with the National Infrastructure Agency 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 is deferred to the first half of 2022 at the latest, thus generating less pressure on the Company's cash flow.

On the other hand, on 21 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 1 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, on 26 April 2021, the parties signed addendum 35 to the Concession Contract in which the compensation for the impact on Opain's regulated and non-regulated revenue is recognized, using the formula according to the methodology applied by the Ministry of Finance and Public Credit. The value of the 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 estimated maximum term, whichever occurs first, therefore, with addendum 35 clause 3 of the Concession Contract is modified.

As of the second quarter of 2021 the level of passenger traffic of El Dorado International Airport has been higher than the projections estimated by Management and used in the impairment test of the intangible asset associated with the Concession as of 31 December 2020.

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

The balance of property, plant and equipment, net as of 31 December, comprises:

	2021	2020
Constructions and buildings	299	308
Other assets	1,264	247
Furniture, office, computer and communication equipment	115	156
Machinery and equipment	128	145
Total property, plant and equipment, net	**1,806**	**856**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Other assets	Total
1 January 2021	**350**	**177**	**4,857**	**597**	**5,981**
Additions	-	-	-	1,201	1,201
Sales and withdrawals	-	-	-	(368)	(368)
Historical cost	**350**	**177**	**4,857**	**1,430**	**6,814**
1 January 2021	**42**	**32**	**4,701**	**350**	**5,125**
Depreciation of the period	9	17	41	101	168
Sales and withdrawals	-	-	-	(285)	(285)
Depreciation and impairment	**51**	**49**	**4,742**	**166**	**5,008**
Total property, plant and equipment at 31 December 2021	**299**	**128**	**115**	**1,264**	**1,806**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Other assets	Total
1 January 2020	**350**	**177**	**4,852**	**651**	**6,030**
Additions	-	-	5	-	5
Sales and withdrawals	-	-	-	(54)	(54)
Historical cost	**350**	**177**	**4,857**	**597**	**5,981**
1 January 2020	**33**	**14**	**4,218**	**313**	**4,578**
Depreciation of the period	9	18	483	76	586
Sales and withdrawals	-	-	-	(39)	(39)
Depreciation and impairment	**42**	**32**	**4,701**	**350**	**5,125**
Total property, plant and equipment at 31 December 2020	**308**	**145**	**156**	**247**	**856**

The Company has buildings and structures, classified as for administrative use, which are included in property, plant and equipment and are measured by the revalued cost method.

During 2021 no capitalization of costs for loans in buildings and construction in progress occurred.

As of 31 December 2021 and 2020, no property, plant and equipment assets have been pledged as collateral for the performance of obligations or payables to third parties.

The Company has no contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained by third parties for impaired, lost or abandoned property, plant and equipment. The Company has adequate insurance policies to protect its productive assets, whose cover comprises mainly material damages caused by fire, earthquake, weak current, natural disasters, terrorism, and other risks.

In August and October, the Company purchased $1,201 worth of fleet and land equipment. On the other hand, it sold $260 worth of river equipment, which had a net cost of $83, generating a profit of $177.

The Company has not presented any changes in accounting estimates that have a significant impact on the period affecting residual values, lifespans, and depreciation methods.

NOTE 15: INVESTMENT PROPERTY

The balance of investment property at 31 December comprises:

	2021	2020
Land	2,121,988	2,107,826
Constructions and buildings	1,116	1,059
Total	**2,123,104**	**2,108,885**

For determination of the fair value of the investment property, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, the firms used the appropriate valuation techniques for the case, using the guidelines of IFRS 13 Fair Value and International Valuation Standards (IVS), the most used for the case being the market comparison approach and the residual value approach.

All valuations are made under the comparative market value approach and with the residual value technique, both valuation methodologies are internationally recognized. The resulting differences in value opinions were reconciled into a final commercial value opinion for the property.

Input data for the fair value estimate is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimate, associated with offer prices, appraisals, or similar property transactions 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.

Below are the Company's revenue and expenses directly related to the investment property:

	2021	2020
Lease income of investment Property	2,118	2,120
Direct expenses related to investment property	37,238	33,205
Direct expenses related to investment property that did not generate lease income	36,287	20,637

At 31 December 2021, the Company has no contractual obligations to acquire, construct or develop investment property, nor are there any restrictions on any investment property.

Reconciliation of investment property

	2021	2020
Historical cost as of 1 January	**2,108,885**	**2,108,346**
Gain from measurement at fair value (Nota 30) (1)	32,808	66,420

Additions (2)	16,696	2,136
Withdrawals (4)	(129)	-
Transfers to/from investment property (3)	(35,156)	(68,017)
Historical cost as of 31 December	**2,123,104**	**2,108,885**

(1) As of 31 December 2021, the fair value of all investment property was adjusted. The main amounts correspond to the properties Pajonal, Volador Oriental, Recoveco, Don Jaca, La Pedrera and Pocihueica, Campoalegre, El Morro, Minas Lili, Miramar Puerto Colombia, Pradomar and Insignares, Tamalameque, La Fortuna and Barú. (2020, Pajonal, Aguadulce, Campoalegre, El Morro, Minas Lili, Miramar Puerto Colombia, Pradomar, Insignares, Tamalameque, La Inmaculada and Barú).

(2) Corresponds to capitalized disbursements for the adaptation of the Pavas Molina land in Barranquilla and adaptations to the Barú land.

(3) As of 31 December 2021 corresponds to the transfer to inventory of the Recoveco property, Pajonal Mza 3 for $12,015 and portion of the Pavas Norte property for $23,141 (2020, Pajonal Manzana 1, Manzana 2, Manzana 4, Manzana 5 and Manzana 6 for $68,017).

(4) In the year 2021, the investment property Land Lot Zona Franca will be retired, which had a cost of $129.

The Company has no contractual obligations or restrictions on the investment property.

NOTE 16: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

16.1 General information on associates and joint ventures

The general information on associates and joint ventures for the periods indicated is as follows:

Company name associate or joint venture	Main activity	Country	Interests and voting rights (*)		Investment classification	Book Value	
			2021	2020		2021	2020
Grupo de Inversiones Suramericana S.A.	Financial	Colombia	27.86%	27.66%	Associate	4,375,166	4,368,113
Fondo de Capital Privado Pactia Inmobiliario	Real estate management	Colombia	37.13%	37.18%	Associate	870,763	879,792
Internacional Ejecutiva de Aviación S.A.S.	Executive air transport	Colombia	25.00%	33.33%	Associate	3,443	4,591
P.A. Hacienda Niquía	Real estate management	Colombia	51.00%	51.00%	Associate	-	2,818
P.A. Fideicomiso Hotel Calablanca Barú	Real estate management	Colombia	21.04%	77.81%	Joint venture	35,276	22,422
P.A. Contingencias Consorcio Constructor Nuevo Dorado	Management and payments	Colombia	30.00%	30.00%	Joint venture	664	664
Consorcio Constructor Nuevo Dorado (en liquidación)	Execution of EPC construction contract	Colombia	30.00%	30.00%	Joint venture	328	328
Pactia S.A.S.	Real estate management	Colombia	50.00%	50.00%	Joint venture	5	5

P.A Fideicomiso Operación Hotel Calablanca Barú	Real estate management	Colombia	20.00%	-	Joint venture	1	-
Consorcio Mantenimiento Opain (en liquidación)	Maintenance and complementary services of works	Colombia	30.00%	30.00%	Joint venture	-	-
Promotora de Proyectos S.A. (**)	Financial	Colombia	33.68%	33.68%	Associate	-	-
Total investments in associates and joint ventures						**5,285,646**	**5,278,733**

(*) In relation to the associate Grupo de Inversiones Suramericana S.A., the percentage interest with voting rights as of December 2021 of 27.86% (2020 27.66%) is different from the percentage of economic participation as of December 2021 of 22.45% (2020 22.29%). The above considering that the issuer has shares with preferential dividend and without voting rights. For other investments in associated companies, the percentage of participation is equal to the percentage of economic participation.

(**) Book value of this investment was impaired in 2020 by $1,165.

All investments in associates and joint ventures are accounted for at cost except for Fondo Capital Privado Pactia Inmobiliario which is carried at fair value. Of these investments the only one listed on the stock market is Grupo de Inversiones Suramericana S.A. whose market value at 31 December 2021 is $30,000 pesos per common share (2020 $25,280 pesos per common share). Even as 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 loss of value (Note 16.6). The value of the unit of Fondo Capital Privado Pactia Inmobiliario is $12,263.48 pesos (2020 $11,708.19 pesos).

16.2 Corporate purpose of 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 Medellín (Colombia).

In Grupo de Inversiones Suramericana S.A. significant influence is exercised through participation in the Board of Directors, where the company has two representatives of Grupo Argos S.A. (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 regions where it is located. It also has a policy of responsibility and corporate citizenship, complying with the highest standards in social, environmental, economic and governance matters.

Fondo de Capital Privado Pactia Inmobiliario: A closed-end private equity fund which is made up of all the resources transferred to the fund by the contributors in kind and in money. The private equity fund is the sole trust holder and beneficiary of Patrimonio Autónomo Pactia.

The fund's main objective is to make long-term strategic investments in assets for 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 manager in the form of a company called Pactia S.A.S. Its main office is in Medellín Colombia.

The fund has a duration of 30 years, which can be extended 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 by real estate and cash to Fiduciaria Bancolombia S.A., who acts as the management company.

Consorcio Constructor Nuevo Dorado (in liquidation): Has as its corporate purpose the execution of the EPC construction contract for the modernization and expansion of El Dorado International Airport; To this end, it may carry out all the activities and perform all the necessary and complementary acts, including, but not limited to, the conclusion of any type of contract, the acquisition of fixed assets and, in general, the goods and inputs necessary for the provision of the services under its responsibility, the opening of current accounts, the conclusion of guarantee contracts and the rendering of services that are accessory or complementary to those that constitute its main object, on the understanding that the Consortium will be entitled to participate in all the necessary and convenient operations that complement its main object. The liquidation process was initiated in October 2019.

The Consorcio Constructor Nuevo Dorado is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the percentage of participation of each consortium partner.

Patrimonio Autónomo Hacienda Niquía – P.A. Niquía: Alliance between Grupo Argos S.A., Londoño Gómez S.A.S., Arquitectura y Concreto S.A.S. and Situm S.A.S. (merged with Grupo Argos S.A. in 2017), which aims to execute the Hacienda Niquía project. It acts solely and exclusively through its spokesperson and administrator Fiduciaria Bancolombia S.A. The binding agreement was signed on 6 December 2013, which defines the general terms and conditions of the alliance, including the rules for the contribution of assets. Its main domicile is in Medellín (Colombia).

Internacional Ejecutiva de Aviación S.A.S. – IEA S.A.S.: Its main corporate purpose is the provision of public, unscheduled commercial air transport services for passengers and cargo, including the performance of charter flights on domestic and international routes in accordance with the regulations in force and international conventions on civil aviation, as well as the performance of activities and services complementary and related to such air transport service. Likewise, the company may provide all ground handling and aircraft handling services at the airport, in accordance with the national and international regulations in force. Its main domicile is in Medellín (Colombia).

Consorcio Mantenimiento Opain (in liquidation): The purpose of the consortium formed under the civil consortium modality is to provide maintenance services for the works that are part of the modernization and expansion stage of Bogota's El Dorado International Airport, as well as complementary works and services, in accordance with the definitions set forth in this agreement and those applicable under the Concession Contract and the EPC Contract. The process of liquidation was initiated on 25 January 2020.

The services to be provided by the consortium will be executed directly by the parties, without prejudice to the possibility of subcontracting them to third parties.

The Opain Maintenance Consortium is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the percentage of participation of each consortium partner.

Promotora de Proyectos S.A.: Its main corporate purpose is to undertake activities that will make public and private investment more dynamic, generate employment and foreign currency, replace imports, increase investment in the industrial, agro-industrial, commercial, and service sectors and contribute to the creation and consolidation of companies. The main office is in Medellín (Colombia). The Board of Directors is made up of five principal members and five alternate members. The Company has two principal and two alternate members.

Pactia S.A.S.: Its main corporate purpose is the professional management and administration of a portfolio of real estate assets, regardless of their legal form, including, but not limited to, the operation and lease of shopping centers, corporate buildings, warehouses, distribution centers, logistics parks, hotels, and other similar projects. Its main domicile is in Medellin (Colombia). The Board of Directors is comprised of four principal members, the Company participates with two principal members and two alternate members.

P.A Contingencias Consorcio Constructor Nuevo Dorado: Its purpose is to carry out reception and administration of the resources to make restitutions in favor of the Trustors and/or payments in favor of third parties according to the contingencies that may arise from Consorcio Constructor Nuevo Dorado.

P.A Fideicomiso Hotel Calablanca Barú: Its purpose is the real estate management for the development of the Hotel Barú Calablanca project. This trust is under the administration of Alianza Fiduciaria S.A.

P.A Fideicomiso Operación Hotel Calablanca Barú: Its purpose is the development and execution of the administrative activities of the trust assets, in addition to obtaining permits, entering contracts, agreements and the administration of the resources required to initiate and execute the operational stage of the Calablanca Barú Hotel. This trust is under the administration of Patrimonio Autónomo Fiduciaria Corficolombiana S.A.

16.3 Contributions, contribution refunds, changes in the ownership interests and distribution of dividends in associates and joint ventures

Below are the changes presented in the ownership interest in associates and joint ventures for the indicated periods:

Grupo de Inversiones Suramericana S.A.-Grupo Sura S.A.: the Company's interest in this associate reached 22.86% (2020 22.29%) in economic rights and 27.86% (2020 27.66%) 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.

Internacional Ejecutiva de Aviación S.A.S IEA S.A.S: The sale of 375,000 shares was performed by Grupo Argos S.A. to Grupo Nutresa S.A., for $1,148 causing a disminution in interest of 8.3%.

Patrimonio Autónomo Hacienda Niquia- P.A Niquia: A contribution refund for $2,819 was received and profits for $93 recognized.

P.A Fideicomiso Hotel Calablanca Barú: Unrealized profits of $4,765 were recognized, according to equity interest of 21.04%; the decrease in interest of 56.77% corresponds to the dilution due to the contributions of the other trustors, according to the fulfillment of the contract, and not to the sale of shares.

Pactia S.A.S.: As of December 2021, the Company has received dividends for $6,748.

Fondo de Capital Privado Pactia Inmobiliario: As of December 2021, the Company received returns for $6,867. Additionally, redemption of 4,138,695.83 units equivalent to $50,496. Interest decreased from 37.18% to 37.13% due to an increase of units in circulation.

P.A Fideicomiso de Operación Hotel Calablanca Barú: The Company constituted this society with an initial interest of 49% according to a mercantile trust contract for a value of $1. As of December 2021, there was a dilution in interests of 29% due to the contributions made by the other trustors, becoming 20% of this investment.

Its corporate purpose is to advance procedures, obtain permits, enter contracts and agreements, and manage the resources required to initiate and execute the operational stage of the Hotel Calablanca Barú.

During 2020 the following changes took place in the interests of associates and joint ventures:

P.A Contingencias Consorcio Constructor Nuevo Dorado: Acquisition of 30% interest for $664.

Consorcio Mantenimiento Opain: A profit distribution of $300 was received, of which $188 is restitution of contributions and $112 is profit. Additionally, income of $3 was recognized.

Pactia S.A.S.: As of December 2020, the Company has received dividends of $5,194.

Consorcio Constructor Nuevo Dorado: According to the recoverability analysis performed by the Company, an impairment loss of $920 was recognized for the restatement of the equity in the investment compared to its book value.

Fondo de Capital Privado Pactia Inmobiliario: Profits for $2,435 were received. Additionally, interests decreased from 37.20% to 37.18% due to an increase in the number of outstanding units.

P.A fideicomiso Hotel Calablanca Barú: its main corporate purpose corresponds to 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 and unrealized profits were recognized for ($17,619) in line with an equity interest of 77.81%.

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.

Promotora de Proyectos S.A.: The result of the investment analysis indicates a high probability that the profitability of the funds managed by the investment will be below expectations, thus generating an impairment of $1,165.

16.4 Summary Financial Information

Summary financial information included in the following tables represents the values reported to the Company by its most significant associates or joint ventures to be presented in its financial statements and has been prepared according to the Accounting and Financial Reporting Standards accepted in Colombia.

	Grupo de Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2021			
Current assets (*)	Not applicable	Not applicable	62,973
Non-current assets (*)	Not applicable	Not applicable	349,314
Total assets	**75,901,683**	**3,830,173**	**412,287**
Current liabilities (*)	Not applicable	Not applicable	52,521
Non-current liabilities (*)	Not applicable	Not applicable	158,718
Total liabilities	**44,636,468**	**1,355,997**	**211,239**
Equity	**31,265,215**	2,474,176	**201,048**
Revenue	24,847,945	316,323	116,735
Net income from continuing operations	1,517,218	162,532	2,355
Net income after discontinued operations	1,524,592	162,532	2,356
Other comprehensive income	1,452,221	43,249	412
Total comprehensive income	**2,976,813**	**205,781**	**2,768**
Dividends paid to the owner	77,612	6,867	6,841

	Grupo de Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2020			
Current assets (*)	Not applicable	Not applicable	57,888

Non-current assets (*)	Not applicable	Not applicable	264,801
Total assets	**70,941,764**	**3,952,373**	**322,689**
Current liabilities (*)	Not applicable	Not applicable	54,856
Non-current liabilities (*)	Not applicable	Not applicable	189,223
Total liabilities	**42,400,039**	**1,507,558**	**244,079**
Equity	**28,541,725**	**2,444,815**	**78,610**
Revenue	20,837,912	262,247	102,962
Net income from continuing operations	342,906	(13,489)	4,247
Net income after discontinued operations	336,237	(13,489)	4,247
Other comprehensive income	481,700	27,672	6,134
Total comprehensive income	**817,937**	14,183	**10,831**
Dividends paid to the owner	81,173	2,435	5,309

(*) The associates Grupo de Inversiones Suramericana S.A. and Fondo de Capital Privado Pactia Inmobiliario present the statement of financial position in order of liquidity, and therefore the breakdown of current and non-current assets and liabilities is not included.

(**) Comparative financial information of the associate Grupo de Inversiones Suramericana S.A. presented reclassifications in its comparative statement of income according to the latest official financial statements issued by such entity, which do not affect the total result.

Additional summarized financial information for associates and significant joint ventures is provided below:

	Grupo Inversiones Suramericana S.A.	**FCP Pactia Inmobiliario**	**Other Associates and Joint Ventures**
December 2021			
Cash and cash equivalents	2,282,924	122,592	32,731
Current financial liabilities (*)	Not applicable	Not applicable	15,691
Non-current financial liabilities (*)	Not applicable	Not applicable	151,333
Financial liabilities (*)	9,852,408	1,264,262	167,024
Depreciation and amortization expense	543,424	431	16,753
Interest income	1,252,953	3,089	127
Interest expenses	734,430	90,026	6,594
Income tax expense	462,583	-	5,125

	Grupo Inversiones Suramericana S.A.	**PEF Pactia Inmobiliario**	**Other Associates and Joint Ventures**
December 2020			
Cash and cash equivalents	3,304,391	157,864	22,474
Current financial liabilities (*)	Not applicable	Not applicable	23,866
Non-current financial liabilities (*)	Not applicable	Not applicable	142,498
Financial liabilities (*)	10,728,550	1,393,150	166,364
Depreciation and amortization expense	524,165	419	14,486
Interest income	724,490	8,054	378
Interest expenses	731,408	99,119	6,902
Income tax expense	453,537	-	4,799

(*) The associate Grupo de Inversiones Suramericana S.A. presents the statement of financial position in order of liquidity, and therefore does not include the breakdown of current and non-current assets and liabilities.

(**) The comparative financial information of the associate Grupo de Inversiones Suramericana S.A. presented reclassifications in its comparative statement of income according to the last official financial statements issued by such entity, which do not affect the total result.

16.5 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 significant unrecognized commitments with joint ventures and associates as 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. However, as of December 2021, the Company has commitments to lend $933 as lender to Promotora de Proyectos S.A. with a term of 18 months and a rate of 9% EAR, of which $890 has been disbursed as of 31 December.

The Company pledged 43,397,407 (2020 - 36,724,303) shares of Grupo de Inversiones Suramericana S.A. as collateral for financial liabilities. For the year 2021, the Company has no pledged shares of Grupo Nutresa S.A. as collateral for financial liabilities (2020 - 9,093,972).

16.6 Impairment analysis

The Company 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 Company tests the assets for impairment. The minimum required tests are currently underway to ensure that they are completed within the annual period.

In the case of publicly traded companies, their fair values were compared with the share prices as of 31 December 2021, subtracting the transaction or sale costs in the stock market. However, the value of the shares in the market is lower than the book value, due to the overreaction of the stock markets, none of the investments in associates and joint ventures suffered impairment at 31 December 2021, because although the current contingency situation brought challenges in the short term for operations in financial terms, according to the analyses performed, the ability of the companies to do business and maintain their positions of participation in the market in which they operate has not been affected, which will allow them to continue to have expectations of growth and profit generation in the long term.

Once assessments were performed, none of the investments in associates and joint ventures showed signs of impairment for the years 2021 and 2020, except for the associate Promotora de Proyectos whose carrying value was impaired in its entirety in 2020 for $1,165.

For the associate Grupo de Inversiones Suramericana S.A., although during the year 2021 the impacts of the pandemic continued to affect the insurance business, the other businesses of the Group showed a significant recovery which is evidenced by a better operating result at the 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 guaranteed; which is ratified by the result of the impairment assessments performed at the end of December 2021, where no impairment was recorded on the investee.

16.7 Reciprocal interests

During their operations, Grupo Sura S.A. and Grupo Nutresa S.A. have 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 31 December 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	35.63%	35.53%	26,.95%	26.75%

The Company recognizes its interest in the associate Grupo Sura S.A. at cost in its separate financial statements, as described in Note 2.4.8 Investments in associates and joint arrangements.

Likewise, Grupo Argos S.A. owns 9.88% (2019 9.83%) of the common shares of Grupo Nutresa S.A. 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 participations are recognized as a financial instrument and measured at fair value with changes in Other Comprehensive Income - OCI, as described in Note 2.4.2 Financial assets and presented in Note 11 Other financial assets.

NOTE 17: INVESTMENTS IN SUBSIDIARIES

17.1 Overview and corporate purpose of subsidiary companies

Name of the subsidiary	Main activity	Place of incorporation and operations	Functional currency	Portion of direct shareholding		Type of interests	Book value	
				2021	2020		2021	2020
Cementos Argos S.A. (*)	Cements and related products	Colombia	Colombian Pesos	58.51%	58.07%	Direct	4,718,332	3,976,988
Celsia S.A.	Energy	Colombia	Colombian Pesos	52.93%	52.93%	Direct	2,607,664	2,448,998
Odinsa S.A.	Engineering and Architecture	Colombia	Colombian Pesos	94.99%	94.99%	Direct	2,047,240	1,929,335
Sociedad Concesionaria Operadora Aeroportuaria Internacional - Opain S.A.	Concessions	Colombia	Colombian Pesos	30.00%	30.00%	Direct	-	37,832
Sator S.A.S.	Coal mining exploitation	Colombia	Colombian Pesos	96.76%	96.76%	Direct	121,387	113,702
Valle Cement Investments Ltd.	Financial	British Vírgin Islandss	United States dollars	8.19%	8.19%	Indirectly through Cementos Argos	62,148	37,894
P.A. Ganadería Río Grande.	Livestock Business	Colombia	Colombian Pesos	13.39%	13.39%	Direct	5,360	5,121
Summa S.A.S.	Any lawful activity	Colombia	Colombian Pesos	25.00%	25.00%	Direct	-	128
Concretos Argos S.A.S.	Mixes and concretes	Colombia	Colombian Pesos	0.00%	0.00%	Indirectly through Cementos Argos	-	-
Industrias Metalúrgicas Apolo S.A. in liquidation	Metallurgy	Colombia	Colombian Pesos	-	89.54%	Direct	-	-
Total							**9,562,131**	**8,549,998**

(*) For the subsidiary Cementos Argos S.A. the percentage of economic right as of December 2021 of 49.64% (2020 49.14%), is different from the percentage with voting rights of 58.51% (2020 58.07%). The above considering that this subsidiary has shares with preferential dividend and without voting rights.

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 Barranquilla (Colombia) and its term expires on 14 August 2060.

Celsia S.A.: Incorporated under Colombian law on 4 October 2001, its principal place of business is in Medellín (Colombia). The main purpose of the company is to manage, safeguard or increase its assets by means of the promotion and development 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 incorporation, making subsequent capital contributions or acquiring equity interests. Likewise, it may invest in all types of movable and immovable property, fixed and variable income papers or documents, or any kind of securities, whether they are registered in the public securities market. It may also provide advice on economic, administrative, and financial matters to all types of companies. Its legal duration is until 4 April 2069.

Odinsa S.A.: Incorporated under the Colombian law on 16 July 1992. Its main corporate purpose is the study, implementation, financing and operation of all activities and works of engineering and architecture in all its forms and specialties, inside or outside the country. Its main domicile until May 2016 was Bogotá (Colombia) when it changed its name and address to Medellín (Colombia) and its term expires on 31 December 2100.

Sociedad Concesionaria Operadora Aeroportuaria Internacional 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 Opain S.A. recognized in the separate financial statements of Grupo Argos for purposes of the application of the equity method and subsequent consolidation, includes adjustments of the purchase price allocation process for the acquisition of control of this company, which are considered for application of the equity method and subsequent consolidation As of 31 December 2021, the equity of Opain S.A. with these adjustments presented a negative value, for this, after applying the equity method in the separate financial statements of Grupo Argos S. A. the investment was brought to zero, considering that this does not imply a legal obligation for Grupo Argos S. A. This situation is expected to revert due to the recovery of the business and the port industry, which among other considerations confirms the going concern basis established in Law 2069 of 31 December 2020 and which served as the basis for the current preparation of the financial statements of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Valle Cement Investments Inc.: 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 private document dated 17 March 2021, book 9, number 9358 of 29 March 2021, the company changes its name from Valle Cement Investments Ltda. to Valle Cement Investments Inc. and the domicile changes from British Virgin Islands to Panama.

Sator S.A.S.: incorporated under Colombian law on 28 October 1981, its main domicile is in Medellin (Colombia) 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.

Concretos Argos S.A.S.: Incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transport, benefit, integral use, commercialization, 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 Bogota (Colombia) and the term of duration is until 8 September 2093. 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 Empresarial Argos or to third parties, in any area that can create value for its clients; to provide consulting or intervention services in any of the businesses of the companies that make up Grupo Empresarial Argos or to third parties; to carry out all those acts that are intended to exercise the rights and comply with the obligations, legal or conventional, derived from the existence and activities developed by the society and to carry out any other legal economic activity both in Colombia and abroad. Its domicile is in Medellín (Colombia).

Patrimonio Autónomo Ganadería Río Grande: established on 14 August 2017. It includes all activities related to the operation and administration of the business of breeding and marketing of livestock, biotechnology, and maintenance of the farms where the heads of livestock are located. Through the execution of a joint account agreement, in which the assets associated with the livestock business were contributed, the Fundación Grupo Argos, as managing participant, manages and operates the assets related to this business on its own.

Industrias Metalúrgicas Apolo S.A. Liquidated: Incorporated on 6 March 1958. Since the closing of the 2001 accounting period, the company suspended the development of its corporate purpose. Its activity was focused on the fulfillment of its obligations under the restructuring agreement and administrative expenses. Its main domicile was in Medellín (Colombia). On 28 October 2020, the subsidiary Industrias Metalúrgicas Apolo S.A., which was in the process of liquidation, held a Shareholders' Meeting at which a reform to increase its capital was approved, as well as a capitalization of claims and the final liquidation account. On 3 February 2021, the company's commercial registration was cancelled, liquidating the investment.

17.2 Changes in the ownership interest of a subsidiary

As of 31 December 2021, the following changes were made in the participation of subsidiaries:

Cementos Argos S.A.: Stock dividends were received in the amount of $85,337 corresponding to 16,010,723 shares representing an additional 0.44% increase in shareholding. This payment of dividends generated a net equity increase in the investment of $4,888. Additionally, by means of an Extraordinary Shareholding Meeting held on 25 August 2021, extraordinary cash dividends were declared for $54,763, which were paid at the end of the 2021 period.

Summa Servicios Corporativos Integrales S.A.S.: By means of minute 55 of 7 May 2021, the capitalization of the company was approved, resulting in a contribution of $492, which corresponds to 25 shares of each shareholder, therefore, it does not represent a variation in the percentage of participation.

Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S.A.: The valuation by the equity method to results of ($22,257) and equity of ($15,575) decreases the investment to zero, this does not imply the loss of interest in the company. (Note 17.4 Impairment analysis).

Industrias Metalúrgicas Apolo S.A. in liquidation: on 3 February 2021, the minutes 078 of the General Shareholders Meeting of the subsidiary Industria Metalúrgica Apolo S.A., which was 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.

As of 31 December 2020, the following changes were made in the ownership interests of subsidiaries:

Cementos Argos S.A.: In March 2020 the Company acquires an additional 0.09% interest in Cementos Argos S.A. corresponding to 1,039,826 common shares for $4,581.

Fundiciones Colombia S.A. liquidated: On 11 August 2020, the company's commercial registry was cancelled, liquidating the investment of 1,288,221,566 shares representing a 51.59% interest, and receivables for $328 million were assigned in favor of the Company.

Industrias Metalúrgicas Apolo S.A. in liquidation: on 28 October 2020, an Extraordinary Shareholders' Meeting was held at which an amendment to increase the Company's capital was approved, as well as a capitalization of debt. As a result of the capitalization, the Company's participation amounted to 89.54%, represented by 467,381,638 shares. Likewise, the Assembly approved the final liquidation account of the company, generating a portfolio recovery for $325 in favor of Grupo Argos S.A.

Odinsa S.A.: in October 2020, the Company acquired 140 common shares of Odinsa S.A. for $1.

17.3 Significant restrictions and commitments

No significant restrictions exist on the ability of direct subsidiaries to transfer funds to the Company in the form of cash dividends, loan repayments, advances or otherwise.

17.4 Impairment analysis

The Company 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 assets. If such an indication exists, the Company performs impairment tests on the assets.

After testing, none of the investments in subsidiaries showed any indication of impairment for the years 2021 and 2020.

In the case of publicly traded companies, their fair values were compared to the stock prices as of 31 December 2021, less the transaction or sale costs in the stock market. Notwithstanding, the value of the shares in the market is lower than the book value, due to the overreaction of the stock markets, none of the investments in subsidiaries suffered impairment of value as of 31 December because although the current contingency situation brought challenges in the short term for the operations in financial terms, according to the analyses performed, the capacity of the companies to do business and maintain their positions of participation in the market in which they operate has not been affected, which will allow them to continue having expectations of growth and profit generation in the long term.

NOTE 18: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In April 2021, 375,000 shares of Compañía Internacional Ejecutiva de Aviación were sold for $1,148 with an associated cost of $1,148 in favor of Grupo Nutresa S.A.

As of 31 December 2021 and 2020, the Company has no non-current assets held for sale that are classified as discontinued operations.

NOTE 19: FINANCIAL OBLIGATIONS.

The following is a summary of the composition with financial entities held by the Company as of 31 December:

	2021	2020
Promissory notes in local currency	394,756	479,937
Other obligations	81	68
Total financial obligations	**394,837**	**480,005**
Current	2,556	237
Non-current	392,281	479,768

Total financial obligations	**394,837**	**480,005**

Financial obligations are mainly comprised of obligations acquired with domestic banks, the balance of which as of 31 December is $392,200 (2020 $479,700). These loans are pledged with a total of 43,397,407 (2020 36,724,303) shares of Grupo de Inversiones Suramericana S.A. as collateral. On 22 January 2021 the pledge of Grupo Nutresa S.A. shares was lifted. (2020 - 9,093,972 shares). Of the pledged shares, 16,995,333 back a loan from Bancolombia for $392,200 and the remaining shares have been pledged for an indefinite period in order to give the Company financial flexibility.

The Group's main loans are presented below at their nominal value, expressed in the original currency, and their book values at the end of the reporting period.

				Nominal value (*)		Book value	
Company	**Category**	**Financial entity**	**Maturity**	**2021**	**2020**	**2021**	**2020**
Grupo Argos S.A.	Domestic Banks	Bancolombia	2025	392,200	392,200	394,756	392,318
Grupo Argos S.A.	Domestic Banks	Banco de Bogotá	2024	-	52,500	-	52,554
Grupo Argos S.A.	Domestic Banks	Banco Popular	2024	-	35,000	-	35,065
Total financial obligations						**394,756**	**479,937**
Total financial obligations in local currency						**394,756**	**479,937**
Current						2,556	237
Non-current						392,200	479,700

The book value of financial obligations in local currency by maturity year is as follows:

Maturity	**2021**	**2020**
2022	2,556	237
2023 to 2026 (*)	392,200	479,700
Total financial obligations	**394,756**	**479,937**

(*) On 26 April 2021, the Company and Bancolombia entered the first loan 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 the Company has been working for more than five years. Grupo Argos must report annually 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.

This change did not represent substantially different terms, therefore, the operation did not generate the derecognition of the current liability but its modification in accordance with the Company's accounting policies (Note 2.4.13 Financial liabilities and equity instruments) and did not increase the current debt of Grupo Argos.

NOTE 20: LEASES

20.1 Leases as a lessee

20.1.1 Lease arrangements

The Company performed the evaluation of the lease agreements during 2020 and the terms of the most significant non-cancellable leases vary for building leases of 8 years and vehicle leases of 3 years, signed with Leasing Bancolombia S.A., which mature in 2026. Additionally, it was identified that there are no significant lease arrangements that provide restrictions related to dividend distribution, additional indebtedness or to new lease arrangements, nor are there contingent quotas, renewal options or escalation clauses.

As of 31 December 2021, recognized real estate leases are linked to the consumer price index (CPI).

20.1.2 Right-of-use assets and liabilities

The balance of right-of-use lease assets and liabilities comprises:

2021	Right-of-use lease assets					Ending balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Ending balance	
Constructions and buildings	6,882	-	(1,135)	122	5,869	6,345
Land transport equipment	1,209	-	(706)	(134)	369	387
Right-of-use improvements in other people's properties	686	-	(201)	-	485	-
Right-of-use assets/liabilities, net	**8,777**	**-**	**(2,042)**	**(12)**	**6,723**	**6,732**

2020	Right-of-use lease assets					Ending balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Ending balance	
Constructions and buildings	10,405	-	(1,106)	(2,417)*	6,882	7,240
Land transport equipment	1,525	263	(775)	196	1,209	1,243
Right-of-use improvements in other people's properties	887	-	(201)	-	686	-
Right-of-use assets/liabilities, net	**12,817**	**263**	**(2,082)**	**(2,221)**	**8,777**	**8,483**

(*) Corresponds to the return of an auditorium-type room at the Company's administrative headquarters as part of the cost and expense reduction plans undertaken to manage the health emergency generated by Covid-19.

The contractual cash flows of lease liabilities classified by maturity as of 31 December 31 are as follows:

	2021	2020
One year or less	1,678	2,185
1 to 3 years	2,973	3,301
3 to 5 years	2,733	2,889
5 onwards	373	1,676
Total contractual cash flows from lease liabilities	**7,757**	**10,051**
Effect of discounting lease liabilities	(1,025)	(1,568)
Total lease liabilities	**6,732**	**8,483**
Current	2,053	1,720
Non-current	4,679	6,763
Total lease liabilities	**6,732**	**8,483**

20.1.3 Items recognized in the statement of income and cash flows from leases

Leases	2021	2020
Interest expense on lease liabilities	446	649
Variable lease payment expense	-	1
Expenses related to short-term leases	821	932

Expenses related to low value asset leases	375	234
Cash flows from leasing (including interest)	(2,152)	(2,509)

20.1.4 Renewal options

The Company's leases contain renewal options that can be exercised to extend the lease term from one year to six years, that can be exercised up to one year before the end of the non-cancellable period of the contract.

Generally, the Company can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Company and not by the lessor. The Company 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, meanwhile, it reassesses whether it is reasonably safe to exercise the options if there is a significant event or change in the circumstances under its control.

20.2 Leases as a lessor

20.2.1 Financial leases

The Company does not have any financial lease arrangements in which it acts as the lessor.

20.2.2 Operating leases

The Company enters lease arrangements as lessor mainly on land, buildings and constructions, mainly on land in Pajonal, Corporative lot, Hacienda Campo Alegre.

Lase income recognized by the Company during 2021 was $2,600 (2020 $2,421).

NOTE 21: EMPLOYEE BENEFITS LIABILITIES

Employee benefits are classified as:

	2021	2020
Short-term employee benefits	12,090	13,027
Post-employment benefits	37,028	36,852
Less pension gap closure plan liability	(34,486)	(33,597)
Total employee benefits	**14,632**	**16,282**
Current	12,510	13,522
Non-current	2,122	2,760
Total employee benefits	**14,632**	**16,282**

21.1 Short-term employee benefits

The following are recognized as short-term employee benefits: vacations, bonuses, extralegal premiums, collective life insurance, health insurance and education policies, among others.

For retired employees in Colombia, a death benefit is granted which is increased in accordance with the Consumer Price Index (CPI), up to the equivalent of five times the current legal minimum monthly wage (SMLV).

21.2 Post-Employment Employee Benefits

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 Company's employees belong to a public retirement benefit plan managed by the Government, or a private pension fund. The Company is required to contribute a specific percentage of the payroll costs to the retirement benefit scheme.

Regarding the retirement pensions assumed by the Company, the most recent actuarial valuation of the present value of the defined benefit obligation was performed as of 31 December 2020. The present value of the defined benefit obligation, current service cost and related past service cost were measured using the projected unit credit method.

The amount included in the Statement of Financial Position for the entity's obligation under defined benefit plans, defined contribution plans, the movement in the present value of the benefit obligation in the current year and changes in the fair value of plan assets in the current period are as follows:

	2021	2020
Present value of obligations, net at 1 January	**36,685**	**33,119**
Cost of current service	1,077	1,101
Interest expenses	2,186	2,099
New defined benefit plan measures net of contributions	(2,183)	579
Actuarial gain (loss) from changes in:		
Financial assumptions	(400)	71
Demographic assumptions	(258)	136
Benefits paid directly by the Company	(217)	(327)
Other changes	-	(94)
Fair value of plan assets at 31 December	(41,620)	(40,290)
Present value of obligations at 31 December	**(4,730)**	**(3,606)**
Defined contribution plan liabilities	138	167
Reclassification of plan assets to other assets in excess of obligation	7,134	6,694
Post-Employment Benefits	**2,542**	**3,255**
Present value of obligations at 31 December	37,028	36,852
Value of plan assets as of 31 December recognized as a reduction in the value of the obligation	(34,486)	(33,597)
Present value of obligations at 31 December	**2,542**	**3,255**

Retirement Benefit

The retirement benefit is equal to 75% of the average monthly salary, payable for life, subject to the following limits:

- Minimum payment equal to the minimum monthly wage.
- Maximum payment equal to 25 minimum monthly salaries.

In addition, two additional payments are made, one in June and one in December. For participants who retire after 25 July 2005, the June payment is eliminated, except for participants who receive less than three minimum wages. After 31 July 2011, all participants who retire are not eligible for the June payment, therefore, they 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 Company´s plan, thereby reducing the 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 the event of the participant's death after retirement, the beneficiary receives 100% of the pension. The beneficiary or beneficiaries are those established by legal provisions.

A funeral 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 minimum monthly wages.
b) Maximum payment of 10 minimum monthly wages.

Social Security Contribution Benefit

Corresponds to a post-retirement benefit in addition to the statutory pension plan (retirement benefit), in which the Company assumes the payment of health contributions to social security entities. The beneficiary or beneficiaries are those established by legal provisions.

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.

The following is the expenditure of defined contributions for 2021 and 2020, which includes the expenditure of compulsory pension contributions and severance payments:

	2021	2020
Defined contribution expenses	1,997	1,938

Main actuarial assumptions

(1) The main actuarial assumptions used to determine the obligations for the defined benefit plans are as follows:

	2021	2020
Discount rate	8.14%	6.17%
Salary increase	5.00%	3.80%
Pension increase	4.50%	3.30%
Inflation rate (%)	3.50%	3.25%

(2) Below is a detail of the mortality rates used to determine plan longevity conditions:

	2021		2020	
Age	Women	Men	Women	Men
35	0.06%	0.11%	0.06%	0.11%
40	0.09%	0.16%	0.09%	0.16%
45	0.13%	0.23%	0.13%	0.23%
50	0.19%	0.34%	0.19%	0.34%
55	0.28%	0.51%	0.29%	0.51%
60	0.43%	0.77%	0.43%	0.77%
65	0.69%	1.27%	0.69%	1.27%
70	1.14%	2.11%	1.14%	2.11%
75	1.92%	3.40%	1.92%	3.40%

Sensitivity analysis

The following table shows the effect of a 1% change in the inflation rate and a 1% change in the discount rate on the defined post-employment benefit plan obligation:

	Total
Change in discount rate	
Increase in discount rate by +1% | The new balance of the pension gap liability would be	36,319
Decrease in the discount rate by -1% | The new balance of the pension gap liability would be	37,088
Change in inflation rate	
Increase in discount rate by +1% | The new balance of the pension gap liability would be	33,667
Decrease in the discount rate by -1% | The new balance of the pension gap liability would be	33,739
Change in mortality rate	
Increase in discount rate by +1% | The new balance of the pension gap liability would be	2,967
Decrease in the discount rate by -1% | The new balance of the pension gap liability would be	3,223

There was no change in the methods and assumptions used in preparing the sensitivity analysis of previous years.

Expected contributions for the next few years financed from own resources:

	2021
2022	282
2023	280
2024	277
2025	271
2016	264
Assessment date +6 years to assessment date +10 years (5 years)	82,945

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations under Decree 1625 of 2016 and partial pension commutations under Decree 1833 of 2016 are as follows:

	2021
Inflation rate (%)	2.60%
Discount rate (%)	4.80%
Minimum wage increase (%)	2.60%

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 2021:

	Assumptions Decree 1625 of 2016 (Decree 2131 of 2016)	Assumptions Employee Benefits (IAS 19)	Difference
Present value of defined benefit plan obligations at 31 December 2021	2,398	2,404	6
Present value of defined benefit plan obligations at 31 December 2020	2,661	3,088	427

NOTE 22: PROVISIONS

The balance of provisions corresponds to:

	December 2021	December 2020
Litigation, lawsuits and other contingencies (*)	4,943	103
Decommissioning	11	150
Other provisions	51	-
Total provisions	**5,005**	**253**

As of 31 December 2021, provisions include a balance of $4,840 from a reivindicatory process related to a portion of the San Antonio property located in Barú (2020 $0), $103 with the National Tax and Customs Directorate (DIAN) for a magnetic media process from 2016 (2020 $103), $11 for a requirement from the National Environmental Licensing Authority (ANLA) for the dismantling of Tamalameque (2020 $150) and other provisions for $51 (2020 $0).

(*) Changes in provisions are as follows:

	Litigation, lawsuits and other contingencies	Decommissioning	Other provisions	Total
1 January 2021	**103**	**150**	**-**	**253**
Provisions realized (1)	4,840	-	51	4,891
Provisions used (2)	-	(139)	-	(139)
Total provisions as of 31 December 2021	**4,943**	**11**	**51**	**5,005**

	Litigation, lawsuits and other contingencies	Decommissioning and other provisions	Total
1 January 2020	**103**	**219**	**322**
Provisions realized	-	150	150
Provisions used	-	(219)	(219)
Total provisions as of 31 December 2020	**103**	**150**	**253**

(1) Claim process related to a portion of the San Antonio property located in Barú for $4,840 and others for $51.

(2) In 2021, $139 was used as expenses for technical assistance and advisory services to cover the requirement of the National Environmental Licensing Authority (ANLA) for the decommissioning of Tamalameque.

NOTE 23: TRADE LIABILITIES AND OTHER PAYABLES

Trade liabilities and other payables at 31 December comprise:

	2021	2020
Dividends payable	5,809	64,310
Payables to related parties (Note 38 Related parties)	2,083	23,812
Other payables	1,954	3,433
National suppliers	1,365	2,645
Overseas suppliers	63	386
Total trade liabilities and other payables	**11,274**	**94,586**
Current	11,274	94,586
Total trade liabilities and other payables	**11,274**	**94,586**

The decrease in trade and other payables is mainly because in 2021 dividends were declared to be paid in one installment. (Note 29 Dividends).

The Company has implemented financial risk management policies to ensure that all payables are paid in accordance with pre-agreed credit terms.

NOTE 24: BONDS AND COMPOUND FINANCIAL INSTRUMENTS

Bonds and compound financial instruments are detailed as follows:

	2021	2020
Bonds and commercial papers in circulation (1)	1,082.365	1,111,008
Preferential shares classified as compound financial instruments (2)	15,929	15,376
Total bonds and compound financial instruments	**1,098,294**	**1,126,384**
Current	95,117	535
Non-current	1,003,177	1,125,849
Total bonds and compound financial instruments	**1,098,294**	**1,126,384**

(1) In December 2021, prepayment of ordinary bonds was made with the following characteristics:

Nominal Value	$31,500
Issuer	Grupo Argos S.A.
ISIN	OT09CB00072
Mnemonic	BARG219SA003
Date of issue	28/08/2019
Date of maturity	28/08/2022
Fixed rate	5.78% EAR

In October 2020, the Company successfully carried out an ordinary bond exchange transaction for a total amount of $136,500. This transaction is the first private debt exchange operation carried out in the country, representing a milestone in the Colombian 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 life from 5.5 to 5.6 years) and allows the Company to take advantage of the attractive interest rates offered by the market.

In addition to the benefits in terms of market development, this first operation allows the Company to strengthen its cash flow over the next 4 years and increase the maturity of a portion of the bonds issued by an additional 3 years.

The 94% of the issuance was paid in kind and therefore the issuance does not lead to an increase in the Company's leverage, beyond the costs and expenses associated with the transaction. The total quota of the Company's Ordinary Bonds and Commercial Paper Issuance and Placement Program (the "Program") is $2,350,000 of which, after the above-mentioned transaction, $1,936,500 has been placed.

The bonds are rated AA+ issued by BRC Investor Services S.A. and were placed with the following characteristics:

Series	C
Subseries	C7
Term	7 years
Offered Rate of Return	2.65% EAR
Price	100,025
Interest Payment Period	Overdue quarter
Basis	365
Issue Date	28/10/2020
Maturity Date	28/10/2027
Amount demanded	$136,500
Principal amortization	At maturity
Coupon payment	Every 28 January, 28 April, 28 July and 28 October until maturity

Amount awarded	$136,500

The nominal amounts of the outstanding series with different maturities and amounts are shown below:

Issuer	Placement date	Term	Rate	Issues standing at: 2021	2020
Bonds					
Grupo Argos S.A.	10/09/2014	15 years	CPI + 4.24% EAR	390,104	390,104
Grupo Argos S.A.	10/09/2014	10 years	CPI + 3.95% EAR	137,318	137,318
Grupo Argos S.A.	28/08/2019	15 years	CPI + 3.20% EAR	168,535	168,535
Grupo Argos S.A.	28/08/2019	6 years	CPI + 2.44% EAR	157,965	157,965
Grupo Argos S.A.	28/10/2020	7 years	CPI + 2.65% EAR	136,500	136,500
Grupo Argos S.A.	28/08/2019	3 years	5.78% EAR (*)	92,000	123,500

(*) In 2020, the rate for this series was reported to be DTF + 5.78%. However, the placement rate corresponds to a fixed rate of 5.78% EAR.

Details of the conditions are included in the Prospectus for the Issuance and Placement of Ordinary Bonds and Commercial Papers for September 2014 and August 2019.

(2) The Company's preferential shares confer on their holders the right to receive a preferential dividend of $4 (four Colombian pesos) per share, which will be paid in preference to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the preferential dividend be accumulated for subsequent years. In each case, the first dividend payment will correspond to those decreed by the Company after the shares have been subscribed.

For subsequent recognition and measurement, the Company identified the debt and equity components by evaluating the contractual terms of the instrument and the obligations as issuer. Given the contractual obligation of the issuer to pay the minimum annual dividend to the holders of the shares, the issuance 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 financial liability component 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.

The Company determined the liability component by discounting the cash flows corresponding to the minimum preferential dividend, which were calculated in perpetuity. Considering the difficulty of identifying in the market a financial instrument with the same characteristics of the issuance, the discount rate of the financial liability was determined with reference to the average cost of the Company's debt.

At the end of each reporting period, the Company has 211,827,180 preferential shares outstanding (2019 - 211,827,180 shares).

NOTE 25: OTHER NON-FINANCIAL LIABILITIES

The balance of other liabilities at 31 December comprises:

	2021	2020
Income received in advance (1)	69,766	41,033
Other prepayments and advances received (2)	37,329	15,533
Industry and commerce tax	926	564
Deduction at source	817	565
Sales tax	76	111
Sales tax withheld	142	77

Total other non-financial liabilities	**109,056**	**57,883**

(1) During 2021 and 2020 corresponds to the income related to the costs of urban development pending execution on the lots sold, net of amortization of prior periods recognized in profit in the current period.

(2) The increase corresponds to prepayments received from clients for the sale of lots.

Outstanding performance obligations

The Company's contracts are primarily for the delivery of goods and services within the next 12 months, for which the practical expedient in paragraph 121(a) of IFRS 15 Revenue from Contracts with Customers applies.

Revenue to be recognized in future periods on development contracts and lot sales, when the remaining performance obligations are satisfied, is Recognized as follows:

	2021	2020
Within a year	54,314	22,489
Later than a year	52,781	34,077

Contractual balances from contracts with customers

The balance of receivables, contract assets and contract liabilities from contracts with customer as at 31 December comprises:

	2021	2020
Trade receivables	131,986	99,462
Contract liabilities	107,234	56,566

NOTE 26: SHARE CAPITAL

The balance of the share capital issued 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 ordinary shares with a nominal value of $62.5 (2020 651,102,432 shares)	41,458	40,694
211,827,180 preferential shares with a nominal value of $62.5 (2020 211,827,180 shares)	13,239	13,239
Total	**54,697**	**53,933**

Preferential shares confer the following rights on the holders:

1) To receive a preferential dividend of $4 (four 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 may preferential dividend be accumulated for subsequent years. In each case, the first payment of dividends will correspond to those that the Company decrees after the shares are subscribed.

2) To participate jointly with the holders of ordinary shares in the distributable profits, in proportion to their participation in the subscribed capital of the Company, after payment of the preferential dividend and the ordinary dividend that is equal to the preferential dividend.

3) To have priority in the reimbursement of contributions in the liquidation process, provided that the Company's external liabilities have been fully covered.

4) To be called to Shareholders Meetings in the same manner and within the same time limits as the holders of ordinary shares.

5) 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. If 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.

   d) To exercise the right of inspection in the same cases, terms, and conditions as the holders of ordinary shares.

Own shares repurchased are 5,702,432 shares (2020 - 5,702,432 shares), ordinary shares held by associates and joint ventures are 234,285,682 shares (2020 - 229,295,179 shares). At 31 December 2021 the outstanding ordinary shares are 657,629,103 shares (2020 - 645,400,000 shares).

As of 31 December 2021, there were no share acquisition transactions.

Reconciliation of ordinary shares

	Number of shares	Share capital	Additional paid-in capital
Balance at 31 December 2020 (*)	**651,102,432**	**40,694**	**553**
Issuance of ordinary shares (1)	12,229,103	764	148,614
Balance at 31 December 2021 (*)	**663,331,535**	**41,458**	**149,167**

(*) Includes 5,702,432 repurchased own shares.

(1) On 23 April 2021, the issuance of 12,229,103 common shares was subscribed at a value of $12,215 per share, which were released by the Company's Board of Directors to cover the payment of dividends declared at the Shareholders' Meeting held on 25 March 2021. The issuance was registered in the Chamber of Commerce by means of act 18102 of 28 May 2021.

Reconciliation of preferential shares

	Number of shares	Share capital	Additional paid-in capital
Balance at 31 December 2020	**211,827,180**	**13,239**	**1,354,206**
Issuance of preferential shares	-	-	-
Balance at 31 December 2021	**211,827,180**	**13,239**	**1,354,206**
Total ordinary and preferential shares at 31 December 2020	**862,929,612**	**53,933**	**1,354,759**
Total ordinary and preferential shares at 31 December 2021	**875,158,715**	**54,697**	**1,503,373**

During the reported period no repurchase of shares occurred.

NOTE 27: RESERVES AND OTHER COMPREHENSIVE INCOME

27.1 Reserves

The balance of reserves at 31 December comprises:

	2021	2020
Legal reserves (1)	29,665	29,665
Mandatory reserves (2)	405,988	405,988
Other occasional reserves (3)	2,903,970	3,237,930
Total reserves	**3,339,623**	**3,673,583**

1. Legal reserves

The Company 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 Company but must be used to absorb or reduce annual net losses. Appropriations made more than 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 $405,988 (2020 $405,988).

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 comprises:

	2021	2020
Reserves for future investments	2,734,043	3,068,003
Reserves for future expansion	163,427	163,427
Reserves for social responsibility activities	6,500	6,500
Subtotal reserves investments, future expansions and social responsibility	**2,903,970**	**3,237,930**

The other occasional reserves are freely available to shareholders.

The Stockholders' Meeting held on 25 March 2021, released the reserves for future taxed and non-taxed investments from profits obtained during 2016 and prior years, in the amount of $333,960 to be distributed as 2020 profits and released $6,500 from the reserve for social responsibility activities in 2020.

According to the disposition of the Shareholders' Meeting for 2021 occasional reserves for $6,500 were appropriated (2020 $6,500) for social responsibility activities and as reserves for future investments 2021 $0 (2020 $160,422).

27.2 Other comprehensive income (OCI)

	2021	2020
Gains and losses on equity investments	714,045	425,970
New measures of defined benefit obligations	(6,337)	(33,436)
Cash flow hedges	(69,889)	(88,330)
Revaluation of property, plant and equipment	6,270	3,648
Exchange differences on translation of foreign operations	2,368,067	1,484,753
Total other comprehensive income (OCI)	**3,012,156**	**1,792,605**

Durante el 2021, Grupo Argos realizó transferencias desde el otro resultado integral (ORI) hacia ganancias acumuladas por ($26.946), correspondientes a venta de inversiones medidas a valor razonable con cambios en otro resultado integral (ORI), Stem por ($20.179), redención acciones del Fondo de Capital Privado Progresa por $739, impuesto sobre la renta en la venta de acciones de Stem por $2.371, por concepto del método de participación en ganancias y pérdidas de inversiones patrimoniales ($9.522) y por revaluación de propiedad, planta y equipo ($355).

In turn, cash flow hedges for ($294) were recorded in profit and loss for the year 2021.

During 2020, the Company made reclassifications from other comprehensive income to retained earnings ($5,421) sale of Compañía Colombiana de Empaques Bates and revaluation of property, plant and equipment by equity method ($4,041) for a total of ($9,462).

Likewise, at 31 December 2021, other comprehensive income (OCI) was recognized for $1,246,497, broken down as follows:

- Changes in investments measured at fair value: Nutresa $230,111, Fondo Progresa for ($217), and other investments Veronorte Project $2,808.

- Deferred tax on equity investments ($2,581) and cash flow hedges ($474).

- Re-measurement of defined benefit obligation $3,347.

- Net gain on cash flow hedging instruments $1,059.

- Movements of equity-accounted investees of subsidiaries in the following items: revaluation of property, plant and equipment $2,977, measurements of defined benefit liabilities $23,753, profit and loss on equity investments $84,545, net income on cash flow hedging instruments $17,856 and exchange difference on translation of foreign operations $883,313.

NOTE 28: OTHER COMPONENTS OF EQUITY

When the proportion of equity held by non-controlling interests in subsidiaries changes, the Company shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Company 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 controlling company.

Accordingly, the balances of other components of equity correspond to the equity method for other changes in equity of subsidiaries $275,290 (2020 $301,186).

NOTE 29: DIVIDENDS

The General Shareholders Meeting of Grupo Argos S.A., held on 25 March 2021, declared dividends on ordinary shares of $382 pesos per share (2020 $376 pesos per share), payable in one installment of $382 pesos per share (2020 in four quarterly installments of $94 pesos per share) in April 2021 for a total amount of $246,543 (2020 $242,670).

Additionally, preferred cash dividends were declared at the rate of $382 pesos per share (2020 $376 pesos per share), payable in one installment on 23 April 2021, for a total amount of $80,918 (2020 $79,647).

The highest body of Grupo Argos S.A. also provided that the payment of the full dividend could be in cash, or 50% in cash and 50% in the Company's bonus shares, or 100% of the dividend in the Company's bonus shares, according to each shareholder's choice.

During 2021, dividends were paid in shares of $149,379 as elected by each shareholder according to the options set forth in the profit-sharing plan (PDU) and in cash $178,082.

Dividends declared	Shares	$ per share per year	2021
Ordinary Dividends (*)	645,400,000	382	246,543
Preferential Dividend	211,827,180	382	80,918
Total	**857,227,180**		**327,461**

Dividends declared	Shares	$ per share per year	2020
Ordinary Dividends (*)	645,400,000	376	242,670
Preferential Dividend	211,827,180	376	79,647
Total	**857,227,180**		**322,317**

(*) Does not include 5,702,432 (2020 5,702,432) own shares repurchased. Additionally, in April 2021, 12,229,103 shares were issued for the payment of dividends (Note 26 Share capital).

NOTE 30: REVENUE

The following is an analysis of the Company's revenue:

	2021	2020
Real estate (1)	164,209	66,065
Financial activity (2)	111,239	148,087
Income from valuation of private equity funds (3)	41,467	9,659
Income from valuation of investment properties (4)	32,808	66,420

Equity method (5)	303,037	(33,924)
Total revenue	**652,760**	**256,307**

(1) Revenue from the real estate business as of December 2021 corresponds to:

- Recognition for amortization of deferred income on land in the city of Barranquilla (projects, Miramar IV, Centro Internacional Caribe, Portal Empresarial Norte 3, Villa Carolina VIII, Lago Alto, Alejandría Etapa 1, Barú Calablanca, Pajonal San José, Santa Isabel, Pajonal Etapa I, Palmas del Rio.) and sale of lot Alejandría Etapa 1, Pajonal Etapa I, Recoveco, Mata de plátano, Portal Empresarial Norte 3, Pajonal San José Norte for $140,019. (2020 Recognition for amortization of deferred income on land in the city of Barranquilla (projects Portal Empresarial Norte 4, Miramar IV, Centro Internacional Caribe, Portal Empresarial Norte, Villa Carolina VIII, Lago Alto, Alejandría Etapa 1, Barú Calablanca, Pajonal San José, Santa Isabel) and sale of lot Alejandría Etapa 1, Centro Internacional Caribe, Clúster Institucional, and Cesión lote Hotel Calablanca for $48,554 and profits from the project Lago Alto and Bora Río for $3,616).
- Revenue from easements $178 (2020 $82).
- Revenue from sale and purchase guarantee $1,030 (2020 $30).
- Lease income $2,600 (2020 $2,421).
- Revenue from forest harvesting $0 (2020 $240).
- Pactia Inmobiliario Private Equity Fund for $6,867 (2020 $2,435), Consorcio Mantenimiento Opain $0 (2020 $115)

- Dividends of Pactia S.A.S. $6,748 (2020 $5,194),

- Distribution of profits from real estate fund of Fiduciaria Bogotá P.A Alameda del Río $6,674 (2020 $3,378) and Patrimonio Autónomo Hacienda Niquia $93 (2020 $0)

(2) The financial activity corresponds to:

a. Dividends for $110,091 (2020 $111,665), which were declared by:

   - Grupo de Inversiones Suramericana S.A. $78,274 (2020 $82,244).
   - Grupo Nutresa S.A. $31,761 (2020 $29,372).
   - Fondo Regional de Garantías del Caribe Colombiano S.A. $46 (2020 $49).
   - Bird Rides INC. $10 (2020 $0).

b. Sale of 375,000 shares of Internacional Ejecutiva de Aviación for $1,148 (2020 Sale of 1,075,500 shares of Odempa for $36,422).

(3) Corresponds to the fair value adjustment of the associated investment in Pactia Inmobiliario Private Equity Fund $41,467 (2020 $9,659).

(4) Corresponds to the net income from fair value adjustment of the investment properties of Agua Viva, Boca Tocino, Loma China, Pavas Molina, Pajonal, Pedrera, Pocihueca, Volador Oriental (Volador Oriental D2, Globo 1 B), Recoveco (Palma Real, Recoveco, Mendihuaca A1, A3, Mata de plátano), Don Jaca (3 Palitos, Playa doña Blanquita, las Galias, Lote A y Lote B), El Morro (Los Monos la Esperanza, Terrenos los Monos, Los Hurtados, El cielo, Lote de terreno Camajoru, la Cigarra, Lote B Merybel, Lote D el Carajo, Lote E Santa Rosa, Lote F Santa Cecilia, El Aljibe, Los Monos), Minas Lili, Miramar Puerto Colombia, Pradomar, Insignares (Parcela el Genovés Globo B Verdum, Globo A Verdum, Terreno Triangular en la Playa, Sobrante 1,2,3, Globo 2A Maratea, Globo 3), Tamalameque (Matarredonda, No Quería, La Esperanza, Paraíso, El Confín), Barú (lots 2, 3, 4, 5, 6, 7, San Antonio, La Cabaña, Buena Vieja 1 and 2, Polonia, Portonaito), La Fortuna (land and Finca la Fortuna).

(5) As of 31 December 2021 $303,307 ($ (2020 ($33,924)) corresponds to the equity method of the following subsidiaries:

	2021	2020

Cementos Argos S.A.	212,210	39,712
Celsia S.A.	177,119	131,949
Valle Cement Investments Ltd.	4,428	1,925
P.A. Ganadería Río Grande.	238	62
Fucol S.A. (liquidada).	-	(234)
Sator S.A.S.	(65)	(3,194)
Summa - Servicios Corporativos Integrales S.A.S.	(682)	12
Opain S.A.	(22,257)	(89,647)
Odinsa S.A.	(67,954)	(114,509)
Total equity accounted investees	**303,037**	**(33,924)**

NOTE 31: COST OF ORDINARY ACTIVITIES

Selling costs at December 31 comprises:

	2021	2020
Cost of the real estate business (1)	102,348	32,148
Cost of financial activity (2)	1,148	22,955
Total cost of ordinary activities	**103,496**	**55,103**

(1) Cost of the real estate business at the end of 2021 corresponds to the actual costs for urban development works in relation to the deferred income of the lots Portal Empresarial 3, Miramar IV, Palmas del Rio, Lago alto, Villa Carolina VIII, CIC, Alejandría Etapa1, Pajonal San Jose, Santa Isabel and Barú Calablanca, and the sale of the lot Alejandría Etapa 1 Mza 25, Recoveco, Mata de Plátano, Pajonal Etapa 1, Portal Empresarial 3 and Pajonal San José. (2020 corresponds to the actual costs for urban development works executed in relation to the deferred income of the lots Pen, Miramar IV, Pen 4, Palmas del Rio, Lago Alto, Villa Carolina VIII, Portal Genovés, CIC, Institutional Cluster, Alejandría Etapa 1, Pajonal San Jose, Santa Isabel and Barú Calablanca, and the sale of the lot Alejandría Etapa 1 Manzana 26, Cesión Hotel Calablanca, CIC A1, C7, and Clúster Institucional A2).

(2) The cost of financial activity in 2021 corresponds to the cost of sale of 375,000 shares of Compañía Internacional Ejecutiva de Aviación S.A.S. (2020 corresponds to the cost of sale of 1,075,500 shares of Compañía Occidental de Empaques S.A.).

NOTE 32: ADMINISTRATIVE EXPENSES

Administrative expenses as of 31 December comprise:

	2021	2020
Staff expenses (1)	40,753	37,158
Taxes (2)	29,849	27,796
Services	18,916	18,600
Amortization	15,276	15,709
Depreciation of property, land and equipment (3)	2,210	2,669
Fees	9,803	9,412
Maintenance and repairs	4,580	4,557
Travel expenses	4,564	3,570
Memberships, insurance and other minor expenses	3,876	3,642
Miscellaneous	3,498	3,199
Leases	1,196	1,166

Total administrative expenses	**134,521**	**127,478**

(1) The increase is mainly due to a higher value in prime for organizational results, allowances, vacations, and bonuses.

(2) The increase corresponds mainly to the payment of the industry and commerce tax related to taxable dividends and sale of real estate business lots.

(3) Corresponds to the depreciation of right-of-use assets for $2,042, river fleet $30, furniture and office equipment $28, aqueduct, plants and networks $18, machinery and equipment $17, computing and communications equipment $14, constructions and buildings for $9 and transportation equipment $53.

NOTE 33: SELLING EXPENSES

Selling expenses at 31 December include:

	2021	2020
Staff expenses (1)	633	560
Taxes (2)	476	184
Miscellaneous (3)	324	43
Fees	96	102
Services (4)	77	39
Legal (5)	30	181
Contributions and affiliations	15	14
Travel expenses	14	16
Insurance and others	4	5
Total selling expenses	**1,669**	**1,144**

(1) The increase is mainly due to a higher value in premiums for organizational results, allowances and bonuses.

(2) The increase corresponds to the payment of the Pro-Hospital stamp tax for the Manzana 25 property.

(3) The increase corresponds to commissions for the sale of the Recoveco property and subscriptions.

(4) The increase corresponds to advertising events and technical advisory services.

(5) The decrease corresponds to lower expenses in notary fees for the deed of lots.

NOTE 34: EMPLOYEE BENFITS EXPENSES

The balance of employee benefit expenses generated during the periods presented by each significant category is as follows:

	2021	2020
Wages and salaries	19,847	19,224
Social security contributions	2,277	2,182
Other short-term employee benefits	14,553	12,500
Total short-term employee benefit expenses	**36,677**	**33,906**
Post-employment benefit expenses, defined contribution plans	1,477	1,387
Post-employment benefit expense, defined benefit plans	2,153	1,660
Total post-employment employee benefit expense	**3,630**	**3,047**
Other staff costs	1,079	765
Total other employee benefit expenses	**1,079**	**765**
Total selling and administrative employee benefits	**41,386**	**37,718**

Other post-employment and defined benefit plan expenses	-	-
Total employee benefit expense	**41,386**	**37,718**

The increase in employee benefits expenses corresponds mainly to allowances, bonuses, actuarial services, and employee training.

NOTE 35: OTHER EXPENSES, NET

At 31 December, comprise:

	2021	2020
Reversals (1)	7,508	2,592
Gain on reversal of impairment of inventories, investments, receivables	328	513
Gain on disposal of investment property, investment property	179	33
Total other income	**8,015**	**3,138**
Other expenses (2)	(8,906)	(1,627)
Donations (3)	(6,661)	(5,898)
Taxes (4)	(3,006)	(2,550)
Net loss on disposal of other assets	(143)	(940)
Total other expenses	**(18,716)**	**(11,015)**
Total other expenses, neto	**(10,701)**	**(7,877)**

(1) Corresponds mainly to recovery of payroll provision $5,247 and refund of Pro-Hospital level I and II tax stamp $1,770.

(2) Corresponds mainly to provision for claim process on the Barú property $4,840, early termination of the Veronorte contract for $2,465 and higher value paid for distribution of profits of Pactia S.A.S. $1,389.

(3) Corresponds mainly to donations made to the Grupo Argos Foundation.

(4) Comprises tax on financial movement for $2,899 (2020 $2,478) and other taxes for $107 (2020 $72).

NOTE 36: FINANCE EXPENSES, NET.

At 31 December, comprises:

	2021	2020(*)
Interest income (1)	7,188	12,092
I Income from valuation of financial instruments (2)	6,736	3,755
Other finance income	255	51
Total finance income	**14,179**	**15,898**
Other finance expenses	(1,612)	(1,185)
Losses on valuation of financial instruments (2)	(10,905)	(18,256)
Interests (3)	(92,819)	(99,135)
Total finance expenses	**(105,336)**	**(118,576)**
Exchange rate differences income	6,179	574
Exchange rate differences expenses	(7,486)	(666)
Total exchange rate differences, net	**(1,307)**	**(92)**
Total finance expenses, net	**(92,464)**	**(102,770)**

(1) Corresponds mainly to interest of Sator S.A.S $5,231 (2020 $5,429)

(2) Corresponds to valuation adjustment of derivative financial instruments.

(3) The Company did not capitalize borrowing costs.

(*) Note 5.2 Reclassification of items in the Financial Statements.

NOTE 37: EARNINGS (LOSS) PER SHARE

	2021	2020
	Pesos per share	**Pesos per share**
Basic earnings (loss) per share		
From continuing operations	388	(69)
Total basic earnings (loss) per share	**388**	**(69)**
Diluted earnings (loss) per share		
From continuing operations	388	(69)
Total diluted earnings (loss) per share	**388**	**(69)**

37.1 Basic earnings per ordinary share

The earnings and the weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021	2020
Profit (loss) for the year attributable to controllers of the company	336,205	(59,123)
Profit (loss) used in the calculation of basic earnings per share	336,205	(59,123)
Profit (loss) used in the calculation of basic earnings per share from continuing operations	336,205	(59,123)
Weighted average number of ordinary shares for basic earnings per share purposes	865,670,287	857,227,180

37.2 Diluted earnings per share

Profit (loss) used in the calculation of diluted earnings per share are as follows:

	2021	2020
Profit (loss) used in the calculation of total basic earnings per share	336,205	(59,123)
Profit (loss) used in the calculation of diluted earnings per share	336,205	(59,123)
Profit (loss) used in the calculation of diluted earnings per share from continuing operations	336,205	(59,123)

The weighted average number of ordinary shares for diluted earnings per share purposes is reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2021	2020
Weighted average number of ordinary shares used in calculation of basic earnings per share	865,670,287	857,227,180
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	865,670,287	857,227,180

NOTE 38: RELATED PARTIES

Transactions with related parties - Income and Expenses	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Member of the Board of Directors		Key Management Personnel		Grand total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Dividend income	78,274	82,244	6,867	2,435	6,841	5,309	-	-	-	-	-	-	91,982	89,988
Leases as lessor	-	-	-	-	-	-	2,189	1,987	-	-	-	-	2,189	1,987
Income from the sale of goods and services	-	-	16	18	-	-	30	30	-	-	-	-	46	48
Transfers according to financial agreements to the entity	-	-	-	-	-	-	5,571	5,429	-	-	321	192	5,892	5,621
Total income	**78,274**	**82,244**	**6,883**	**2,453**	**6,841**	**5,309**	**7,790**	**7,446**	**-**	**-**	**321**	**192**	**100,109**	**97,644**
Services received and remuneration	1,643	1,122	3,991	3,098	-	-	203	192	885	889	25,519	25,179	32,241	30,480
Leases as a lessee	-	-	1,256	1,132	-	-	-	-	-	-	-	-	1,256	1,132
Transfers according to financial agreements from the entity	-	-	335	501	-	-	-	-	-	-	-	-	335	501
Total expenses	**1,643**	**1,122**	**5,582**	**4,731**	**-**	**-**	**203**	**192**	**885**	**889**	**25,519**	**25,179**	**33,832**	**32,113**

Transactions with related parties - Receivables and Payables	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Key Management Personnel		Grand total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Business Current Accounts	-	-	977	547	-	5	106,448	81,993	-	-	107,425	82,545
Dividends and/or shares receivable	19,569	18,907	-	-	-	-	29,168	110,654	-	-	48,737	129,561
Receivables from management employees	-	-	-	-	-	-	-	-	6,804	6,271	6,804	6,271
Total receivables	**19,569**	**18,907**	**977**	**547**	**-**	**5**	**135,616**	**192,647**	**6,804**	**6,271**	**162,966**	**218,377**
Associated Suppliers	-	-	-	268	-	-	2,083	2,008	-	-	2,083	2,276
Dividends payable	-	21,536	-	-	-	-	-	-	-	-	-	21,536
Total payables	**-**	**21,536**	**-**	**268**	**-**	**-**	**2,083**	**2,008**	**-**	**-**	**2,083**	**23,812**
Right-of-use assets	**-**	**-**	**4,998**	**5,925**	**-**	**-**	**-**	**-**	**-**	**-**	**4,998**	**5,925**
Right-of-use liabilities	**-**	**-**	**5,401**	**6,234**	**-**	**-**	**-**	**-**	**-**	**-**	**5,401**	**6,234**

The outstanding amounts are not guaranteed and will be settled in cash. No collaterals have been pledged or received.

These amounts are measured at amortized cost since they have an agreed remuneration condition. The rate for these receivables is the cost of the Company's short-term debt plus an additional two hundred basic points. For payables it is the cost of the Company's debt.

The Company has granted loans to key management personnel at preferential interest rates but subsequently values the instrument at comparable market rates.

Transactions between the reporting company and its related parties are realized on terms equivalent to those of transactions between independent party.

The average term of receivables from related parties with respect to the sale of goods is 30 days, except for companies in liquidation which is 12 months.

At the closing of 2021, receivables from related parties include $24,767 for cash loans and $79,966 (2020 $79,966) from the sale of 9,704,318 shares of Odinsa S.A. to the subsidiary Sator S.A.S., which include interest.

Payables for key personnel have an average term of 60 days. The average term of the loans for 2021 is 7 years, agreed at a rate of 4.88% AER, (in 2020 the loans had a term of 7 years at a rate of 5.52%).

In 2021 the Company has not received or granted guarantees of balances receivable or payable to related parties, except in cases of loans to key management personnel where the Company receives a guarantee on the disbursement made.

Transactions between the reporting Company and its related parties are carried out under conditions equivalent to those existing in transactions between independent parties.

Compensation to key management personnel

Compensation awarded to key management personnel during the year was as follows:

	2021	2020
Short-term benefits	25,810	25,421
Post-Employment Benefits	578	559
Termination benefits	16	88
Total compensation awarded to key management personnel	**26,404**	**26,068**

NOTE 39: CONTINGENT ASSETS AND LIABILITIES

Certain contingent conditions may exist at the date the financial statements are issued, which may result in income or expense for the Company. 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 management and its legal advisors. The estimation of contingencies involving income or expense necessarily involves an exercise of professional judgment and is a matter of opinion. In estimating contingencies in legal proceedings that are pending in favor of or against the Company, the legal advisors evaluate, among other aspects, the merits of the claims, past rulings of the courts in this respect and the status of the proceedings on a case-by-case basis.

The Company believes that these matters will be resolved without any material effect on our operations, financial position, or results of operations.

The most significant contingencies that were not recognized as provisions in the financial statements are indicated below:

39.1 Contingent assets

The Company has as of 31 December 31, 2021 the following contingent assets:

- With the Special Industrial and Port District of Barranquilla for $1,273 for pro-hospital stamp tax, of which $667 correspond to Grupo Argos S.A. and $606 correspond to Situm S.A.S. (Company absorbed by Grupo Argos S.A.).
- Executive process for payment of taxes declared null and void against the District of Barranquilla claiming the payment of principal for $68 and interest for $34.
- Nullity and reestablishment of rights lawsuit against DIAN, requesting the refund of the excess payment made for the CREE tax for taxable year 2016 for $539.
- Process of ownership of the Camajoru property in Tubará (Atlántico) for $186, nullity and reestablishment of rights against the requirement of enclosure and construction of sidewalks of lots D10A Pavas to Situm S.A.S. (Company absorbed by Grupo Argos S.A.) for $99 and Lot 18 Miramar to the Company for $91.

39.2 Contingent liabilities

As of 31 December 2021, the Company has a contingent liability for a process that seeks the recognition of an employment relationship for $91.

NOTE 40: EMISSIONS, REPURCHASES AND REIMBURSEMENT OF DEBT OR CAPITAL

40.1 Debt

On 22 and 23 December 2021, bonds maturing in August 2022 for a nominal value of $31,500 at a fixed rate of 5.78% E.A. were prepaid.

On 6 July 2020, the Financial Superintendence authorized, through Resolution 0622 of 2020, the extension of term and other modifications of the issuance and placement program of ordinary bonds and commercial papers of Grupo Argos S.A. The Program is in force for a renewable term of three (3) years and according to the approved modifications, the Company may make new issues in which it is if investors use as payment bonds previously issued by the issuer, as indicated in the respective public offering notice.

In October 2020, the Company made the first exchange of bonds on the series issued in 2014 at 10 years for $117,000 maturing in 2024, for a new series of bonds for $136,500 maturing in 2027 and whose transaction costs amounted to $433.

40.2 Capital

According to the approval of the Profit Distribution Project at the Shareholders Meeting held on 25 March 2021, on 23 April 2021, the Board of Directors released 12,229,103 ordinary shares that were in reserve for payment of the dividend in shares to those shareholders who elected this option, equivalent to $149,378 with a weighted average value of the closing price of the common share on the Colombian Stock Exchange from 24 January 2021 to 24 March 2021 for $12,215 pesos per share.

As a result, the Company's subscribed and paid-in capital increased from $53,933 (862,929,612 shares) to $54,697 (875,158,715 shares), which includes 5,702,432 shares of own shares repurchased. Shares pending subscription went from 337,070 to 324,841 shares.

NOTE 41: SIGNIFICANT EVENTS

41.1 State of health emergency due to COVID-19

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 the Company has a presence through its subsidiaries.

On 17 March 2020, the Colombian government declared a state of health emergency due to the COVID-19. On 25 November 2021, the state of emergency was extended by the National Government as some of the conditions that gave rise to it persist. Since the declaration of emergency by the National Government, and after several extensions of the mandatory isolation, Grupo Argos S.A. and its subsidiaries have adopted the following measures to mitigate the risks associated with the emergency, which have been deployed during the reporting period and after the date of preparation of the financial statements as of 31 December 2021.

The Company's risk management continues to focus on the permanent follow-up of strategic risks and the monitoring of the operational risk management system.

That is why in the context associated with COVID-19, the Company follows up on: (1) risks affecting human talent, (2) risks on compliance with the business plan of the portfolio companies, (3) risks on changes in the economic, political and regulatory environment, and (4) risks that imply affectations to the financial flexibility and liquidity status.

Within the action plan defined to address these risks, four work fronts were established: life and health (risk 1), operational continuity (risk 2), financial health and liquidity situation (risks 3 and 4), as well as philanthropy and corporate citizenship.

To preserve the life and health of employees, the Company implemented the remote work modality as of 16 March 2020, as well as all the technological tools necessary for this purpose. Similarly, it developed a comprehensive health monitoring program for all employees, including and ongoing monitoring through a virtual survey of the state of health and whose answers are attended by medical professionals and the Labor Risk Insurer (ARL). In addition, the Company has the necessary protocols and biosecurity elements for when the necessary conditions are met to return to the offices. As of 15 June 2021, the Company began a pilot project for a voluntary return plan to its physical headquarters in which a maximum of 25% of its employees could initially participate. This plan has been gradually adjusted in accordance with the evolution of the situation and governmental provisions in this regard.

Likewise, in June 2021, as part of its commitment to the welfare and care of its collaborators, and to continue contributing to the process of economic reactivation of the country, the Group was supporting the process of acquisition and application of 19,000 doses of the vaccine against Covid-19 to start the vaccination of the employees of the Business Group in July 2021.

At the closing of 2021, more than 10,500 people among employees of the Business Group in Colombia and some of their relatives had received at least the first dose and at least 10,000 of them already have the complete vaccination scheme. The Company was also supporting the process of applying the third dose to its employees and their close relatives.

In relation to operational continuity, the Company has suspended investments that are not related to the management of the emergency. Additionally, it has carried out a budget reduction in costs and expenses for 2020 and 2021, building a dynamic exercise that will propose additional savings that will be adjusted to the duration of the contingency.

It should be noted that the Company's activity does not involve participation in production processes but is based on monitoring and strategic accompaniment of the companies in which it invests. For this reason, no material impact on the operation has been identified, since there are robust processes that guarantee the normal development of the activities for collaborators, even in remote work conditions.

In relation to the compliance with the business plan of the companies that are part of Grupo Argos, including Cementos Argos S.A., Celsia S.A. and Odinsa S.A., and in the framework of its role as strategic architect, Grupo Argos S.A. continues actively accompanying, in periodic follow-up tables, each one of the fronts described above.

Regarding the financial and liquidity situation, due to the capital structure management executed during 2019, the Company did not have debt maturities during 2020. The above, added to the monetary policy decisions that have driven the reduction of benchmark interest rates during 2020 and 2021, have generated stability in the financial cost by way of interest payments and the necessary flexibility in terms of debt renewal risk.

Likewise, the Company's main income results from the dividends received from the investments of its investment portfolio, which were decreed by the corresponding Shareholders' Meetings in March 2020 and 2021 and have not been altered or modified in amount or term. Although the Company's method of participation in some of its subsidiaries has been affected by the current situation, according to the analyses performed, the ability of these companies to do business and maintain their positions in the market in which they operate has not been affected.

The Company has strongly supported important social causes making in 2020, through the Grupo Argos Foundation, with donations of more than $5,200, that seek to strengthen the country's hospital system, as well as with food aid to more than 5,000 vulnerable families that depend on informal work. In 2021, the Company's General Shareholders Meeting approved $6,500 as appropriation to be allocated to social responsibility activities.

Likewise, the measures taken from the human, operational and financial perspectives have been brought to the permanent attention of the Company's Board of Directors.

41.2 Urban Development Business and Pactia Private Equity Fund

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 real estate asset market, hotel and commercial products are the segments that continue to feel the most the unfavorable effects of COVID-19. Gradual reopening at an intermittent pace is keeping commercial activity and corporate and tourist travel down. Regarding office, warehouse and self-storage products, the market has remained stable, and in some cases growing, despite the challenges of the pandemic.

As of year-end 2021, the investment in the Pactia Private Equity Fund had an accumulated income of $41,467 from fund valuation (2020 $9,659) and $6,867 in earnings (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 ongoing effects. The Fund has developed several business strategies focused on sustainability and the maintenance and strengthening of the long-term relationship with its clients under the premises of adapting to the conditions of the environment and acting in a timely, close, and consistent manner.

41.3 Tax reform

On 14 September 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.

The following are the main aspects that modify the national taxation:

- Increase in the general income tax rate for legal entities from 31% to 35%. Important aspect with effect on the current tax as from 2022 and the deferred tax of companies as from 2021 (Note 4.2.4 Deferred income tax).

- The income discount of 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 the years 2022 and 2023.

- Mechanisms for conciliation and termination by mutual agreement are provided, under which tax litigation may be terminated in advance 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 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.

- See other aspects in Note 10 Current and Deferred Income Tax.

NOTE 42: EVENTS AFTER THE REPORTING PERIOD

Between 31 December 2021 and the date of issuance of the Company's separate financial statements, no subsequent events considered significant have occurred.