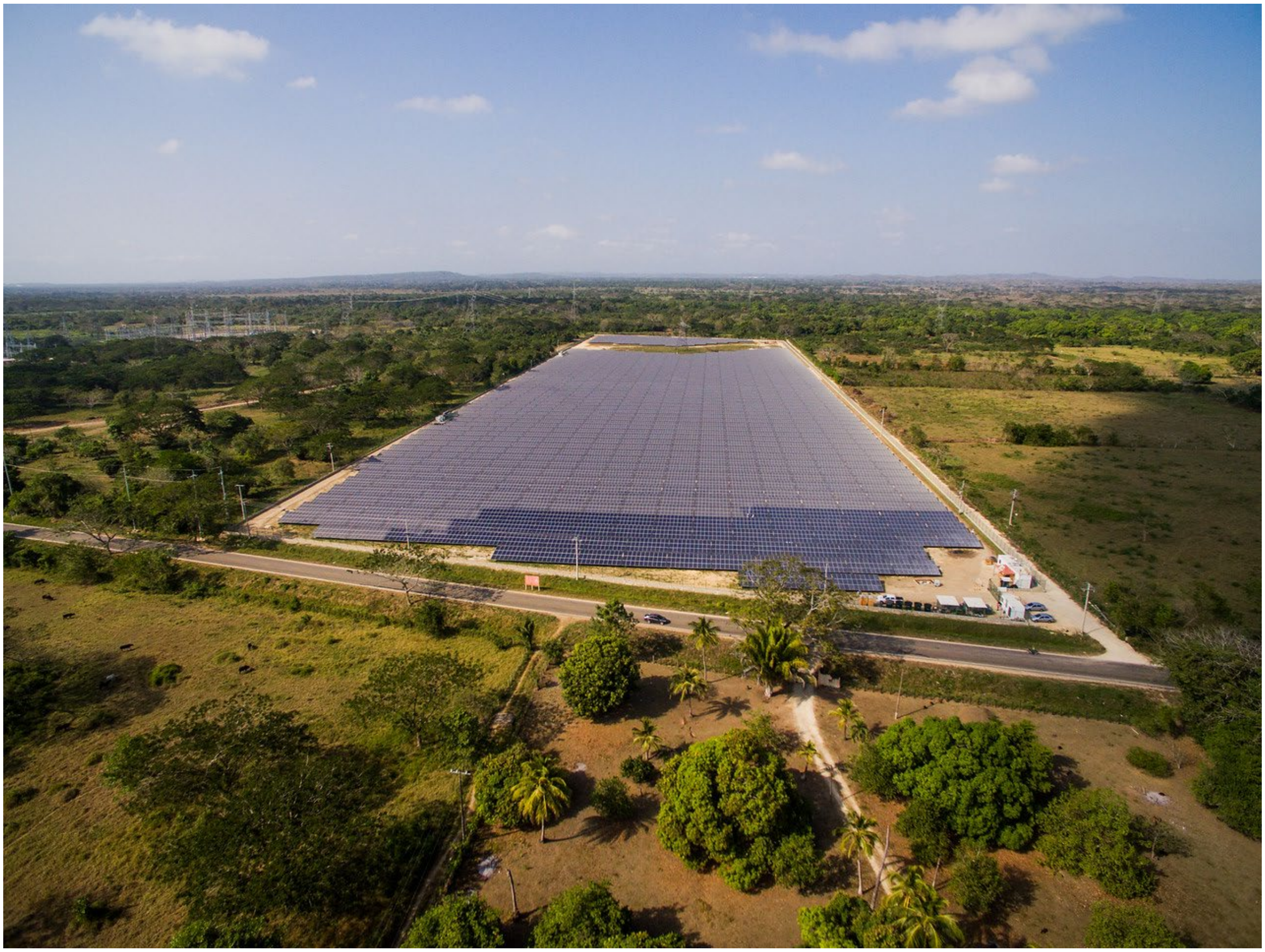

# Grupo Argos S.A. and subsidiaries

## Consolidated financial statements as at 31 December 2022 and 2021

# Certification of the Legal Representative of the Company

Medellin, 28 February 2023

To the shareholders of Grupo Argos S.A.

In my capacity as Legal Representative, I hereby certify that the consolidated financial statements as of the closing date of 31 December 2022 that are being disclosed do not contain defects, inaccuracies or material errors that would prevent knowing the true financial position or the operations performed by Grupo Argos S.A. during the corresponding period.

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

# Certification of the Legal Representative and the accountant of the Company

Medellin, 28 February 2023

To the shareholders of Grupo Argos S.A.

The undersigned Legal Representative and the Accountant of Grupo Argos S.A. (hereinafter the Company), certify that the consolidated financial statements of the Company as at 31 December 2022 and 2021, 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 2022 and 2021 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 2022 and 2021 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 2022 and 2021.

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

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

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

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

**KPMG S.A.S.**
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AUDM&SMDE-EFI2023-P-288

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

To the Shareholders
Grupo Argos S.A.,

## Report on the Audit of the Consolidated Financial Statements

### Opinion

I have audited the accompanying consolidated financial statements of Grupo Argos S.A. and Subordinates (the Group), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of income and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In my opinion, the aforementioned consolidated financial statements attached to this Report, present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia, applied on a basis consistent with that of the preceding year.

### Basis for Opinion

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

### Key Audit Matters

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

| Goodwill impairment evaluation (See Note 14 to the consolidated financial statements) | |
|---|---|
| **Key Audit Matters** | **How it was addressed in the Audit** |
| The Group's consolidated statement of financial position includes goodwill for $2,339,301 million COP, derived from acquisitions made in previous years, for which an annual impairment assessment is required in accordance with IAS 36 – Impairment of Assets.<br><br>The foregoing represents a Key Audit Matter due to the materiality of the goodwill balance, and because it involves the determination of complex and subjective judgments made by the Group in relation to long-term sales growth, operating costs and margins projected in the different countries where the Group operates, as well as in determining the rates used to discount future cash flows. | My audit procedures for the goodwill impairment assessment included, among others, the following<br><br>• Involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) evaluating the key assumptions used in the impairment tests carried out by the Group, including the input data; 2) carry out independent recalculations supported by information obtained from external sources on the discount rates and the macroeconomic variables used; 3) compare the result of the calculations obtained with those made by the Group; and 4) perform a sensitivity analysis including a possible reasonable reduction in key variables.<br><br>• Comparison of the previous year's budget with the actual data, to verify the degree of compliance and, consequently, the accuracy of the projections made by the Group's Management.<br><br>• Evaluation of whether the disclosures included in the notes to the financial statements are appropriate in accordance with IAS 36. |

| Assessment of the valuation of service concession agreements (See Notes 8, 15, and 43 to the consolidated financial statements) | |
|---|---|
| **Key Audit Matters** | **How it was addressed in the Audit** |
| The Group has entered into concession agreements for the construction, operation, and transfer of infrastructures, which are within the scope of *IFRIC 12 - Service Concession Agreements*. The remuneration of these agreements depends on the terms and conditions of each contract; some incorporate certain mechanisms that grant the Group the unconditional right to receive a guaranteed minimum income (financial asset), while other agreements originate exposure of the investment in the underlying assets to the traffic risk of the operation (intangible asset). As of December 31, 2022, the Group's consolidated statement of financial position includes financial assets for $359,938 million COP derived from the concession contracts subscribed, mainly from its subsidiary Odinsa S.A, and does not include intangible assets.<br><br>The foregoing represents a Key Audit Matter due to the materiality of the balances related to those agreements, and because their valuation requires significant judgments by the Group in the determination of the discount rates and the selection of the key input data such as the projections of capital investments and operating expenses, incorporated in the financial models used as a basis for the valuation of the amounts derived from each concession contract. | My audit procedures for the assessment of the valuation of service concession agreements included the involvement of professionals with knowledge and relevant experience in the industry who assisted me in: 1) the analysis of the methodology used in the valuation of derivative assets of the concession contracts, and if it is consistent with IFRIC 12 and with the valuation practices usually used in the market; 2) the identification of the key assumptions included in the financial models and the evaluation of the economic merits of each relevant assumption; 3) comparison of key assumptions with market data, if available; and 4) the recalculation of the financial asset, as well as the discount rates used and comparison of the results with those obtained by the Group. |

| Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 – Investment Properties (see Note 17 to the consolidated financial statements) | |
|---|---|
| **Key Audit Matters** | **How it was addressed in the Audit** |
| The consolidated statement of financial position of the Group as at December 31, 2022 includes a significant amount of investment properties for $2,290,960 million COP, mainly represented in land measured at fair value through profit or loss.<br><br>The Group engages qualified external experts for the periodic determination of the fair value of its investment properties, who use significant judgments in the determination of key valuation assumptions such as: the use of comparables in the market, the estimation of future cash flows, the discount rates applied, and the expected growth of the market.<br><br>The main reasons for considering this a Key Audit Matter are: (1) there was significant judgment by the Group in determining the key assumptions for the valuation of investment properties; and (2) there was significant judgment and audit effort to assess the evidence obtained related to the appraisals performed, as well as the audit effort that involves the use of professionals with specialized skills and knowledge in real estate appraisal. | My audit procedures for the assessment of the valuation of investment properties in accordance with the provisions of IAS 40 included, among others, the following:<br><br>• Evaluation of the design, implementation and operational effectiveness of the key control established by the Group to determine and recognize for accounting purposes the fair value of investment properties, specifically in the review and approval by the Real Estate Strategy Department of the appraisals made by external professionals with expertise in real estate valuation engaged by the Group.<br><br>• Evaluation of the competence and capacity of the external professionals engaged by the Company, who determined the fair value of the investment properties.<br><br>• 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 engaged 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. |

## Other Matters

The consolidated financial statements as at and for the year ended December 31, 2021 are presented solely for comparative purposes. These were audited by myself and in my Report dated February 23, 2022, I expressed an unqualified opinion thereon.

**Other Information**

The Management is responsible for the *other information*. The *other information* comprises information included in the integrated report but does not include the consolidated financial statements and my corresponding Audit Report. The information contained in the integrated report is expected to be available to me after the date of this Audit Report.

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

In connection with my audit of the consolidated financial statements, my responsibility is to read the *other information* 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.

When I read the contents of the integrated report, if I were to conclude that there is a material misstatement in that *other information*, I am required to report this fact to Those Charged With Governance.

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

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

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

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

**Statutory Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events so as to achieve a fair presentation.

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

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

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

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

(Original version Spanish and signed by)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Grupo Argos S.A.
Registration 43668 - T
Member of KPMG S.A.S.

February 28, 2023

# CONTENTS

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of financial position

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

| | Note | 2022 | 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 6 | 1,429,105 | 2,683,143 |
| Derivative financial instruments | 7 | 70,236 | 20,856 |
| Trade and other receivables | 8 | 2,718,115 | 2,474,445 |
| Inventories, net | 9 | 1,924,803 | 1,376,345 |
| Tax assets | 10 | 275,803 | 272,079 |
| Biological assets | 20 | 5,112 | 4,312 |
| Other financial assets | 11 | 763,678 | 869,849 |
| Prepaid expenses and other non-financial assets | 12 | 336,957 | 229,924 |
| **CURRENT ASSETS** | | **7,523,809** | **7,930,953** |
| Non-current assets held for sale | 13 | 6,169,569 | 58,304 |
| **TOTAL CURRENT ASSETS** | | **13,693,378** | **7,989,257** |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Trade and other receivables | 8 | 574,099 | 867,991 |
| Goodwill | 14 | 2.339,301 | 3,211,125 |
| Right-of-use assets | 22 | 669,838 | 704,186 |
| Intangible assets, net | 15 | 763,912 | 4,219,758 |
| Property, plant and equipment, net | 16 | 22,497,982 | 21,057,939 |
| Investment property | 17 | 2,290,960 | 2,352,836 |
| Investments in associates and joint Ventures | 18 | 11,116,749 | 10,002,820 |
| Derivative financial instruments | 7 | 87,544 | 15,974 |
| Deferred tax | 10 | 326,029 | 400,299 |
| Biological assets | 20 | 57,993 | 56,866 |
| Other financial assets | 11 | 2,373,015 | 1,587,347 |
| Prepaid expenses and other non-financial assets | 12 | 150,268 | 122,946 |
| **TOTAL NON-CURRENT ASSETS** | | **43,247,690** | **44,600,087** |
| **TOTAL ASSETS** | | **56,941,068** | **52,589,344** |

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of financial position

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

| | Note | 2022 | 2021 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Borrowings | 21 | 1,635,930 | 2,628,060 |
| Lease liabilities | 22 | 148,443 | 137,257 |
| Employee benefits liabilities | 23 | 277,951 | 290,224 |
| Provisions | 24 | 142,956 | 309,164 |
| Trade and other payables | 25 | 2,840,691 | 2,603,991 |
| Tax liabilities | 10 | 233,247 | 171,501 |
| Derivative financial instruments | 7 | 22,014 | 2,087 |
| Bonds and compound financial instruments | 26 | 830,643 | 1,126,948 |
| Other financial liabilities | 7.2 | 85,018 | - |
| Other non-financial liabilities | 27 | 594,852 | 487,959 |
| **CURRENT LIABILITIES** | | **6,811,745** | **7,757,191** |
| Liabilities associated with non-current assets held for sale | 13 | 3,509,787 | 7,772 |
| **TOTAL CURRENT LIABILITIES** | | **10,321,532** | **7,764,963** |
| | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Borrowings | 21 | 6,080,834 | 4,038,878 |
| Lease liabilities | 22 | 615,979 | 628,449 |
| Deferred tax | 10 | 1,479,769 | 1,283,447 |
| Employee benefits liabilities | 23 | 292,873 | 362,307 |
| Provisions | 24 | 207,384 | 232,008 |
| Trade and other payables | 25 | 127,424 | 135,088 |
| Derivative financial instruments | 7 | 649 | 48,373 |
| Bonds and compound financial instruments | 26 | 5,784,720 | 8,678,684 |
| Other non-financial liabilities | 27 | - | 610,589 |
| **TOTAL NON-CURRENT LIABILITIES** | | **14,589,632** | **16,017,823** |
| **TOTAL LIABILITIES** | | **24,911,164** | **23,782,786** |

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of financial position

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

| | Note | 2022 | 2021 |
|---|---|---|---|
| **EQUITY** | | | |
| Share capital | 28 | 54,697 | 54,697 |
| Additional paid-in capital | 28 | 1,503,373 | 1,503,373 |
| Retained earnings | | 9,218,971 | 9,083,552 |
| Reserves | 29 | 3,241,099 | 3,339,623 |
| Profit for the year | | 881,424 | 589,799 |
| Other components of equity | 30 | (151,350) | (111,432) |
| Other comprehensive income | 29 | 6,303,067 | 3,996,628 |
| **EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | **21,051,281** | **18,456,240** |
| Non-controlling interests | 32 | 10,978,623 | 10,350,318 |
| **TOTAL EQUITY** | | **32,029,904** | **28,806,558** |
| **TOTAL LIABILITIES AND EQUITY** | | **56,941,068** | **52,589,344** |

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

**Jorge Mario Velásquez Jaramillo**

CEO
Legal Representative
(See attached certification)

**Claudia Patricia Álvarez Agudelo**

Accountant
Registration No. 69447-T
(See attached certification)

**Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz**
Statutory auditor
Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 28 February 2023)

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of profit or loss

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

| | Note | 2022 | 2021 |
|---|---|---|---|
| Revenue | 33 | 18.632,618 | 15,045,514 |
| Interest income calculated using the effective interest method | 33 | 22,600 | 208,712 |
| Share of profit of associates and joint ventures | 33 | 759,273 | 394,232 |
| Other revenue | 33 | 1,925,215 | 660,661 |
| **TOTAL REVENUE** | | **21,339,706** | **16,309,119** |
| Cost of ordinary activities | 34 | (15,791,372) | (11,848,313) |
| **GROSS PROFIT** | | **5.548,334** | **4,460,806** |
| Administrative expenses | 35 | (1,705,008) | (1,490,786) |
| Selling expenses | 36 | (334,174) | (286,872) |
| **STRUCTURE EXPENSES** | | **(2,039,182)** | **(1,777,658)** |
| Other income (expenses), net | 37 | 84,113 | (65,694) |
| **PROFIT FROM OPERATING ACTIVITIES** | | **3.593,265** | **2,617,454** |
| Finance income | 38 | 234,000 | 235,742 |
| Finance expenses | 38 | (1,675,341) | (1,224,391) |
| Foreign exchange difference, net | 38 | 102,353 | 27,815 |
| **PROFIT BEFORE TAX** | | **2.254,277** | **1,656,620** |
| Income tax | 10.3 | (813,936) | (450,587) |
| **NET PROFIT** | | **1,440,341** | **1,206,033** |
| | | | |
| Attributable to: | | | |
| **OWNERS OF THE PARENT** | | **881,424** | **589,799** |
| Non-controlling interests | | 558,917 | 616,234 |
| | | | |
| **EARNINGS PER SHARE FROM CONTINUING OPERATIONS (*)** | | | |
| Attributable to common shareholders of the owner company: | | | |
| Basic (*) | 39 | 1,013.76 | 681.32 |
| Diluted (*) | 39 | 1,013.76 | 681.32 |

(*) Figures stated in Colombian pesos.

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

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

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

**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 28 February 2023)

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of other comprehensive income

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

| | 2022 | 2021 |
|---|---|---|
| **NET PROFIT** | **1,440,341** | **1,206,033** |
| Gains or losses of equity investments | 717,830 | 237,317 |
| Deferred tax on equity investments | (269,593) | (2,459) |
| Remeasurement of defined benefit plan liabilities | 31,397 | 49,235 |
| Defined Benefit plan deferred tax liabilities | (12,787) | (15,310) |
| Gains or losses on property, plant and equipment revaluation | - | 9,018 |
| Deferred tax on property, plant and equipment revaluation | 1,241 | (2,372) |
| **ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS** | **468,088** | **275,429** |
| Net profit from instruments under cash flow hedges | (41,236) | (72,577) |
| Deferred tax on cash flow hedges | 18,551 | 27,380 |
| Exchange differences on translating foreign operations | 2,019,647 | 1,577,864 |
| Deferred tax on translating foreign operations | (3,227) | (1,399) |
| **ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS** | **1,993,735** | **1,531,268** |
| Share in associates and joint ventures | 1,140,401 | 476,993 |
| **OTHER COMPREHENSIVE INCOME, NET OF TAX** | **3,602,224** | **2,283,690** |
| **TOTAL COMPREHENSIVE INCOME** | **5,042,565** | **3,489,723** |
| Attributable to: | | |
| **OWNERS OF THE PARENT** | **3,186,691** | **2,022,077** |
| Non-controlling interests | 1,855,874 | 1,467,646 |

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

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

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

**Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz**
Statutory auditor
Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 28 February 2023)

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of changes in equity

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

| | Share capital and additional paid-in capital | Legal Reserve | Other Reserves | Other Comprehensive Income | Retained earnings and profit for the year | Other components of equity | Attributable to owners of the parent | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance disclosed as at 31 December 2020** | **1,408,692** | **29,665** | **3,643,918** | **2,591,296** | **9,118,449** | **(143,779)** | **16,648,241** | **9,581,610** | **26,229,851** |
| Profit for the period | - | - | - | - | 589,799 | - | 589,799 | 616,234 | 1,206,033 |
| Other comprehensive income for the period, net of tax | - | - | - | 1,432,278 | - | - | 1,432,278 | 851,412 | 2,283,690 |
| **Comprehensive income for the period** | **-** | **-** | **-** | **1,432,278** | **589,799** | **-** | **2,022,077** | **1,467,646** | **3,489,723** |
| Issuance of shares | - | - | - | - | - | - | - | 67,570 | 67,570 |
| Ordinary cash dividends declared (Note 31) | - | - | - | - | (97,165) | - | (97,165) | (440,091) | (537,256) |
| Preferred cash dividends declared (Note 31) | - | - | - | - | (80,918) | - | (80,918) | (19,484) | (100,402) |
| Ordinary share dividends declared (Note 31) | 149,378 | - | - | - | (149,378) | - | - | - | - |
| Ordinary in-kind dividends declared | - | - | - | - | - | - | - | (205,983) | (205,983) |
| Constitution of reserves (Note 29.1) | - | - | (333,960) | - | 333,960 | - | - | - | - |
| Share of associates and joint ventures (Note 30 - 32) | - | - | - | - | - | 55,297 | 55,297 | 5,505 | 60,802 |
| Transfer from other comprehensive income to retained earnings (Note 29.2) | - | - | - | (26,946) | 26,946 | - | - | - | - |
| Purchases and sales to non-controlling interests (Note 30 - 32) | - | - | - | - | - | (25,213) | (25,213) | (115,876) | (141,089) |
| Loss of control of subsidiaries or businesses (Note 32) | - | - | - | - | - | - | - | (89,159) | (89,159) |
| Effect of change in income tax rate in Colombia (Nota 29.3) | - | - | - | - | (67,036) | - | (67,036) | (56,546) | (123,582) |
| Other variations | - | - | - | - | (1,306) | 2,263 | 957 | 155,126 | 156,083 |
| **Balance as at 31 December 2021** | **1,558,070** | **29,665** | **3,309,958** | **3,996,628** | **9,673,351** | **(111,432)** | **18,456,240** | **10,350,318** | **28,806,558** |

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of changes in equity

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

| | Share capital and additional paid-in capital | Legal Reserve | Other Reserves | Other Comprehensive Income | Retained earnings and profit for the year | Other components of equity | Attributable to owners of the parent | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance disclosed as at 31 December 2021** | **1,558,070** | **29,665** | **3,309,958** | **3,996,628** | **9,673,351** | **(111,432)** | **18,456,240** | **10,350,318** | **28,806,558** |
| Profit for the period | - | - | - | - | 881,424 | - | 881,424 | 558,917 | 1,440,341 |
| Other comprehensive for the period income, net of tax | - | - | - | 2,305,267 | - | - | 2,305,267 | 1,296,957 | 3,602,224 |
| **Comprehensive income for the period** | **-** | **-** | **-** | **2,305,267** | **881,424** | **-** | **3,186,691** | **1,855,874** | **5,042,565** |
| Issuance of shares | - | - | - | - | - | - | - | 1,973 | 1,973 |
| Ordinary cash dividends declared (Note 31) | - | - | - | - | (328,815) | - | (328,815) | (715,499) | (1,044,314) |
| Preferred cash dividends declared (Note 31) | - | - | - | - | (105,914) | - | (105,914) | (27,202) | (133,116) |
| Constitution of reserves (Note 29.1) | - | - | (98,524) | - | 98,524 | - | - | - | - |
| Share of associates and joint ventures (Note 30 - 32) | - | - | - | - | - | (61,048) | (61,048) | (6,048) | (67,096) |
| Transfer from other comprehensive income to retained earnings (Note 29.2) | - | - | - | 1,172 | (1,172) | - | - | - | - |
| Purchases and sales to non-controlling interests (Note 30 - 32) | - | - | - | - | - | 20,157 | 20,157 | (82,911) | (62,754) |
| Loss of control of subsidiaries or businesses (Note 32) | - | - | - | - | - | - | - | (290,830) | (290,830) |
| Effect of change in income tax rate in Colombia (Note 29.3) | - | - | - | - | (115,492) | - | (115,492) | (19,590) | (135,082) |
| Commitments to purchase non-controlling interests (Note 32) | - | - | - | - | - | - | - | (85,018) | (85,018) |
| Other variations | - | - | - | - | (1,511) | 973 | (538) | (2,444) | (2,982) |
| **Balance as at 31 December 2022** | **1,558,070** | **29,665** | **3,211,434** | **6,303,067** | **10,100,395** | **(151,350)** | **21,051,281** | **10,978,623** | **32,029,904** |

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

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

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

**Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz**
Statutory auditor
Registration No. 43668-T
Member of KPMG S.A.S.
(See report of 28 February 2023)

# Grupo Argos S.A. and subsidiaries

## **Consolidated** statement of cash flows

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

| | Note | 2022 | 2021 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **NET PROFIT** | | **1,440,341** | **1,206,033** |
| Adjustments by: | | | |
| Dividend and equity income | 33 - 38 | (70,138) | (45,554) |
| Income tax expense recognized through profit or loss | 10 | 813,936 | 450,587 |
| Equity method of associates and joint ventures | 33 | (759,273) | (394,232) |
| Finance expenses, net recognized through profit or loss | | 1,402,026 | 794,901 |
| Expenses recognized in respect to employee benefits and provisions | | 174,089 | 103,203 |
| Profit (loss) on disposal or derecognition of non-current assets | | (208,226) | 1,742,473 |
| Gain on fair value measurement | 20 - 33 - 38 | (94,030) | (137,042) |
| Gain from a bargain purchase | 37 | (4,225) | (30,121) |
| Impairment, net of financial assets | | 73,587 | 37,684 |
| Impairment, net of non-current assets and inventory | | 144,368 | 147,201 |
| Depreciation and amortization of non-current assets | 34 | 1,626,911 | 1,718,651 |
| Foreign exchange gains and losses on financial instruments, net recognized through profit or loss | | (14,344) | 28,999 |
| Other adjustments to reconcile profit (loss) for the year | | (44,439) | 43,102 |
| | | **4,480,583** | **5,665,885** |
| **CHANGES IN WORKING CAPITAL OF:** | | | |
| Trade and other receivables | | (409,510) | (1,027,066) |
| Inventories | | (314,205) | (36,503) |
| Other assets | | (130,224) | (33,791) |
| Trade and other payables | | (62,427) | 185,671 |
| Other liabilities | | 148,296 | (34,727) |
| **CASH GENERATED BY OPERATIONS** | | **3,712,513** | **4,719,469** |
| Income tax paid | | (611,930) | (557,566) |
| Dividends and interests received | 7.5 - 18 | 260,619 | 150,215 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | | **3,361,202** | **4,312,118** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Financial interest received | | 169,350 | 130,957 |
| Acquisition of property, plant and equipment | | (2,780,637) | (2,100,667) |
| Proceeds from the sale of property, plant and equipment | | 391,886 | 124,556 |
| Acquisition of investment property | 17 | (5,797) | (16,696) |
| Proceeds from the sale of investment property | | 4,884 | 3,752 |
| Acquisition of intangible assets | | (88,192) | (53,799) |
| Proceeds from the sale of intangible assets | | 17,037 | 283 |
| Acquisition of other non-current assets | | - | (8) |
| Proceeds from the sale of other non-current assets | | 13,508 | 33,706 |
| Prepayments received for non-current asset transactions | | 188,842 | - |
| Acquisition of control of subsidiaries and other businesses | | - | (125,386) |
| Sale of businesses with loss of control | 37 - 46 | (228,151) | 672,338 |
| Acquisition and/or contributions to interests in associates and joint ventures | 18 | (86,392) | (53,860) |
| Proceeds from the sale of investments in associates and joint ventures | 18 - 46 | 236,084 | 6,131 |
| Acquisition of financial assets | | (1,284,411) | (457,983) |
| Proceeds from the sale of financial assets | | 1,297,472 | 529,674 |
| Restitution of subordinated debt | | 169,127 | - |
| Loans granted to third parties | | (8,803) | - |
| Proceeds from the repayment of loans granted to third parties | | 18,091 | 10,054 |
| Other cash inflows | | 11,709 | 53,777 |
| **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | | **(1,964,393)** | **(1,243,171)** |

# Grupo Argos S.A. and subsidiaries

## Consolidated statement of cash flows

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

| CASH FLOWS FROM FINANCING ACTIVITIES | Note | 2022 | 2021 |
|---|---|---|---|
| Issue of shares and other capital instruments | | - | 67,090 |
| Issue of bonds and commercial papers | | 297,769 | 815,571 |
| Payment of bonds, structured notes and commercial papers | | (1,217,837) | (1,015,379) |
| Acquisition of other financing instruments | | 6,386,381 | 6,185,703 |
| Payment of other financing instruments | | (4,947,624) | (7,251,376) |
| Payment of lease liabilities | | (161,512) | (195,253) |
| Acquisition of non-controlling interests in subsidiaries | 19.3 | (62,850) | (52,013) |
| Payments for financial derivative arrangements | | (67,270) | (91,808) |
| Proceedings from financial derivative arrangements | | 87,716 | 47,526 |
| Capitalization of non-controlling interests | | - | 223,106 |
| Dividends paid on ordinary shares | 31 | (691,824) | (689,049) |
| Dividends paid on preferred shares | 31 | (122,750) | (149,164) |
| Interest paid | | (1,261,979) | (1,083,488) |
| Other cash outflows | | (96,076) | (57,577) |
| **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | | **(1,857,856)** | **(3,246,111)** |
| **NET (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(461,047)** | **(177,164)** |
| Cash and cash equivalents at the beginning of the period, including amounts presented in a group of assets held for sale | 6 - 13 | 2,684,817 | 2,713,358 |
| Effect of exchange rate changes on cash and cash equivalents held in foreign currencies | | 233,008 | 148,623 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, INCLUDING AMOUNTS PRESENTED IN A GROUP OF ASSETS HELD FOR SALE** | **6 - 13** | **2,456,778** | **2,684,817** |
| Less cash and cash equivalents included in a group of assets held for sale | 13 | 1,027,673 | 1,674 |
| **CASH AND CASH EQUIVALENTS AT THE END OF PERIOD WITHOUT CASH AND CASH EQUIVALENTS INCLUDED IN A GROUP OF ASSETS HELD FOR SALE** | **6 - 13** | **1,429,105** | **2,683,143** |

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

**Jorge Mario Velásquez Jaramillo**
CEO
Legal Representative
(See attached certification)

**Claudia Patricia Álvarez Agudelo**
Accountant
Registry 69447-T
(See attached certification)

**Original version issued in Spanish and signed by Gonzalo Alonso Ochoa Ruiz**
Statutory auditor
Registry 43668-T
Member of KPMG S.A.S.
(See report of 28 February 2023)

# Grupo Argos S.A. and subsidiaries

## Notes to the **consolidated financial statements**

As at 31 December 2022 and 2021.
In millions of Colombian pesos, except where otherwise indicated.

### NOTE 1: **OVERVIEW**

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

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

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

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

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

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

On 28 February 2023 the Board of Directors authorized the issuance of the consolidated financial statements of the Group for the year ended 31 December 2022 and their respective comparatives.

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

### 2.1 Compliance status

The consolidated financial statements for the years ended 31 December 2022 and 31 December 2021 have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia NCIF, which are based on International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB), as of the second half of 2020 and the endorsement of the amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions issued in 2020. The NCIF were established by Law 1314 of 2009, regulated by Decree 2420 of 2015, amended on 23 December 2015 by Regulatory Decree 2496, on 22 December 2016 by Regulatory Decree 2131, on 22 December 2017 by Regulatory Decree 2170, on 28 December 2018 by Regulatory Decree 2483, on 13 December 2019 by Regulatory Decree 2270, on 5 November 2020 by Decree 1432, on 19 August 2021 by Decree 938, and on 5 August 2022 by Decree 1611.

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

- Decree 2617 of 29 December 2022, which establishes an accounting alternative to mitigate the effects of the change in the income tax rate and the change in the occasional income tax rate for the taxable period 2022. This alternative consists in that the value of the deferred tax derived from the changes in these rates introduced by Law 2277 of 2022, which must be reflected in the result of the 2022 period, may be recognized in the entity's equity in the retained earnings of previous years. Those who choose this alternative shall disclose it in the notes to the financial statements indicating its effect on the financial information.

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

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

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

### 2.2 Going concern basis

The consolidated financial statements have been prepared on a going concern basis and there are no material uncertainties at 31 December 2022 related to events or conditions that cast significant doubt on the ability of any of the

Group's companies to continue as a going concern. The Group has the required liquidity and solvency to continue operating as going concern for the foreseeable future.

### Financial indicators or criteria for establishing impairment losses and insolvency risks

To comply with the provisions of Article 1 of Decree 1378 of 28 October 2021, an analysis of the reference indicators was made to establish equity impairment and insolvency risks of the direct subsidiaries of Grupo Argos S.A., which correspond to: Cementos Argos S.A., Celsia S.A., Odinsa S.A., Opain S.A., Summa - Servicios Corporativos Integrales S.A.S., Sator S.A.S and Patrimonio Autónomo Ganadería Rio Grande. For the subsidiaries that in turn are parent companies, the analysis of the respective indicators of their subsidiaries was performed directly by them.

Although the companies listed below comply with one, two or three of the indicators established in Decree 1378 of 2021, in none of the cases there is non-compliance with the going concern basis, as follows:

- **Cementos Argos S.A.**
  - Current ratio for year 2022 of 0.63 and for 2021 of 0.37.

  The accounting working capital, defined as current assets less current liabilities, displays a negative balance. This is mostly due to short-term loans and reclassification of long-term loans. At the end of December 2022, the company has sufficient uncommitted quotas available to cover any cash needs. Additionally, it is a recurring issuer in the Colombian securities market, with an available quota in its program for the issuance and placement of bonds and commercial papers. These bank and stock market quotas allow the structuring of sufficient financing alternatives to renew the current portion of the debt, together with the company's internal cash generation.

- **Celsia S.A.**
  - Current ratio for year 2022 of 0.09 and for 2021 of 0.49.

  In compliance with the provisions of Decree 1378 of 28 October 2021, Celsia S.A. permanently monitors the financial statements, financial information, and projections of the company to establish the existence or possibility of asset impairment and insolvency risks. Although the result of the current ratio indicator is lower than 1.0 during the last two periods, this situation is mainly due to particular circumstances that do not affect the operating performance, as well as the liquidity situation and do not constitute warnings on asset impairment and insolvency risk that call into question the company's ability to continue as a going concern.

- **Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. Opain S.A**
  - Negative equity at 31 December 2022 of ($91,217).
  - Current ratio for the year 2022 of 0.95 and for 2021 of 0.74.

  Management considers that these indicators do not reveal the existence of uncertainty about Opain S.A.'s ability to continue as a going concern, since revenue has fully recovered and by the end of 2022, closed 31% above results prior to the COVID-19 pandemia, as a result of a full recovery of both international and domestic fare-paying passengers; these recovery levels stand out over most of the regions in the world, and even when compared to some peers in Latin America. Based on the positive performance generated in 2022, described above, the company has made progress in cash flow generation strength, to the point of meeting all acquired obligations, regular and deferred, from previous years and, even so, obtaining a relevant positive balance of cash and cash equivalents.

  The financial statements have been prepared on a going concern basis and there are no material uncertainties at 31 December 2022 related to events or conditions that cast significant doubt on the ability to continue as going concern.

#### 2.3 Basis of preparation

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

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

The Group's consolidated financial statements as of 31 December 2022 and 2021, have been prepared on an accrual basis of accounting, except for the statement of cash flows. The measurement basis is historical cost; however, some financial instruments, associates considered investment entities, investment property and biological assets are measured at fair value at the end of each reporting period, the land and buildings component of property, plant and equipment for administrative use is measured at revalued cost every four years as explained in the accounting policies, and for the joint venture Fondo de Capital Privado por Compartimientos Odinsa Vías, considered an investment entity, the Group opted to retain for the purposes of the application of the equity method the fair value measurement applied by this fund on its interests in the entity. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services in the initial measurement.

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

### Fair value measurements:

The Group measures financial instruments, such as derivatives and financial assets and liabilities designated for measurement at fair value, non-financial assets, such as investment property and biological assets, and associates considered investment entities that meet the exemption established in paragraph 19 of IAS 28 Investments in Associates and Joint Ventures, at fair value. The Group also 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, and for the joint venture Fondo de Capital Privado por Compartimientos Odinsa Vías, considered as an investment entity, The Group chooses to retain, for the application of the equity method, the fair value measurement applied to this fund on its interests by the entity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Financial assets and liabilities - Note 7.5
- Assets and liabilities associated to non-current assets held for sale - Note 13
- Property, plant and equipment under the revaluation model - Note 16
- Investment property - Note 17
- Biological assets - Note 20

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

### Consolidation principles:

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

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

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

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

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

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

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

- The aggregate of the fair value of the consideration received and the fair value of the retained interest, and

- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

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

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

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

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

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

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

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

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

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

### 2.4 Significant accounting policies

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

#### 2.4.1 Business combinations and goodwill

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

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

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

- Deferred tax assets or liabilities and assets or liabilities relating to employee benefit arrangements recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.
- Assets or groups of assets for disposal that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 2.4.2 Cash and cash equivalents

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

### 2.4.3. Financial assets

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

Financial assets are initially recognized at fair value; for financial assets measured at amortized cost, directly attributable transaction costs are included. Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold it to obtain the contractual cash flows and the terms of the business model give rise on specific dates to cash flows that are solely payments of principal and interest on the value of the outstanding principal.

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

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

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

#### 2.4.3.1. Impairment of financial assets

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

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

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

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

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

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

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

  For receivable in the concession segment with related parties or other receivables, where no historical recovery data exists, the following estimate is made to obtain the risk parameters:

- The probability of default is estimated by applying Altman's financial stress test for an emerging market company, considering the ratios of working capital, retained earnings, earnings before taxes and interests (EBIT) and total assets, as well as the debt-to-equity ratio.
- The standards of the Basel Committee on Banking Supervision are used to estimate the loss given default, which assign a loss of 75% to debt with related parties or other receivables.
- Loss is calculated for the entire unsecured amount exposed.

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

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

### Financial assets - Subsequent measurement and profit and loss

| | |
|---|---|
| Financial assets at amortized cost | These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized through profit or loss. Any gain or loss from derecognition is recognized through profit or loss. |
| Debt investments at fair value through other comprehensive income (OCI) | These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized through profit or loss. Other net gains and losses are recognized through other comprehensive income (OCI). On disposal of these assets, the accumulated gains and losses in OCI are reclassified to profit or loss. |
| Equity investments at fair value through other comprehensive income (OCI) | These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of income unless the dividend clearly represents a recovery of a portion for the investment cost. Other net gains and losses are recognized through other comprehensive income OCI and are never reclassified to income for the period. |
| Financial assets at fair value through profit or loss | These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized through profit or loss. |

#### 2.4.3.2. Derecognition of financial assets

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

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

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

### 2.4.4 Inventories

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

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

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

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

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

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

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

### 2.4.5 Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 2.4.6 Impairment of tangible and intangible assets

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

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

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

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

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

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

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

- The asset's value in use cannot be estimated to be close to its fair value less selling costs (for example, when future cash flows from continuing use of the asset cannot be determined because they are negligible).
- The asset does not generate cash inflows that are largely independent of those from other assets.

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

**Criteria for estimating fair value**

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

- The existence of a price within a formal commitment to sell, in a transaction carried out under conditions of mutual independence, adjusted by the incremental costs directly attributable to the sale or disposal of the asset.
- If there is no formal commitment to sell, but the asset is traded in an active market, fair value is the market price less selling or disposal costs.
- If there is neither a firm sale agreement nor an active market, fair value is calculated based on the best information available to reflect the value that the Group can obtain (such as replacement cost at new less impairment) at the

date of the statement of financial position, in an arm's length transaction between knowledgeable, willing parties, after deducting selling or disposal costs. To determine this value, the Group considers the results of recent transactions with similar assets in the same sector.

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

### Criteria for estimating value in use

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

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

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

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

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

If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately through profit or loss, except if the asset is recorded under the revaluation model, in which case the impairment loss must be considered as a decrease in the revaluation, until it is completely exhausted if necessary, and any outstanding impairment must be recorded against profit or loss.

The Group assesses whether previously recognized impairment losses no longer exist or have decreased; in this case, the carrying amount of the cash-generating unit or groups of cash-generating units is increased to the revised estimate of the recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment been previously recognized. This reversal is recognized as income in the statement of income for the period, except for goodwill, the impairment of which is not reversed under any circumstance.

### 2.4.7 Property, plant and equipment, net

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

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

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

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

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

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

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

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

### Provisions for decommissioning, restoration and rehabilitation

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

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

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

### 2.4.8 Investment property

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

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

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

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

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

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

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

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

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

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

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

### 2.4.9 Investment in associates and joint arrangements

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

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

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

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

Profit and net assets of the associate or joint venture are included in the consolidated financial statements using the equity method, unless:

- If the investment or a portion of it is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, and
- Associates considered to be investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

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

When the equity method is applicable, the necessary adjustments are made to bring the accounting policies of the associate or joint venture into line with those of the Group and the Group's share of the unrealized gains or losses arising from transactions between the Group and the associate or joint venture is not included, except for losses that evidence impairment.

If the Group directly or through its subsidiaries, which are not investment entities, holds an interest in a joint venture that is an investment entity, for purposes of applying the equity method, the Group makes a separate selection for each joint venture that is an investment entity to choose whether to retain the fair value measurement applied by this joint venture to its interests in entities. This selection is made at the later of the following dates: (a) when the associate or joint venture that is an investment entity is initially recognized; (b) when the associate or joint venture becomes an investment entity; and (c) when the associate or joint venture that is an investment entity becomes a controlling entity.

The equity method is applied from the date on which the investee becomes an associate or joint venture. Any resulting excess value between the price paid and the equity value of the associate or joint venture acquired is included in the carrying amount of the investment and is not amortized or tested individually for impairment.

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

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

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

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

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

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

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

- Its assets, including its interest in jointly held assets.

- Its liabilities, including its share of jointly incurred liabilities.
- Its income, including its share of jointly earned income.
- It expenses, including its share of jointly incurred expenses.

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

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

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

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

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

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

### 2.4.10 Borrowing costs

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

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

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

### 2.4.11 Non-current assets held for sale and discontinued operations

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

Any impairment loss recognized on a group of assets for disposal is allocated first to the goodwill associated with that group of assets, when applicable, and then to the other assigned assets pro rata 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 Group's other accounting policies. Impairment on the initial classification of assets as held for sale and subsequent gains and losses arising from the new measurements are recognized through profit or loss.

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

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

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

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

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

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

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

### 2.4.12 Biological assets

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

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

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

- The price of the most recent market transaction, assuming there is no significant change in economic circumstances between the date of the transaction and the end of the reporting period,
- The market price of similar assets, adjusted to reflect existing differences,
- Industry benchmarks, such as the value of plantations expressed in terms of areas, units of capacity, weight or volume.

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

### 2.4.13 Leases

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

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

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

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

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

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

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

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

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

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

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

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

**Short-term leases and low-value asset leases.**

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

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

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

The Group recognizes amounts owed by lessees under finance leases as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated over the accounting periods to reflect a consistent and regular rate of return on the company's net investment in the leases.
Lease income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease.

### 2.4.14 Financial liabilities and equity instruments

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

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

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

c. **Compound instruments.** Components of compound instruments, such as mandatory convertible bonds issued by the Group, are classified separately as financial liabilities and equity, depending on the substance of the contractual arrangement and the definitions of financial liability and equity instrument. A conversion option that will be cancelled through the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's equity instruments is considered an equity instrument.

   At the date of issue, the fair value of the liability component is calculated using the prevailing market interest rate for similar non-convertible debt. This amount is recorded as a liability on an amortized cost basis, using the effective interest method, until it is extinguished upon conversion or upon maturity of the instrument.

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

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

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

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

A financial liability is classified as held for negotiation if:

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

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

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

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

**ii. Other financial liabilities.** Other financial liabilities (including borrowings, trade and other payables and bonds) 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. Liabilities with non-controlling interests**

Liabilities with non-controlling interests have been recognized in accordance with IAS 32 "Financial Instruments: Presentation" in the item "other financial liabilities" to the extent that there are put options of the non-controlling owners and purchase obligations by the Group, even if the possibility of exercising such option is remote. Put options are accounted for as transactions between owners, therefore, in subsequent measurements the liability is remeasured at fair value and the change is reflected in equity.

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

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

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

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

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

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

### 2.4.15 Hedge accounting

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

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

The Group establishes the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of their respective cash flows, as well as on the actual future expectation that the risk between the two instruments will offset each other.

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

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

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

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

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

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

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

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

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

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

### 2.4.16 Employee benefits

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

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

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

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

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

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

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

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

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

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

### 2.4.17 Provisions

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

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

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

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

### Contingent liabilities

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

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

#### 2.4.18 Taxes

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

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

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

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

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

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

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

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

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

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

#### 2.4.19 Foreign currency

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

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

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

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

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

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

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

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

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

#### 2.4.20 Recognition of income

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

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

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

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

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

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

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

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

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

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

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

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

The methodology for remuneration of the transmission activity is known as regulated income, through which the maximum annual income that remunerates each transmitter is established, in accordance with the assets that they effectively possess in the National Transmission System (STN). This income is collected through charges for the use of the STN, which are paid by the marketers (demand) of the National Interconnected System (SIN). The collection and recovery resulting from the application of charges for use of the STN is handled centrally through the STN's Liquidator and Account Manager, who invoices and settles the charges for use.

For the purposes of remuneration of the distribution activity, the CREG defines the remuneration to be applied, which is reviewed every five years in accordance with the provisions of the regulations. The methodology established for remuneration has an associated quality scheme.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

j. **Contract balances**

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

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

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

### 2.4.21 Operating segment

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

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

### 2.4.22 Related parties

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

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

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

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

### 2.4.23 Materiality

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

### 2.4.24 Statement of cash flows

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

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

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

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

## NOTE 3: **STANDARDS ISSUED BY THE IASB**

### 3.1. Standards incorporated in Colombia

3.1.1 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, where it is stated that when applying the practical expedient provided in paragraph 46A of the amendment incorporated in 2020, where in the practical expedient consisted in that lessees may choose to account for rent reductions in the same way as they would if they were not lease modifications; what is stated in paragraph 46B must be addressed: "Any reduction in lease payments affects only the payments originally due until 30 June 2021". The foregoing is without prejudice to compliance with the other conditions contained in the paragraph.<br><br>These reductions shall be applied retrospectively, recognizing the cumulative effect of the initial application of that modification 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 modification. |

3.1.2. 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 IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures | Interest Rate Benchmark Reform | The amendment is intended to provide relief from the potential effects of the substitution of existing benchmark interest rates, such as the Interbank Offered Rate - (IBOR). The amendment modifies certain hedge accounting requirements.<br><br>According to the IASB schedule, this amendment is effective from 1 January 2020 retrospectively. Earlier application is allowed, in which case this fact must be disclosed. |
| Amendment to IAS 1 Presentation of Financial Statements | Classification of Liabilities as Current or Non-Current | This amendment seeks to clarify the existing requirements in IAS 1 Presentation of Financial Statements on the classification in the statement of financial position as "current" and "non-current" of liabilities with an uncertain settlement date. The amendment includes clarification of the classification requirements for liabilities that the company could settle by transferring the entity's own equity instruments.<br><br>In July 2020 the deadline for implementation of the amendment to IAS 1 Presentation of Financial Statements is extended from 1 January 2023, retroactively in accordance with IAS 8. Earlier application is allowed, in which case this fact must be disclosed. |

| Financial Reporting Standard | Subject of the amendment | Detail |
|---|---|---|
| Amendment to IAS 16 Property, Plant and Equipment | Proceeds before Intended Use | This amendment establishes that proceeds from the sale and related costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management may no longer be deducted from the cost of an item of property, plant and equipment, but must be recognized in profit or loss for the period, in accordance with the applicable standards. These amounts must be disclosed in the financial statements, indicating in which line item (or items) of the statement of comprehensive income they are included.<br><br>According to the IASB schedule, this amendment is effective as of 1 January 2022 retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by the management as of the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is allowed, in which case this fact must be disclosed. |
| Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets | Onerous contracts: costs of fulfilling a contract | This amendment clarifies the meaning of "costs of fulfilling a contract", a term associated with the definition of unavoidable costs, which corresponds to the net cost of exiting the contract and the costs to perform the contract.<br><br>It is explained that the direct cost of fulfilling a contract comprises: a) the incremental costs of fulfilling that contract, and b) an allocation of other costs that are directly related to the fulfillment of the contracts. It also indicates that before establishing a separate provision for an onerous contract, an entity must recognize any impairment loss on assets used to fulfill the contract.<br><br>The amendments will apply for annual periods beginning on or after 1 January 2022 to contracts for which it has not yet fulfilled all its obligations. Restatement of comparative information is not required. Earlier application is allowed, in which case this fact must be disclosed. |
| Amendment to IFRS 3 Business Combinations | Reference to the Conceptual Framework | This amendment updates the references in IFRS 3 Business Combinations to the Conceptual Framework for Financial Reporting 2018, to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the Conceptual Framework for Financial Reporting 2001.<br><br>In addition, the amendment added a new exception in IFRS 3 Business Combinations for liabilities and contingent liabilities, which specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 Business Combinations should refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, or IFRIC 21 Levies instead of the Conceptual Framework 2018.<br><br>The amendments will be applied prospectively to business combinations from 1 January 2022. Earlier application is allowed if at the same time or earlier, all amendments made by " Amendments to References to the Conceptual Framework of IFRS Standards " issued in March 2018 are also applied, in which case this fact must be disclosed. |

| Financial Reporting Standard | Subject of the amendment | Detail |
|---|---|---|
| Annual improvements to IFRS standards 2018-2020 cycle | Amendments approved by the IASB | FRS 9 Financial Instruments: the amendment addresses which costs or fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. It establishes that costs or fees paid to third parties will not be included in the 10% test.<br><br>IFRS 16 Leases: Illustrative Example 13 accompanying this standard is amended to eliminate the illustration of lessor payments in connection with leasehold improvements. The objective of the amendment is to eliminate any possible confusion about the treatment of lease incentives.<br><br>IFRS 1 First-time Adoption of International Financial Reporting Standards: this standard is amended to allow subsidiaries, associates and joint ventures that have taken the exemption to measure their assets and liabilities at the carrying amounts that were included in their parent's consolidated financial statements, based on the parent's date of transition to IFRS, to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, associate or joint Venture.<br><br>IAS 41 Agriculture: the requirement for entities to exclude tax cash flows when measuring the fair value of biological assets or agricultural products is eliminated.<br><br>The amendments will be applied from 1 January 2022. Earlier application is allowed, in which case this fact must be disclosed. |
| Amendment to IFRS 4 Insurance Contracts | Extension of the temporary exemption from application of IFRS 9 Financial Instruments | For insurance companies that meet certain criteria established in IFRS 4 Insurance Contracts, this standard provides a temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 Financial Instruments for periods beginning on or after 1 January 2023.<br><br>This amendment extends the deadlines since prior to its issuance the established date was 2021. |
| Benchmark interest rate reform - Phase 2 | Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | he amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, supplement those made in 2019 in response to the ongoing reform of interbank offered rates (IBOR) and other interest rates and focus on the effects on organizations' financial statements when the previous benchmark interest rate is replaced by an alternative benchmark interest rate because of the reform.<br><br>The amendments are effective for annual periods beginning on or after 1 January 2021, with early adoption allowed. |

The Group has not chosen the early application of these amendments. Furthermore, it does not expect the first-time application of these amendments to have a material impact on the Group's consolidated financial statements.

### 3.1.3. Standards incorporated in Colombia as of 1 January 2024 – Regulatory Decree 1611 of 5 August 2022

| Financial Reporting Standard | Subject of the amendment | Detail |
| --- | --- | --- |
| Amendment to IAS 1 Presentation of Financial Statements and Practice Statement No. 2 Making Materiality Judgments | Disclosure of accounting policies | Companies must disclose material information about their accounting policies, and in that sense, the amendment requires the application of the concept of materiality to the disclosures of accounting policies.<br><br>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.<br><br>This amendment will be effective for annual periods beginning on or after 1 January 2023, with early adoption allowed. |
| Amendment to IFRS 16 Leases | Covid-19-Related Rent Concessions beyond 30 June 2021 | The amendment extended the availability of the practical expedient for the accounting treatment of rent concessions granted to lessees as a direct consequence of the COVID-19 pandemic of paragraph 46A of IFRS 16 for one year. The 2021 amendment resulted in the practical expedient being applied to lease concessions for which any reduction in lease payments affects only payments originally payable on or before 30 June 2022, provided that the other conditions for applying the practical expedient are met.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>IAS 12 - Income Taxes specifies how an entity accounts for income taxes, including deferred taxes, which represent taxes payable or recoverable in future periods. |

| Financial Reporting Standard | Subject of the amendment | Detail |
|---|---|---|
| | | 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.<br><br>The amendment clarifies that the exemption does not apply, and entities are required to recognize deferred taxes on leases and decommissioning.<br><br>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.<br><br>An entity shall apply this amendment to transactions occurring on or after the beginning of the earliest comparative period presented. This amendment became effective for annual periods beginning on or after 1 April 2021. Early adoption was permitted, even in financial statements not yet authorized for issue as of 31 March 2022.<br><br>The application of this amendment will be made retrospectively, recognizing the cumulative effect of initially applying this 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. The disclosure in paragraph 28(f) of IAS 8 is not required. |

The Group has not chosen the early application of these standards. The impact on the consolidated financial statements will be quantified by the Group in a timely manner, so that once these standards come into force, all the necessary activities for their implementation are being carried out.

### 3.2. Issued by the IASB not yet incorporated in Colombia

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

| Financial Reporting Standard | Subject of the amendment | Detail |
|---|---|---|
| IFRS 17 Insurance Contracts | It seeks to unify the delivery of results from insurance sector entities around the world. | They combine features of a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information on these features, IFRS 17 Insurance Contracts:<br>• Combines current measurement of future cash flows with recognition of benefits over the period in which the services are provided under the contract.<br>• Presents the results of the insurance service (including the presentation of insurance income) separately from the income or expense of the insurance finance; and<br>• 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). |

| Financial Reporting Standard | Subject of the amendment | Detail |
|---|---|---|
| | | 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.<br><br>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. |
| Initial Application of IFRS 17 and IFRS 9 – Comparative Information | Adds a transition option relating to comparative information on financial assets, which is presented at the time of initial application of IFRS 17. | In December 2021, the International Accounting Standards Board (IASB) issued the amendment to IFRS 17 for the purpose of permitting an entity, when first applying IFRS 17 and IFRS 9 at the same time, to use the classification overlay for a financial asset to present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset.<br><br>When applying the classification overlay to a financial asset, an entity is not required to use the impairment requirements in Section 5.5. of IFRS 9. |
| Amendment to IFRS 16 Leases | Lease liabilities on a sale and leaseback. | The amendments require a seller-lessee to subsequently measure lease liabilities arising from a sale-leaseback transaction so that it does not recognize any amount of gain or loss that relates to the right-of-use it retains. |

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

During 2022 the Group has not adopted any standards or improvements to standards in advance.

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

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

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

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

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

#### 4.1.1 Interests in other entities

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

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

**Subsidiaries** - Entities over which the Group has control

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

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

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

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

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

(a) Investment in Corporación de Cemento Andino C. A. and its subsidiaries Andino Trading Corporation, Comercializadora Dicemento C. A., and Depoan S. A.; and the companies Intership Agency Venezuela C.A. and Surandina de Puertos C.A. Management has evaluated the degree of influence that the Group has over these entities located in Venezuela and determined that it does not exercise control over the entities even though it holds interests of more than 50%, given the dispossession of the assets of Corporación de Cemento Andino, declared of public utility and social interest by the Venezuelan government on 13 March 2006. The Group is advancing the legal process to recover the companies.

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

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

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

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

**Associates** - Entities over which the Group has significant influence

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

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

**Joint arrangements as a joint operation or a joint Venture**

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

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

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

### 4.1.2 Functional currency

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

### 4.1.3 Cash generating units

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

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

#### 4.1.4 Hedge accounting

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

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

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

#### 4.1.6 Distinction between investment property and inventories

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

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

#### 4.1.7 Current income tax

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

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

#### 4.1.8 Provision for expected credit losses on trade receivables

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

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

#### 4.1.9 Pension plans and other post-employment defined benefit plans

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

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

#### 4.1.10 Decommissioning, retirement, or rehabilitation liabilities

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

#### 4.1.11 Recognition of revenue and costs from construction activities

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

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

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

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

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

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

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

- Market approach
- Cost approach
- Income approach

#### 4.1.14 Capitalized disbursements for projects in the development stage for the execution of projects under Public-Private Partnerships (PPP)

The disbursements capitalized by Odinsa S.A. as intangible assets in development stage for the execution of infrastructure projects under the modality of Public-Private Partnerships (PPP), involve relevant assumptions regarding the determination of the expectations on the generation of future benefits, which depends on the approvals granted by the government entities.

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

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

#### 4.2.1 Provisions, contingent assets and liabilities

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

The Group considers that a past event has given rise to a present obligation if, considering all the evidence available at the reporting date, it is probable that a present obligation exists, independent of future events. A provision is recognized when it is more likely than not that an event will occur. Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control are not recognized in the statement of financial position but are disclosed as contingent liabilities; the occurrence of events that are estimated to be remote is not recorded or disclosed. The occurrence of events giving rise to contingent assets is not recorded but disclosed (Note 24 Provisions, and Note 42 Contingent assets and liabilities)

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

Further details on the Group's provisions, contingent assets and liabilities are provided in Note 24 Provisions, and Note 42 Contingent assets and liabilities, including the amount for provisions at the end of the reporting period.

#### 4.2.2 Assessment of goodwill impairment

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

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

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

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

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

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

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

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

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

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

- Observable evidence that the value of the assets has decreased over the period significantly more than would be expected because of the passing of time or normal use.
- Changes in the legal, social, ecologic or market environment that may reduce the value of the asset.

- Changes in prices that affect future income.
- Changes in their capacity to generate income.
- Changes in its total cost.

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

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

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

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

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

#### 4.2.5 Fair value of investment property

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

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

#### 4.2.6 Fair value of assets held through investment entities

To determine the fair value of assets held through investment entities, these entities hire independent experts with recognized professional capacity and experience in the valuation of assets, at least once a year and when appropriate, in accordance with the applicable regulations, they update the value of the assets to indexes such as: Real Value Unit – UVR, set by the Central Bank of Colombia according to the variation in the Consumer Price Index in the country.

#### 4.2.7 Deferred income tax

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

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

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

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

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

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

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

#### 4.2.9 Concession agreements

Odinsa S.A. and its subsidiaries have entered into concession agreements for the construction, operation and transfer of infrastructure, which are within the scope of IFRIC 12 Service Concession Arrangements. The remuneration of these agreements depends on the terms and conditions of each contract; some incorporate certain mechanisms that grant Odinsa S.A. and its subsidiaries the unconditional right to receive a guaranteed minimum income (financial asset), while other agreements give rise to exposure of the investment in the underlying assets to the traffic risk inherent to the operation (intangible asset).

Their valuation requires significant judgments in the determination of the discount rates and the selection of the key input data such as the projections of capital investments and operating expenses, incorporated in the financial models used as a basis for the valuation of the amounts derived from each concession contract.

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

The Group did not make changes in the presentation of items in the consolidated statement of income nor in the comparative consolidated statement of financial position as at 31 December 2021.

## NOTE 6: **CASH AND CASH EQUIVALENTS**

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

| | 2022 | 2021 |
|---|---|---|
| Cash and banks (*) | 1,205,826 | 2,431,867 |
| Cash equivalents (1) | 223,279 | 251,276 |
| **Total cash and cash equivalents** | **1,429,105** | **2,683,143** |
| Cash and banks included in a group of assets held for sale (Note 13) (*) | 1,027,673 | 1,674 |
| **Total cash and cash equivalents, including cash and cash equivalents included in a group of assets held for sale** | **2,456,778** | **2,684,817** |

The following is the value of restricted cash and cash equivalents not available for use:

| | | |
|---|---|---|
| Current restricted cash and cash equivalents (2) | 30,833 | 1,166,469 |
| **Total cash and cash equivalents of restricted use** | **30,833** | **1,166,469** |

(*) The Group has reclassified the cash and cash equivalents of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., and the energy assets of Panama and Costa Rica of Celsia S.A. to non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(1) Cash equivalents correspond to resources available for the Group, managed through term deposit certificates and time deposits $165,073 (2021 $38,934), investment funds and collective portfolios $21,675 (2021 $177,914),

repurchase commitments - REPOS $20,278 (2021 $0), trusts $16,253 (2021 $26,054) and other cash equivalents $0 (2021 $8,374).

(2) Restricted cash and banks of $24,972 (2021 $1,017,661) and restricted cash equivalents of $5,861 (2021 $148,808), which are part of the Group's cash and cash equivalents, correspond to:

a) Caribbean Infrastructure Company N.V. for $20,118 (2021 $16,581) corresponding to the cash held in the accounts that guarantee the payment of the principal debt plus interest with lenders, as well as the resources that guarantee the major maintenance of the road. These resources do not generate returns.

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

b) Restricted cash for Celsia Colombia S.A. E.S.P. for $9,214 (2021 $9,038), as resources for the auditing of Fiducoldex UPME (Mining and Energy Planning Unit), solar farms project, resources in the autonomous equity B&N, housing fund from the collective agreement and the union, Fiducoldex UPME Toluviejo Substation, PA Fiducoldex UPME 02-2021 Pacifico, complementary health plan and active project funds.

c) Restricted cash of the company Cementos Argos S.A. for $576 (2021 $0) for agreements with the Universidad de Antioquia, which is a research and development project that will increase capacities in the microalgae pilot plant in Cartagena. The items considered in the project to execute the resources co-financed by the Colombian Ministry of Science, Technology and Innovation - Minciencias are the following: equipment, academic events, technological services, materials and supplies, publications and dissemination of results, and specialized consulting.

d) Restricted cash and cash equivalents of Zona Franca Argos S.A.S., subsidiary of the Group for $487 (2021 $526). The purpose of this trust is to manage the resources assigned to the contracting of the works auditor for the investment made for the expansion of the company's private port in the city of Cartagena, in compliance with the obligations of the concession contract signed with the National Infrastructure Agency (hereinafter ANI).

e) Restricted cash in Odinsa S.A. for $438 (2021 $0) which correspond to the Trust Fund for the exclusive use of the Colombian National Infrastructure Agency for the ongoing Campo Vuelo IP project.

f) Concesión Vial de los Llanos S.A. for $0 (2021 $484,856), corresponded mainly to the restricted cash represented by the toll collection resources that were under the control and administration of the grantor, THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY. According to the concession contract No. 004 of 2015, these resources were at the disposal of THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCYand contractually were allocated for a special purpose in the subaccounts that were constituted within the project account, such as land, networks, principal, environmental compensations, tolls, intervention, contractual support, minor works, commercial exploitation income, the Colombian National Infrastructure Agency surplus and MACS, these amounts had immediate availability according to what was established in the agreement with the Colombian National Infrastructure Agency.

   In June 2022, control over Concesión Vial de los Llanos S.A.S. was lost, generating a decrease in restricted cash of $535,641 (Note 46 Significant events).

g) The funds in accordance with specific conditions of the financial obligations of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. to guarantee the semiannual payments $0 (2021 $163,100). In September 2022, the carrying amount of these funds was reclassified to non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

h) The accounts created in accordance with the concession agreemet entered between Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and the Colombian National Infrastructure Agency $0 (2021

$159,515), where the disposition and administration of the resources corresponds directly to ANI, in accordance with the terms of the contract and its amendments. In September 2022, the carrying amount of these funds was reclassified to non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

i) Concession Túnel Aburrá Oriente S.A. for $0 (2021 $139,080) corresponded to the resources of the sub-accounts constituted in the project that were exclusively for the execution of the Conexión Vial Túnel Aburrá Oriente project and that were mainly at the disposal of the grantor (Gobernación de Antioquia), which manages an average interest rate of 2.26% EAR for 2022 and (1.60%) EAR for 2021.

   In June 2022, the control over the Concession Túnel Aburrá Oriente S.A. was lost, generating a decrease in restricted cash for $188,524 (Note 46 Significant events).

j) Restricted funds of Alternegy S.A. for $0 (2021 $117,444), whose resources are deposited in Banco Banistmo S.A., which are part of the guarantee of the Public Bond Issue for USD 320 million. In December 2022, the carrying amount of these funds was reclassified to non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

k) Autopista del Café S.A. for $0 (2021 $49,362), corresponded to the resources of the subaccounts constituted in the project that were exclusively available to THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY.

   In June 2022, the control over the Concession Autopistas del Café S.A. was lost, generating a decrease in restricted cash of $64,247 (Note 46 Significant events).

l) Boulevard Turístico del Atlántico S.A. for $0 (2021 $21,561), the restricted cash was used for operating activities and payments for major maintenance. At the time the cash came from the collection of tolls and the payment of the minimum guaranteed income restricted by multilateral institutions. These funds were deposited in savings accounts at the Bank of New York Mellon, which managed rates for hedge funds and non-hedge funds of 0.01% for 2022 and 2021. For 2021 they corresponded mainly to the cash received by the Government of the Dominican Republic due to the early termination of the road concession agreement.

m) Autopista del Nordeste S.A. for $0 (2021 $5,406) restricted cash was used for operating activities and payment of tax liabilities. For 2021 corresponded mainly to the cash received by the Government of the Dominican Republic due to the early termination of the road concession agreement.

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

### Significant non-cash transactions

As of December 2022, the Group presents the following significant non-cash transactions:

- On 22 June 2022, the Private Equity Fund for Odinsa Vías was constituted, in which the economic rights over the investments in the following companies were contributed: Concesión Túnel Aburrá Oriente S.A., Concesión La Pintada S.A.S., Concesión Vial de los Llanos S.A.S., Autopistas del Café S.A. and Consorcio Grupo Constructor Autopistas del Café for an amount of $529,328. Additionally, receivables for $13,267 (interest receivable of Concesión Vial de los Llanos S.A.S.) and liabilities for $79,370 (liabilities of Autopistas del Café S.A., and Concesión Túnel Aburrá Oriente S.A.) were contributed. On the same date, Odinsa S.A. contributed to the company Odinsa Vías S.A.S. the political rights over the described investments, as well as the assignment of a consultancy contract with the Consorcio Grupo Constructor Autopistas del Café for an amount of $21,430 (Note 46 Significant events).
- Odinsa S.A. and its subsidiaries offset receivables for profit advances granted to the minority shareholders of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A., with dividend payables in the amount of $180,400.
- Cementos Argos S.A. recognized a financial liability with non-controlling interests, for a put option of non-controlling shareholder and purchase obligation by the Group for $85,018.

- Odinsa S.A. made an equity contribution to Consorcio Farallones for $6,476. The value of the contribution was received directly by Consorcio Farallones through the sale of a heavy machinery that had been lent by Odinsa S.A. to the consortium.

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

- The General Shareholders' Meeting approved the profit distribution project, which includes that dividends will be paid at the shareholder's choice, Grupo Argos S.A. paid in shares to Grupo de Inversiones Suramericana S.A. for $87,591 corresponding to 7,170,753 shares and payments to other shareholders through Fiduciaria Bancolombia S.A. for $61,787 corresponding to 5,058,350 shares (Note 31 Dividends). Likewise, the subsidiary Cementos Argos S.A. released 2,795,709 common shares, making the payment in shares for $14,901.
- On 1 September 2021, Cementos Argos S.A. formalized the repurchase of shares from Provicem S.A. of Argos Panamá S.A. equivalent to 4.75% of interests in this entity. Through this contract 71,877 shares were acquired, resulting in a purchase value of USD 26 million ($98,683). With this transaction the percentage of participation that the subsidiary Cementos Argos S.A. had in this company was modified to 83.351%. The excess value paid to non-controlling interests was recorded directly in the consolidated equity of the Group. This repurchase was cancelled against the receivable that the minority interests had with the Group at that cut-off date. The transaction did not generate cash flow and consequently was excluded from the statement of cash flows for the amount indicated in operating and financing activities.
- At 31 December 2021, Odinsa S.A. and its subsidiaries received the treasury bonds from the government of the Dominican Republic as part of the payment of the indemnity for the early termination of the road concession agreement of Autopista del Nordeste S.A and Boulevard Turístico del Atlántico S.A. for $1,285,291 (USD 322,843,271). Likewise, with these bonds, dividends were paid to minority shareholders for $205,983 (USD 51,654,910), subordinated debt for $15,637 (USD 3,927,699) and an advance of profits was made to minority shareholders for $196,478 (USD 49,362,547) (Note 46 Significant events).

## NOTE 7: **FINANCIAL INSTRUMENTS**

### 7.1 Capital risk management

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

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

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

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

### 7.2 Financial instrument categories

| | 2022 | 2021 |
|---|---|---|
| **Financial Assets** | | |
| Financial assets measured at amortized cost (1) (Note 8 – Note 11) | 3,863,721 | 3,342,436 |
| Cash and cash equivalents (Note 6) | 1,429,105 | 2,683,143 |
| Financial assets at fair value through other comprehensive income (2) (Note 11) | 2,069,045 | 1,351,862 |
| Financial assets at fair value through profit or loss (3) (Note 11) | 496,141 | 1,105,334 |
| Derivative instruments at fair value | 157,780 | 36,830 |
| **Total financial assets** | **8,015,792** | **8,519,605** |
| Financial assets classified as non-current assets held for sale (Note 13) | 1,229,755 | 12,158 |
| **Total financial assets including non-current assets held for sale** | **9,245,547** | **8,531,763** |

| | | |
|---|---|---|
| **Financial liabilities** | | |
| Financial liabilities measured at amortized cost | 17,300,242 | 19,211,649 |
| Liabilities from purchase commitments to non-controlling interests (4) | 85,018 | - |
| Derivative instruments at fair value | 22,663 | 50,460 |
| **Total financial liabilities** | **17,407,923** | **19,262,109** |
| Financial liabilities associated with non-current assets held for sale (Note 13) | 3,312,430 | 7,772 |
| **Total financial liabilities including liabilities associated with non-current assets held for sale** | **20,720,353** | **19,269,881** |

(1) Variation with respect to 2021, corresponds mainly to the sale of receivables from public utilities of the energy business originated in the tariff option of Resolution 012 of 2020, which generated a collection to the Inter-American Development Bank (IDB) for $206,777 with a cost of $270,913 (Note 8 Trade and other receivables). Additionally, it includes investments in term deposit certificates measured at amortized cost in Odinsa S.A. for $100,777 and receivables originated in the ordinary course of business.

(2) The increase in equity investments with change in other comprehensive income corresponds mainly to the valuation adjustment of Grupo Nutresa shares for $717,566 during the period from January to December 2022.

(3) The decrease in financial assets at fair value through profit or loss corresponds mainly to the sale of the Treasury bonds of the Government of the Dominican Republic for $867,571 received as payment of the indemnity in the early termination of the road concession agreement of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. Furthermore, during the period, certificates of deposit were constituted for 180,827, an investment of $48,999 was made, delivered as colateral by the Group to a captive cell through Celsia S.A.Sura SAC LTD and there were variations in investments for $28,552 (Note 11 Other financial assets).

(4) Corresponds to financial liabilities recognized with non-controlling interests for put option of non-controlling shareholder and purchase obligation by the Group.

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

| | 2022 | 2021 |
|---|---|---|
| Financial liabilities (Note 21) | 7,716,764 | 6,666,938 |
| Bonds outstanding and structured notes (Note 26) | 6,544,884 | 9,728,505 |
| Trade liabilities and other payables (Note 25) | 2,968,115 | 2,739,079 |
| Preferential shares classified as compound financial instruments (Note 26) | 70,479 | 77,127 |
| **Total financial liabilities measured at amortized cost** | **17,300,242** | **19,211,649** |

Following is the breakdown of financial liabilities measured at fair value:

| | 2022 | 2021 |
|---|---|---|
| Liabilities from purchase commitments to non-controlling interests | 85,018 | - |
| **Total financial liabilities measured at fair value** | **85,018** | **-** |

7.2.1. Foreign currency derivative instruments and interest rates

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

Financial derivatives are recognized in the consolidated statement of financial position at their fair values, considering the market curves in force at the measurement date and the cash flow structure of these instruments. Accounting for changes in the fair value of derivatives depends on the use of the derivative and its designation as an accounting hedge instrument. Derivative financial instruments that qualify for hedge accounting are measured at fair value through profit or loss; those that do qualify are recognized as indicated in policy 2.4.15 Hedge accounting.

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

| | | | | Notional value of the underlying - Amount of the derivative instrument (*) | | | | Fair value of the asset (liability) derivative instrument | |
|---|---|---|---|---|---|---|---|---|---|
| Type of instrument | Subsidiary | Hedged item | Underlying rate | 2022 | 2021 | Rate of the derivative instrument | Expiration of the derivative instrument | 2022 | 2021 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 26,798,742 | - | 4,043.54 | 30-May-2023 | 23,019 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 15,796,492 | - | 4,097.09 | 08-Jun-2023 | 12,864 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 27,000,000 | - | 4,741.86 | 29-Aug-2023 | 7,439 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 8,434,632 | - | 4,159.08 | 14-Jun-2023 | 6,410 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 15,632,187 | - | 4,665.70 | 29-Jun-2023 | 4,589 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 11,300,010 | - | 4,455.80 | 12-Jan-2023 | 4,078 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 8,377,167 | - | 4,732.68 | 24-Aug-2023 | 2,342 | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 5,177,226 | - | 4,918.09 | 14-Apr-2023 | (73) | - |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | USD 10,304,467 | - | 4,979.05 | 26-May-2023 | (371) | - |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | USD 268,863 | - | 4,965.58 | 31-Jan-2023 | (36) | - |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | USD 537,725 | - | 4,995.04 | 28-Feb-2023 | (70) | - |
| Interest rate swap | Cementos Argos S.A. | Ordinary bonds | CPI + 7.19% | 150,000 | - | TF +7.94% | 25-Aug-2024 | 3,902 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 7.85% | 100,000 | - | 11.60% | 14-Dec-2023 | 3,836 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 7.85% | 50,000 | - | 11.31% | 14-Jun-2024 | 3,386 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 2.05% | 53,175 | - | 11.73% | 18-Feb-2024 | 2,467 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 8.40% | 50,000 | - | 11.79% | 25-Nov-2023 | 1,686 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 4.74% | 30,000 | - | 11.39% | 7-Jun-2023 | 345 | - |
| Interest rate swap | Cementos Argos S.A. | Ordinary bonds | CPI + 3.64% | 50,000 | - | TF +8.71% (first 2 years) y IBR -2% (years 3-5) | 24-Aug-2024 | 310 | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | IBR + 4.52% | 50,000 | - | 11.46% | 22-Aug-2023 | 107 | - |
| Interest rate swap | Cementos Argos S.A. | Ordinary bonds | CPI + 3.99% | 150,000 | - | TF +7.78% (first 2 | 24-Aug-2027 | 14 | - |

| Type of instrument | Subsidiary | Hedged item | Underlying rate | Notional value of the underlying - Amount of the derivative instrument (*) 2022 | 2021 | Rate of the derivative instrument | Expiration of the derivative instrument | Fair value of the asset (liability) derivative instrument 2022 | 2021 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | years) y IBR -1,78% (years 3-5) | | | |
| Interest rate swap | Cementos Argos S.A. | Ordinary bonds | CPI + 4.50% | 150,000 | - | TF +9.69% | 16-Aug-2024 | (292) | - |
| Interest rate swap | Cementos Argos S.A. | Ordinary bonds | CPI + 2.24% | 150,000 | - | TF +9.63% | 28-Apr-2024 | (357) | - |
| Interest rate swap | Cementos Argos S.A. | Financial obligations | 15.01% | 30,000 | - | IBR+4.69% | 29-Aug-2023 | (365) | - |
| Interest rate swap | Grupo Argos S.A. | Ordinary bonds | CPI + 3.95 | 85,000 | - | 5.49% | 10-Jun-2023 | 2,344 | - |
| Interest rate swap | Grupo Argos S.A. | Ordinary bonds | CPI + 4.24 | 100,000 | - | 8.55% | 10-Dec-2023 | 1,177 | - |
| Currency swap | Cementos Argos S.A. | Financial obligations | SOFR 6m + 1.95% | USD 10,000,000 | - | TF + 13.46% | 14-Apr-2023 | (378) | - |
| Currency swap | Cementos Argos S.A. | Financial obligations | SOFR 3m + 2.90% | USD 40,000,000 | - | 16.22% | 10-Nov-2023 | (8,046) | - |
| Currency swap | Cementos Argos S.A. | Long-term credit | LIBOR 3m + 1.32% | USD 15,000,000 | USD 15,000,000 | 5.39% | 18-Feb-2026 | 28,472 | 10,341 |
| Currency swap | Cementos Argos S.A. | Long-term credit | LIBOR 3m + 1.32% | USD 15,000,000 | USD 15,000,000 | IBR + 2.05% | 18-Feb-2026 | 20,543 | 5,633 |
| Interest rate swap | Cementos Argos S.A. | Loan Davivienda | LIBOR 6m + 2.25% | USD 60,000,000 | USD 60,000,000 | 3.79% | 21-Aug-2026 | 28,450 | (2,297) |
| Interest rate swap | Cementos Argos S.A. | Long-term credit | 5.28% | 160,000 | 160,000 | IBR + 1.85% | 20-Nov-2023 | (12,675) | (1,879) |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 15,058,933 | 3,681.86 | 09-Jun-2022 | - | 5,443 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 25,000,000 | 3,820.30 | 26-Apr-2022 | - | 5,184 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 27,000,000 | 3,986.75 | 25-Aug-2022 | - | 2,483 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 8,000,000 | 3,785.76 | 16-Jun-2022 | - | 2,093 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 5,078,938 | 3,819.02 | 26-Apr-2022 | - | 1,060 |
| Forward purchase | Cementos Argos S.A. | Financial obligations | N/a | - | USD 30,038,316 | 4,046.56 | 16-Mar-2022 | - | (1,048) |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | - | USD 2,195,389 | 3,675.59 | 23-Feb-2022 | - | 719 |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | - | USD 1,132,049 | 3,665.01 | 19-Jan-2022 | - | 367 |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | - | USD 525,048 | 3,684.70 | 23-Mar-2022 | - | 174 |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | - | USD 503,787 | 3,694.29 | 20-Apr-2022 | - | 168 |
| Forward purchase | Celsia S.A. | Financial obligations | N/a | - | USD 810,652 | 3,783.81 | 12-Jan-2022 | - | 164 |
| Interest rate swap | Grupo Argos S.A. | Ordinary bonds | CPI + 4,24% | - | 150,000 | 3.62% | 10-Jun-2022 | - | 1,309 |
| Interest rate swap | Grupo Argos S.A. | Ordinary bonds | CPI + 4,24% | - | 200,000 | 3.70% | 10-Jun-2022 | - | 1,692 |
| Interest rate swap | Grupo Argos S.A. | Ordinary bonds | CPI + 3,95% | - | 85,000 | 5.60% | 10-Dec-2022<br>10-Jun-2023 | -<br>- | (726)<br>(922) |
| Interest rate swap | Cementos Argos S.A. | Long-term credit | 3,83% | - | 60,000 | IBR + 0.0792% | 07-Sep-2022 | - | (313) |
| Interest rate swap | Cementos Argos S.A. | Club Deal SMBC | LIBOR 3m + 1,10% | - | USD 300,000,000 | 4.17% | 24-Oct-2023 | - | (43,275) |
| **Total foreign currency and interest rate derivatives, net** | | | | | | | | **135,117** | **(13,630)** |
| Current asset derivative financial instruments | | | | | | | | 70,236 | 20,856 |
| Non-current asset derivative financial instruments | | | | | | | | 87,544 | 15,974 |

| Type of instrument | Subsidiary | Hedged item | Underlying rate | Notional value of the underlying - Amount of the derivative instrument (*) 2022 | 2021 | Rate of the derivative instrument | Expiration of the derivative instrument | Fair value of the asset (liability) derivative instrument 2022 | 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Current liability derivative financial instruments | | | | | | | | (22,014) | (2,087) |
| Non-current liability derivative financial instruments | | | | | | | | (649) | (48,373) |
| **Total foreign currency and interest rate derivatives, net** | | | | | | | | **135,117** | **(13,630)** |

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

#### 7.2.2 Reclassification of financial assets

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

#### 7.2.3 Offsetting of financial assets and liabilities

As of 31 December 2022, Odinsa S.A. and its subsidiaries offset receivables for profit advances granted to the minority shareholders of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A., with payables for dividends for $180,400.

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

### 7.3 Financial risk management objectives

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

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

#### 7.3.1 Market risk

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

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

#### Sensitivity analysis of financial assets

A 1% variation in the price of the Grupo Nutresa S.A. share, which amount constitutes the main component of the financial assets measured at fair value through other comprehensive income (Note 11 Other financial assets), would generate variations in the other comprehensive income (OCI) of approximately $20,133 (2020 $12,958).

#### 7.3.2 Foreign exchange risk management

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

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

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

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

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

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

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

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

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

| ***U.S. dollar exposure (In thousands of U.S. dollars)*** | **2022** | **2021** |
|---|---|---|
| Monetary assets | 431,808 | 499,296 |
| Monetary liabilities | 392,921 | 641,760 |
| **Net exposure** | **38,887** | **(142,464)** |

| ***U.S. dollar exposure (In millions of Colombian pesos)*** | **2022** | **2021** |
|---|---|---|
| Monetary assets | 2,077,083 | 1,987,779 |
| Monetary liabilities | 1,890.031 | 2,554,951 |
| **Net exposure** | **187,052** | **(567,172)** |

Details of the foreign currency derivative instruments outstanding as of 31 December 2022 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

Sensitivity analysis of foreign currency

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

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

Impact of a 20% devaluation on net exposure:

| | 2022 | 2021 |
|---|---|---|
| Income before taxes | 37,420 | 116,388 |
| Other comprehensive income (*) | 144,501 | (126,995) |

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

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

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

| | exchange rate risk against U.S. dollar | |
|---|---|---|
| | 2022 | 2021 |
| Income before taxes | 193,090 | 272,604 |
| Equity | 2,448,235 | 1,843,035 |

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

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

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Against U.S. dollar | Closing exchange rate | Average exchange rate | Closing exchange rate | Average exchange rate |
| Colombian Peso | 4,810.20 | 4,257.12 | 3,981.16 | 3,747.24 |
| Dominican Peso | 56.20 | 54.93 | 57.34 | 57.07 |
| Euro | 0.937 | 0.951 | 0.879 | 0.846 |
| Honduran Lempira | 24.66 | 24.56 | 24.43 | 24.10 |
| Haitian Gourde | 145.37 | 115.76 | 99.87 | 89.13 |

| Against U.S. dollar | 2022 Closing exchange rate | 2022 Average exchange rate | 2021 Closing exchange rate | 2021 Average exchange rate |
|---|---|---|---|---|
| Eastern Caribbean Dollar | 2.7 | 2.7 | 2.7 | 2.7 |
| Guatemalan Quetzal | 7.85 | 7.85 | 7.72 | 7.74 |

Contracts derived from interest rates

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

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

| | Notional value of the hedged item in Colombian pesos | | Fair value of the asset (liability) derivative instrument | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Cash flow hedging** | | | | |
| 1 year or less | 860,164 | 438,629 | 51,873 | 15,215 |
| 1 to 5 years | 144,306 | 119,435 | 49,015 | 15,974 |
| **Not designated under hedge accounting** | | | | |
| 1 year or less | 3,880 | 20,570 | (106) | 1,592 |
| **Derivative contracts in foreign currency** | **1,008,350** | **578,634** | **100,782** | **32,781** |

7.3.3 Interest rate risk management

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

At the end of 2022, the balance of the Group's consolidated debt corresponding to financial obligations and to bonds and compound financial instruments is $14,332,127 (2020 $16,472,570). The Group is largely exposed to changes in the general consumer price index (CPI) and the intervention rate of the economies in which it participates.

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

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

As of 31 December 2022, 25% of the consolidated debt is agreed at a fixed interest rate (2020 29%), considering the effect of derivative financial instrument contracts.

Contracts derived from interest rates and inflation indexes

Derivative instruments entered by the Group to cover interest rate risk are designated as cash flow hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 29 Reserves, other comprehensive income and retained earnings.

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

| | Notional value of the hedged item in Colombian pesos | | Fair value of the asset (liability) derivative instrument | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Cash flow hedging** | | | | |
| 1 year or less (*) | 415,000 | 350,000 | 9,495 | 2,275 |
| 1 to 5 years (*) | 1,041,787 | 1,518,218 | 37,880 | (46,494) |
| **Fair value hedging** | | | | |
| 1 year or less | 190,000 | 60,000 | (13,040) | (313) |
| 1 to 5 years | - | 160,000 | - | (1,879) |
| **Interest rate derivative contracts** | **1,646,787** | **2,088,218** | **34,335** | **(46,411)** |

(*) Includes in the year 2021 in the range of 1 to 5 years the notional value of the derivative instrument interest rate swap of Grupo Argos S.A. for $85,000, base value to settle both current and non-current coupons of the instrument. In 2021, the fair value of the derivative instrument includes a fair value of ($726) for the maturity range of 1 year or less and a value of ($922) for the range of 1 to 5 years. For the year 2022 this disaggregation is not presented since the derivative instrument will mature in June 2023.

Details of interest rate derivative instruments outstanding as of 31 December 2022 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

#### Sensitivity analysis of interest rates and inflation indexes

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

| | CPI | | IBR | | LIBOR | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Income before taxes (*) | (52,974) | (65,729) | (37,544) | (29,214) | (21,526) | (22,989) |
| Other Comprehensive Income | 19,489 | - | (29,583) | (1,300) | 5,565 | (20,889) |

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

### 7.3.4 Credit risk management

Credit risk arising from financial assets involving the risk of counterparty default is reduced by evaluations and valuations of customers with exposure or requiring credit and/or collateral beyond the established limits. As of 31 December 2022 and 2021, the maximum exposure to credit risk is represented by the balance of financial assets, including trade and other receivables. Management has developed policies for credit authorization to customers. Additionally, for the energy business there are regulatory provisions for customer credit risk management.

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

Credit risk management of receivables associated with concession financial assets is based on country risk monitoring activities in the areas where there are infrastructure assets, such monitoring is made from the project evaluation, what guarantees that the Group does not undertake activities in high-risk countries, likewise, concession contracts include clauses that oblige the counterparty to reestablish the contract immediately, as well as the generation of onerous costs for the state, which allows reducing default in concession payments.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are financial institutions with high credit ratings assigned by risk rating agencies. The Group applies quota allocation models to avoid concentration of resources in a single entity or security and performs impairment analyses on its investments and assets, including receivables.

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

#### 7.3.5 Liquidity risk management

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

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

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

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

##### 7.3.5.1 Maturity analysis of non-derivative financial liabilities

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

| | 1 year or less | 1 to 5 years | 5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| **As of 31 December 2022** | | | | | |
| Non-interest-bearing financial liabilities | 2,769,396 | 206 | - | 2,769,602 | 2,769,602 |
| Floating rate instruments | 2,784,071 | 10,713,453 | 8,075,258 | 21,572,782 | 12,373,140 |
| Fixed-rate instruments | 1,705,697 | 338,332 | 341,323 | 2,385,352 | 2,087,020 |
| Other liabilities | 3,320 | 13,909 | 197,497 | 214,726 | 70,480 |
| **Total** | **7,262,484** | **11,065,900** | **8.614,078** | **26,942,462** | **17,300,242** |
| **As of 31 December 2021** | | | | | |
| Non-interest-bearing financial liabilities | 2,523,158 | 6,164 | - | 2,529,322 | 2,529,322 |
| Floating rate instruments | 3,672,825 | 7,434,251 | 8,247,259 | 19,354,335 | 13,675,949 |
| Fixed-rate instruments | 948,066 | 2,043,116 | 321,197 | 3,312,379 | 2,929,250 |

| | 1 year or less | 1 to 5 years | 5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| Other liabilities | 3,260 | 13,652 | 206,541 | 223,453 | 77,128 |
| **Total** | **7,147,309** | **9,497,183** | **8,774,997** | **25,419,489** | **19,211,649** |

(*) Financial liabilities for purchase commitments to non-controlling interests measured at fair value for $85,018 (2021 $0) are not included in the carrying amount or maturity of contractual cash flows.

The balances disclosed as of December 2022 do not include the maturity of contractual cash flows or the carrying amount of liabilities classified as liabilities associated with non-current assets held for sale: outstanding bonds for $2,043,657 and financial obligations for $419,280 and suppliers and payables for $849,493. Likewise, as of December 2021, suppliers and payables for $7,772 are not included, which have the same classification (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

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

#### 7.3.5.2 Maturity of derivative financial instruments

The following table details the maturity of the Group's derivative financial instruments. The table has been designed based on the discounted contractual net cash flows that cancel on a net basis, and the gross discounted cash flow on those derivatives that require a gross payment. Where the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to projected interest rates as illustrated by yield curves at the end of the reporting period. At 31 December 2022 and 2021 the Group has no derivative contracts that are settled gross.

| | 1 year or less | 1 to 5 years | 5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| **At 31 December 2022** | | | | | |
| Forward | 60,191 | | | 60,191 | 60,191 |
| Swaps | (11,969) | 86,895 | | 74,926 | 74,926 |
| **Total** | **48,222** | **86,895** | | **135,117** | **135,117** |
| **At 31 December 2021** | | | | | |
| Forward | 16,807 | - | - | 16,807 | 16,807 |
| Swaps | 1,962 | (32,399) | - | (30,437) | (30,437) |
| **Total** | **18,769** | **(32,399)** | **-** | **(13,630)** | **(13,630)** |

### 7.4 Collaterals

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

| Subsidiary | Collateral type | Description, concept, and significant changes in the collaterals | Counterparty | Term | Currency | Amount in USD | Pledged amount 2022 | Pledged amount 2021 |
|---|---|---|---|---|---|---|---|---|
| Grupo Argos S.A. | Equity instruments | Correspond to 29,963,360 shares of the issuer Grupo de Inversiones Suramericana S.A. (2021 - 43,397,407 shares), on 26 December 2022, 13,434,047 shares were released backing obligations with Banco de Bogotá. Of the pledged shares, 28,110,000 back a loan from Bancolombia for $392,200 and the remaining shares are in the process of being released from the collateral. | Bancolombia | 28-Apr-2026 | COP | Not applicable | 1,258,461 | 1,301,922 |
| Cementos Argos S.A. | Equity instruments | In 2022, corresponds to 24,183,262 shares of the issuer Grupo de Inversiones Suramericana S.A. (2021-27,683,344 shares) as collateral for a loan of USD 100,000,000 nominal amount. | Banco Santander | 18-Feb-2026 | USD | Collateral on a loan of USD 100 million | 1,015,697 | 830,500 |

| Subsidiary | Collateral type | Description, concept, and significant changes in the collaterals | Counterparty | Term | Currency | Amount in USD | Pledged amount 2022 | Pledged amount 2021 |
|---|---|---|---|---|---|---|---|---|
| Cementos Argos S.A. | Equity instruments | In 2022, corresponds to 10,194,345 shares of the issuer Grupo de Inversiones Suramericana S.A. as collateral for a repurchase liability | Brokers Davivienda /Securities Bancolombia | 18-Jan-2023 | COP | Not applicable | 428,162 | - |
| Argos SEM LLC (Subsidiary of Cementos Argos S.A.) | Equity instruments, receivables, deposit accounts and inventory | In 2022, corresponds to 360,600 common shares of Argos Puerto Rico Corp pledged to guarantee the loan between Argos Puerto Rico Corp. and Banco Popular de Puerto Rico. | Banco Popular de Puerto Rico | 1-Mar-2026 | USD | Collateral on a loan of USD 5.7 million (2021 7.8) | 27,418 | 31,053 |
| Grupo Alternegy S.A. (Subsidiary of Celsia S.A.) (*) | Financial liabilities bonds | Issue of bonds of Grupo Alternegy backed as joint debtors by Bontex S.A. and Planta Eólica de Guanacaste S.A. with local and foreign collaterals that mainly include: (i) mortgage on the material assets of the issuer and the guarantors (real and personal property); (ii) pledge on 100% of the shares of the developer's power plants Celsia S. A.; (iii) allocation of all proceeds (PPAs and spot sales) with a payment cascade mechanism and; (iv) assignment of the issuer's and the guarantors' insurance and material contracts. | Bondholders | 22-Dec-2027 | USD | 187.72 (2021 227.54) | 903,001 | 905,873 |
| Opain S.A (*) | Equity instruments | Open pledge without first degree holding of 305,804 (2021 305,804) shares of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., in accordance with the "Stock Pledge Agreement" entered with its lenders. | International Lenders through Fiduciaria Bancolombia S.A. (Onshore Collateral Agent) | 19-Jan-2029 | USD | 775 (2021 775) | 3,727,905 | 3,085,399 |

(*) As of December 2022, these companies were classified by the Group as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

### 7.5 Fair value of financial assets and liabilities

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

| | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| **Financial assets, measured at:** | | | | |
| **Fair value through other comprehensive income (OCI)** | | | | |
| Equity investments (i) (1) | 2,069,163 | 2,069,163 | 1,351,862 | 1,351,862 |
| Derivative financial instruments | 157,780 | 157,780 | 35,238 | 35,238 |
| **Fair value through profit or loss** | | | | |
| Investments (2) | 496,141 | 496,141 | 1,105,334 | 1.105,334 |
| Derivative financial instruments | - | - | 1,592 | 1,592 |
| **Amortized cost** | | | | |
| Cash and cash equivalents (ii) (3) | 2,456,778 | 2,456,778 | 2,684,817 | 2,684,817 |
| Investments | 571,507 | 571,507 | - | - |
| Trade and other receivables (ii) (3) | 3,494,178 | 3,491,162 | 3,352,920 | 3,678,903 |
| **Total** | **9,245,547** | **9,242,531** | **8,531,763** | **8,857,746** |
| **Financial liabilities, measured at:** | | | | |
| **Amortized cost** | | | | |
| Bonds in circulation (4) (iii) | 8,588,541 | 8,104,076 | 9,728,505 | 9,630,614 |
| Financial obligations (4) (iii) | 8,136,044 | 8,113,560 | 6,666,938 | 6,532,307 |
| Suppliers and payables (3) (iiv) | 3,817,608 | 3,817,608 | 2,746,851 | 2,746,851 |

| | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| Preferential shares classified as debt | 70,479 | 25,810 | 77,127 | 55,331 |
| **Fair value** | | | | |
| Other financial liabilities | 85,018 | 85,018 | - | - |
| Derivative financial instruments | 22,663 | 22,663 | 50,460 | 50,460 |
| **Total** | **20,720,353** | **20,168,735** | **19,269,881** | **19,015,563** |

(i) Equity investments measured at fair value through other comprehensive income mainly include shares of Grupo Nutresa for $2,013,348 (2021 $1,295,782). The increase in equity investments corresponds mainly to the valuation adjustment of these shares during the period from January to December 2022 for $717,566, recognized against the equity item of other comprehensive income. In 2022 and 2021 cash dividends were received from Grupo Nutresa for $40,108 (2021 $31,164).

(ii) The carrying amount and fair value of cash and cash equivalents, trade and other receivables, and equity investments include amounts of $1,027,673 (2021 $1,674), $201,964 (2021 $10,484) and $118 (2021 $0), respectively, corresponding to assets classified by the Group as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(iii) The carrying amount and fair value of the categories: bonds outstanding, financial obligations, and suppliers and payables, include amounts for $2,043,657 (2021 $0), $419,280 (2021 $0) and $849,493 (2021 $7,772), respectively, corresponding to liabilities associated with assets classified by the Group as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(1) The fair values of these equity investments are mainly derived from quoted prices in active markets (Colombian Stock Exchange and New York Stock Exchange (NYSE)). However, there are some minor equity investments measured at fair value through other comprehensive income, which considering that Level 1 inputs (quoted prices) are not available, the Group assumes the position of holding them at cost; in addition, the costs involved in performing the valuation would be greater than the benefits obtained.

(2) The fair values of these investments are derived from: a) quoted prices in active markets, and b) available resources provided by Grupo Argos S.A. and Celsia S.A. to SURA SAC LTD for risk management. Certain equity investments are measured at fair value on a non-recurring basis, only when a market value is available. The Group considers that this omission to the recurring measurement of these investments is immaterial to the presentation of its financial statements. The change in the carrying value corresponds mainly to the sale of the Dominican Republic Government bonds (Note 7.2 Financial instruments Categories).

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

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

The significant variables used in measuring the fair value of financial instruments at 31 December 2022 and 2021 are presented below:

| Financial assets, measured at: | Hierarchy Level | Valuation technique | Significant variables |
|---|---|---|---|
| **Fair value through other comprehensive income** | | | |
| Equity investments | Level 1 | (ii) | Quotation price |
| **Fair value through profit or loss** | | | |

| | Hierarchy Level | Valuation technique | Significant variables |
|---|---|---|---|
| Investments | Level 1 | (ii) | Quotation price |
| **Amortized cost** | | | |
| Cash and cash equivalents | Level 1 | (ii) | Not applicable |
| Trade and other non-current receivables | Level 2 | (i) | The discount rate used corresponds to the effective rate agreed and indexed to the CPI. |
| **Financial liabilities, measured at:** | | | |
| **Amortized cost** | | | |
| Financial obligations | Level 2 | (i) | The discount rate used corresponds to the market rate for loans in similar conditions. |
| Bonds in circulation | Level 2 | (i) | Interest rate structure through the zero-coupon curve for similar issuers |
| Preferential shares classified as debt | Level 2 | (i) | The discount rate used corresponds to the Cementos Argos peso bond curve in accordance with the maturities of the preferential shares. |
| Suppliers and non-current payables | Level 2 | (i) | The discount rate used corresponds to the agreed rate indexed to the benchmark index established in the agreement. |
| **Assets and liabilities as derivative financial instruments** | | | |
| Derivative financial instruments | Level 2 | (iii) | *Swap derivative instruments:* Interest rate swap curve for dollar-denominated rates, to discount flows in dollars; and BRI swap curve for peso-denominated rates, to discount flows in pesos. LIBOR, CPI, TRM<br><br>*Forward derivative instruments:* Foreign currency to peso exchange rate fixed in the contract. Exchange rate calculated on the valuation date. Forward points of the peso-foreign currency forward market on the valuation date. Number of days between the valuation date and the maturity date. USD and COP interest rate.<br><br>*Options derivative instruments:* Foreign currency to peso exchange rate fixed in the contract (strike price). Spot rate on the valuation day. Volatility and implied devaluation. Number of days between the valuation date and the maturity date. |

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

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

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

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

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

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

| | Obligations and other financial liabilities | Bonds and compound financial instruments | Lease liabilities | Derivative (Assets) / liabilities for financial liabilities hedging | Dividend liabilities | Payables and other liabilities associated with financing activities | Total |
|---|---|---|---|---|---|---|---|
| **31 December 2020** | **7,131,298** | **9,617,591** | **817,104** | **154,671** | **286,031** | **600,372** | **18,607,067** |
| **Changes in cash flows from financing activities** | | | | | | | |
| Issuance of bonds and structured notes | - | 815,571 | - | - | - | - | 815,571 |
| Payment of bonds and commercial papers | - | (1,015,379) | - | - | - | - | (1,015,379) |
| Increase in other financing instruments | 6,142,528 | - | - | - | - | 43,175 | 6,185,703 |
| Decrease in other financing instruments | (7,251,376) | - | - | - | - | - | (7,251,376) |
| Payments for lease liabilities | - | - | (195,253) | - | - | - | (195,253) |
| Payments made to financial derivative contracts with financial liability hedging | - | - | - | (91,808) | - | - | (91,808) |
| Collections from financial derivative contracts with financial liability hedging | - | - | - | 47,526 | - | - | 47,526 |
| Dividends paid on ordinary shares | - | - | - | - | (689,049) | - | (689,049) |
| Dividends paid on preferential shares | - | (3,287) | - | - | (145,877) | - | (149,164) |
| Interest paid (1) | (269,452) | (626,703) | (41,502) | - | - | (144,719) | (1,082,376) |
| Other cash inflows | - | 216 | - | - | - | - | 216 |
| **Total changes by cash flows from financing activities (2)** | **(1,378,300)** | **(829,582)** | **(236,755)** | **(44,282)** | **(834,926)** | **(101,544)** | **(3,425,389)** |
| Loss of control of a subsidiary or business | - | - | (9,890) | - | - | - | (9,890) |
| Currency translation | 557,233 | 161,735 | 74,835 | 9,860 | 9,906 | (24,416) | 789,153 |
| Effect by changes in interest rates | 85,778 | 189,395 | 3,854 | (48,821) | - | - | 230,206 |
| Changes in fair value | - | - | - | (93,281) | - | - | (93,281) |
| Changes in lease contracts | - | - | 68,309 | - | - | - | 68,309 |
| Interest caused | 272,829 | 666,493 | 41,502 | 35,483 | - | 26,651 | 1,042,958 |
| Other changes (*) | (1,900) | - | 6,747 | - | 667,777 | (8,096) | 664,528 |
| **31 December 2021** | **6,666,938** | **9,805,632** | **765,706** | **13,630** | **128,788** | **492,967** | **17,873,661** |

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

| | Obligations and other financial liabilities | Bonds and compound financial instruments | Lease liabilities | Derivative (Assets) / liabilities for financial liabilities hedging | Dividend liabilities | Payables and other liabilities associated with financing activities | Total |
|---|---|---|---|---|---|---|---|
| **31 December 2021** | **6,666,938** | **9,805,632** | **765,706** | **13,630** | **128,788** | **492,967** | **17,873,661** |
| **Changes in cash flows from financing activities** | | | | | | | |
| Issuance of bonds and structured notes | - | 297,769 | - | - | - | - | 297,769 |
| Payment of bonds and commercial papers | - | (1,217,837) | - | - | - | - | (1,217,837) |
| Increase in other financing instruments | 5,894,270 | - | - | - | - | 492,111 | 6,386,381 |
| Decrease in other financing instruments | (4,947,624) | - | - | - | - | - | (4,947,624) |
| Payments for lease liabilities | - | - | (161,512) | - | - | - | (161,512) |
| Payments made to financial derivative contracts with coverage of financial liabilities | - | - | - | (67,270) | - | - | (67,270) |
| Collections from financial derivative contracts with financial liability hedging | - | - | - | 87,716 | - | - | 87,716 |
| Dividends paid on ordinary shares | - | - | - | - | (691,824) | - | (691,824) |
| Dividends paid on preferential shares | - | (1,820) | - | - | (120,930) | - | (122,750) |
| Interest paid (1) | (347,776) | (855,295) | (45,058) | - | - | (7,632) | (1,255,761) |
| **Total changes by cash flows from financing activities (2)** | **598,870** | **(1,777,183)** | **(206,570)** | **20,446** | **(812,754)** | **484,479** | **(1,692,712)** |
| Loss of control of a subsidiary or business | (228,128) | (686,614) | (6,940) | - | - | (649,850) | (1,571,532) |
| Currency translation | 516,340 | 171,373 | 108,545 | (112) | (3,298) | 11,024 | 803,872 |
| Effect by changes in interest rates | 92,492 | 220,678 | 5,053 | (68,735) | 6,568 | - | 256,056 |
| Changes in fair value | - | - | - | (50,769) | - | - | (50,769) |
| Changes in lease contracts | - | - | 54,927 | - | - | - | 54,927 |
| Interest caused | 359,289 | 925,134 | 45,058 | 44,780 | - | 6,236 | 1,380,497 |
| Liabilities associated with non-current assets held for sale | (419,280) | (2,043,657) | (3,165) | - | (44,595) | - | (2,510,697) |
| Other changes (*) | 215,261 | - | 1,808 | (94,357) | 984,326 | (74,978) | 1,032,060 |
| **31 December 2022** | **7,801,782** | **6,615,363** | **764,422** | **(135,117)** | **259,035** | **269,878** | **15,575,363** |

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

(1) Interest paid does not include the associated with trade liabilities for $6,218 (2021 $1,112).

(2) For 2022 the consolidated statement of cash flows includes net cash outflows associated with equity transactions for $62,850, and for 2021 includes net cash inflows associated with equity transactions for $238,183 and includes other net cash outflows for $96,076 (2020 $57,793).

## NOTE 8: **TRADE AND OTHER RECEIVABLES**

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

| | 2022 | 2021 |
|---|---|---|
| **Trade receivables** | | |
| Clients | 2,471,895 | 2,333,243 |
| **Other receivables** | | |
| Receivables from related parties (Note 41) | 99,907 | 126,040 |
| Services and other receivables (1) | 872,032 | 1,017,175 |
| Employee receivables | 66,405 | 68,912 |
| Provision for expected credit losses (2) | (218,025) | (202,934) |
| **Total trade and other receivables** | **3,292,214** | **3,342,436** |
| Current | 2,718,115 | 2,474,445 |
| Non-current | 574,099 | 867,991 |
| **Total trade and other receivables** | **3,292,214** | **3,342,436** |

(1) Services receivable and other debtors mainly include receivables for concession contracts for $359,938 (2021 $393,720), corresponding for 2022 to the concession of Caribbean Infrastructure Company N.V., and for 2021 to the financial assets of Autopistas del Café S.A. and Caribbean Infrastructure Company N.V. concessions.

As of 31 December 2022, receivables were sold to the financial institution Inter-American Development Bank (IDB), the portfolio sold corresponds to the tariff option of Resolution 012 of 2020, the value of the sale was $206,777 with a cost of $270,913, which originated a financial expense of $64,136 (Note 38 Finance expenses, net). A mandate contract was signed with the IDB, where it continues to act as collector for the portfolio sold and in turn commits to the monthly transfer of the resources with minimum payments which go until the year 2026, although these payments act as collateral, the IDB is the one who has all the associated risks and benefits, given that according to the analysis presented in the variability of the cash flows, the IDB is the one who absorbs this variability. The relative variability shows that the new expected volatility is much lower than the existing one, so no provision has been recognized with respect to the loan guarantees.

Additionally, there is a decrease in services receivable and other debtors mainly due to the transaction of sale of interests made on 22 June 2022 on the subsidiaries: Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its participation in the trust), Concesión Vial de los Llanos S.A.S. and Consorcio Grupo Constructor Autopistas del Café to Macquarie and subsequent contribution of the remaining participation to Fondo de Capital Privado por Compartimientos Odinsa Vías, which generated a receivables decrease in: Concesión Vial de los Llanos S.A.S. for $3,017, Autopistas del Café S.A. of $190,604 in relation to other accounts payable and $71,492 corresponding to the derecognition of the financial asset, Consorcio Grupo Constructor Autopistas del Café of $6. 332 and Concesión Túnel Aburrá Oriente S.A. for $144.477. Also, the receivable for profit advances granted to the minority shareholders of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. with dividends payable for $180,400.

(2) Include provision for expected credit losses from related parties for $15,274 (2021 $465) (Note 41 Information on related parties).

Trade receivables are mainly generated by the operation of the cement industry, the production of concrete mixes, and any other materials or articles based on cement, lime or clay, the acquisition and disposal of minerals or mineral deposits. Additionally, from the sale of electric power generation and commercialization services, natural gas resale services and the sale of other goods and services.

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

Below is the breakdown of changes in the provision for expected credit losses on trade and other receivables as of 31 December:

| Changes in the provision for expected credit losses | 2022 | 2021 |
|---|---|---|
| **Balance at the beginning of the year presented** | **(202,934)** | **(193,519)** |
| Expected credit losses (1) | (82,633) | (49,850) |
| Foreign currency translation | (14,979) | (13,162) |
| Derecognition of amounts considered uncollectible | 55,522 | 33,561 |
| Amounts recovered during the year | 3,075 | 4,107 |
| Reversal of expected credit losses | 5,506 | 15,598 |
| Loss of control of a subsidiary or business | 39 | - |
| Transfers to non-current assets held for sale | 18,379 | - |
| Other changes | - | 331 |
| **Balance at end of year** | **(218,025)** | **(202,934)** |

(1) The variation corresponds mainly to impairment of receivables of the energy and concessions business.

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

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

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

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Gross receivables | Expected credit loss | Net receivables | Gross receivables | Expected credit loss | Net receivables |
| Cement (1) | 1,490,814 | (89,656) | 1,401,158 | 1,267,893 | (88,858) | 1,179,035 |
| Energy (2) | 1,405,902 | (116,647) | 1,289,255 | 1,127,038 | (79,947) | 1,047,091 |
| Concessions (3) | 422,940 | (10,735) | 412,205 | 971,647 | (27,634) | 944,013 |
| Other segments and adjustments | 190,583 | (987) | 189,596 | 178,792 | (6,495) | 172,297 |
| **Total** | **3,510,239** | **(218,025)** | **3,292,214** | **3,545,370** | **(202,934)** | **3,342,436** |

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

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

| | 2022 | | | |
|---|---|---|---|---|
| | Expected credit loss rate | Gross receivables | Expected credit loss | Net receivables |
| Unmatured | 0.10% | 856,203 | (855) | 855,348 |
| Between 0 and 30 days | 0.22% | 343,258 | (765) | 342,493 |
| Between 31 and 60 days | 0.69% | 82,741 | (574) | 82,167 |
| Between 61 and 90 days | 3.72% | 26,447 | (984) | 25,463 |
| Between 91 and 120 days | 7.18% | 16,312 | (1,171) | 15,141 |
| Between 121 and 150 days | 24.61% | 5,223 | (1,285) | 3,938 |
| Between 151 and 180 days | 23.13% | 4,828 | (1,117) | 3,711 |
| Between 181 and 360 days | 16.02% | 34,771 | (5,572) | 29,199 |
| More than one year | 63.90% | 121,031 | (77,333) | 43,698 |
| **Total** | | **1,490,814** | **(89,656)** | **1,401,158** |

| | 2022 | | | |
|---|---|---|---|---|
| | Expected credit loss rate | Gross receivables | Expected credit loss | Net receivables |
| **Average age (days)** | | | | **35** |

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

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

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

| | 2022 | | | |
|---|---|---|---|---|
| | Expected credit loss rate | Gross receivables | Expected credit loss | Net receivables |
| Conventional Energy and other businesses | 1.8% | 1,071,185 | (17,980) | 1,053,205 |
| Conventional Energy and other businesses at 51% | 51% | 100,055 | (50,745) | 49,310 |
| Conventional Energy and other businesses at 100% | 100% | 47,922 | (47,922) | - |
| Other debtors | NA | 186,740 | - | 186,740 |
| **Total** | | **1,405,902** | **(116,647)** | **1,289,255** |
| **Average age (days)** | | | | **36** |

| | 2021 (*) | | | |
|---|---|---|---|---|
| | Expected credit loss rate | Gross receivables | Expected credit loss | Net receivables |
| Conventional Energy and new businesses | 4% | 476,750 | (58,219) | 418,531 |
| Wholesale Market and Distribution | 0% | 477,732 | (15,644) | 462,088 |
| Other debtors | NA | 172,556 | (6,084) | 166,472 |
| **Total** | | **1,127,038** | **(79,947)** | **1,047,091** |
| **Average age (days)** | | | | **47** |

(*) In the information disclosed for the year 2021, reclassifications of amounts between receivables categories are presented.

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

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

| | 2022 | | | |
|---|---|---|---|---|
| | Expected credit loss rate | Gross receivables | Expected credit loss | Net receivables |
| **Receivables from concession contracts** | | | | |
| Aruba (BBB) | 0.00% | 359,938 | - | 359,938 |
| **Other receivables** | | | | |
| A- to AAA | 0.0% | 52,267 | - | 52,267 |
| D to CCC+ | 100.0% | 10,735 | (10,735) | - |
| **Total** | | **422,940** | **(10,735)** | **412,205** |

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

The decrease compared to 2021 corresponds mainly to the loss of control over the subsidiary Autopistas del Café S.A. (Note 46 Significant events).

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

The Group has reclassified trade and other receivables of Opain S.A. as non-current assets held for sale because of the agreement signed between Grupo Argos S.A., Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

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

This table includes estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

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

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

## NOTE 9: **INVENTORIES, NET**

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

| | 2022 | 2021 |
|---|---|---|
| Materials, spare parts and accessories | 574,036 | 439,201 |
| Raw materials and direct materials | 455,916 | 308,410 |
| Urban planning works | 243,189 | 197,537 |
| Finished product | 234,065 | 141,831 |
| Work in process | 177,921 | 142,786 |
| Inventory in transit | 132,945 | 90,483 |
| Goods not manufactured by the company | 41,785 | 26,880 |
| Inventory of containers and packaging | 34,719 | 22,558 |
| Real estate for sale | 26,412 | 3,106 |
| Prepayments for the acquisition of inventory | 3,815 | 3,553 |
| **Total inventories, net** | **1,924,803** | **1,376,345** |
| Current | 1,924,803 | 1,376,345 |
| **Total inventories, net** | **1,924,803** | **1,376,345** |

As of 31 December 2022, the cost of ordinary activities from continuing operations is equal to $15,791,372 (2021 $11,848,313), of which the value for sale of goods is $9,881,686 (2021 $8,174,165), for rendering services $4,864,764 (2021 $3,666,365) and for financial activity $1,044,922 (2021 $7,783).

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

| | 2022 | 2021 |
|---|---|---|
| **Balance at the beginning of the period** | **40,732** | **33,341** |
| Decrease in inventories to net realizable value (1) | 16,373 | 11,662 |
| Reversal of decline in value of inventories (2) | (427) | (795) |
| Other changes (3) | (9,350) | (3,476) |
| **Balance at the end of the period** | **47,328** | **40,732** |
| Current | 47,328 | 40,732 |
| **Balance at the end of the period** | **47,328** | **40,732** |

(1) During the year there was a decrease in inventories at net realizable value of $16,373 (2021 $$11,662), derived in 2022 mainly from Argos USA LLC for $11,543 and Planta Eólica Guanacaste for $2,010, and in 2021 from Argos USA LLC for $7,328 and Argos Panamá for $1,098.

(2) During the year there was a reversal of the decrease in value of $427 (2021 $795). The reversal of the decrease in value of inventories for 2022 corresponds mainly to the company Argos Panama and for 2021 to the company Argos Puerto Rico Corp.

(3) For December 2022 corresponds mainly to currency translation differences and the classification of inventories as non-current assets held for sale for $21,093 associated with hydroelectric generation assets in Panama and non-conventional renewable energy in Costa Rica (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations). For December 2021 corresponds mainly to currency translation differences.

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

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

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

| | 2022 | 2021 |
|---|---|---|
| Current tax assets | 275,803 | 272,079 |
| Current tax liabilities | (233,247) | (171,501) |
| **Total current tax, net** | **42,556** | **100,578** |

| | 2022 | 2021 |
|---|---|---|
| Deferred tax liability | (1,479,769) | (1,283,447) |
| Deferred tax asset | 326,029 | 400,299 |
| **Total deferred tax assets, net** | **(1,153,740)** | **(883,148)** |

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

### 10.1 Current tax assets

Current tax assets at 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Surplus in private income tax settlement | 156,300 | 166,217 |
| Income tax prepayment | 90,359 | 73,197 |
| Deduction at source and self-withholding in favor | 29,144 | 32,665 |
| **Total tax assets** | **275,803** | **272,079** |

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

### 10.2 Current tax liabilities

Current tax liabilities at 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Income Tax | 207,196 | 137,702 |
| Self-withholdings | 26,051 | 33,799 |
| **Total tax liabilities** | **233,247** | **171,501** |

The applicable tax provisions in force provide for the following:

The nominal income tax rates for 2022 and 2021 applicable to the Group and its subsidiaries are as follows:

| Country | 2022 | 2021 | Country | 2022 | 2021 |
|---|---|---|---|---|---|
| Antigua | 25.00% | 25.00% | Haiti | 31.00% | 31.00% |
| Aruba | - | 25.00% | Honduras | 30.00% | 30.00% |
| Colombia | 35.00% | 31.00% | British Virgin Islands | 0.00% | 0.00% |
| Colombia duty-free zone | 15.00% | 15.00% | Panama | 25.00% | 25.00% |
| Costa Rica | - | 30.00% | Puerto Rico | 37.50% | 37.50% |
| Curaçao | 22.00% | 27.50% | Dominican Republic | 27.00% | 27.00% |
| Dominica | 25.00% | 25.00% | Saint Maarten | 34.50% | 34.50% |

| Country | 2022 | 2021 | Country | 2022 | 2021 |
|---|---|---|---|---|---|
| U.S.A. | 24.50% | 21.00% | Saint Thomas | 35.00% | 35.00% |
| French Guiana | 25.00% | 26.50% | Suriname | 36.00% | 36.00% |
| Guatemala | 25.00% | 25.00% | | | |

Colombia

Income tax in Colombia is settled at a rate of 35% for 2022 according to Law 2155 of 2021. For the taxable period 2021, the income tax was settled at a rate of 31% in accordance with the provisions of Law 2010 of 2019.

The capital gains tax rate in Colombia is 10% in both 2022 and 2021.

### Other relevant provisions

- For the years 2022 and 2021 the minimum basis for determining the presumptive income tax is 0.0% on the net equity on the last day of the immediately preceding taxable year.
- Companies may offset tax losses against ordinary net income obtained in the following twelve periods, without limiting the presumptive income of the year. Tax losses generated before the entry into force of Law 1819 of 2016, may be offset without any time limitation.
- Excesses of presumptive income over ordinary income may be offset with ordinary net income, within the following five years. Until the taxable year 2016 there was the possibility of applying inflation adjustments to the excess of presumptive income, what was amended by Law 1819 of 2016.
- Income taxpayers that enter transactions with economic related parties or related parties abroad, are required to determine for income and supplementary tax purposes the transfer pricing study, according to current regulations, and adjust income and tax when the comparability ranges are not met.
- Companies may apply tax discounts for taxes paid abroad, donations, Industry and Commerce tax paid and others, in compliance with the limitations inherent to each benefit.

### Tax reform: Law 2277 de 2022

On 13 December the Colombian National Government issued Law 2277 of 2022, which adopts a tax reform for equality and social justice, with the purpose of supporting social spending.

The following is a summary of the main aspects of the reform to the Colombian tax regime for the years 2023 and following years:

- The general income tax rate for legal entities is kept at 35%.
- A 5% surtax is established for financial institutions, insurance and reinsurance companies, stock exchange brokers and other companies in the sector that obtain an annual net income of more than 120,000 Colombian Tax Value Units (UTV). This surtax will apply for five years starting in 2023.
- It establishes additional points to the income tax rate for companies in the coal and oil extractive sector, which will be between 5 and 10 points for coal and up to 15 points for oil, depending on the average international price of the last 120 months.
- A minimum tax rate of 15% is established, which requires calculating the effective tax rate based on the taxes paid and the adjusted accounting profit. If the effective tax rate is lower than 15%, the tax must be adjusted to reach this rate. It is allowed to partially adjust the accounting profit with the equity method, the non-taxable income or occasional earnings, some exempt income and the offset of tax losses and excess of presumptive income. Taxpayers resident in Colombia whose financial statements are subject to consolidation and individually do not comply with the minimum tax rate, must determine the Adjusted Tax Rate based on the results of the Group. The minimum tax will not apply to concession contracts and Public-Private Partnerships that determine their income in accordance with the provisions of Article 32 of the Colombian Tax Code. It will also not apply when the adjusted profits are less than or equal to zero.
- An addition of 3 points to the income tax rate is established for companies whose main economic activity is energy generation from water sources, establishing that such surtax may not be transferred to the price. It will be in force between the years 2023 and 2026.

- For duty-free zones, it is established that income from exports will maintain the 20% rate and income from sales to the rest of the national customs territory will be taxed at the 35% rate. This modification will apply as from the year 2024. Likewise, it is established that the current industrial users of the duty-free zone shall subscribe between the years 2023 and 2024 an agreement of internationalization and maximum sales to the national customs territory, according to the regulations of the national government.
- Occasional gains rate is increased from 10% to 15% for both legal entities and individuals.
- It is expressly established that royalties will not be deductible, nor may they be treated as a cost.

**Dividend tax**

- Dividends received by resident individuals, from distribution of profits that have been considered as non-taxable income or occasional gain, go from a single rate of 10% on the excess of the first 300 annual Colombian Tax Value Units to a progressive rate of 0% to 39%, since they will form the taxable base with the other income received by the individual. The withholding at source will be 15% for dividend payments in excess of 1,090 Colombian Tax Value Units a year.
- A 19% tax discount is incorporated in favor of resident individuals when they receive dividends in excess of 1,090 Colombian Tax Value Units a year.
- For dividends paid to non-resident individuals, from distribution of profits that have been considered as non-taxable income or occasional gain, the withholding at source increases from 10% to 20%.
- The special rate for dividends or interests received by national companies, coming from distribution of profits that have been considered as non-taxable income or occasional gain, increases from 7.5% to 10% and the exception in its application continues when dealing with payments between companies of a business group or in a situation of registered control and in companies qualified as Colombian Holding Companies (CHC).

**Other matters:**

- A general limit of 3% of the taxpayer's net income is established to the sum of discounts for investments in control, conservation, and improvement of the environment and to the deduction for payments for the financing of studies to employees and their family group, among others.
- The possibility of 50% of the industry and commerce tax paid as a tax discount is repealed. As from the year 2023 it shall only be allowed as a deduction.
- Within the framework of the carbon tax, a tax on coal is introduced, except for coking coal, at a rate of $52,215 per ton applicable as from 2023 in a gradual manner starting at $0 for 2023 and 2024 and reaching the full rate as from 2028. This tax will be deductible from income. Likewise, those certified as carbon neutral are not subject to the carbon tax, but such benefit may not exceed 50% of the tax payable.
- The treatment as non-taxable income or occasional gain for the proceeds from the sale of shares registered in the Colombian stock exchange continues, but the limit of sale is modified from 10% to 3% of the outstanding shares of the respective company, per taxable year.
- A stamp tax applicable to sales of real estate is established at a rate of 1.5% for sales between 20,000 and 50,000 Colombian Tax Value Units and 3% for those over 50,000 Colombian Tax Value Units.
- The amounts of penalty for not reporting information of article 651 of the Colombian Tax Code are reduced from 15,000 to 7,500 Colombian Tax Value Units as maximum penalty.

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

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

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

Grupo Argos S.A. presents open tax returns on income tax for review by the tax authorities, which correspond to taxable periods between 2013 and 2017.

### United States of America

In the United States, the Federal tax rate is 21%. There is also a state tax rate, which varies by state in a range of 3% to 7%. The State of Texas has a particular rate of 1%, called the *Texas Margin Tax*. Federal tax returns for the years 2015, 2016, 2017, 2018, 2019, 2020, and 2021 are subject to review and audit of the exemptions applied by the tax authorities. Additionally, returns with net operating losses are subject to review even if the rules have expired.

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

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

Beginning in 2022, one of the delayed provisions of the Tax Cuts and Jobs Act (TCJA) of 2017 became effective, whereby research and development (R&D) and internal software development costs (IRS Section 174 costs) must now be capitalized and amortized over 5 years for activities performed in the United States and over 15 years if performed outside the United States. This change in law had an immaterial impact on the 2022 rent provision; however, this change could have a more pronounced impact in future years as the Group expands its research and development activities and increases its use of proprietary software technology.

### Panama

The income tax rate (ISR) applicable for 2022 is 25% (2021: 25%).

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

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

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

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

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

### Honduras

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

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

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

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

### Dominican Republic

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

Law No. 11 - 92 dated 31 May 1992, which institutes the Tax Code of the Dominican Republic, as amended, establishes the general provisions applicable to all domestic tax contributions and legal relationships arising therefrom. The income tax rate as of 31 December 2021 and 2022 for companies located in the Dominican Republic is 27%.

### Aruba

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

The corporate income tax rate for 2022 is set at 25% (2021: 25%). The taxable income consists of income less expenses, considering the limitations on the deduction of certain payments.

## 10.3 Income tax recognized through profit or loss

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

| | 2022 | 2021 |
|---|---|---|
| **Current tax** | | |
| For the current year | 557,460 | 412,279 |
| Compared to previous years (1) | 61,301 | (3,269) |
| **Total current tax expense** | **618,761** | **409,010** |
| **Deferred tax** | | |
| Changes in temporary differences | 182,531 | 57,333 |
| Changes in laws and tax rates | (97,087) | 12,156 |
| Losses, tax credits and excess presumptive income used | 114,661 | (14,042) |
| Reclassification of deferred tax from equity to the statement of income | (4,930) | (13,870) |

| | 2022 | 2021 |
|---|---|---|
| **Total deferred tax income** | **195,175** | **41,577** |
| **Total tax expense related to continuing operations** | **813,936** | **450,587** |
| **Total income tax expense** | **813,936** | **450,587** |

(1) Corresponds mainly to Cementos Argos S.A. and its subsidiaries.

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

| | 2022 | 2021 |
|---|---|---|
| Profit before income tax | 2,254,277 | 1,656,620 |
| **Income tax (current and deferred)** | **813,936** | **450,587** |
| Effective tax rate | 36.11% | 27.2% |

| **Reconciliation of the effective tax rate** | 2022 | 2021 |
|---|---|---|
| Profit before income tax | 2,254,277 | 1,656,620 |
| Statutory tax rate | 35% | 31% |
| Current tax expense at the legal rate applicable to companies | 788,997 | 513,551 |
| Adjustments related to current income tax from previous years | 61,301 | (3,269) |
| **Effect of permanent tax differences and others:** | | |
| Income not subject to income tax | (77,949) | 1,868 |
| Taxed dividends and shares | 519,209 | 338,167 |
| Untaxed dividends and shares | (314,912) | (220,539) |
| Sale of investments and untaxed fixed assets | 41,212 | 2,443 |
| Other non-taxed income | (334,058) | (140,149) |
| Non-deductible expenses | 318,066 | 128,145 |
| Regime for foreign controlled entities, net | 32,817 | 23,135 |
| Other items | (177,195) | 57,664 |
| Net effect of temporary differences | 146,680 | (37,869) |
| **Expense net of temporary differences** | **1,004,168** | **663,147** |
| Use of tax losses or excess presumptive income | (44,270) | (58,038) |
| Effect of Tax Rate Differences by Foreign Subsidiaries | 14,364 | (22,943) |
| Effect of changes in tax rates due to tax reforms | (148,586) | (105,424) |
| Occasional income | 416 | 1,118 |
| Compensation for excess presumptive income | (12,156) | (27,273) |
| **Income tax expense according to financial statements (at effective tax rate)** | **813,936** | **450,587** |
| Effective tax rate | 36.11% | 27.2% |

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

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

| | 2022 | 2021 |
|---|---|---|
| **Deferred tax** | | |
| Cash flow hedges | 18,551 | 27,380 |
| Remeasurements of Defined Benefit Plans | (12,787) | (15,310) |
| Valuation of equity instruments (1) | (269,593) | (2,459) |
| Revaluation of property, plant and equipment | 1,241 | (2,372) |
| Translation of foreign businesses | (3,227) | (1,399) |
| Deferred income tax on the equity method of associates and joint ventures recognized through other comprehensive income | (8,813) | 27,768 |
| **Subtotal deferred tax recognized through other comprehensive income** | **(274,628)** | **33,608** |
| Effect of the change in the income and occasional gain tax rate (2) | (135,082) | (123,582) |
| **Total deferred tax recognized through other comprehensive income** | **(409,710)** | **(89,974)** |

(1) Due to the effect of the valuation of financial instruments and changes introduced by Law 2277 of 2022, as of 31 December 2022, the deferred tax of the investment in Grupo Nutresa was recognized for $269,193.

(2) On 31 December the Colombian Government issued Law 2277 of 2022 through which a tax reform for equality and social justice was adopted with the purpose of supporting social spending. Among the main aspects, this law has a direct impact on the Company due to the increase in the income tax rate for occasional gains from taxable year 2023 from 10% to 15% and the introduction of additional points to the income tax rate for companies in the coal mining sector.

Decree 2617 of 29 December 2022, established the alternative of recognizing the value of the deferred tax derived from the change in the income tax rate and the additional points for companies in the coal mining sector, generated by the amendment to article 240 of the Colombian Tax Code introduced by article 10 of Law 2277 of 2022, within equity in the accumulated results of prior years. In compliance with the above, the Group chose to apply the alternative allowed by Decree 2617 of 2022, and therefore the financial statements were impacted with an increase in the deferred tax liability, as well as a reduction in retained earnings of prior years of $135,082, of which $115,492 corresponds to the decrease in retained earnings of controlling interests and $19,590 of the portion corresponding to non-controlling interests.

The situation for the year 2021 was as follows:

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

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

### 10.5 Deferred tax assets and liabilities

The movement in the Group's net deferred tax liability for the period ended at 31 December 2022 and 2021 is as follows:

| 2022 | Initial balance | Included in profit or loss | Included in other comprehensive income | Procurement and Disposal | Other changes | Currency Translation | Final balance |
|---|---|---|---|---|---|---|---|
| Current assets | (71,072) | (26,801) | - | - | (465) | 3,215 | (95,123) |
| Associates and joint ventures | 16,895 | 23,146 | (8,813) | (5,609) | 51,475 | - | 77,094 |
| Other equity investments | 32,596 | (279) | (272,823) | (27,331) | (74,938) | (108) | (342,883) |
| Property, plant and equipment | (1,041,636) | 8,964 | 1,241 | - | (39,682) | (88,856) | (1,159,969) |
| Investment property | (285,174) | 25,570 | - | (9,667) | (76,624) | (24) | (345,919) |
| Intangible Assets | (747,884) | 12,902 | - | 62,344 | 336,425 | (26,071) | (362,284) |
| Other non-current assets | 33,536 | 5,791 | - | - | - | 3,988 | 43,315 |
| Provisions | 43,477 | (2,260) | - | - | (18,414) | 1,602 | 24,405 |
| Employee Benefits | 9,277 | 2,269 | (12,787) | - | (6,410) | 2,094 | (5,557) |
| Financial liabilities | 99,771 | 11,351 | 30,802 | - | (74,821) | 1,852 | 68,955 |
| Financial instruments | (1,340) | (16,710) | (12,248) | - | - | (690) | (30,988) |
| Financial leases | 30,212 | 3,586 | - | - | (133) | 4,925 | 38,590 |
| Other liabilities | (328,599) | 56,215 | - | 342,294 | 50,768 | 554 | 121,232 |
| **Deferred tax without tax credits** | **(2,209,941)** | **103,744** | **(274,628)** | **362,031** | **147,181** | **(97,519)** | **(1,969,132)** |
| Tax losses | 1,203,707 | (225,450) | - | - | (269,950) | 57,466 | 765,773 |
| Excess presumptive income | 123,086 | (73,469) | - | - | - | 2 | 49,619 |

| 2022 | Initial balance | Included in profit or loss | Included in other comprehensive income | Procurement and Disposal | Other changes | Currency Translation | Final balance |
|---|---|---|---|---|---|---|---|
| **Tax Credits** | **1,326,793** | **(298,919)** | **-** | **-** | **(269,950)** | **57,468** | **815,392** |
| **Total deferred tax** | **(883,148)** | **(195,175)** | **(274,628)** | **362,031** | **(122,769)** | **(40,051)** | **(1,153,740)** |

| 2021 | Initial balance | Included in profit or loss | Included in other comprehensive income | Procurement and Disposal | Other changes | Currency Translation | Final balance |
|---|---|---|---|---|---|---|---|
| Current assets | (26,957) | (32,966) | - | 499 | (14,365) | 2,717 | (71,072) |
| Associates and joint ventures | 29,454 | (691) | - | - | (11,868) | - | 16,895 |
| Other equity investments | 28,170 | (19,999) | 23,788 | - | 606 | 31 | 32,596 |
| Property, plant and equipment | (967,806) | 52,600 | (2,372) | (30,221) | (32,842) | (60,995) | (1,041,636) |
| Investment property | (276,891) | 4,306 | - | - | (12,555) | (34) | (285,174) |
| Intangible Assets | (735,712) | 48,004 | - | 5,066 | (21,179) | (44,063) | (747,884) |
| Other non-current assets | 25,583 | 55 | - | (128) | 7,718 | 308 | 33,536 |
| Provisions | 50,065 | (13,306) | - | 3,360 | 660 | 2,698 | 43,477 |
| Employee Benefits | 30,489 | (4,700) | (15,310) | (2,155) | 41 | 912 | 9,277 |
| Financial liabilities | 22 | 60,701 | 32,272 | 2,033 | 1,041 | 3,702 | 99,771 |
| Financial instruments | 14,181 | (10,614) | (4,770) | (453) | - | 316 | (1,340) |
| Financial leases | 25,905 | 1,164 | - | 392 | 77 | 2,674 | 30,212 |
| Other liabilities | (258,362) | 33,001 | - | - | (76,518) | (26,720) | (328,599) |
| **Deferred tax without tax credits** | **(2,061,859)** | **117,555** | **33,608** | **(21,607)** | **(159,184)** | **(118,454)** | **(2,209,941)** |
| Tax losses | 1,216,389 | (143,570) | - | 24,164 | 44,652 | 62,072 | 1,203,707 |
| Excess presumptive income | 121,284 | (15,562) | - | 12,733 | 5,372 | (741) | 123,086 |
| **Tax Credits** | **1,337,673** | **(159,132)** | **-** | **36,897** | **50,024** | **61,331** | **1,326,793** |
| **Total deferred tax** | **(724,186)** | **(41,577)** | **33,608** | **15,290** | **(109,160)** | **(57,123)** | **(883,148)** |

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

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

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

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

| Unused losses and tax credits | 2022 | 2021 |
|---|---|---|
| To one year | 27,065 | 5,851 |
| Over one year and up to five years | 47,114 | 79,795 |
| More than five years | 10,068 | 24,510 |

| Unused losses and tax credits | 2022 | 2021 |
|---|---|---|
| No time limit | 82,702 | 35,766 |
| **Total unused tax losses and credits** | **166,949** | **145,922** |

| Excess presumptive income over ordinary liquid income | 2022 | 2021 |
|---|---|---|
| To one year | - | 4 |
| Over one year and up to five years | 109 | 3,728 |
| More than five years | - | - |
| No time limit | - | - |
| **Deductible temporary differences** | **109** | **3,732** |
| **Total unused tax benefits** | **167,058** | **149,654** |

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

| | 2022 | 2021 |
|---|---|---|
| Investments in subsidiaries (*) | 10,685,407 | 8,497,889 |
| Investments in associates and joint ventures | 5,545,488 | 4,585,467 |

(*) Includes the temporary differences generated in Grupo Argos S.A., and in the intermediate parent companies Cementos Argos S.A., Celsia S.A. and Odinsa S.A.

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

During the years 2022 and 2021, there were no changes in the value of deferred income tax assets related to business combinations.

### Impact on income taxes of potential dividend payments to shareholders

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

### Finality of declarations:

The Group presents open income tax returns for review by the tax authorities of each country in which it operates, which correspond to taxable periods between 2013 and 2021.

## NOTE 11: **OTHER FINANCIAL ASSETS**

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

| | 2022 | 2021 |
|---|---|---|
| Financial assets at fair value through other comprehensive income (1) | 2,069,045 | 1,351,862 |
| Financial assets measured at amortized cost (2) | 571,507 | - |
| Financial assets at fair value through profit or loss (3) | 496,141 | 1,105,334 |
| **Total other financial assets** | **3,136,693** | **2,457,196** |
| Current | 763,678 | 869,849 |
| Non-current | 2,373,015 | 1,587,347 |
| **Total other financial assets** | **3,136,693** | **2,457,196** |

(1) Financial assets measured at fair value through other comprehensive income (OCI) correspond to investments held for medium and long-term strategic purposes. These assets are measured at fair value, except for some minor investments

that, since Level 1 input data (quoted prices) are not available, the Group assumes the position of holding them at cost; in addition, the costs involved in performing the valuation would be greater than the benefits obtained.

These investments correspond mainly to the shares of Grupo Nutresa S.A. for $2,013,348 (2021 $1,295,782) in which, as of 31 December 2022, the Group has an interest of 9.88% (2020 9.88%), equivalent to 45,243,781 shares (2021 45,243,781 shares). The percentage of participation of Grupo Argos S.A. in Grupo Nutresa S.A. increased due to the share repurchase operation by Grupo Nutresa S.A. The equity investment in this company is not maintained for trading purposes, but for strategic purposes in the medium and long term. Thus, the accounting recognition of its valuation is made through other comprehensive income (OCI) using prices of an active market (Colombian Stock Exchange).

Likewise, Grupo Argos S.A. and its subsidiaries Cementos Argos S.A., Celsia S.A. and Odinsa S.A. have made investments in the companies Occipital INC. (process automation for construction), Innowatts (energy), Quantela Inc. (technology) and Bird Global INC. (micro mobility) for $33,858 (USD 7.0 million) (2021 $35,181 - USD 8.8 million), classified as financial assets at fair value through other comprehensive income, whose value update is made at the price per share of the most recent financing round. These equity investments allow the Group to explore new businesses, either in line or complementary to current businesses, with a long-term development horizon on technologies that are shaping the future.

During 2022, the following transactions were performed:

**Bird Global Inc.** Grupo Argos S.A. sells 42,026 shares of Bird Global Inc. for $41 (USD 8,438.18).

**Innowatts.** Grupo Argos S.A. and Celsia Centroamérica S.A. chose not to participate in new rounds of investment in Innowatts, which generated a negative impact on the measurement of the fair value of the investment for $5,892.

During 2021, the following transactions were performed:

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

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

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

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

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

| | Dividends from investments held at the end of the period | |
|---|---|---|
| | **2022** | **2021** |
| Grupo Nutresa S.A. | 42,891 | 31,761 |
| Other investments | 287 | 251 |
| **Total dividend income** | **43,178** | **32,012** |

No dividends were received from investments written off during 2022 and 2021.

(2) Corresponds to short-term certificates of deposit.

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

| Investment | 2022 (USD) | 2021 (USD) | 2022 | 2021 |
|---|---|---|---|---|
| Term Certificates of Deposit | - | - | 181,824 | - |
| Sura SAC LTD – Captive cell Celsia (i) | 28,159,269 | 23,631,567 | 135,452 | 94,070 |
| Banistmo S.A. trust rights (ii) | 24,208,486 | 34,636,412 | 116,448 | 138,000 |
| Sura SAC LTD – Captive cell Grupo Argos (iii) | 10,186,477 | - | 48,999 | - |
| Trust investments | - | - | 2,852 | 3,155 |
| Dominican Republic Government Bonds (iv) | - | 217,919,208 | - | 867,571 |
| Colombian Government Treasury Bonds (TES) fixed rate | - | - | - | 2,116 |
| Other miscellaneous investments | - | - | 10,566 | 422 |
| **Total financial assets at fair value through profit or loss** | **62,554,232** | **276,187,187** | **496,141** | **1,105,334** |

(i) Right of Celsia S.A. on the risk retained in the interests of the Cautiva cell in relation to the property damage insurance policy in force.

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

In the event of a claim, any obligation will be backed by the resources existing in the company's captive cell, and the change in the fair value of the financial asset resulting from the claim will be recognized through profit or loss. If the loss implies a greater obligation of the resources existing in the cell, an obligation in favor of Sura must be recognized for the resources to be paid and that cannot be covered with the resources maintained in the cell.

(ii) Corresponds to the liquidation trust of Bahía Las Minas Corp. whose purpose is to guarantee the disposal and sale of certain assets of the company for the repayment of its debts. In December 2022 the valuation showed a loss of $21,200 (USD 4.4 million) (2021 $62,908 USD 15.8) (Note 37 Other income (expense), net).

(iii) Corresponds to the investment delivered as equity by Grupo Argos S.A. to a captive cell through Sura SAC LTD.

(iv) In 2021, corresponds to Treasury bonds of the Government of the Dominican Republic that were received as payment of the indemnity in the early termination of the road concession agreement of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. (Note 43 Concession contracts). In March 2022, these bonds were sold to Jefferies LLC and Citibank for $807,373.

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

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

| | 2022 | 2021 |
|---|---|---|
| Other prepaid expenses (1) | 110,625 | 27,685 |
| Tax assets (2) | 102,281 | 62,824 |
| Insurance (3) | 77,819 | 61,169 |
| Services | 26,251 | 26,249 |
| Related parties (Note 41) | 19,981 | 50,048 |
| Contract assets (Note 33) | - | 2,163 |
| Other non-financial assets (4) | 150,268 | 122,732 |
| **Total prepaid expenses and other non-financial assets** | **487,225** | **352,870** |
| Current | 336,957 | 229,924 |
| Non-current | 150,268 | 122,946 |
| **Total prepaid expenses and other non-financial assets** | **487,225** | **352,870** |

(1) Corresponds mainly to capitalizable expenses for the listing of the United States business of Cementos Argos S.A. in the New York Stock Exchange (NYSE) for $79,015, as well as payment of licenses, prepaid medicine and complementary health plan.

(2) Includes withheld VAT, Industry and Commerce Tax, prepayments and balance in favor in private liquidation and royalties. For 2021 additionally includes special contribution to Superintendencies.

(3) Corresponds to insurance contracted by the Group to safeguard its productive assets and activities, mainly covering property damage caused by civil liability, fire, explosion, short circuit, natural disasters, terrorism, and other risks.

(4) Includes assets receivable from Prime Colombia for the sale of Zona Franca Celsia S.A. E.S.P. made by Celsia S.A. that will be recovered through the supply of energy for $137,926 (2021 $114,155), as established in the PPA contract (Power Purchase Agreement) for USD 35 million and net assets of the liability associated with the plan to close the pension gap, net of the liability of the actuarial calculation of the same benefit of the Group for $2,224 (2021 $8,543), among others.

## NOTE 13: ASSETS AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

### 13.1 Assets and liabilities associated with non-current assets held for sale

Assets and liabilities associated with non-current assets held for sale correspond mainly to the following transactions:

1. Hydroelectric generation assets in Panama and non-conventional renewable energy in Costa Rica
2. Bahía las Minas Corp.
3. Agreement between Grupo Argos S.A., Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA")

Assets and liabilities classified as held for sale are detailed below:

| | 2022 | 2021 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents (Note 6) | 1,027,673 | 1,674 |
| Trade and other receivables | 201,964 | 10,484 |
| Inventories, net | 27,753 | 3,131 |
| Right-of-use assets | 2,930 | - |
| Intangible assets, net and goodwill | 2,713,086 | - |
| Property, plant and equipment, net | 1,606,078 | 428 |
| Investment property | 40,891 | 42,587 |
| Investments in associates and joint ventures | 449,602 | - |
| Deferred tax assets | 10,797 | - |
| Other assets | 88,795 | - |
| **Assets** | **6,169,569** | **58,304** |
| **Liabilities** | | |
| Financial obligations | 419,280 | - |
| Lease liabilities | 3,166 | - |
| Employee benefit liabilities | 9,429 | - |
| Provisions | 2,044 | - |
| Trade and other payables | 849,492 | 7,772 |
| Tax liabilities | 9,715 | - |
| Bonds | 2,043,657 | - |
| Other liabilities | 173,004 | - |
| **Liabilities** | **3,509,787** | **7,772** |
| **Total net assets** | **2,659,782** | **50,532** |

### 1. Hydroelectric generation assets in Panama and non-conventional renewable energy in Costa Rica

As part of its expansion strategy, at the end of 2014 Celsia S.A. began its internationalization process with the purchase of hydroelectric generation assets in Panama and non-conventional renewable energy in Costa Rica; on 13 August 2014 after authorization from the Board of Directors, Celsia S.A. signed an agreement with the Paris-based multinational GDF SUEZ for the acquisition of its shareholding in the companies that own the assets. The companies acquired include Bontex S.A., Alternegy S.A., Enerwinds de Costa Rica S.A. (including its subsidiaries Planta Eólica Guanacaste S.A. - PEG and Landco la Gloria S.A.) and Celsia Centroamérica S.A.

In November 2018 through the subsidiary Celsia Centroamérica S.A. the Group acquired 100% of the shares of Divisa Solar 10 MW, located in the corregimiento of El Roble, district of Aguadulce, province of Coclé.

As part of the Group's reorganization process in Central America, on 16 December 2019, Celsia S.A. transferred to Celsia Centroamérica S.A. 100% of the shares it held in Alternegy S.A. and Bontex S.A. On 10 December 2020, Celsia Centroamérica S.A. purchased 100% of the shares that Celsia S.A. held in CelSolar S.A.

At the end of 2022, the company is advancing negotiations with a third party interested in acquiring some of the assets that Celsia has in Central America, an operation that is expected to be executed within the next 12 months and with which it seeks to achieve greater operating efficiencies and profitability to the assets that the organization currently has. In line with the above, Celsia reflected in its financial statements the assets and liabilities of Alternegy, Bontex, PEG, CelSolar, Divisa, as well as the goodwill arising from the acquisition as held for sale.

| | 2022 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 112,791 |
| Trade and other receivables | 76,610 |
| Inventories, net | 21,093 |
| Right-of-use assets | 2,296 |
| Intangible assets, net and goodwill | 1,046,016 |
| Property, plant and equipment, net | 1,599,200 |
| Deferred tax assets | 10,797 |
| Other assets | 41,555 |
| **Assets** | **2,910,358** |
| **Liabilities** | |
| Financial obligations | 50,723 |
| Lease liabilities | 2,785 |
| Employee benefit liabilities | 1,845 |
| Provisions | 1,778 |
| Trade and other payables | 61,760 |
| Tax liabilities | 638 |
| Bonds | 887,867 |
| **Liabilities** | **1,007,396** |
| **Total net assets** | **1,902,962** |

Assets classified as held for sale at the end of 2022 were measured at the lower of their carrying value and fair value less costs of disposal at the time of reclassification; given that on these investments, which are measured by the equity method, there are translation adjustments accumulated in equity that will be reclassified to income considering the sale plan that is being advanced, the foreign currency translation adjustments were included in the carrying amount of the investment when assessing its impairment, therefore no impact was generated in the Group's profit or loss. The non-recurring fair value measurement of the asset group for disposal has been classified as a Level 3 fair value and has been determined based on the trading price.

The investments being reclassified to assets and liabilities held for sale do not represent a separate major line of business or geographic area of operations, nor are they part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, and therefore are not considered to be a discontinued operation.

### 2. Bahía las Minas Corp.

The operation of Bahía Las Minas Corp. whose assets and liabilities were classified as held for sale since December 2020, date from which Management initiated the necessary actions to implement the plan for the sale of assets and the settlement of liabilities. In 2022, impairment of the Bahía Las Minas Corp. liquidation trust was recognized for ($21,200) (Note 37 Other income (expense), net), and in 2021, the year in which the main accounting effects of the asset disposal and repayment plan were recognized, the following effects were recognized: a) financial income of $77,532 for the settlement of financial obligations, b) impairment of the Bahía Las Minas Corp. liquidation trust for ($62. 908), c) gain on sale of land for $22,265, d) impairment of assets for ($3,333), d) deferred tax recovery income for $31,512, e) recovery of impairment of property, plant and equipment for $23,184 (Note 38 Finance expenses, net and Note 37 Other income (expense), net) and f) reclassification to the income statement of currency translation effects that had been accumulated in other comprehensive income in prior periods for $17,848 as foreign exchange gain or loss.

As of 31 December 2022, the definitive assignment of the contract for the sale of energy and power to Celsia Central America is pending, which is subject to the approval of the Panama National Authority of Public Services - ASEP, which causes that there are still assets for $15,847 (2021 $15,289) and liabilities for $5,211 (2021 $7,772), classified as held for sale because of the intermediation of Bahia Las Minas Corp. The assets correspond to cash and cash equivalents for $2,445 (2021 $1,674), trade and other receivables for $10,366 (2021 $10,484) and inventories for $3,036 (2021 $3,131).

### 3. Agreement between Grupo Argos S.A., Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA")

On 28 September 2022 an agreement was signed between Grupo Argos S.A., Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA") for: (i) the sale of 50% of the interests held by the Group in Opain S.A., (ii) the sale of 50% of the interests held by Odinsa S.A. in Corporación Quiport S.A., Quiama Airport Management (Quiama) LTD and International Airport Finance, S.A., (iii) the interests of this partner in 50% of the disbursements incurred for the development of the projects related to the initiatives of: the new Cartagena airport, Campo de Vuelo, and El Dorado Max (expansion of the Bogota Airport System) and (iv) the subsequent structuring of the asset management platform.

Once the approvals established in the agreement signed between the parties arise, Macquarie Infrastructure and Real Assets ("MIRA"), will acquire 50% of the interests held by the Group in: Opain S.A., Corporación Quiport S.A., International Airport Finance, S.A., Quiama Airport Management (Quiama) LTD and in the disbursements incurred in the initiatives. This acquisition would imply the loss of Grupo Argos S.A.'s control over Opain S.A.

Because of the above, the Group has reclassified to non-current assets held for sale and to liabilities associated to non-current assets held for sale the following amounts, considering that Grupo Argos S.A. and Odinsa S.A. have a sale agreement to be executed within the next months with Macquarie Infrastructure and Real Assets ("MIRA").

| | 2022 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 912,437 |
| Trade and other receivables | 91,910 |
| Inventories, net | 3,624 |
| Right-of-use assets | 634 |
| Intangible assets, net and goodwill | 1,667,070 |
| Property, plant and equipment, net | 6,824 |
| Investments in associates and joint ventures | 363,755 |
| Other assets | 47,240 |
| **Assets** | **3,093,494** |
| **Liabilities** | |
| Financial obligations | 368,557 |
| Lease liabilities | 381 |
| Employee benefit liabilities | 7,584 |
| Provisions | 266 |
| Trade and other payables | 782,521 |
| Tax liabilities | 9,077 |

| | 2022 |
|---|---|
| Bonds | 1,155,790 |
| Other liabilities | 173,004 |
| **Liabilities** | **2,497,180** |
| **Total net assets** | **596,314** |

These assets include the intangible asset of the El Dorado International Airport concession for $1,434,160 and other intangible assets for $541, presented in the intangible assets, net and goodwill item of this disclosure.

The excess value paid for the takeover of Opain S.A. for $83,440 presented in the intangible assets, net and goodwill item of this disclosure.

Intangible assets for projects related to the initiatives of: the new Cartagena airport, Campo de vuelo, and El Dorado Max (expansion of the Bogotá Airport System) for $24,289, presented in the intangible assets, net and goodwill item of this disclosure.

Goodwill allocated to the assets subject to the transaction, as a consequence of the takeover by Grupo Argos S.A. in Odinsa S.A. in 2015 for $124,640, presented in the item intangible assets, net and goodwill of this disclosure.

The 23.25% interests in Corporación Quiport S.A. and International Airport Finance S.A., and the 25% interests in Quiama Airport Management (Quiama) LTD for $363,755, presented in the investments in associates and joint ventures item of this disclosure.

Assets and liabilities classified as held for sale due to the signing of the sale agreement with Macquarie Infrastructure and Real Assets ("MIRA") were measured, as of December 2022, at the lower of their carrying value and fair value less costs of disposal, including the cumulative translation adjustment in equity as part of the carrying value of the investment. This valuation had no effect on the consolidated statement of income.

As of 31 December 2022, investments in associates and joint ventures include the carrying amount of the shares and principal of the subordinated debt on Concesión Vial de los Llanos S.A.S., acquired during 2022 from Murcia & Murcia S.A.S. and Construcciones el Condor S.A. and comprising 30% and 11% of its equity, respectively, for $85,847.

Likewise, receivables for interest on subordinated debt of Concesión Vial de los Llanos S.A.S., acquired in the purchase from Murcia & Murcia S.A.S. and Construcciones el Condor for $23,078, presented in the item of trade and other receivables of this disclosure, were reclassified.

Property, plant and equipment include $54 (2021 $428) of the subsidiaries Cementos Argos S.A. and Sator S.A.

As of 31 December 2022 and 2021, investment properties classified as held for sale include real estate for non-operating use that is expected to be realized through a sale transaction. In 2020, the sale plan for the La Gabriela land of Cementos Argos S.A. is authorized for $39,866.

### 13.2 Discontinued operations

At 31 December 2022 and 2021, the Group does not have non-current assets held for sale that are classified as discontinued operations.

## NOTE 14: **GOODWILL**

### 14.1 Allocation of goodwill by operating segment

| | Cement | Energy | Concessions | Total |
|---|---|---|---|---|
| Gross value | 2,484,245 | 1,095,495 | 337,793 | 3,917,533 |
| Accumulated impairment loss (1) | (621,332) | (85,076) | - | (706,408) |
| **Goodwill as of 31 December 2021** | **1,862,913** | **1,010,419** | **337,793** | **3,211,125** |

| | Cement | Energy | Concessions | Total |
|---|---|---|---|---|
| Gross value | 2,762,568 | 453,952 | 64,237 | 3,280,757 |
| Accumulated impairment loss (1) | (750,718) | (126,501) | (64,237) | (941,456) |
| **Goodwill as of 31 December 2022** | **2,011,850** | **327,451** | **-** | **2,339,301** |

(1) ) For the Cement segment, the accumulated impairment variation between 2022 and 2021 corresponds to currency translation differences.

Goodwill is allocated at the operating segment level since it is operated by the Management at that level, both for financial reporting purposes and for impairment testing. Impairment is recognized as an expense in the consolidated statement of income in the other expenses item.

### 14.2 Changes in goodwill by operating segment

| | Cement | Energy | Concessions | Total |
|---|---|---|---|---|
| **Goodwill as of 1 January 2021** | **1,818,707** | **982,563** | **337,793** | **3,139,063** |
| Sale of businesses (1) | (218,298) | - | - | (218,298) |
| Impairment (2) | - | (68,843) | - | (68,843) |
| Currency translation effect | 262,504 | 96,699 | - | 359,203 |
| **Goodwill as of 31 December 2021** | **1,862,913** | **1,010,419** | **337,793** | **3,211,125** |
| Sale of businesses (1) | (223,183) | - | (148,916) | (372,099) |
| Impairment (2) | - | (31,061) | (64,237) | (95,298) |
| Currency translation effect | 372,120 | 135,753 | - | 507,873 |
| Non-current asset held for sale (3) | - | (787,660) | (124,640) | (912,300) |
| **Goodwill as of 31 December 2022** | **2,011,850** | **327,451** | **-** | **2,339,301** |

During 2022, the following sales operations of subsidiaries and groups of assets constituting a business that represented change in goodwill were performed:

(1) On 31 March 2022, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold 23 concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC. for USD 94 million. The sale price of the assets, less the recorded amount of the assets delivered generated an accounting gain on disposal of business for $93,324 (USD 21.9 million), and an increase in current tax expense of $6,507 (USD 1.5 million) and deferred tax of $55,213 (USD 13 million), presented in the other operating income and expenses and income tax items of the consolidated statement of profit or loss. This sale implied the derecognition of goodwill associated with such assets for $223,183. The assets disposed of meet the definition of business established in IFRS 3 Business Combinations.

In June 2022, control over the concessions Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the Fideicomiso de Autopistas del Café), Consorcio Grupo Constructor Autopistas del Café and Concesión Vial de los Llanos S.A.S. was lost, generating a decrease of goodwill for $148,916 (Note 46 Significant events).

During 2021, the following sales operations of subsidiaries and groups of assets constituting a business that represented change in goodwill were performed:

On 14 June 2021, Argos USA LLC, a subsidiary of Cementos Argos S.A., sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC for USD 184 million. The sale price of the assets, less the recorded value of the assets delivered generated an accounting gain on disposal of business for $180,163 (USD 48.1 million), and an increase in current tax expense by $6,506 (USD 1.7 million) and deferred tax by $93,642 (USD 25 million), presented in the other operating income and expenses and income tax items of the consolidated statement of income. The disposed plants were part of several acquisitions including Southern Star Concrete, a company acquired in 2005. The disposed assets meet the definition of a business as established in IFRS 3 Business Combinations. This sale implied the derecognition of goodwill associated with these assets for $218,298.

(1) For the Energy segment corresponds to the impairment of goodwill on the assets of the company Porvenir II S.A.S., a subsidiary of Celsia S.A., for $31,061 (2021 $19,078), caused by the discounted cash flows due to the delayed

entry into operation of the project because of the provisional suspension of the environmental license, and impairment of goodwill of Central America in 2021 for $49,765 recognized after performing the impairment tests according to the provisions of IAS 36 Impairment of assets.

The Group recognized goodwill impairment allocated to the concessions segment for $64,237 based on the recoverable value of Corporación Quiport S.A., International Airport Finance S.A., and Quito Airport Management LTD. which correspond to the airport assets in Ecuador associated with this segment.

Goodwill impairment losses for $95,298 (2021 $68,843) were recognized at the end of the reporting period.

(2) On 28 September Odinsa S.A.–subsidiary of the Group–and Macquarie Infrastructure and Real Assets ("MIRA") agreed to jointly manage and administer the airport assets owned by Grupo Argos S.A. and Odinsa S.A., (Note 46 Significant events). The assets subject to the transaction have a goodwill allocated because of Grupo Argos S.A. taking control over Odinsa in 2015 for $124,640, which was reclassified to non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

In 2022, Celsia S.A.–subsidiary of the Group–reclassified goodwill associated with the Central America operating segment as non-current assets held for sale for $787,660 (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

### 14.3 Analysis of goodwill impairment

IAS 36 Impairment of Assets requires that at the end of the reporting period, the existence of indicators of impairment of non-current assets is assessed, based on available external and internal information, and goodwill is tested for impairment. The Group reviews the carrying amount of non-current assets and goodwill for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. If the value of the assets is estimated (using different valuation methodologies) to be less than the carrying value, the carrying amount of the non-current asset is not recoverable, and impairment loss is recognized in the consolidated statement of income.

Accordingly, The Group performed impairment tests based on the fair value less disposal costs of its operating segments, using the discounted cash flow model and the dividend discount model as main valuation techniques.

The key assumptions used by the Group in determining fair value less disposal costs are as follows:

| Key assumption | Description |
|---|---|
| Cash flow projection indexes | Revenue, costs and operating expenses projected by the Group correspond to the estimates for the different businesses of each of the assets being valued. These projections consider operating performance, business strategy, potential risks, and the geographical environment in which they operate. The projection reflects the defined strategy and integrates the initiatives for the continuity and growth of the assets. |
| Cash flow projection period | The period defined by Management for the projection of cash flows is between 5 and 10 years according to the state of maturity of each asset, and a perpetuity value is calculated according to the long-term view. For finite life businesses, the projection of cash flows corresponds to the useful life of each asset. |
| Discount rate applied to cash flow projections | The Group uses the *Capital Asset Pricing Model* (CAPM) to determine the discount rate, which uses as main variables: Risk Free Rate, Beta, Market Premium, Country Risk Premium.<br><br>The sources used to determine these variables consist of sources widely recognized by the market. These include, but are not limited to: J.P. Morgan, Capital I.Q., IMF (International Monetary Fund), EIU (The Economist Intelligence Unit), among others.<br><br>The discount rate used to discount the cash flows and calculate the fair value is the Weighted Average Cost of Capital (WACC) and the cost of equity. The discount rates are subject to changes in the macroeconomic environment, as well as in the characteristics of each of the sectors and business segments. |

| Key assumption | Description |
|---|---|
| Growth rate | Perpetuity corresponds to the value of the company at the end of the explicit period. The growth rate is defined considering not exceeding the growth expectations of the country of operation and business segment and the average growth of the flows of the last years of the explicit period. |

For the year 2022, cash flows beyond the explicit period were extrapolated using a growth rate in real terms of 0% for the Cement and Energy segments. For the Parent Company and its subsidiaries, this is a conservative approach that reflects the normal growth expected for the industry if there are no other unexpected factors that could impact growth.

The discount rate used in the valuation of goodwill allocated to the operating segments was: Cement 8.9% - 13.4%, Celsia 8.3% - 10.1% and Odinsa 9.6% - 12.8%.

For 2021, cash flows beyond the explicit period were extrapolated using a growth rate in real terms of less than or equal to 0% for the Cement and Energy segments. For the Parent Company and its subsidiaries, this is a conservative approach that reflects the normal growth expected for the industry if there are no other unexpected factors that could impact growth.

The discount rate used in the valuation of goodwill allocated to the operating segments was: Cement 7.9% - 9.7%, Celsia 7.3% - 9.2% and Odinsa 6.5% - 15.0%.

To determine the fair value of the assets and liabilities held by Odinsa S.A. through Fondo de Capital Privado por Compartimientos Odinsa Vías, independent experts with recognized professional capacity and experience in the valuation of this type of assets are hired (Note 18 Investments in associates and joint ventures).

## NOTE 15: **INTANGIBLE ASSETS, NET**

balance of intangible assets, net at 31 December, comprises

| | 2022 | 2021 |
|---|---|---|
| Brands, customer lists, and related (1) | 360,919 | 360,854 |
| Concessions and rights (2) | 162,575 | 3,596,023 |
| Patents, licenses, and software | 105,437 | 63,736 |
| Intangible assets in progress (3) | 42,806 | 108,141 |
| Others | 92,175 | 91,004 |
| **Total intangible assets other than capital gains, net** | **763,912** | **4,219,758** |

(1) The Group's brands, customer lists, and related intangible assets come from the subsidiaries Cementos Argos S.A. $360,919 (2021 $356,283) and Celsia S.A. $0 (2021 $4,571), mainly from Cementos Argos S.A.'s customer lists in Honduras and Puerto Rico for $343,564 (2021 $339,643), in Alternegy S.A. and Bontex S.A., subsidiaries of Celsia S.A., for $0 (2021 $4,571) and Cementos Argos USA brands for $17,355 (2021 $16,640).

As of December 2022, Celsia S.A. classified intangible assets of brands and customer list of the Central America segment for $5,523 as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(2) In 2022, intangible assets of concessions and rights correspond to the subsidiary Cementos Argos S.A. for rights on mining titles for $95,471 (2021 $121,504) and rights on contracts for $67,104 (2021 $68,001).

The concessions recognized based on IFRIC 12 Concession Agreements corresponding to: El Dorado International Airport, the Guanacaste Wind Power Plant, and the concession of power plants in Panama were reclassified as non-current assets held for sale for $1,676,411 (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

As of 31 December 2022, the net value of these concessions, presented as intangible assets, corresponds to: Aeropuerto Internacional El Dorado for $0 (2021 $1,606,778), the Túnel Aburra Oriente for $0 (2021 $1,219,972), the Planta Eólica Guanacaste for $0 (2021 $146,028), the Concesión Vial los Llanos for $0 (2021 $240,509) and the concession of power plants in Panama for $0 (2021 $67,881).

(3) During 2022, borrowing costs were capitalized in intangible assets in progress for $4,392 (2021 $7,540). For both years these costs correspond to the Concesión Vial de los Llanos over which the Group lost control in June 2022. The average rate used to determine the amount of borrowing costs was 5.14% (2021 3.97%), which corresponds to the average effective interest rate of generic loans.

Below is the breakdown of changes in intangible assets during the reporting periods:

| Historical cost | Concessions and rights | Brands, customer lists, and related | Patents, licenses, and software | Intangible assets in progress | Others | Total |
|---|---|---|---|---|---|---|
| **1 January 2022** | **6,027,680** | **1,158,939** | **408,105** | **108,141** | **113,482** | **7,816,347** |
| Additions, other than internally generated assets (1) | 38,340 | - | 14,692 | 27,666 | 11,885 | 92,583 |
| Assets classified as held for sale (2) | (3,910,295) | (24,950) | (18,264) | (24,289) | - | (3,977,798) |
| Translation effect | 161,540 | 229,612 | 9,302 | 152 | 36 | 400,642 |
| Sales and withdrawals (3) | (74) | - | (1,747) | (22,763) | - | (24,584) |
| Loss of control of a subsidiary or business (4) | (1,764,927) | - | (1,003) | - | - | (1,765,930) |
| Transfers (5) | (39,746) | - | 75,240 | (36,316) | 10,958 | 10,136 |
| Other changes | (481) | - | 2,505 | - | (694) | 1,330 |
| **Historical cost** | **512,037** | **1,363,601** | **488,830** | **52,591** | **135,667** | **2,552,726** |
| | | | | | | |
| **Amortization and impairment** | | | | | | |
| **1 January 2022** | **2,431,657** | **798,085** | **344,369** | **-** | **22,478** | **3,596,589** |
| Amortization (6) | 286,931 | 59,251 | 39,626 | - | 17,226 | 403,034 |
| Assets classified as held for sale (2) | (2,150,444) | (19,427) | (7,141) | - | - | (2,177,012) |
| Translation effect | 88,255 | 164,773 | 8,434 | - | 36 | 261,498 |
| Sales and withdrawals (3) | (60) | - | (1,088) | - | - | (1,148) |
| Loss of control of a subsidiary or business (4) | (270,106) | - | (748) | - | - | (270,854) |
| Impairment loss | - | - | - | 9,785 | - | 9,785 |
| Transfers (5) | (36,602) | - | (36) | - | 3,592 | (33,046) |
| Other changes | (169) | - | (23) | - | 160 | (32) |
| **Amortization and impairment** | 349,462 | 1,002,682 | 383,393 | 9,785 | 43,492 | 1,788,814 |
| **Intangible assets, net** | **162,575** | **360,919** | **105,437** | **42,806** | **92,175** | **763,912** |

| Historical cost | Concessions and rights | Brands, customer lists, and related | Patents, licenses, and software | Intangible assets in progress | Others | Total |
|---|---|---|---|---|---|---|
| **1 January 2021** | **5,893,282** | **1,128,588** | **396,009** | **81,701** | **99,986** | **7,599,566** |
| Additions, other than internally generated assets (1) | 33,721 | - | 365 | 28,118 | - | 62,204 |
| Translation effect | 80,038 | 161,312 | 5,993 | 63 | - | 247,406 |
| Sales and withdrawals (3) | | (130,404) | (1,924) | | - | (132,328) |
| Loss of control of a subsidiary or business (4) | | | | | (19,777) | (19,777) |
| Transfers (5) | 20,845 | - | 7,662 | (1,713) | 34,457 | 61,251 |
| Other changes | (206) | (557) | - | (28) | (1,184) | (1,975) |
| **Historical cost** | **6,027,680** | **1,158,939** | **408,105** | **108,141** | **113,482** | **7,816,347** |
| | | | | | | |
| **Amortization and impairment** | | | | | | |
| **1 January 2021** | **1,983,429** | **735,349** | **291,981** | **-** | **14,233** | **3,024,992** |
| Amortization (6) | 392,898 | 60,830 | 48,755 | - | 8,393 | 510,876 |
| Translation effect | 54,869 | 108,860 | 5,258 | - | - | 168,987 |
| Sales and withdrawals (3) | - | (106,954) | (1,641) | - | - | (108,595) |
| Transfers (5) | 461 | - | 16 | - | - | 477 |
| Other changes | - | - | - | - | (148) | (148) |

| Historical cost | Concessions and rights | Brands, customer lists, and related | Patents, licenses, and software | Intangible assets in progress | Others | Total |
|---|---|---|---|---|---|---|
| **Amortization and impairment** | **2,431,657** | **798,085** | **344,369** | **-** | **22,478** | **3,596,589** |
| **Intangible assets, net** | **3,596,023** | **360,854** | **63,736** | **108,141** | **91,004** | **4,219,758** |

(1) Additions to the Group's intangible assets correspond mainly to the capitalization of costs of the Concesion Vial los Llanos for $30,101 (2021 $31,925) and capitalization of works of the intangible asset of the El Dorado International Airport of Bogota for $7,502 (2021 $1,796). The Vial de los Llanos concession was sold in June 2022 and the Bogotá El Dorado Airport concession was classified as held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 46 Significant Events).

Intangible assets in progress include additions mainly for environmental impact studies mining project (PIT 3x) $14,135 (2021 $17,329), private initiative development projects: Conexión Centro $7,283 (2021 $0), Perimetral de la Sabana $900 (2021 $4,725), El Dorado Max $786 (2021 $2,317), Campo Vuelo $1,555 (2021 $1,216) and Ciudadela Aeroportuaria de Cartagena $1,901 (2021 $1,157) and other additions of intangibles in progress for $1,106 (2021 $1,374).

The patents, licenses and software category includes mainly capitalizations of Scada licenses in the Guanacaste wind farm for $10,582, and other licenses and software for $4,110 (2021 $365).

In other intangibles, additions were made for $11,885, mainly due to the recognition of three usufruct contracts for the development of the Palmira 1 and Palmira 3 solar farms projects with Amalfi S.A.S.

(2) The Group has reclassified the intangible assets of Opain S.A. in the categories of concessions and rights for ($1,434,160) and in patents, licenses, and software for ($541), as non-current assets held for sale because of the agreement signed for the sale of this asset. Also, the excess value paid for the takeover of Opain S.A. for ($83,440) was reclassified (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

Additionally, 50% of the disbursements made by Odinsa S.A. in the following projects were classified as non-current assets held for sale: the new Cartagena airport for ($15,939), Campo de Vuelo for ($4,263) and El Dorado Max (expansion of the Bogotá Airport System) for ($4,087) (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 46 Significant events).

In 2022, Celsia S.A. classifies intangible assets from the category of concessions and rights for ($242,251), brands and customer list ($5,523) and patents, licenses, and software ($10,582) net for a total of ($258,356) corresponding to the Central America segment as assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(3) In June 2022, Odinsa S.A. sold 50% of the intangible asset recognized for the disbursements associated with the private initiative of Perimetral de la Sabana to Macquarie Infrastructure and Real Assets ("MIRA") whose carrying amount was $7,863. This transaction had no impact on the consolidated statement of profit or loss because the sale was made for the carryong amount of such asset at that time (Note 46 Significant events).

Sator S.A.S. withdraw from the category of intangible assets in progress the studies of the electric line of the thermal power plant of the Termobijao project for $2,751 and withdraw the decommissioning costs of PIT 58 and neighboring PIT for $12,149.

Sales and withdrawals of intangible assets made during 2021 correspond mainly to customer lists associated with the sale of twenty-four concrete plants in Dallas by Argos USA LLC - subsidiary of Cementos Argos S.A. on 14 June 2021 ( Note 16.1.3 Transactions involving loss of control of a subsidiary or assets constituting a business that resulted in decrease of property, plant and equipment).

(4) Due to the loss of control over the subsidiaries Concesión Túnel Aburrá Oriente S.A. and Concesión Vial de los Llanos S.A.S, a decrease in the concessions recognized based on the stipulations of IFRIC 12 was generated in Concesión Túnel Aburrá Oriente S. A. for $1,195,367 and Concesión Vial de los Llanos S.A.S. for $270,591, and in the rights on contracts in Autopistas del Café S.A. for $28,863 (Note 46 Significant events).

During 2021 the Group, through its subsidiary Celsia Colombia S.A. E.S.P., presented loss of control of the subsidiary Tesorito S.A.S. E.S.P., according to the reform to the decision-making regime of the Board of Directors, reform that was registered before the Chamber of Commerce; this led to reflect the non-consolidation of other intangible assets for $19,777 corresponding to engineering studies for the construction and operation of a gas-fired electricity generation plant.

(5) In 2022, transfers were made from construction in progress of property, plant and equipment for the following intangible asset categories: concessions and rights, licenses and software, and other intangible assets. Likewise, there is a transfer from intangible assets in progress to the category of patents, licenses, and software due to the activation of the mining license associated with PIT 3X.

Transfers for the year 2021 correspond mainly to the capitalization of projects that were in progress and transfers from other accounts to the categories of concessions and rights for the Guanacaste wind plant, for the power plants in Panama, and an increase in other intangible assets for the optimization of production processes in the cement plants and for energy loss management (Resolution of the Colombian Government  Energy and Natural Gas Regulatory Commission - CREG 015 of 2018).

(6) Amortization of the Group's intangible assets correspond mainly to the intangible of the El Dorado International Airport concession for $180,120 (2021 $263,212), rights on mining title contracts for $34,524 (2021 $0), the Aburra Oriente Tunnel for $24,605 (2021 $46,664), the Guanacaste Wind Power Plant and the concession of power plants in Panama for $29,280 (2021 $70,855).

During 2022, disbursements were made for research and development projects for $677, these disbursements are recorded as part of administrative and selling expenses. In 2021, no disbursements for research and development projects were recognized as expenses in the consolidated statement of profit or loss.

As of 31 December 2022 and 2021, there are no restrictions on the realization of intangible assets and there are no contractual obligations to acquire or develop intangible assets, except for intangible assets related to the sale agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 46 Significant Events).

The value and remaining amortization period of net intangible assets, other than goodwill, are as follows:

| Intangible assets | Remaining amortization period in years | 2022 | 2021 |
|---|---|---|---|
| Concessions and rights | 1-36 | 162,575 | 3,596,023 |
| Customer lists | 1-6 | 343,564 | 344,214 |
| Licenses, patents, and *software* | 1-5 | 105,437 | 63,736 |
| Intangible assets in progress | Indeterminate | 42,806 | 108,141 |
| Brands | 8 | 17,355 | 16,640 |
| Other intangible assets | As agreed | 92,175 | 91,004 |
| **Total intangible assets other than goodwill, net** | | **763,912** | **4,219,758** |

### Impairment of intangible assets

As of 31 December 2022, the Infrastructure and Concessions Institute of Cundinamarca issued an administrative act rejecting the Public-Private Partnership proposal of the Private Initiative Perimetral de la Sabana presented as an intangible asset under development in the consolidated statement of financial position, which implied the recognition of an impairment for $8,172. Additionally, within the impairment evaluation of the other concession initiatives, the Group estimated an impairment of the El Dorado Max project (expansion of the Bogota Airport System) for $1,613.

## NOTE 16: **PROPERTY, PLANT AND EQUIPMENT, NET**

### 16.1 Composition and changes of property, plant and equipment

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

| | 2022 | 2021 |
|---|---|---|
| Land | 1,744,052 | 1,736,316 |
| Construction in progress, equipment in assembly and transit | 3,470,468 | 2,247,624 |
| Constructions and buildings for administrative use | 55,515 | 50,405 |
| Constructions and buildings | 1,798,483 | 1,656,033 |
| Machinery and production equipment | 5,770,617 | 5,156,477 |
| Furniture, office, computer, and communication equipment | 198,471 | 185,955 |
| Mines, quarries, and ore deposits | 2,818,514 | 2,388,537 |
| Ground transportation equipment | 615,077 | 537,396 |
| River fleet | 48,631 | 42,671 |
| Aqueduct, plants, networks, and communication routes | 5,929,686 | 7,053,712 |
| Prepayments | 48,468 | 2,813 |
| **Total property, plant and equipment, net** | **22,497,982** | **21,057,939** |

| | Land | Construction in progress, equipment in assembly and transit (2) | Constructions and buildings for administrative use | Constructions and buildings | Machinery and production equipment | Furniture, office, computer, and communication equipment | Mines, quarries, and ore deposits | Ground transportation equipment | River fleet | Aqueduct, plants, networks, and communication routes | Other assets | Pre-payments | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1 January 2022** | **1,738,904** | **2,247,624** | **87,817** | **2,671,197** | **8,907,524** | **539,306** | **2,630,368** | **1,221,382** | **56,737** | **11,148,080** | **12** | **2,813** | **31,251,764** |
| Additions | 1,051 | 2,659,418 | - | 5,589 | 54,232 | 4,486 | 3,396 | 5,839 | - | 648 | - | 47,697 | 2,782,356 |
| *Transfers from (to):* | | | | | | | | | | | | | |
| Held for sale (3) | (93,118) | (28,370) | - | - | (11,562) | (14,780) | - | (851) | - | (1,782,162) | - | - | (1,930,843) |
| Other accounts (1) | (351) | (1,095,606) | - | 33,238 | 454,437 | 47,990 | (3,408) | 131,409 | 121 | 410,587 | - | (3,576) | (25,159) |
| Translation effect | 119,846 | 37,725 | 16,998 | 382,652 | 1,122,023 | 40,630 | 510,310 | 183,837 | 11,160 | 897,354 | - | 1,959 | 3,324,494 |
| Sales and withdrawals | (964) | (350,239) | (4,684) | (20,266) | (48,773) | (3,533) | (3,406) | (111,618) | - | (6,733) | - | - | (550,216) |
| Loss of control of a subsidiary or business | (22,491) | - | - | (30,113) | (98,149) | (7,395) | - | (95,890) | - | (10,311) | - | (425) | (264,774) |
| Other changes | 1,175 | (84) | - | - | (210) | 374 | (38,693) | (30) | - | (374) | - | - | (37,842) |
| **Historical cost** | **1,744,052** | **3,470,468** | **100,131** | **3,042,297** | **10,379,522** | **607,078** | **3,098,567** | **1,334,078** | **68,018** | **10,657,089** | **12** | **48,468** | **34,549,780** |
| | | | | | | | | | | | | | |
| **1 January 2022** | **2,588** | **-** | **37,412** | **1,015,164** | **3,751,047** | **353,351** | **241,831** | **683,986** | **14,066** | **4,094,368** | **12** | **-** | **10,193,825** |
| Depreciation for the period | - | - | 1,685 | 107,453 | 465,663 | 42,387 | 19,342 | 97,258 | 2,433 | 298,415 | - | - | 1,034,636 |
| *Transfers from (to):* | | | | | | | | | | | | | |
| Held for sale (3) | (3,127) | - | - | - | (7,543) | (11,662) | - | (840) | - | (302,058) | - | - | (325,230) |
| Other accounts | - | - | - | (220) | 28,884 | (67) | (5,811) | 875 | - | - | - | - | 23,661 |
| Translation effect | 539 | - | 7,055 | 163,544 | 484,756 | 33,901 | 29,490 | 99,606 | 2,888 | 643,782 | - | - | 1,465,561 |
| Sales and withdrawals | - | - | (1,536) | (18,025) | (44,157) | (3,298) | (2,860) | (99,915) | - | (981) | - | - | (170,772) |
| Impairment loss | - | - | - | - | 995 | - | - | - | - | - | - | - | 995 |
| Loss of control of a subsidiary or business | - | - | - | (23,831) | (70,831) | (6,015) | - | (61,891) | - | (6,132) | - | - | (168,700) |
| Other changes | - | - | - | (271) | 91 | 10 | (1,939) | (78) | - | 9 | - | - | (2,178) |
| **Depreciation and impairment** | **-** | **-** | **44,616** | **1,243,814** | **4,608,905** | **408,607** | **280,053** | **719,001** | **19,387** | **4,727,403** | **12** | **-** | **12,051,798** |
| **Total Property, Plant and Equipment at 31 December 2022** | **1,744,052** | **3,470,468** | **55,515** | **1,798,483** | **5,770,617** | **198,471** | **2,818,514** | **615,077** | **48,631** | **5,929,686** | **-** | **48,468** | **22,497,982** |

(1) As of 31 December 2022, includes transfers of Celsia S.A. and its subsidiaries from construction in progress, equipment in assembly and transit for $554,644, mainly to aqueduct, plants, networks, and communication routes for $400,223 and machinery and production equipment for $55,737 that correspond to assets that entered into operation for projects that ended during the reporting period.

(2) The item construction in progress, equipment in assembly and transit includes assets of the Helios project for $583,546 (2021 $527,111); corresponding to the construction and updating project of one of the cement plants, which is part of the existing integrated network for Colombia and its start of operation is estimated for the year 2025.

(3) In 2022, property, plant and equipment, net associated to the hydroelectric generation assets in Panama and non-conventional renewable energy in Costa Rica for $1,599,200 were classified as property, plant and equipment.

| | Land | Construction in progress, equipment in assembly and transit (2) | Constructions and buildings for administrative use | Constructions and buildings | Machinery and production equipment | Furniture, office, computer, and communication equipment | Mines, quarries, and ore deposits | Ground transportation equipment | River fleet | Aqueduct, plants, networks, and communication routes | Other assets | Pre-payments | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1 January 2021** | **1,645,392** | **1,740,313** | **67,726** | **2,501,442** | **7,990,839** | **500,405** | **2,334,573** | **1,288,489** | **45,503** | **10,215,418** | **12** | **1,810** | **28,331,922** |
| Additions | 12,830 | 2,024,841 | - | 1,610 | 26,417 | 3,691 | 2,965 | 16,901 | 1,138 | 5,641 | - | 4,523 | 2,100,557 |
| *Transfers from (to):* | | | | | | | | - | | | | | |
| Held for sale | - | (323) | - | - | 144 | - | - | - | - | - | - | - | (179) |
| Other accounts (1) | 42,286 | (981,409) | 633 | 101,649 | 286,106 | 54,878 | (37,028) | 96,155 | 3,440 | 461,237 | - | (2,914) | 25,033 |
| Investment property | 1,026 | - | - | 763 | - | - | - | - | - | - | - | - | 1,789 |
| Translation effect | 92,332 | 13,328 | 10,930 | 265,457 | 739,244 | 30,161 | 344,048 | 134,111 | 7,024 | 577,147 | - | 250 | 2,214,032 |
| Sales and withdrawals | (6,104) | (3,933) | - | (25,665) | (83,232) | (41,096) | - | (76,549) | (368) | (74,230) | - | - | (311,177) |
| Loss of control of a subsidiary or business | (48,938) | (537,677) | - | (179,052) | (54,473) | (8,813) | - | (239,018) | - | (37,133) | - | - | (1,105,104) |
| Revaluation adjustment | - | - | 8,528 | - | - | - | - | - | - | - | - | - | 8,528 |
| Other changes | 80 | (7,516) | - | 4,993 | 2,479 | 80 | (14,190) | 1,293 | - | - | - | (856) | (13,637) |
| **Historical cost** | **1,738,904** | **2,247,624** | **87,817** | **2,671,197** | **8,907,524** | **539,306** | **2,630,368** | **1,221,382** | **56,737** | **11,148,080** | **12** | **2,813** | **31,251,764** |
| | | | | | | | | | | | | | |
| **1 January 2021** | **1,134** | **-** | **28,288** | **940,953** | **3,084,633** | **322,120** | **194,928** | **660,687** | **10,639** | **3,428,567** | **10** | **-** | **8,671,959** |
| Depreciation for the period | - | - | 1,285 | 99,880 | 427,770 | 49,849 | 36,323 | 100,066 | 2,160 | 272,669 | 2 | - | 990,004 |
| *Transfers from (to):* | | | | | | | | | | | | | |
| Other accounts | - | - | - | 14,493 | 25,060 | (228) | (265) | 1,189 | - | (132) | - | - | 40,117 |
| Translation effect | 1,454 | - | 4,594 | 108,522 | 284,449 | 23,730 | 15,978 | 77,799 | 1,552 | 404,030 | - | - | 922,108 |
| Sales and withdrawals | - | - | - | (21,101) | (70,736) | (37,771) | - | (69,420) | (285) | (11,788) | - | - | (211,101) |
| Impairment loss | - | - | - | 79 | 18,043 | - | - | - | - | 6,774 | - | - | 24,896 |
| Loss of control of a subsidiary or business | - | - | - | (127,807) | (18,484) | (4,341) | - | (86,654) | - | (5,752) | - | - | (243,038) |
| Revaluation adjustment | - | - | 3,245 | - | - | - | - | - | - | - | - | - | 3,245 |
| Other changes | - | - | - | 145 | 312 | (8) | (5,133) | 319 | - | - | - | - | (4,365) |
| **Depreciation and impairment** | **2,588** | **-** | **37,412** | **1,015,164** | **3,751,047** | **353,351** | **241,831** | **683,986** | **14,066** | **4,094,368** | **12** | **-** | **10,193,825** |
| **Total Property, Plant and Equipment at 31 December 2021** | **1,736,316** | **2,247,624** | **50,405** | **1,656,033** | **5,156,477** | **185,955** | **2,388,537** | **537,396** | **42,671** | **7,053,712** | **-** | **2,813** | **21,057,939** |

(1) As of 31 December 2021, includes, transfers from (to) right-of-use assets and intangibles, mainly due to the exercise of purchase options in lease contracts and transfers of construction in progress and equipment in assembly corresponding to the capitalization of projects that ended during the reporting period, recognizing the assets that entered operation mainly in Aqueducts, Plants, and Networks.

(2) Within the item constructions in progress, equipment in assembly and transit, assets of the Helios project are included for an amount of $527,111 (2020 $568,223); corresponding to the construction and updating project of one of the cement plants, which is part of the existing integrated network for Colombia and its start in operation estimated for 2025.

### 16.1.1 Property, plant and equipment acquisition transactions

As of 31 December 2022, the Group reflects relevant movements of acquisitions of property, plant and equipment mainly in the assets of construction in progress, equipment in assembly and transit, and machinery and equipment. Below are the details of the most representative:

- Energy transmission and distribution projects for $1,657,421. In Colombia, progress was recorded in projects where the solar farms of Flandes, Palmira, la Victoria 1 and 2, Melgar, San Felipe, Sincé, Chicamocha, Buga, Tuluá, and investment in the substations Tolú Viejo, Cajamarca, Substation Panorama of 34.5 KV, Flandes, Sahagún, Bolívar, Chinú; photovoltaic roofs in companies such as Cenit Sebastopol, Crystal, Alúmina, Parex, Reficar, Caribe Aventura, Proenfar and Panamerica de Alimentos. In addition, investments were made in equipment replacement and network expansion to improve installed capacity, smart metering, service provision and reliability in the San Pedro Paloblanco lines and networks at the Panorama substation, among others. In Central America, progress was recorded in different projects for USD$10,441,861.88, among which 12 photovoltaic projects for $38,180 equivalent to USD$7,937,371.22 stand out, including the photovoltaic system at the Cervecería Hondureña, EPA - Pascual and Café Duran Cocle, Plaza Loarque, Sura Crisol clinic, among others.

- Power generation projects in Colombia, where projects were executed for $145,849, including investments in Acacias II, Camelias and Carreto wind farms, and installation of a transformer in the Rio Piedras power plant, hydraulic dredging in the Bajo Anchicayá reservoir, acquisition of equipment for the Gran Manzana thermal district, construction in the Santa Rosa and Altamira small hydroelectric power plants, and projects related to collection and replacement of auxiliary equipment in the Riofrío I and II power plants, among others. In Central America $7,671 reinforcement projects at CA Gualaca, bridge crane structure and vibration systems.

- Internet projects of Celsia S.A. and its subsidiaries for $15,005 to expand capacity for new customers in Palmira, Jamundí, Buga, Tuluá, Roldanillo, Cerrito, Zarzal, Pradera, Candelaria, Melgar, Ibagué, Buenaventura, Espinal, Guacarí, la Unión, Yumbo and Sevilla.

- In Colombia, $167,576 were invested in other projects for the technological renewal of equipment and licensing of new users, and $4,083 in Central America. In innovation, investments for $1,873 were made, most notably in the Hidrógeno project.

- In machinery and equipment, acquisitions were made for $23,453 for the availability of equipment required in the different projects being executed in Colombia.

- Other acquisitions of property, plant and equipment correspond to the normal course of business, including the business of Cementos Argos and its subsidiaries for $718,057, and other Group companies for $3,188.

As of 31 December 2021, the Group reflects relevant movements of acquisitions of property, plant and equipment mainly in the assets of construction in progress, equipment in assembly and transit, and machinery and equipment. Below are the details of the most representative:

- Power transmission and distribution projects for $667,401 for the expansion of photovoltaic assets, including equipment and system for a monitoring center for all solar farms and roofs, and final works for the farms Celsia solar Espinal, Celsia Solar Carmelo and Celsia solar la Paila; as well as the construction of the Sahagún and Toluviejo substations, expansion of electric assets in Tolima and smart metering, construction of the Vijes digital substation, energy efficiency project with efficient lighting, reliability of the San Pedro and Paloblanco lines, San Pedro, Farfán, el Lago and Riofrio substations, construction of the Espinal substation, purchase and assembly of the fourth mobile substation. Additionally, investments in equipment replacement for $24,360 were made to guarantee the quality and continuity of service.

- Power Generation Projects for $708,189 highlighting the investments made in the Tesorito hydroelectric project until November, hydraulic dredging in the Bajo Anchicayá reservoir, in the Camelias and Acacias II wind farms (Guajira), activities for the construction and adaptation of the thermal district La Gran manzana were executed, acquisition of salvajinas and calima equipment, collection and replacement of auxiliary equipment of the Riofrio II plant.

- Projects in Central America for $5,630, mainly in the CelSolar Prudencia project, the Dicarina Divisa and Provivienda photovoltaic projects, the Alternegy and Bontex hydroelectric projects, the wind power system in PEG, and the solar roof of Cervecería Nacional in Honduras, among others.

- Internet projects for $54,710 to expand capacity for 10,601 new customers, including 9 schools in Palmira-Valle; with 661.7 km of network to provide this service in Palmira, Jamundí, Buga, Yumbo, Tuluá, Roldanillo, Cerrito, Zarzal, Florida, Pradera, Candelaria, Melgar and Ibagué.

- In other projects, $49,699 were invested in technological renewal of equipment and licensing of new users, and in innovation, investments for $3,823 were made in data science and micro-network projects.

- Other acquisitions of property, plant and equipment correspond to the normal course of business of Cementos Argos and its subsidiaries for $413,671 and Celsia and its subsidiaries for $97,358.

- In machinery and equipment, acquisitions were made for $26,417 for the availability of spare parts for the different projects under execution and in aqueducts, plants, networks, and communication routes.

#### 16.1.2 Property, plant and equipment sale transactions

**Sale of projects under construction to Caoba Inversiones S.A.S**

Sales were recorded from the category of construction in progress, equipment in assembly and transit for $350,239, of which $350,187 correspond to the sale of 46 energized projects in the department of Tolima at voltage levels 3 and 4, and in Valle, at voltage levels 2, 3 and 4 to Caoba Inversiones S.A.S. for a sale price of $412,850 in compliance with the BOT contract, which generated an operating profit of $62,663 and an increase in current tax expense of $21,932. On this transaction an unrealized profit of $31,958 is reversed, corresponding to interests that Celsia Colombia S.A. E.S.P. has in the company Caoba Inversiones S.A.S., therefore, the operating profit recognized in the consolidated statement of profit or loss $30,705.

#### 16.1.3 Transactions involving loss of control of a subsidiary or assets constituting a business that resulted in decrease of property, plant and equipment

**Sale of concrete plants in Dallas:**

On 31 March 2022, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-three ready-mix concrete plants, including equipment, buildings, land, and inventory to Smyrna Ready Mix Concrete. LLC. for USD 94 million. The sale price of the assets, less the recorded amount of the delivered assets generated an accounting operating profit on disposal of businesses for $93,324 (USD 21.9 million), and an increase in current tax expense for $6,507 (USD 1.5 million), and in deferred tax for $55,213 (USD 13 million), presented in the other income (expense), net and income tax items of the condensed consolidated statement of profit or loss. This transaction generated an outflow of items of Property, plant and equipment, net of $83,709 (Note 37 Other income (expense), net).

On 14 June 2021, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC - for USD 184 million. The sale price of the assets, less the recorded value of the assets delivered generated an accounting gain on disposal of business for $180,163 (USD 48.1 million), and an increase in current tax expense by $6,506 (USD 1.7 million) and deferred tax by $93,642 (USD 25 million), presented in the other operating income and expenses and income tax items of the consolidated statement of income. The sold plants were part of several acquisitions including Southern Star Concrete, a company acquired in 2005. This transaction generated an outflow of Property, plant and equipment, net of $204,082. The sold assets meet the definition of business established in IFRS 3 Business Combinations.

**Loss of control of Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the Fideicomiso de Autopistas del Café), Consorcio Grupo Constructor Autopistas del Café and Concesión Vial de los Llanos S.A.S. subsidiaries of Odinsa S.A.:**

The loss of control over the subsidiaries Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the trust), Concesión Vial de los Llanos S.A.S. and Consorcio Grupo Constructor Autopistas del Café, generated a decrease in property, plant and equipment of $12,365 (Note 46 Significant events).

### Sale of assets of Celsia Move S.A. and loss of control of Termoeléctrica El Tesorito S.A.S. E.S.P.

During 2021, the loss of control of the subsidiaries Celsia Move S.A. and Tesorito S.A.S E.S.P. occurred, which implied the write-off of property, plant and equipment for $657,984. In November 2021, the sale of the electric mobility assets of Celsia Move S.A. was formalized for a net value of $119,111 and on 23 December the loss of control of Tesorito S.A.S. E.S.P. was recorded. According to the reform to the decision-making regime of the Board of Directors, registered before the Chamber of Commerce; this led to reflect the retirement of property, plant and equipment for $538,873, value that was recognized as land and construction in progress.

### 16.2 Fair value of land and buildings for administrative use

To determine the fair value of land and buildings for administrative use, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement, and the International Valuation Standards (IVS), being the most used for this case the market comparison approach.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, a hierarchy that also corresponds to complete estimation, since it corresponds to bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as location, marketing, finishing, among others.

The Group must perform technical valuations at least every four years to ensure that the revalued value of the land and buildings for administrative use is updated. The last update was performed as of December 2021.

The recorded value of land and buildings for administrative use that would have been recognized if accounted for under the cost model would be $32,868 (2021 $29,705).

Other comprehensive income (OCI) from revaluation of land and buildings for administrative use will be transferred to retained earnings as the asset is used by the Company and/or when the asset is derecognized (Note 29.2 Other comprehensive income (OCI)).

### 16.3 Capitalization of borrowing costs

During 2022, borrowing costs capitalized to property, plant and equipment amount to $54,047 (2021 $11,345). The average rate used to determine the amount of borrowing costs was 10.11% (2021 3.37%), which corresponds to the average effective interest rate of generic loans.

### 16.4 Collateral and contractual commitments for property, plant and equipment

As of 31 December property, plant and equipment have been pledged as collateral for the fulfillment of obligations for $0 (2021 $1,876).

The Group has no relevant contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained from third parties for impaired, lost, or abandoned property, plant and equipment. There are adequate insurance policies to protect productive assets, mainly covering property damage caused by fire, earthquake, weak current, natural disasters, terrorism, and other risks.

### 16.5 Changes in estimates of property, plant and equipment

The Group has not had any changes in accounting estimates that have a significant effect on the residual value, useful lives, and depreciation methods of property, plant and equipment during the period.

### 16.6 Impairment of property, plant and equipment

At the end of the reporting period, the Group assesses the existence of impairment indicators of non-current assets, based on available external and internal information. The Group reviews the book value of non-current assets for impairment whenever events or circumstances indicate the book value may not be recoverable. If the total discounted future cash flows are less than the book value, the carrying amount of the non-current asset is not recoverable and an impairment loss is recognized in the consolidated statement of income. After the assessment performed, the following assets were found to be impaired:

- In 2022 there was an impairment of an individual asset corresponding to a mixer drum component for $724 (US$ 170,080) in the subsidiary Argos USA LLC, and machinery and production equipment for $271 in the subsidiary Argos USA LLC.

- In 2021 Cementos Argos S.A. performed the impairment analysis at the individual asset level, confirming by the technical area that the main item of "crude oil milling" of Sabanagrande will not generate future economic benefits and consequently it was required to recognize impairment for $18,122 in the consolidated financial statements, in the item of non-current assets impairment, in the Cement segment. This loss was allocated in its entirety to the property, plant and equipment item.

  Since this was an individual analysis, the value in use (cash flow projection) was not determined, what leads to determining a discount rate. In conclusion, such rate is not applicable.

- In September 2021, the main electric transformer of the Ferranti Packard brand at the Meriléctrica power plant was impaired for $6,774, which corresponds to the net value of the asset at the time of damage.

## NOTE 17: INVESTMENT **PROPERTY**

The balance of investment property at 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| Land | 2,281,822 | 2,340,885 |
| Constructions and buildings | 9,138 | 11,951 |
| **Total** | **2,290,960** | **2,352,836** |

Following are the changes in investment property during the period:

| | 2022 | 2021 |
|---|---|---|
| **Investment property as of 1 January** | **2,352,836** | **2,280,815** |
| Additions (1) | 5,797 | 16,696 |
| Gain from fair value measurement (2) | 34,428 | 76,468 |
| Effect of foreign exchange differences | 26,981 | 13,421 |
| Transfers from (to) investment property (3) | (122,340) | (33,829) |
| Dispositions | (4,429) | (735) |
| Loss of control of a subsidiary or business (4) | (2,313) | - |
| **Investment property as of 31 December** | **2,290,960** | **2,352,836** |

(1) Corresponds mainly to capitalized disbursements for the preparation of the land of Pavas Molina and Miramar in Barranquilla, and preparation to the land of Barú in Cartagena.

(2) As of 31 December 2022 and 2021 the fair value of investment properties was adjusted, among the main properties appraised in 2022 are: Pavas Molina, Pajonal, Lot Aldea las Casitas, Insignares, Lot 3 Pitalito, Parcela el Genovés, Lot A (Doña Blanquita), Predio Barú and Las Galias, and in 2021 are Parcela de Agricultura Frederick, Parcela Frederick I Quarry, Pavas Molina, Pajonal, Palma Real, Insignares, Parcela el Genovés and Mata de Plátano (Note 33 Revenue).

(3) As of 31 December 2022, transfers were made from investment properties to inventories of Lot Barú Polonia Block 20 and 21, Alejandría Stage III Block 13, 21.1 and 21.2, Lot Pajonal Stage II Block 7, 8, 9 and 10, Pradomar Lot Punto E, Lot Pajonal Stage III Block 11, 12, 13.1, 13.2, 14.1, 14.2, 15.1, 15.2, 15.3 and 16, and Volador Urvisa for $126,075, reclassifications from receivables to investment property for $2,039 and reclassifications from non-current assets held for sale to investment property for $1,696.

As of 31 December 2021, transfers were made from investment property to inventories of the portion of the Pavas Norte land for $23,141, of the Recoveco land and Pajonal Manzana 3 land for $12,015, reclassifications from investment property to property, plant and equipment for $1,789 and reclassifications from non-current assets held for sale to investment property for $3,116.

(4) Loss of control over the subsidiary Autopistas del Café S.A. (including its interests in the Autopistas del Café Trust) generated a decrease in investment property for ($2,313).

To determine the fair value of investment property, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement and International Valuation Standards (IVS), in the following manner:

- For property where the regulations allow a constructed product the valuation methodology used is discounted cash flow, a methodology where the value of the property is equivalent to the discounted value of future profits. These profits represent the annual cash flows (positive and negative) over a period, plus the net profit derived from the hypothetical sale of the property at the end of the investment period. This methodology requires the application of two rates: a discount rate applicable to future cash flows, which is determined primarily by the risk associated with the income, and a capitalization rate used to obtain the future value of the property based on estimated future market conditions.

- For property where the regulations do not permit a constructed product, the valuation methodology used is the comparative market approach, a methodology based on the substitution principle. The characteristics of identified operations are compared to those of the property under study under conditions of location, size, quality, expenses incurred in the purchase, market conditions on the date of sale, physical characteristics, economic situation of the investor, among others; with the purpose of defining a range of values based on a unit of value to be compared.

- For assets already built, the valuation methodology used is direct capitalization or discounted cash flow. The Direct Capitalization methodology converts the net operating income produced by the property into an indication of value by using an appropriate capitalization rate based on market information and investor expectations.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimation, associated with bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as area, access roads, immediate neighborhood, finishes, improvements, state of conservation, among others.

Lease income from investment property for the period corresponds to $4,204 (2021 $3,476).

Direct expenses related to investment property are $32,334 (2021 $38,252) of which $28,530 (2021 $38,208) relate to investment property that did not generate lease income.

As of 31 December 2022 and 2021, the Group has no relevant contractual obligations to acquire, construct or develop investment property, nor are there any restrictions on any investment property. Except for the El Morro lot, on which the Company signed a Memorandum of Understanding with Celsia Colombia S.A. E.S.P., according to which Celsia Colombia will study the development of a project in said lot, and the feasibility of which will depend on the possible sale of this lot by the Company.

## NOTE 18: **INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

### 18.1 General information on associates and joint ventures

| Company name | Main activity | Country | Interests (*) | | Investment classification | Book Value | |
|---|---|---|---|---|---|---|---|
| | | | December 2022 | December 2021 | | 2022 | 2021 |
| Grupo de Inversiones Suramericana S.A. | Financial | Colombia | 34.14% | 34.14% | Associate | 8,738,943 | 7,492,274 |
| Fondo de Capital Privado Pactia Inmobiliario (i) | Real estate management | Colombia | 37.39% | 37.13% | Associate | 931,170 | 870,763 |
| Fondo de Capital Privado por Compartimientos Odinsa Vías (ii) | Trust management services | Colombia | 50.00% | 0.00% | Joint venture | 636,468 | - |
| Corporación Quiport S.A. (iii) | Airport concession | Ecuador | 46.50% | 46.50% | Joint venture | 342,442 | 578,153 |
| Caoba Inversiones S.A.S. | Commercial | Colombia | 51.00% | 51.00% | Joint venture | 183,867 | 154,447 |
| Termoeléctrica El Tesorito S.A.S. ESP | Public utilities | Colombia | 57.50% | 57.50% | Associate | 102,631 | 136,675 |
| Quito Airport Management (Quiama) LTD (i) | Airport concession operator | British Virgin Islands | 50.00% | 50.00% | Joint venture | 44,995 | 70,932 |
| Trans Atlantic Shipmanagement Ltd. | Sea freight transport | British Virgin Islands | 50.00% | 50.00% | Joint venture | 34,047 | 18,099 |
| P.A. Fideicomiso Hotel Calablanca Barú | Real estate management | Colombia | 20.00% | 21.04% | Associate | 32,514 | 35,129 |
| Odinsa Vías S.A.S. | Construction | Colombia | 50.00% | 0.00% | Joint venture | 21,254 | - |
| MMC Cement Division C.V. | Cement marketing | Curaçao | 50.00% | 50.00% | Joint venture | 7,058 | 5,655 |
| Saint-Gobain Colombia S.A.S | Other manufacturing industries | Colombia | 40.00% | 0.00% | Associate | 6,133 | - |
| International Airport Finance S.A. (i) | Financial | Spain | 46.50% | 46.50% | Joint venture | 5,920 | 8,827 |
| CNC del Mar S.A.S. E.S.P. | Public utilities | Colombia | 50.00% | 50.00% | Joint venture | 5,734 | 2,811 |
| Pactia S.A.S. | Real estate management | Colombia | 50.00% | 50.00% | Joint venture | 5,148 | 5,539 |
| Consorcio Imhotep | Construction | Colombia | 50.00% | 50.00% | Joint venture | 3,549 | 3,549 |
| Fideicomiso Plan Luz | Energy | Colombia | 50.00% | 50.00% | Joint venture | 3,261 | 2,621 |
| P.A. Muverang | Commercial | Colombia | 33.33% | 33.33% | Joint venture | 2,405 | 1,819 |
| P.A. Fideicomiso Operación Hotel Calablanca Barú | Real estate management | Colombia | 20.00% | 20.00% | Associate | 2,278 | - |
| Internacional Ejecutiva de Aviación S.A.S. | Executive air transport | Colombia | 25.00% | 25.00% | Associate | 2,247 | 1,648 |
| P.A. Contingencias Nuevo Dorado | Contingency management | Colombia | 65.00% | 65.00% | Joint venture | 1,506 | 1,449 |
| Patrimonio Autónomo Hacienda Niquía | Real estate management | Colombia | 51.00% | 51.00% | Associate | 1,459 | 2,255 |
| P.A. Laurel | Commercial | Colombia | 50.00% | 0.00% | Joint venture | 714 | - |
| Consorcio Constructor Nuevo Dorado (en proceso de liquidación) | Construction | Colombia | 65.00% | 65.00% | Joint venture | 581 | 607 |
| Soluciones de Crédito S.A.S | Granting of loans and microcredits | Colombia | 48.98% | 48.98% | Associate | 402 | 1,358 |
| Consorcio Mantenimiento Opain (en proceso de liquidación) | Maintenance services | Colombia | 65.00% | 65.00% | Joint venture | 23 | 71 |
| Consorcio Farallones | Construction | Colombia | 50.00% | 50.00% | Joint venture | - | 24,007 |
| Concesión La Pintada S.A.S. | Road concession | Colombia | 0.00% | 78.85% | Associate | - | 584,132 |
| **Total investments in associates and joint ventures** | | | | | | **11,116,749** | **10,002,820** |

(*) In relation to the associate Grupo de Inversiones Suramericana S.A., the percentage of economic right interests as of December 2022 and 2021 of 27.51%, is different from the percentage with voting rights of 34.14%. The foregoing considering that the issuer has shares with preferred dividend and without voting rights. For other investments in associated companies, the percentage of ownership indicated is equal to the percentage of economic ownership.

The table of general information on associates and joint ventures does not include the following associates and joint ventures: Aerotocumen S.A (in liquidation), Consorcio Dovicon O&MC, Dovicon S.A., JV Dovicon EPC S.A.S., JV Dovicon O&M S.A.S, C2 Energía S.A.S, Promotora de Proyectos S.A (in liquidation), Granulados Reciclados de Colombia Greco S.A.S, and Consorcio Farallones, because as of 31 December 2022 their book value is zero. Additionally, the associate Concesión Vial de los Llanos S.A.S is not included in this table because it was classified as a non-current asset held for sale as part of the negotiation with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

C2 Energía S.A.S, Promotora de Proyectos S.A (in liquidation), Granulados Reciclados de Colombia Greco S.A.S. and Consorcio Farallones have negative equity as of 31 December 2022, for this, after the application of the equity method in the Group's consolidated financial statements, these investments were carried at zero, considering that this situation does not imply a legal obligation for the Group, except for Consorcio Farallones for which a provision for $4,087 was recognized. The book value of Aerotocumen S.A (in liquidation), Consorcio Dovicon O&MC, Dovicon S.A., Dovicon S.A., JV Dovicon EPC S.A.S., JV Dovicon O&M S.A.S. amounts to zero due to the recognition of impairment on these investments in prior periods.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements, except for the Fondo de Capital Privado Pactia Inmobiliario, which is accounted for at fair value through profit or loss in accordance with the exemption established in paragraph 19 of IAS 28 Investments in Associates and Joint Ventures.

Of all these investments, the only one listed on the stock market is Grupo de Inversiones Suramericana S.A. whose stock market value as of 31 December 2022, is $42,000 pesos per common share (December 2021 $30,000 Colombian pesos per common share). This is for information purposes only since the investment of Grupo de Inversiones Suramericana S.A. is accounted for using the equity method. However, even though the market value of the share is lower than the book value, no impairment is generated because the business fundamentals and the valuation performed do not imply impairment.

(i) The value of the unit of the Fondo de Capital Privado Pactia Inmobiliario is $13,282.19 pesos per unit (2021 $12,263.48 pesos per unit). The fair value hierarchy of this investment is Level 2, considering that the underlying assets of the trust rights are represented in real estate, which are measured at fair value and the valuation technique used corresponds to technical appraisals performed by independent appraisers. The value of the real estate is updated daily with the changes in the Real Value Unit (UVR) index, as established by Colombian legislation, until a new appraisal is made for each of the assets, with a minimum annual periodicity. These assets are presented as investment properties for $3,671,998 (2021 $3,404,256).

(ii) The Fondo de Capital Privado por Compartimientos Odinsa Vías is a joint venture classified as an investment entity under IFRS 10 Consolidated Financial Statements. The Group chose to retain for the purposes of the application of the equity method the fair value measurement applied by this fund on its interests in entities. The following is a breakdown of the total net asset value of the fund.

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents | 37,496 | - |
| Receivable for subordinated debt Concesión La Pintada S.A.S. (*) | 230,099 | - |
| Receivable for subordinated debt Concesión Vial de los Llanos S.A.S. (*) | 118,265 | - |
| Economic rights Concession Túnel Aburrá Oriente S.A. (*) | 405,045 | - |
| Economic rights Concession La Pintada S.A.S. (*) | 359,280 | - |
| Economic rights Autopistas del Café S.A. (includes AKF Trust) (*) | 163,914 | - |
| Economic rights Consorcio Grupo Constructor Autopistas del Café (*) | 106,608 | - |
| Economic rights Concesión Vial de los Llanos S.A.S. (*) | 28,184 | - |
| Other assets | 607 | - |
| **Total assets** | **1,449,498** | |
| Payable to Autopistas del Café S.A. (*) | 118,675 | - |
| Payable to Concesión Túnel Aburrá Oriente S.A. (*) | 50,428 | - |
| Other liabilities | 2,385 | - |
| **Total liabilities** | **171,488** | **-** |
| **Total net assets** | **1,278,010** | **-** |

The investment held by the Group in the Fondo de Capital Privado por Compartimientos Odinsa Vías corresponds to 50% of the net assets of the Fund less the unrealized profits for $2,537.

(*) To determine the fair value, independent experts with experience in the valuation of this type of assets are hired. The expense for advisory fees, administration, management of investment funds, and operation of road concessions incurred by the Fondo de Capital Privado por Compartimientos Odinsa Vías with Odinsa Gestor Profesional S.A.S. is incurred in the Fund as the service is rendered.

(iii) In September 2022 an agreement was signed between Grupo Argos S.A., Odinsa S.A., and Macquarie Infrastructure and Real Assets ("MIRA") for the sale of 50% of the shares that Grupo Argos S.A. through its subsidiary Odinsa S.A. holds in these companies (Note 46 Significant events). The Group reclassified as a non-current asset held for sale the book value of the investments to be transferred (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations) and recognized an impairment based on the recoverable value of the asset as detailed below (Note 14 Goodwill):

| Joint venture | interests classified as held for sale | Book value of assets classified as held for sale | Impairment recognized through profit or loss |
|---|---|---|---|
| Corporación Quiport S.A. | 23.25% | 315,061 | - |
| Quito Airport Management (Quiama) LTD | 25.00% | 43,461 | - |
| International Airport Finance S.A. | 23.25% | 5,226 | - |
| Goodwill in the concessions segment | N/A | 124,640 | 64,237 |
| **Total** | | **488,388** | **64,237** |

### 18.2 Corporate purpose of main associates and joint ventures and nature of the relationship

**Grupo de Inversiones Suramericana S.A. Grupo Sura S.A.:** is a company with strategic investments in the banking, insurance, pension, savings, and investment sectors. Its main domicile is in Colombia.

With Grupo de Inversiones Suramericana S.A. significant influence is exercised through its position to nominate the members of the Board of Directors to be elected by the Shareholders' Meeting, in accordance with the legal provisions in Colombia. This is a relevant investment for Grupo Argos S.A. given its expansion in the region, its leadership in the insurance, pension, banking and investment markets, its financial strength, and the demographic evolution in the geographies where it is located. It also has a policy of corporate responsibility and citizenship, complying with the highest standards in social, environmental and governance matters.

**Fondo de Capital Privado Pactia Inmobiliario:** is a closed-end private equity fund made up of all the resources transferred to the fund by the contributors in kind and in cash. The private equity fund is the sole trustor and beneficiary of the Pactia - P.A. Pactia Autonomous Equity.

The fund's main objective is the long-term strategic investment in assets for their economic exploitation and to obtain an attractive return for its investors with a moderate level of risk. Each of the real estate assets in which the fund invests has a defined management, business and brand strategy, whose focus is the generation of value for the fund.

This private equity fund is managed according to the instructions given by the professional fund manager, Pactia S.A.S., whose principal place of business is in Colombia.

The fund has a duration of 30 years, extendable for an additional 10-year period. The alliance between Grupo Argos S.A., Conconcreto S.A. and Protección S.A. is developed through the delivery of contributions represented in real estate and cash to Fiduciaria Bancolombia S.A., which acts as the managing Company.

**Fondo de Capital Privado por Compartimientos Odinsa Vías:** the purpose of this private equity fund is to manage the investments of Concesión Túnel Aburrá Oriente S.A., Concesión La Pintada S.A.S., Concesión Vial de los Llanos S.A.S., Autopistas del Café S.A. and Consorcio Grupo Constructor Autopistas del Café. The Fondo de Capital por Compartimientos has the legal, statutory, and administrative authorizations and faculties required to develop the activity of administration of collective investment funds and, particularly, of private equity funds in accordance with the Law. Therefore, a collective scheme of investment by compartments or cells is constituted for the collection, administration and management of the contributions that will be managed collectively to obtain collective economic results for its Investors.

**Corporación Quiport S.A.:** responsible for acting as concessionaire to manage and operate the old Quito airport, Mariscal Sucre International Airport, and to develop, build, manage, operate, and maintain the New Quito International Airport and the execution of all activities inherent to the concession contract granted by Corporación Aeropuerto y Zona Franca del Distrito Metropolitano de Quito. The contract establishes a duration of 35 years for the concession, starting from 27 January 2006 and ending in January 2041. This investment was held by Odinsa S.A. indirectly through the investment vehicle Quiport Holding S.A., until the date on which the capital redemption was made, and the investment was transferred directly to Odinsa S.A.

50% of the book value of interests held in this entity was classified as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

### 18.3 Contributions, contribution refunds, changes in ownership interests and distribution of dividends in associates and joint ventures

Changes in contributions, restitution of contributions, changes in ownership interests, and distribution of dividends in associates and joint ventures during 2022 are detailed below:

**Odinsa Vías S.A.S:** received contributions by Odinsa S.A. represented in the bare ownership of the shares of: Concesión Túnel Aburrá Oriente S.A., Concesión La Pintada S.A.S., Concesión Vial de los Llanos S.A.S., Autopistas del Café S.A., Consorcio Grupo Constructor Autopistas del Café and the contractual position in the consulting contract with Autopistas del Café S.A. for $21.430. (Note 46 Significant events).

**P.A. Fideicomiso Hotel Calablanca Barú and P.A. Operación Hotel Calablanca Barú:** during 2022, contractual modifications were made, where the Group does not have joint control over these investments but does have significant influence in accordance with the terms established by IAS 28 Investments in Associates and Joint Ventures, therefore the investments are classified as associates.

**P.A Fideicomiso Hotel Calablanca Barú:** equity interests was updated to 20%. The decrease of interests in 1.04% corresponds to the dilution generated by the signing of the subscription contract on the Trust between Grupo, Arquitectura y Concreto S.A.S. and Patrimonio Autónomo Estrategias Inmobiliarias - PEI. Additionally, a contribution of $96 was made for the construction of the hotel pier, with such contribution interests are not modified since all the trustors contributed in the proportion of their participation. Likewise, because of the subscription of said contract, the classification of the investment became Associate, as well as the P.A. Fideicomiso Operación Hotel Calablanca Barú.

**Granulados Reciclados de Colombia Greco S.A.S.:** as of December 2022, the Group through its subsidiary Cementos Argos S.A. capitalized credits for $1,758, subscribing 171,000 shares, which generated a change of equity interests from 41.91% to 43.98%.

**P.A Laurel:** as of December 2022, Celsia Colombia S.A. E.S.P. made cash contributions to P.A. Laurel for $1,491. Likewise, Celsia Colombia S.A. E.S.P. sold the economic rights of certain energy contracts for $42,872, capitalized 50% of such value and adjusted the value of the income recognized against the investment by reducing it by $21,436, which corresponds to the elimination of the unrealized profits for such assignment of economic rights. This contribution did not imply any change in interests.

**CNC del Mar S.A.S E.S.P:** as of December 2022, the Group, through its subsidiary Celsia S.A., capitalized a value previously delivered as an advance to CNC del Mar S.A.S. E.S.P. for $9,923 represented in 499,980 shares of the company. This contribution did not imply changes in interests.

**Corporación Quiport S.A:** as of December 2022, the Group, through its subsidiary Odinsa S.A., received a profit distribution of $64,378. This distribution did not imply changes in interests in the joint venture.

**Fondo de Capital Privado Pactia Inmobiliario:** as of December 2022, the Group received restitution of contributions for $11,065 and returns for $20,030. Additionally, due to a decrease in the units in circulation, there was a change in the equity interests from 37.13% to 37.39%.

**Concesión La Pintada S.A.S.:** prior to the sale and subsequent contribution of this investment to the Fondo de Capital Privado por Compartimientos Odinsa Vías and Odinsa Vías S.A.S, the Group, through its subsidiary Odinsa S.A., received payment of principal and interest on subordinated debt loan for $169,127 and $38,619, respectively. This payment did not imply changes in interests of the associate.

**Pactia S.A.S.:** as of December 2022, the Group received dividends for $5,500, with no changes in interests.

**Caoba Inversiones S.A.S.:** as of December 2022, the Group, through its subsidiary Celsia S.A., made contributions for $41,314 and decreed distribution of dividends for $3,387, with no changes in interests.

**Quito Airport Management LTD. (Quiama):** as of December 2022, the Group, through its subsidiary Odinsa S.A., received a distribution of profits for $7,740. This distribution did not imply changes in interests in the joint venture.

**Patrimonio Autónomo Hacienda Niquía:** as of December 2022, the Group received a distribution of profits for $1,500, with no changes in interests.

**Saint-Gobain Colombia S.A.S.:** as of December 2022, the Group, through its subsidiary Cementos Argos S.A., made contributions for $6,000. The initial investment in this company amounted to $6,942, which includes an additional $942 for its acquisition. This contribution did not imply changes in interests in the associate.

**Consorcio Farallones:** as of December 2022, the Group, through its subsidiary Odinsa S.A., made contributions for $22,744. The value of the contribution was delivered partly in cash for $16,268 and the remaining was received directly by the consorcio Farallones through the sale of heavy machinery that had been loaned by Odinsa S.A. to the consortium for $6,476. This contribution did not imply changes in interests in the joint venture.

**P.A. Muverang:** as of December 2022, the Group, through its subsidiary Celsia S.A., made contributions for $1,750. This contribution did not imply changes in interests in this joint venture.

Changes in contributions, restitution of contributions, changes in ownership interests, and distribution of dividends in associates and joint ventures during 2021 are detailed below:

**Grupo de Inversiones Suramericana S.A.:** the Group's interest in this associate reached 27.51% (2020 27.13%) in economic rights and 34.14% (2020 33.67%) share with voting rights due to operations inherent to the administration of the portfolio and the repurchase of shares by Grupo de Inversiones Suramericana S.A. In 2021 The Group did not recognize an equity increase in the investment at the time of the repurchase of shares by Grupo Sura. The effects on the investment are subsequently produced with the application of the equity method using the new share of interests.

**Termoeléctrica El Tesorito S.A.S. E.S.P:** in December 2021 the Group, through its subsidiary Celsia Colombia S.A. E.S.P, presented loss of control of the subsidiary Tesorito S.A.S E.S.P., in accordance with the reform to the decision-making regime of the Board of Directors, reform that was registered before the Chamber of Commerce. Consequently, the investment was reclassified as an associate in the Group's financial statements. This movement did not imply any change in the company's interests.

**Trans Atlantic Shipmanagement Ltd:** as of December 2021, the Group, through its subsidiary Cementos Argos S.A., made contributions for $3,737. This contribution did not imply changes in interests in the joint venture.

**P.A. Muverang:** as of December 2021, the Group, through its subsidiary Celsia S.A., made contributions for $2,220. This contribution did not imply changes of interests in the joint venture.

**Fideicomiso Plan Luz:** as of December 2021, the Group, through its subsidiary Celsia S.A., made contributions for $1,500. This contribution did not imply changes of interests in the joint venture.

**Soluciones de Crédito S.A.S.:** as of December 2021, the Grupo, through its subsidiary Cementos Argos S.A., made contributions for $960. This contribution did not imply changes of interests in the associate.

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

**Pactia S.A.S.:** as of December 2021, the Group received dividends for $6,748, with no changes in interests.

**Caoba Inversiones S.A.S.:** as of December 2021, the Group, through its subsidiary Celsia S.A., received dividends for $5,315. This distribution did not imply changes of interests in the joint venture.

**Quito Airport Management LTD. (Quiama):** as of December 2021, the Group, through its subsidiary Odinsa S.A., received distribution of profits for $5,312. This distribution did not imply changes of interests in the joint venture.

**Consorcio Farallones:** as of December 2021, Odinsa S.A., subsidiary of Grupo Argos S.A., repaid a prepayment of profits received in 2020 for $10,000. This payment did not imply changes of interests in the associate.

**Patrimonio Autónomo Hacienda Niquía:** as of December 2021, refund of contributions for $2,819 and distribution of profits for $93 were received.

**P.A Fideicomiso Hotel Calablanca Barú:** unrealized profits for $4,765 were recognized, according to an equity participation of 21.04%. Decrease in interests of 56.77% corresponds to dilution due to contributions of the other trustors, according to agreement compliance, and not to sale of interests.

**Concesión La Pintada S.A.S.:** as of December 2021, the Group, through its subsidiary Odinsa S.A., received interest payment on subordinated debt loan for $78,883. This payment did not imply changes of interests in the associate.

### 18.4 Incorporation, acquisition or divestment of associates and joint ventures

During 2022 the following Incorporation, acquisition and/or divestment of associates and joint ventures were made:

**P.A Laurel:** Celsia Colombia S.A. E.S.P. subsidiary of the Group, as an operating co-investor, and Inversiones CFNS S.A.S. as a financial co-investor, decided to join efforts for the creation of a platform called P.A. Laurel, through an Irrevocable Mercantile Trust of Administration and Payments contract managed by Fiduciaria Bancolombia S.A., with a 50% interests for each of the parties, forming a joint venture that aims to develop solar energy generation projects and the rendering of services for the supply of energy generated by alternative sources with a capacity of up to 7.99 MWp each.

**Fondo de Capital por Compartimientos Odinsa Vías:** in June 2022 the Group constituted this fund through its subsidiary Odinsa S.A. with a 50% shareholding interests, making cash contributions for $267, contribution of the economic rights of: Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the Autopistas del Café Trust), Consorcio Grupo Constructor Autopistas del Café, Concesión Vial de los Llanos S.A.S., and Concesión La Pintada S.A.S. for $529,326, as well as the contribution of receivables for the interest of the subordinated debt with Concesión Vial de los Llanos S.A.S. for $13,267 and liabilities for ($79,370). At the same date, Odinsa S.A. contributed to the company Odinsa Vías S.A.S. the political rights over the described investments for an amount of $17,994, as well as the assignment of a consultancy contract with Consorcio Grupo Constructor Autopistas del Café for $3,436, as part of the negotiation made with Macquarie Infrastructure and Real Assets ("MIRA"). The value of the contributions in the economic rights includes the write-off for $818 and the value of the contribution for the advisory contract with Consorcio Grupo Constructor Autopistas del Café includes the write-off for $3,436, both corresponding to the result of the contribution of Odinsa S.A. which is related to its direct participation in the Fondo de Capital por Compartimentos Odinsa Vías.

The purpose of this fund is to manage the investments of Concesión Túnel Aburra Oriente S.A., Autopistas del Café S.A. (including its interests in the Fideicomiso de Autopistas del Café), Consorcio Grupo Constructor Autopistas del Café, Concesión Vial de los Llanos and Concesión La Pintada S.A.S., among other initiatives related to infrastructure assets (Note 46 of Significant Events).

**Odinsa Vías S.A.S:** this investment since June 2022 changed from being a subsidiary to a joint venture because of the entry of the partner MIP Cinco Transporte Iberoamérica (Macquarie) leaving Odinsa S.A., subsidiary of Grupo Argos S.A., with 50.00% interests.

**Concesión La Pintada S.A.S.:** as of June 2022 this investment was sold to Macquarie Infrastructure and Real Assets ("MIRA") and subsequently contributed to the Fondo de Capital Privado por Compartimientos Odinsa Vías and to the Odinsa Vías S.A.S. platform, including the amounts of subordinated debt. (Note 46 Significant events).

**Concesión Vial de los Llanos S.A.S.:** in June 2022, the subsidiary Odinsa S.A. acquired 550,000 shares of Concesión Vial de los Llanos S.A.S., including the principal for $18,360 and the interest of the subordinated debt for $5,711, equivalent to 11% of interests in this entity, which generated a gain from a bargain purchase for $4,225 (Note 37 Other income (expense), net). Subsequently, the investment in this associate was classified as held for sale for a value equal to the book value of the shares and the principal of the subordinated debt, acquired during 2022 from Murcia & Murcia S.A.S. and Construcciones el Condor S.A. for $85,847 (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

**Quito Airport Management LTD. (Quiama):** in December 2022, as part of the preparation process for the creation of the airport assets platform, Marjoram Riverside Company S.A., a subsidiary of Odinsa S.A., sold its interest in this joint venture to Odinsa S.A. This did not imply any change at the consolidated level.

**Promotora de Proyectos S.A (en liquidación):** at an extraordinary shareholders' meeting held on 28 April 2022, the dissolution and subsequent liquidation of the company was approved by means of minute No. 44. This process was registered through public deed No. 1,482 of 11 May 2022 and at the chamber of commerce on 19 May 2022.

**Saint-Gobain Colombia S.A.S.:** The Group acquired through its subsidiary Cementos Argos S.A. 40% interests, represented by 188,800 shares of the associate, whose corporate purpose is the design, production, and distribution of construction and high performance materials (flat glass, insulation materials, piping, and abrasives).

During 2021, the following incorporations, acquisitions and/or divestments of associates and joint ventures were made:

**P.A. Fideicomiso Operación Hotel Calablanca Barú:** Tthe Group incorporated this company with a 49% share interest, according to a mercantile trust agreement for a value of $0.9. As of December 2021, there was a dilution in interests of 29% due to contributions made by the other trustors, with the Group now holding 20% interests in this investment.

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

**Internacional Ejecutiva de Aviación S.A.S:** On 5 April 2021, the Group sold 375,000 shares of the company for $1,148 to Grupo Nutresa S.A., for a $238 profit. The share interests sold amount to 8.33%, going from 33.33% to 25%. The consideration was received in cash in April.

### 18.5 Summary Financial Information

The summary financial information included in the following tables represents the values reported to the Group by its associates and joint ventures, prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia. For the purposes of this disclosure and summary financial information, the presentation of each associate and/or joint venture in accordance with its accounting policies is considered.

| December 2022 | Grupo de Inversiones Suramericana S.A. (i) | Fondo de Capital Privado Pactia Inmobiliario (iii) | Corporación Quiport S.A. | Fondo de Capital Privado por Compartimentos Odinsa Vías | Other non-significant associates and joint ventures |
|---|---|---|---|---|---|
| Current assets (1) | | 244,402 | 402,060 | | 1,011,769 |
| Non-current assets (1) | | 3,657,056 | 3,502,767 | | 5,335,114 |
| **Total assets** | **98,393,465** | **3,901,458** | **3,904,827** | **1,449,498** | **6,346,883** |
| Current liabilities (1) | | 166,236 | 983,760 | | 543,846 |

| December 2022 | Grupo de Inversiones Suramericana S.A. (i) | Fondo de Capital Privado Pactia Inmobiliario (iii) | Corporación Quiport S.A. | Fondo de Capital Privado por Compartimentos Odinsa Vías | Other non-significant associates and joint ventures |
|---|---|---|---|---|---|
| Non-current liabilities (1) | | 1,115,305 | 1,834,437 | | 4,724,443 |
| **Total liabilities** | **62,611,644** | **1,281,541** | **2,818,197** | | **5,268,289** |
| **Equity** | **35,781,821** | **2,619,917** | **1,086,630** | **1,278,010** | **1,078,594** |
| Revenue | 31,350,430 | 392,334 | 606,917 | - | 533,512 |
| Net profit from continuing operations | 2,325,360 | 242,777 | 153,916 | 345,778 | (47,376) |
| Net profit after discontinued operations | 2,345,341 | 242,777 | 153,916 | 345,778 | (47,376) |
| Other comprehensive income | 3,841,796 | 37,852 | 191,590 | - | 33,174 |
| Total comprehensive income | 6,187,137 | 280,629 | 345,506 | 345,778 | (14,202) |
| Received dividends or distributed profits (2) | 117,726 | 20,030 | 64,378 | - | 18,127 |

| December 2021 | Grupo de Inversiones Suramericana S.A. (i) (ii) | Fondo de Capital Privado Pactia Inmobiliario (iii) | Corporación Quiport S.A. | Other non-significant associates and joint ventures (iii) |
|---|---|---|---|---|
| Current assets (1) | | 258,435 | 276,042 | 825,244 |
| Non-current assets (1) | | 3,571,738 | 2,966,157 | 6,290,983 |
| **Total assets** | **75,901,683** | **3,830,173** | **3,242,199** | **7,116,227** |
| Current liabilities (1) | | 68,250 | 818,807 | 886,601 |
| Non-current liabilities (1) | | 1,287,746 | 1,543,293 | 4,675,203 |
| **Total liabilities** | **47,289,863** | **1,355,996** | **2,362,100** | **5,561,804** |
| **Equity** | **28,611,820** | **2,474,177** | **880,099** | **1,554,423** |
| Revenue | 24,803,043 | 316,323 | 374,641 | 779,778 |
| Net profit from continuing operations | 1,519,922 | 162,532 | 30,778 | 44,258 |
| Net profit after discontinued operations | 1,524,592 | 162,532 | 30,778 | 44,258 |
| Other comprehensive income | 1,452,221 | 43,249 | 118,705 | 37,095 |
| Total comprehensive income | 2,976,813 | 205,781 | 149,483 | 81,353 |
| Received dividends or distributed profits (2) | 94,475 | 6,867 | - | 17,468 |

The following is additional financial information on the Group's associates or joint ventures:

| December 2022 | Grupo de Inversiones Suramericana S.A. | Fondo de Capital Privado Pactia Inmobiliario (iii) | Corporación Quiport S.A. | Fondo de Capital Privado por Compartimientos Odinsa Vías | Other non-significant associates and joint ventures |
|---|---|---|---|---|---|
| Cash and cash equivalents | 3,569,969 | 75,699 | 220,164 | 37,496 | 265,990 |
| Current financial liabilities (1) (3) | | 105,521 | 88,622 | | 299,430 |
| Non-current financial liabilities (1) (3) | | 1,115,305 | 1,828,741 | | 4,647,508 |
| Financial liabilities (3) | 10,560,732 | 1,220,826 | 1,917,363 | 170,767 | 4,946,938 |
| Depreciation and amortization expense | 271,097 | 531 | 112,056 | - | 92,439 |
| Interest income | 978,155 | 9,466 | 10,267 | 852 | 206,437 |
| Interest expenses | 461,601 | 131,249 | 204,505 | 11,144 | 183,605 |
| Income tax expense | 147,166 | - | - | - | (7,375) |

| December 2021 | Grupo de Inversiones Suramericana S.A. (ii) | Fondo de Capital Privado Pactia Inmobiliario (iii) | Corporación Quiport S.A. | Other non-significant associates and joint ventures (iii) |
|---|---|---|---|---|
| Cash and cash equivalents | 2,282,924 | 122,592 | 144,417 | 305,898 |
| Current financial liabilities (1) (3) | | 35,171 | 57,638 | 633,189 |
| Non-current financial liabilities (1) (3) | | 1,229,091 | 1,537,003 | 4,376,940 |
| Financial liabilities (3) | 9,852,408 | 1,264,262 | 1,594,641 | 5,010,129 |
| **December 2021** | | | | |
| Depreciation and amortization expense | 543,424 | 431 | 60,677 | 82,319 |
| Interest income | 1,251,555 | 3,089 | 9,377 | 187,046 |
| Interest expenses | 742,628 | 90,026 | 181,488 | 154,389 |
| Income tax expense | 470,049 | - | - | 41,136 |

The assumptions used in the preparation of the summary financial information are as follows:

(i) Summary financial information of the associate Grupo de Inversiones Suramericana S.A., does not include the homologation made by the Group for the calculation of the equity method on the associate as of 31 December 2022 and 2021, of the negative effect of the deferred tax for $21,244 and $38,134 respectively, arising from the change in income tax rate and occasional gains due to the tax reform in Colombia which recognition in the Group was made through equity and not through profit or loss.

(ii) Comparative financial information of the associate Grupo de Inversiones Suramericana S.A., presented changes according to its latest official financial statements, disclosed in its statement of financial position, and statement of profit or loss.

(iii) The financial statements presented for the Fondo de Capital Privado Pactia Inmobiliario for purposes of this disclosure are the Fund's consolidated financial statements, prepared for consolidation purposes. The value of the unit used for purposes of the Fund's fair value accounting recognition is calculated from the Fund's separate financial statements.

(1) The associate Grupo de Inversiones Suramericana S.A., and Fondo de Capital Privado por Compatimientos Odinsa Vías present the statement of financial position in order of liquidity, therefore the detail of current and non-current assets and liabilities, and current and non-current financial liabilities is not included.

(2) Corresponds to dividends paid by associates and joint ventures for the period ended 31 December 2022 and 2021. Dividends received from other associates and joint ventures correspond to: $5,500 (2021 $6,748) from Pactia S.A.S., $7,740 (2021 $5,312) from Quito Airport Management LTD. (Quiama), $1,500 (2021 $93) from Patrimonio Autónomo Hacienda Niquia, and $3,387 (2021 $5,315) from Caoba Inversiones S.A.S. Additionally, as of December 2022 and 2021, restitution of contributions were received from Fondo de Capital Privado Pactia $11,065 (2021 $50,496), and in 2021 from Consorcio Farallones $10,000, and Patrimonio Autónomo Hacienda Niquia $2,819.

(3) Trade and other payables are excluded for presentation purposes. The financial liabilities of the associate Fondo de Capital Privado Pactia Inmobiliario include lease liabilities mostly with financial entities for $904,124 (2021 $913,638).

### 18.6 Significant restrictions and commitments

No significant restrictions exist on the ability of joint ventures and associated companies to transfer funds by way of dividends, loan repayments, prepayments or otherwise. Also, there are no unrecognized commitments with joint ventures and associates at 31 December 2022 and 2021 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, except from:

– Contribution commitments held by Celsia Colombia S.A. E.S.P., subsidiary of the Group, with the P.A. Laurel where each one of the Trustors commits to make the additional contributions required for the development of the Business up to an amount equivalent to 50% of $16,800 or such higher amount agreed between the Trustors in accordance with the Framework Investment Agreement, and

- Own capital calls that the Odinsa Vías Capital Fund could make in the development of its investment plan that constitute irrevocable obligations to its trustors.

The Group pledged 64,340,967 (2021 71,080,751) shares of Grupo de Inversiones Suramericana S.A. as collateral for as guarantee for financial liabilities. (Note 7.4 Collaterals).

### 18.7 Analysis of objective evidence of impairment

The Group assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is objective evidence of impairment of assets. If such evidence exists, the Group tests the assets for impairment.

Impairment tests are performed through a combination of different valuation techniques, mainly under the Discounted Free Cash Flow (DFCF) methodology, sum of parts and discounted cash flows to the shareholder to find its value. These valuations take as a reference a baseline of results such as the budget and financial projections approved by the management of each business. Likewise, the discount rate used is the *Weighted Average Cost of Capital* (WACC) or the Cost of Equity (Ke) of each one.

The following is a description of management's judgments regarding objective evidence of impairment for the Group's most representative investments in associates and joint ventures accounted for using the equity method:

For the associate Grupo de Inversiones Suramericana S.A., as of 31 December 2022, the company's businesses are displaying good dynamics, evident in a better operating result at consolidated level. Thanks to the active and permanent management of the companies, in addition to the adequate implementation of strategies for the continuity of the business and good commercial dynamics, the sustainability and growth of the operations has been ensured, which is endorsed by the impairment assessments performed at the end of December 2022, where no impairment was recorded on the investment.

The Group, through its subsidiary Odinsa S.A., entered into an agreement with Macquarie Infrastructure and Real Assets ("MIRA") to sell 50% of the current interests in the joint ventures: Corporación Quiport S.A., International Airport Finance S.A., and Quito Airport Management LTD. As of 31 December 2022, the Group recognized impairment on the goodwill assigned to the concessions segment for $64,237, based on the recoverable value of these airport assets based on the valuation performed by independent third parties (Note 14 Goodwill).

The Group's other significant investments in associates and joint ventures did not present objective evidence of impairment as of 31 December 2022.

### 18.8 Reciprocal interests

During their operations, Grupo Sura S.A. and its subsidiaries, and Grupo Nutresa S.A. have in turn equity interests in Grupo Argos S.A. This equity interest is permitted by Colombian law since the shareholders are not subordinate companies of Grupo Argos S.A. Grupo Sura S.A.'s interest in Grupo Argos S.A., and that Grupo Argos S.A. has in Grupo Sura S.A., as of the dates indicated, is:

| | % Voting interest of the investment over Grupo Argos | | % Interest with economic right of the investment over Grupo Argos | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Grupo Sura S.A. in Grupo Argos S.A. | 35.96% | 35.63% | 27.20% | 26.95% |
| Grupo Argos S.A. in Grupo Sura S.A. | 34.14% | 34.14% | 27.51% | 27.21% |

Grupo Argos S.A. and its associate Grupo Sura S.A. record their reciprocal interests by the equity method, as described in note to the financial statements 2.4.9 investment in associates and joint arrangements. When calculating this method, both the associated company and Grupo Argos S.A. do so simultaneously and without considering the effect of the reciprocal interests, i.e., without affecting the results between them.

Likewise, Grupo Argos S.A. owns 9.88% (2021 9.88%) interests on the common shares of Grupo Nutresa S.A., and Grupo Nutresa S.A. in turn owns 12.51% (2021 12.51%) interests on the common shares of Grupo Argos S.A., and 9.47% (2021 9.47%) of outstanding shares of Grupo Argos S.A., in both cases these interests are recognized as a financial instrument and measured at fair value through Other Comprehensive Income - OCI, as described in the note to the financial statements 2.4.3 Financial assets.

## NOTE 19: **SUBSIDIARIES**

### 19.1 Composition of Grupo Argos

At 31 December Grupo Argos S.A. consolidates the following companies:

| | | | | Effective share interests (*) | |
|---|---|---|---|---|---|
| **Name of the subsidiary** | **Main activity** | **Country** | **Functional currency** | **2022** | **2021** |
| Patrimonio Autónomo Ganadería Rio Grande | Livestock Business | Colombia | Colombian Peso | 13.39% | 13.39% |
| Sator S.A.S. (1) | Coal mining | Colombia | Colombian Peso | 99.01% | 98.77% |
| Summa - Servicios Corporativos Integrales S.A.S. (1) | Provision of corporate services | Colombia | Colombian Peso | 77.90% | 77.81% |
| Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. (1) | Concessions | Colombia | Colombian Peso | 64.97% | 64.96% |
| Cementos Argos S.A. (*) (1) | Cements and related products | Colombia | Colombian Peso | 58.77% | 58.51% |
| American Cement Terminals LLC. | Investments | United States | US Dollar | 0.00% | 58.51% |
| American Cement Terminals Trust (BVI) (1) | Investments | British Virgin Islands | US Dollar | 58.77% | 58.51% |
| Argos (Dominica) Ltd. (1) | Cement distribution | Dominica | East Caribbean Dollar | 58.77% | 58.51% |
| Argos Dominicana S.A. (1) | Cement production and marketing | Dominican Republic | Dominican Peso | 47.35% | 47.15% |
| Argos Guatemala S.A. (1) | Cement import and marketing | Guatemala | Quetzal | 58.77% | 58.51% |
| Argos Guyane S.A.S. (1) | Cement production and marketing | French Guiana | Euro | 58.77% | 58.51% |
| Argos Honduras S.A. de C.V. (1) | Cement production and marketing | Honduras | Lempira | 31.32% | 31.18% |
| Argos North America Corp. (1) | Investments | United States | US Dollar | 59.15% | 58.89% |
| Argos Panamá, S.A. (1) | Cement and concrete industry and marketing | Panama | US Dollar | 48.99% | 48.77% |
| Argos Ports (Wilmington) LLC. | Distribution and sale of cement | United States | US Dollar | 0.00% | 58.51% |
| Argos Puerto Rico Corp. (1) | Distribution and sale of cement | Puerto Rico | US Dollar | 35.26% | 35.11% |

| Name of the subsidiary | Main activity | Country | Functional currency | Effective share interests (*) 2022 | 2021 |
|---|---|---|---|---|---|
| Argos SEM LLC (1) | Investments | United States | US Dollar | 58.77% | 58.51% |
| Argos St. Maarten N.V. (1) | Cement distribution | St. Maarten | US Dollar | 58.77% | 58.51% |
| Argos Trading Puerto Rico LLC (1) | Export | Puerto Rico | US Dollar | 35.26% | 35.11% |
| Argos USA LLC. (1) | Cement and concrete industry | United States | US Dollar | 59.15% | 58.89% |
| Argos USVI Corp. (1) | Cement distribution | U.S. Virgin Islands | US Dollar | 58.77% | 58.51% |
| BMR Limited (1) | Reinsurance for risk management | Bermuda | US Dollar | 58.77% | 0.00% |
| Cementos Argos Company Limited (1) | Cement distribution | Antigua | East Caribbean Dollar | 58.77% | 58.51% |
| Cement and Mining Engineering Inc. (1) | Investments | Panama | US Dollar | 58.77% | 58.51% |
| Cementos de Caldas S.A. (1) | Cement production | Colombia | Colombian Peso | 58.56% | 58.30% |
| CI del Mar Caribe (BVI) Inc. (1) | Marketing | British Virgin Islands | US Dollar | 58.78% | 58.52% |
| Cimenterie Nationale S.E.M. (CINA) (1) | Cement industry and marketing | Haiti | Gourde | 38.20% | 38.03% |
| Colcaribe Holdings S.A. (1) | Investments | Panama | US Dollar | 58.77% | 58.51% |
| Comercial Arvenco C.A. | Marketing | Venezuela | Venezuelan Bolivar | 0.00% | 58.51% |
| Concreto S.A. (1) | Ready-mix concrete manufacture | Panama | US Dollar | 48.99% | 48.77% |
| Concretos Argos S.A.S. (1) | Concrete production and marketing | Colombia | Colombian Peso | 58.99% | 58.74% |
| Concretos Argos Dominicanos, S.R.L. | Concrete Industry and Marketing | Dominican Republic | Dominican Peso | 0.00% | 47.26% |
| Corporaciones e Inversiones del Mar Caribe S.A.S. (1) | Investments | Colombia | Colombian Peso | 58.77% | 58.51% |
| Haití Cement Holding S.A. (1) | Investments | Panama | US Dollar | 58.77% | 58.51% |
| Inmuebles Miraflores S.A. (1) | Real Estate management | Panama | US Dollar | 58.77% | 58.51% |
| Logística de Transporte S.A. (1) | Transport | Colombia | Colombian Peso | 58.77% | 58.51% |
| Soluciones Modulares Argos S.A.S. (1) | Marketing and sale of prefabricated concrete elements | Colombia | Colombian Peso | 58.99% | 0.00% |
| Southern Star Leasing, LLC (1) | Concrete industry | United States | US Dollar | 59.15% | 58.89% |
| Supply Link LLC | Product unloading at port | United States | US Dollar | 0.00% | 58.89% |
| Surcol Houdstermaatschapij NV (1) | Investments | Suriname | US Dollar | 29.39% | 29.26% |

| Name of the subsidiary | Main activity | Country | Functional currency | Effective share interests (*) 2022 | 2021 |
|---|---|---|---|---|---|
| Terminal Granelera Bahía Las Minas S.A. (1) | Seaport operation | Panama | US Dollar | 48.99% | 48.77% |
| Transatlantic Cement Carriers Inc. (1) | Sea transport | Panama | US Dollar | 58.77% | 58.51% |
| Valle Cement Investments Inc. (1) | Investments | Panama | US Dollar | 62.15% | 61.91% |
| Venezuela Ports Company S.A. (1) | Investments | Panama | US Dollar | 58.77% | 58.51% |
| Vensur N.V. (1) | Cement production and marketing | Suriname | US Dollar | 24.74% | 24.63% |
| Zona Franca Argos S.A.S. (1) | Cement industry | Colombia | Colombian Peso | 58.77% | 58.51% |
| Celsia S.A. | Investments | Colombia | Colombian Peso | 52.93% | 52.93% |
| Alternegy S.A. | Energy | Panama | US Dollar | 52.93% | 52.93% |
| Bahía Las Minas Corp. | Energy | Panama | US Dollar | 27.12% | 27.12% |
| Bontex S.A. | Energy | Panama | US Dollar | 52.93% | 52.93% |
| Celsia Centroamérica S.A. | Services | Panama | US Dollar | 52.93% | 52.93% |
| Celsia Colombia Inversiones S.A.S. | Services | Colombia | Colombian Peso | 34.46% | 34.46% |
| Celsia Colombia S.A. E.S.P. | Energy | Colombia | Colombian Peso | 34.46% | 34.46% |
| Celsia Costa Rica S.A. | Commercial and industrial | Costa Rica | US Dollar | 52.93% | 52.93% |
| Celsia Honduras S.A. de C.V. | Energy | Honduras | US Dollar | 31.76% | 31.76% |
| Celsolar S.A. | Energy | Panama | US Dollar | 52.93% | 52.93% |
| CJ Energy, S.A. | Services | Panama | US Dollar | 31.76% | 0.00% |
| Colener S.A.S. | Energy | Colombia | Colombian Peso | 52.93% | 52.93% |
| Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA | Energy | Colombia | Colombian Peso | 33.96% | 33.96% |
| Divisa Solar 10MW, S.A. | Energy | Panama | US Dollar | 52.93% | 52.93% |
| Enerbit S.A.S. E.S.P. | Business management and energy | Colombia | Colombian Peso | 34.46% | 34.46% |
| Enerwinds de Costa Rica S.A. | Energy | Costa Rica | US Dollar | 34.40% | 34.40% |
| LandCO La Gloria S.A. | Commercial and industrial | Costa Rica | US Dollar | 34.40% | 34.40% |
| Planta Eólica Guanacaste S.A. (PEG) | Energy | Costa Rica | US Dollar | 34.40% | 34.40% |
| Porvenir II S.A.S E.S.P. (2) | Energy | Colombia | Colombian Peso | 52.93% | 52.93% |
| Odinsa S.A. (1) | Infrastructure and concession | Colombia | Colombian Peso | 99.91% | 99.88% |
| Autopistas de los Llanos S.A. en Liquidación (1) | Road concession | Colombia | Colombian Peso | 68.40% | 68.38% |
| Autopistas del Café S.A. | Road concession | Colombia | Colombian Peso | 0.00% | 59.60% |

| Name of the subsidiary | Main activity | Country | Functional currency | Effective share interests (*) 2022 | 2021 |
|---|---|---|---|---|---|
| Autopistas del Nordeste Cayman LTD (1) | Investments | Islas Cayman | US Dollar | 67.44% | 67.42% |
| Autopistas del Nordeste S.A. | Road concession | Dominican Republic | US Dollar | 0.00% | 67.42% |
| Autopistas del Oeste S.A. (1) | Road concession | Dominican Republic | Dominican Peso | 79.85% | 79.82% |
| Boulevard Turístico del Atlántico S.A. | Road concession | Dominican Republic | US Dollar | 0.00% | 67.42% |
| Caribbean Infraestructure Company N.V. (1) | Road concession | Aruba | US Dollar | 99.91% | 99.88% |
| Chamba Blou N.V. (1) | Road construction | Aruba | US Dollar | 99.91% | 99.88% |
| Concesión Túnel Aburrá Oriente S.A. | Road concession | Colombia | Colombian Peso | 0.00% | 52.56% |
| Concesión Vial de los Llanos S.A.S. | Road concession | Colombia | Colombian Peso | 0.00% | 50.94% |
| Consorcio App Llanos | Road construction | Colombia | Colombian Peso | 91.92% | 50.94% |
| Consorcio Grupo Constructor Autopistas del Café S.A. | Road construction | Colombia | Colombian Peso | 0.00% | 59.60% |
| Constructora Bogotá Fase III – Confase S.A. (1) | Road construction | Colombia | Colombian Peso | 50.95% | 50.94% |
| JV Proyecto ADN, S.R.L. (1) | Road construction | Dominican Republic | Dominican Peso | 67.44% | 67.42% |
| JV Proyecto BTA, S.R.L. (1) | Road construction | Dominican Republic | Dominican Peso | 67.44% | 67.42% |
| Marjoram Riverside Company S.A. (1) | Investments | British Virgin Islands | US Dollar | 99.91% | 99.88% |
| Odinsa Aeropuertos S.A.S. | Engineering and architectural services | Colombia | Colombian Peso | 99.91% | 0.00% |
| Odinsa Gestor Profesional S.A.S. (1) | Professional management of private equity funds | Colombia | Colombian Peso | 99.91% | 0.00% |
| Odinsa Holding. Inc. | Investments | British Virgin Islands | US Dollar | 0.00% | 99.88% |
| Odinsa Proyectos e Inversiones S.A. (1) | Road concession | Colombia | Colombian Peso | 99.58% | 99.55% |
| Odinsa Servicios S.A.S. (1) | Road Signaling Services | Colombia | Colombian Peso | 99.91% | 99.88% |
| Odinsa Vías S.A.S. | Engineering and architectural services | Colombia | Colombian Peso | 0.00% | 99.88% |
| Quadrat Group Inc. (1) | Investments | British Virgin Islands | US Dollar | 99.91% | 99.88% |

(*) For the subsidiary Cementos Argos S.A. the percentage of economic right interests as of December 2022 and December 2021 of 49.86% and 49.64%, respectively, is different from the percentage with voting rights of 58.77% and 58.51%, respectively. The foregoing considering that such subsidiary has shares with preferential dividend and without voting rights.

(1) The change in interests of these investments is because on 1 March 2022 the General Shareholders' Meeting of Sator S.A.S. approved the issue of 1,928,236 shares without preemptive rights. The shares were subscribed by Grupo Argos through the contribution in kind of the usufruct over 45,001,357 shares of Grupo de Inversiones Suramericana S.A. Consequently, the Group's interests in Sator S.A.S. increased by 0.24% (See 19.3.1 Contributions, restitution of contributions and/or changes in the ownership interests in a subsidiary that do not result in a gain or loss of control). Since Sator S.A.S. has a shareholding interests in Odinsa S.A., the percentages in Odinsa S.A. and its subsidiaries, Summa - Servicios Corporativos Integrales S.A.S., and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A., Opain

S.A. have also increased their interests. Additionally, the acquisition by Grupo Argos of a stake in Cementos Argos S.A. in September 2022 increased the indirect interests in the companies indicated (See 19.3.1 Contributions, restitution of contributions and/or changes in the ownership interest in a subsidiary that do not result in a gain or loss of control).

(2) Porvenir II S.A.S E.S.P. is a simplified joint stock company, a public utility company whose main corporate purpose is the generation and commercialization of electric energy according to Laws 142 and 143 of 1994. Its registered office is in Medellín and its term is indefinite.

The company is the holder of the Environmental License for the development of the Porvenir II hydroelectric project, granted by Resolution 0168 of 13 February 2015 and confirmed by Resolution 0726 of 19 June of the same year.

Within the process of simple nullity processed under file No. 2016-0149 against the Environmental License of the Porvenir II project, on 24 May 2019 the Council of State notified an order by which it provisionally suspended said license, considering that the development of the Project under the conditions endorsed by the Colombian National Authority of Enviromental Licences (ANLA) could disregard some precepts of Law 1448 of 2011. Celsia S.A. and the ANLA, the authority that issued the Environmental License, filed an appeal against the order. Unless the Council of State revokes the provisional suspension or rules definitively in the process denying the nullity, the Environmental License is still suspended by the Council of State and Celsia S.A. continues to execute all existing legal mechanisms to enable the license and continue with the process of finding a partner to take the lead and develop the project. Hydroelectricity continues to be very important for the development of the country, given its efficiency and our hydrographic wealth, and thus complements the strategy of increasing the participation of non-conventional renewable energies in the generation matrix.

The following are the direct subsidiaries of Grupo Argos S.A. included in the Group's consolidated financial statements:

**Cementos Argos S.A.:** a commercial company incorporated under Colombian law on 14 August 1944. The company's corporate purpose is the exploitation of the cement industry, the production of concrete mixtures and other materials or articles based on cement, lime or clay; the acquisition and sale of minerals or mineral deposits that can be used in the cement industry and its similar industries, of rights to explore and exploit minerals of the aforementioned, whether by concession, privilege, lease or any other title; the provision of port services; acting as a contractor, builder, consultant, controller, designer or planner of civil works or other types, before any public or private entity. The main domicile is in Colombia and its term expires on 14 August 2060.

This company consolidates with: American Cement Terminals LLC, (company absorbed by Argos USA LLC.), American Cement Terminals Trust (BVI), Argos Dominicana S.A. (this company consolidated with Concretos Argos Dominicanos S.L.R., company absorbed by Argos Dominicana S.A.), Argos Guatemala S.A., Argos Guyane S.A.S., Argos Honduras S.A. de C.V., Argos North America Corp. (this corporation consolidates with Argos USA LLC, Southern Star Leasing LLC, Supply Link LLC, company absorbed by Argos USA LLC), Argos Panama S.A. (this company consolidates with Concreto S.A. and Terminal Granelera Bahía Las Minas S.A.), Argos Ports (Wilmington) LLC (company absorbed by Argos USA LLC), Argos Puerto Rico Corp., Argos SEM, LLC. , Argos Trading Puerto Rico LLC, BMR Limited, Cement and Mining Engineering Inc, Cementos de Caldas S.A., CI del Mar Caribe (BVI) Inc., Colcaribe Holdings S.A., Comercial Arvenco C.A. (company that was liquidated in February 2022), Concretos Argos S.A.S., Corporaciones e Inversiones del Mar Caribe S.A.S. (this company consolidates with Argos (Dominica) Ltd., Argos Saint Maarten N.V., Argos USVI Corp, and Cementos Argos Company Limited), Haití Cement Holdings S.A. (this company consolidates with Cimenterie Nationale S.E.M. - CINA), Inmuebles Miraflores S.A., Logística de Transporte S.A., Soluciones Modulares Argos S.A.S., Surcol Houdstermaatschappij N.V. (this company consolidates with Vensur N.V.), Transatlantic Cement Carriers Inc., Valle Cement Investments Inc., Venezuela Ports Company S.A. and Zona Franca Argos S.A.S.

**Celsia S.A.:** incorporated under Colombian laws on 4 October 2001, its principal place of business is in Colombia. Its main corporate purpose is the administration, supervision, or increase of its assets through the encouragement and promotion of industrial or commercial activities, especially through investment in companies or other legal entities, or participation in other types of corporate structures, related to the energy industry, public utilities and their related or complementary activities, or through entities, organizations, funds or any other legal figure, either by participating as a founding member in its constitution, making subsequent capital contributions or acquiring capital participations. Likewise, it may invest in all types of movable and immovable property, fixed and variable income papers or documents; or any type of securities, whether they are registered on the public securities market. It may also provide advice on economic, administrative, and financial matters to all types of companies. Its legal term is until 4 April 2069.

This company consolidates with Bahía Las Minas Corp., Celsia Centroamérica S.A. (this company consolidates with Alternegy S.A., Bontex S.A., Celsia Costa Rica S.A., Celsia Honduras S.A. de C.V., CelSolar S.A., Divisa Solar 10MW S.A., CJ Energy S.A., and Enerwinds de Costa Rica S.A. (this company consolidates with LandCO La Gloria S.A. and Planta Eólica Guanacaste S.A. (PEG), Colener S.A.S. which consolidates with Celsia Colombia S.A. E.S.P., (this company consolidates with Celsia Colombia Inversiones S.A.S., Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA, and Enerbit S.A.S. E.S.P.), and Porvenir II S.A.S. E.S.P.

Celsolar S.A. was incorporated with the purpose of being an investment vehicle for new non-conventional energy projects.

Odinsa S.A.: incorporated under the Colombian law on 16 July 1992. Its main corporate purpose is the study, implementation, financing, and exploitation of all activities and works of engineering and architecture in all its forms, modes, and specialties, inside or outside the country. Its main domicile is in Colombia and its term expires on 31 December 2100.

This company consolidates with Autopistas de los Llanos S.A. in liquidation, Autopistas del Nordeste Cayman LTD., Autopistas del Nordeste S.A. (company that was dissolved in November 2022), Autopistas del Oeste S.A., Boulevard Turístico del Atlántico S.A. (company that was dissolved in December 2022.), Caribbean Infrastructure Company N.V., Chamba Blo N.V., Consorcio APP Llanos, Constructora Bogotá Fase III - Confase S.A., JV Proyecto ADN, S.R.L., JV Proyecto BTA, S.R.L., Marjoram Riverside Company S.A, N.V., Odinsa Aeropuesrtos S.A.S., Odinsa Gestor Profesional S.A.S., Odinsa Holding Inc. (this company was absorbed by Odinsa S.A.), Odinsa Proyectos e Inversiones S.A., Odinsa Servicios S.A.S., Odinsa Vías S.A.S. (this company becomes a joint venture, due to the constitution of the investment platform). And Quadrat Group Inc.

In June 2022, Odinsa S.A. sold to Macquarie Infrastructure and Real Assets ("MIRA") and contributed to Fondo de Capital Odinsa Vías and Odinsa Vías S.A.S. the interests in: Autopistas del Café S.A., Concesión Túnel Aburrá Oriente S.A., Concesión Vial de los Llanos S.A.S., and Consorcio Grupo Constructor Autopistas del Café S.A., which implied the loss of control over these investments.

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.: tthe company has as its sole corporate purpose the subscription and execution of the concession contract subject to public bidding 5000091 OL of 2005, the object of which is the granting of a concession for the concessionaire to carry out, on its own account and at its own risk, among others, the administration, operation, commercial exploitation, maintenance and modernization and expansion of the El Dorado International Airport in the city of Bogotá D.C.

The investment in Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. recognized in the separate financial statements of Grupo Argos S.A. includes the adjustments of the purchase price allocation process for the acquisition of control of this company, considered for application of the equity method and subsequent consolidation purposes. As of 31 December 2022, the equity of Opain S.A. with these adjustments presented a negative value, for this, after application of the equity method in the separate financial statements of Grupo Argos this investment was brought to zero, considering that this does not imply a legal obligation for Grupo Argos S.A., It is expected this situation will revert due to the recovery of the business and the airport industry, which among other considerations confirms the going concern assumption established in Law 2069 of 31 December 2020 and that serves as the basis for the preparation of the current financial statements of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Sator S.A.S.: incorporated under Colombian law on 28 October 1981, its main domicile is in Medellin and its term is indefinite; its corporate purpose is to perform the prospecting, exploration, exploitation, production, benefit, transformation, acquisition, disposal, marketing and transportation of coal and any other mineral substance associated with coal, import, export, marketing and supply of raw materials, inputs, equipment and machinery required for mining coal and other minerals.

**Valle Cement Investments Inc.:** 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.

**Concretos Argos S.A.S.:** incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transport, benefit, integral use, marketing, and sale of stone minerals such as: sand, cement, gravel, premixed concrete and prefabricated concrete elements, concrete blocks and any other material and elements of its own, accessories and complementary used in the construction industry. Its domicile is in Colombia and the term is indefinite. Control of this company is held through Cementos Argos S.A.

**Summa - Servicios Corporativos Integrales S.A.S.:** incorporated on 7 December 2016. Its corporate purpose is to provide specialized business services in Colombia and abroad to companies linked to Grupo Argos or to third parties, in any area that can create value for its clients; to provide consulting or auditing services in any of the businesses of the companies that make up Grupo Argos or to third parties; to carry out all acts that are intended to exercise the rights and fulfil the obligations, legally or conventionally, derived from the existence and activities of the Company and to perform any other legal economic activity both in Colombia and abroad. Its domicile is in Colombia.

**Patrimonio Autónomo Ganadería Río Grande:** incorporated on 14 August 2017. Includes all activities related to the operation and management of the business of breeding and marketing of livestock, biotechnology, and maintenance of the farms where the livestock are located. Through the execution of a participation account contract, in which the assets associated with the livestock business were contributed, Fundación Grupo Argos as Managing participant, manages and operates on its own behalf the assets related to this business.

### 19.2 Principal subsidiaries with significant non-controlling interests

The following table shows summarized financial information as of December 2022 and 2021, for the main subsidiaries that the Group have significant non-owners of the parent, this information is prepared in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF, for its Spanish initials), which are based on International Financial Reporting Standards (IFRS), and is restated, when appropriate, by adjustments related to the homologation of accounting policies. The values below are presented before write-offs between Group companies:

| | Celsia S.A. | | Cementos Argos S.A. | | Odinsa S.A. | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Main Address | Colombia | | Colombia | | Colombia | |
| Revenue | 5,616,504 | 4,110,735 | 11,697,084 | 9,859,929 | 475,527 | 820,877 |
| Income from continuing operations | 442,783 | 544,566 | 214,312 | 518,322 | 411,582 | (113,677) |
| Other comprehensive income | 368,117 | 264,142 | 2,232,471 | 1,389,876 | 82,769 | 287,018 |
| Total comprehensive income | 810,900 | 808,708 | 2,446,783 | 1,908,198 | 494,351 | 173,341 |
| Current assets | 4,569,523 | 1,334,948 | 4,642,833 | 2,990,320 | 987,071 | 2,519,825 |
| Non-current assets | 10,364,447 | 11,348,192 | 18,646,434 | 16,598,998 | 1,464,930 | 3,435,741 |
| Current liabilities | 3,262,122 | 1,672,281 | 3,923,141 | 3,484,672 | 349,561 | 1,388,069 |
| Non-current liabilities | 4,974,444 | 4,687,287 | 7,279,624 | 5,885,430 | 367,094 | 2,385,671 |
| Equity | 6,697,404 | 6,323,572 | 12,086,502 | 10,219,216 | 1,735,346 | 2,181,826 |
| Attributable to non-controlling interests: | | | | | | |
| Continuing operations | 166,338 | 210,019 | 72,408 | 92,723 | 36,404 | (45,628) |
| Total comprehensive income | 245,371 | 188,140 | 256,765 | 213,358 | 36,015 | 20,898 |
| Non-controlling equity | 1,619,144 | 1,475,559 | 1,053,505 | 956,999 | 4,461 | 539,817 |
| Dividends paid to Grupo Argos S.A | 160,422 | 173,873 | 144,641 | 211,708 | 379,767 | - |
| Dividends paid to non-controlling interests (1) | 239,665 | 237,055 | 223,870 | 298,447 | 205,955 | 265,474 |

(1) Dividends paid to non-controlling interests by Odinsa S.A. include dividends paid for $180,400 which were offset against the receivable from shareholders for prepayment of profit for 2021 and cash dividends of $25,555 for December 2022.

Dividends paid to Grupo Argos S.A. by Cementos Argos S.A. include cash dividends for $126,371 and dividends paid in shares of $85,337 for December 2021.

Dividends paid to non-controlling interests by Cementos Argos S.A. include cash dividends for $283,546 and dividends paid in shares for $14,901 as of December 2021. Likewise, dividends paid to non-controlling interests by Odinsa S.A. include dividends paid with bonds of the Government of the Dominican Republic for $205,983 and cash dividends for $59,491 as of December 2021.

### 19.3 Contributions, contribution refunds and/or changes in the ownership interest of a subsidiary

#### 19.3.1 Contributions, contribution refunds and/or changes in ownership interests in a subsidiary that do not result in a gain or loss of control

**Concesión Vial de los Llanos S.A.S.:** in April 2022, prior to the sale to Macquarie Infrastructure and Real Assets ("MIRA") and contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and Odinsa Vías S.A.S., 1,500,000 shares of Concesión Vial de los Llanos S.A.S. were acquired, representing 30% of the company's interests for $50,232.

**Consorcio App Llanos:** as of June 2022, Odinsa S.A. acquired 2,050,000 shares for a value of $336, increasing its interests by 41%. With this transaction, the Group now has an effective interests of 91.92% in Consorcio App Llanos.

**Cementos Argos S.A.:** in September 2022, the Group acquired 3,088,365 shares for $12,282, leaving it with a 58.77% voting interest in Cementos Argos S.A.

The following changes occurred during 2021:

**Cementos Argos S.A.:** in April 2021, the Group received dividends in shares for $85,337 corresponding to 16,010,723 shares, leaving it with an effective voting percentage of 58.51% over Cementos Argos S.A.

**Concesión Túnel Aburrá Oriente S.A.:** in May 2021 the precedent conditions established in the purchase and sale agreement were fulfilled, with which Odinsa S.A. increased its interests of economic rights in 10.13% for $42,406, reaching 52.62% interest over the entity. With this transaction, the Group now has an effective economic interest of 52.56%. The value received as cash in 2021, for the purchase made in 2020 and 2021 of shares with economic rights in the Concession Túnel Aburrá Oriente amounted to $52,013.

**Argos Panamá S.A.:** in September 2021, Cementos Argos S.A. repurchased shares of Argos Panamá S.A. from Provicem S.A. equivalent to 4.75% interest in this entity. Through this contract 71,877 shares were acquired, resulting in a purchase value of USD $26,148,260 (COP $98,683). With this transaction the Group now has an effective interest of 48.77%. The excess value paid to non-controlling interests was recorded directly in the Group's consolidated equity. This repurchase was offset against the receivable that the minority interests had with the Group at that cut-off date.

#### 19.3.2 Contributions, contribution refunds and/or changes in the bylaws or in the ownership interest in a subsidiary resulting in loss of control

**Comercial Arvenco C.A.:** in February 2022 this subsidiary is liquidated.

In June 2022, control over the concessions Autopistas del Café S.A., Consorcio Grupo Constructor Autopistas del Café, Concesión Túnel Aburrá Oriente S.A., and Concesión Vial de los Llanos S.A.S. were lost because of the agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 46 Significant events).

**Odinsa Vías S.A.S.:** in June 2022, control over this company was lost, passing from being an investment in a subsidiary to a joint venture, because of the constitution of the investment platform, where Odinsa Vías S.A.S. is the holder of the bare ownership of the shares that integrate the road assets, excluding the economic rights over the investment.

**Autopistas del Nordeste S.A.:** in November 2022, by means of a dissolution registration act of legal entities issued by the General Directorate of Internal Taxes of the Dominican Republic, Autopistas del Nordeste S.A. is dissolved effective 24 November 2022, without any restitution of contributions for the shareholders.

**Boulevard Turístico del Atlántico S.A.:** in November 2022, by means of a dissolution registration act of legal entities issued by the General Directorate of Internal Taxes of the Dominican Republic, Boulevard Turístico del Atlántico S.A. is dissolved effective 8 December 2022, without any restitution of contributions for the shareholders.

The following changes occurred during 2021:

**Industrias Metalúrgicas Apolo S.A. liquidated:** in February 2021, Act 078 of the General Shareholders' Meeting of the subsidiary Industrias Metalúrgicas Apolo S.A., at the time in liquidation process, was registered in the Chamber of Commerce, whereby the final liquidation account was approved, and its liquidation process was completed in accordance with the regulations in force.

**Celsia Move S.A.S.:** in November 2021, 10,000 shares of this company were sold. The sale price was $5,836 (Note 33 Revenue) and the cost was $6,874 (Note 34 cost of ordinary activities), presenting a gross loss of $1,038, and generating taxes for $582. With this sale, control over this subsidiary was lost.

**Termoeléctrica El Tesorito S.A.S. E.S.P.:** in December 2021, an amendment was made to the bylaws of the company Termoeléctrica El Tesorito S.A.S. E.S.P., to modify the decision-making regime of the company's board of directors. With this reform the company is now classified as an associate. There was no consideration for this modification.

#### 19.3.3 Acquisition or incorporation of subsidiaries

**Odinsa Gestor Profesional S.A.S.:** in January 2022, the company Odinsa Gestor Profesional S.A.S. was incorporated as part of the strategic vision of Odinsa S.A. to consolidate together with other players in the sector, as one of the most important road platforms in the region, which will be in charge of developing the road platform projects authorized by the project committee. The Group's effective interests in this company is 99.91%.

**Soluciones Modulares Argos S.A.S.:** in February 2022, Soluciones Modulares Argos S.A.S. was incorporated, whose main corporate purpose is the design, production, transportation, assembly, marketing, and sale of prefabricated concrete elements. The Group's effective interests in this company is 58.99%.

**BMR Limited.:** in April 2022, the company BMR Limited was incorporated, whose main corporate purpose is reinsurance for risk management. The Group's effective interests in this company is 58.77%.

**CJ Energy, S.A.:** in August 2022, the company CJ Energy, S.A. was incorporated, whose main corporate purpose is the backup energy service in Panama through the purchase, sale, and rental of power plants, as well as providing services related to their operation, repair, and maintenance. The Group's effective interests in this company is 31.76%; to date it has not started commercial operations.

**Odinsa Aeropuertos S.A.S.:** in October 2022, the company Odinsa Aeropuertos S.A.S. was incorporated as part of the process of creation of the investment platform of airport assets in Colombia and the region, which was agreed with Macquarie Asset Management (MAM), for the purchase and sale, and contribution of its interests in the airport concessions in Colombia to the aforementioned platform. The Group's effective interests in this company is 99.91%.

The following change occurred during 2021:

**Odinsa Vías S.A.S.:** in September 2021, the company Odinsa Vías S.A.S. was incorporated as part of the strategic vision of Odinsa S.A. to consolidate, together with other players in the sector, as one of the most important road platforms in the region, which will seek new opportunities for value creation in this market through the development of new projects in Colombia, as a first stage. The Group's effective interests in this company is 99.88%.

**Enerbit S.A.S. E.S.P.:** in December 2021, the company Enerbit S.A.S. E.S.P. was incorporated, whose activity is the performance of any commercial activity permitted by the law of the Republic of Colombia and the provision of public energy services. The Group's effective interests in this company is 34.46%.

#### 19.3.4 Changes in ownership interests in a subsidiary due to a merger by absorption

In March 2022, Odinsa Holding Inc. merged without liquidation with Odinsa S.A. through public deed 370 dated 14 February 2022, in accordance with the General Shareholders' Meeting held on 27 August 2021, where the merger by absorption commitment was approved, in which the absorbing company was Odinsa S.A. and the absorbed company was Odinsa Holding Inc.

In July 2022, Argos Dominicana S.A. absorbs Concretos Argos Dominicanos, S.R.L.

In August 2022, Argos USA LLC. absorbs American Cement Terminals LLC., Argos Ports (Wilmington) LLC. and Supply Link LLC.

During 2021 no changes in the ownership interest in a subsidiary due to a merger by absorption process occurred.

### 19.4 Significant restrictions

As of December 2022, there are no restrictions on investments in subsidiaries.

In December 2021, with the prior authorization of the board of directors, Odinsa S.A. constituted a security interest over 100% of its shares in the company Concesión Túnel Aburrá Oriente S.A. The security interest was granted in favor of the holders of the issue of ordinary bonds guaranteed for a total amount of $700,000 of the Fidubogotá / Concesión Túnel Aburrá Oriente S.A. trust fund, administered by Fiduciaria Bogotá S.A. in the second market, and to back the guaranteed obligations derived from such issuance.

## NOTE 20: **BIOLOGICAL ASSETS**

The balance of biological assets at 31 December comprises:

| 2022 | Plantations | Livestock and others | Total |
|---|---|---|---|
| **Book value at 1 January** | **19,953** | **41,225** | **61,178** |
| Increases for purchases or births | - | 4,001 | 4,001 |
| Decrease due to sales or deaths | (1,255) | (5,664) | (6,919) |
| Changes in fair value less selling costs | 772 | 4,073 | 4,845 |
| **Carrying Cost as of 31 December** | **19,470** | **43,635** | **63,105** |
| Current | - | 5,112 | 5,112 |
| Non-current | 19,470 | 38,523 | 57,993 |
| **Total biological assets** | **19,470** | **43,635** | **63,105** |

| 2021 | Plantations | Livestock and others | Total |
|---|---|---|---|
| **Book value at 1 January** | **20,404** | **38,951** | **59,355** |
| Increases for purchases or births | - | 3,468 | 3,468 |
| Decrease due to sales or deaths | (199) | (5,588) | (5,787) |
| Changes in fair value less selling costs | (252) | 4,394 | 4,142 |

| 2021 | Plantations | Livestock and others | Total |
|---|---|---|---|
| **Carrying Cost as of 31 December** | **19,953** | **41,225** | **61,178** |
| Current | - | 4,312 | 4,312 |
| Non-current | 19,953 | 36,913 | 56,866 |
| **Total biological assets** | **19,953** | **41,225** | **61,178** |

The Group undertakes agricultural and livestock activities through Cementos Argos S.A. and P.A. Ganadería, respectively. The Group's biological assets are measured at fair value less estimated selling costs, considering significant observable inputs, level 2 for livestock and level 3 for plantations. Changes in the fair value of biological assets are presented in the statement of comprehensive income as income, cost or valuation expense, as appropriate.

The discounted cash flow model was used for the valuation of the plantations, considering that the future economic benefits associated with forestry are expected to be realized 3 or 4 times over time, as follows: at the time 2 or 3 thinnings are made, which depend on the age and diameter of the plantation, and at a final moment when the clear-felling is made. Fair value is determined by applying a discount rate to future net cash flows, using the Weighted Average Cost of Capital (WACC), estimated at 9.98% for 2022 (2021 8.46%). The sales price, the volume determined based on experience and forestry studies, and costs and expenses estimates are significant unobservable inputs to the measurement.

The Group's biological assets are composed of plantations and livestock, as follows:

| | 2022 | 2021 |
|---|---|---|
| Plantations (number of hectares sown) | 1,103 | 1,158 |
| Livestock (number of cattle) | 5,735 | 6,338 |

The fair value of the livestock was estimated using the market approach, which in this case corresponds to the market price that is agreed according to an estimation of the weight, age and other conditions of the livestock that determine the price of the kilo of meat in the market.

As of 31 December 2022, the plantations include mainly teak, eucalyptus, pine, rubber, acacia and melina, distributed in the national territory in Boyacá, Riosucio (Caldas), Montebello (Antioquia), Rioclaro (Antioquia), Cartagena (Bolívar), Victoria (Caldas) and Puerto Nare (Antioquia). The livestock is made up of cattle and horses, and is mainly represented in Brahman, GYR and Guzera breeds, distributed in the national territory in Antioquia (Puerto Nare and Arboletes), Cordoba (Montelibano) and Sucre (San Onofre).

At 31 December 2022 and 2021, there were no restrictions on the ownership of the Group's biological assets or contractual commitments for their development or acquisition and they had not been pledged as security for the repayment of debts.

## NOTE 21: **FINANCIAL OBLIGATIONS**

Financial obligations at 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Foreign currency liabilities (1) | 3,773,662 | 3,691,334 |
| Local currency liabilities (1) | 3,878,674 | 2,959,431 |
| Other obligations | 59,694 | 12,974 |
| Bank overdrafts (2) | 4,734 | 3,199 |
| **Total financial obligations** | **7,716,764** | **6,666,938** |
| Current | 1,635,930 | 2,628,060 |
| Non-current | 6,080,834 | 4,038,878 |
| **Total financial obligations** | **7,716,764** | **6,666,938** |

(1) Financial obligations in local and foreign currency comprise both short and long-term loans taken by Group companies.

(2) At the end of December 2022 correspond to overdrafts of the subsidiary Vensur N.V. and Argos Honduras S.A. de C.V. for $4,734 (2021 $3,199).

Below are the Group's main loans at their nominal value, expressed in the original currency, and their carrying amounts at the end of the reporting period:

| | | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| **Company** | **Financial institution** | **Expiration** | **Nominal value (*)** | **Book value** | **Nominal value (*)** | **Book value** |
| **Foreign banks** | | | | | | |
| Cementos Argos S.A. and subsidiaries | Various (a) | 2027 | USD 204,000,000 | 982,227 | USD 150,000,000 | 605,068 |
| Cementos Argos S.A. and subsidiaries | Various (a) | 2026 | USD 204,000,000 | 982,164 | USD 150,000,000 | 587,823 |
| Cementos Argos S.A. and subsidiaries | Davivienda Internacional | 2029 | USD 80,000,000 | 391,825 | USD 80,000,000 | 320,817 |
| Cementos Argos S.A. and subsidiaries | Banco de Crédito del Perú | 2023 | USD 60,000,000 | 293,891 | - | - |
| Cementos Argos S.A. and subsidiaries | Natixis | 2023 | USD 40,000,000 | 194,359 | - | - |
| Odinsa S.A. and subsidiaries | Davivienda Miami | 2029 | USD 30,000,000 | 147,267 | USD 30,000,000 | 120,446 |
| Cementos Argos S.A. and subsidiaries | Scotiabank | 2023 | USD 20,000,000 | 96,893 | USD 32,000,000 | 127,449 |
| Cementos Argos S.A. and subsidiaries | Banistmo | 2023 | USD 20,000,000 | 96,554 | USD 30,000,000 | 119,684 |
| Odinsa S.A. and subsidiaries | Massachusetts Mutual Life Insurance Company | 2033 | USD 19,873,274 | 95,594 | USD 21,265,830 | 84,663 |
| Celsia S.A. and subsidiaries | Banco Financiera Comercial Hondureña, S.A. | 2036 | USD 18,539,767 | 89,180 | USD 1,328,517 | 5,289 |
| Cementos Argos S.A. and subsidiaries | Santander | 2025 | USD 15,000,000 | 72,670 | USD 50,000,000 | 197,312 |
| Cementos Argos S.A. and subsidiaries | Santander | 2026 | USD 15,000,000 | 72,670 | USD 50,000,000 | 197,222 |
| Odinsa S.A. and subsidiaries | Sun Life Assurance Company of Canadá | 2033 | USD 14,601,925 | 70,238 | USD 15,625,111 | 62,206 |
| Cementos Argos S.A. and subsidiaries | Sumitomo Mitsui | 2023 | USD 10,000,000 | 48,365 | USD 16,000,000 | 63,757 |
| Odinsa S.A. and subsidiaries | AIB Bank N.V | 2033 | USD 6,351,645 | 30,553 | USD 6,796,732 | 27,059 |
| Celsia S.A. and subsidiaries | Banco Davivienda (Panama) S.A. | 2023 | USD 6,000,000 | 28,967 | - | - |
| Cementos Argos S.A. and subsidiaries | Banco Popular | 2026 | USD 5,850,000 | 28,094 | USD 7,800,000 | 31,273 |
| Cementos Argos S.A. and subsidiaries | Bancolombia | 2023 | USD 5,000,000 | 24,400 | - | - |
| Cementos Argos S.A. and subsidiaries | JP Morgan | 2023 | USD 2,537,614 | 12,206 | - | - |
| Odinsa S.A. and subsidiaries | Great- West life & Annuity | 2033 | USD 2,057,339 | 9,896 | USD 2,216,173 | 8,823 |
| Celsia S.A. and subsidiaries | Banco Financiera Comercial Hondureña, S.A. | 2032 | USD 812,484 | 4,372 | - | - |
| Celsia S.A. and subsidiaries | Banco Financiera Comercial Hondureña, S.A. | 2030 | USD 253,730 | 1,277 | USD 2,138,039 | 8,512 |
| Odinsa S.A. and subsidiaries | The Nova scotiabank (c) | 2022 | - | - | USD 50,000,000 | 199,305 |
| Odinsa S.A. and subsidiaries | Banco de Bogotá New York (b) | 2022 | - | - | USD 36,200,000 | 145,237 |
| Odinsa S.A. and subsidiaries | Bladex S.A. (b) | 2022 | - | - | USD 30,000,000 | 120,408 |
| Odinsa S.A. and subsidiaries | Davivienda Miami (b) | 2022 | - | - | USD 20,000,000 | 79,783 |
| Odinsa S.A. and subsidiaries | Banco de Bogotá New York (b) | 2023 | - | - | USD 15,000,000 | 60,007 |
| Celsia S.A. and subsidiaries | Banco Davivienda Honduras S.A. | 2022 | - | - | USD 12,030,550 | 47,973 |
| Odinsa S.A. and subsidiaries | Bancolombia Panamá (c) | 2022 | - | - | USD 11,791,000 | 47,027 |
| Celsia S.A. and subsidiaries | Banco de América Central Honduras S.A. | 2034 | - | - | USD 6,716,078 | 27,613 |
| Celsia S.A. and subsidiaries | Banco General S.A.(l) | 2023 | - | - | USD 6,450,000 | 25,695 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Celsia S.A. and subsidiaries | Banco Davivienda Honduras S.A. | 2033 | - | - | USD 4,035,671 | 16,067 |
| Celsia S.A. and subsidiaries | Leasing Banistmo S.A.(l) | 2029 | - | - | USD 3,930,660 | 15,649 |
| Cementos Argos S.A. and subsidiaries | Volvo | 2022 | - | - | USD 2,339,169 | 9,313 |
| Odinsa S.A. and subsidiaries | Banco de Crédito del Perú (b) | 2022 | - | - | USD 1,820,000 | 7,293 |
| Celsia S.A. and subsidiaries | Banco de América Central Honduras S.A. | 2023 | - | - | USD 738,766 | 2,974 |
| Celsia S.A. and subsidiaries | Leasing Banistmo S.A. | 2023 | - | - | USD 470,334 | 1,916 |
| Celsia S.A. and subsidiaries | Banco Financiera Comercial Hondureña, S.A. | 2023 | - | - | USD 175,169 | 697 |
| **Colombian domestic banks** | | | | | | |
| Celsia S.A. and subsidiaries | Bancolombia S.A. | 2029 | COP 500,000,000,000 | 501,547 | COP 280,000,000,000 | 280,882 |
| Grupo Argos S.A. | Bancolombia S.A.(d) | 2026 | COP 392,200,000,000 | 401,120 | COP 392,200,000,000 | 394,757 |
| Celsia S.A. and subsidiaries | Davivienda (h) | 2024 | COP 391,250,000,000 | 392,120 | - | - |
| Celsia S.A. and subsidiaries | Banco de Bogotá S.A. | 2026 | COP 296,988,512,776 | 301,904 | COP 199,988,512,777 | 201,248 |
| Celsia S.A. and subsidiaries | Scotiabank Colpatria | 2025 | COP 265,000,000,000 | 275,576 | COP 265,000,000,000 | 268,939 |
| Cementos Argos S.A. and subsidiaries | Banco de Bogotá (i) | 2025 | COP 272,000,000,000 | 274,469 | - | - |
| Cementos Argos S.A. and subsidiaries | BBVA (e) | 2026 | COP 190,000,000,000 | 191,362 | COP 160,000,000,000 | 160,961 |
| Celsia S.A. and subsidiaries | Banco BBVA S.A. (h) | 2025 | COP 180,000,000,000 | 182,151 | COP 5,270,225,144 | 5,284 |
| Celsia S.A. and subsidiaries | Citibank (h) | 2024 | COP 160,000,000,000 | 161,935 | - | - |
| Celsia S.A. and subsidiaries | Bancolombia S.A. (f) | 2032 | COP 150,000,000,000 | 150,526 | - | - |
| Celsia S.A. and subsidiaries | Bancolombia S.A. | 2030 | COP 147,695,711,545 | 149,247 | COP 147,843,668,091 | 147,846 |
| Celsia S.A. and subsidiaries | Banco de Occidente S.A. | 2028 | COP 141,843,630,811 | 141,941 | COP 150,582,023,501 | 150,610 |
| Cementos Argos S.A. and subsidiaries | Bancolombia (g) | 2024 | COP 135,000,000,000 | 137,981 | COP 135,000,000,000 | 136,042 |
| Cementos Argos S.A. and subsidiaries | Banco Popular S.A.(i) | 2023 | COP 100,000,000,000 | 101,464 | - | - |
| Celsia S.A. and subsidiaries | Bancolombia S.A. (h) | 2024 | COP 95,000,000,000 | 97,540 | - | - |
| Cementos Argos S.A. and subsidiaries | Itaú (i) | 2023 | COP 60,000,000,000 | 60,615 | - | - |
| Cementos Argos S.A. and subsidiaries | Banco de Occidente S.A.(i) | 2023 | COP 50,000,000,000 | 51,117 | - | - |
| Cementos Argos S.A. and subsidiaries | Davivienda (i) | 2023 | COP 50,000,000,000 | 50,975 | - | - |
| Cementos Argos S.A. and subsidiaries | Bancolombia S.A. (i) | 2023 | COP 50,000,000,000 | 50,357 | - | - |
| Celsia S.A. and subsidiaries | Banco Popular S.A. (h) | 2024 | COP 40,000,000,000 | 42,591 | - | - |
| Celsia S.A. and subsidiaries | Banco Popular S.A. (h) | 2023 | COP 37,024,274,625 | 38,241 | COP 121,373,105 | 122 |
| Celsia S.A. and subsidiaries | Itaú (h) | 2023 | COP 33,000,000,000 | 33,027 | - | - |
| Cementos Argos S.A. and subsidiaries | Banco de Bogotá S.A.(i) | 2024 | COP 25,500,000,000 | 25,610 | - | - |
| Celsia S.A. and subsidiaries | Itaú (h) | 2024 | COP 20,000,000,000 | 21,250 | - | - |
| Celsia S.A. and subsidiaries | Banco BBVA S.A. | 2024 | COP 20,635,151,455 | 20,987 | COP 1,121,254,979 | 1,143 |
| Cementos Argos S.A. and subsidiaries | Scotiabank Colpatria (i) | 2023 | COP 12,500,000,000 | 12,679 | - | - |
| Celsia S.A. and subsidiaries | Financiera de Desarrollo Territorial | 2023 | COP 4,656,109,097 | 4,656 | COP 9,731,563,831 | 9,732 |
| Celsia S.A. and subsidiaries | Banco BBVA S.A. (h) | 2023 | COP 2,190,817,666 | 2,193 | - | - |
| Celsia S.A. and subsidiaries | Bancolombia S.A.(h) | 2023 | COP 2,000,000,000 | 2,072 | - | - |
| Celsia S.A. and subsidiaries | Financiera de Desarrollo Territorial | 2024 | COP 1,421,934,531 | 1,421 | COP 2,734,489,492 | 2,734 |
| Opain S.A. | Bancolombia S.A. (l) | 2028 | - | - | COP 279,144,653,795 | 276,144 |
| Cementos Argos S.A. and subsidiaries | Banco de Bogotá S.A.(i) | 2022 | - | - | USD 60,000,000 | 239,007 |
| Odinsa S.A. and subsidiaries | Banco de Bogotá S.A. (k) | 2026 | - | - | COP 222,612,114,304 | 222,409 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Cementos Argos S.A. and subsidiaries | Bancolombia | 2022 | - | - | COP 110,000,000,000 | 110,311 |
| Opain S.A. | Bancolombia S.A. (l) | 2025 | - | - | COP 100,000,000,000 | 96,968 |
| Odinsa S.A. and subsidiaries | Banco Popular S.A. | 2022 | - | - | COP 90,156,821,918 | 90,506 |
| Cementos Argos S.A. and subsidiaries | Itaú | 2022 | - | - | COP 90,000,000,000 | 90,314 |
| Odinsa S.A. and subsidiaries | Banco de Occidente | 2022 | - | - | COP 70,000,000,000 | 70,566 |
| Odinsa S.A. and subsidiaries | Banco de Bogotá | 2022 | - | - | COP 60,000,000,000 | 60,130 |
| Odinsa S.A. and subsidiaries | Itaú | 2022 | - | - | COP 55,656,400,000 | 56,087 |
| Cementos Argos S.A. and subsidiaries | Davivienda | 2022 | - | - | COP 40,000,000,000 | 40,143 |
| Odinsa S.A. y subsidiarias | Banco Davivienda | 2022 | - | - | COP 40,000,000,000 | 40,095 |
| Cementos Argos S.A. y subsidiarias | Banco de Bogotá NY | 2022 | - | - | USD 10,000,000 | 39,843 |
| Odinsa S.A. y subsidiarias | Banco de Occidente (c) | 2022 | - | - | USD 9,561,000 | 38,124 |
| Odinsa S.A. y subsidiarias | Banco de Occidente (k) | 2022 | - | - | COP 20,000,000,000 | 20,000 |
| Odinsa S.A. y subsidiarias | Itaú (j) | 2022 | - | - | COP 8,600,000,00 | 8,652 |
| Celsia S.A. y subsidiarias | Banco BBVA S.A. | 2022 | - | - | COP 7,298,798,453 | 7,299 |
| Odinsa S.A. y subsidiarias | Banco Av. Villas (j) | 2022 | - | - | COP 6,395,570,035 | 6,404 |
| Celsia S.A. y subsidiarias | Bancolombia S.A. | 2022 | - | - | COP 2,000,000,000 | 2,001 |
| Celsia S.A. y subsidiarias | Banco de Bogotá S.A. | 2022 | - | - | COP 1,100,000,000 | 1,102 |
| **Total liabilities in foreign and domestic currency** | | | | **7,652,336** | | **6,650,765** |

(*) Figures not stated in thousands.

| | 2022 | 2021 |
|---|---|---|
| **Total financial obligations in local currency** | **3,878,674** | **2,959,431** |
| Current | 718,127 | 661,228 |
| Non-current | 3,160,547 | 2,298,203 |
| **Total financial obligations in foreign currency** | **3,773,662** | **3,691,334** |
| Current | 853,472 | 1,950,739 |
| Non-current | 2,920,190 | 1,740,595 |

The recorded value of financial obligations in local and foreign currencies by expiration year is as follows:

| | 2022 | | |
|---|---|---|---|
| **Expiration** | **Financial obligations in local currency** | **Financial obligations in foreign currency** | **Total** |
| 1 year or less | 718,127 | 853,472 | 1,571,599 |
| From 1 to 5 years | 1,643,203 | 2,173,654 | 3,816,857 |
| 5 years or more | 1,517,344 | 746,536 | 2,263,880 |
| **Total financial obligations** | **3,878,674** | **3,773,662** | **7,652,336** |

| | 2021 | | |
|---|---|---|---|
| **Expiration** | **Financial obligations in local currency** | **Financial obligations in foreign currency** | **Total** |
| 1 year or less | 661,228 | 1,950,739 | 2,611,967 |
| From 1 to 5 years | 1,696,829 | 1,188,382 | 2,885,211 |
| 5 years or more | 601,374 | 552,213 | 1,153,587 |
| **Total financial obligations** | **2,959,431** | **3,691,334** | **6,650,765** |

Relevant information on the Group's financial obligations as of 31 December 2022 and 2021 is detailed below:

(a) In 2022, the Argos North America loan with secured borrowers Cementos Argos S.A. and Argos USA LLC, in which a syndicated group of banks participated, whose administrative agent was Sumitomo Mitsui Banking Corporation, was replaced by a new club deal loan for up to USD 750 million administered by The Bank of Nova Scotia, in which BNP Paribas Securities Corp, New York Branch, Sumitomo Mitsui Banking Corporation and JP Morgan participate. To date, USD 408 million have been disbursed. This contract has the following financial commitments:

a. Net debt/EBITDA ratio less than 4 times during the life of the loan, measured at the end of each quarter.

b. Ebitda/ Financial Expenses ratio greater than 2.5 times during the life of the loan, measured at the end of each quarter

(b) Odinsa Holding Inc, company merged with Odinsa S.A. in 2022, paid debt for USD$103,020,000 with own resources of Odinsa S.A., executing a crossing of accounts with previously recognized concepts. Additionally, it paid obligations with working capital.

(c) Odinsa S.A., subsidiary of Grupo Argos S.A., paid debt for USD$71,352,000 with the resources obtained from the sale of the Treasury bonds of the Government of the Dominican Republic and received by Odinsa S.A. when merging with Odinsa Holding Inc.

(d) On 26 April 2021, Grupo Argos S.A. and Bancolombia S.A. entered into the first loan agreement tied to gender equity and climate change indicators in Colombia by modifying 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 obligation is linked to compliance with environmental, social, and governance indicators - ESG - on which the Company has been working for more than five years. Annually, Grupo Argos S.A. must report its progress in terms of compliance with the goals previously defined within the loan in terms of gender equity and climate change in order to benefit from a reduction of up to 100 basis points in the interest rate during the term of the loan, which extends from 2025 to 2026.

Such modification did not represent substantially different terms; therefore, the transaction did not generate the derecognition of the original liability but its modification in accordance with the Company's accounting policies (Note 2.4.14 Financial liabilities and equity instruments) and did not increase the Company's current indebtedness. ERRR

(e) Long-term financing agreement between BBVA and Cementos Argos S.A. for $190,000 (2021 $160,000) which includes an adjustment mechanism through which the interest rate is directly linked to the company's overall environmental, social, and governance (ESG) performance. In December 2022, an agreement was made with BBVA for the extension of the term to 3 years of two loans whose original maturity was in September and November 2023. As a result, the Group has recognized these loans as long-term liabilities.

(f) Credit obtained to comply with the payment of the indemnity of Bajo Anchicayá (Note 24 provisions).

(g) Financing agreement between Bancolombia S.A. and Concretos Argos S.A. for $135,000, in which the interest rate is linked to the performance of three environmental, social, and governance - ESG indicators: specific net CO2 emissions (scope 1), specific water consumption in the cement business and number of suppliers evaluated in sustainability in the last three years.

(h) Loans obtained for the operation of the business.

(i) During the period, working capital loans were obtained for the operation of the Cement segment business.

(j) Odinsa S.A. and its subsidiaries, paid obligations for approximately $14,996 with proceeds from the sale of subsidiaries to Macquarie Infrastructure and Real Assets ("MIRA").

(k) In Odinsa S.A., due to the sale in June 2022 of the shares of the subsidiaries Autopistas del Café S.A. (including its interests in the trust of Autopistas del Café) and Concesión Vial de los Llanos S.A.S. to the strategic partner Macquarie Infrastructure and Real Assets ("MIRA") and subsequent contribution of the remaining interests to Fondo de Capital Odinsa Vías, and to the platform Odinsa Vías S.A.S., mainly generated a decrease in financial obligations in Autopistas del Café S.A. for ($208,128) and in Concesión Vial de los Llanos S.A.S. for ($20,000).

(k) Loss of control over the road concession assets of Odinsa S.A., in Colombia, generated a decrease in the financial obligations in Autopistas del Café S.A. for ($208,128), and in Concesión Vial de los Llanos S.A.S. for ($20,000).

(l) Financial obligations of Opain S.A. for $368,557 were reclassified as non-current assets held for sale because of the agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

In 2022, Celsia S.A., a subsidiary of Grupo Argos S.A., reclassified as liabilities associated to non-current assets held for sale the book balance of the financial obligations corresponding to the Central America segment for $50,723 (Note 13 Assets and liabilities associated to non-current assets held for sale and discontinued operations).

During the reported periods, the Group did not present any default on payment of principal or interest on financial liabilities and/or loans payable, nor in the indicators of its loan agreements.

## NOTE 22: **LEASES**

### 22.1 Leases as a lessee

#### 22.1.1 Lease arrangements

In the ordinary course of business, the Group enters into leases of land, buildings, heavy machinery, vehicles, including concrete mixer trucks and equipment, which are accounted for as leased assets in the consolidated financial statements, except for those leases which have a term of less than 12 months or the underlying asset of the new lease is less than USD 3,500 for operating assets and USD 5,000 for administrative assets. The terms of the most significant non-cancellable leases range from 12 years for land leases, 1-10 years for buildings and 1 to 5 years for vehicles.

In addition, there are no significant lease arrangements that stipulate significant restrictions on dividend distribution, additional debt, or new leases, nor are there significant contingent fees, renewal options or escalation clauses.

As of 31 December 2021, most of the recognized real estate leases are linked to the consumer price index of each jurisdiction in which they were entered. Few leases are referenced to reference rates or payments that vary to reflect changes in market rental prices.

#### 22.1.2 Right-of-use lease assets and liabilities

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

| As of 31 December 2022 | Right-of-use lease assets | | | | | Final balance of lease liabilities |
|---|---|---|---|---|---|---|
| | Initial balance | Additions | Depreciation | Other changes (1) | Final balance | |
| Land | 149,815 | 579 | (16,127) | (6,973) | 127,294 | 226,231 |
| Constructions and buildings | 215,068 | 9,814 | (46,798) | (9,160) | 168,924 | 145,712 |
| Machinery and production equipment | 140,770 | 18,457 | (32,740) | 30,295 | 156,782 | 165,959 |
| Office and communication equipment | 26 | - | (28) | 2 | - | - |
| Ground transportation equipment | 144,478 | 34,398 | (57,981) | 33,832 | 154,727 | 160,656 |
| River fleet | 52,446 | 37,273 | (24,853) | (4,050) | 60,816 | 64,182 |
| Aqueduct, networks and communication routes | 1,583 | - | (288) | - | 1,295 | 1,682 |
| **Right-of-use assets (liabilities), net** | **704,186** | **100,521** | **(178,815)** | **43,946** | **669,838** | **764,422** |

| As of 31 December 2021 | Right-of-use lease assets | | | | | Final balance of lease liabilities |
|---|---|---|---|---|---|---|
| | Initial balance | Additions | Depreciation | Other changes (1) | Final balance | |
| Land | 55,461 | 93,302 | (12,022) | 13,074 | 149,815 | 233,168 |
| Constructions and buildings | 271,477 | 27,162 | (42,605) | (40,966) | 215,068 | 176,793 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Machinery and production equipment | 229,763 | 13,486 | (35,430) | (67,049) | 140,770 | 147,275 |
| Office and communication equipment | 35 | 70 | (40) | (39) | 26 | 27 |
| Mines, quarries and ore deposits | 1,165 | 3 | (168) | (1,000) | - | - |
| Ground transportation equipment | 207,235 | 37,144 | (63,948) | (35,953) | 144,478 | 151,801 |
| River fleet | 46,030 | 8,506 | (9,392) | 7,302 | 52,446 | 54,714 |
| Aqueduct, networks and communication routes | 1,871 | - | (288) | - | 1,583 | 1,928 |
| **Right-of-use assets (liabilities), net** | **813,037** | **179,673** | **(163,893)** | **(124,631)** | **704,186** | **765,706** |

(1) Includes mainly variation due to changes in the valuation of leases recorded in assets for $21,500 (2021 ($122,320)), withdrawal of right-of-use assets in 2021 for ($103,100) and the effect of foreign exchange differences of the subsidiary Cementos Argos S.A.

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

| | 2022 | 2021 |
|---|---|---|
| One year or less | 194,146 | 166,437 |
| 1 to 3 years | 300,536 | 275,664 |
| 3 to 5 years | 160,245 | 160,690 |
| 5 to 10 years | 195,037 | 194,290 |
| More than 10 years | 139,581 | 195,438 |
| **Total contractual cash flows from lease liabilities** | **989,545** | **992,519** |
| Effect of discounting lease liabilities | (225,123) | (226,813) |
| **Total lease liabilities** | **764,422** | **765,706** |
| Current | 148,443 | 137,257 |
| Non-current | 615,979 | 628,449 |
| **Total lease liabilities** | **764,422** | **765,706** |

#### 22.1.3 Items recognized in the statement of profit or loss and cash flows from leases

| | 2022 | 2021 |
|---|---|---|
| Interest expense on lease liabilities | 45,058 | 41,502 |
| Variable lease payment expense and changes in estimates | 106 | (207) |
| Expenses related to short-term leases | 54,291 | 59,229 |
| Expenses related to low value asset leases | 6,735 | 5,469 |
| Cash flows from leases | 206,570 | 236,755 |

#### 22.1.4 Renewal options

Most of the Group's leases contain renewal options that can be exercised by the Group to extend the lease term from one year to 20 years, that can be exercised up to one year before the end of the non-cancellable period of the lease. Generally, the Group can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Group and not by the lessor. The Group assesses at the commencement date of the lease whether it is reasonably safe to exercise the renewal options and considers them in determining the lease term. The Group reassesses whether it is reasonably safe to exercise the options if there is a significant event or change in the circumstances under its control.

### 22.2 Leases as a lessor

#### **22.2.1** Financial leases

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

#### 22.2.2 Operating leases

The Group enters lease arrangements as lessor mainly on land, buildings, and constructions such as: commercial premises, warehouses, apartments and houses; machinery and operating and fleet equipment and transport equipment. All leases are classified as operating leases from the lessor's perspective.

Future lease payments by year range and in total consisted of the following:

| leases under IFRS 16 | 2022 | 2021 |
|---|---|---|
| 1 year or less (*) | 281,965 | 307,082 |
| Between 1 and 2 years (*) | 223,821 | 234,942 |
| Between 2 and 3 years (*) | 198,982 | 221,081 |
| Between 3 and 4 years | 158,795 | 206,075 |
| Between 4 and 5 years | 11,769 | 176,784 |
| 5 years or more | 54 | 11,991 |
| **Lease payments** | **875,386** | **1,157,955** |
| Guarantee deposits | **-** | **(141,030)** |
| **Lease payments, net** | **875,386** | **1,016,925** |

(*) The indicated flows would be subject to the variation in traffic and commercial use of the terminals in accordance with estimated projections.

Lease income from real estate and other assets recognized by the Group during 2022 was $423,191 (2021 $251,908).

## NOTE 23: **EMPLOYEE BENEFITS LIABILITIES**

The balance of employee benefit liabilities, at 31 December, comprises:

| | 2022 | 2021 |
|---|---|---|
| Post-Employment Benefits, net | 356,121 | 411,743 |
| Short-term employee benefits | 208,767 | 222,848 |
| Termination benefits | 994 | 8,488 |
| Long-term employee benefits | 2,900 | 5,524 |
| Share-based payment liabilities | 2,042 | 3,928 |
| **Total employee benefits** | **570,824** | **652,531** |
| Current | 277,951 | 290,224 |
| Non-current | 292,873 | 362,307 |
| **Total employee benefits** | **570,824** | **652,531** |

### 23.1 Post-employment employee benefits

The Group's employee benefit plans vary according to the local requirements of the countries and the obligations acquired by the subsidiaries in the labor conventions in force (according to the type of employee and the duration of these within the organization).

The actuarial valuation of plan assets and the present value of the defined benefit obligation is performed annually by independent actuarial consultants. The present value of the defined benefit obligation and the current service cost and related past service cost were measured using the projected credit unit method.

The Group's employees belong to a retirement benefit plan managed by the Colombian National Government or a private pension fund which are accounted for as defined contribution plans. The Group covers its pension obligation through the payment of contributions to the government and/or private pension funds under the terms and conditions contemplated by law. In such cases the Group's obligation is limited to the contributions made to those funds. The benefits for which the Group assumes the totality of the obligations derived from the plan are accounted for as defined benefit plans.

The amount included in the consolidated statement of financial position arising from the entity's obligation with respect to post-employment benefit plans and the changes in the present value of the post-employment benefit obligation in the current and prior years are presented below:

| | 2022 | 2021 |
|---|---|---|
| **Present value of obligations at 1 January** | **463,674** | **526,528** |
| Cost of current service | 6,604 | 5,987 |
| Cost of past service | 3,896 | (2,837) |
| Interest cost on defined benefit obligation | 33,441 | 32,721 |
| New defined benefit plan measures net of contributions | - | (2,183) |
| Actuarial gain (loss) from changes in: | | |
| Experience | 21,995 | (3,603) |
| Financial assumptions | (78,167) | (59,029) |
| Demographic assumptions | (4,370) | (3,119) |
| Exchange rate difference | 13,415 | 11,154 |
| Benefits paid directly by the Group | (45,596) | (39,129) |
| Benefits paid from the asset fund | (2,893) | - |
| Other changes | 3,797 | (2,816) |
| **Present value of obligations at 31 December** | **415,796** | **463,674** |
| **Fair value of plan assets at 1 January** | **89,917** | **76,479** |
| "Risk-free" interest income | 4,668 | 2,423 |
| Return on plan assets, excluding interest | (7,706) | (1,990) |
| Contributions made to the plan by the Group | 6,113 | 5,897 |
| Payments made by the plan | (4,364) | - |
| Exchange rate difference due to translation | 3,765 | 4,613 |
| Other changes | 350 | 2,495 |
| **Fair value of plan assets at 31 December** | **92,743** | **89,917** |
| **Net present value of liabilities at 31 December** | **323,053** | **373,757** |
| Average duration of defined benefit obligation | 8,2 | 8,8 |
| **Present value of obligations at 31 December** | **323,053** | **373,757** |
| Defined contribution plan liabilities and other reclassifications | 33,068 | 37,986 |
| **Post-Employment Benefits** | **356,121** | **411,743** |

The fair value of plan assets is contributed to private investment funds which in turn invest these resources in a diversified portfolio that may include cash and cash equivalents for $5,317 (2021 $4,750) and investment funds for $28,426 (2021 $85,167).

Defined contribution plan costs and expenses at 31 December 2022 were $115,255 (2021 $108,513). Short-term payables for contributions to pension and severance funds amounted to $28,136 (2021 $29,443).

The best estimate of the contributions expected to be paid to the plan during the next financial year is $94,998 (2021 $76,334).

The Group uses the resources from its working capital to implement the defined benefit plans. The allocation of these resources does not affect the Group's operations.

At 31 December 2022 and 2021, the Group has no reimbursement rights related to obligations under defined benefit plans.

The Group's main defined benefit plans are:

### 23.1.1 Pension plans, pension bonds and securities

**Retirement benefits for the companies of Grupo Argos S.A., Cementos Argos S.A. and Celsia S.A.**

According to the Colombian Labor Code, Group employees are entitled to a pension benefit which, depending on the system to which they belong, is payable by each of the companies directly (defined benefit plans) or by a public pension fund, Colpensiones, formerly Instituto de Seguros Sociales, or private (defined contribution plans).

Pension benefits granted to employees not belonging to a fund are accounted for as unfunded defined benefit plans, in which case the Group must pay the retirement pensions or issue pension bonds to its employees or beneficiaries who meet the requirements as to age and length of service established in the agreements.

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

a) Minimum payment equal to the Monthly Minimum Wage.
b) Maximum payment equal to 25 minimum monthly salaries for Grupo Argos S.A. and Cementos Argos S.A., and 20 minimum monthly salaries for Celsia S.A.

In addition, two additional payments that are made for employees who retired before 25 July 2005, one payment being made in June and another in December. For those who retire after that date, the additional payment is only made in December except for participants who receive less than 3 minimum wages. After 31 July 2011, all participants who retire are not eligible for the June payment, and therefore, receive only 13 annual payments.

When the participant expects to receive benefits under the Colpensiones, these benefits are deducted from the benefits payable by the Group plan, thereby reducing the Group's obligation. Pensions in payment increase in accordance with inflation. When a participant receives a pension equal to the minimum wage, the pension increases in accordance with increases in the minimum wage.

In case of death after retirement, the beneficiary receives 100% of pension. The beneficiary or beneficiaries are those established by legal provisions.

### Roberta Plant Pension Plan (Alabama) - United States

For all our employees in the United States, we fund a 401(k)-retirement savings plan, which is accounted for as a defined contribution plan.

For a group of hourly compensated employees of the Roberta plant located in Alabama, United States, who meet a specific enrollment date and are represented by United Steelworkers International Union # 9-537, there is a retirement plan attached to the collective labor convention.

The normal retirement benefit is applicable to those who have reached the age of 65 as of their retirement date, effective 21 May 2011, in the form of a monthly annuity payable for life (or other optional forms to be elected prior to retirement). The normal and special early retirement benefit is applicable to employees who are 55 years of age or older and under 65 years of age and who have at least 5 years of service but less than 30 years of service, or who have 30 or more years of continuous service regardless of age, with some restrictions and reductions in the value of the pension applied to the latter.

In addition, the following benefits are provided to plan employees: termination payments, disability benefit and death benefit upon completion of certain years of service.

### Pension Gap at Retirement Benefit

This benefit consists of the granting of a single premium at the time of separation from the entity to enjoy the old-age pension, the value of which corresponds to the money needed to close the executive's pension gap. This benefit currently has contributions in private pension funds that will be used only when the requirements for obtaining the benefit are met.

### Pension bonds and securities plan - Colombia

According to the Colombian Labor Code, employers must pay retirement pensions or issue pension bonds to their employees who meet certain requirements regarding age and length of service. The Group, through its subsidiary Cementos Argos S.A., has issued pension securities, Type A Modality 2 Pension Bond and Type A Modality 1 Pension Bond.

This obligation applies to certain areas where Colpensiones, formerly Instituto de Seguros Sociales, did not have pension coverage prior to 1994.

The benefit is granted at the time of retirement from the company until the time the participant retires from the Colombian Social Security system. In this period, the company makes contributions to the social insurance system on behalf of the employee. The Pension Bonds and Titles constitute resources destined to contribute to the conformation of the necessary capital to finance the pensions of the affiliates of the Colombian General Pension System.

In addition, the defined benefit obligation for retirement pensions includes the employees of Industrial Hullera S. A., in liquidation, because of the pension liability normalization process in which the Group definitively assumes the proportion of the obligation that corresponds to it according to the Official Letter of 9 October 2012, issued by the Colombian Ministry of Labor.

#### 23.1.2 Seniority and severance plans

**Retroactive Severance Plan – Colombia**

According to Colombian labor regulations, employees who were employed before Law 50 of 1990 came into force are entitled to receive, upon termination of the employment contract, one month's salary in effect for each year of service and proportionally for a fraction of the year as severance assistance, for any cause that terminates the employment, including: retirement, disability, death, etc. The benefit is settled at the time of the employee's retirement based on the last salary earned. There may be distributions prior to the retirement date at the employee's request, which are not mandatory distributions.

Retroactive severance of employees who entered labor contracts before the effective date of Law 50 of 1990 are accounted for as unfunded defined benefit plans.

With the entry into force of Law 50 of 1990, the Colombian government allowed companies, subject to employee approval, to transfer their severance obligation to private pension funds.

With the entry into force of Law 50 of 1990, the Colombian government allowed companies, subject to employee approval, to transfer their severance obligation to private pension funds.

**Seniority Premium Plan and Severance Fund – Panama**

In accordance with the labor regulations of the Republic of Panama, any employee on a permanent employment contract who retires from the company for any reason and regardless of his age or years of service at the date of retirement, is recognized with an amount of money equivalent to the average weekly salary in the last five years of service or the entire period of service if this is less than five years for each year and fraction of year of service that the employee has at retirement.

On the other hand, as from 1995, Law 44 of 1995 introduced the Labor Code the obligation of the employer to establish a trust through a pension fund administrator, which guarantees the employee with the payment of a Seniority Premium obligation and the indemnifications for unjustified dismissal called the Severance Fund, which is considered, for the purposes of the valuation of the commitment, as the asset that supports the payment of the Seniority Premium.

**Severance Assistance Plan – Honduras**

According to the provisions of the Honduran Labor Code, compensation accruing to company employees may be paid in the event of unjustified dismissal or death at the rate of one month's salary for each year of continuous service with a maximum of 25 years; however, it is the company's policy to pay such compensation to its employees, even if they have resigned.

For unionized personnel, the payment is 100% of the benefits (severance and notice). For voluntary retirement of trusted personnel, the amount is recognized from 40% of the benefits after one year to 110% of the benefits after 5 years of service, the amount being determined based on the years of service of the employee who establishes the percentage of the benefit.

During 2022, the company Argos Honduras, a subsidiary of Cementos Argos S.A., established as a policy to provide the employee with an alternative payment of social benefits regarding severance pay, in case both parties voluntarily so wish, establishing an agreement between the employees and Argos Honduras, for the subsequent advance payment in cash.

#### 23.1.3 Other defined benefit plans

### Plan for dental care, education, death, and others – Colombia

For retired employees in Colombia, through the subsidiary Cementos Argos S.A., a death benefit is granted, which is increased in accordance with the Consumer Price Index (CPI), equivalent to five times the current legal monthly minimum wage (SMMLV). For retired employees of the Valle plant in Colombia, through the Cementos Argos S.A. subsidiary, educational assistance is provided until death and for the children of retirees until they reach 25 years of age. The beneficiary receives the amount regardless of the worker's survival. Each year the benefit is increased in accordance with the Consumer Price Index (CPI), as well as dental assistance until death, provided they formally request the service, with an annual increase in accordance with the Consumer Price Index (CPI).

### Retirement bonus for Cementos Argos S.A. companies

For employees covered by any of the collective labor conventions, when a worker's contract is terminated due to recognition of retirement, disability or old age pensions, a bonus equivalent to 5 minimum monthly salaries in force is granted.

### Funeral assistance

In Group Argos S.A., a funeral assistance allowance benefit is granted to participants who do not receive benefits from Colpensiones, which consists of a single payment equal to the participant's monthly pension, subject to the following limits:

a) Minimum payment of 5 current monthly minimum wages.
b) Maximum payment of 10 current monthly minimum wages.

For retired employees of Cementos Argos S.A. and its subsidiaries in Colombia, an assistance allowance equivalent to 5 current monthly minimum legal wages in Colombia.

### Social security contribution benefit

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

### Sensitivity analysis and main actuarial assumptions

The following is a sensitivity analysis for the actuarial assumption of a discount rate for defined benefit plans as:

| | Defined benefit plans | |
|---|---|---|
| | **2022** | **2021** |
| Change in discount rate | | |
| Increase in discount rate by +1% | (25,586) | (25,793) |
| Decrease in the discount rate by -1% | 10,357 | 28,379 |
| **Basis of the obligation** | **415,798** | **439,185** |

The basis of the obligation on which the sensitivity analysis is performed does not include primarily plan assets for $92,743 (2021 $89,917), nor short-term payables for pension fund contributions and severance payments, and other liabilities for post-employment benefits for $30,804 (2021 $29,443).

The methods used to perform the sensitivity analysis presented correspond to the projected credit unit method at the end of the reporting period, which is the same as the one applied in the calculation of the defined benefit obligation liability recognized in the statement of financial position. There have been no changes in the methods used to perform the analyses.

The main actuarial assumptions used to determine the obligations for the defined benefit plans of the Group companies are as follows:

| | 2022 | 2021 |
|---|---|---|
| Inflation rate (%) | 2.96%-7.00% | 3.50%-4.50% |
| Discount rate (%) | 9.75%-13.00% | 8.00%-8.31% |
| Minimum wage increase (%) | 4.51%-5.61% | 4.00%-5.50% |

The actuarial assumptions are presented by percentage ranges, taking the information from each of the Group companies. The mortality rate is based on publicly available mortality tables for the specific countries of each of the Group companies.

### Disclosure on Defined Benefit Plans required by the Decree 2131 of 2016.

On 23 December 2015, the Ministry of Commerce, Industry and Tourism issued Decree 2496, which amended Decree 2420 of 2015 on Accounting, Financial Reporting and Information Assurance Standards in the Republic of Colombia. The Decree established provisions on the parameters for determining post-employment benefit liabilities, specifically establishing that the parameters established in Decree 2783 of 2001 would be used as the best market approximation in estimating liabilities for pension plans and for pension bonds and securities.

For the period of 2016, Decree 2131 of 22 December 2016 abolished the requirement to apply these assumptions for the measurement of post-employment benefits; they continue to be applicable only for financial reporting purposes.

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations in accordance with Decree 1625 of 2016 and partial pension commutations of Decree 2833 of 2016, are as follows:

| | 2022 | 2021 |
|---|---|---|
| Inflation rate (%) | 3.98% | 2.60% |
| Discount rate (%) | 4.80% | 4.80% |
| Minimum wage increase (%) | 3.98% | 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:

| | Assumptions Employee Benefits (IAS 19) | Assumptions Decree 1625 of 2016 (Decree 2131 of 2016) | Difference |
|---|---|---|---|
| Present value of defined benefit plan obligations at 31 December 2022 | 300,625 | 318,422 | (17,797) |
| Present value of defined benefit plan obligations at 31 December 2021 | 318,278 | 318,594 | (316) |

This comparison only includes post-employment benefit plans that correspond to pension liabilities recognized by companies in Colombia.

### 23.2 Short-term employee benefits

The Group records short-term employee benefits, such as salary, vacations, bonuses, extra-legal premiums, group life, health, death benefits, education, eyeglasses and contact lenses, day care and education, marriage, language courses directly to profit or loss.

## NOTE 24: **PROVISIONS**

The balance of the provisions, at 31 December, comprises:

| | Lawsuits, claims and other contingencies (1) | Dismantling (2) | Environmental (3) | Other Provisions (4) | Total |
|---|---|---|---|---|---|
| **1 January 2022** | **256,036** | **121,430** | **25,340** | **138,366** | **541,172** |
| Provisions made | 144,262 | 9,772 | 1,656 | 69,797 | 225,487 |
| Provisions used | (279,880) | (3,368) | (1,855) | (67,059) | (352,162) |
| Reversals made | (3,537) | (5,457) | (600) | (6,804) | (16,398) |
| Discount effect and discount rate adjustment | (1,219) | (44,677) | 1,151 | 718 | (44,027) |
| Translation effect | 11,664 | 9,249 | 1,461 | 23,509 | 45,883 |
| Loss of control of a subsidiary (i) | (12,288) | - | (8,096) | (20,497) | (40,881) |
| Other changes (ii) | (6,144) | (3,171) | - | 581 | (8,734) |
| **31 December 2022** | **108,894** | **83,778** | **19,057** | **138,611** | **350,340** |
| | | | | | |
| Current | 106,360 | 8,605 | 6,920 | 21,071 | 142,956 |
| Non-current | 2,534 | 75,173 | 12,137 | 117,540 | 207,384 |
| **Total provisions** | **108,894** | **83,778** | **19,057** | **138,611** | **350,340** |

(i) In June 2022, control over the concessions Autopistas del Café S.A. (including its interests in the Autopistas del Café Trust), Concesión Vial de los Llanos S.A.S., Concesión Túnel Aburrá Oriente S.A. and Consorcio Grupo Constructor Autopistas del Café was lost, which generated a decrease in the provisions for lawsuits and claims of $12,288, in the environmental provisions of $8,096, and in the provisions for major maintenance of $20,497.

(ii) The Group has reclassified lawsuits and claims provisions of $4,229 of Opain S.A. as liabilities associated with non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(1) The companies are involved in legal proceedings of various kinds, acting both as plaintiffs and defendants, and these proceedings are diligently handled by qualified lawyers hired by the Group. The disputes may be of a civil, administrative, criminal or tax nature; this type of lawsuit is that which arises in the ordinary course of business for any company of the size and complexity of the Group's operations and is likely to involve an outflow of resources.

The cash outflows of the companies for lawsuits, claims, and other contingencies will depend on the complexity of the case, evidence presented by the parties, instances that have been exhausted, and agreement between the parties. It is not possible to make a generalized estimate of the processes. For each one, other claims of the same nature that have been resolved in the past, and by the attorney in charge of the process are considered.

There is a non-significant degree of uncertainty as to the estimated value to be paid, the best estimate was made by the companies; however, there is greater uncertainty as to the estimated date of disbursement, since there may be a variance due to the development of each judicial process, which depends on the judges, agreements between parties, instances, among other situations.

For the estimation of the value to be paid for the judicial processes, the expectation of the plaintiff, the resolution of similar cases in the past, and the professional concept of the lawyers of the Group's legal area are considered.

The corresponding reserves for these proceedings have been estimated based on criteria such as the nature of the proceedings, evidence presented, economic factors, the possible sentence projected, etc., to cover possible convictions or unfavorable decisions that may arise. We consider that the estimated time of completion of these proceedings ranges from three (3) to eight (8) years approximately, as follows:

- The subsidiaries located in the United States are self-insured for workers' compensation claims up to USD 500 per incident, general liability claims up to USD 350 per incident and automotive claims up to USD 500 per incident and have insurance for values exceeding these amounts. The value recognized through expense for these claims is based on actual occurrences and management's estimate of liabilities resulting from each claim. Although the ultimate outcome of these claims cannot currently be determined, management considers that the amounts of $67,999 and $55,059 provided for these claims in the consolidated financial statements at 31 December 2022 and 2021, respectively, are adequate.

- The balance of the provision for lawsuits, claims, and other contingencies includes $0 (2021 $142,773) corresponding to the value of the decision in the class action lawsuit filed by some Community Councils of the Afro-descendant Community of the Anchicayá River against Celsia Colombia S.A. E.S.P., the Colombian Ministry of the Environment and the Corporación Autónoma Regional del Valle del Cauca - CVC, for the impact caused in the river by the disposal of sediments from the power plant, in an operation performed between July and August 2001, usual practice for this type of dams to allow the passage of river sediments retained in the reservoir and that could not be evacuated by applying other types of technical maneuvers.

  As part of the process on 22 March 2022 Celsia proceeded to make the payment of the sentence in the amount of $142,773, transferring the resources to the Fund for the Defense of Collective Rights and Interests of the Ombudsman's Office, so that this entity, as determined by the ruling, makes the payment of compensation to the persons benefited by the decision.

  The value of the payment corresponded to the percentage of the sentence ordered by the Colombian Council of State in the eventual review ruling of 10 June 2021, notified on 16 June 2021, became enforceable on 9 March 2022, in which it was declared that the affectations derived from the maintenance works carried out in 2001 are attributable to Celsia Colombia S. A. E.S.P. by way of "exceptional risk", given the nature of the dangerous activity of hydroelectric generation performed by the company, an activity that it qualified as lawful and necessary for life in society, that is to say, that it was not condemned for lack of skill, negligence, or fault in the maintenance of the generation infrastructure.

  Establishing a sentence in equality in favor of the communities, as the evidence provided on the extent of the effects of the sediment discharge on the river, and on the riparian zones that were the reason for the lawsuit, were very controversial and did not demonstrate what was requested by the communities, establishing, in addition, that it is impossible to practice new tests that allow determining the generated impact, which was declared temporary and reversible by the environmental authority in May 2002. At the time of the occurrence of the events object of the lawsuit, Empresa de Energía del Pacífico belonged to the previous owners.

  Now, with the unification ruling, the communities are fully repaired, after a long judicial controversy that began in 2001. In December 2021, a reversal of the provision for the Bajo Anchicayá process was recognized for $62,122 through the item Other income (expense), net.

(2) The companies are obliged to incur future costs for compliance with mining legislation, with respect to the exploitation of mineral resources, corresponding to the dismantling of assets and restoration of the environment where these assets were built, which is carried out at the time a mining operation is completed or a mining title expires, whichever is shorter.

Dismantling obligations have a maximum execution date of the expiration of the mining title, and therefore the disbursement of economic resources is estimated to be five years before the legal requirement. However, in some cases, where the operation of an area covered by a title that is still more than five years old has been completed, it is estimated that the provision will be disbursed within five years of the completion of the operation. In determining the best estimate for settlement, management considers the areas affected by mining, the mining schedule and the costs incurred in past dismantling operations.

There is a non-significant degree of uncertainty as to the estimated value to be paid, the best estimate was made by the Group.

(3) Cementos Argos S.A. and its subsidiaries in Colombia are required to incur costs for environmental obligations related to forestry compensation for quarrying and logging, costs for the removal and subsequent disposal of hazardous waste, specifically PCB's (polychlorinated biphenyls), previously stored. For forestry compensation, Cementos Argos S.A. and its subsidiaries in Colombia have committed to settle their environmental obligations within a maximum period of five years or as indicated in the Resolution corresponding to each environmental liability identified. In determining the best estimate to be settled, Management considers mainly financial variables and the costs of seeding, isolation, and maintenance for a period of four years. The environmental provision for this concept amounts to $18,317 (2021 $16,505).

There is a non-significant degree of uncertainty in the environmental provisions as to the estimated value to be payed, the best estimate was made by the Group.

(4) Argos USA LLC, an indirect subsidiary of Cementos Argos S.A., may extract limestone ("Chemical Grade Stone", CGS) from a quarry owned by Vulcan Construction Materials LP ("Vulcan"), which is located adjacent to the Group's plant in Alabama. Under the terms of the reserve exchange agreement with Vulcan, the Group has the right to extract limestone from Vulcan's quarry and, in exchange, supply Vulcan with Aggregate Grade Stone ("AGS") that is not suitable for cement manufacturing. The reserve exchange agreement grants the Group the right to mine limestone on Vulcan's property and effectively increases the Group's available reserves. The agreement with Vulcan expires on 31 December 2035, with an option to extend until December 2045. At 31 December 2022 and 2021, the estimated amounts of obligations for future mineral extraction from the Group's owned mines are $114,054 and $86,901, respectively. the best estimate was made by the Group.

The reinsurance company BMR Limited, a subsidiary of Cementos Argos S.A., records within its liabilities a technical reserve for unearned premiums which considers loss peaks to recognize proportionally earned and unearned premiums. The company applies an accrual on a straight-line basis considered as a provision. The amount of the provision at December 31, 2022 and 2021 is $656 (2021 $0).

The balance of the provision for major maintenance as of 31 December 2022 and 2021 for Boulevard Turístico del Atlántico S.A. is $0 (2021 $19. 282); at the end of the fourth quarter there are no provisions for major maintenance, due to compliance with the contractual obligation to complete them during the first half of 2022, which was agreed with the Government of the Dominican Republic at the signing of the termination of the road concession contract, executing maintenance for $13,815, recognizing a profit for recovery of provisions for $6,804 and a currency translation effect of $1,337.

The balance of the provision for major maintenance as of 31 December 2022 and 2021 for Concesión Túnel Aburrá Oriente S.A. is $0 (2021 $16,301), due to the loss of control over this company. The agreement signed for the sale of this interests established the payment of a price adjustment in favor of the buyer ("*Reverse Earnout*") if certain projects are initiated on dates stipulated in the agreement. Depending on the date on which the event occurs, the value of the disbursement could range between the non-payment of this price adjustment or a maximum value of $7,625, value that will be increased based on a Real IRR of 8% accrued from the closing date of the agreement until the date on which such amount is paid (Note 46 Significant events). As of 31 December 2022 and 2021, the value recognized as a provision amounted to $3,486 (2021 $0).

## NOTE 25: **TRADE LIABILITIES AND OTHER PAYABLES**

Trade liabilities and other payables at 31 December correspond to:

| | 2022 | 2021 |
|---|---|---|
| Suppliers | 1,711,830 | 1,334,601 |
| Payables to related parties (Note 41) (1) | 406,900 | 106,064 |
| Dividends payable | 224,962 | 128,788 |
| Payables for purchase of investments (2) | 127,823 | 111,674 |
| Transportation, freight, and cartage payable | 86,384 | 54,541 |
| Fees payable | 39,117 | 18,105 |
| Commissions payable | 22,125 | 12,829 |
| Official creditors (3) | 19,719 | 706,254 |
| Maintenance services payable | 18,582 | 28,569 |
| Related suppliers (Note 41) | 387 | 1,115 |
| Other payables (4) | 310,286 | 236,539 |
| **Total trade liabilities and other payables** | **2,968,115** | **2,739,079** |
| Current | 2,840,691 | 2,603,991 |
| Non-current | 127,424 | 135,088 |
| **Total trade liabilities and other payables** | **2,968,115** | **2,739,079** |

(1) Includes payables to C2 Energía S.A.S. for $238,614 (2021 $0) for resources received for the development of projects and, dividends payable to related parties for $34,073 (2021 $0).

(2) Mainly includes commitment with Integral S.A. acquired in 2015 in relation to the purchase of Porvenir II, such commitment starts to be fulfilled as from 2022 and is updated annually according to the CPI for $122,381 (2021 $111,674).

Celsia S.A. filed in December 2022 an arbitration claim against the company selling the project (Integral S.A.), in relation to this liability, in order to request the review of the purchase agreement based on the suspension of the license and the economic imbalance that this has caused, we expect the Tribunal to order either its termination and the return of the amount paid by Celsia S. A. or, alternatively, to declare that Celsia S.A. has no obligation to pay the amounts that began to be caused since 2022 in favor of Integral S.A. according to the contract.

(3) In 2021, it corresponds mainly to accounts payable to the Colombian National Infrastructure Agency and Colombian Civil Aviation Authority (Aerocivil).

On 31 December 2020, it was subscribed the addendum No. 34 by which it was defined by mutual agreement between the Colombian National Infrastructure Agency and Opain S.A. that Opain S.A. will pay to the Colombian Civil Aviation Authority the consideration corresponding to the first semester of 2020 in a maximum of 4 installments proportionally to each disbursement to be made between December 2020 and July 2021 by the Ministry of Finance and Public Credit to the Colombian Civil Aviation Authority, for which Opain S.A. will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment.

The payment of each installation includes the amount, the value of the indexation with the current CPI and the financial costs incurred by Colombian Civil Aviation Authority on the amounts effectively disbursed. By means of an act dated 24 December 2021, the Colombian Civil Aviation Authority extended the suspension term of the obligation to pay the consideration for the second half of 2020 until 31 January 2022; subsequently, by means of a payment agreement between the Colombian Civil Aviation Authority and Opain S.A. signed on 28 December 2021, this will be paid on 31 March 2022, including in addition to the indexation, interest of 12% per annum as from 1 January 2022 and until the date of payment.

The variation is presented because of the subscription of the agreement of sale of interests on the subsidiary Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. to Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 46 Significant events).

(4) Mainly includes payables to Cubico Colombia S.A.S. for the resources generated by virtue of the growth in the platform structured since 2019 to strengthen the medium and large scale solar generation projects for $188,842 (2021 $26,887).

The Group has average credit periods for company purchases of 30 days for service obligations and between 30 and 90 days for commercial obligations. The Group has implemented financial risk management policies to ensure that all payables are paid in accordance with the previously agreed credit terms.

## NOTE 26: **BONDS AND COMPOUND FINANCIAL INSTRUMENTS**

The balance of bonds and compound financial instruments, as of 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| Bonds and commercial papers in circulation (i) | 6,544,884 | 8,587,543 |
| Liability for Preferential shares classified as debt (ii) | 70,479 | 77,127 |
| Structured notes (iii) | - | 1,140,962 |
| **Total bonds and compound financial instruments** | **6,615,363** | **9,805,632** |
| Current | 830,643 | 1,126,948 |
| Non-current | 5,784,720 | 8,678,684 |
| **Total bonds and compound financial instruments** | **6,615,363** | **9,805,632** |

The Group maintains a liability for $6,395,478 (2021 $8,736,616) according to its nominal values, corresponding to issue of ordinary bond and commercial papers.

(i) Details of the conditions of the bonds and commercial papers issued are as follows:

| Issuer | Placement date | Term | Rate | Currency | Current nominal value (*) 2022 | 2021 |
|---|---|---|---|---|---|---|
| Alternegy S.A. (1) | Dec-17 | 10 years | LIBOR3M+4.5%EAR | USD | - | 267,200,000 |
| Celsia Colombia S.A. E.S.P. (2) | Apr-10 | 20 years | CPI+6.08%EAR | COP | 300,126 | 300,126 |
| Celsia Colombia S.A. E.S.P. (3) | Jul-18 | 12 years | IBR+2.695%NA | COP | 70,000 | 70,000 |
| Celsia Colombia S.A. E.S.P. (3) | Dec-18 | 10 years | CPI+3.69%EAR | COP | 70,000 | 70,000 |
| Celsia Colombia S.A. E.S.P. (4) | Apr-19 | 20 years | CPI+3.93%EAR | COP | 325,975 | 325,975 |
| Celsia Colombia S.A. E.S.P. (4) | Apr-19 | 12 years | CPI+3.68%EAR | COP | 281,515 | 281,515 |
| Celsia Colombia S.A. E.S.P. (4) | Apr-19 | 7 years | CPI+3.24%EAR | COP | 256,270 | 256,270 |
| Celsia Colombia S.A. E.S.P. (4) | Apr-19 | 3 years | 5.99%EAR | COP | - | 236,240 |
| Celsia Colombia S.A. E.S.P. (5) | Apr-20 | 7 years | CPI+3.96%EAR | COP | 171,000 | 171,000 |
| Celsia Colombia S.A. E.S.P. (5) | Apr-20 | 3 years | TF6.5%EAR | COP | 29,000 | 29,000 |
| Celsia Colombia S.A. E.S.P. (6) | Nov-21 | 12 years | IBR+2.77%NA | COP | 140,000 | 140,000 |
| Celsia S.A. (7) | Dec-13 | 20 years | CPI+5.33%EAR | COP | 212,080 | 212,080 |
| Celsia S.A. (7) | Dec-13 | 12 years | CPI+5%EAR | COP | 240,650 | 240,650 |
| Cementos Argos S.A. | Apr-09 | 15 years | CPI+7.19%EAR | COP | 201,130 | 229,530 |
| Cementos Argos S.A. | May-12 | 15 years | CPI+4.5%EAR | COP | 303,082 | 303,082 |
| Cementos Argos S.A. | May-12 | 10 years | CPI+4.24%EAR | COP | - | 285,696 |
| Cementos Argos S.A. | Nov-14 | 15 years | CPI+4.21%EAR | COP | 311,707 | 311,707 |
| Cementos Argos S.A. | Nov-14 | 10 years | CPI+3.8%EAR | COP | 186,175 | 190,675 |
| Cementos Argos S.A. (8) | Apr-16 | 15 years | CPI+4.47%EAR | COP | 121,075 | 184,157 |
| Cementos Argos S.A. (8) | Apr-16 | 10 years | CPI+4.19%EAR | COP | 121,075 | 121,075 |
| Cementos Argos S.A. (9) | May-17 | 25 years | CPI+3.99%EAR | COP | 400,500 | 400,500 |
| Cementos Argos S.A. (9) | May-17 | 13 years | CPI+3.64%EAR | COP | 388,145 | 388,145 |
| Cementos Argos S.A. (9) | May-17 | 6 years | 6.65%EAR | COP | 194,055 | 211,355 |
| Cementos Argos S.A. (10) | Jun-18 | 20 years | CPI+4.04%EAR | COP | 125,850 | 125,850 |
| Cementos Argos S.A. (10) | Jun-18 | 10 years | CPI+3.75%EAR | COP | 158,550 | 158,550 |
| Cementos Argos S.A. (11) | Nov-20 | 4.25 years | CPI+2.24%EAR | COP | 204,747 | 250,000 |
| Cementos Argos S.A. (12) | Dec-22 | 2.24 years | CPI+8.75%EAR | COP | 102,350 | - |
| Cementos Argos S.A. (12) | Dec-22 | 1 year | IBR+7.15%NMV | COP | 113,201 | - |
| Cementos Argos S.A. (12) | Dec-22 | 1 year | TF+18.70%EAR | COP | 99,298 | - |
| Concesión Túnel Aburrá Oriente S.A. (13) | Sep-21 | 8 years | IBR+3.1%NA | COP | - | 452,725 |
| Concesión Túnel Aburrá Oriente S.A. (13) | Sep-21 | 8 years | CPI+4.15%EAR | COP | - | 243,775 |
| Grupo Argos S.A. (14) | Sep-14 | 15 years | CPI+4.24%EAR | COP | 390,104 | 390,104 |
| Grupo Argos S.A. (14) | Sep-14 | 10 years | CPI+3.95%EAR | COP | 134,818 | 137,318 |
| Grupo Argos S.A. (14) | Aug-19 | 15 years | CPI+3.2%EAR | COP | 168,535 | 168,535 |
| Grupo Argos S.A. (14) | Aug-19 | 6 years | CPI+2.44%EAR | COP | 157,965 | 157,965 |
| Grupo Argos S.A. (14) | Aug-19 | 3 years | 5.78%EAR | COP | - | 92,000 |
| Grupo Argos S.A. (14) | Oct-20 | 7 years | CPI+2.65%EAR | COP | 136,500 | 136,500 |
| Odinsa S.A. (15) | Oct-17 | 5 years | CPI+3.98%EAR | COP | - | 120,750 |
| Odinsa S.A. (15) | Oct-20 | 3 years | 5.2%EAR | COP | 280,000 | 280,000 |
| **Total bonds in dollars (*)** | | | | | **-** | **267,200,000** |
| **Total bonds in pesos (*)** | | | | | **6,395,478** | **7,672,850** |

(*) Figures stated in millions of Colombian pesos and in US dollars.

(1) In December 2022, Celsia S.A. reclassifies from its subsidiaries in Central America bonds and their respective interest as a group of liabilities directly associated with assets classified as held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(2) Corresponds to the issue of corporate bonds made by Celsia Colombia S.A. E.S.P. in April 2010, which was placed in the Colombian public securities market.

(3) In 2018, Celsia Colombia S.A. E.S.P. issued Green Bonds for $140,000 in the Secondary Market. The first tranche was awarded to the International Finance Corporation (IFC) for $70,000 and the second tranche was awarded to Financiera de Desarrollo Nacional (FDN) for $70,000.

Proceeds from the issuance will be used to finance investments in the company's solar generation farm development initiatives. The green bond program obtained Climate Bonds certification under the Climate Bonds Standard & Certification Scheme, which promotes large-scale initiatives to reduce carbon emissions and prevent or reduce climate change.

(4) Corresponds to the second issuance of ordinary bonds under the program for the issuance and placement of commercial papers and ordinary bonds. The issuance occurred on 24 April 2019 by Celsia Colombia S.A. E.S.P.

The resources obtained in this issuance were destined to finance the company's investment plan and strengthen its liquidity position, refinancing some debts and swapping financial liabilities, among others.

(5) On 20 April 2020, the company Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., made the third issue of ordinary bonds under the program for the issue and placement of commercial papers and ordinary bonds of the company for $200,000. In this issue an amount of $150,000 was offered, with the possibility of an over-allotment of $50,000. The issuer awarded $200,000 in the market.

(6) Celsia Colombia S.A. E.S.P. issued and placed the second issue of Green Bonds for $140,000 under the first issuance and placement program approved by the Superintendencia Financiera de Colombia ("SFC") in June 2018, whose authorization term was renewed in June 2021 for an additional period of five (5) years, to be offered in the secondary market, with a global quota of $210,000. The second tranche of the issue was awarded to the International Finance Corporation (IFC).

(7) In December 2013, Celsia S.A. made its first issue of ordinary bonds in the local securities market for an amount of $800,000. The placement was made through a Dutch auction in the Bolsa de Valores de Colombia S.A. The resources obtained through the placement of ordinary bonds were used entirely for the replacement of financial liabilities, within the strategy of optimizing the capital structure of the company.

(8) The issuance is part of the issuance and placement program of ordinary bonds and commercial papers under a global quota of $1 trillion approved by Resolution No. 0422 of the Superintendence of Finance of Colombia on 23 March 2012.

(9) The issuance is part of the issuance and placement program of ordinary bonds and commercial papers under a global quota of $1 trillion approved by Resolution No. 0518 of the Superintendence of Finance of Colombia dated 3 April 2017 whereby the increase of the global quota of the issuance and placement program previously approved by Resolution 0422 of 2012 was approved.

(10) The issuance is part of the issuance and placement program of ordinary bonds and commercial papers under a global quota of $1 trillion approved by Resolution No. 0585 of the Superintendence of Finance of Colombia ("SFC") of 10 May 2018.

(11) The issuance constitutes the second tranche that is part of the issuance and placement program of ordinary bonds and commercial paper under a global quota of $1 trillion approved by Resolution No. 0585 of the Superintendencia Financiera de Colombia ("SFC") of 10 May 2018.

(12) The issuance constitutes the second tranche of the second issuance of ordinary bonds corresponding to the issuance and placement program of bonds and commercial papers of Cementos Argos S.A. in the principal market. The Company placed $102,350 in bonds and $212,499 in commercial papers in the market.

In 2022, bonds with an initial nominal balance of $299,896 matured, and in 2021 bonds with an initial nominal balance of $94,768 and $215,600 matured in April and June, respectively.

All issues are rated AA with stable outlook by the rating firm Fitch Ratings Colombia S.A. and are nominative securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange.

(13) Second stage of the issuance in the capital market of bonds on 6 September 2021 for $700,000, with an expected average maturity of 8 years. As of 31 December 2022, principal payments for $3,500 were made, net variation of interest for $12,274, and adjustments of amortized cost for $1,188.

Due to the loss of control over the subsidiary Concesión Túnel Aburrá Oriente S.A., a decrease in the bonds of $686,615 was generated.

(14) At the end of 2022, a series of fixed rate bonds 5.78% EAR maturing in August 2022 was paid for a nominal value of $50,000 and a prepayment of $42,000 was made, as well as a prepayment of the variable rate series CPI+3.95%, maturing in September 2024 for $2,500. In December 2021, a prepayment of $31,500 of the fixed rate series 5.78% EAR.

(15) In October 2020, Odinsa S.A. issued and placed ordinary bonds in the public securities market for $280,000, authorized by the Financial Superintendence of Colombia through resolution No. 0730 of 18 August 2020, with the active participation of both institutional investors and individuals, The placement was made through the Dutch Auction mechanism and received offers for of $436,805, which represents 1.56 times the amount offered.

This issuance and placement provided the company with financial flexibility to continue strengthening its position in the sector and maintain growth under a structured financing scheme. The operation was led by Banca de Inversión Bancolombia S.A. financial corporation as structuring agent, Valores Bancolombia S.A. broker dealer as lead placement agent, Credicorp Capital Colombia S.A. as placement agent and the firm Posse Herrera Ruiz as legal advisors.

The proceeds from this issuance were used to replace financial liabilities, among them the liability of the ordinary bonds issued in 2017 that were paid on 4 October 2020.

The amount of interest on bonds and structured notes recognized through profit or loss in 2022 was $925,134 (2021 $666,493).

(ii) Correspond to preferred shares classified as compound financial instruments of the subsidiary Cementos Argos S.A. and of Grupo Argos S.A.

According to the approval of the General Shareholders' Meeting of 15 March 2013, Cementos Argos S.A. made the issuance and placement of preferred dividend shares without voting rights (hereinafter, preferred shares) in May 2013, for $1,610,824 awarding 209,197,850 preferred shares, at the subscription price of $7,700 per preferred share, determined by the Company's Board of Directors.

The issuance of preferred shares is a compound financial instrument. The issuer, for its recognition and subsequent measurement, identified the debt and equity components by evaluating the contractual terms of the instrument and the issuer's obligations. Given the issuer's contractual obligation to pay the minimum annual dividend to the shareholders if the Company generates profits, the issue incorporates a financial liability component. Once this liability is measured, the difference between the value received and the value of the obligation constitutes an equity component. The portion corresponding to the financial liability must be measured at least in each interim period and its effects recognized in profit or loss for the period, the equity component is not subject to subsequent measurement.

Cementos Argos S.A. determined the liability component by discounting the cash flows corresponding to the minimum preferred dividend, which were calculated in perpetuity based on the provisions of section 11.1.1 of the issuance prospect; the discount rate applied corresponded to the market rate at the date of issuance of similar instruments that did not incorporate an equity component. Considering the difficulty of identifying in the market a financial instrument with the same issue characteristics, the discount rate of the financial liability was determined by reference to the current yield of the longer-term bonds issued by Cementos Argos S.A. denominated in Colombian pesos. For these purposes, the valuation rate of the Cementos Argos S.A. 2024 bond issue, issued in May 2012, long-term (15 years) indexed to CPI.

The preferred shares had a minimum annual dividend of 3% on the subscription price paid in the first 12 quarters from placement. In April 2016 this last minimum dividend corresponding to 3% per year on the subscription price was paid and from the thirteenth quarter onwards the minimum annual dividend will be $10 per share which will be increased by the annual CPI at the closing of each year. The prospect does not contain call or put options on the preferred shares.

Shareholders with preferential dividend and without voting rights will be entitled to receive a minimum dividend on a preferential basis as different from common shares, provided that distributable profits have been generated in the immediately preceding accounting period. In no case may the dividend received by the holders of the common shares be higher than that declared in favor of the preferred shares; the preferential reimbursement of their contributions, once the external liabilities have been paid, in the event of dissolution and liquidation of the issuer; and the other rights provided in the issuer's bylaws for the holders of common shares, except (i) the right to preferentially subscribe common shares, and (ii) the right to vote the proposals at the issuer's General Shareholders' Meeting. By way of exception, preferred shares will give their holders the right to vote in the events indicated in the placement and issuance prospect.

The liability recognized for the issuance of preferential shares is composed of the valuation of the debt component and the reduction of the direct costs of the issuance allocated to the liability component, according to the participation portion of each component in the amount of the issuance. At the time of initial recognition, issuance costs of $7,157 were included in the financial liability. The debt component is measured at amortized cost using the effective interest rate. The effective interest rate for subsequent measurement of the debt component at amortized cost was determined by matching the estimated cash flows receivable or payable over the expected life of the financial instrument with the net carrying amount of the liability component at initial recognition. The financial liability is increased by the recognition of interest at the effective interest rate and decreased as minimum dividends to preferred shareholders are recognized.

At year-end 2022 the number of preferred shares of Cementos Argos S.A. is 209,197,850 shares (2021 209,197,850 shares).

The liability also includes the preferential shares of Grupo Argos S.A., which confer holders the right to receive a preferred dividend of $4 (four pesos) per share, which will be paid preferentially as different to the common shares, provided that a dividend has been declared from the funds legally available for this purpose. The recognition and subsequent measurement of this instrument was made by applying the same procedure established above. The discount rate of the financial liability for the preferred shares of Grupo Argos S.A. was determined by reference to the average cost of debt of the Company.

The number of outstanding preferential shares of Grupo Argos S.A. at the end of the reporting period is 211,827,180 shares (2021 211,827,180 shares).

(iii) The Group has reclassified the structured notes issued by Opain S.A. as assets associated with non-current assets held for sale because of the agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

## NOTE 27: **OTHER NON-FINANCIAL LIABILITIES**

the balance of other non-financial liabilities as of 31 December correspond to:

| | 2022 | 2021 |
|---|---|---|
| Prepayments and deposits received from third parties (1) (Note 33) | 181,340 | 274,060 |
| Income received in advance (2) (Note 33) | 122,761 | 544,324 |
| Sales tax | 96,791 | 85,411 |
| Industry and commerce tax | 67,400 | 54,317 |
| Income received for third parties (3) | 43,388 | 47,259 |
| Withholding at source | 39,691 | 53,436 |
| Other taxes payable | 38,422 | 28,229 |
| Contract collateral (4) | 352 | 4,493 |
| Other non-financial liabilities | 4,707 | 7,019 |
| **Total other non-financial liabilities** | **594,852** | **1,098,548** |
| Current | 594,852 | 487,959 |
| Non-current | - | 610,589 |
| **Total other non-financial liabilities** | **594,852** | **1,098,548** |

(1) Corresponds mainly to prepayments received from customers for the purchase of products of the cement and ready-mix concrete business, prepayments received from customers for the sale of lots, prepayments received for the sale of goods and services of the energy business, and prepayments with related parties of $25 (Note 41 information on related parties).

For December 2021 correspond mainly to guarantee deposits from space holders under lease contracts. They also include prepayments received from customers for the purchase of cement and ready-mix concrete business products, prepayments received from customers for the sale of lots, and prepayments with related parties for $54 (Note 41 information on related parties).

Changes with respect to 2021, is caused by the reclassification of prepayments and deposits received from third parties of the subsidiary Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., as liabilities associated with non-current assets held for sale as a result of the agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 46 Significant events).

(2) Due mainly to income related to the costs of urban developments pending to be executed in the sold lots.

For December 2021, they are mainly due to the collections of Concesión Vial de los Llanos S.A.S., which recognition is made based on the construction of the functional units established in the concession contract and income related to the costs of urbanism pending to be executed in the sold lots.

Changes is mainly due to the loss of control over the subsidiaries Concesión Vial de los Llanos S.A.S. and Consorcio Grupo Constructor Autopistas del Café, which generated a decrease in income received in advance from Concesión Vial de los Llanos S.A.S. of $455,950, Concesión Túnel Aburrá Oriente S.A. $7,255, and Consorcio Grupo Constructor Autopistas del Café $3,381 (Note 46 Significant events).

(3) Comprise mainly collections received for sanitation and public lighting that must be reimbursed to comply with the contracts entered with the municipalities.

(4) Includes withholding as collateral in contracts with related parties for $0 (2021 $143), (Note 41 Information on related parties).

For the Group, contract liabilities amount to $304,101 (2021 $820,263), corresponding to income received in advance, and prepayments and deposits received from third parties (Note 33 Revenue).

## NOTE 28: **SHARE CAPITAL**

The balance of the share capital of the parent company Grupo Argos S.A. at 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| **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 (2021 663,331,535) ordinary shares with a nominal value of $62.5 | 41,458 | 41,458 |
| 211,827,180 (2021 211,827,180) Preferential shares with a nominal value of $62.5 | 13,239 | 13,239 |
| **Total subscribed and paid capital** | **54,697** | **54,697** |

Each ordinary and preferential share confers to its holder, among others, the following rights: (i) to transfer the shares, as established by law, the corporate bylaws and the shareholders' agreements, if any; (ii) to participate in the profits of the corporation, in proportion to the participation and under the conditions established in the respective issuance and placement regulations, when applicable; (iii) to receive a proportional part of the corporate assets, at the time of liquidation and once the external liabilities of the corporation have been paid, subject to the priority established for preferred shareholders in the respective regulations; (iv) be summoned to the meetings of the Shareholders' Meeting; and (v) exercise the right of inspection within the terms and conditions established in the corporate bylaws.

Each common share confers on its owner the right to participate in the decisions of the General Shareholders' Meeting and to vote thereat, and to subscribe preferentially in any new issue of ordinary shares, an amount proportional to those held on the date on which the competent corporate body approves the subscription regulations.

Preferential shares confer the following rights on the holders:

i. To receive a preferential dividend of $4 Colombian pesos per share, which will be paid in preference to that corresponding to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the dividend received by the holders of ordinary shares be greater than that declared in favor of the preferential shares.

   In no case will the preferred dividend be cumulative for subsequent years. In each case, the first payment of dividends will correspond to those declared by the company after the shares have been subscribed.

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

iii. To participate in shareholders meetings and to vote thereat only in the following situations:

a. When it is a matter of approving modifications that may deteriorate the conditions or rights established for the preferential shares. In this case, the favorable vote of 70% of the shares into which the subscribed capital is divided will be required, including in said percentage and in the same proportion the favorable vote of the preferential shares.

b. When voting on the conversion of preferential shares into ordinary shares, unless the respective regulations specifically regulate the possibility of conversion and the terms on which it is to be made. 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.

The ordinary shares held by associates and joint ventures are: 236,465,932 shares (2021 234,285,682 shares).

During 2022 and 2021 there were no transactions involving the reacquisition of own shares.

| | Number of shares | Share capital | additional paid-in capital |
|---|---|---|---|
| **Reconciliation of ordinary shares** | | | |
| **Balance as at 1 January 2021 (1)** | 651,102,432 | 40,694 | 553 |
| Dividends declared in ordinary shares (2) | 12,229,103 | 764 | 148,614 |
| **Balance as at 1 January 2022 (1)** | 663,331,535 | 41,458 | 149,167 |
| Dividends declared in ordinary shares | - | - | - |
| **Balance as at 31 December 2022 (1)** | 663,331,535 | 41,458 | 149,167 |
| | | | |
| **Reconciliación de las acciones preferenciales** | | | |
| **Balance as at 1 January 2021** | 211,827,180 | 13,239 | 1,354,206 |
| Issue of preferential shares | - | - | - |
| **Balance as at 1 January 2022** | 211,827,180 | 13,239 | 1,354,206 |
| Issue of preferential shares | - | - | - |
| **Balance as at 31 December 2022** | 211,827,180 | 13,239 | 1,354,206 |
| | | | |
| **Total ordinarias y preferenciales 2021 y 2022** | 875,158,715 | 54,697 | 1,503,373 |

(1) As of 31 December 2022, Grupo Argos S.A. owns 5,702,432 reacquired own shares (2021 5,702,432 eacquired own shares).

(2) On 23 April 2021, following the approval of the Profit Distribution Project at the Shareholders' Meeting, the Board of Directors released 12,229,103 ordinary shares from the reserve to make the payment of the dividend in shares to shareholders who elected this option.

As of 31 December 2022, outstanding common shares are 657,629,103 shares (2021 657,629,103 shares) and preferred shares are 211,827,180 (2021 211,827,180). Reacquired own shares are 5,702,432 shares (2020 5,702,432 shares).

## NOTE 29: **RESERVES, OTHER COMPREHENSIVE INCOME AND RETAINED EARNINGS**

### 29.1 Reserves

Reserves at 31 December correspond to:

| | 2022 | 2021 |
|---|---|---|
| Legal reserves | 29,665 | 29,665 |
| Mandatory reserves | 405,987 | 405,987 |
| Other occasional reserves | 2,805,447 | 2,903,971 |
| **Total reserves** | **3,241,099** | **3,339,623** |

### (1) Legal reserves

Grupo Argos S.A. is required to appropriate 10% of its net annual profits as a legal reserve until the balance of this reserve reaches 50% of the subscribed capital. The reserve is not distributable prior to the liquidation of the parent company but must be used to absorb or reduce annual net losses. Appropriations made more than the 50% are freely available to the shareholders at the General Shareholders Meeting.

### (2) Mandatory reserves

Mandatory reserves include in the balance reserve for the reacquisition of shares of $405,987 (2021 $405,987).

### (3) Other occasional reserves

The balance of the other reserves at 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| Reserves for future investments | 2,635,119 | 2,734,044 |
| Reserves for future expansion | 163,428 | 163,427 |
| Reserves for social responsibility activities | 6,900 | 6,500 |
| **Total other occasional reserves** | **2,805,447** | **2,903,971** |

The other occasional reserves are freely available to shareholders.

The Shareholders' Meeting held on 24 March 2022, appropriated $98,924 from the reserves for future investments and released $6,500 from the reserve for social responsibility activities for its disposition and distribution in the year 2022. Likewise, it approved the appropriation of reserves $6,900 (2021 $6,500) for social responsibility activities.

The Shareholders' Meeting in an ordinary meeting held on 25 March 2021, appropriated from profits, and as reserves for future investments $333,960 and approved the appropriation of $6,500 to be allocated to social responsibility activities, at the same time, the Meeting approved the release of the reserve of $6,500 constituted in 2020 because it was already used.

## 29.2 Other comprehensive income (OCI)

Other comprehensive income at 31 December corresponds to:

| | 2022 | 2021 |
|---|---|---|
| Exchange differences on translation of foreign businesses (1) | 3,413,626 | 2,368,067 |
| Gains and losses on equity investments | 1,260,893 | 807,577 |
| Revaluation of property, plant and equipment | 5,881 | 6,270 |
| Cash flow hedges (1) | (89,250) | (82,703) |
| New measures of defined benefit obligations | 3,379 | (8,646) |
| Interests in Other Comprehensive Income of associates and joint ventures accounted for using the equity method | 1,708,538 | 906,063 |
| **Total other comprehensive income (OCI)** | **6,303,067** | **3,996,628** |

(1) Other comprehensive income (OCI) from foreign currency translation of foreign businesses includes gains of $242,747 and other comprehensive income (OCI) related to cash flow hedges for losses of $156,362, associated with assets

and liabilities classified as held for sale under the agreement signed between Grupo Argos S.A., Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA"). It also includes foreign exchange gains on translation of foreign businesses for $466,712 associated with the assets and liabilities of hydroelectric generation in Panama and non-conventional renewable energy in Costa Rica classified as held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

During 2022, the Group made transfers between other comprehensive income (OCI) and retained earnings for $1,172, corresponding to the realization of the revaluation surplus from the use of property, plant and equipment measured at revalued value of ($900), the sale of investments measured at fair value through other comprehensive income (OCI) of Bird Global INC for $1,871, and other transactions for $201.

Likewise, in 2021 the Group made transfers between other comprehensive income (OCI) and retained earnings of $26,946, corresponding to the realization of the revaluation surplus from the use of property, plant and equipment measured at revalued value of $355, the sale of investments measured at fair value through other comprehensive income (OCI) of Stem INC of $27,330 and other investment transactions of $(739).

The value reclassified from the other comprehensive income (OCI) to profit or loss for cash flow hedges is $90,519 (2021 $57,108) and for difference from translation of foreign business for $65,206 (2021 $17,848).

### 29.3 Retained earnings

The Group's consolidated equity as at December 2022 showed a decrease of $135,082 (2021 $123,582), of which $115,492 (2021 $67,036) corresponds to the decrease in retained earnings of the controlling interests, and $19,590 (2021 $56,546) of the portion corresponding to non-controlling interests, due to the application of the Decrees 2617 of 29 December 2022 and 1311 of 20 October 2021, respectively (Note 10.4 Deferred income tax recognized through equity and in other comprehensive income for the period).

## NOTE 30: **OTHER COMPONENTS OF EQUITY**

In March 2022, the Group at consolidated level increased its economic interests in the subsidiary Sator S.A.S. by 0.29% because of an issue of shares not subject to the preferential right and therefore in turn, the interests in Odinsa S.A., Opain S.A. and Summa S.A.S. was increased, which generated a net equity increase of $154 included in the item of other variations of the Consolidated Statement of Changes in Equity.

In June 2022, the purchase of the minority interests held by Murcia y Murcia S.A.S. in the company Concesión Vial de los Llanos S.A.S. was made, which generated a net equity increase of $12,124 included in the line of purchases and sales to non-controlling interests in the Consolidated Statement of Changes in Equity.

In September 2022, the Group purchased 3,088,365 shares of Cementos Argos, which increased its interests by 0.22%, which in turn increased its participation in Sator S.A.S., Odinsa S.A., Opain S.A., and Summa S.A.S., this implied a net equity increase of $8,033 included in the line of purchases and sales to non-controlling interests in the Consolidated Statement of Changes in Equity.

Additionally, as of 31 December 2022 and 2021, equity movements of ($61,048) and $55,297 were recognized for the application of the equity method in associates and joint ventures, mainly corresponding to the associate Grupo de Inversiones Suramericana S.A.

At the end of June 2021, the conditions precedent established in the purchase and sale agreement of the company Concesión Túnel Aburrá Oriente S.A. were fulfilled, with which the subsidiary Odinsa S.A. increased its interests in 10.13%, generating an equity increase of $10,976.

Likewise, the Group increased its interests in the subsidiary Cementos Argos S.A. by 0.49% because of the payment of dividends in shares made by the company in April 2021. This change represented a net increase in equity of $7,760, which is included in the other changes item of the Consolidated Statement of Changes in Equity.

Finally, on 1 September 2021 the subsidiary Cementos Argos S.A. formalized the repurchase of shares held by Provicem S.A. in Argos Panamá S.A., equivalent to 4.75% of the interests of this entity. Through this contract, 71,877 shares were acquired for a total payment of $98,684, which implied a decrease in equity of $36,189.

As of 31 December 2022, transaction costs for $22 were recognized for the purchase of Cementos Argos shares, which were recognized as a decrease in equity. As of 31 December 2021, no transaction costs were recognized as a decrease in equity.

## NOTE 31: **DIVIDENDS**

### Dividends declared

The General Shareholders' Meeting of Grupo Argos S.A. held on 24 March 2022 (for the year 2021 held on 25 March 2021), decreed dividends on 657,629,103 common shares (2021 645,400,000) of $500 Colombian pesos per share (2021 $382), payable in four quarterly installments of $125 pesos per share beginning April 2022 for a total amount of $328,815. Dividends declared in 2021 were paid in a single installment on 23 April 2021, for a total amount of $327,461, of which $149,378 were paid in shares and $178,082 in cash, obeying the election of each shareholder according to the options set forth in the profit distribution project.

In addition, dividends corresponding to 211,827,180 preferred shares (2021 211,827,180) were declared at the rate of $500 pesos per share (2021 $382 pesos per share), payable in four quarterly installments of $125 pesos per share, starting in April 2022 for a total amount of $105,914. Dividends declared during 2021 for $80,918 were paid in a single installment on 23 April 2021.

| Dividends declared in 2022 | Shares | $ per share per year | 2022 |
|---|---|---|---|
| Ordinary dividends (*) | 657,629,103 | 500 | 328,815 |
| Preferential dividend | 211,827,180 | 500 | 105,914 |
| **Total** | | | **434,729** |

| Dividends declared in 2021 | Shares | $ per share per year | 2021 |
|---|---|---|---|
| Ordinary dividends (*) | 645,400,000 | 382 | 246,543 |
| Preferential dividend | 211,827,180 | 382 | 80,918 |
| **Total** | | | **327,461** |

(*) Does not include 5.702.432 (2021 5.702.432) own shares reacquired.

### Dividends paid

As of 31 December 2022, ordinary dividends for $691,824 (2021 $689,049) were paid, of which $246,854 (2021 $167,445) were paid to the owners of the parent and $444,970 (2021 $521,604) were paid to non-controlling interests of subsidiaries. In addition, preferred dividends for $122,750 (2021 $149,164) were paid, corresponding to payments by the Parent Company for $78,630 (2021 $90,675), and payments by subsidiaries of the Group for $44,120 (2021 $58,489).

## NOTE 32: **NON-CONTROLLING INTERESTS**

The reconciliation of non-controlling interests at 31 December is as follows:

| | 2022 | 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **10,350,318** | **9,581,610** |
| Profit sharing for the year | 558,917 | 616,234 |
| Other comprehensive income for the period | 1,296,957 | 851,412 |
| Issuance of capital | 1,973 | 67,570 |
| Dividends declared in cash | (742,701) | (459,575) |
| Dividends declared in kind | - | (205,983) |
| Equity method of associates and joint ventures | (6,048) | 5,505 |

| | 2022 | 2021 |
|---|---|---|
| Purchases and sales to non-controlling interests | (82,911) | (115,876) |
| Loss of control of subsidiaries or business (1) | (290,830) | (89,159) |
| Effect by change in income tax rate in Colombia (Note 10.4) | (19,590) | (56,546) |
| Purchase commitments to non-controlling interests | (85,018) | - |
| Interests for other changes in equity (2) | (2,444) | 155,126 |
| **Balance at the end of the year** | **10,978,623** | **10,350,318** |

(1) In June 2022, Odinsa S.A. sold to Macquarie Infrastructure and Real Assets ("MIRA") and contributed to Fondo de Capital Odinsa Vías and Odinsa Vías S.A.S. its interests in: Autopistas del Café S.A., Concesión Túnel Aburrá Oriente S.A., Concesión Vial de los Llanos S.A.S., and Consorcio Grupo Constructor Autopistas del Café S.A., which implied the loss of control over these investments (Note 19 Subsidiaries).

In November 2021, loss of control of Termoeléctrica El Tesorito S.A.S. ESP, a subsidiary of Celsia S.A. (Note 19 Subsidiaries) occurred.

(2) For 2021, corresponds mainly to the capitalization of non-controlling interests of Bahía Las Minas for $221,292 and the effect of the increase in the interests of Grupo Argos S.A. in Cementos Argos S.A. for ($34,408) (Note 30 Other components of equity).

## NOTE 33: **REVENUE**

### 33.1 Composition of revenue

The composition of the Group's revenue is as follows:

| | 2022 | 2021 |
|---|---|---|
| **Revenue from sale of goods and rendering of services** | | |
| Revenue from sales of cement, concrete, and others (1) | 11,634,582 | 9,774,259 |
| Revenue from the sale of energy, gas and related activities (2) | 5,660,610 | 4,172,579 |
| Revenue from airport services | 1,013,336 | 519,674 |
| Revenue from toll collection | 254,727 | 499,864 |
| Others | 69,363 | 79,138 |
| **Share of profit of associates and joint ventures (3)** | 759,273 | 394,232 |
| **Interest income computed using the effective interest method** | | |
| Financial activity (4) | 22,600 | 208,712 |
| **Other revenue** | | |
| Financial activity (4) | 1,164,226 | 38,996 |
| Real estate (5) | 726,561 | 545,197 |
| Valuation of investment property (6) | 34,428 | 76,468 |
| **Total revenue** | **21,339,706** | **16,309,119** |

1) Generated primarily from the sale of cement and ready-mix concrete.

   Cement and ready-mix concrete sales are highly dependent on the performance of the construction industry, including residential, commercial, and infrastructure projects, in each of the countries in which the products are operated or sold. Fluctuations in the performance of the construction industry significantly affect the volumes of cement and ready-mix concrete sales, and sale prices.

2) Mainly generated by: sale of electric energy in contracts, sale of electric energy in the stock exchange, commercialization of electric energy in the regulated and unregulated market, reliability charges, use and connection of networks, marketing of natural gas, and transportation capacity and other operational services.

3) Corresponds to the equity method of associates and joint ventures, as follows:

| | 2022 | 2021 |
|---|---|---|
| Grupo de Inversiones Suramericana S.A. | 553,918 | 382,098 |
| Fondo de Capital por Compartimientos Odinsa Vías | 172,889 | - |
| Corporación Quiport S.A. | 34,129 | (29,858) |
| Concesión La Pintada S.A.S. | 24,603 | 46,569 |
| Trans Atlantic Shipmanagement Ltd. | 10,779 | (6,533) |
| Quito Airport Management (QUIAMA) Ltd. | 7,477 | 3,510 |
| Caoba Inversiones S.A.S. | 7,461 | 3,387 |
| Pactia S.A.S. | 5,109 | 5,500 |
| CNC del Mar S.A.S. E.S.P. | 2,922 | (1,780) |
| P.A. Fideicomiso Operación Hotel Calablanca Barú | 2,278 | (1) |
| P.A. Muverang | (1,079) | (2,117) |
| Interejecutiva de Aviación S.A.S. | (1,130) | (1,309) |
| Granulados Reciclados de Colombia Greco S.A.S. | (1,758) | (507) |
| Termoeléctrica El Tesorito S.A.S. E.S.P. | (5,798) | (1,257) |
| Consorcio Farallones | (50,518) | (6,005) |
| Other associates and joint ventures | (2,009) | 2,535 |
| **Total equity in associates and joint ventures** | **759,273** | **394,232** |

4) Corresponds to the sale of road assets to Macquarie Infrastructure and Real Assets ("MIRA"), and the contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and Odinsa Vías S.A.S for $1,104,182 plus price adjustment of $20,352, less an estimated price adjustment of $3,486 corresponding to the inverse earnout in favor of the buyer established in the agreement between the parties, for a total of $1,121,048 (Note 24 Provisions and Note 46 Significant events), dividend income from Nutresa S.A. $42,891, interest income from financial assets of concessions $22,600, dividends from investments of Celsia S.A. $160, from investments of Cementos Argos S.A. $56, and others $71.

   For December 2021 corresponds to interest income from financial assets of concessions for $208,712, includes dividend income from Nutresa S.A. $31,761, sale of 10,000 shares of Celsia Move S.A.S. for $5,836, sale of 375,000 shares of Internacional Ejecutiva de Aviación S.A.S. for $1,148, dividends from investments of Celsia S.A. $138, from investments of Cementos Argos S.A. $47, and others $66.

5) Income from the real estate business as of December 2022 corresponds to leases for $409,210, recognition for amortization of deferred income on land in the city of Barranquilla and sale of lots for $172,372, valuation of the Fondo de Capital Privado Pactia Inmobiliario for $71,472, constructions in buildings and civil works for $46,495 (Note 44 Construction contracts), income from returns of the Fondo de Capital Privado Pactia Inmobiliario for $20,030, interests in the P.A. Fiduciaria Bogotá of the Alameda del Río project for $6,930, and other income for $52.

   As of December 2021, income from the real estate business corresponds to leases for $251,475, recognition for amortization of deferred income on land in the city of Barranquilla and sale of lots for $140,019, constructions in buildings and civil works for $88,598 (Note 44 Construction contracts), valuation of the Fondo de Capital Privado Pactia Inmobiliario for $41,467, income from returns of the Fondo de Capital Privado Pactia Inmobiliario for $6,867, interests in the P.A. Fiduciaria Bogotá of the Alameda del Río project for $6,674, and other income for $10,097.

6) Corresponds to the measurement at fair value of the Group's investment property (Note 17 investment property).

### 33.2 Contractual balances from contracts with customers

The balance of contract assets and liabilities as of December 31 comprises the following:

| | 2022 | 2021 |
|---|---|---|
| Current contract assets | - | 2,163 |
| **Total contract assets (Note 12)** | **-** | **2,163** |
| Current contract liabilities | 304,101 | 223,255 |

| | 2022 | 2021 |
|---|---|---|
| Non-current contract liabilities | - | 597,008 |
| **Total contract liabilities (Note 27)** | **304,101** | **820,263** |

Below is the movement of assets from contracts with customers during the period:

| | 2022 | 2021 |
|---|---|---|
| **Balance at beginning of year** | **2,163** | **15,769** |
| Disbursements recognized as contract assets | 30,943 | 80,046 |
| Impairment of contract assets | - | (1,401) |
| Transfers to trade and other receivables | (26,732) | (92,251) |
| Loss of control of a subsidiary or business | (6,374) | - |
| **Balance at end of year** | **-** | **2,163** |

Below is the movement of liabilities from contracts with customers during the period:

| | 2022 | 2021 |
|---|---|---|
| **Balance at beginning of year** | **820,263** | **724,873** |
| Prepayments and income received in advance | 628,231 | 410,313 |
| Amounts included in contract liabilities recognized as income for the current period | (529,183) | (289,834) |
| Transfers to liabilities associated with non-current assets held for sale (1) | (146,038) | - |
| Loss of control of a subsidiary or business (2) | (511,032) | - |
| Effect of currency translation differences | 1,385 | 1,882 |
| Other changes | 40,475 | (26,971) |
| **Balance at end of year** | **304,101** | **820,263** |

(1) The Group has reclassified liabilities of contracts with customers of Opain S.A. to held for sale as a result of the agreement signed with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(2) In June 2022, control over the subsidiaries Concesión Vial de los Llanos S.A.S., Autopistas del Café S.A., Concesión Túnel Aburrá Oriente S.A., and Consorcio Grupo Constructor Autopistas del Café as a consequence of the sale agreement with Macquarie Infrastructure and Real Assets ("MIRA"), which generated a decrease in the liabilities of the contract of Concesión Vial de los Llanos S. A.S. of ($488,187), Concesión Túnel Aburrá Oriente S.A. of ($15,710), Consorcio Grupo Constructor Autopistas del Café of ($6,754), and Autopistas del Café S.A. of ($381) (Note 46 Significant events).

### 33.3 Performance obligations

During 2022 and 2021 there was no significant revenue from performance obligations that were satisfied (or partially satisfied) in prior periods.

Revenue to be recognized in future periods, with the exception of lease income detailed in note 22 Leases, when the performance obligations to be performed are satisfied, are analyzed as follows:

| | 2022 | 2021 |
|---|---|---|
| Within one year (*) | 177,897 | 156,791 |
| More than one year (*) | 126,204 | 508,782 |

(*) The Group, through its subsidiary Odinsa S.A., has as of 31 December 2022, income received in advance of the Concesión Vial de los Llanos amounting to $0 (2021 $455,950), which as of 2021 correspond to toll collections under the concession contract with the Colombian National Infrastructure Agency. These values will be recognized through profit or loss, in accordance with the agreement with this entity once the construction of each of the functional units of the project is completed and according to the financial model defined for this concession (Note 43 Concession Contracts). It also includes mainly income received in advance from Grupo Argos S.A. for $115,051 (2021 $69,766) related to the costs of urban development pending to be executed in the lots sold, prepayments received from customers for the sale of cement and concrete for $107,214 (2021 $87,782), prepayments received from customers for $33,977 (2021

$37,329) for the sale of lots, and prepayments received for the sale of goods and services of the energy business for $47,014 (2021 $0).

## NOTE 34: **COST OF ORDINARY ACTIVITIES**

The cost of ordinary activities at 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| Selling costs of of goods and services | 13,163,263 | 10,245,064 |
| Depreciation and amortization | 1,441,882 | 1,465,774 |
| Cost of financial activity (1) | 1,044,922 | 7,783 |
| Cost of real estate business (2) | 141,305 | 129,692 |
| **Total cost of ordinary activities** | **15,791,372** | **11,848,313** |

(1) In June 2022 Odinsa S.A., under the strategic alliance with the international infrastructure fund Macquarie Infrastructure Partners V, made the sale of investments and subsequent contribution to the Fondo de Capital Odinsa Vías of road assets, among which were included the following assets with loss of control: Autopistas del Café S.A. (including its interests in the Fideicomiso de Autopistas del Café), Concesión Vial de los Llanos S.A.S., Concesión Túnel Aburrá Oriente S.A. and Consorcio Grupo Constructor Autopistas del Café S.A.S., as well as the sale of the investment interests in the associate Concesión La Pintada S.A.S., and other assets for a cost of $1,044,922 (Note 46 Significant events).

On 30 November 2021 the subsidiary Celsia S.A. formalized the sale of 100% of its interests in the company Celsia Move S.A.S. represented in 10,000 shares with a cost of $6,874, and in June 2021 Grupo Argos S.A. made the partial sale of 375,000 shares of its associate Internacional Ejecutiva de Aviación S.A.S. with a cost of $909. (Note 18 Investments in associates and joint ventures and Note 19 Subsidiaries).

(2) In 2022 and 2021, the cost of the real estate business includes mainly costs for the progress of work of Concesión Vial de los Llanos, Consorcio APP Llanos, and Chamba Blou N.V., as well as urban development costs and lot sales for the projects Barú Polonia, Pajonal Stage II, Alejandría Stage II, Alejandría Stage III, Lago Alto, Barú Calablanca, and Pajonal Stage I for 2022, and Pajonal Stage 1, Alejandría Stage I, Recoveco and Mata de Plátano, Portal Empresarial del Norte 3, and Pajonal San José for 2021.

Employee benefits, depreciation and amortization expenses recognized through profit or loss as of 31 December are as follows:

| **Employee benefits expenses** | 2022 | 2021 |
|---|---|---|
| Cost | 1,405,783 | 1,306,890 |
| Administrative expenses (Note 35) | 624,353 | 566,127 |
| Selling expenses (Note 36) | 163,924 | 145,032 |
| **Total employee benefits** | **2,194,060** | **2,018,049** |

| **Depreciation and amortization expenses** | 2022 | 2021 |
|---|---|---|
| Cost | 1,441,882 | 1,465,774 |
| Administrative expenses (Note 35) | 137,863 | 208,807 |
| Selling expenses (Note 36) | 47,166 | 44,070 |
| **Total depreciation and amortization** | **1,626,911** | **1,718,651** |

Natural depreciation and amortization expenses recognized through profit or loss as of 31 December is as follows:

| | 2022 | 2021 |
|---|---|---|
| Depreciation of property, plant and equipment | 1,046,396 | 1,000,264 |
| Amortization of intangible assets | 403,089 | 555,670 |
| Depreciation of right-of-use assets | 177,426 | 162,717 |
| **Total depreciation and amortization expenses** | **1,626,911** | **1,718,651** |

## NOTE 35: **ADMINISTRATIVE EXPENSES**

Administrative expenses as of 31 December include:

| | 2022 | 2021 |
|---|---|---|
| Staff expenses | 624,353 | 566,127 |
| Services (1) | 280,095 | 233,132 |
| Fees (2) | 231,434 | 129,029 |
| Maintenance and repairs (3) | 117,032 | 87,707 |
| Taxes | 77,158 | 72,577 |
| Depreciations | 76,519 | 82,029 |
| Impairment (4) | 71,617 | 43,375 |
| Amortizations (5) | 61,344 | 126,778 |
| Travel expenses | 35,723 | 27,183 |
| Insurance | 29,189 | 36,523 |
| Contributions and affiliations | 28,368 | 12,652 |
| Leases | 12,976 | 10,479 |
| Legal expenses | 2,988 | 6,825 |
| Preparation and installation | 2,538 | 2,401 |
| Miscellaneous | 53,674 | 53,969 |
| **Total administrative expenses** | **1,705,008** | **1,490,786** |

(1) Corresponds to technical assistance services for $102,910 (2021 $81,537), security for $46,399 (2021 $37,529), janitorial services for $32,120 (2021 $27,778), utilities for $24,441 (2021 $23. 820), electronic data processing for $12,951 (2021 $10,643), advertising, publicity and promotion for $12,946 (2021 $11,630), temporary services for $7,958 (2021 $10,410), and other services for $40,370 (2021 $29,785).

(2) Corresponds mainly to financial advisory for $73,755 (2021 $4,543) mainly in the companies Grupo Argos S.A. for valuation of investments and Odinsa S.A. for advisory related to the sale and contribution of investments to the Odinsa Vías Capital Fund (Note 46 Significant events), and for advisory related to the early termination of the road concession contract of Boulevard Turístico del Atlántico S. A. and Autopistas del Nordeste Cayman Ltd. with the Dominican Republic Government, legal advisory for $63,806 (2021 $53,116) and technical advisory for $24,105 (2021 $21,068).

(3) The increase occurred mainly in the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. for the acquisition of supplies and maintenance of equipment for $14,542; as well as rehabilitation of pavements for $10,472.

(4) Corresponds mainly to impairment of receivables from the Energy and Concessions segment, for the former mainly due to receivables from CNC del Mar S.A.S. E.S.P., a joint venture of Celsia Colombia S.A. E.S.P. For 2021 mainly receivables from the energy segment focused on the social strata in which there were lower collection percentages due to the COVID 19 contingency.

(5) The decrease mainly corresponds to the early termination in December 2021 of the road concession contract of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. signed with the Government of the Dominican Republic, which for the year 2021 generated an amortization charge.

## NOTE 36: **SELLING EXPENSES**

Selling expenses at 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Staff expenses | 163,924 | 145,032 |
| Amortizations | 44,074 | 40,381 |
| Services | 38,265 | 35,899 |
| Taxes | 34,411 | 30,172 |
| Impairment of receivables | 13,344 | 6,482 |
| Contributions and affiliations | 10,881 | 9,657 |

| | 2022 | 2021 |
|---|---|---|
| Travel expenses | 5,778 | 2,680 |
| Insurance | 4,597 | 2,436 |
| Depreciations | 3,092 | 3,689 |
| Fees | 1,592 | 1,416 |
| Leases | 1,414 | 1,215 |
| Maintenance and repairs | 1,411 | 1,356 |
| Preparation and installation | 861 | 648 |
| Legal expenses | 608 | 176 |
| Miscellaneous | 9,922 | 5,633 |
| **Total selling expenses** | **334,174** | **286,872** |

## NOTE 37: **OTHER INCOME (EXPENSES), NET**

Other net income (expense) as of 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Recoveries (1) | 103,437 | 233,023 |
| Profit from the disposal of assets constituting a business (2) | 93,324 | 180,163 |
| Gain (loss) on sale of property, plant and equipment, intangible and other assets (3) | 47,002 | (1,941,020) |
| Compensation (4) | 11,671 | 1,695,568 |
| Gain from a bargain purchase (5) | 4,225 | 30,121 |
| Government grants | 286 | 76 |
| Fines, penalties, and lawsuits | (15,116) | (9,732) |
| Donations | (40,163) | (37,713) |
| Taxes assumed | (50,822) | (34,509) |
| Impairment losses on assets (6) | (129,050) | (168,433) |
| Other net gains (losses) (7) | 59,319 | (13,238) |
| **Total other income (expenses), net** | **84,113** | **(65,694)** |

(1) Corresponds mainly to recovery of provisions of $23,983 (2021 $78,902), in the subsidiaries Cementos Argos S.A., Odinsa S.A., Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., and Sator S.A.S., and additionally for 2021 in Celsia Colombia S.A. E.S.P. for the recovery of the provision of the bajo Anchicayá of $62,122 for difference of the provisioned value and the value of the ruling included in the final writ, recovery of impairment mainly of receivables for $8,581 (2021 $19,705) mainly in the subsidiaries Cementos Argos S.A., Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., Grupo Argos S.A. and Odinsa S.A., recovery of termination benefits of $6,093 (2021 $3,544) in the subsidiary Cementos Argos S.A., retirement of righ-of-use assets for $3,891 (2021 $19,183), recovery of receivables for $1,402 (2021 $914), recovery of insurance mainly in the subsidiary Cementos Argos S.A. for $346 (2021 $2,233), reimbursement of payables for paving in Boulevard Turístico del Atlántico S.A. for $0 (2021 $24. 842) due to the early settlement agreement of the road concession contracts signed with the Government of the Dominican Republic, recovery of impairment of other assets for $0 (2021 $23,652) of which for the year 2021, $23,184 correspond to recovery of impairment of property, plant and equipment in the subsidiary Celsia S.A. due to the process of ordered liquidation of Bahía las Minas Corp, reimbursement of the Dominican Republic ITBIS tax of the companies Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. for $0 (2021 $5,971).

(2) As part of the execution of the strategy to monetize the business and optimize the asset base of the Cement segment, within the framework of the divestment plan, on 31 March 2022, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-three concrete plants, including equipment, buildings, land, and inventory to Smyrna Ready Mix Concrete, LLC. for USD 94 million. The sale price of the assets, less the book value of the assets delivered generated an accounting operating profit on disposal of business of $93,324 (USD 21.9 million) and an increase in current tax expense of $6,507 (USD 1.5 million) and in deferred tax of $55,213 (USD 13 million), presented in the other income (expense), net item, and the income tax item of the consolidated statement of profit or loss. Amounts in pesos are restated by the exchange rates established at each cutoff date. The assets disposed of meet the definition of business established in IFRS 3 Business Combinations, therefore, this sale implied the derecognition of goodwill associated with such assets for an amount of $223,183 (Note 14 Goodwill). As of 31 December 2022, $383,942 (USD 90 million) has been received in cash.

On 14 June 2021, Argos USA LLC - a subsidiary of Cementos Argos S.A. - sold twenty-four concrete plants, including equipment, buildings, land and inventory to Smyrna Ready Mix Concrete, LLC - for USD 184 million. The sale price of the assets, less the book value of the assets delivered generated an accounting gain on disposal of business of $180,163 (USD 48.1 million) and an increase in current tax expense of $6,506 (USD 1.7 million) and in deferred tax of $93,642 (USD 25 million), presented in the other income (expense), net item and in the income tax item of the consolidated statement of profit or loss. The assets disposed of meet the definition of business established in IFRS 3 Business Combinations, therefore, this sale implied the derecognition of goodwill associated with such assets for an amount of $218,298 (Note 14 Goodwill). As of 31 December 2021, $652,900 (USD 174 million) was received in cash.

(3) For 2022 corresponds mainly to the gain on the sale of intangible assets to Macquarie Infrastructure and Real Assets ("MIRA"), and subsequent contribution of these to the Fondo de Capital Privado por Compartimientos Odinsa Vías in the subsidiary Odinsa S.A. for $10,308 (Note 46 Significant events), sale of the economic rights of the energy supply contracts to the joint venture P.A. Laurel for $21,436 in the subsidiary Celsia Colombia S.A. E.S.P., and partial sale of the Polideportivo building for $5,618, as well as fleet and transportation equipment for $6,588 ,and sale of machinery for $1,733 in the USA region of the subsidiary Cementos Argos S.A. For 2021 corresponds mainly to loss in the derecognition of financial assets after the completion and delivery of the road concession contract to the Government of the Dominican Republic in Autopistas del Nordeste S.A. for $1,033,880 and Boulevar Turístico del Atlántico S.A. for $461,085. Additionally, the derecognition in accounts in Odinsa S.A. and Odinsa Holding Inc. of the adjustments of the purchase price allocation (PPA) process for the acquisition of the control of these companies associated to the road assets of Autopistas del Nordeste S.A. for $264,690, Boulevar Turístico del Atlántico S.A. for $178,374, JV BTA S.R.L. for $9,513, and JV ADN S.R.L. for $8,640 was recognized. Likewise, the profit on the sale of land of Bahía Las Minas Corp. for $22,265 in the process of orderly liquidation of the company and retirement of right-of-use assets in the subsidiary Cementos Argos S.A., mainly 338 assets of the Transportempo contract of 2021 that went to the service modality for $8,130.

(4) For 2021 corresponds mainly to Autopistas del Nordeste S.A. for $1,181,342 and Boulevard Turístico del Atlántico S.A. for $503,479 as consideration granted by the Government of the Dominican Republic due to compliance with the conditions agreed in the early termination agreement of the road concession contracts. The aforementioned indemnity was recognized at fair value (Note 46 Significant events).

(5) In June 2022 the subsidiary Odinsa S.A. acquires 550,000 shares of Concesión Vial de los Llanos S.A.S., including the principal and interest of the subordinated debt, which is equivalent to 11% of the interests in this entity. For 2021 corresponds to income generated by the purchase of shares made by the Group of the associate Grupo de Inversiones Suramericana S.A. (Note 18 Investments in associates and joint ventures).

(6) For 2022 it corresponds mainly to impairment on the investment Corporación Quiport S.A. for $64,238 based on the estimated recoverable value of this investment (Note 18 Investments in associates and joint ventures), impairment of Porvenir II S.A.S. E.S.P for $31,062 and of the Trust for the liquidation of Bahía las Minas Corp for $21,200. Likewise, the subsidiary Odinsa S.A. recognized an impairment of intangible assets for $9,785, of which $8,172 correspond to the Iniciativa Privada Perimetral de la Sabana because the Instituto de Infraestructura y Concesiones de Cundinamarca issued an administrative act rejecting the proposal and $1,613 correspond to the project Sistema Aeroportuario de Bogotá.

For 2021 corresponds to impairment of the liquidation trust of Bahía Las Minas Corp. in Central America for $62,908, impairment of goodwill associated with the subsidiaries Celsia Centroamérica S.A. for $49,765 and Porvenir II S.A.S E.S.P. for $19,078, impairment of assets at Cementos Argos S. A. mainly due to raw milling of the Sabanalarga plant for $18,123, derecognition of assets for $8,452, impairment of assets in Celsia S.A. due to damage in the transformer of the Merilectrica plant for $6,774 and impairment of assets of Bahía Las Minas Corp. for $3,333.

(7) For 2022 mainly includes income received in the company Planta Eólica Guanacaste S.A. (PEG) for $24,861 (USD 5.2 million), a subsidiary of Celsia S.A. located in Central America, for compensation from third parties that included the delivery of equipment, licenses, among others.

## NOTE 38: **FINANCE EXPENSES, NET**

Net finance income and expenses as of 31 December comprise:

| | 2022 | 2021 |
|---|---|---|
| Interest income (1) | 190,317 | 96,964 |
| Other finance income (2) | 39,745 | 86,547 |
| Income from valuation of financial instruments (3) | 3,938 | 52,231 |
| **Total finance income** | **234,000** | **235,742** |
| | | |
| Interest expense (4) | (1,514,245) | (1,120,270) |
| Other finance expenses (5) | (98,619) | (27,091) |
| Bank charges and commissions | (40,113) | (37,914) |
| Losses on valuation of financial instruments (3) | (20,653) | (37,267) |
| Management and issuance of bonds | (1,711) | (1,849) |
| **Total finance expenses** | **(1,675,341)** | **(1,224,391)** |
| | | |
| Exchange rate differences income | 456,586 | 248,900 |
| Exchange rate differences expenses | (354,233) | (221,085) |
| **Exchange difference, net** | **102,353** | **27,815** |
| **Total net finance expense** | **(1,338,988)** | **(960,834)** |

(1) Changes corresponds mainly to higher returns in Odinsa S.A. for $29,747, of which $23,250 correspond to the coupon payment of the Dominican Republic Government bonds received in the Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. transaction offset by lower financial returns in Celsia S.A. for $12,884 mainly due to the settlement of the subordinated debt of Caoba Inversiones S.A.S. for $14,379, and higher returns in the other companies of the Group for investments made mainly in savings accounts and Term Deposit Certificates.

(2) For 2022, it mainly includes income recorded in Celsia Colombia S.A. E.S.P. for $31,005 corresponding to the valuation of receivables of the tariff path for Valle and Tolima. For the year 2021, it includes $77,531 corresponding to income from the settlement of financial obligations in the framework of the ordered liquidation of the company Bahía Las Minas Corp. for $57,246 and settlement of debt with Banco Banistmo S.A. for $20,285.

(3) The variation is mainly in Celsia S.A. for $12,527, explained by lower income, mainly due to the maturity in 2021 of an exchange rate forward that hedged a credit in foreign currency. As well as higher losses in Odinsa S.A. for $18,785 mainly because of the lower valuation of the bonds of the Government of the Dominican Republic negotiated in the transaction of Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A., and operations with derivative instruments. Adding the effect explained in numeral 1 and 2, the net impact of the Dominican Republic Bonds is positive.

(4) The variation corresponds mainly to the impact that the increase in indexation rates had on the cost of debt of all Group companies, offset by the reduction of leverage at consolidated level and improvement in the conditions of Odinsa S.A. debt.

(5) For 2022, other financial expenses include the sale of portfolio to the Inter-American Development Bank "IDB" in the subsidiary Celsia S.A. for $64,136.

At 31 December 2022 and 2021 the weighted average annual capitalization rate of borrowing costs on property, plant and equipment is 10.11% (2021 3.37%), and on intangible assets is 5.14% (2021 3.97%).

The exchange rate at 31 December 2022 is $4,810.20 and at 31 December 2021 is $3,981.16.

## NOTE 39: **EARNINGS PER SHARE**

Earnings per share attributable to owners of the Parent as of 31 December comprises:

| | 2022 | 2021 |
|---|---|---|
| **Basic earnings per share:** | | |
| From continuing operations (*) | 1,013.76 | 681.32 |

| | 2022 | 2021 |
|---|---|---|
| **Total basic earnings per share** | **1,013.76** | **681.32** |
| | | |
| **Diluted earnings per share:** | | |
| From continuing operations (*) | 1,013.76 | 681.32 |
| **Total diluted earnings per share** | **1,013.76** | **681.32** |

(*) Figures stated in Colombian pesos (pesos per share).

The Group does not hold financial instruments or other types of contracts that entitle it to receive potential ordinary shares, and therefore diluted earnings per share is equal to basic earnings per share.

### 39.1 Basic ordinary earnings per share

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

| | 2022 | 2021 |
|---|---|---|
| Earnings for the year attributable to owners of the parent | 881,424 | 589,799 |
| Earnings used in the calculation of total basic earnings per share | 881,424 | 589,799 |
| Earnings used in the calculation of basic earnings per share from continuing operations | 881,424 | 589,799 |
| **Weighted average number of ordinary shares for basic earnings per share purposes** | **869,456,283** | **865,670,287** |

### 39.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

| | 2022 | 2021 |
|---|---|---|
| Earnings used in the calculation of total basic earnings per share | 881,424 | 589,799 |
| Earnings used in the calculation of total diluted earnings per share | 881,424 | 589,799 |
| **Earnings used in the calculation of diluted earnings per share from continuing operations** | **881,424** | **589,799** |

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:

| | 2022 | 2021 |
|---|---|---|
| Weighted average number of ordinary shares used in calculation of basic earnings per share | **869,456,283** | **865,670,287** |
| Weighted average number of ordinary shares used in the calculation of diluted earnings per share | **869,456,283** | **865,670,287** |

## NOTE 40: **SEGMENT INFORMATION**

### 40.1 Products and services that generate revenue from the reportable segments

The Group's operating segments have been defined as the companies, consolidation groups and holding company that manage the operations of the following activities:

**Cement:** corresponds to the group of companies dedicated to the exploitation and production of cement-based mixtures and derivatives such as concrete and other materials based on cement, lime, or clay. These companies are consolidated through the subsidiary Cementos Argos S.A.

**Energy:** corresponds to the group of companies engaged in the provision of public utilities specializing in the generation, transmission, distribution, and marketing of electricity. These companies are consolidated through the subsidiary Celsia S.A.

**Real estate:** refers to the activities of acquisition, participation, urbanization, promotion, design, provision of technical services, construction, administration, consultancy, management, and auditing in real estate businesses carried out by the Parent company Grupo Argos S.A.

**Portfolio:** this refers to investment activities in all types of shares, quotas or interest, interests in companies or entities which allow for the investment of resources, carried out in the Parent company Grupo Argos S.A.

**Concessions:** corresponds to the group of companies engaged in the management, promotion, and development of large infrastructure projects, such as road, airport and special project concessions. The consolidation of these companies is performed through the subsidiary Odinsa S.A., including the consolidation of the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

**Coal:** exploitation activities of the coal industry and any other mineral substance associated with coal performed through the company Sator S.A.S.

Below is an analysis of the Group's revenue and results from continuing operations by reportable segments, including adjustments for consolidation purposes:

| December 2022 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| **Net income** | 11,697,084 | 5,616,504 | 299,466 | 658,985 | 169,334 | 1,943,598 | 1,131,557 | 21,516,528 |
| Less: inter segment | (3,216) | (39,513) | (2,317) | (46,909) | (84,864) | (3) | - | (176,822) |
| **Consolidated income** | **11,693,868** | **5,576,991** | **297,149** | **612,076** | **84,470** | **1,943,595** | **1,131,557** | **21,339,706** |
| Cost of ordinary activities | (8,764,952) | (3,512,307) | (112,955) | (22,553) | (41,004) | (850,799) | (1,044,921) | (14,349,491) |
| Depreciation and amortization | (856,635) | (374,433) | - | (122) | (5,202) | (205,489) | - | (1,441,881) |
| **Gross profit** | **2,072,281** | **1,690,251** | **184,194** | **589,401** | **38,264** | **887,307** | **86,636** | **5,548,334** |
| | | | | | | | | |
| Other depreciation and amortization | (103,424) | (54,019) | (733) | (14,125) | (16) | (12,714) | - | (185,031) |
| Administration and sales | (965,505) | (311,248) | (47,562) | (132,949) | (5,858) | (391,215) | 186 | (1,854,151) |
| Loss on impairment of assets | (1,632) | (52,533) | - | (30) | - | (74,855) | - | (129,050) |
| Other income (expense), net | 186,700 | 24,987 | (2,272) | (13,635) | (3,501) | 97,009 | (76,125) | 213,163 |
| **Operating profit** | **1,188,420** | **1,297,438** | **133,627** | **428,662** | **28,889** | **505,532** | **10,697** | **3,593,265** |
| | | | | | | | | |
| **EBITDA** | **2,148,479** | **1,725,890** | **134,360** | **442,909** | **34,107** | **723,735** | **10,697** | **5,220,177** |
| | | | | | | | | |
| Finance income | 30,228 | 50,754 | 12,183 | 38,702 | 1,868 | 100,265 | - | 234,000 |
| Finance expenses | (658,255) | (632,180) | (1,529) | (166,556) | (777) | (216,044) | - | (1,675,341) |
| Exchange rate difference, net | 3,421 | 17,819 | 4 | 3,288 | (211) | 78,032 | - | 102,353 |
| Others | 7,512 | 2,997 | 1 | - | - | - | (10,510) | - |
| **Earnings before taxes** | **571,326** | **736,828** | **144,286** | **304,096** | **29,769** | **467,785** | **187** | **2,254,277** |
| | | | | | | | | |
| Income tax | (365,708) | (314,846) | - | (8,606) | (1,259) | (123,517) | - | (813,936) |
| **Income from continuing operations** | **205,618** | **421,982** | **144,286** | **295,490** | **28,510** | **344,268** | **187** | **1,440,341** |
| **Net earnings** | **205,618** | **421,982** | **144,286** | **295,490** | **28,510** | **344,268** | **187** | **1,440,341** |

| December 2021 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| **Net income** | 9,859,929 | 4,110,736 | 237,711 | 440,892 | 99,549 | 1,614,996 | (2,640) | 16,361,173 |
| Less: inter segment | (2,543) | (21,391) | (2,189) | (10,458) | (15,471) | (2) | - | (52,054) |
| **Consolidated income** | **9,857,386** | **4,089,345** | **235,522** | **430,434** | **84,078** | **1,614,994** | **(2,640)** | **16,309,119** |
| Cost of ordinary activities | (7,104,644) | (2,477,106) | (102,348) | (19,857) | (52,492) | (619,219) | (6,873) | (10,382,539) |
| Depreciation and amortization | (803,164) | (347,337) | - | (173) | (3,712) | (311,388) | - | (1,465,774) |
| **Gross profit** | **1,949,578** | **1,264,902** | **133,174** | **410,404** | **27,874** | **684,387** | **(9,513)** | **4,460,806** |

| December 2021 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| Other depreciation and amortization | (116,684) | (51,273) | (653) | (17,843) | (32) | (66,392) | - | (252,877) |
| Administration and sales | (807,392) | (259,017) | (44,865) | (79,030) | (5,019) | (329,619) | 161 | (1,524,781) |
| Loss on impairment of assets | (26,576) | (141,857) | - | - | - | - | - | (168,433) |
| Other income (expense), net | 227,968 | 88,587 | (2,837) | 21,515 | (3,261) | (230,271) | 1,038 | 102,739 |
| **Operating profit** | **1,226,894** | **901,342** | **84,819** | **335,046** | **19,562** | **58,105** | **(8,314)** | **2,617,454** |
| | | | | | | | | |
| **EBITDA** | **2,146,742** | **1,299,952** | **85,472** | **353,062** | **23,306** | **435,885** | **(8,314)** | **4,336,105** |
| | | | | | | | | |
| Finance income | 15,665 | 152,932 | 1,279 | 7,469 | 130 | 58,267 | - | 235,742 |
| Finance expenses | (433,761) | (357,729) | (3,984) | (101,426) | (3,014) | (324,477) | - | (1,224,391) |
| Exchange rate difference, net | 10,387 | 24,739 | (5) | (1,654) | (845) | (4,807) | - | 27,815 |
| Others | (7,438) | (1,037) | - | - | - | - | 8,475 | - |
| **Earnings before taxes** | **811,747** | **720,247** | **82,109** | **239,435** | **15,833** | **(212,912)** | **161** | **1,656,620** |
| | | | | | | | | |
| Income tax | (299,306) | (190,223) | - | 29,144 | (10,791) | 20,589 | - | (450,587) |
| **Income from continuing operations** | **512,441** | **530,024** | **82,109** | **268,579** | **5,042** | **(192,323)** | **161** | **1,206,033** |
| **Net earnings** | **512,441** | **530,024** | **82,109** | **268,579** | **5,042** | **(192,323)** | **161** | **1,206,033** |

The accounting policies applied in the preparation of segment information and in the accounting for transactions between segments correspond to those described in the accounting policy of operating segments. The Group has not made asymmetric allocations in its operating segments.

### 40.2 Reconciliation of segment revenue and revenue

The reconciliation between income by segment and the Group's revenue is as follows (Note 33 Revenue):

| December 2022 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments (*) | Total |
|---|---|---|---|---|---|---|---|---|
| **Net income** | | | | | | | | |
| Sale of cement, concrete, and other | 11,634,582 | - | - | - | - | - | - | 11,634,582 |
| Sale of energy, natural gas, and related activities | 1,745 | 5,576,991 | - | - | 81,874 | - | - | 5,660,610 |
| Financial activity | - | - | - | 42,962 | - | 22,600 | 1,121,264 | 1,186,826 |
| Revenue from airport services | - | - | - | - | - | 1,013,336 | - | 1,013,336 |
| Equity method | - | - | 7,128 | 552,779 | - | 189,073 | 10,293 | 759,273 |
| Real estate | 7,052 | - | 271,462 | - | - | 448,047 | - | 726,561 |
| Revenue from toll Collection | - | - | - | - | - | 254,727 | - | 254,727 |
| Valuation of investment property | 13,029 | - | 18,559 | - | 2,596 | 244 | - | 34,428 |
| Others | 37,460 | - | - | 16,335 | - | 15,568 | - | 69,363 |
| **Consolidated income** | **11,693,868** | **5,576,991** | **297,149** | **612,076** | **84,470** | **1,943,595** | **1,131,557** | **21,339,706** |

(*) Income from financial activity for $1,121,264 corresponds to the sale of road assets to Macquarie Infrastructure and Real Assets ("MIRA") and the contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and Odinsa Vías S.A.S for $1,121,048, dividends from investments of Celsia S.A. for $160, and from investments of Cementos Argos S.A. for $56. Income from equity method for $10,293 corresponds to associates and joint ventures of Cementos Argos S.A. for $7,455 and Celsia S.A. for $2,838, which are presented in each of the operating segments in the item of other operating income (expenses) or others, and are reclassified for the purposes of the consolidated Group as revenue.

| December 2021 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments (*) | Total |
|---|---|---|---|---|---|---|---|---|
| **Net income** | | | | | | | | |
| Sale of cement, concrete, and other | 9,774,259 | - | - | - | - | - | - | 9,774,259 |
| Sale of energy, natural gas, and related activities | 1,079 | 4,087,843 | - | - | 83,657 | - | - | 4,172,579 |
| Financial activity | - | - | - | 32,965 | - | 208,722 | 6,021 | 247,708 |
| Revenue from airport services | - | - | - | - | - | 519,674 | - | 519,674 |

| December 2021 | Cement | Energy | Real estate | Portfolio | Coal | Concessions | Adjustments (*) | Total |
|---|---|---|---|---|---|---|---|---|
| Equity method | - | - | 5,303 | 382,270 | - | 15,320 | (8,661) | 394,232 |
| Real estate | 7,462 | - | 196,604 | 12 | - | 341,119 | - | 545,197 |
| Revenue from toll Collection | - | - | - | - | - | 499,864 | - | 499,864 |
| Valuation of investment property | 42,240 | - | 33,615 | - | 421 | 192 | - | 76,468 |
| Others | 32,346 | 1,502 | - | 15,187 | - | 30,103 | - | 79,138 |
| **Consolidated income** | **9,857,386** | **4,089,345** | **235,522** | **430,434** | **84,078** | **1,614,994** | **(2,640)** | **16,309,119** |

(*) Income from financial activity for $6,021 corresponds to the sale of 10,000 shares of Celsia Move S.A.S. for $5,836, dividends from investments of Celsia S.A. for $138, and from investments of Cementos Argos S.A. for $47, which are presented in each of the operating segments in the item of other operating income (expenses) or in others, and are reclassified for purposes of the consolidated Group as revenue. The loss from the equity method of $8,661 corresponds to associates and joint ventures of Cementos Argos S.A. for ($7,486) and Celsia S.A. for ($1,175).

### 40.3 Geographic information

Revenue from external customers of the Group's continuing operations by geographic location at 31 December are as follows:

| | Revenue by geographic location | |
|---|---|---|
| | **2022** | **2021** |
| Colombia | 11,724,139 | 8,063,759 |
| United States | 6,668,712 | 5,468,679 |
| Panama | 942,012 | 739,238 |
| Caribbean Islands | 736,384 | 630,893 |
| Honduras | 591,348 | 554,611 |
| Dominican Republic | 383,275 | 561,139 |
| Haiti | 156,028 | 180,197 |
| Costa Rica | 54,517 | 53,380 |
| Guatemala | 42,866 | 19,048 |
| Suriname | 40,425 | 38,175 |
| **Total** | **21,339,706** | **16,309,119** |

For these purposes, the basis used to attribute revenue from external customers to countries is the location of each of the subsidiaries.

As of December 2022 and 2021, the Group does not have any customer representing 10% or more of consolidated income.

## NOTE 41: **INFORMATION ON RELATED PARTIES**

### 41.1 Qualitative relationships between the Group and its related parties

(1) The Group contracts property, casualty, and personal liability insurance, mainly through life and general insurance companies that are subordinates of Grupo de Inversiones Suramericana S.A. This operation is performed to cover property losses, using the retention and risk distribution schemes negotiated with said insurance companies, all in compliance with applicable regulations in the corresponding jurisdiction. Dividends receivable and payable are also generated with Grupo de Inversiones Suramericana S.A. since this company is also an associate of the Group (Note 18.8 Reciprocal interests)

(2) Air transportation service between Internacional Ejecutiva de Aviación S.A.S. and the Group: the transaction consists of Internacional Ejecutiva de Aviación S.A.S. providing air transportation to senior executives of Grupo Argos S.A. and its subsidiaries.

(3) Provision of sea transport service between Transatlantic Cement Carriers Inc. and Trans Atlantic Shipmanagement Ltd. The transaction consists of Trans Atlantic Shipmanagement Ltd. (among other suppliers) providing sea freight and vessel leasing services to Transatlantic Cement Carriers Inc. for the transportation of raw materials and finished products for Cementos Argos S.A. and/or its subsidiaries.

(4) Sale of cement and concrete to Consorcio Farallones, the transaction consists of the sale of cement and concrete to Consorcio Farallones for infrastructure works in different regions of the country.

(5) Sale of distribution and transmission assets that Celsia Colombia S.A. E.S.P. made to Caoba Inversiones S.A.S. and representation contract with Caoba Inversiones S.A.S. for the operation of distribution and transmission assets in Tolima and the Caribbean plan.

(6) Subordinated debt between Odinsa S.A. and Concesión La Pintada S.A.S. with the purpose of covering operation, maintenance, and construction costs. On this subordinated debt interest is accrued at an agreed rate of Fixed Term DTF + 3%. As of June 2022, it was sold to Macquarie Infrastructure and Real Assets ("MIRA"), and the interests in Concesión La Pintada S.A.S. was contributed to the Fondo de Capital Privado por Compartimientos Odinsa Vías and to Odinsa Vías S.A.S., together with the subordinated debt.

(7) Lease of constructions and buildings that the Group and its subsidiaries have with the Fondo de Capital Privado Pactia Inmobiliario.

(8) Fee agreement between Odinsa Gestor Profesional S.A.S. and Fondo de Capital por Compartimientos Odinsa Vías for advisory, administration, management of investment funds, and operation of road concessions.

(9) Representation agreement between Celsia Colombia S.A. E.S.P. and Termoeléctrica El Tesorito S.A.S. E.S.P. for the operation of the thermal power plant.

(10) Rendering of operational and administrative support services between Celsia Colombia S.A. E.S.P. and CNC del Mar S.A.S. E.S.P.

(11) Agency contract between Celsia Colombia S.A. E.S.P. and P.A. Laurel for the invoicing and portfolio management of the photovoltaic energy service, leasing of the photovoltaic installations and their operation and maintenance.

### 41.2 Transactions with related parties

During the year, the Group companies performed the following transactions and present the following balances receivable from or payable to related parties that are not consolidated within the Group:

| | Sale of goods and other income | | Purchase of goods and other expenses | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Entities with significant influence over the Group (1) | 632 | 5,673 | 88,305 | 98,986 |
| Associates (2) | 34,309 | 44,002 | 63,394 | 26,897 |
| Joint ventures (3) | 439,312 | 44,756 | 403,588 | 39,498 |
| Key Management Personnel (4) | 425 | 325 | 225,261 | 203,880 |
| Fees of the Board of Directors | - | - | 4,607 | 4,321 |
| **Total related parties** | **474,678** | **94,756** | **785,155** | **373,582** |

(1) Corresponds to indemnities, insurance recoveries and other services. Expenses correspond to multi-risk policy and to the purchase of insurance to cover assets, civil liability and employee benefit plans with Grupo de Inversiones Suramericana S.A.

(2) Corresponds mainly to dividends from Fondo de Capital Privado Pactia Inmobiliario, reimbursement services for personnel expenses, income from the lease of a substation for testing, finance income from a bridge loan structuring commission, in addition to costs and income from energy transactions for the entry into operation of the thermal plant from September 2022 with Termoeléctrica El Tesorito S.A.S. E.S.P., provision of administrative services to Internacional

Ejecutiva de Aviación S.A.S., income from the sale of cement to Fondo de Capital Privado Pactia Inmobiliario. Expenses are represented in the provision of air transport services by Internacional Ejecutiva de Aviación S.A.S. to senior executives of Grupo Argos S.A. and its subsidiaries, depreciation of right-of-use assets in constructions and buildings, interest for valuation of lease liabilities, and cost for the sale of cement to Fondo de Capital Privado Pactia Inmobiliario, and expenses for impairment of portfolio of Promotora de Proyectos S.A. (in liquidation).

(3) It mainly comprises income from operation, maintenance, commercial representation, and income from the sale of BOT (Built, operate and Transfer) electric projects with Caoba Inversiones S.A.S., from the sale of distribution and transmission assets, income received from the assignment of the economic rights of photovoltaic generation projects, such as existing solar roofs and floors as a contribution to P.A. Laurel, income from commission and interest with Fideicomiso Plan Luz, and administrative services and interest with CNC del Mar S.A.S. E.S.P., sale of cement and concrete to Consorcio Farallones, income from water transportation services with Trans Atlantic Shipmanagement Ltd, interest with Granulados Reciclados de Colombia Greco S.A.S., fees charged to Fondo de Capital por Compartimientos Odinsa Vías, and interest with International Airport Finance S.A. Costs and expenses correspond to valuation of the lease contract of vessels for water transportation services and depreciation of right-of-use assets with Trans Atlantic Shipmanagement Ltd. for the transportation of raw materials and finished products, costs for the sale of electrical projects BOT (Built, operate and Transfer) with Caoba Inversiones S.A.S., to the sale of cement and gypsum to Consorcio Farallones for the elaboration of infrastructure works in different regions of Colombia.

(4) Corresponds to interest income from loans and remuneration to key management personnel.

| | Amounts receivable | | Amounts payable | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Entities with significant influence over the Group (1) | 47,999 | 87,906 | 40,391 | 54,638 |
| Associates (2) | 833 | 24,666 | 93,062 | 1,319 |
| Joint ventures (3) | 43,053 | 49,921 | 273,859 | 51,396 |
| Key Management Personnel (4) | 12,729 | 13,130 | - | 23 |
| **Total related parties** | **104,614** | **175,623** | **407,312** | **107,376** |

Amounts receivable include $19,981 (2021 $50,048) for other prepaid expenses to related parties. Amounts payable include $25 (2021 $197) for other non-financial liabilities (Note 12 Prepaid expenses and other non-financial assets and Note 27 Other non-financial liabilities).

(1) Corresponds to dividends receivable and payable, prepaid expenses for multi-risk insurance policy, receivables for reimbursement of claims, payables to Grupo de Inversiones Suramericana S.A. for insurance and health services.

(2) It mainly comprises receivables for services to Termoeléctrica El Tesorito S.A.S. E.S.P., reimbursement of energy, connection rights, and sale of cement with Fondo de Capital Privado Pactia Inmobiliario, and rendering of administrative services to Internacional Ejecutiva de Aviación S.A.S. Payables correspond to income recognized to Termoeléctrica El Tesorito S.A.S. E.S.P. in compliance with the commercial representation contract and loans received, provision of air transport services by Internacional Ejecutiva de Aviación S.A.S., to senior executives of Grupo Argos S.A. and its subsidiaries, prepayments for the settlement of invoices for the purchase of cement and concrete and interest to Fondo de Capital Privado Pactia Inmobiliario for leasing of constructions and buildings with the Group and its subsidiaries.

(3) Corresponds mainly to CNC del Mar S.A.S. E.S.P. for administrative *back office* support, receivables from Caoba Inversiones S.A.S. for the sale of transmission and distribution assets, to Fideicomiso Plan Luz for sales commissions, interest, and principal for the subordinated debt, receivables from Trans Atlantic Shipmanagement Ltd. for the provision of water transport services, to Granulados Reciclados de Colombia Greco S.A.S. for the provision of services, receivables from loans to Odinsa Vías S.A.S., and fees receivable from Fondo de Capital por Compartimientos Odinsa Vías S.A.S. for the provision of services. Payables correspond to C2 Energía S.A.S. for fees, taxes and resources received for the development of projects (Note 25 Trade liabilities and other payables), to Caoba Inversiones S.A.S. for collections in its favor for the use of networks, for the operation of distribution and transmission assets in Tolima and plan 5 Caribe and to Consorcio Imhotep for retention of guarantees of construction contracts.

(4) Receivables are represented by loans granted to key management personnel.

Right-of-use assets with Fondo de Capital Privado Pactia Inmobiliario for $48,561 (2021 $72,150) and lease obligations for $65,270 (2021 $88,560), rights of use assets with Trans Atlantic Shipmanagement Ltd. for $33,058 (2021 $52,447) and lease obligations for $35,644 (2021 $54,714).

As of 31 December the Group has recognized impairment of receivables from related parties for $15,274 (2021 $465) and impairment expenses for $16,556 (2021 $0). The increase in impairment corresponds mainly to impairment of receivables from CNC del Mar S.A.S E.S.P. for $15,268.

As of 31 December the Group has not received nor granted any guarantees for balances receivable from or payable to related parties, except for loans to key management personnel where the Group receives a guarantee on the disbursement made. Transactions between reporting companies and their related parties are made under conditions equivalent to those existing in transactions between independent parties.

The average term of receivables from related parties with respect to the sale of goods and services is 30 days; payables between related parties have an average term between 30 and 60 days. The average term of loans as of December 2022 is between 1 and 7 years, agreed at a rate in dollars of 5.30% and in pesos between 4.08% and 14.06% (December 2021 between 1 and 7 years, agreed at a rate in pesos between 1.89% and 5.60%). For the subsidiary Celsia S.A. the loans between related parties are at a LIBOR 3M + 2.50% rate as of December 2022 and 2021.

### 41.3 Key management personnel compensation

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

| | 2022 | 2021 |
|---|---|---|
| Short-term employee benefits (*) | 210,747 | 192,499 |
| Post-Employment Benefits | 8,037 | 6,467 |
| Share-based payments | 5,613 | 1,757 |
| Other long-term benefits | 4,737 | 4,797 |
| Termination benefits | 734 | 2,681 |
| **Total compensation awarded to key management personnel** | **229,868** | **208,201** |

(*) Includes Fees of the Board of Directors' Members For $4,607 (2021 $4,321).

Amounts broke down in the table above correspond to the values recognized as expenses during the period.

## NOTE 42: **CONTINGENT ASSETS AND LIABILITIES**

Certain contingent conditions may exist at the date the financial statements are issued, which may result in profit or loss for the Group. These contingencies will be resolved in the future when one or more events occur, or the probability of their occurrence varies. Such contingencies are estimated by the management and its legal advisors. The estimation of loss contingencies necessarily involves an exercise of professional judgment and is a matter of opinion. In estimating the contingencies that imply profit or loss in legal proceedings pending in favor or against the Group, the legal advisors assess, among other aspects, the merits of the claims, case law of the courts in this regard and the current status of the proceedings on a case-by-case basis.

The Group considers that these matters will be resolved without any material effect on our operations, financial position or operational results.

### 42.1 Contingent assets

The Group's relevant contingent assets at 31 December 2022 are broke down below:

#### 42.1.1 Grupo Argos S.A.

1) At 31 December, the Company has contingent assets for $1,273 with the Special Industrial and Port District of Barranquilla for processes with pro-hospital stamp, of which $667 correspond to the plaintiff Grupo Argos S.A. and $606 correspond to Situm S.A.S. (Company absorbed by Grupo Argos).

2) A prescription claim was filed to acquire an adjacent lot of the Company's Miramar Puerto Colombia property for $1,877, where when describing the area subject to prescription, a part of the Miramar property was included during 2022.

3) Claim for damages for inadequate works to the Miramar project for $2,212, changes the process to probable qualification.

Grupo Argos S.A. has contingent assets for minor amounts that added together amount to $1,606 (2021 $1,016); which correspond to executive processes for properties in 2022.

#### 42.1.2 Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

##### Nullification and reinstatement of rights

On 12 April 2019 Opain S.A. filed a lawsuit before the administrative jurisdiction, requesting the nullity of the administrative acts by which a fine was imposed for changing the *Bag Tag* (suitcase ticket) to a passenger's suitcase. The changed ticket was attached to a suitcase containing illegal substances. On 8 November 2019, Colombian Civil Aviation Authority answered the lawsuit and is waiting for the court to transfer it. On 10 December 2019, Opain S.A. filed the exceptions. On 18 December 2019, the court issued an order denying the exception filed by the Colombian Civil Aviation Authority regarding the lack of jurisdiction of the court and stated that the process enters the office to set a date for the initial hearing.

Opain S.A. has contingent assets for minor amounts that total $1,118 (2021 $0); which correspond to sanction processes for the year 2022.

#### 42.1.3 Odinsa S.A. and subsidiaries

##### Autopista de los Llanos S.A. – in liquidation

The Company filed an administrative lawsuit with the Ministry of the Environment before the Council of State, seeking to declare the nullity of Resolution 930 of 28 August 1996, which ordered the municipality and the concession to build a dam to protect the Villa Suarez neighborhood. This resolution was suspended as a precautionary measure to protect the Guatiquía River neighborhood. When the bridge was built, the river was diverted, affecting the neighborhood. Once the work was completed, a dam was built at the site. As of 31 December the amount is still pending to be determined. First instance, on 8 July 2020 a memorial was filed informing the address and means of notification. This process has now a probable qualification.

Meanwhile, contingent assets for minor amounts that add up to $1,740 (2021 $1,500) are readied for a claim for direct reparation of Odinsa S.A. and its subsidiaries.

### 42.2 Contingent liabilities

Lawsuits to which the Group is exposed are administered by the legal area, the administrative processes can be of a labor, civil, criminal, and administrative nature. The Group considers as contingent liabilities those proceedings for which it is estimated as possible, the probability of occurrence of the event and a future outflow of resources. The Group periodically monitors the evolution of the probability of loss of these proceedings and their classification as contingent liabilities or provisions. If the probability of loss increases from possible to probable, the Group recognizes a provision and the corresponding effect on consolidated profit for the year. The amount of the provision depends on each specific process.

As of 31 December 2022, the most significant contingencies that were not recognized as provisions in the financial statements are as follows:

### 42.2.1 Cementos Argos S.A. and subsidiaries

#### Lawsuit related to Transmilenio

Due to structural defects in the pavement of the North Highway Project in Bogotá D.C. developed by Transmilenio S. A. (hereinafter "Project"), a popular action is underway against the Mayor's Office of Bogotá, the Urban Development Institute, Concretos Argos S. A. and certain public officials and suppliers of the Project. The class action states that Concretos Argos S.A., together with other suppliers, supplied construction materials without complying with the required technical specifications, and as a result structural defects were generated in the pavement of the Autopista Norte Project, In response to which the corresponding defense arguments were presented.

In a first instance ruling, Concretos Argos S.A.S. was ordered to make some publications associated to the violation of consumers' rights and to apologize. The referred popular action is pending for a second instance ruling after the appeal and conclusion arguments presented by all parties.

#### Valuation Puerto Nare

In December 2018, the company filed a lawsuit for nullity and restoration of rights against a resolution to charge for the rectification and paving of the "Puerto Nare - Puerto Triunfo" road in the department of Antioquia for $18,126. The lawsuit was admitted, and in the response, the Department of Antioquia called the firm that performed the valuation study as guarantee. The company filed a written statement regarding the response to the lawsuit and again requested the suspension of the administrative act containing the valuation contribution. The evidence has been tested and the first instance ruling is pending. We have not recorded any accounting provision since we consider that we have sufficient arguments to disregard the payment obligation attributed to the company.

#### Southeast Ready Mix, LLC et al. vs. Argos North America Corp. et al.

Lawsuit filed by two competitors in July 2017 in the United States District Court for the Northern District of Georgia. The lawsuit alleges antitrust violation. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

#### Pro Slab, Inc. et al. vs. Argos Usa LLC. et al.

Class action lawsuit filed in November 2017 in the United States District Court for the District of South Carolina. The lawsuit alleges antitrust violation. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

### 42.2.2 **Celsia S.A. and subsidiaries**

#### Celsia Colombia S.A. E.S.P

1) Informs that based on Law 1955 of 2019 (Articles. 18 and 314), the Superintendence of Public Utilities officially liquidated the special contribution and the additional contribution to Celsia Colombia S.A E.S.P., Celsia Tolima S.A. E.S.P., and Compañía de Electricidad de Tuluá S.A. E.S.P. for the year 2020. These liquidations were notified to the Company during the second half of the year and the respective appeals were filed, which were resolved unfavorably for both companies. However, the respective lawsuits for annulment and reestablishment of rights were filed against the decisions and are currently being processed before the administrative judges.

The provisions of Law 1955 of 2019 that supported the liquidations issued were declared unconstitutional through writs C-464 of 2020, C-484 of 2020, and C-147 of 2021, the effects of such pronouncements had the following scopes: (i) in Ruling C-464 of 2020 the Court declared Articles 18 and 314 of Law 1955 of 2018 unconstitutional in their entirety, effective as of 1 January 2023; (ii) in Ruling C-484 of 2020 it declared Article 18 of the aforementioned Law 1955 unconstitutional, for disregarding the principles of legality, due process, and tax certainty. On this occasion, the Constitutional Court established that this decision was taken with immediate effects and towards the future; (iii) in Ruling

C-147 of 2021, the Constitutional Court declared Article 314 of Law 1955 of 2019 as unenforceable, with immediate effects and towards the future.

According to legal grounds these lawsuits (2020 contributions) are focused on the double taxation that entails the payment of the additional contribution, the integration of the taxable base is also discussed (non-inclusion of expenses not related to the rendering of the public utilities), finally, in the specific case of the special 2020 contribution it is remarked that since this is a period tax the modifications established in Law 1955 could not be applied to the special 2020 contribution.

Additionally, the Superintendence of Residential Public Utilities officially liquidated the additional contribution to Celsia Colombia S.A E.S.P. and Compañía de Electricidad de Tuluá S.A. E.S.P. for the year 2021. These liquidations were notified to the companies during the second half of the year, and the respective appeals for reconsideration were filed, but to date the referred entity has not responded to the mentioned appeals. For these contributions, the main legal argument is focused on the unconstitutionality sentence of the Constitutional Court by which the additional contribution was declared unconstitutional with immediate effects. This is based on Ruling C-147 of 2021 (being clearer than the previous rulings) which expressly stated the effects of the unenforceability, i.e., with immediate and future effects. In this sense, at the time of issuance of these liquidations, by the Superintendence of Residential Public Utilities, the norm that created the additional contributions had disappeared from the legal system, which makes it illegal for the latter entity to collect the mentioned contribution based on the norm of Law 1955.

Consequently, it follows that: (i) the liquidations of the special and additional contribution that were subject to claims for annulment and reestablishment of rights (contributions of 2020) and the filing of appeals (contributions of 2021) correspond to unfinished processes, unconsolidated legal situations, (ii) with respect to the acts of determination or collection of the additional contribution, the decay of the liquidations based on Article 314 of Law 1955 of 2019 would operate, and the acts that seek the determination of an unconstitutional contribution must be revoked or annulled. The company has a written opinion from the external lawyer ratifying the high probability of success of this administrative and judicial discussion, based on such expert opinion no related provisions have been recognized.

2) On 14 March 2014, the National Directorate of Taxes and Duties of Colombia (DIAN), by means of an official liquidation, modified the private liquid income for the taxable year 2010 of Celsia Colombia E.S.P., considering that the deduction for investment in fixed assets taken for the construction of the Cucuana hydroelectric plant would not comply with the requirements indicated in the current regulations. Accordingly, the tax and the penalty for inaccuracy, both under discussion according to the settlement of the DIAN, would amount to $16,800 and $26,880, respectively.

The company proceeded to file the corresponding appeals which were resolved against the interests of the company. Because of this, a claim for nullity and reinstatement of the right was filed before the Administrative Court of Valle del Cauca against the corresponding administrative acts, subsequently reforming it to include as evidence a recent decision of the Council of State's jurisprudence where it ratifies that the deduction for investment in real productive fixed assets (Art. 158-3 of the Tax Code), acquired through financial leasing, proceeds in the year in which the investment is made or in which the contract is signed. After completing the initial stages of the process and the initial hearing on 8 August 2017, the company filed closing arguments. Currently, the file is in the Office for the issuance of first instance ruling before the Contentious Administrative Court of Valle del Cauca.

Celsia S.A. and its subsidiaries have contingent liabilities for lesser amounts that total $3,632 (2021 $0), and that correspond mainly to energy customer billing processes and for the operation of electricity assets in the Caribbean.

### 42.2.3 Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

#### Extracontractual Civil Liability – (Avianca S.A.)

OPAIN S.A. was bound to build, operate, and maintain a fuel distribution system by means of hydrants and refuelers at El Dorado International Airport, for the compliance of the obligation Opain S.A. contracted ALLIED fuel system. Opain S.A. and ALLIED fuel system failed to operate and maintain the fuel distribution system on 17, 18, 1nd 19 October 2014 and supplied contaminated aviation fuel to 5 aircraft. Avianca S.A. seeks a joint and several condemnation of TERPEL, ALLIED fuel system and Opain S.A. in the amount of USD $940. To date, the continuation of the initial hearing is pending rescheduling.

There are contingent liabilities for smaller amounts that total $2,601 (2021 $2,038) mainly for direct reparation and labor claims.

#### 42.2.4 Odinsa S.A. and subsidiaries

Odinsa S.A. and its subsidiaries have contingent liabilities for lesser amounts that total $2,782 (2021 $15,058), and that correspond mainly to lawsuits for direct reparation and labor lawsuits.

### 42.3. Contingent assets and liabilities of Odinsa S.A.'s subsidiaries outside the consolidation perimeter

In June 2022, control over the subsidiaries Autopistas del Café S.A. (including its interests in the Fideincomiso de Autopistas del Café) and Concesión Vial de los Llanos S.A.S. was lost (Note 46 Significant events), therefore, Odinsa S.A. estimates that the processes detailed below will not have a direct future impact on its financial structure.

#### 42.3.1. Contingent assets outside the consolidation perimeter

**Autopistas del Café S.A.**

1) The Company filed a class action against Proyectos y Construcciones Triple A S.A.S. before the Superior Civil Court - Family of Dosquebradas, claiming that the defendant built an illegal and unsafe access in the Sector El Mandarino, and therefore requests the closure of the same until the defendant processes the respective permit before the Colombian National Infrastructure Agency. (ANI). Second instance, first unfavorable ruling, does not grant Autopistas del Café's claims to the office for ruling with nullity on notification to achieve appeal. On 6 August 2021 the Third Administrative Court of Pereira took cognizance of the process.

2) The Company filed a police complaint before the Rural Police Inspectorate of Chinchiná, process that seeks that the defendant cease with the impediment of the execution of the works in the PVC-22 property related to the construction of the continuation of the Par Vial Campoalegre of the addendum No. 22 of the state concession contract 113 of 1997. This process is qualified as probable.

#### 42.3.2. Contingent liabilities outside the consolidation perimeter

**Autopistas del Café S.A.**

1) The Company Autopistas del Café has a Penalty Resolution No. 312412017000063 dated 22 September 2017 for an amount of $642 consisting of the reimbursement of the value of the balance in favor rejected in the official review liquidation, with respect to the income and complementary tax return for the taxable year 2010, plus moratorium interest. On 22 October 2021, the first instance ruling was issued denying the claims of the lawsuit.

2) A lawsuit for direct reparation was filed against the Company before the Fourth Administrative Court of Pereira. The amount is $438, this process had a first instance ruling totally favorable to Autopistas del Café S.A. The second instance ruling is pending.

3) The Company was sued for direct reparation before the First Administrative Court of the Circuit of Armenia. The amount is $1,718. Through an order dated 26 February 2020 an initial hearing date was set for 24 June 2020. The initial hearing was held on 23 March 2021. On 26, 27, 28 October, and 2 and 3 November 2021 the evidentiary hearing was held.

4) The Company has seven (7) claims against it for direct reparation. It is intended that the defendant be declared administratively liable for traffic accidents allegedly caused by the state of the road where there is a lack of maintenance, technical measures and adequate signaling of the state of the road. The amount is $1,629.

5) A direct reparation proceeding was filed against the company before the Administrative Court of Manizales, formerly the Fourth Administrative Court of Manizales. The amount is $334. Second instance, ruling issued. On 12 March 2021 a

memorial was filed providing proof of payment of the sentence with a request for clarification of the ruling. Pending pronouncement of the Court and subsequent filing of the process. This process had probable qualification.

6) The Company was sued for direct reparation before the First Oral Court of the Circuit of Armenia due to the omission of maintenance and unlawful damage for not maintaining the roads in optimal conditions. The amount is $622. Accumulation of proceedings was ordered.

7) The Company was sued for direct reparation before the Fifth Administrative Court of Pereira. The plaintiff seeks the Company to be declared liable for moral damages caused by a traffic accident. The amount is $662. First instance, first stage of the process, pending hearing set for 7 April 2022.

8) A lawsuit was filed against the Company for direct reparation before the First Administrative Court of the Circuit of Manizales related to a traffic accident. Reformation transfer to the defendant.

9) The Company has three (3) class action processes against it before administrative and civil courts and tribunals for reparation, extension, termination of works, and violation of collective rights.

10) The Company has a class action process before the First Administrative Oral Court of the Circuit of Armenia. The plaintiff seeks that the Company reconstruct and fully enable the main rainwater channel that surrounds the edge of the road, in the section of the Armenia - Pereira road, and repair the damage caused at the entrance of the El Refugio property. On 30 March 2022, the closing arguments were filed after the appeal against the order denying the precautionary measures was decided. The first instance sentence was executed totally favorable for the company.

11) A class action process was filed against the company before the Fifth Administrative Court of the Circuit of Armenia for expansion and termination of works, and violation of collective rights. This process is in the initial stage of the compliance agreement hearing (conciliation), and the date for evidence is set for 17 February 2022. The first instance ruling is executed totally favorable for the company.

12) A class action process was filed against the company before the Fifth Administrative Court of the Pereira Circuit in which it is intended that the defendants perform an adequate control for surface waters that circulate around the Argelia neighborhood in the municipality of Santa Rosa de Cabal, as well as to carry out a study to evidence the alleged risks in this area. On 6 August 2021 and 15 October 2021 the evidentiary hearing was held.

13) An incident of integral reparation due to a traffic accident was filed against the Company before the Fourth Criminal Court of the Circuit of Armenia. On 3 July 2020 an order was issued requesting the remission of digitalized procedural pieces. On 30 September 2021 the hearing was held after the nullity was decreed and was postponed at the request of the injured party for 19 November 2021. On this date the office granted the plaintiff's appeal. A hearing date was set for 8 and 9 November 2022.

14) An writ of protection was filed against the company before the Second Criminal Court of the Circuit of Dos Quebradas against the company, through which the plaintiff requests the protection of his right to life, dignity, and private property, clarifying that the competent entity to perform the pertinent actions to prevent landslides in the sector of Alto Boquerón in Santa Rosa de Cabal be indicated. Second Instance. Proceeding of challenge against the first instance ruling of 6 December 2021. On 8 February 2022 the second instance sentence was notified. During the second quarter of 2022 this process was terminated.

15) An executive process was filed against the company before the Seventh Administrative Court of the Circuit of Pereira, the executing party seeks payment of the principal and moratorium interest allegedly owed for the sentence of ruling of 27 June 2018. The amount is $76. First Instance, Request for termination. On 28 July 2021, the answer to the claim was filed through e-mail. The termination of the process was requested. During the second quarter of 2022 this process was terminated.

16) The Company had a lawsuit for annulment and reestablishment of rights for income tax on equity (CREE) for the taxable period 2013 that corresponds to the higher tax payable determined by the DIAN, plus penalty for inaccuracy. On 18 December 2019, the second instance conclusion arguments were filed before the Council of State. During the second quarter of 2022 the Council of State issued the final ruling against the Company for an amount of $17,838.

17) The Company has a lawsuit for annulment and reestablishment of rights on the income tax for the taxable period 2010 for $50,004, which corresponds to a higher amount of tax payable determined by the DIAN, plus a penalty for inaccuracy, plus penalties for reduction of losses. This process is in its initial stage, the Court has requested the claim and the evidence in digital media.

18) In response to the Special requirement No. 162382019000001 of 6 February 2019 the company has a process against it for determination for income tax for the taxable period 2013 for an amount of $74,521 corresponding to the higher tax determined by the DIAN, plus the penalty for inaccuracy. On 27 October 2020 the Colombian Government National Directorate of Taxes and Customs (DIAN) issued the resolution whereby it resolved the appeal for reconsideration filed, confirming the Official Revision Liquidation. On 6 December 2021 the closing arguments were filed.

19) The Company has a process against it for income tax return, taxable period 2019 for $1,264 corresponding to the higher tax determined by the Colombian Government National Directorate of Taxes and Customs (DIAN), plus the penalty for inaccuracy. On 29 October 2020 the DIAN issued a summons to correct the income tax return for the taxable year 2019, which was notified on 3 November 2020. The Company filed the response to the summons on 4 December 2020. If the taxpayer totally or partially accepts the facts presented in answer to the notification of the summons to correct the tax returns within one month, the correction penalty provided for in Article 644 of the Tax Statute, i.e., 20% of the higher tax, must be paid. The DIAN has not made any pronouncement to date, the process is still active.

20) The Company has filed two (2) administrative contentious processes against the Municipality of Filandia, requesting the municipality to declare the total nullity of Resolutions No. 10 and 11 of 1 February 2018 issued for municipal public lighting tax and property tax. The amount is $226. In the first process a memorial of procedural intent was filed on 6 October 2021, while for the second process it was filed on 7 March 2022.

21) The Company has filed two (2) administrative contentious processes against the Municipality of Zarzal before the Administrative Court of Valle, it is intended to declare the nullity of the resolutions issued by the municipality that considered the Industry and Commerce tax return filed by Autopistas del Café S.A. for the year 2006 as inaccurate. The amount is $341. On 12 April 2021 the second instance arguments were filed.

22) The Company has filed an administrative contentious process against the Municipality of Sevilla before the Administrative Court of Valle, it is intended to declare the nullity of resolution SHM-250-057 referring to the payment in excess of the Industry and Commerce tax for the taxable periods 2008, 2009, 2010, and 2011. The amount is $160. It is awaiting the decree and practice of evidence.

23) A civil proceeding was filed before the Fortieth Municipal Civil Court of Bogotá seeking that the defendant be declared civilly liable for a traffic accident on the road La Paila Valle - Armenia Quindío. The amount is $101.

24) The Company has filed against it a class action before the Administrative Court of Caldas. The plaintiff seeks the construction of a sidewalk at the exit of the municipality of Chinchiná, from the second entrance of the Verdum neighborhood, following the Departamental, and El Milagroso neighborhoods for the pedestrian transit of the community.

25) A process for direct reparation was filed before the Third Administrative Court of Manizales seeking that the defendant be declared administratively liable for a traffic accident in the vicinity of the Las Pavas toll. The amount is $900.

26) The Company has filed against it a civil liability process before the Civil Circuit Court of Dosquebradas, seeking a declaration of the non-contractual civil liability of the defendants for damages in a traffic accident at Km 7 in the Boquerón sector of the municipality of Dosquebradas. The amount is $245.

27) The Company has three (3) writs of protection against it before civil courts for reparation, installation of works, and violation of civil rights.

28) The Company has filed against it a civil process before the Chamber of Commerce of Bogota for contractor's claim for recognition of higher costs.

### Concesión Vial de los Llanos S.A.

1) The Company has two (2) writs of protection filed against it before the First Municipal District Court and before the Third Municipal Court with Knowledge Function of Villavicencio, the plaintiffs consider that the right to due process, right to work, equality, and right to housing have been violated.

2) The Company has two (2) class action lawsuits filed against it before the Sixth Administrative Court of the Circuit of Villavicencio and the Ninth Administrative Court of the Circuit of Villavicencio, which seeks that the defendant performs the construction and lighting of pedestrian bridges in the water sources Sardinata, Acaciitas Orotoy and Caño Cola de Pato, reestablishment of public space in Via Granada.

3) The Company has a class action lawsuit against it before the Administrative Court of Meta, where the defendant is required to perform works to prevent the degradation caused by the rainwater that falls in the upper part of Cuncia. The amount is pending to be determined. An appeal was filed by the Colombian Government National Roads Institute (INVIAS) on 27 September 2021, which decided the appeal in the devolutive effect before the Administrative Court of Meta. On 25 November 2021, notice was served with a writ of transfer to file closing arguments. On 2 December 2021, the Concessionaire files pleadings. This process was rated as probable.

4) A labor lawsuit is filed against the Company before the First Labor Court of the Circuit of Bogotá, the plaintiff claims the existence of a labor relationship with SISMEDICA S.A.S. and payment in solidarity with Concesión Vial de los Llanos S.A.S. of the labor claims with occasional labor relationship with SISMEDICA S.A.S. The amount is $524.

5) A lawsuit was filed against the Company and the Colombian National Infrastructure Agency. (ANI) for direct reparation before the Fifth Administrative Oral Court of the Circuit of Villavicencio, the plaintiff accuses the concessionaire, according to Resolution 1130 of 2015, liable for the consequential damages for collecting for more than 6 months an unjustified increase in the Yucao and Casetabla toll rates. The amount is $45. On 15 July 2021 the Court resolves in a ruling to revoke the order of 25 October, 19 issued by the Fifth Oral Administrative Court of Villavicencio, whereby it denied the appeal in guarantee requested by the Concessionaire.

6) A lawsuit was filed against the Company and the Colombian National Infrastructure Agency. (ANI) for direct reparation before the Fifth Administrative Oral Court of the Circuit of Villavicencio. The defendant is requested to be declared administratively liable for a traffic accident allegedly caused by a livestock on the road, and for lack of lighting and signaling. On 21 March 2021, the court denied the request of the Colombian National Infrastructure Agency against the concessionaire and admitted the request of the concessionaire against the bonding insurance company. The initial hearing is adjourned for 17 November 2021 until the preliminary objections are resolved. The amount is $881.

### 43.4. Contingent assets and liabilities of Autopistas del Nordeste S.A. and Compañia Boulevard Turístico del Atlántico S.A. liquidated during the period

On 14 and 22 November 2022, the companies Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. (Liquidated in 2022), respectively, were dissolved effective 14 and 22 November 2022, by means of a dissolution registration certificate issued by the General Directorate of Internal Taxes of the Dominican Republic (DGII). The foregoing, as a subsequent step to the agreement signed with said government in 2021, and that, for the purposes of the assets and contingent liabilities, it is the latter who assumes for all legal purposes, together with the insurance companies, rights and/or obligations assigned to the companies.

#### 43.4.1 Contingent assets of companies liquidated during the period

#### Autopistas del Nordeste S.A.

The Company filed a civil lawsuit against GRUCON before the Civil and Commercial Court (Judge of the injunction). It requests the lifting of the garnishment of bank accounts to continue with the definitive liquidation of the Company. This due to the request made by GRUCON to refrain from lifting the garnishment. This process has a probable qualification.

#### 43.4.2 Contingent liabilities of companies liquidated during the period

#### Autopistas del Nordeste S.A.

1) The Company has against it a civil liability lawsuit before the Fourth Chamber of the Civil and Commercial Chamber of the Court of First Instance of the National District. The amount is $429. At a hearing on 21 May 2019, the Court remanded the case for 14 August 2019, during which a testimonial briefing will be heard. On 3 November 2020, the attorneys proceeded to conclude the merits of the case by granting the court 15 days for each party to file pleadings and briefs. As a result, the file is now in a state of judgment. According to the revision.

2) A civil liability suit was filed against the Company before the Court of First Instance of the National District, First Chamber of the Civil and Commercial Chamber. The amount is $25,769. On 12 February 2020, the court granted successive 15-day terms, at the expiration of which the file will be ready for judgment.

#### Boulevard Turístico del Atlántico S.A

1) A civil liability suit is filed against the Company before the Civil Commercial and Labor Court of the Judicial District of Samaná. The amount is $2,147. On 4 June 2019, the Court remanded the process for 7 August 2019. In a hearing dated 20 February 2020, a period of 15 days was granted to produce briefs justifying conclusions, after which the file was in a state of judgment.

2) The Company has against it a civil liability lawsuit before the Supreme Court of Justice, the plaintiff intends to suspend the execution of the judgment of the Court of Appeals ordering the lifting of the attachment practiced against the defendant companies in the main action. The amount is $7. On 22 February 2021 was notified the resolution number 576 issued by the Supreme Court of Justice on 23 July 2020. This decision rejects the lawsuit in suspension of execution of judgment number 449-2018-SSEN-00053 filed by the appellant.

## NOTE 43: **CONCESSION CONTRACTS**

The balance of the concession contracts at 31 December comprises:

| | **2022** | **2021** |
|---|---|---|
| Financial Assets | | |
| Commercial accounts (1) | 359,938 | 393,720 |
| **Total financial assets** (Note 8) | **359,938** | **393,720** |
| Intangible Assets | | |
| Cost | 2,019 | 5,261,933 |
| Amortizations | (2,019) | (1,980,765) |
| **Total intangible assets** (Note 15) (2) | **-** | **3,281,168** |
| **Total assets from concession contracts** | **359,938** | **3,674,888** |

(1) Corresponds to the financial asset associated with the concession contract of Caribbean Infrastructure Company N.V. for $359,938 (2021 $306,127) and Autopistas del Café S.A. for $0 (2021 $73,069)

(2) In 2022, intangible assets associated with concession contracts recognized based on the provisions of IFRIC 12 Concession Agreements correspond mainly to: Guanacaste Wind Power Plant for $0 (2021 $146,028), concession of power plants in Panama for $0 (2021 $67,881), Túnel Aburra Oriente S.A. for $0 (2021 $1,219,972), Concesión Vial de los Llanos S.A.S. for $0 (2021 $240,509) and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. for $0 (2021 $1,606,778).

The decrease in intangible assets associated with the concession of Túnel Aburra Oriente S.A. and Concesión Vial de los Llanos is generated by the sale transaction of investments made in June 2022 to Macquarie Infrastructure and Real Assets ("MIRA"). Likewise, the decrease in intangible assets associated with the El Dorado International Airport under management of Opain S.A., the Guanacaste Wind Power Plant and the plant concession in Panama arises from the classification of these assets as non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

The movement of concessions recognized as financial assets during the period is presented below:

| | 2022 | 2021 |
|---|---|---|
| **Balance at beginning of year** | **393,720** | **2,390,160** |
| Operating services receivable | 11,920 | 87,917 |
| Interest receivable | 21,677 | 207,415 |
| Principal payment | (54,972) | (388,461) |
| Interest payment | - | (148,080) |
| Translation effect | 61,737 | 291,702 |
| Other changes | (74,144) | (2,046,932) |
| **Balance at end of year** | **359,938** | **393,720** |

The decrease in the movements presented in 2022 compared to those indicated in 2021 corresponds mainly to the derecognition of the financial assets of Autopistas del Nordeste S.A. and Boulevar Turístico del Atlántico S.A. due to the early termination agreement of these contracts signed with the Government of the Dominican Republic in December 2021. This agreement implied in December 2021 the derecognition of the financial assets of Autopistas del Nordeste S.A. for ($1,298,570) and Boulevar Turístico del Atlántico S.A. for ($639,460), as well as the derecognition in accounts of JV ADN S.R.L. ($8,640) and JV BTA S.R.L. ($9,513).

The decrease presented in 2022 in other changes for ($74,144) is due to the loss of control over the subsidiary Autopistas del Café S.A., which generated the decrease in financial assets (Note 46 Significant events).

Below is the movement of concessions recognized as intangible assets during the period:

| | 2022 | 2021 |
|---|---|---|
| **Balance at beginning of year** | **3,281,168** | **3,552,374** |
| Additions | 37,603 | 33,721 |
| Amortization for the period | (234,022) | (337,818) |
| Translation effect | 57,941 | 32,891 |
| Transfer to non-current assets held for sale (1) | (1,676,410) | - |
| Transfer to other accounts | (322) | |
| Other changes (2) | (1,465,958) | - |
| **Balance at end of year** | **-** | **3,281,168** |

(1) The Group has reclassified the intangible assets of concessions of Opain S.A. for $1,434,160 as non-current assets held for sale because of the signing of the agreement with Macquarie Infrastructure and Real Assets ("MIRA") (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

In 2022, the concessions Guanacaste Wind Farm and the concession of plants in Panama are classified within the group of intangible assets for $242,250 corresponding to the Central America segment as assets classified as held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(2) The decrease corresponds mainly to the loss of control over the subsidiaries Concesión Túnel Aburrá Oriente S.A. and Concesión Vial de los Llanos S.A.S, which generated a decrease in the concessions recognized based on the provisions of IFRIC 12 in Concesión Túnel Aburrá Oriente S.A. for $1,195,367 and Concesión Vial de los Llanos S.A.S. for $270,591 (Note 46 Significant events).

The main concession contracts of the subsidiaries of Grupo Argos S.A. are described below:

### Concession contracts recognized as financial assets

#### Carribbean Infraestructure Inc.

PPP (Public Private Partnership) contract signed with the government of Aruba in July 2015 called "DBFM Agreement Green Corridor", for an initial value of approximately USD 77 million.

The purpose of this contract is the design, construction, financing and maintenance of the Green Corridor project, which consists of the construction of a second roadway between Reina Beatriz Airport and PosChiquito, with three roundabout type intersections, the construction of a bridge over Mahuma Canyon and the construction of an upper arch bridge over Española Lagoon. In the PosChiquito sector, a boulevard will be built, and secondary roads will be rehabilitated in the San Nicolás, Sabaneta, PosGrande and PosChiquito sectors. The construction stage was declared available on 23 July 2018, with a length of 34 kilometers of tracks in both double and single carriageway, the contract term is 18 years from the date of availability with a closing of the contract in the month of July 2036, currently is in operation and maintenance stage.

The concession agreement contemplates maintenance over time, since it must be done on the road during the 18 years after obtaining the certificate of availability, according to the financial model will be made as follows: annual from 2023 to 2035 (major maintenance) except in 2030 and 2031 and routine maintenance until 2036.

The concession contract will terminate ordinarily by the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

As of 31 December 2022, the value of financial assets under concession contracts for this concession amounts to $359,938 (2021 $306,127).

### Concession contracts recognized as financial assets of companies over which control was lost

#### Autopistas del Café S.A.

Concession contract No. 0113 of first generation signed on 21 April 1997 with the National Institute of Roads (INVIAS); in 2003 this contract was assigned to the National Institute of Concessions (INCO) and finally, as of 2011, the grantor is the National Agency of Infrastructure (ANI). Its purpose is to carry out the concession system, the final studies and designs, the rehabilitation and construction works, the operation and maintenance, and the provision of services for the Armenia-Pereira-Manizales-Calarcá-La Paila road project.

Upon termination of the concession agreement, Autopistas del Café S.A. shall return to the Colombian National Infrastructure Agency the assets affected to the road project concession, including, among others: a) the land for the right-of-way and b) other assets established within the contract, free of any lien and with a level of service that reaches a minimum project status index rating of four (4) points, in accordance with the "Maintenance Standards for Concessioned Roads".

To comply with the previously mentioned condition index, the concession performs periodic and major maintenance to the asphalt layer on a permanent basis.

The concession estimates that the total value of the contract is $172,597 (expressed in 1996 pesos), and its duration will be until 1 February 2027. there is no agreed clause allowing for an extension.

On 5 May 2015, the contract No. 14 was signed between Autopistas del Café S. A. and the National Agency of Infrastructure - ANI, to carry out the rehabilitation of 8.66 kilometers of track in the section Calarcá - La Española, the contract has a value of $ 18,492 and a term of 12 months.

During the year 2016, addendum to the contract No. 15 was signed on 7 April 2016 by means of which 0.84 additional kilometers of the rehabilitation of the Calarcá - La Española section were contracted for a value of $1,800 as a complement to addendum No. 14. Similarly, addendum No. 16 was signed on 22 June 2016 by means of which the arbitration clause of the concession contract was modified and concluded with the signing of addendum No. 17 of 29 December 2016, by means of which the construction of the Bosques de la Acuarela pedestrian bridge in the municipality of Dosquebradas was contracted, as well as the operation and routine maintenance of the Western Trunk Road and the Studies and Designs Phase III of the Campoalegre Road Pair and the double roadway between the Tarapacá II toll and the La Paz Road in the municipality of Chinchiná, for $6,591.

On 3 October 2017 the addendum No. 11 to the commercial trust agreement No. 059 of 1997 was signed between the Fiduciaria Colombiana de Comercio Exterior S.A. - Fiducoldex and Autopistas del Café S.A., through which the obligation to implement IFRS is added to clause six (6). On 29 November 2019, the addendum No. 12 was signed, by means of which the trust payment cascade to the concessionaire was regularized and two savings accounts were opened for the management of the trustor's liquidity with the purpose of attending credit obligations.

Addendum No. 20 to the Concession Contract No. 0113 of 1997 was signed on 19 December 2018 with the purpose of preparing the following studies and designs: 1) studies and designs for the construction of an uneven intersection for the access to the municipality of Filandia (Quindío) from and to the national road under concession, section Armenia - Pereira, Km 15+450 of route 2901. 2) Studies and designs for the construction of an uneven intersection for the access to the municipality of La Tebaida (Quindío), section La Paila - Calarcá, K 37+900 route 4002, 3) Studies and designs for the construction of a level road solution for the access to the Caimo (Quindío) village, Km 6+650 of the national road concession, section La Paila - Calarcá, route 40QN01, 4) Studies and designs of the pedestrian bridge located in the Playa Rica sector, section Avenida del Ferrocarril, approximately at Km 2+600 route 2902A. 5) Studies and designs of the pedestrian bridge located in the Guacarí sector, section Point 30 - Pereira Terminal, approximately at Km 28+000 route 2901, 5) Geotechnical instability of the slope of km 24+380 route 4002 section La Paila - Calarcá. 6) Geotechnical instability of the Club Campestre de Manizales slope in the section La Ye - La Manuela, in the sector from km 3+300 to km 3+330 of route 29CL03. Additionally, the following work activities will be executed: 1) Construction of the El Rosario Pedestrian Bridge, 2) Construction of the "Postobón" uneven intersection, 3) Campoalegre (Caldas -Risaralda) road pair, The LICENSEE will also have tenure right to the sections of the Western Trunk Road VTO Section El Jazmín - Chinchiná Intersection (PR 20+150 to 31+773) + El Jazmín Intersection (16+700 to 17+140) and Santa Rosa Stadium - Jazmín Intersection right side (1.7 Km)), for one (1) year counted from 1 January 2019 to 31 December 2019 to perform routine maintenance and operation activities, the value of the present addendum corresponds to the sum of $96,663.

On 23 December 2019, addendum No. 22 was also signed for the construction of the continuation of the Campoalegre road pair between PR25+400 and PR26+250 (0.85 km) and the construction of the vehicular bridge over the Campoalegre river. Likewise, the management, compensation and environmental obligations were contracted for all the work on the Campoalegre road pair contracted in addendums No. 20 and No. 22, and the property management of the works contracted in this addendum. Likewise, the rehabilitation activities of the supports and joints of the bridges of the West Trunk Road were contracted, such as: Lembo Bridges 1 and 2, San Juan Menor and San Juan Mayor Bridges, Campoalegre Bridge, Cameguadua Bridge and El Chispero Bridge. As periodical maintenance, the section Variante Troncal de Occidente was agreed, including periodical maintenance in the existing Campoalegre bridge, with milling activities in the existing roadbed, placement of roadbed, vertical signaling, reconstruction of gabions and horizontal drains.

It will also extend the concessionaire's tenure of the sections of the Western Trunk Road VTO sector Jasmine - Chinchiná, for one (1) year starting on 1 January 2020 until 31 December 2020 to carry out routine maintenance and operation activities. Finally, in the present contract, the activities of studies and designs of updating to phase 3 of the return K23 in the Armenia - Pereira route and the elaboration of the studies and designs phase 3 of the instability of the slope of the kilometer 9+800 in the La Romelia - Postrera road pair in the sector of the El Rodeo sidewalk.

The term of the mentioned addendum is of maximum 36 months after signed the work initiation act and the value of the present addendum corresponds to the sum of COP $21,107.

On 24 December 2020, addendum No. 23 was signed with the purpose of performing the Boquerón slope stabilization, Aerocafé and La Paz variant designs, reestablishment of La Ye - La Uribe lighting and the routine maintenance and operation of the VTO during the year 2021. The value of this additional agreement is $8,812 and a term until 31 December 2021.

Likewise, on 12 July 2021, Addendum No. 24 was signed to establish the form of payment of the Studies and Designs Addendum 23, modify the value of "Property Management" in the table Clause 4 of Addendum No. 20 and Clause 3, numeral 2, "Property Management" of Addendum No. 22 and modify Clause 1, numeral 4, "LIGHTING" of Addendum 23. By means of this addendum, the amount of $2,562 from a lower investment in land of the addendum 20 was disaffected and thus, the Colombian National Infrastructure Agency could finish paying the amounts owed to the concession for the minimum guaranteed income for the year 2020.

At 31 December 2022, the value of the financial assets for concession contracts for this concession amounts to $0 (2021 $73,069).

### Concession contracts recognized as financial assets of liquidated companies

### Autopistas del Nordeste Cayman S.A.

In charge of the operation and maintenance of the Juan Pablo II highway, in the Dominican Republic; this highway communicates the capital of the republic with the northeast region of the country, in addition to the towns of Monte Plata, Bayaguana, Sabana Grande de Boya and Nagua. The concession was granted by the Dominican government in 2001, for a period of thirty (30) years, and the concessionaire began operating in June 2008, when it opened the road and toll stations.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the project's traffic demand study; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal conditions to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

As part of the contractual agreement for the concession Autopistas del Nordeste S.A., it has the obligation to renew assets. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.

The total cost of construction was approximately USD 224 million, in addition to the reception of the road in administrative concession by the toll system. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserve the economic balance of the contract, guaranteeing a minimum revenue of approximately USD 888 million as of 31 December 2022 (2021 USD 888 million) adjusted to the inflation rates of the US inflation rate. According to the concession agreement, this flow will be cancelled quarterly from August 2008 until May 2038.

The concession arrangement will terminate ordinarily by the expiration of the term provided in the contract. There is no clause agreed to allow for an extension, except in the event of situations that significantly alter the conditions and performance of the contract.

The Concession Contract, in its article 5, includes as an additional scope for the project, the Nagua - Sanchez - Samaná circuit, known as the “Boulevard Turístico del Atlántico”.

* Article 27 of the referred contract allows the total or partial assignment of the project's scope.

*In the "Minutes of Agreement No. 10" dated 23 August 2007: Autopistas del Nordeste formally assigns the additional scope of its concession contract with the Dominican State, to the legal entity Boulevard Turístico del Atlántico, S.A., which has the same structure and share interests of the promoters of the Autopistas del Nordeste project.

In December 2021, an agreement was signed for the early termination of the Santo Domingo-Rincón de Molinillos highway concession contracts held in this country through the subsidiaries Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. The agreement implied the delivery of all assets related to the highway concessions to the Government of the Dominican Republic (Note 46 Significant events).

As of 31 December 2022, the value of the financial assets for concession contracts for this concession amounted to $0 (2021 $14,524).

### Boulevard Turístico del Atlántico, S.A.

Development, construction, and rehabilitation of the Nagua - Sanchez - Samaná - El Limón and Las Terrenas highway through the concession system, as well as the total or partial development of public and private facilities. Through agreement No. 10, dated 23 August 2007, signed between the government of the Dominican Republic, represented by the Ministry of Public Works and Communications and Autopistas del Nordeste S.A., an entity related to Boulevard Turístico del Atlántico S.A. (concessionaire), who was originally granted with the project.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the study of the project's traffic demand; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal condition to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

Within the contractual agreement of the Boulevard Turístico del Atlántico S.A. concession, it has the obligation to carry out an asset renewal. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, the equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.

The initial value of the contract is approximately USD 151 million, in addition to the reception of the road under administrative concession by the toll system. The act also indicates that the company commits to contribute 100% of the cost of the construction works, within a period of 24 months. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserving the economic balance of the contract, guaranteeing a minimum income of approximately USD 1,173 million as of 31 December 2022 (2021 USD 1,173 million) adjusted o the inflation rate of the US. According to the concession agreement, this flow will be cancelled quarterly from the first quarter of 2012 until April 2038.

The concession agreement will terminate on an ordinary basis due to the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

In December 2021, an agreement was signed for the early termination of the Santo Domingo-Rincón de Molinillos highway concession contracts held in this country through the subsidiaries Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. The agreement implied the delivery of all assets related to the road concessions to the Government of the Dominican Republic (Note 46 Significant events).

As of 31 December 2021, the value of financial assets under concession contracts for this concession amounts to $0.

## Concession contracts recognized as intangible assets of companies over which control was lost

### Concesión Vial de los Llanos

Concession contract under the fourth generation Public Private Partnership scheme No. 004 signed on 5 May 2015 with the Colombian National Infrastructure Agency (ANI for its Spanish initials). The purpose of this contract is to carry out studies, design, financing, construction, operation, maintenance, social, property and environmental management of the following items: i) Granada - Villavicencio- Puerto López- Puerto Gaitán- Puente Arimena corridor. ii) Villavicencio Road Ring and Access to the City - Meta Road Network. Currently, it is in pre-construction stage, the contract term is until September 2045. The initial value of the contract is $3.2 trillion COP of the year 2013.

Compensation of the concession will be made with respect to each Functional Unit, the sources for payment will be the collection of tolls and income from commercial exploitation.

At the end of the concession agreement, the entity must revert the infrastructure built in execution of the contractual agreement. Additionally, during the operation and maintenance phase, it must maintain and replace the weighing equipment, software and hardware, communications equipment and vehicles provided by the concessionaire.

During the operation and maintenance phase, the entity shall maintain the interventions executed during the construction phase and the other works and assets of the concession agreement, so that they always comply with the indicators.

The concession agreement has a variable term and will run from the start date to the end date of the reversion stage, which will begin once the operation and maintenance stage of the contract is concluded and will end with the signing of the reversion certificate. No clause has been agreed to allow for an extension.

On 1 December 2016, the Concession summoned an arbitration tribunal before the Arbitration and Conciliation Centre of the Bogotá Chamber of Commerce in order to review and re-establish the financial conditions with which the Concession Contract No. 004 of 2015 was structured, including the negative economic effects generated by the modifications made unilaterally by the Colombian National Infrastructure Agency, to the contractual tariff scheme defined in Resolution 1130 of 2015, particularly, tariff affectations in the Yucao and Casetabla toll stations. This is because the Concession considers that these modifications were not previously agreed upon with the Concessionaire and directly affected the remuneration to which it is entitled for the execution of the Concession project.

On 28 February 2019, the Court of Arbitration issued an Arbitration Award ending the arbitration process against the Colombian National Infrastructure Agency, resolving: i) that until the Concession has had the financial closure of the Project, the Construction Phase of the Project cannot be started, ii) that the Concession breached the obligation to obtain the financial closure and the obligation of the third round of Equity in the terms of the Concession Contract, iii) to condemn the Concession to the payment of the third round of Equity and, iv) consider that the Concession and ANI, in compliance with the postulates of good faith and conservation of the contract, and of the duties that the Law imposes in view of the purposes pursued with the state contracting, could renegotiate the bases of the contract and look for the arrangement formulas that allow the fulfillment of its objective. Therefore, on 12 November 2019, the Llanos Road Concession and the Colombian National Infrastructure Agency signed the addendum No. 7 to the 2015 Concession Contract No. 004, where it was agreed, among other things, that i) the parties will hold working groups during the four months following the signing of addendum No. 7, to evaluate the financial, technical, legal, property, risk, environmental and social alternatives under which the bases of the aforementioned Concession Contract could be renegotiated and ii) the contribution of the third equity and the funding of the sub-accounts of the Autonomous Equity is suspended.

after the realization of several work tables and seeking to contribute to the connectivity, competitiveness and economic and social development of Meta, the Concesión Vial de los Llanos S.A.S. (of which it is the majority shareholder with a 51% participation in the capital stock) and the Colombian National Infrastructure Agency intend to subscribe during the month of January 2021, the addendum No. 10 to the Concession Contract No. 004 of 2015, through which the scope of the Malla Vial del Meta project will be modified in order to make it financially viable, in compliance with the postulates of good faith and conservation of the contract, in attention to the purposes pursued by the state contracting.

During 2020, worktables were held, with the support of the Comptroller General of the Republic, the components of the Malla Vial del Meta project were rigorously analyzed, alternatives were studied and finally, a new scope was defined that makes it viable and gives it continuity, to benefit the department and its inhabitants.

After holding several worktables and seeking to contribute to the connectivity, competitiveness and economic, and social development of Meta, Concesión Vial de los Llanos S.A.S. (of which it is the majority shareholder with a 51% equity interest) and the Colombian National Infrastructure Agency subscribed on 8 January 2021 the addendum No. 10 by means of which adjustments were made to the scope of the project in order to make it financially viable in accordance with the Arbitration Award of 28 February 2019, by which adjustments were made to the scope of functional units 1, 2, 3, 5, 6, 7 and 8, likewise the anticipated reversion of units 9 to 11 was defined.

In addition, was established that the Concessionaire will deliver on 31 March 2021, prior to the start of the Construction Phase, the adjusted Works Plan, as well as the schedules foreseen in the Land Acquisition Plan and the Socioeconomic Compensation Plan, as foreseen in the fourth clause of the addendum clause.

Regarding the construction phase of the contract, this will begin once the contractually agreed conditions are fulfilled, as stipulated in section 1.4 of the General Part of the contract, after the issuance and implementation of the resolution adopting the new tariff scheme for the project in accordance with Addendum 10. However, according to the provisions of clause 21 of addendum 10, if such resolution was not implemented by 15 April 2021, the financial obligations of the concession contract in charge of the Concessionaire shall be suspended, including the beginning of the construction phase".

On 8 September 2021, addendum No.11 was signed by means of which the interventions on the road that borders the Guayuriba River, K16 sector between abscissae K14+390 and K16+850 (functional unit 2 Par Vial de la Cuncia) of the national road that from Villavicencio leads to Acacías, in order to offer the service in optimal conditions, in compliance with the order of the Council of State in Ruling of 30 May 2019, in the framework of the class action suit.

Likewise, to begin the interventions of the new bridge over the Yucao River located at abscissa K96+790 (PR101+0109) functional unit 7-8, to avoid the paralysis of an essential public service.

The parties agree to start the works in the preconstruction stage and the construction phase will begin once the conditions set forth in the Concession Contract are met.

As for the term of the contract, it remains as originally planned, i.e., with a maximum term of 30 years, of which the first 6 years have already been completed.

As of 31 December 2021, the value of the intangible asset for concession contracts of this concession amounts to $0 (2021 $240,509).

### Concesión Túnel Aburra Oriente

It is a company whose corporate purpose is the conclusion and execution of a State Concession Contract defined in the fourth section of Article 32 of Law 80 of 1993, under the terms of Public Bidding No. 1197 of 1996 of the Government of Antioquia, Secretariat of Public Works and which consists of the execution of the designs, construction, operation and maintenance of the works, part of the road development called Conexión Vial Aburrá - Oriente, Túnel de Oriente and Complementary Road Development. It is valid until 31 December 2050.

It is a private legal entity incorporated on 12 December 1997, by means of public deed No. 3399 executed at the Seventh Notary's Office of Medellín, registered with the Chamber of Commerce of Medellín according to Commercial Registry No. 21-234824-4.

The term of the concession is 487 months, starting 1 January 1999, until 31 July 2039, or until the date on which the concessionaire obtains the expected income of $2,256 trillion constant 2004 COP. the contract shall be developed in the following phases.

- **Phase I:** construction of the double roadway of the Las Palmas road in the Los Balsos - Alto Las Palmas sector. It included the survey of the property records, valuations and acquisition of the land required for the construction of this section. The phase ended in 2007, currently is not a concessionary track, has contracted with the Grantor the routine maintenance.
- **Phase II:** design and construction of the tunnel through the Santa Elena corridor, the accesses between the city of Medellín and the Western Gate and the Sajonia roundabout. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. It includes the financing of this phase that includes the construction of the tunnel and its accesses, the operation and maintenance of the tunnel. The grantor's contributions were made in accordance with AMB 29, 35, 40, 41 and 42. The Phase ended on 15 August 2019 and the operation of the Túnel de Oriente Tunnel began on 16 August 2019.
- **Phase III:** construction of the double roadway of the Las Palmas track in the Chuscalito - Los Balsos sector. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. The phase ended in 2009, currently it is not a concessionary road, it has contracted with the Grantor for routine maintenance.
- **Phase IV:** investment in complementary roads in the near east in the design and construction and improvement of the following sections: aeropuerto–Belén, Llanogrande–Canadá, El Carmen de Viboral–Santuario, El Retiro–Carabanchel. It is conditioned to the allocation of resources and considers pre-construction activities such as land management, land acquisition, social management, environmental management and licensing, network management, supervision, internal control, socialization plan and financing.

The concessioned roads are in the operation and maintenance stage and correspond to Variante las Palmas, Sajonia dual carriageway Km 0 to km 14+540 - Airport and Santa Elena Km 2+800 to Km 26+600 and Phase II corresponding to the road connection Aburrá - Oriente Tunnel Km 0 to Km 14+920.

As of 31 December 2021 the value of intangible assets for concession contracts amounts to $0 (2021 $1,219,972).

### Concession contracts recognized as intangible assets of companies classified as non-current assets held for sale

### Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

According with the provisions of the concession contract, the company obtained the concession for the administration, operation, commercial exploitation, maintenance, modernization and expansion of El Dorado International Airport in the city of Bogotá.

The contractual scheme consists of the Special Administrative Unit of Civil Aviation (hereinafter "the Aerocivil") entered into Concession Contract No. 6000169OK of 2006 with the company; and in compliance with Decree 4164 and 4165 of 2011 the Aerocivil signed the Inter-administrative Cooperation Agreement No. 5 of 2013 with the National Agency of Infrastructure, by means of which the Colombian National Infrastructure Agency subrogated the functions of Aerocivil as regards the supervision of the execution of the Concession Contract, a subrogation that was perfected with the Act of Delivery and Receipt dated 27 December 2013.

The Concession Contract is divided into three main stages, namely:

### (i) Preliminary stage

The preliminary stage included the period between the signing of the initiation act of execution on 19 January 2007 and the initiation act of the modernization and expansion stage on 19 September 2007.

During the previous stage, the following steps were taken, among other arrangements: (a) sign of the commercial trust contract for the collection, administration and distribution of the surplus generated by the regulated and non-regulated income, (b) executing the steps to obtain the financial closure, (c) ensure the connection for continuity with the Civil Aeronautics, and (d) deliver the studies and designs that will be developed in the modernization and expansion stage.

Within this first stage, it was also established to deliver the goods, services and revenues of the concession, by the Civil Aeronautics to the company, through the subscription of the delivery act.

### (ii) Modernization and expansion stage

The modernization and expansion stage, in accordance with the work schedules in addendum No. 3 of the Contract, began with the signing of the initiation act signed on 19 September 2007, the total of the sub-projects and milestones that are part of the Modernization stage were completed on 31 January 2019, in compliance with the provisions of addendum No. 27 of the Concession Contract. Likewise, and in accordance with the provisions of Clause 36 of the Concession Contract, the Concessionaire delivered the technical report in accordance with numbers 36.1 "Bimonthly Reports" and 36.2 "Technical Report" of said Clause. Once the conditions set forth in the Concession Agreement dated 10 May 2019 had been met, the Colombian National Infrastructure Agency and the Concessionaire signed the act of closure of the modernization and expansion stage of Concession Agreement 6000169OK of 2006.

### Complliance of the concession contract

Once the Modernization and Expansion Stage of El Dorado Airport was completed, the Final Act was signed on 10 May 2019, noting that, although the act was signed on this date, it should be understood that the aforementioned stage culminated on 30 January 2019 and it is as of 1 February 2019 that Opain is in execution and complying with the obligations established contractually for the Final Stage.

### Penalty proceedings

In accordance with the provisions of clause 63 of the Concession Contract "FINES", to date there are no penalty proceedings pending.

### (iii) Final stage

This stage will be comprised from the date of the subscription of the modernization and expansion stage completion act, until the effective date of the termination of the Concession Contract in accordance with the provisions of Addendum 35. During this stage, the Concessionaire is responsible for managing all the maintenance activities of the modernization and expansion works, as well as managing the operation, administration, commercial exploitation and maintenance of the El Dorado Airport.

Addenda No. 3 to 36

During 2010, addendum No. 3 to the Concession Contract was signed, where, among other aspects, it was agreed: (i) the new schedule of works; (ii) the procedure to define the Delta for the demolition and replacement of the existing passenger terminal; and (iii) the manner in which the final modification to the technical specifications of the contract associated with the demolition and replacement of the existing passenger terminal would be executed, establishing 24 July 2010 as the deadline to finish the Delta.

Said term was extended by means of addenda No. 4 and 5, until 1 December 2010, and on that date, the Agreement Act on the Final Calculation of the Delta was signed, establishing the total amount of the so-called "Investment Delta", subject to the subscription of addendum No. 7 to the Concession Agreement.

In September 2011, addendum No. 6 was signed, by means of which the schedule of the modernization and expansion stage was modified, among others.

In 2012, addenda No. 7, 8 and 9 were signed; the first of them, related to the Investment Delta, its form of payment and respective procedures; the second, modifying the Concession Area, to allow the construction of the New Control Tower and the Schedule of the modernization and expansion stage, as opposed to the works related to the current maintenance hangars of Aerovías del Continente Americano S. A. (AVIANCA S.A.) and the eastern national cargo terminal; and the third, which modified milestone 6A and established milestone 7B, in response to the interventions associated with the northern runway.

On 5 May 2014, addendum No. 10 was signed, giving technical scope to Milestone 7A, corresponding to the subproject of "construction, installation and commissioning of the duct bank, cabling and new substation of the new control tower"; it also established the procedure for signing the verification act and form of payment, and made a modification to the concession area, the contractual guarantees and the schedule established in addendum No. 8 of the Concession Contract.

In 2015, addenda No. 11, 12, 13, 14, 15, 16 and 17 were signed; the first of these related to the declassification of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. called Hangar L 177 and L 178; the second, related to the extension of the Modernization and Expansion Stage, in order to execute milestones 7 and 8 and the sub-project of the works associated with the northern runway under the responsibility of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., the incorporation of the Friendly Composition mechanism in the Concession Contract including related issues; the third, related to the definition of the procedure for the presentation and approval of studies and detailed designs by the fast track methodology regarding the voluntary works; the fourth, related to the modification of the conditions for verification, approval and payment of the subproject of milestone 8 and the modification of paragraph f of the agreement in relation to the recognition of OPEX; the fifth, related to the reversal of an area granted to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., known as "Area 1 (Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.); the sixth, related to the delivery and approval of the designs and studies of some complementary works corresponding to Phase I and the last one, related to the creation of a transitory sub-account, called "Recursos Convenio 005" exclusively managed by the Colombian National Infrastructure Agency for the transfer of resources from the Aerocivil to THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY.

In the year 2016, addenda No.18, 19, 20, 21, 22, 23 and 24; were signed; in 18, 19 and 22, the intervening parties agreed to carry out the reversal of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A, as established by the Colombian National Infrastructure Agency and a Works Monitoring Committee was created; with the signature of addendum No. 20, the parties agreed and defined the execution of Complementary Works at El Dorado Airport in accordance with the provisions of Clause 34 of the Concession Contract; with addendum No. 21, the reprogramming of the sub-projects was established, as well as the completion date of the modernization and expansion stage, which was extended until 30 November 2018; with addendum No. 23 modified the requirement to include in the contracts of the cargo holders a reason for termination of the contracts, with the fact that they do not comply with the requirement to have an annual handling equivalent to at least 3% of the total tons of cargo processed at the Airport, due to a requirement for the cargo operators to deliver an annual report of the processed cargo, (ii) regulation of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A interventions in the 13L headland, which establishes changes to the obligations in the waiting bay areas of the 13L headland, and the exclusion from the scope of areas to be executed as part of the levelling of the northern runway strip; with addendum No. 24, the Civil Aeronautics is authorized to enter and intervene by its contractor Alpha Mike, in the concession area of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A to develop a series of interventions requested by THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY.

On 22 May 2017, addendum No. 25 was signed by which the Colombian National Infrastructure Agency and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. agreed to modify Clause Fourteen of addendum No. 20 to the Concession Contract; the parties modified the completion dates of the sub-projects of Phase I Complementary Works. Additionally, it was established that it was necessary to hold work meetings between Aerocivil, ANI, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and the Ministry of National Defense to evaluate the eventual impact on the scope of the "gate 6 reconfiguration" work, as well as its eventual execution.

On 15 December 2017, addendum No. 26 of the Concession Contract was signed, as the expansion works of the North and South Platforms was to be delivered on 18 December 2017 and 17 April 2018, respectively (according to addendum No. 25), complying with the technical specifications of the concession contract, which requires the supply of fuel through a network of hydrants for positions C or higher, positions which will be available at the new platforms, thus making it necessary to comply with the technical specifications. With addendum No. 26, the delivery dates of the fuel supply system by means of hydrants in these areas were moved to 30 November 2018, and the supply by means of refuelers (tank truck) and not by means of hydrants was allowed for the reasons set forth by Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and validated by the Technical Inspectorate at said platforms.

In 2018, addenda 27, 28 and 29 were signed. Addendum No. 27 to the Concession Contract, in which the maximum completion date of the Modernization and Expansion Stage was rescheduled for 28 February 2019, it was stipulated that in accordance with the provisions of the Concession Contract, Opain S.A. continues with its obligation to pay 4% of regulated revenue until the completion of the Modernization and Expansion Stage; with addendum No. 28 to the Concession Contract it was agreed: a) to include in the Concession Assets the Complementary Work called "South Platform Expansion", b) to reconfigure the horizontal signaling of the platform on the south side of Terminal T1 + T2 ADOSADA, c) to modify Clause 5 of addendum No. 20 to the Concession Contract, replacing the word "property" for “beneficiary” and d) to modify the Debtor's scope in the sub-project "leveling of the north runway strips" with respect to the leveling of the electrical boxes and the power supply network"; With addendum No. 29, reversal of the Concessioned Area was regulated by virtue of the expropriation that by administrative means was advanced of the lot called satellite 32. The date of completion of the subproject "Reconfiguration of Gate 6" was set at 105 calendar days from the date of subscription of addendum No. 29 and the modification was made so that the new resources would be deposited in the Aerocivil Surplus Sub-Account.

On 27 February 2019, addendum 30 was signed, through which the area of Lot 3 was incorporated to the concession area, and section 61.3 of Clause 61 of the Concession Contract was modified to incorporate the sub-account "Complementary Works"; section 6.1.2 of Appendix G of the Concession Contract was amended to replace the methodology of "Roughness Assessment" for "Assessment of the Graduation or Surface Regularity of Wellhead Type Elements"; section 5 of clause 21.2 of the Concession Contract was amended to reduce the number of printed copies of the plans/drawings of the final constructions of the works by contract from five to one, and a section is added to Clause 72 of the Concession Contract to allow the early acceptance of assignment contracts.

On 6 December 2019, addendum 31 was signed, the area for the construction of the H1 taxiway was incorporated into the concession area, and some areas were incorporated in accordance with the Agreement with the Military Forces signed in 2016, these areas are included in the real estate inventory. Handing over of areas to the Colombian National Infrastructure Agency in accordance with the Agreement with the Military Forces. Delivery of the designs at the detail level of the Complementary Work for the construction of the H1 taxiway. Modification of the start of voluntary works in Hangar 2 and Lot 2 of addendum No. 27, subject to the previous conditions established in the addendum No. 31. Modification of Appendix I in relation to dangerous goods, dangerous goods arriving at the Airport to be transported by air were excluded, and in relation to the quarantine area it was restricted to the activity of facilitating administration and operation. Likewise, Appendix F was amended to clarify that, with regard to ICAO Annex 18 (Safe Transport of Dangerous Goods by Air), is responsibility of the Concessionaire, in its capacity as airfield operator. Table 2.2 "Cargo Aircraft Parking Positions" of section 2.2 "Works in the Modernization and Expansion Stage" of Appendix D of the Concession Contract was modified to expand the operation and item 9.2 of the Hydrant Tank Network was modified to indicate how the new positions will be supplied.

On 23 December 2019, addendum 32 was signed. Delivery of conceptual and detailed designs of the following projects: Military Forces lease platform Phase I, Military Forces lease platform Phase II, Loading Platform, Eastern Platform T2 - Antiguo Inter y Calle B13, Eastern Platform T2 - LAS - MENZIES and Eastern Platform T2 - Servientrega. The projects listed above will not have a fuel network with hydrants. The use of area destined to the "morgue room" indicated in section 3.1.6 of section 3 "Terminal 2" of Appendix D of the Concession Contract was modified, assigning it operational sanitation activities, therefore, the Concessionaire committed to adapt at their own risk an area for the inspection of corpses in the Cargo Terminal. Finally, the insured value and the update formula for compliance and payment of salaries and social benefits for the Final Stage were changed.

On 4 June 2020, Addendum 33 was subscribed, which established the regulation related to the decision taken in the framework of the Amicable Composition process, which is associated to the electric assets stipulated in Addendum 7, In addition, the following clauses were modified: i) Clause 61.3 Surplus Subaccount, in which items j,k,l were included, in order to make the transfers to this subaccount of the income indicated in the mentioned items, ii) Paragraph (a) of Clause 65 Amicable Composition and Numeral (ii) of Item (e) of the Seventh agreement of the Addendum 12 (Clause 65 of the

Concession Contract), by means of which it is allowed to submit to an Amicable Composition process, those technical controversies that are not expressly indicated in the Contract, prior subscription of the respective minutes and/or document and it was defined that the Panel of Friendly Composers shall have a maximum term of sixty (60) Business Days to define the controversy. iii) Addition of a paragraph to Clause Six of the Addendum No. 20, whereby it was established that the Amicable Settlement Panel shall have a maximum term of sixty (60) Business Days to define the dispute. 20, whereby it was established that Opain will transfer from the Main Subaccount to the Subaccount "Complementary Works Stage 1", in a maximum period of ten (10) days from the effective date of collection of the invoice, up to a term of 5 years; in case the term is shorter, the Colombian National Infrastructure Agency shall notify the Concessionaire as from what date the transfer of the regulated and non-regulated revenue generated by the operation of Stage 1 of the Complementary Works from the Main Subaccount to the Subaccount "Complementary Works Stage 1" will operate and iv) Numeral 61.3.8 of Clause 61 of the Concession Contract, modified by Clause Four of Addendum No. 20 - Subaccount "Complementary Works Stage 1 where it was stipulated that in this Subaccount exclusively the resources destined to the payment of all the costs associated with Stage 1 of the Complementary Works shall be deposited, as defined in Clause Three of Addendum No.20, as well as for the collection of the income from Stage 1 of the Complementary works, and for the management of the financing under the terms of the Sixth Clause of the referenced addendum.

On 31 December 2020, Additional Addendum 34 was subscribed by means of which the following was defined by mutual agreement between Opain and ANI: (i) OPAIN will pay to AEROCIVIL the consideration corresponding to the first semester of 2020 in a maximum of four (4) installments proportionally to each disbursement to be made between December 2020 and July 2021 by the Ministry of Finance and Public Credit to Aerocivil, for which OPAIN will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment, (ii) Deferment of the funding of the Interventoria Subaccount for March 2022, September 2022, December 2022 and March 2023, (iii) Elimination of the obligation established in the Fifteenth Clause of the Addendum No. 20, regarding the funding of the Interventoria Obras Complementarias Etapa 1 subaccount corresponding from August 2020 to August 2026.

On 26 April 2021, an Addendum 35 was signed whereby the following contractual aspects were agreed and defined: (i) Compensations were defined against the impact on revenues during the period from 23 March to 30 September 2020, because of the measures adopted by the government to prevent the spread of COVID-19, which implied the total restriction of commercial flights. (ii) The formula to determine the Net Compensation Value at the beginning of the extension period of the Concession Contract was defined, which is equivalent to $737,969 million pesos as of January 2027. (iii) It was defined that the value of the maximum compensatory extension period would be 20.85 months, considering that there will be no compensation for OPAIN in money for the damages generated between 23 March 2020 and 30 September 2020. (iv) It was established that the Concession Contract will terminate when the Net Compensation Value is obtained, either before the date estimated as the maximum compensatory term or at the time of expiration of the Maximum Compensatory Extension Term, whichever occurs first, and the parties must sign the respective termination deed. (v) Based on Clause 1 was modified in its definitions 1.61 and 1.104. Likewise, Clause 3 Estimated Term of the Contract was modified. Finally, clauses 72.1, 72.1.1, 72.1.1 and 72.1.3 of Clause 72 Reversion were modified.

On 7 October 2021, Addendum 36 was subscribed, whereby the following contractual aspects were agreed and defined:

- A compensatory term extension was agreed for the negative effects of the pandemic by COVID 19, due to the impact on OPAIN's Regulated and Non-Regulated Revenues between 1 October 2020 and 31 August 2021.
- The Net Compensation Value at the time of the extension was determined as equivalent to $759,557 million pesos of January 2027. Likewise, it was determined that the maximum term of the compensatory extension would be 21.5 months.
- It was determined that the compensatory extension term will start from the end of the extension defined in the addendum 35 to the Concession Contract and will end when the Net Compensation Value (NCV2) is obtained or the maximum extension term is reached, whichever occurs first.
- Based on the above, Clauses 1.61 - Effective Date of Termination of the Contract -, 1.104 - Estimated Term of the Contract, 3 - Estimated Term of the Contract; and clauses 72.1, 72.1.1, and 72.1.3 of clause 72 Reversion were modified.

On 22 July 2022, Addendum 38 was subscribed, whereby the following was agreed: (i) Modifications to the Satisfaction Surveys contained in Appendix F of the Concession Contract and Addendum No. 7 of 8 May 2012, regarding the average number of respondents and indicators, and the survey that ceased to be applied in 2020 was replaced, due to the implementation of biosecurity protocols derived from COVID 19, which prevented its execution, thus Opain must design and execute an additional survey in 2022. (ii) The Transitory Subaccount was incorporated to meet the obligations associated with the 20% of the Semi-Annual Payment of the Consideration defined in Clause 60 numeral 60.1 of the Concession Contract and in accordance with the provisions of Article 151 of Law 2010 of 2019, until the distribution methodology is defined between the Capital District of Bogotá and the municipality of Funza. (iii) The following sub-accounts were modified: Sub-account for Alternative Dispute Resolution Mechanisms, ADR, Transitory Sub-account Resources Agreement 005, Sub-account Complementary Works regarding management, clarifying that the final beneficiary of the surpluses of the Sub-accounts will be the Colombian Civil Aviation Authority.

Contractual documents consequence of the pandemic:

- Act of Suspension of Activities of 21 May 2020: suspends activities as of 1 April 2020, except for activities for operation and maintenance, which must continue to be executed.
- Act of 24 July 2020: Suspends the obligations of the payment of the consideration for the first semester of 2020 and the funding to the subaccount of interventory, until 30 September 2020.
- Act of 29 September 2020: Suspends the contractual obligations associated with the operation and maintenance activities of the north jetty of Terminal 1 and the Terminal Puente Aéreo of El Dorado Airport. Extended the term of suspension of the obligations of the payment of the consideration for the first half of 2020 and the funding to the subaccount of the interventory, until 30 October 2020.
- Act of 30 October 2020: Extended the suspension period of the obligations of the payment of the consideration for the first semester of 2020 until 29 December 2020.
- Act of 29 January 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 26 February 2021.
- Act of 26 February 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 March 2021.
- Act of 30 March 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 April 2021.
- Act of 30 April 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 31 May 2021.
- Act of 31 May 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 June 2021.
- Act of 30 June 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 July 2021.
- Act of 30 July 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 August 2021.
- Act of 30 August 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 September 2021.
- Minutes of 2 September 2021: Resumed certain obligations of the contract and extended the suspension of certain obligations in Terminal 1 and Terminal Puente Aereo of El Dorado Airport.
- Minutes of 30 September 2021: Extended the term of suspension of the obligations of the payment of the consideration for the second half of 2020 until 31 October 2021.
- Act of 29 October 2021: Extended the suspension period of the payment obligations of the consideration for the second half of 2020 until 30 November 2021.
- Act of 6 December 2021: Resumption of the contractual obligations suspended by the Act of 2 September 2021.
- Minutes of 30 November 2021: Extended the suspension period of the obligations of the payment of the consideration for the second half of 2020 until 31 December 2021.
- Act of 24 December 2021: Extended the suspension period of the obligation to pay the consideration for the second half of 2020 until 31 January 2022.
- Payment agreement between Aerocivil and Opain signed on 28 December 2021, regarding the consideration for the second semester of 2020 to be paid on 31 March 2022.

As of 31 December 2022 the value of intangible assets for concession contracts of this concession amounts to $0 (2021 $1,606,778).

### Prudencia Hydroelectric Plant (Alternegy S.A.)

Concession contract signed with the Public Utilities Authority (ASEP) and countersigned by the Comptroller's Office on 9 February 2007, which authorizes the provision of public electric power generation services through a hydroelectric plant. The plant is located in the corregimiento of Bijagual, district of David, province of Chiriqui, with an installed capacity of 58.7 MW, consisting of 2 Kaplan type hydraulic turbines.

The concession is granted for a term of fifty (50) years, counted from the execution of the contract, which expires in December 2057 and could be extended for an additional period of fifty (50) years.

### Lorena Hydroelectric Plant (Alternegy S.A.)

Concession contract signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 9 February 2007, which authorizes the provision of public utilities for the generation of electricity through a hydroelectric plant. The plant is located in the town of Bijagual, district of David, province of Chiriqui, with an installed capacity of 58.7 MW, consisting of 2 Kaplan-type hydraulic turbines.

The concession is granted for a term of fifty (50) years, starting from the execution of the contract that expires in December 2057 and could be extended for an additional period of fifty (50) years.

### Planta Hydroelectric Plant (Bontex S.A.)

Through a concession contract for hydroelectric generation signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 13 June 2007, a concession for the construction and operation of an electric power generation plant was obtained and is authorized to provide public utilities for the generation of electricity, through a hydroelectric plant. This concession was granted for a period of 50 years that expires in June 2057 and could be extended for an additional period of 50 years by mutual agreement with ASEP.

The company is authorized to install, operate and exploit the hydroelectric plant, which is covered by the concession, and to sell the generated electricity according to the provisions of Law number 6 of 3 February 1997 and its regulations. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently ASEP.

The Gualaca plant is in the province of Chiriquí, with an installed capacity of 25.8 MW, and has two Kaplan-type hydraulic turbines. The activity of electric generation in Panama is subject to Law number 6 of 3 February 1997. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently National Public Utilities Authority (ASEP).

As of 31 December 2022, the value of intangible assets for concession contracts of the plants in Panama (Prudencia, Lorena, and Gualaca) amounts to $0 (2021 $61,881).

### Guanacaste S.A. Wind Plant (PEG)

Concession in Costa Rica corresponds to a permit for the development of the wind plant, the corporate purpose of Winf Plant Guanacaste, S.A. (PEG) and PEG Operaciones Ltda. is the construction and operation for a period of 18 years, which expires in June 2027, of a wind energy plant that will subsequently be handed over to the Costa Rican Electricity Institute (ICE). All the energy produced by the plant will be delivered to ICE.

As of 31 December 2022, the value of intangible assets from concession contracts for the Guanacaste Wind Farm amounts to $0 (2021 $146,028).

## NOTE 44: **CONSTRUCTION CONTRACTS**

Information on construction contracts is presented below:

| | 2022 | 2021 |
|---|---|---|
| Construction contracts commercial accounts | 16 | 10,147 |
| **Total construction contracts commercial accounts** | **16** | **10,147** |
| Prepayments received for contracts in progress | 156 | 2,331 |
| Withholdings for contracts in progress | 426 | 5,581 |
| Income received in advance (1) | - | 466,586 |
| **Total liabilities from construction contracts** | **582** | **474,498** |

(1) For 2022, there is no income received in advance associated with construction contracts due to the loss of control over the subsidiaries: Concesión Vial de Los Llanos S.A.S $0 (2021 $455,950), Concesión Túnel Aburra Oriente S.A. $0 (2021 $7,254) and Consorcio Grupo Constructor Autopistas del Café $0 (2021 $3,382) (Note 27 Other non-financial liabilities and Note 46 Significant events).

Revenue, cost, and profit from construction contracts is:

| | 2022 | 2021 |
|---|---|---|
| Revenue from construction services (Note 33) | 46,495 | 88,598 |
| Costs for construction services | 28,350 | 27,344 |
| Profit from construction services | 18,145 | 61,254 |

Income and cost for construction services correspond mainly to buildings and civil works performed by Autopistas del Café S.A., Consorcio Grupo Constructor Autopistas del Café, los Llanos Road Concession, Caribbean Infraestructure Company N.V., Consorcio APP Llanos, and Odinsa S.A. In June 2022, there was a loss of control of these subsidiaries, which means that construction revenue in 2022 accrued as of May, while in the comparative period it accrued as of December.

The method used to determine revenue from construction contracts is the percentage-of-completion method, based on the costs incurred in the contract.

## NOTE 45: **ACQUIRED COMMITMENTS**

### 45.1 Power and/or energy supply and/or reserve commitments

At the end of 2022 the Group has the following commitments for energy supply, which did not generate the recognition of a liability:

- Celsia Colombia S.A. E.S.P. has commitments with third parties for energy supply acquired through the traditional energy sale process (traditional public calls) or through SICEP (Centralized Information System of Public Calls) until 2036. On the other hand, and because of the auction process of the Mining and Energy Planning Unit UPME for Non-Conventional Renewable Energy Sources, there are energy sale commitments until 2037. These commitments are financial contracts and have no obligation of physical delivery of any particular plant. In the event that the seller does not generate energy from its own portfolio, it shall be supplied from the available energy pool offer.
  All contracts with third parties are *Take or Pay* contracts (PC) type where quantities are fixed at hourly level and most of the prices are fixed in $/kWh of a given month and indexed monthly with the Producer Price Index. For the year 2023 there are some tariff modification agreements that involve the CPI (consumer price index) within the framework of bilateral agreements promoted by the regulator and that seek to provide relief to the end consumer. For contracts resulting from the UPME auction, an additional correction is made to the tariff because of the real evolution of the CERE (Real Equivalent Cost of Energy).

- Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA E.S.P. has no commitments for energy supply with third parties. Until 2035 it has commitments with a related company (Celsia Colombia S.A. E.S.P.). The amounts of the contract will depend on the generation of the plants of Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA E.S.P. in the ideal dispatch versus the signed contracts and will be equal to the surpluses. Such commitments are financial contracts and have no obligation of physical delivery of any particular plant. If the seller does not generate energy with its own portfolio, it shall be supplied from the available energy pool offer.

- Enerbit S.A.S. E.S.P. has commitments in force for the purchase of energy supply until 2036 with Celsia Colombia S.A. E.S.P., a company linked through a Take or Pay contract with fixed hourly amounts and with a fixed price in $/kWh indexed monthly with the producer price index internal offer.

  Likewise, in December 2022, the process of closing the public call for bids was made through SICEP (Centralized Information System of Public Calls) for the purchase of energy supply until the year 2027 through Take or Pay contracts with third parties, which are in the process of formalization and registration with the market administrator, ASIC, at the end of 2022.

- Alternegy S.A. has commitment contracts for the supply of power and energy with distribution companies, power and energy reserve contracts with other generating companies and power reserve contracts with annually renewable supply period.

- Bontex S.A. has commitment contracts for the supply of power and energy with distribution companies, power reserve contracts with other generating companies and power reserve contracts with annually renewable supply period.

- Bahía Las Minas Corp. has commitment contracts for the supply of only power with distribution companies, power reserve contracts with other generating companies and power reserve contracts with annually renewable supply period.

- Celsia Centroamérica S.A. has power-only supply commitment contracts with distribution companies, power and/or energy reserve contracts with other generation companies, energy supply contracts with large customers and power reserve contracts with an annually renewable supply period.

- Divisa Solar 10MW, S.A. has power reserve contracts with other generation companies.

- Celsolar S.A. has power reserve contracts with other generation companies.

  These commitments are financial contracts and have no obligation of physical delivery of any specific plant. If the seller does not have the energy, it will be supplied from the available energy pool offer at the seller's expense.

### 45.2 Other acquired commitments

#### Coal supply contract with Carbonera Los Pinos S.A.S.

In 2021, Cementos Argos S.A. had a contract in force for the sale of coal with Carbonera Los Pinos S.A.S. which established that there had be a minimum purchase of 10 thousand tons, allowing a maximum deviation of 10%. The value of the contract was for $100,410, with a term of 4 years starting in 2018 and finished in 2022.

## NOTE 46: **SIGNIFICANT EVENTS**

### 33.1 Strategic alliance with the international infrastructure fund Macquarie Infrastructure Partners V. (road asset investment platform)

On 22 June 2022, Odinsa S.A. together with Macquarie Infrastructure and Real Assets ("MIRA") through its related parties, Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica, and Macquarie Infraestructura Partners Cinco ("MIP V") Emerald Holdings, established the investment platform of road assets Odinsa Vías under the formation of a private equity fund, in order to strengthen and consolidate the presence in the country and the participation in road infrastructure projects that promote connectivity.

This investment platform will manage Odinsa's current road assets in Colombia, including: Concesión La Pintada S.A.S., Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in Fideicomiso de Autopistas del Café), Concesión Vial de los Llanos S.A.S., and Consorcio Grupo Constructor Autopistas del Café. Likewise, it would manage the private initiatives that Odinsa is currently leading in the road sector in Colombia, among which are the IP Perimetral de la Sabana and the IP Conexión Centro, as well as the eventual expansion of the Túnel Aburrá Oriente concession, which if awarded, would have an important financial support and the technical strength for its management, besides continuing exploring other opportunities of value creation through the development of new projects.

The platform has the support of a professional manager, 100% subsidiary of Odinsa S.A., who has as objective the technical advice and supervision of the road projects of which the mentioned platform is part, assuring the good decision making, an exhaustive control on the sharing of the investments, and the correct allocation of resources regarding the strategies arranged by the highest organizational body.

On the other hand, the Fondo de Capital Privado Odinsa Vías will provide investors with a long-term investment instrument, which, through the management of the assets delivered and the new projects, will seek to obtain economic returns, as well as the correct valuation of the net assets.

### 33.1.1 Accounting impact of the sale of assets to Macquarie Infrastructure and Real Assets ("MIRA") and subsequent contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and the Odinsa Vías S.A.S. platform

Within the negotiation with Macquarie Infrastructure and Real Assets ("MIRA"), Odinsa S.A. sold 50% of the interests held in Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in Fideicomiso de Autopistas del Café), Consorcio Grupo Constructor Autopistas del Café, and 31.5% of the interests in Concesión Vial de los Llanos S.A.S., and subsequently contributed to the Fondo de Capital Privado por Compartimientos Odinsa Vías and to the platform Odinsa Vías S.A.S., the same percentage distributed in the fair value of the economic rights and the bare ownership of the shares, respectively, resulting in a single transaction of loss of control over these subsidiaries.

In this way, Odinsa S.A. wrote-off the assets and liabilities recognized in its former subsidiaries for the carrying amount at the date of such transaction, in addition to the non-controlling interests, including all the components of other comprehensive income attributable to them.

After the sale of its subsidiaries to this strategic partner, and prior to the contributions to the private equity fund and the investment platform, Odinsa S.A. recognized the fair value of the remaining interests in its former subsidiaries.

Also, Odinsa S.A. sold 50% of its interests in Concesión La Pintada S.A.S. to Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica for $235,829 within the framework of its strategic alliance with the international infrastructure fund Macquarie Infrastructure Partners V., and 50% of its contractual position in the consulting contract of Odinsa S.A. with Autopistas del Café S.A. for $6,872, and 50% of the intangible assets of the private initiatives of Perimetral de la Sabana and Conexión Centro for $7,863.

The sale price assumed by Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica and Macquarie Infrastructure Partners Cinco ("MIP V") Emerald Holdings amounted to $577,861, which implies a payment of $498,491 and the award of liabilities for $79,370.

The parties established the payment of a price adjustment in favor of the buyer ("*Reverse Earnout*") if certain projects are initiated on the dates stipulated in the agreement. Depending on the date on which the event occurs, the value of the earnout could range between no payment of this price adjustment or a maximum value of $7,625, which value will be increased based on a Real IRR of 8% accrued from the closing date of the agreement until the date on which such amount is paid. As of 31 December 2022, the value recognized amounted to $3,486 (Note 24 Provisions).

Profit or loss and cash flows of the operation as of December 2022 are as follows:

| Impact in profit or loss | Assets involving loss of control | Assets not involving loss of control and other items | Total |
|---|---|---|---|
| Income (1) | 651,109 | 469,939 | 1,121,048 |
| Cost (2) | (582,595) | (462,327) | (1,044,922) |
| **Gross profit** | **68,514** | **7,612** | **76,126** |
| Administrative expenses (3) | (17,131) | 243 | (16,888) |
| Other income (4) | | 14,998 | 14,998 |
| **Operating income** | **51,383** | **22,853** | **74,236** |
| Current income tax | (21,649) | (12,725) | (34,374) |
| Deferred income tax (5) | 1,831 | 15,631 | 17,462 |
| **Net operating income** | **31,565** | **25,759** | **57,324** |

(1) Income from the transaction includes the sale value recognized by Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica and Macquarie Infrastructure Partners Cinco ("MIP V") Emerald Holdings, the fair value at which the remaining interests in the investments subject to the agreement was received at the time of the contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and the Odinsa Vías S.A.S. platform, and the estimated price adjustment corresponding to the *Reverse earnout* in favor of the purchaser.
(2) The cost of the transaction includes the book value of the investments sold as the value of the interests contributed to the Fondo de Capital Privado por Compartimientos Odinsa Vías and to the Odinsa Vías S.A.S. platform. For Grupo Argos, the cost of the transaction includes: business combination adjustments for $22,817 and goodwill for $148,916 allocated to the assets subject to the transaction, from the takeover of Odinsa S.A. by Grupo Argos S.A in 2015.
(3) Includes transaction fees of $17,131 mainly corresponding to legal advisory fees with the third party Willkie Farrr & Gallagher LLP and financial advisory fees with BNP Paribas Colombia Corporación Financiera S.A. and recovery of impairment of receivables.
(4) Includes the profit on sale of 50% of the contractual position in the advisory contract of Odinsa S.A. with Autopistas del Café and its subsequent contribution to the Fondo de Capital Privado por Compartimientos Odinsa Vías and to the platform Odinsa Vías S. A.S. for $10,308, and the bargain purchase of 11% of the interests of Concesión Vial de los Llanos S.A.S. to Construcciones el Condor S.A. for $4,225, which includes the principal and interest of the subordinated debt. These assets were classified as held for sale in June 2022 considering that Odinsa S.A. has a sale agreement defined within the next months with Macquarie Infrastructure Partners Five ("MIP V") within its strategic alliance and consolidation of the road assets investment platform (Note 37 Other income (expense), net and Note 13 Assets and liabilities associated to non-current assets held for sale and discontinued operations).
(5) For Grupo Argos includes income from derecognition of business combination adjustment for $15,345 allocated to Concesión La Pintada S.A.S from the takeover of Odinsa S.A. by Grupo Argos S.A. in 2015.

| Impact on cash flow (Investing activities) | 2022 |
|---|---|
| Cash received in the transaction associated with assets involving loss of control | 247,927 |
| Cash disposed of on loss of control (1) | (860,020) |
| **Cash received in the transaction associated with the assets involving loss of control** | **(612,093)** |
| Cash received in the transaction associated with investment in associates' assets not involving loss of control | 235,829 |
| Cash received in the transaction associated with intangible assets not involving loss of control | 14,735 |
| **Cash received in the transaction associated with assets not involving loss of control** | **250,564** |

(1) The cash transferred in the loss of control includes the amounts in cash and cash equivalents that were derecognized because of the deconsolidation of the concessions Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the Fideincomiso Autopistas del Café), Concesión Vial de los Llanos S.A.S., and Consorcio Grupo Constructor Autopistas del Café. The cash allocated includes restricted cash for $788,412.

### 33.1.2 Fondo de Capital Privado por Compartimientos Odinsa Vías and Odinsa Vías S.A.S.

On 22 June 2022, Odinsa S.A. and Macquarie Infrastructure and Real Assets ("MIRA") through its related parties, Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica and Macquarie Infrastructure Partners Cinco ("MIP V") Emerald Holdings, established the Odinsa Vías compartmentalized capital fund, whose purpose is to manage the investments of Concesión La Pintada S.A.S., Concesión Túnel Aburrá Oriente S.A., Autopistas del Café S.A. (including its interests in the Fideicomiso de Autopistas del Café), Concesión Vial de los Llanos S.A.S., and Consorcio Grupo Constructor Autopistas del Café.

Odinsa S.A. has a 50% interests in the Fondo de Capital Privado por Compartimientos Odinsa Vías, contributing with the economic rights over the above mentioned investments, as well as cash, some financial instruments assets and liabilities, and one share of Concesión Túnel Aburrá Oriente S.A. and Concesión Vial de los Llanos S.A.S.

| Contributions to the Fondo de Capital Privado por Compartimientos Odinsa Vías | 2022 |
|---|---|
| Economic rights Concesión La Pintada S.A.S. (1) | 217,464 |
| Economic rights Concesión Túnel Aburrá Oriente S.A. | 163,562 |
| Economic rights Concesión Vial de los Llanos S.A.S. | 54,135 |
| Economic rights Consorcio Grupo Constructor Autopistas del Café. | 26,747 |
| Economic rights Autopistas del Café S.A. (incluye Fideicomiso AKF) | 67,419 |
| Cash contributions | 267 |
| Shares | 1 |
| Receivables | 13,267 |
| Payables | (79,370) |
| **Total contributions** | **463,492** |

(1) The value includes the write-off of $2,537 corresponding to the result of the contribution of Odinsa S.A. which is related to its direct interests on the Fondo de Capital Privado por Compartimientos Odinsa Vías S.A.S.

On the same date, Odinsa S.A. contributed to the company Odinsa Vías S.A.S. the political rights over the described investments, as well as the allocation of a consultancy contract with Consorcio Grupo Constructor Autopistas del Café. On 22 June 2022, Odinsa Vías S.A.S. integrated as shareholder Macquarie Infrastructure Partners Cinco ("MIP V") Transporte Iberoamérica with a 49.99% shareholding, thus becoming jointly controlled with Odinsa S.A.

| Contributions to Odinsa Vías S.A.S. | 2022 |
|---|---|
| Political rights Concesión La Pintada S.A.S. | 15,827 |
| Political rights Concesión Vial de los Llanos S.A.S. | 1,275 |
| Political rights Concesión Túnel Aburrá Oriente S.A. | 492 |
| Political rights Autopistas del Café S.A. (including Fideicomiso AKF) | 373 |
| Political rights Consorcio Grupo Constructor Autopistas del Café. | 27 |
| Assignment of contract Grupo Constructor Autopistas del Café (1) | 3,436 |
| **Total contributionss** | **21,430** |

(1) The value includes the write-off of $3,436 corresponding to the result of the contribution of Odinsa S.A., which is related to its direct interests on the Fondo de Capital Privado por Compartimientos Odinsa Vías S.A.S.

### 33.2 Strategic alliance with the international infrastructure fund Macquarie Infrastructure Partners V. on airport assets

On 28 September 2022, after approval of the Boards of Directors of Grupo Argos S.A. and Odinsa S.A., Grupo Argos S.A., Odinsa S.A., and Macquarie Infrastructure and Real Assets ("MIRA"), agreed to jointly manage the airport assets owned by Grupo Argos S.A. and Odinsa S.A., as well as to develop the private initiatives underway in Colombia and evaluate other opportunities in the American continent, with the purpose of continuing to generate value and contribute to the competitiveness and development of the country and the region.

The airport assets are comprised by 65% of Opain S.A. (35% through Odinsa S.A.), 46.5% of Corporación Quiport S.A., 46.5% of International Airport Finance S.A., and of 50% by Quito Airport Management LTD. Under the strategic alliance Macquarie Infrastructure and Real Assets ("MIRA"), will acquire 50% of the interests held by the Group in these investments, provided that the conditions precedent for the full closing and completion of this transaction are met according to the agreement subscribed between the parties.

This alliance includes the private initiatives led by Odinsa in Colombia, such as: (i) the new Cartagena airport, which seeks to develop the necessary infrastructure to support the passenger demand for the next 50 years; (ii) El Dorado Max (expansion of the Bogota Airport System), as an efficient solution to maximize the use of the current terminal of El Dorado airport; and (iii) Campo de Vuelo, which proposes improvements in the runways and taxiways of El Dorado airport, with state-of-the-art technology and the expansion of its capacity.

### 33.3 Administrative processes received by the Superintendence of Residential Public Utilities from Celsia S.A. and its subsidiaries

As of the reporting date, Celsia S.A. and its subsidiaries are addressing the following administrative processes received from the Superintendence of Residential Public Utilities, which are disclosed as contingent liabilities:

**Dossiers - average billing to electric energy customers period March - June 2020**
On 5 September 2022 the Superintendence of Residential Public Utilities issued resolutions No. SSPD - 20222400799155, No. SSPD – 20222400798825, and No. SSPD - 20222400799235 addressed to Celsia Colombia S.A. E.S.P., Celsia Tolima S.A. E.S.P. (now merged with Celsia Colombia S.A. E.S.P.) and CETSA E.S.P., respectively, requesting them to pay a penalty for $1,932,429, for having applied average billing with billing periods different from the monthly and bimonthly period to some customers in the department of Valle del Cauca and Tolima between the months of March to June 2020. Additionally, for Celsia Tolima S.A. E.S.P. (now merged with Celsia Colombia S.A. E.S.P.), charges are allegedly issued for having established the consumption of some customers with mechanisms different from those established in its uniform conditions contract and the regulation in force. In this regard, the defense argues the need to have resorted to such legal and contractual power due to the configuration of a force majeure derived from the COVID-19 pandemic and the existence of an exemption of liability, to the extent that the companies suspended the metering activities until having the biosecurity elements and protocols for the proper performance of these operational activities, which were not directly related to the guarantee of continuous and efficient provision of electric power service. The above was supported with the respective evidentiary material and the request for testimonial evidence to back it up. Likewise, as a common argument for all the charges, the lack of typicity of the imputed conducts and the violation of the principle of legality were highlighted, since the norms that the Superintendency signaled as violated do not foresee sanctioning consequences attributed by the entity. Based on the available evidence, at the date of approval of the financial statements, the above legal processes are not final and were timely appealed through the firm of an external law firm, which, for the time being, do not have an accurate opinion on the outcome of the processes. Therefore, considering IAS 37 Provisions, Contingent Liabilities and Contingent Assets, since there is uncertainty as to the existence of the present obligation, but the possibility that the companies will have to part with economic resources is not remote, it is concluded that the above cases should only be disclosed as a contingent liability (Note 42 Contingent Assets and Liabilities).

**Dossier for operation of electric assets in the Caribbean - maneuvers for the reestablishment of the service derived from the failure of Intercolombia's Sabanalarga substation - June 2020**
On 29 September 2022 the Superintendence of Public Utilities issued Resolution No. 20222400887505 imposing a sanction for $1,700,000 to Celsia Colombia S.A. E.S.P. for the alleged late operation of the switches of the substations Nueva Barranquilla, Cuestecitas, Bolívar, and the radial substations of Manzanillo and Norte, where no voltage was detected, due to an event in the system of the area identified as Caribe 2 caused by a flashover in the substation Sabanalarga operated by Intercolombia S.A. E.S.P. In addition, charges are raised against Celsia Colombia S.A. E.S.P., because allegedly during the process of restoring the electric power service in the Caribbean 2 region, the information related to the substations Nueva Barranquilla, Cuestecitas, Bolívar and the radial substations of Manzanillo and Norte was not timely provided to the National Dispatch Center - CND, and some quality characteristics of the electric power transmission service in the National Transmission System - STN were not complied with. In this regard, the defense argues that there is insufficient evidence of the alleged impact that the company's actions generated when reestablishing the service; the Superintendence of Public Utilities at no time demonstrates that the justified slight delay of the sweeping in some substations of the company in the Caribbean 2 area, had any influence in the longer time it took to reestablish the service in the area affected by the absence of voltage. In addition, the company has at no time sought to claim

instructions from the Caribbean 2 Restoration Guide, which are designed to be adopted by the NDC. Furthermore, the company's share of assets in the Caribbean zone is minimal, constituting only 8.4% of assets. Based on the available evidence, at the date of approval of the financial statements, the legal process in progress is not final and was timely appealed through an external attorney, who, at this time, does not have a definite opinion about the outcome of the process. Therefore, considering IAS 37 Provisions, Contingent Liabilities and Contingent Assets, since there is uncertainty as to the existence of the present obligation, but the possibility that the company will have to part with economic resources is not remote, it is concluded that the case should only be disclosed as a contingent liability.

### 33.4 New resolutions of the Colombian Government Energy and Natural Gas Regulatory Commission (CREG)

Regarding new resolutions of the Colombian Government Energy and Natural Gas Regulatory Commission (CREG), The main impacts are outlined below:

Resolution CREG 027 of 2022, modified by Resolution CREG 101 031 of 2022, established three matters:

1) Modification Tariff Option: it was established that for the months of October and November 2022, the percentages of variation of the tariffs, will be equivalent to the decrease of the Unit Cost of Provision of the Electric Energy Service - CU calculated, and a maximum cap was set to the percentage of variation of the CU Applied equivalent to the CPI + 0.3%, which will apply until the month of September 2023. As of October 2023, the conditions established in CREG Resolution 012 of 2020 will be resumed.

2) Measures to reduce distribution charges: Voluntary option to accept the adjustment of income for one year, the proposal aims to reduce distribution charges, updating the income recognized from October 2022, indexing it with the CPI instead of the PPI, from a reference month (chosen by each distributor), in a range that goes from December 2020 to December 2021. Celsia S.A. and its subsidiaries adopted the measure as a distributor, selecting October 2021 as the reference month.

3) Measures for the reduction of Transmission charges: It established that Domestic Transmitters could voluntarily apply for the adjustment of income for a minimum period of one year, the measure updates the regulated income from December 2020 to October 2022, using the CPI instead of the PPI. It should be noted that revenue resulting from investments made under calls for tender in the Regional Transmission System - STR and in the National Transmission System - STN, will not be affected by the measure. Celsia S.A. and its subsidiaries adopted the measure as transmitters.

Measures for the generator:

- Resolution 101 029 of 2022, established the possibility of adjusting energy sale contracts, between generators and marketers, destined to the regulated and non-regulated markets, the measure is optional. The CREG clarified through a circular that the generators could offer different adjustment conditions depending on the market that benefits, additionally, it established the obligation to finance up to 20% of the income resulting from the exchange to the marketers that require it. The financing will be up to 20% of the invoiced amount between September and December 2022 and will be deferred for 18 months. Celsia S.A. and its subsidiaries took advantage of the measure as a generator.

## NOTE 47: **EVENTS AFTER THE REPORTING PERIOD**

Between 31 December 2022 and the date of issuance of the Group's consolidated financial statements, the following subsequent events considered significant and not subject to adjustment have occurred.

1) Effective 1 January 2023, Cementos Argos S.A. and its subsidiaries have modified the internal organizational structure such that the composition of the reportable operating segments has changed, resulting in a separation of the Caribbean Region into three operating segments, as follows: "Caribbean", "Central America" and "Trading", the two new operating segments (Central America and Trading) were presented in the consolidated financial statements of Cementos Argos S.A. as of 31 December 2022 as part of the "Caribbean and Central America" segment. The disclosed consolidated financial statements of Cementos Argos S.A. have no effect on measurement or presentation because of this change.

2) Celsia Colombia S.A. E.S.P. informs, on the issuance and placement program of ordinary bonds in the second market carried made on 11 January 2023, the Bolsa de Valores de Colombia S.A. authorized the registration of the first issuance under this program for $245,500 over a global quota of up to $400,000.

3) Odinsa S.A. informs that the Colombia Ministry of Transport issued Decree 0050 of 15 January 2023 by means of which it ordered, during the validity of the decree, not to increase the toll rates to vehicles that transit through the Colombian territory by the toll stations in charge of INVIAS and THE COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY. This decision was made unilaterally by the national government and was complied with by the Concesionario de Malla Vial del Meta. The non-increase of toll rates materialized the risks in charge of the Colombian National Infrastructure Agency as provided in Sections 3.4 and 13.3 of the General Part of the Concession Contract, which requires the entity to assume the negative economic effects of the non-increase, as well as the compensation in favor of said concessionaire. In accordance with the Decree issued and the Concession Contract, said concessionaire is currently assessing the applicable compensation mechanisms and, to determine their sufficiency, including the configuration of a cause for early termination of the Concession Contract.

4) On 2 February 2023, Grupo Argos. S.A. subscribed a credit operation for an approximate amount of $232,500 with Sumitomo Mitsui Banking Corporation (SMBC), for a term of four years, which will be amortized at maturity. The loan was entered at a very competitive variable interest rate, and interest will be paid semi-annually. Also, 8,000,000 shares of Grupo de Inversiones Suramericana S.A. were pledged as collateral for this credit operation.

5) On 18 January 2023, Grupo Argos. S.A. registered in the Chamber of Commerce the act 046 of the Shareholders' Meeting of the associate Promotora de Proyectos S.A., which was in the process of liquidation, by means of said registration its liquidation process was completed in accordance with the regulations in force.

6) On 21 February 2023, the Board of Directors of Cementos Argos S.A. approved to contribute 17,261,020 ordinary shares held in Grupo de Inversiones Suramericana S.A. to its subsidiary, Corporaciones e Inversiones del Mar Caribe S.A.S., a company whose sole shareholder is Cementos Argos S.A. Upon completion of this transaction, the Company expects to release approximately $670 billion pesos from the profit recorded in its separate financial statements, in the equity account called Other Comprehensive Income ("OCI"), leaving this amount in retained earnings and available to the shareholders. In the consolidated financial statements of Cementos Argos S.A. the OCI is not realized because it is a transaction between Group companies. Therefore, this realization has no effect on the separate financial statements, nor on the consolidated financial statements of Grupo Argos S.A.

To execute such transaction, it is required to advance a previous procedure before the Financial Superintendence of Colombia, and for the distribution of profits, the approval of the Shareholders' Meeting will also be required in a meeting after the ordinary meeting to be held in March of this year.

7) On 22 February 2023, the Company's Board of Directors authorized to start the implementation of the share repurchase program that was approved at the 2020 ordinary Shareholders' Meeting, and agreed to propose at the 2023 ordinary Shareholders' Meeting a new repurchase program for up to $500,000 in order to give continuity to the current program that expires in March 2023. To advance in the implementation of the repurchase program, the Board of Directors authorized the Company's management to determine the amount and the date on which the operations will be performed, as well as to define any other aspect that may be necessary to meet the objectives set forth by the Company, and to execute all the necessary acts to perfect the reacquisition operations.

The execution of the current repurchase program is expected to begin on 2 March 2023 and to end on 26 March 2023.

The combined amount of Grupo Empresarial Argos' repurchase proposals, including the projects announced by the Company and its subsidiaries Cementos Argos S.A. for $250,000 and Celsia S.A. for $300,000, could exceed COP 1 trillion pesos.