



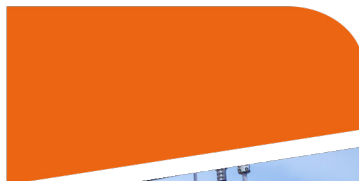
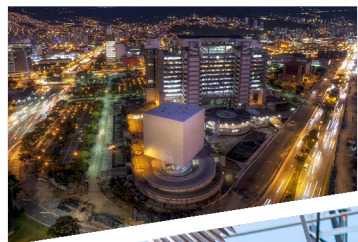
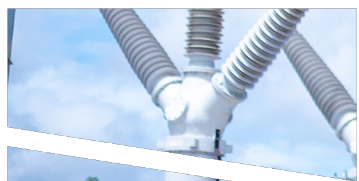
Sustainability Report 2022



Generating solutions that bring well-being,
we contribute to the achievement of the SDGs.

Grupo **epm**









Consolidated financial statements

Under Colombian
Generally Accepted
Accounting Principles
(NCIF)

December 31st, 2022 and 2021

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2022 and 2021

Figures expressed in millions of Colombian pesos

	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment, net	5	44,181,617	39,075,180
Investment property	6	190,574	167,329
Goodwill	7	3,693,266	3,218,802
Other intangible assets	7	3,405,647	2,846,369
Right-of-use assets	14	826,955	697,918
Investments in associates	10	1,153,598	1,393,915
Investments in joint ventures	11	17,166	24,054
Deferred tax asset	40	1,217,353	906,746
Trade and other receivables	12	2,441,171	1,534,443
Other financial assets	13	3,023,468	2,843,684
Other assets	16	331,706	285,165
Cash and cash equivalents (restricted)	18	89,065	70,550
Total non-current assets		60,571,586	53,064,155
Current assets			
Inventories	17	714,643	511,364
Trade and other receivables	12	7,504,762	7,626,019
Current tax assets	26	697,964	575,023
Other financial assets	13	1,047,473	1,004,346
Other assets	16	947,132	839,770
Cash and cash equivalents	18	4,038,679	4,019,511
Total current assets		14,950,653	14,576,033
Total assets		75,522,239	67,640,188
Debit balances of deferred regulatory accounts	30	56,115	136,282
Total assets and debit balances of deferred regulatory accounts		75,578,354	67,776,470
Equity			
Issued capital	19	67	67
Treasury shares	19	(52)	(52)
Reserves	19	2,518,114	2,416,297
Accumulated other comprehensive income	20	3,765,881	3,798,458
Retained earnings	19	19,212,331	18,125,734
Net profit for the period	19	3,845,458	3,039,783
Other components of equity	19	78,565	74,520
Equity attributable to owners of the Company		29,420,364	27,454,807
Non-controlling interests		1,566,502	1,295,378
Total equity		30,986,866	28,750,185

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As of December 31, 2022 and 2021
 Figures expressed in millions of Colombian pesos

	Notes	2022	2021
Liabilities			
Non-current liabilities			
Loans and borrowings	21	25,896,191	22,644,119
Creditors and others accounts payable	22	775,046	667,530
Other financial liabilities	23	888,992	1,037,843
Employee benefits	25	699,708	900,109
Income tax payable	40	33,351	33,351
Deferred tax liabilities	40	2,368,390	2,171,022
Provisions	27	1,240,474	1,089,354
Other liabilities	28	609,344	721,786
Total non-current liabilities		32,511,496	29,265,114
Current liabilities			
Loans and borrowings	21	3,594,078	3,121,673
Creditors and others account payable	22	4,586,525	3,970,341
Other financial liabilities	23	686,730	603,430
Employee benefits	25	390,895	310,639
Income tax payable	40	500,396	159,025
Taxes contributions and rates payable	26	511,280	480,022
Provisions	27	582,926	535,902
Other liabilities	28	1,210,328	539,255
Total current liabilities		12,063,158	9,720,287
Total liabilities		44,574,654	38,985,401
Deferred tax liabilities related to balances of deferred regulatory accounts	30	16,834	40,884
Total liabilities and credit balances of deferred regulatory accounts		44,591,488	39,026,285
Total liabilities and equity		75,578,354	67,776,470

The accompanying notes are an integral part of the Consolidated Financial Statements

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2022 and 2021

Figures expressed in millions of Colombian pesos

	Notes	2022	2021
Rendering of services	31	31,524,554	24,649,101
Sale of goods	31	55,457	74,594
Leases	31	148,397	107,952
Ordinary activities revenue		31,728,408	24,831,647
Other income	32	488,409	423,450
Income from sale of assets	33	5,652	1,832
Total revenue		32,222,469	25,256,929
Costs of services rendered	34	(20,687,461)	(16,739,661)
Administrative expenses	35	(2,330,073)	(2,217,684)
net impairment loss on accounts receivable	12	(1,106,405)	(401,045)
Other expenses	36	(138,511)	(186,272)
Finance income	37.1	397,903	153,186
Finance expenses	37.2	(2,284,882)	(1,430,845)
Net foreign exchange difference	38	(103,086)	(20,922)
Share of loss of equity accounted investees	10 and 11	(237,266)	(269,896)
Gain on equity investments	39	70,722	124,050
Profit for the period before taxes		5,803,410	4,267,840
Income tax	40	(1,610,791)	(1,074,627)
Profit for the period after taxes		4,192,619	3,193,213
Net movement in balances of net regulatory accounts related to the result of the period	30	(97,743)	126,824
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period	30	30,625	(38,391)
Profit for the period and net movement in deferred tax related to deferred regulatory accounts		4,125,501	3,281,646
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Reclassification of properties, plant and equipment to investment properties	20	-	187
Remeasurement of defined benefit plans	20	126,956	158,695
Equity investments measured at fair value through equity	20	(131,035)	(322,482)
Equity accounted investees - share of OCI	10 and 20	(2,714)	9,535
Income tax related to components that will not be reclassified	20 and 40	(349,496)	(48,232)
		(356,289)	(202,297)
Items that will be reclassified subsequently to profit or loss:			
Cash flow hedges:			
Reclassified to profit or loss for the period	20	(595,470)	(513,965)
Reclassification Adjustment		329,799	375,323
		(925,269)	(889,288)
Exchange differences on translation of foreign operations	20	840,297	282,638
Equity accounted investees - share of OCI	10 and 20	3,347	11,121
Hedges of net investments in foreign operations		(216,145)	(61,509)
Income tax related to the components that may be reclassified	20 and 40	288,033	209,275
		320,062	(72,440)
Other comprehensive income for the period, net of taxes		(36,227)	(274,737)
Total comprehensive income for the period		4,089,274	3,006,909
Result for the period attributable to:			
Owners of the company		3,845,458	3,039,783
Non-controlling interest		280,043	241,863
		4,125,501	3,281,646
Total comprehensive income attributable to:			
Owners of the company		3,813,031	2,758,357
Non-controlling interest		276,243	248,552
		4,089,274	3,006,909

The accompanying notes are an integral part of the Consolidated Financial Statements

Jorge Andrés Carrillo Cardoso
General Manager
Certification AttachedMartha Lucía Durán Ortiz
Executive Vice-President of Finance
and InvestmentsJohn Jaime Rodríguez Sosa
Director of Accounting and Costs
Professional Card N° 144842-T
Certification Attached

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 Years ended December 31, 2022 and 2021
 Figures expressed in millions of Colombian pesos

	Other comprehensive income												Attributable to Owners of the Company	Non-controlling interests	Total
	Issued capital	Treasury shares	Reserves	Retained earnings	Other equity components	Equity investments	Defined benefit plans	Cash flow hedges	Hedges of net investments in foreign operations	Exchange differences on translation of foreign operations	Reclassification of properties, plant and equipment to investment property	Accumulated participation in other comprehensive income of associates and joint ventures business			
	Note 19.1		Note 19.2	Note 19.3		Note 20.3	Note 20.2	Note 20.5	Note 20.6	Note 20.7	Note 20.1	Note 20.4		Note 19.5	
Balance at January 1, 2021	67	(52)	2,298,987	19,642,461	71,537	3,388,605	(110,504)	(37,900)	-	831,287	12,255	(3,867)	26,092,876	1,034,317	27,127,193
Net result of the period	-	-	-	3,039,783	-	-	-	-	-	-	-	-	3,039,783	241,863	3,281,646
Other comprehensive income of the period, net of income tax	-	-	-	-	-	(324,555)	101,836	(304,690)	(61,509)	286,698	139	20,655	(281,426)	6,689	(274,737)
Comprehensive income for the period	-	-	-	3,039,783	-	(324,555)	101,836	(304,690)	(61,509)	286,698	139	20,655	2,758,357	248,552	3,006,909
Surpluses or dividends decreed	-	-	-	(1,396,953)	-	-	-	-	-	-	-	-	(1,396,953)	(107,744)	(1,504,697)
Movement of reserves	-	-	117,311	(117,311)	-	-	-	-	-	-	-	-	-	-	-
Transfers to retained earnings	-	-	-	-	-	-	2	-	-	-	-	-	-	-	2
Income tax related to transactions with owners	-	-	-	(2,814)	-	-	-	-	-	-	-	-	(2,814)	(2,692)	(5,506)
Equity method on variations in equity	-	-	-	-	3,003	(20)	(58)	-	-	-	-	-	3,003	-	3,003
Otro movimiento del periodo	-	-	(1)	351	(20)	(13)	(58)	-	-	-	77	-	336	122,945	123,281
Balance at December 31, 2021	67	(52)	2,416,297	21,165,517	74,520	3,064,037	(8,724)	(342,590)	(61,509)	1,117,985	12,471	16,788	27,454,807	1,295,378	28,750,185
Balance at January 1, 2022	67	(52)	2,416,297	21,165,517	74,520	3,064,037	(8,724)	(342,590)	(61,509)	1,117,985	12,471	16,788	27,454,807	1,295,378	28,750,185
Net result of the period	-	-	-	3,845,458	-	-	-	-	-	-	-	-	3,845,458	280,043	4,125,501
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(433,769)	73,258	(307,437)	(216,145)	851,032	-	634	(32,427)	(3,800)	(36,227)
Comprehensive income for the period	-	-	-	3,845,458	-	(433,769)	73,258	(307,437)	(216,145)	851,032	-	634	3,813,031	276,243	4,089,274
Surpluses or dividends decreed	-	-	-	(1,850,775)	-	-	-	-	-	-	-	-	(1,850,775)	(195,339)	(2,046,114)
Movement of reserves	-	-	101,816	(101,816)	-	-	-	-	-	-	-	-	-	-	-
Purchases and sales to non-controlling interests	-	-	-	(30)	-	-	-	-	-	-	-	-	(30)	30	-
Transfers to retained earnings	-	-	-	149	-	(11)	-	-	-	-	(139)	-	(1)	-	(1)
Equity method on equity variations	-	-	-	-	4,045	-	-	-	-	-	-	-	4,045	-	4,045
Other movement of the period	-	-	1	(714)	-	-	-	-	-	-	-	-	(713)	190,190	189,477
Balance at December 31, 2022	67	(52)	2,518,114	23,057,789	78,565	2,630,257	64,534	(650,027)	(277,654)	1,969,017	12,332	17,422	29,420,364	1,566,502	30,986,866

The accompanying notes are an integral part of the Consolidated Financial Statements

Jorge Andrés Carrillo Cardoso
General Manager
Certification Attached

Martha Lucía Durán Ortiz
Executive Vice-President of Finance
and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
Professional Card N° 144842-T
Certification Attached

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
Figures expressed in millions of Colombian pesos

	Notes	2022	2021
Cash flows from operating activities:		4,125,501	3,281,646
Adjustments to reconcile the net profit for the period to the net cash flows used in operating activities:			
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	34 and 35	1,524,883	1,353,687
Impairment of property, plant and equipment, right of use assets and intangible assets	8	88,647	10,004
Net impairment loss on accounts receivable	12	1,106,405	401,046
Reversal loss of impairment of property, plant and equipment value, right-of-use assets and intangible assets	8	(117)	(47,969)
Impairment of investments in associates and joint ventures	8	6,420	-
Write-down of inventories, net	34 and 36	2,023	2,918
Result due to exchange difference	38	103,086	20,922
Result due to valuation of investment property	32 and 36	(20,383)	142
Result for valuation of financial instruments and hedge accounting	37.1 y 37.2	25,353	178,636
Result of compensation for activities associated with investment flow		-	(159)
Provisions, post-employment and long-term defined benefit plans	35	317,572	499,411
Provisions for tax, insurance and reinsurance obligations and financial updating	35 and 37.2	86,223	34,368
Applied Government subventions	32	(119,985)	(119,831)
Deferred income tax	40	(152,669)	159,076
Current income tax	40	1,763,460	915,551
Share of loss of equity-accounted investees	10 and 11	237,266	269,896
Interest and yield income	37.1	(293,616)	(122,232)
Interest and commission expenses	37.2	2,069,530	1,199,044
Result due to disposal of properties, plant and equipment, right-of-use assets, intangibles and investment property	33 and 36	(5,084)	(833)
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments	33 and 36	51,865	30,251
Non-cash recoveries	32	(117,643)	(98,481)
Result of deferred regulatory accounts	30	67,117	(88,434)
Result from business combinations		-	10,039
Dividend income from investments	13	(77,059)	(134,089)
		10,788,712	7,754,609
Net changes in operating assets and liabilities:			
Change in inventories		(195,929)	(33,870)
Change in trade and other receivables		(3,327,709)	(1,426,647)
Change in other assets		(562,298)	(576,889)
Change in creditors and other accounts payable		639,967	844,614
Change in labor obligations		25,369	(7,446)
Change in provisions		(375,632)	(192,949)
Change in other liabilities		1,040,968	417,780
Cash generated from operating activities		8,033,448	6,779,202
Interest paid		(1,885,286)	(1,501,384)
Income tax paid		(1,402,809)	(1,051,369)
Income tax refund		(1,576)	52,848
Net cash provided by operating activities		4,743,777	4,279,297
Cash flows from investing activities:			
Acquisition and capitalization of subsidiaries or businesses		-	(10,039)
Purchase of property, plant and equipment	5	(4,952,635)	(4,256,108)
Disposal of property, plant and equipment	5	36,677	12,359
Purchase of intangible assets	7	(529,382)	(331,400)
Disposal of intangible assets	7	10,215	2,138
Acquisition of investment properties	6	-	(280)
Disposal of investment properties		802	-
Disposal of associates and joint ventures		122	-
Purchase of investments for financial assets	13 and 24	(385,474)	(734,148)
Disposal of investments in financial assets	13	841,957	2,735,146
Interest received		274	1,040
Dividends received from associates and joint business	10	8,167	19,073
Other dividends received	13	76,981	134,089
Compensation received	5	2,521,064	694,919
Other cash flows from investment activities		(8,929)	29,615
Net cash flow used in investing activities		(2,380,161)	(1,703,596)
Cash from financing activities:			
Obtaining of borrowings and loans	21	3,797,929	4,816,759
Payments of borrowings and loans	21	(3,516,017)	(5,701,677)
Transaction costs due to issuance of debt instruments	21	(26,617)	(44,163)
Payments of liabilities for financial leasing	23	(63,672)	(76,052)
Dividends or surpluses paid to Medellín Municipality	19 and 41	(1,850,775)	(1,396,953)
Dividends or surplus paid to non-controlling interests	9	(172,661)	(52,702)
Capital subventions		317	2,662
Payments of capital of derivatives designated as cash flow hedges		37,233	22,985
Payment of pension bonds	23	(61,475)	(47,249)
Other cash from financing activities		(4,320)	14,103
Net cash flows provided / (used in) by financing activities		(1,860,058)	(2,462,287)
Net increase in cash and cash equivalents		503,558	113,414
Effects of variations in exchange rates in the cash and cash equivalents		(465,876)	(121,317)
Cash and cash equivalents at beginning of the period	18	4,090,062	4,097,964
Cash and cash equivalents at end of the year	18	4,127,744	4,090,061



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Grupo EPM

for the periods ended December
31st, 2022 and 2021

(In millions of Colombian pesos, unless
otherwise indicated)

Note 01.

Reporting entity

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter "EPM Group" or "The Group") is the parent company of a multi-Latin business group made up of 44 companies and four structured entities¹; with presence in the rendering of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.

Empresas Públicas de Medellín ESP (hereinafter EPM), the parent company of the "EPM Group", is a decentralized entity of the municipal order, created in Colombia through Agreement 58 of August 6, 1955, of the Administrative Council of Medellín, as an autonomous public establishment. It was transformed into an industrial and commercial company of the State of municipal order, by Agreement 069 of December 10,

1997, of the Council of Medellín. Due to its legal nature, EPM is endowed with administrative and financial autonomy and own equity, in accordance with Article 85 of Law 489 of 1998. The capital with which it was established and operates, as well as its equity, is public nature, being its sole owner of the municipality of Medellín. Its main address is at Carrera 58 No. 42-125 in Medellín, Colombia. It does not have an established term of duration.

EPM provides residential public services of aqueduct, sewage, energy, and distribution of fuel gas. It can also provide the residential public services of cleaning, treatment, and use of garbage, as well as the complementary activities of one of these public services.

¹ Autonomous Estates of Social Financing of EPM, CHEC, EDEQ, ESSA, CENS and Credieegsa S.A. Under International Financial Reporting Standards -IFRS adopted in Colombia, they are considered structured entities that are part of the perimeter of consolidation of financial statements of Grupo EPM.

The Group offers its services through the following segments, whose activities are described in Note 47. Operating segments: Electricity Generation, Distribution and Transmission; Distribution and Commercialization of Natural Gas; Water supply; Wastewater Management; Solid Waste Management. Additionally, the Others Segment includes participation in the telecommunications business,

through the associate UNE EPM Telecomunicaciones S.A. and its subsidiaries: Edatel S.A. E.S.P., Orbitel Servicios Internacionales S.A. - OSI, Cinco Telecom Corporation - CTC, and Colombia Móvil S.A.; and the associate Inversiones Telco S.A.S. and its subsidiary Emtelco S.A.; offering voice services, data, Internet, professional services, data center, among others.

The consolidated financial statements of the Group for the period ended December 31, 2022, were authorized by the Board of Directors for publication on March 27, 2023.

Legal and regulatory framework

The activities carried out by the EPM Group, provision of residential public services, are regulated in Colombia, Chile, El Salvador, Guatemala, Mexico, and Panama. The most significant regulatory aspects that apply to it are:

1.1. Regulations for Colombia

The activity carried out by EPM Group, provision of home public services in Colombia, is mainly regulated by Law 142 of 1994, Law of Home Public Services, and Law 143 of 1994, Electricity Law. For the electricity sector, Law 1715 of 2014 (development and use of non-conventional energy sources) and Law 2099 of 2021 (provisions for energy transition) stand out.

The control, inspection, and surveillance functions of the entities that provide residential public services are exercised by the Superintendence of Residential Public Services (SSPD, for its Spanish initials). For purposes of protection of competition and personal data, the Superintendence of Industry and Commerce carries out surveillance and control tasks.

As an issuer of Bonds, EPM is subject to the control of the Financial Superintendence of Colombia under Decree 2555 of 2010, by which the regulations regarding the financial, insurance, and stock market sectors are collected and reissued and other provisions are issued, establishing that the SIMEV is the set of human, technical and management resources that the Financial Superintendence of Colombia will use to allow and facilitate the provision of information to the market. Within these tools, is the National Registry of Securities and Issuers - RNVE, whose purpose is to have a record of the issuers of securities and the issues they carry out. When issuing bonds, EPM is subject to the control of this Superintendence and to the regulations that for financial information purposes are requested by its issuance, especially External Circular 038 of 2015 whose reference is: Modification to the terms for the transmission of the Interim Quarterly and Year-End Financial Statements under IFRS adopted in Colombia, Individual or Separate and Consolidated and their report in XBRL language (*extensible Business Reporting Language*) and unification of the instructions contained in External Circulars 007 and 011 of 2015.

For accounting purposes, the Company is governed by the accounting standards issued by the National Accounting Office, these standards are based on the IFRS issued by the IASB, as well as the interpretations issued by the IFRIC, as described in the accounting policies section.

For administering the health service as employee benefits, the figure of the Adapted Health Company, is supervised by the National Health Superintendence.

As a decentralized municipal entity, EPM is subject to the political control of the Administrative Council of Medellin, the fiscal control of the Medellin General Comptroller's Office, and the disciplinary control of the Office of the Attorney General of the Nation.

1.1.1. Regulation commissions

La Law 142 of 1994, in its articles 68 and 69, delegates to the regulation commissions the presidential function of establishing general policies for administration and control of efficiency in residential public services.

These entities are the following:

- The Energy and Gas Regulation Commission (CREG for its Spanish initials), a technical department attached to the Ministry of Mines and Energy (MME), which regulates energy sales rates and aspects related to the operation of the Wholesale Energy Market (MEM) and, more generally, with the provision of electric energy, fuel gas and liquid fuel services..
- The Commission for the Regulation of Drinking Water and Basic Sanitation (CRA for its Spanish initials) regulates the rates of aqueduct, sewerage and cleaning and their conditions of provision in the market. It is a special administrative unit, attached to the Ministry of Housing, City and Territory.

1.1.2. Regulation by sector

1.1.2.1. Activities of the aqueduct, sewage and sanitation sector

Law 142 of 1994, Public Services Law, defined water, sewage and cleaning services:



Aqueduct: also called home public drinking water service. Activity that consists of the municipal distribution of water suitable for human consumption, including its connection and measurement. Includes complementary activities such as water collection and processing, treatment, storage, conduction, and transportation.



Sewerage: an activity that consists of the municipal collection of waste, mainly liquid, through pipes and conduits. Includes complementary activities of transport, treatment and final disposal of such waste.



Cleaning: an activity that consists of the municipal collection of waste, mainly solid. Includes complementary activities of transport, treatment, use and final disposal of such waste.

For the first two services, the tariff framework is established in Resolutions CRA 688 of 2014, 735 of 2015, 821 of 2017 and 908 of 2019, compiled in Resolution CRA 943 of 2021. For the public sanitation service, in resolution CRA 720 of 2015, compiled in Resolution CRA 943 of 2021. These regulations establish quality and coverage indicators, encourage compliance with goals and define remuneration mechanisms to guarantee the financial sufficiency of the company.

1.1.3. Activities of the electricity sector

Law 143 of 1994 segmented the electric power service into four activities: generation, transmission, distribution and commercialization, which can be developed by independent or integrated companies in the terms defined in article 298 of Law 1955 of 2019. The legal framework aims to supply the demand for electricity under economic criteria and financial viability and promote an efficient, safe and reliable operation of the sector.

- **Generation:** consists of the production of electricity from different sources (conventional or non-conventional), whether that activity is carried out exclusively or in combination with one or more other activities in the electricity sector, whichever of them is the main activity.
- **Transmission:** the national transmission activity is the transport of energy in the National Transmission System (hereinafter STN for its initials in Spanish). It is made up of a set of lines, with their corresponding connection equipment, which operate at voltages equal to or greater than 220 kV. The National Transmitter is the legal entity that operates and transports electricity in the STN or has established a company whose purpose is the development of that activity.
- **Distribution:** consists of transporting electrical energy through a set of lines and substations, with their associated equipment, which operate at voltages less than 220 kV.

- **Commercialization:** an activity consisting of the purchase of electricity in the wholesale market and its sale to other market agents or to regulated and non-regulated end users, whether this activity is carried out exclusively or combined with other activities in the electricity sector, whichever is the main activity.

1.1.4. Natural gas sector activities

Law 142 of 1994 defined the legal framework for the provision of home public services, an area in which the home public service of fuel gas is defined as:

Set of activities related to the distribution of fuel gas, by pipeline or other means, from a large volume storage site or from a central gas pipeline to the installation of a final consumer, including its connection and measurement. This Law will also apply to complementary commercialization activities from the production and transportation of gas through the main gas pipeline, or by other means, from the generation site to the one where it is connected to a secondary network.

1.2. Regulations for Chile

1.2.1. Health sector activities

The Sanitary Sector is constituted by a set of entities whose functions are related to the services of production and distribution of drinking water and collection and disposal of wastewater, that is, the companies in charge of providing said services and the Superintendence of Services. Sanitary, the regulatory and supervisory body of this sector.

1.2.2. Regulatory framework

In the current regulations scheme, where the normative and supervisory function of the State is separated from the production function, the Superintendence of Sanitary Services is created, a regulatory and supervisory entity of the sector. This agency is a decentralized entity with legal personality and its assets, subject to the supervision of the President of the Republic through the Ministry of Public Works. It exercises the regulatory and supervisory functions of the activity of the companies that operate in this sector.

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The legal framework of the Chilean health sector is mainly made up of:

- Law of the Superintendence of Sanitary Services - Law 18,902 of 1990 (Modified by Law No. 19,549 of 1998 and Law No. 19,821 of 2002 and Law No. 20,417 of 2010): creates the Superintendence of Sanitary Services as a functionally decentralized service, with legal personality and its own assets, subject to the supervision of the President of the Republic through the Ministry of Public Works..

The Superintendence of Sanitary Services will be responsible for supervising the providers of sanitary services, compliance with the regulations related to sanitary services and the control of industrial liquid waste that is linked to the benefits or services of the sanitary companies, being able to ex officio or at the request of any interested party, to inspect the sanitary infrastructure works carried out by the providers.

- Decree with Force of Law, of 1988, of the Ministry of Public Works, General Law of Sanitary Services.
- Regulation of the General Law of Sanitary Services, Supreme Decree (DS for its initials in Spanish) of the Ministry of Public Works (MOP for its initials in Spanish) No. 1199, Dec/2004 - Published in the Official Gazette (DO for its initials in Spanish) on Nov 9, 2005: approves the regulation of the Sanitary concessions for the production and distribution of drinking water and the collection and disposal of sewage and the standards on quality of care for users of these services.
- Sanitary services tariff law: Decree with Force of Law MOP No. 70 of 1988 - Published in DO 30-Mar-1988 (modified by Law No. 19,549 of 1998 and Law No. 21,075 of 2018).
- Supreme Decree No. 453, of 1990, of the Ministry of Economy, Regulation of the Sanitary Services Tariff Law.

- Supreme Decree No. 214, of 2005, of the Ministry of Public Works, establishes the requirements to which the public bidding processes to which sanitation providers are obliged must comply, by virtue of the provisions of article 67 of the General Law of Services Sanitary.
- Water Code and its amendments: DFL No. 1,122 regulates the ownership and the right to use water. The latest amendments are: Law No. 20,017 of 2005, Law No. 20,099 of 2006, Law No. 20,304 of 2008, Law 20,417 of 2010, Law No. 20,697 of 2013 and Law No. 21,064 of 2018
- Regulation of Residential Drinking Water and Sewage Installations - DS MOP No. 50 of January/2003 (amended by DS MOP No. 669 of 2009).

1.2.3. Regulatory entities

Some of the main regulatory entities for the sanitation sector (drinking water and sewage) in Chile are:

- Ministry of Public Works (MOP): grants concessions and promotes water supply and sanitation in rural areas through its Department of Sanitation Programs. Apart from its own functions, in relation to the health sector, it is responsible for the administration of legislation on water resources, the allocation of water rights and the approval of concession rights to establish, build and operate sanitary services.
- Superintendence of Sanitary Services (SISS for its initials in Spanish): Chilean State agency that regulates and oversees companies that provide drinking water services and the collection and treatment of wastewater for the urban population.
- Ministry of Health: Monitors the quality of water in the sanitary services that are not under the jurisdiction of the Superintendence (which are not public sanitary services) and makes official the quality standards studied under the provisions of the National Institute for Standardization.
- Ministry of Economy, Development and Tourism: Designs and monitors the implementation of public policies that affect the country's competitiveness; promotes and controls activities in the sectors of industry, services and commerce. Its main lines of

action are related to the design and promotion of Innovation and Entrepreneurship Policies. In relation to the health sector, it is the setting of regulated prices, at the proposal of the Superintendence

- The General Head of Waters (DGA for its initials in Spanish): is the State agency in charge of managing, verifying and disseminating the country's water information, especially regarding its quantity and quality, the natural and legal persons who are authorized to use it, the works existing hydraulics and their safety ; with the purpose of contributing to a greater market competitiveness and safeguarding legal and water certainty for the country's sustainable development.

1.3. Regulations for El Salvador

In El Salvador, a restructuring process of the electricity sector was developed, which materialized in a legal and institutional framework that aims to promote competition and the necessary conditions to ensure the availability of an efficient energy supply, capable of supplying the demand under technical, social, economic, environmental, and financial viability, criteria.

In the 1990s, El Salvador promoted a reform process in the energy sector that consisted of the restructuring of the hydrocarbon and electricity sectors, the privatization of most of the state companies that provided energy goods or services, and the deregulation of the markets.

1.3.1. Regulatory framework

The legal framework of the Salvadoran electricity sector is made up of the Law for the Creation of the General Superintendence of Electricity and Telecommunications (SIGET for its initials in Spanish), issued through Legislative Decree 808 of September 12, 1996, which gave legal life to the regulatory entity; as well as by the General Electricity Law (LGE for its initials in Spanish), issued through Legislative Decree 843 of October 10, 1996, and by the Regulations of the General Electricity Law, established through Executive Decree 70 of July 25, 1997, including its modifications.

As a result of the restructuring process of the electricity sector, the Transactions Unit SA (UT for its initials in Spanish), which manages the Wholesale Electricity Market, and the Transmission Company of El Salvador (ETESAL for its initials in Spanish) were created, while the distribution companies were privatized, as well as thermal generation. In addition, hydroelectric and geothermal generation activities were separated.

1.3.2. Regulatory entities

Some of the main regulatory entities at the energy field in El Salvador are:

- Ministry of Economy (MINEC for its initials in Spanish): Central Government institution whose purpose is to promote economic and social development by increasing production, productivity and the rational use of resources. Its responsibilities include defining the country's trade policy, monitoring and promoting Central American economic integration, and heading the National Energy Council. It also contributes to the development of competition and competitiveness of productive activities, both for the internal and external markets.
- General Superintendence of Electricity and Telecommunications (SIGET): is an autonomous non-profit public service institution. Said autonomy includes the administrative and financial aspects and is the competent entity to apply the norms contained in international treaties on electricity and telecommunications in force in El Salvador, as well as in the laws that govern the electricity and telecommunications sectors and their regulations, in addition to knowing of non-compliance with them.
- Transactions Unit (UT): one of its functions is to manage the wholesale electricity market and operate the transmission system, maintaining safety and quality and providing market operators with satisfactory answers for the development of their activities transparently and efficiently. Likewise, it coordinates with the Regional Operator Entity (EOR) the energy transactions carried out by El Salvador with other countries at the Central American and international levels. Finally, it determines responsibilities in case of system failures.
- General Directorate of Energy, Hydrocarbons and Mines (DGEHM for its Spanish initials): Its functions are the formulation, adoption, monitoring and evaluation of compliance with policies, plans and

regulations of the energy, hydrocarbons and mining sectors. Likewise, it will authorize, regulate and supervise (including surveillance, oversight, evaluation, inspection and control) the operation of those participating in the activities of these sectors. The Directorate is empowered to prepare the Energy Policy, establish strategies and indicative plans for the short, medium and long term. Formulating, adopting, directing and coordinating the policy on generation, transmission, distribution and commercialization of electric energy.

- National Energy Council (CNE for its initials in Spanish): The CNE is the superior, guiding and regulatory authority of energy policy whose objectives are to develop the National Energy Policy and short, medium and long-term energy planning; promote the existence of regulatory frameworks to promote investment and development of the energy sector, monitor the proper functioning of energy markets; promote the rational use of energy; develop and expand renewable energy resources and promote the integration of regional energy markets.
- The Regional Electricity Interconnection Commission (CRIE for its Spanish initials) is the regulatory and normative entity of the Regional Electricity Market, with its own legal personality, international public law capacity, economic independence, functional independence and technical specialty. The CRIE is part of the Central American Integration System (SICA).
- Regional Operating Entity (EOR for its Spanish initials) Among its functions is to propose to the CRIE the procedures for the operation of the Market and the use of the regional transmission networks, ensure that the operation and regional dispatch of energy is carried out with economic criteria, seeking to achieve adequate levels of safety, quality and reliability, carry out the commercial management of transactions between Market agents, support, through the provision of information, the processes of evolution of the Market, formulate the indicative expansion plan of generation and regional transmission, providing for the establishment of regional reserve margins and make it available to the Market agents.

1.4. Regulations for Guatemala

The Political Constitution of the Republic of Guatemala of 1985 declared the electrification of the country a national urgency, based on plans formulated by the State and the municipalities, in a process that could count on the participation of private initiative.

1.4.1. Regulatory framework

With the Political Constitution as a legal basis, in 1996 the General Electricity Law (Decree No. 93-96) was decreed, by means of which the fundamental legal norms were established to facilitate the performance of the different sectors of the electrical system.

1.4.2. Regulatory entities

Some of the main regulatory entities at the energy field in Guatemala are:

- Ministry of Energy and Mines: it is the most important Guatemalan government entity in the electricity sector. It is responsible for enforcing the General Electricity Law and related regulations, as well as coordinating policies between the National Electric Energy Commission (CNNE for its initials in Spanish) and the Wholesale Market Administrator (AMM for its initials in Spanish). This government agency also has the authority to grant authorization permits for the operation of distribution, transmission and generation companies.
- National Electric Energy Commission (CNNE): The Guatemalan electricity sector is regulated by the CNEE, a regulatory entity created in accordance with the General Electricity Law, as a technical body of the Ministry of Energy and Mines and subordinate to it. It is made up of three members appointed by the President of the Republic from short lists proposed by the rectors of the universities, the Ministry of Energy and Mines and the agents of the Wholesale Market. The duration of each board of directors is five years.

- Wholesale Market Administrator (AMM): is the entity in charge of managing the Guatemalan Wholesale Market, a private entity created by the General Electricity Law, which coordinates the operation of generation facilities, international interconnections and transmission lines that make up the National Interconnected System. Likewise, it is responsible for the safety and operation of the system by carrying out an economically efficient dispatch and managing electricity resources, in such a way as to minimize operating costs, including failure costs, within the restrictions imposed by the electricity system. transmission and quality of service requirements. Also, the AMM is in charge of programming the supply and dispatch of electricity. The regulations of the AMM are subject to the approval of the CNNE. If a generation, transmission, distribution company or an electricity agent or large user does not operate its facilities in accordance with the regulations established by the AMM, the CNNE has the ability to sanction it with fines and, in the event of a serious violation, may require you to disconnect from the National Interconnected System.

1.5. Regulations for Mexico

1.5.1. Regulatory framework of the water and sanitation sector

At the state level, each of the 32 federal entities has its respective water laws, with substantially the same purposes despite the various denominations. Modifications to state legislation associated with the provision of water and sanitation services derived mainly from a series of initiatives promoted by the National Water Commission (CONAGUA for its initials in Spanish) in the 1990s.

The National Water Commission (CONAGUA) is an administrative, regulatory, technical, advisory and decentralized body of the Ministry of the Environment and Natural Resources (Semarnat for its initials in Spanish) created in 1989, with the mission of preserving national waters and their inherent public goods for its sustainable administration and guarantee water security with the responsibility of government orders and society in general.

Various instances at the federal, state and municipal levels, as well as associations of users, companies and institutions of the private and social sector that work together with CONAGUA.

This is how the evolution that since then and until the beginning of this decade has experienced the state legal regime in matters of water and sanitation is summarized:

- Reforms of 1983 to Article 115 of the Constitution, with which the municipal nature of water and sanitation services was ratified and strengthened, which made it necessary to guide the role of state authorities in this matter to assign them a subsidiary role and to some extent regulatory.
- Government policies established to promote the creation of decentralized bodies (creation decrees) of the Municipal Administration, with the technical capacity and administrative and financial autonomy necessary for the efficient provision of services, together with the introduction of private sector participation schemes.
- Greater participation of the state authorities in the administration of national waters, through agreements that, in accordance with the provisions of Article 116 of the Constitution, the federation can sign with the state governments, so that the latter carry out or exercise different tasks or attributions, of exclusive competence of the federal government. This possibility was further reinforced by the amendments and additions to the National Water Law that came into force in 2004.
- On March 23, 2021, the Chamber of Deputies approved reforms to the National Water Law, which aims to establish the National Water Program that includes sustainable use, savings and efficient use, which will ensure the availability of the liquid.

The report, which adds a second paragraph to section III of article 9 and reforms section VIII of article 14 Bis 3 of the aforementioned legal system, sent to the Senate for its constitutional effects, adds that the development and implementation of alternative systems of use and capture of rainwater. It includes actions for sustainable development, saving and efficient use of water, and will assist in scientific research and technological development.

1.5.2. Regulatory entities

Some of the main regulatory entities in the sanitation sector in Mexico are:

- The Committee of the Environment and Natural Resources (SEMARNAT): in the different fields of society and the public function, it incorporates criteria and instruments that ensure optimal protection, conservation and use of the country's natural resources, thus forming a comprehensive environmental policy and inclusive that allows achieving sustainable development, provided that they are not expressly entrusted to another dependency; likewise, in terms of ecology, environmental sanitation, water, environmental regulation of urban development and fishing activity, with the corresponding participation of other dependencies and entities.
- National Water Commission (CONAGUA): with the participation of society, it manages and preserves national waters, to achieve the sustainable use of the resource with the co-responsibility of the three orders of government and society in general. It constitutes an authority with technical quality and promoter of government orders in the integrated management of water resources and their inherent public goods and protects water bodies to guarantee sustainable development and preserve the environment.
- Mexican Institute of Water Technology: is a public research and technological development center that works in the various areas of water resource management, in the areas of basic and applied research, technology development and transfer, specialized advice, training of human resources, dissemination and dissemination of knowledge to help protect and conserve the country's water resources.
- Federal Office for Environmental Protection: Its main task is to increase the levels of compliance with environmental regulations, in order to contribute to sustainable development and enforce environmental laws.
- Secretary of Welfare, (formerly Secretary of Social Development): defines the commitments of the administration to advance in the achievement of effective social development. Formulates and coordinates the solidarity and subsidiary social policy of the federal government, oriented towards the common good, and executes it in a co-responsible manner with society.

1.6. Regulations for Panama

El sector eléctrico en Panamá está dividido en tres áreas de actividades: generación, transmisión y distribución. El país tiene establecida una estructura reglamentaria para la industria eléctrica, basada en la legislación que se aprobó entre 1996 y 1998. Este marco crea un regulador independiente, la Autoridad Nacional de los Servicios Públicos (ASEP), y crea también un proceso transparente de fijación de tarifas para la venta de energía a clientes regulados.

1.6.1. Regulatory framework

The regulatory regime is mainly composed of the following rules:

- Law 6 of February 3, 1997: dictates the regulatory and institutional framework for the provision of public electricity service. It establishes the regime to which the activities of distribution, generation, transmission and commercialization of electrical energy will be subject.
- Law 57 of October 13, 2009: several modifications are made to Law 6 of 1997, among which are: the obligation of generating companies to participate in the processes of purchasing energy or power, the obligation for the Electric Transmission Company SA (ETESA for its initials in Spanish) to buy energy on behalf of the distributors, and the increase in the fines that the regulator can impose up to \$20 million balboas, while establishing the right of customers to refrain from paying for the portion they claim and grants a term of 30 days to claim before the regulator in case of not being satisfied with the response given by the distributor.
- Law 58 of May 30, 2011: the articles related to rural electrification are modified, among which are: the modification of the calculation of the subsidy that the Rural Electrification Office (OER for its initials in Spanish) must pay to the distributors for a period of 4 years (before it was paid for 20 years) and the creation of a rural electrification fund for 4 years, which will be made up of contributions from market agents that sell electricity and will not exceed 1% of their net income before taxes.

1.6.2. Regulatory entities

Some of the main regulatory entities at the energy field in Panama are:

- The Secretary of Energy: its mission is to formulate, propose and promote the national energy policy in order to guarantee the security of supply, the rational and efficient use of resources and energy in a sustainable manner, according to the National Development Plan. It is currently negotiating with the Electricity Transmission Company (ETESA for its initials in Spanish) the formation of an energy matrix with greater and more varied renewable and clean resources (wind, gas, among others).
- The National Public Services Authority (ASEP for its initials in Spanish): established in accordance with the 1996 Public Services Regulatory Entity Law. It is an autonomous entity of the Government with responsibility for regulating, controlling and supervising the provision of water and electricity services and sanitary sewage, telecommunications, radio and television, electricity and natural gas.

On February 22, 2006, by Decree Law 10, the Regulatory Entity of Public Services (ERSP for its initials in Spanish) was restructured and changed its name, for which since April 2006 it is known as ASEP, with the same responsibilities and functions that it had. the regulatory entity, but with a general administrator and an executive director, each appointed by the President of the Republic of Panama and ratified by the National Assembly. Likewise, it has three national directors under the authority of the general administrator, one for the electricity and water sector, one for the telecommunications sector and one for the user service sector. The national directors are responsible for issuing resolutions related to their respective industries and appeals to them are resolved by the general administrator as the final stage of the administrative process.

- The Planning Unit of the Electricity Transmission Company (ETESA): prepares the reference expansion plans and projects the global energy requirements and the ways to satisfy such requirements, including the development of alternative sources and establishing programs to conserve and optimize the energy use. Public service companies are required to prepare and submit their expansion plans to ETESA.

- The National Dispatch Center (CND): is operated by ETESA. Plans, supervises and controls the integrated operation of the National Interconnected System. Receives offers from generators that participate in the energy sales market (spot), determines energy spot prices, manages the transmission network and provides settlement values between suppliers, producers and consumers, among others.
- The Rural Electrification Office (OER): is responsible for promoting electrification in rural areas that are not served, are not profitable, and are not granted concessions.

Note 02.

Significant accounting policies

2.1. Basis for the preparation of the financial statements

The consolidated financial statements of the Group are prepared in accordance with the Accounting and Financial Information Standards Accepted in Colombia (NCIF) and adopted by the General Accounting Office of the Nation through Resolution 037 of 2017 and Resolution 056 of 2020, resolution 035 and 0197 of 2021 (hereinafter, IFRS adopted in Colombia). These accounting and financial reporting standards are based on International Financial Reporting Standards (hereinafter IFRS) issued by the International Accounting Standards Board, hereinafter IASB), as well as the interpretations issued by the Interpretations Committee (hereinafter IFRIC). These financial statements are harmonized with the generally accepted accounting principles in Colombia enshrined in the Appendix to Decree 2420 of 2015 and its subsequent amendments.

The presentation of the financial statements in accordance with the IFRS adopted in Colombia requires making estimates and assumptions that affect the amounts reported and disclosed in the financial statements, without undermining the reliability of the financial information. Actual results may differ from such estimates. Estimates and assumptions are constantly reviewed. The review of accounting estimates is recognized for the period in which they are reviewed if the review affects said period or in the review period and future periods. The estimates made by Management when applying the IFRS adopted in Colombia, which have a material effect on the financial statements, and those that imply significant judgments for the annual financial statements, are described in greater detail in Note 3 Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements.

EPM and each of the subsidiaries present separate or individual financial statements, as appropriate, for compliance with the control entities and for internal administrative monitoring and providing information to investors.

Assets and liabilities are measured at cost or amortized cost, except for certain financial assets and liabilities and investment properties that are measured at fair value. Financial assets and liabilities measured at fair value correspond to those that are classified in the category of assets and liabilities at fair value through results, some equity investments at fair value through equity, as well as all financial derivative assets and recognized liabilities that are designated as hedged items in a fair value hedge, whose carrying amount is adjusted for changes in fair value attributed to the hedged risks.

2.2. Currency of presentation

The consolidated financial statements are presented in Colombian pesos and their figures are expressed in millions of Colombian pesos.

The consolidated financial statements of the Group are presented in Colombian pesos, which is both the functional currency and the presentation currency of EPM, the Group's parent company. Each subsidiary of the Group determines its own functional currency and includes the items in its financial statements using that functional currency.

2.3. Basis of consolidation

The consolidated financial statements include the financial statements of EPM and its subsidiaries as of December 31, 2022 and 2021. Using the global integration method, EPM consolidates the financial results of the companies over which it exercises control, which are detailed in the Note 9 Investments in subsidiaries.

Control is obtained when any of the Group companies controls the relevant activities of the subsidiary, which are generally operating and financing activities, is exposed, or has rights, to the variable returns of the latter and has the ability to use its power on the subsidiary to influence its returns.

There is generally a presumption that a majority of the voting rights result in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances to assess whether it has power over an investee, including contractual arrangements with other voting holders of the investee, the rights derived from other contractual agreements and the voting rights of the Group as potential voting rights. The Group reassesses whether or not it controls the investee if the facts and circumstances indicate that there are changes in one or more of the three elements of control.

The information of all the companies of the Group was prepared using the same accounting policies of the Group, according to the IFRS adopted in Colombia.

For consolidation purposes, the financial statements of the subsidiaries are prepared under the Group's accounting policies and are included in the consolidated financial statements from the date of acquisition to the date on which the Group loses its control.

Assets, liabilities, equity, income, costs, expenses and intragroup cash flows are eliminated in the preparation of the consolidated financial statements; that is, those related to transactions between the Group Companies, including unrealized internal results, which are eliminated in full.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date it ceases to control the subsidiary.

When the Group loses control over a subsidiary, the assets (including goodwill), liabilities, non-controlling interest and other components of equity are derecognized; any residual participation that is retained is measured at fair value, the gains or losses arising from this measurement are recognized in the result of the period.

Non-controlling interests in the net assets of subsidiaries are presented separately from the Group's equity. Profit for the period and other comprehensive income are also attributed to non-controlling and controlling interests.

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

When the Group loses control over a subsidiary, the profit or loss is recognized in the statement of profit or loss and is calculated as the difference between the sum of the fair value of the consideration received and the fair value of any interest retained and the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interest. All amounts related to the subsidiary, previously recognized in other comprehensive income, are accounted for as if the Group had directly disposed of its related assets or liabilities (that is, reclassified to profit or loss or transferred to another category of equity as permitted, by the applicable IFRS and adopted in Colombia). The fair value of the investment retained in the former subsidiary on the date control is lost is considered as the fair value at initial recognition for subsequent measurement, either as an investment in a financial instrument or an investment in a joint venture or in an associate.

2.4. Classification of assets and liabilities as current or non-current

An asset is classified as a current asset when it is held primarily for trading purposes or is expected to be realized within a period not exceeding one year after the reporting period or is cash and cash equivalents that are not subject to restrictions on their exchange or for their use in settling a liability at least one year after the reporting period. All other assets are classified as non-current assets.

A liability is classified as a current liability when it is held primarily for trading purposes, or when it is expected to be settled within a period not exceeding one year after the reporting period, or when the Group does not have an unconditional right to postpone its liquidation for at least one year after the reporting period. All other liabilities are classified as non-current liabilities.

Derivative instruments that are not subject to hedge accounting are classified as current or non-current, or separated into current and non-current portions, based on an evaluation of the facts and circumstances (that is, the underlying contractual cash flows):

- When the Group maintains a derivative, to which hedge accounting is not applied, for a period of more than twelve (12) months from the presentation date, the derivative is classified as non-current (or divided into portions current and non-current) to correspond to the classification of the underlying item.
- Derivative instruments that are designated as hedging instruments and that are effective are classified consistent with the classification of the underlying hedged item. The derivative instrument is divided into a current and a non-current portion only if such allocation can be made reliably.

2.5. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and in the consolidated statement of cash flows include cash on hand and at banks and highly liquid investments, readily convertible into a determined amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition. Bank overdrafts that are an integral part of the Group's cash management represent a component of cash and cash equivalents in the consolidated statement of cash flows.

2.6. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence over financial and operating policy decisions, without having control or joint control.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities..

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

Investments in associates and joint ventures are measured in the consolidated financial statements by the equity method, except if the investment or a portion thereof is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Through this accounting methodology, the investment is initially recorded at cost and subsequently adjusted for post-acquisition changes in the investor's portion of the entity's net assets. The Group's profit or loss for the period includes its share of the investee's profit or loss for the period and the Group's other comprehensive income includes its

share of the investee's other comprehensive income. When there are changes in the percentages of ownership interest in the associate or joint venture that do not imply a loss of significant influence or joint control, the effect of these changes is recognized directly in equity. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in the associate or joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of future losses. Additional losses are recognized to the extent that the Group has incurred any legal or constructive obligations or made payments on behalf of the associate or joint venture. When the associate or joint venture subsequently earns profits, the company resumes recognizing its share of those profits only after its share of those profits equals its share of the unrecognized losses.

Investments in associates and joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or joint venture.

Dividends received from the associate or joint venture are recognized as a reduction in the value of the investment when the company's right to receive payment is established.

The Group periodically analyzes the existence of impairment indicators and if necessary, recognizes impairment losses on the investment in the associate or joint venture. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, being the higher of its value-in-use and its fair value less costs to sell, and its carrying amount.

When significant influence over the associate or joint control over the joint venture is lost, the Group measures and recognizes any residual investment in the associate or joint venture at fair value. The difference between the carrying amount of the associate or joint venture and the fair value of the retained residual investment, with the value arising from its sale, is recognized in profit or loss for the period.

The Group discontinues the use of the equity method from the date on which the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. In addition, the Group records all amounts previously recognized in other comprehensive income in respect of that associate or joint venture on the same basis as would have been required if that associate or joint venture sold the financial assets or liabilities directly. Therefore, if a gain or loss previously recognized in other comprehensive income by the associate or joint venture would have been reclassified to profit or loss upon the sale of the related assets or liabilities, the Group would reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) at the time it discontinues the use of the equity method.

2.7. Join operation

It is a joint arrangement whereby the parties with joint control of the arrangement have rights to the assets, and obligations for the liabilities, related to the arrangement.

In joint operations, the Group recognizes its participation as follows: its assets, including its participation in the assets held jointly; its liabilities, including its share of jointly incurred liabilities; its revenue from ordinary activities from the sale of its interest in the proceeds arising from the joint operation; its participation in the income from ordinary activities from the sale of the product carried out by the joint operation; and your expenses, including your share of expenses incurred jointly. The Group records the assets, liabilities, income from ordinary activities and expenses related to its participation in a joint operation in accordance with the guidelines applicable to assets, liabilities, income from ordinary activities and expenses.

2.8. Functional currency and foreign currency

The financial statements of the Group are presented in Colombian pesos, which is the functional and presentation currency of the parent company.

Transactions in foreign currency are initially recorded at the functional currency exchange rates in effect on the date of the transaction. Subsequently, monetary assets and liabilities in foreign currency are converted at the functional currency exchange rate in effect at the closing date of the period, non-monetary items that are measured at fair value are converted using exchange rates at the date on which their fair value is determined and the non-monetary items that are measured at historical cost are translated using the exchange rates in force at the date of the original transactions.

All exchange differences are recognized in income for the period, except for adjustments originating from capitalizable interest costs and from loans in foreign currency to the extent that they are considered as adjustments to interest costs.

For the presentation of the consolidated financial statements of the Group, the assets, and liabilities of the foreign businesses, including goodwill and any adjustment to the fair value of the assets and liabilities arising from the acquisition, are translated into Colombian pesos at the rate exchange rate in force at the closing date of the reporting period. Revenues, costs and expenses and cash flows are translated at the average exchange rates for the period.

Exchange differences arising from the conversion of foreign operations are recognized in other comprehensive income, as are exchange differences on long-term accounts receivable or payable that are part of the net investment in the Foreign. In the disposal of the foreign business, the item of other comprehensive income that is related to the foreign business is recognized in the period result.

The adjustments corresponding to goodwill and the fair value of identifiable assets and liabilities acquired generated in the acquisition of a business abroad are considered as assets and liabilities of said operation and are translated at the exchange rate in force at the end of each period on which is reported. The exchange differences that arise will be recognized in other comprehensive income.

Additionally, with respect to the partial disposal of a subsidiary (which includes a foreign operation), the entity will reattribute the proportional part of the accumulated amount of the exchange differences to the non-controlling interests and they are not recognized in profit or loss. In any other partial disposal (that is, partial disposal of associates or joint agreements that do not involve the loss of significant influence and joint control by the Group) the entity will reclassify to profit or loss only the proportional part of the accumulated amount of the differences in change.

2.9. Revenue from ordinary activities

Revenue from ordinary activities corresponds basically to the development of the Group's main activity, which is the provision of energy, gas, water supply and sanitation services, and is recognized when the service is provided or at the time of the delivery of goods, to the extent that performance obligations are met by the Group, when the service has been provided and has not been billed, the accrual of income is made as an estimate. Revenues are measured at the value of the consideration received or to be received, excluding taxes or other obligations. Discounts, customer compensation for quality of service and financial components that are granted, are recorded as an adjustment to the value of income. The financing component is only recognized if the contract with customers has a duration of more than one year.

The most representative revenues of the energy business in Colombia are as follows:

- Reliability charge: remuneration paid to a generating agent for the availability of generation assets with the characteristics and parameters declared for the calculation of firm energy for the reliability charge - ENFICC, which guarantees compliance with the Firm Energy Obligation - OEF that was assigned in an auction for the assignment of firm energy obligations or in the mechanism that takes its place.

- Long-term contracts: contract for the purchase and sale of energy entered between trading agents and generators that is settled in the energy exchange. Under this type of energy contract, generators and traders freely agree on quantities and prices for the purchase and sale of energy, electricity in terms of more than one day.

In the case of long-term energy purchase contracts, which have prices lower than those of the market and whose intention is not to use the energy purchased in the operation but to resell it in a market to obtain benefits, it is considered that it does not comply with the own use exception.

- Secondary firm energy market or secondary market: bilateral market in which generators negotiate a support contract among themselves to guarantee, for a certain period, the partial or total fulfillment of the firm energy obligations acquired by one of them.
- Sale of non-regulated market energy: It is the energy that is sold in the market to customers whose maximum demand is greater than a value in MW (megawatt for its acronym in English) or a minimum monthly energy consumption in MWh (megawatt per hour per its acronym in English), defined by the regulatory entity, by legalized installation, from which it does not use public electricity transmission networks and uses it in the same property or adjoining properties. Your electricity purchases are made at prices freely agreed between the buyer and the seller.
- Sale of regulated market energy: It is the energy that is sold to clients whose monthly consumption is less than a predetermined value and is not empowered to negotiate the price paid for it, since both concepts are established by regulation; It usually uses energy for its own consumption or as an input for its manufacturing processes and not to develop its commercialization activities.
- Automatic generation regulation – AGC (for its initials in Spanish): it is a system for the control of secondary regulation, used to monitor load variations through generation, control the frequency within an operating range and scheduled exchanges. The AGC can be programmed in a centralized, decentralized, or hierarchical mode.

- Firm energy: is the incremental contribution of a company's generation plants to the interconnected system, which is carried out with a reliability of 95% and is calculated based on a methodology approved by the Commission and on the operational planning models used in the national interconnected system.

Gas revenues come from the distribution and sale of natural gas to the regulated and unregulated market.

In the water business, revenues come from the provision of aqueduct and sewage services.

The other countries where the Group provides its services, including energy services, have their own regulations, which are described for each country in the Legal and regulatory framework in note 1.

At the time of revenue recognition, the Group evaluates based on specific criteria to identify when it acts as principal or commission agent and thus determines whether revenue should be recognized gross or net for marketing activities.

2.10. Contract with customers

When the results of the contract can be measured reliably, the Group recognizes the income and expenses associated with contracts with customers, measuring the degree of progress in the satisfaction of the performance obligations using the input method based on the proportion that the incurred costs represent for work performed to date and the estimated total costs to completion.

The cost incurred comprises the costs, including borrowing costs, directly related to the contract, until the work has been completed. Administrative costs are recognized in income for the period.

On the other hand, the incremental costs incurred by the Group to obtain or fulfill contracts with customers are recognized as an asset in the statement of financial position under other assets and are amortized on a straight-line basis over the term of the contract, provided that the term of the contract exceeds one year. Otherwise, the Group recognizes it directly in the result of the period.

Payments received from the client before the corresponding work has been carried out are recognized as a liability in the statement of financial position as other liabilities.

The difference between the income recognized in the result of the period and the billing is presented as an asset in the statement of financial position called Trade debtors and other accounts receivable, or as a liability called other liabilities.

In the initial recognition of an account receivable from a contract with a customer, the difference between the measurement of the account receivable and the value of the corresponding income is presented as an expense in the statement of comprehensive income called Impairment of accounts receivable.

2.11. Premiums issued and acquisition costs

Premiums issued comprise the total premiums receivable for the coverage period. Income from premiums issued is recognized proportionally, throughout the duration of the policy; the income from these premiums is reduced by cancellations and annulments; In the case of cancellations, it corresponds to the amount of the premium accrued until the moment of cancellation due to the expiration of the term for payment.

Income from premiums accepted in reinsurance is accrued at the time of receiving the corresponding account statements from the reinsurers.

Unearned premiums are calculated separately for each individual policy to cover the remaining portion of premiums issued.

2.12. Deferred income reinsurance commission

The deferred commissions in the development of its reinsurance activity are recorded in the Group, where the income for the amounts

collected is deferred from the commissions to the reinsurers for the cessions of premiums made each month. The reinsurer pays the ceding company a commission on the premiums it receives to offset the costs of capturing the business and maintaining the portfolio. The value of the commission is established as a percentage of the premium and will depend on the negotiation made.

2.13. Reinsurance

The Group considers reinsurance as a contractual relationship between an insurance company and a reinsurance company, in which the former totally or partially transfers to the reinsurer the risk(s) assumed with its policyholders.

Premiums corresponding to ceded reinsurance are recorded in accordance with the conditions of the reinsurance contracts and under the same criteria as direct insurance contracts.

All accounts receivable and accounts payable generated in the relationship with the reinsurer are handled independently and are not subject to compensation.

2.14. Government grants

Government grants are recognized at fair value when there is reasonable assurance that they will be received, and all conditions attached to them will be met. Grants intended to offset costs and expenses, already incurred, without subsequent related costs, are recognized in income for the period in which they become payable. When the grant is related to an asset, it is recorded as deferred income and recognized in profit or loss on a systematic basis over the estimated useful life of the corresponding asset. The benefit of a state loan at a below-market interest rate is treated as a government grant, measured as the difference between the amounts received and the fair value of the loan based on the market interest rate.

2.15. Taxes

The fiscal structure of each country where the Group companies are located, the regulatory frameworks and the plurality of operations that the companies undertake make each enterprise a taxable entity, i.e., a payer of taxes, rates, and contributions on a national and territorial basis. These are liabilities generated from the central government, the states/ departments, municipal entities, and other active subjects, once the conditions foreseen in the corresponding acts and laws issued are met.

The most relevant taxes include income tax and sales tax:

Income tax

- **Current:** current assets and liabilities for income tax for the period are measured by the values that are expected to be recovered or paid to the tax authority. The income tax expense is recognized in the current tax according to the filtering carried out between the tax income and the accounting profit or loss affected by the income tax rate of the current year and in accordance with the provisions of the tax regulations from the country. The tax rates and regulations used to compute these values are those that are enacted or substantially approved at the end of the reporting period, in the country in which the Group operates and generates taxable profits.

Taxable profit differs from profit reported in profit or loss due to income and expense items that are taxable or deductible in other years, and items that will not be taxable or deductible in the future.

Current assets and liabilities for income tax are also offset if they relate to the same tax authority and it is intended to settle them at net value or to realize the asset and settle the liability simultaneously.

- **Deferred:** deferred income tax is recognized using the liability method calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The deferred tax liability is generally recognized for all taxable temporary differences, while the deferred tax asset is recognized for all deductible temporary differences and for future offsetting of unused tax credits and tax losses to the extent that availability is probable. of future taxable profits against which they can be allocated. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or a liability in a transaction that does not constitute a business combination and that, at the time of the transaction, affected neither accounting profit nor tax gain or loss; and in the case of the deferred tax liability when it arises from the initial recognition of goodwill.

Deferred tax liabilities related to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that those differences will not be reversed in the near future. Deferred tax assets related to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will be reversed in the near future, and it is probable that future taxable profits will be available against which These deductible differences will be charged.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profit to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future tax gains will allow their recovery.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the asset is realized, or the liability is canceled based on the tax rates and regulations that were approved at the presentation date, or whose approval procedure is close to being completed by that date. The measurement of deferred tax assets and liabilities will reflect the tax consequences that would arise from the way in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities should be presented as non-current. Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and they are with the same tax authority.

Deferred tax is recognized in income for the period, except for that related to items recognized outside income; in this case, it will be presented in the other comprehensive income or directly in equity.

For measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amount of such properties is presumed to be fully recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits generated by the investment property over time, and not through sale. The directors reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all the economic benefits generated by the investment properties over time and not through sale. Therefore, the directors have determined that the presumption of "sale" established in the amendments to IAS 12 Income Tax applies.

When the current tax or deferred tax arises from the initial accounting of the business combination, the tax effect is considered within the accounting of the business combination.

Sales tax - VAT

The companies of the Group located in Colombia that sell movable goods and provide taxable services or obtain exempt income from exports are liable for the common regime of this tax; the sale or assignment of rights over intangible assets associated with industrial property and the importation of tangible goods are also taxable acts. Currently, in Colombia, energy services, aqueduct, sewerage, public cleaning services and public garbage collection services and domiciliary gas services are excluded from this tax.

The general rate is 19% and there is a differential rate of 5%.

In Colombia, in the generation of income excluded in the case of residential public services, the VAT paid on purchases is part of a higher cost value. Likewise, when taxable income is generated, that is, when taxable goods or services are sold, the VAT paid on the purchase or acquisition of inputs for these sales will be deductible from the value of the tax payable. When the company generates income that is excluded from VAT, but at the same time generates income that is exempt and taxed, it must make an apportionment of the VAT paid to determine the percentage of VAT to be deducted.

In Panama, the Tax on the Transfer of Material Goods and Services (ITBMS for its initials in Spanish), is generated by the transfer of movable tangible assets, the provision of services, the leasing of movable assets located in the country and the importation of merchandise from abroad. The general tax rate is 7%, but there are also 10% and 15% rates.

In Guatemala, the alienation of movable property, the provision of services, imports, leasing of movable and immovable property, dation in payment of movable and immovable property, self-consumption of goods and other operations with real estate, such as the first sale of them that generate Value Added Tax. The fee is 12%; but it is reduced to 5% in the sales of small taxpayers, there are exempt goods with a 0% rate and in the sale of used vehicles a fixed amount is charged. The tax period is monthly, and its effect is translational towards the final consumer.

The Value Added Tax in El Salvador has a general rate of 13% and there are exempt goods (0% rate). The tax is levied on the transfer of tangible personal property and the provision of services; the importation of services; the import and export of tangible personal property; and the self-consumption of inventories or the transfer of tangibles for promotional purposes. However, the transfer of fixed assets that have been used for four years or more is not subject to tax.

In Mexico, the Value Added Tax is caused in its territory for acts or activities such as the sale of goods, the provision of independent services, the temporary use or enjoyment of goods, the export and import of goods and services, and the offer of digital services provided by Mexican residents abroad. The general rate is 16%, however, there are acts tariff free.

The value added tax (VAT) in Chile is applied to sales and other transfer operations of tangible movable and immovable property, except land; to the provision of services, provided or used in the country; to the import of goods; to withdrawals from inventory, contributions in kind and leasing of personal property; as well as the recurring or habitual sale of real estate, but the land is exempt, so it must be subtracted from the VAT tax base to determine the tax. The general tax rate is 19%.

2.16. Property, plant, and equipment

Property, plant, and equipment are measured at cost, net of accumulated depreciation, and accumulated impairment losses if any. The cost includes the acquisition price, the costs directly related to the location of the asset in the place and the necessary conditions for it to operate in the manner intended by the Group, the costs for loans of the projects under construction that take a substantial period to be completed, if the recognition requirements are met, and the present value of the expected cost of dismantling the asset after use if the recognition criteria for a provision are met.

Construction in progress is measured at cost less any recognized impairment loss and includes those expenditures that are essential and directly related to the construction of the asset, such as professional fees, supervision, civil works, and, in the case of those qualifying assets, borrowing costs are capitalized. Such construction in progress is classified into the appropriate categories of property, plant, and equipment at the time of its completion and when it is ready for use. The depreciation of these assets begins when they are ready for use according to the same basis as in the case of other items of property, plant, and equipment.

The Group capitalizes as a higher value of the assets, the additions or improvements made on them, if they meet any of the following conditions: a) they increase the useful life, b) they extend the productive capacity and operating efficiency of the same and c) reduce costs for the Group. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

Inventories of spare parts for specific projects, which are not expected to rotate in one year and meet the criteria to be capitalized, known as replacement assets, are presented under other property, plant, and equipment. They are depreciated considering the time spent in the warehouse and the technical useful life of the asset once its use begins.

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

Plants, ducts and tunnels	
Civil work	50 to 100 years
Equipment	10 to 100 years
Networks, lines and cables	
Electric transmission network	30 to 40 years
Power distribution network	30 to 40 years
Aqueduct network	40 to 80 years
Network Wastewater	30 to 80 years
Gas network	60 to 80 years
Buildings	50 to 100 years
Communication and computer equipment	5 to 40 years
Machinery and equipment	7 to 40 years
Furniture, fixtures and office equipment	10 to 15 years
Grounds ⁽¹⁾	10 to 20 years

1. Corresponds to the subsidiary Emvarias that exhausts the land on which it carries out the final disposal activity due to the detriment it suffers with the disposal of solid waste, degradation and environmental recovery period that goes beyond 20 years.

Useful lives are determined considering, among others, the manufacturer's technical specifications, the knowledge of the technicians who operate and maintain the assets, the geographical location, and the conditions to which it is exposed.

The Group calculates depreciation by components, which implies individually depreciating the parts of the asset that have different useful lives. The depreciation method used is straight line; the residual value calculated for the assets is not part of the depreciable amount.

A component of property, plant, and equipment and any significant part initially recognized is derecognized upon disposal or when future economic benefits are not expected from their use or disposal. The gain or loss at the time of derecognition of the asset, calculated as the difference between the net value of the disposal and the carrying amount of the asset, is included in the statement of comprehensive income.

Assets classified temporarily out of service continue to depreciate and are tested for impairment within the CGU to which they are assigned.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if required.

2.17. Leases

The determination of whether an arrangement constitutes or contains a lease is based on the substance of the arrangement at its commencement date, considering whether fulfillment of the arrangement requires the use of an asset and whether it transfers the right to control the use of that asset by a period of time, in exchange for a consideration.

On the start date of the lease contract, the Group acting as lessee recognizes an asset for right of use and a liability for lease, except for leases with a term of less than 12 months or those whose new value of the underlying asset is less than 15 (fifteen) current legal minimum wages (SMMLV for its Spanish initials).

The Group acting as lessor classifies the lease as operating or financial. A lease is classified as a finance lease when the risks and rewards inherent to ownership of the leased asset are substantially transferred to the lessee; otherwise, it is classified as an operating lease.

EPM Group as lessee

Right-of-use assets are recognized and presented as assets in the statement of financial position at the inception of the lease at cost, which includes the value of the lease liability, initial direct costs, payments made in advance, incentives, estimated decommissioning costs, among others. The corresponding liability is included in the statement of

financial position as a lease liability, which is measured as the present value of future lease payments discounted using the interest rate implicit in the contract, if readily determinable, otherwise the Company's incremental borrowing rate is used. Future lease payments comprise fixed payments, variable payments, incentives receivable, residual value guarantees expected to be paid, the purchase option price and the payment of penalties for early termination of the contract.

Right-of-use assets are amortized over the useful life of the asset using the straight-line method, if ownership of the underlying asset is transferred at the end of the contract or if a purchase option is exercised. If ownership of the underlying asset is not transferred at the end of the lease term or an option to purchase the asset is not exercised, the asset is amortized only to the end of its useful life or lease term, whichever comes first.

Lease payments are divided between financial expenses and debt repayment. Financial charges are recognized in income for the period unless they can be directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's policy for borrowing costs. Variable lease payments, which depend on an index or a rate, are included in the measurement of the lease liability. Leases with a duration of less than 12 months or those whose new value of the underlying asset is less than 15 (fifteen) SMMLV are recognized as operating leases in the result of the period throughout the term of the lease.

EPM Group as lessor

Assets leased under financial leases are not presented as property, plant, and equipment since the risks associated with the property have been transferred to the lessee, instead, an account receivable is recognized for a value equal to the net investment in the lease..

When a lease agreement includes components of land and buildings together, the Group assesses the classification of each component separately as a financial or operating lease. If the lease payments cannot be allocated reliably between these two components, the entire lease is classified as a finance lease, unless it is clear that both components are operating leases, in which case the entire lease is classified as an operating lease.

Income, which depends on an index or a rate, is included in the valuation of the net investment in the lease.

The initial direct costs, such as commissions, fees, legal and internal costs that are incremental and directly attributable to the negotiation and contracting of the lease, are included in the measurement of the net investment in the lease at the beginning and are reflected in the calculation of the implicit interest rate.

When the lease is classified as an operating lease, lease payments are recognized as revenue on a straight-line basis or on another systematic basis, provided that it is more representative of the structure by which the benefit from the use of the underlying asset is diminished.

2.18. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily take a substantial period of time to prepare for its intended use or sale, are capitalized as part of the cost of the respective assets until the asset is ready for its intended use. The income received for the temporary investment in specific pending loans to be consumed in qualifying assets is deducted from the costs for loans suitable for capitalization. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs incurred by the Group in connection with borrowing funds. To the extent that the funds come from generic loans and are used to obtain a qualifying asset, the value of the costs eligible for capitalization is determined by applying a capitalization rate (weighted average of the costs for loans applicable to the general loans outstanding during the period) to the disbursements made on that asset.

The capitalization of borrowing costs begins on the date on which the following conditions are met:

- Disbursements are incurred in relation to the asset.
- Borrowing costs are incurred, and
- Activities necessary to prepare the asset for its intended use or for sale are carried out.

The capitalization of loan costs is suspended during periods in which the activities of a qualified asset are interrupted for periods greater than one year. However, the capitalization of borrowing costs is not interrupted for a period if important technical or administrative actions are being carried out. Capitalization of borrowing costs is also not suspended when a temporary delay is necessary as part of the process of preparing a qualifying asset for use or sale.

Capitalization of borrowing costs is completed when substantially all activities necessary to prepare the qualifying asset for use or sale have been completed. When the asset has components that can be used separately while construction continues, the capitalization of borrowing costs on such components is stopped.

2.19. Investment property

Investment property is land or buildings or part of a building or both, held to earn rentals or for capital appreciation (including investment property under construction for such purposes). Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacement or substitution of a part of an existing investment property at the time the cost is incurred if the recognition criteria are met and excludes the costs of daily maintenance of the investment property.

After initial recognition, investment properties are measured at fair value reflecting market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the section results for the period in the period in which they arise.

Investment properties are derecognized, either at the time of disposal, or when permanently withdrawn from use, and no future economic benefit is expected. The difference between the net value obtained from the disposal and the carrying amount of the asset is recognized in the statement of comprehensive income in the section results for the period in the period in which it was written off.

Transfers to or from investment properties are made only when there is a change in their use. In the case of a transfer from an investment property to property, plant, and equipment, the cost considered for subsequent accounting is the fair value at the date of the change in use. If a property, plant, and equipment become an investment property, it will be accounted for at its fair value, the difference between the fair value and the carrying amount will be recorded as a revaluation applying IAS 16 Property, plant, and equipment.

2.20. Intangible assets

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is their fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. Intangible assets generated internally are capitalized if they meet the criteria for recognition as an asset and the generation of the asset must be classified into the research phase and development phase; If it is not possible to distinguish the research phase from the development phase, the disbursements must be reflected in the statement of comprehensive income in the period in which they are incurred.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their economic useful life in a straight line and are evaluated to determine if they had any impairment in value, whenever there are indications that the intangible asset could have suffered such impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each period. Changes in the expected useful life or in the expected pattern of consumption of the future economic benefits of the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The expense for amortization of intangible assets with finite useful lives is recognized in the statement of comprehensive income in the section results for the period in the category of expenses that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but rather are subject to annual tests to determine if they have suffered an impairment in value, either individually or by cash-generating unit - CGU. The indefinite life assessment is reviewed annually to determine if the indefinite life is still valid. If it is not, the change of useful life from indefinite to finite is made prospectively.

The useful lives of intangible assets are:

Similar concessions and rights	Depending on the term of the contract		
Easements	Indefinite		
Capitalized development costs	Indefinite		
Software and computer applications	Indefinite/ finite	3 to 5	years
Licenses	Indefinite/ finite	3 to 5	years
Rights	Depending on the term of the contract		
Other intangible assets	Indefinite/ finite	7 to 15	years

An intangible asset is derecognized upon disposal, or when no future economic benefits are expected from its use or disposal. The gains or losses that arise are measured by the difference between the value obtained in the disposal and the carrying amount of the asset, and are recognized in the statement of comprehensive income, section results for the period.

Research and development costs

Research costs are expensed as incurred. Disbursements for development in an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of finalizing the intangible asset so that it is available for use or sale.
- Your intention to complete the asset and your ability to use or sell the asset.
- How the asset will generate future economic benefits, considering, among others, the existence of a market for the production generated by the intangible asset or for the asset itself, or the usefulness of the asset for the entity.

- The availability of technical and financial resources to complete the asset and to use and sell it.
- The ability to reliably measure disbursement during development.

In the statement of financial position, the asset for disbursements for development is recognized from the moment in which the element meets the conditions for its recognition established above, and they are recorded at cost less accumulated amortization and accumulated losses due to impairment of value.

When the development of an intangible asset related to a power generation project begins, the costs are accrued as construction in progress.

Asset amortization begins when development is complete, and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is tested annually to determine if its value is impaired.

Research costs and development costs that do not qualify for capitalization are recorded as expenses in the statement of comprehensive income, results for the period section.

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value at the time of acquisition of the assets acquired, the liabilities assumed and the contingent liabilities of the acquiree.

Goodwill is not amortized, is measured at cost less any accumulated impairment loss and is subject to annual impairment tests or more frequently when there are indicators of impairment. Value impairment losses are recognized in the statement of comprehensive income in the section results for the period.

For CGUs that have goodwill assigned, value impairment is evaluated annually, which implies the calculation of the value-in-use of the CGUs to which it is being assigned. The calculation of the value-in-use requires the determination of the future cash flows that must arise from the CGUs and an appropriate discount rate to calculate the present value. When actual future cash flows are less than expected, an impairment loss may arise.

2.21. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and, simultaneously, to a financial liability or capital instrument in another entity.

Financial assets and liabilities are recognized in the statement of financial position when the Group becomes a party in accordance with the contractual conditions of the instrument.

2.21.1. Financial assets

The Group initially recognizes its financial assets at fair value. Transaction costs directly attributable to the financial asset are added to or deducted from their fair value if they are subsequently measured at amortized cost or fair value through other comprehensive income or are recognized immediately in the statement of comprehensive income if the assets are measured at fair value through profit or loss.

For subsequent measurement, financial assets are classified at amortized cost or at fair value (through other comprehensive income or through profit or loss) depending on the Group's business model for managing the financial assets and the characteristics of the contractual cash flows of the instrument.

- **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are assets whose contractual cash flows are highly liquid. The Group classifies a financial asset in this category if it is acquired mainly for the purpose of being sold in the short term.

Investments made to optimize liquidity surpluses are included, that is, all those resources that are not immediately allocated to the development of the activities that constitute the corporate purpose of the company. The investment of excess liquidity is made under the criteria of transparency, security, liquidity and profitability, under the guidelines of adequate control and under market conditions without speculative spirit (EPM General Management Decree 2015-DECGGL-2059 of February 6 of 2015). Gains and losses arising from changes in fair value are included in the statement of comprehensive income under Financial Income or Expenses, in the period in which the mentioned changes in fair value occur.

Dividend income is recognized when the Group's right to receive payment is established.

At the same time, the Group can irrevocably designate a financial asset as measured at fair value through profit or loss.

- **Financial assets at fair value with changes in other comprehensive income**

Assets measured at fair value with changes in other comprehensive income are classified as debt instruments that are held under a business model whose objective is to hold to collect the contractual cash flows and then sell the instruments, in addition, the instrument grants, on specific dates, cash flows that correspond solely to payments of principal and interest on the value of the outstanding principal.

Variations in the fair value of the investment are recorded in other comprehensive income, except for impairment losses or recoveries, interest income and foreign exchange gains and losses, which are recognized in profit or loss for the period.

The Group has made the irrevocable election to present in other comprehensive income the subsequent changes in the fair value of some investments in equity instruments that are not held for trading. Dividends from this type of investment are recognized in income for the period when the right to receive payment is established.

In the disposal of equity investments at fair value through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to income for the period.

- **Financial assets at amortized cost**

A financial asset is subsequently measured at amortized cost using the effective interest rate ² if the asset is held within a business model whose objective is to hold it to obtain the contractual cash flows and the contractual terms of the same that grant, on specific dates, cash flows that are solely payments of principal and interest on the principal value outstanding.

FALTA TRADUCCIÓN

² El método de la tasa de interés efectiva es un método de cálculo del costo amortizado de un activo financiero y de imputación del ingreso a lo largo del periodo relevante. La tasa de interés efectiva es la tasa de descuento que iguala exactamente los flujos de efectivo futuros de un activo financiero (incluyendo todos los honorarios, comisiones y puntos de pagados o recibidos que hacen parte integral de la tasa de interés efectiva, costos de transacción y otras primas y descuentos) a través de la vida esperada del instrumento, o si fuese apropiado, un periodo más corto, a su valor en libros en el reconocimiento inicial.

Impairment of financial instruments

At each reporting date, the Group recognizes value adjustment for expected credit losses on financial assets that are measured at amortized cost or at fair value with changes in other comprehensive income, including accounts receivable from leases, contract assets or loan commitments. and financial guarantee contracts to which the value impairment requirements are applied during the life of the asset.

Expected credit losses are estimated considering the probability that a loss of uncollectable debts may or may not occur and are recognized as a gain or loss in the result of the period against a lower value of the financial asset. The Group assesses the credit risk of accounts receivable on a monthly basis at the time of reporting to determine the value adjustment for expected credit losses on financial assets.

The Group assesses on a collective basis the expected losses for financial assets that are not individually significant. When the collective evaluation of expected losses is carried out, accounts receivable is grouped by similar credit risk characteristics, which allow identifying the debtor's payment capacity, in accordance with the contractual terms of negotiation of the account receivable.

The Group determines that the credit risk of a client increases significantly when there is a breach of the financial agreements by the counterparty, or when internal information or information obtained from external sources indicates that payment by the debtor is unlikely, without considering the guarantees held.

Non-compliance with the agreements is generally measured in accordance with what is indicated in the service provision contracts and the regulations of the subsidiary in each country, however, there are individual agreements or contracts that indicate non-compliance immediately, the obligation is no longer met.

The Group determines that a financial asset is credit-impaired when there is a breach of the financial agreements by the counterparty, or when internal information or information obtained from external sources indicates that payment by the debtor is unlikely, without taking into account the guarantees maintained.

Credit risk is affected when there are changes in financial assets. The Group's policy to reassess the recognition of credit losses is when there is a breach of the financial agreements by the counterparty; or the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full, regardless of collateral held. The Group writes off the financial asset when there is information indicating that the counterparty is in severe financial difficulties and there are no realistic prospects for recovery, for example, when the counterparty has been put into liquidation or has initiated bankruptcy proceedings or, in the case of accounts receivable, when the amounts exceed two years past due, whichever occurs first.

Impaired financial assets may continue to be subject to collection execution activities under the Group's recovery procedures, considering legal collection where appropriate. The recoveries made are recognized in income for the period.

Derecognition of financial assets

A financial asset or part of it is derecognized from the statement of financial position when it is sold, transferred, expires or the Group loses control over the contractual rights or the cash flows of the instrument.

The Group derecognizes a financial asset when there is information indicating that the counterparty is in severe financial difficulties and there are no realistic prospects for recovery, when the counterparty has been put into liquidation or has initiated bankruptcy proceedings or, in the case of accounts receivable, when amounts exceed two years past due, whichever occurs first.

If the Group does not transfer or retain substantially all the risks and rewards inherent to ownership and continues to retain control of the transferred asset, the Group recognizes its share in the asset and the associated obligation for the amounts it would have to pay, likewise, if the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized loan for the income received.

In the total derecognition of a financial asset measured at fair value through profit or loss, the difference between the carrying amount of the asset and the sum of the consideration received and to be received is recognized in profit or loss for the period. For financial assets measured at fair value through other comprehensive income, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss for the period, and the gain or loss that would have been recognized in other comprehensive income is reclassified to retained earnings.

Credit refinancing

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not give rise to derecognition of that financial asset in accordance with IFRS 9 adopted in Colombia, the Group recalculates the value gross carrying amount of the financial asset and recognizes a change gain or loss in profit or loss for the period. The gross carrying amount of the financial asset is recalculated as the present value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial asset (or effective interest rate adjusted for credit quality for financial assets with purchased or originated credit-impaired rates) or, when applicable, the revised effective interest rate. Any cost or fee incurred adjusts the carrying amount of the modified financial asset and is amortized over its remaining life.

2.21.2. Financial liabilities

On initial recognition, the Group measures financial liabilities at fair value. The transaction costs directly attributable to the acquisition or obtaining of the financial liability are deducted from their fair value if these are subsequently measured at amortized cost or are recognized in the result of the period if the liabilities are measured at their fair value. Subsequently, financial liabilities are measured as follows:

- **At fair value through profit or loss**, include liabilities held for trading, financial liabilities designated at the time of initial recognition as at fair value through profit or loss, and derivatives. Gains or losses on liabilities held for trading are recognized in profit or loss for the period. On initial recognition, the Group designated financial liabilities as at fair value through profit or loss.
- **At amortized cost**, they are measured using the effective interest rate. Gains and losses are recognized in income for the period.

Compound instruments

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. Therefore, for the initial measurement, the liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

For subsequent measurement, the liability component is measured at amortized cost including the effect of amortization costs, interest, and dividends. The equity component retains the initial recognition measurement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those that require a specific payment to be made to reimburse the holder for the loss incurred when a specified debtor defaults on its payment obligation, in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognized as a liability at fair value, adjusted for transaction costs directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of (i) the amount of the allowance for expected losses and (ii) the initially recognized value less the cumulative value of recognized income.

Derecognition of financial liabilities

A financial liability or part of a financial liability is derecognized from the statement of financial position when the contractual obligation has been settled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

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

In determining fees paid net of fees received, the Company includes only fees paid or received between the Company and the lender, including those paid or received by one on behalf of the other or vice versa.

In the event that the changes are not material, the Group recalculates the gross carrying amount of the financial liability and recognizes a gain or loss on modification in profit or loss for the period. The gross carrying amount of the financial liability is recalculated as the present value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial liability or, where appropriate, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial liability and are amortized over the remaining life of the liability.

2.21.3. Equity instruments

An equity instrument consists of any contract that evidences a residual interest in the assets of an entity, after deducting all its liabilities. Equity instruments issued by Group companies are recognized by the income received, net of direct issuance costs.

The repurchase of the Group companies' own equity instruments is recognized and deducted directly in equity, which means that no gain or loss is recognized in the results from the purchase, sale, issue, or cancellation of the equity instruments. assets of the Group companies.

2.21.4. Derivative financial instruments

A financial derivative is an instrument whose value varies in response to changes in a variable such as an interest rate, exchange rate, the price of a financial instrument, a credit rating, or an index. This instrument does not require an initial investment or is less than other financial instruments with a similar response to changes in market conditions and is generally settled at a future date.

The Group uses derivative financial instruments, such as forward contracts, futures contracts, financial swaps (swaps), and options to hedge various financial risks, mainly the risk of interest rate, exchange rate, and price of basic products (commodities). Such derivative financial instruments are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives are recorded as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative, in the statement of financial position.

Commodity contracts that meet the definition of a derivative but are entered into in accordance with the Group's expected purchase requirements, are recognized in profit or loss as cost of sales.

Any gain or loss arising from changes in the fair value of derivatives is recognized directly in income for the period, except for those that are under hedge accounting.

In general, derivatives embedded in host contracts are treated as separate derivatives as long as they meet the definition of a derivative, and their risks and characteristics are not closely related to those host contracts and the contracts are not measured at fair value through changes in results. However, the derivatives embedded in contracts where the host is a financial asset within the scope of IFRS 9 adopted in Colombia are never separated. Instead, the hybrid financial instrument as a whole is assessed for financial asset classification.

Hedge accounting

At the beginning of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for hedging. The documentation includes the 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. Hedges are expected to be highly effective in offsetting changes in fair value or cash flows, and for this purpose they are continually evaluated throughout the reporting periods for which they were designated.

For hedge accounting purposes, hedges are classified and accounted for as follows, once the strict criteria for their accounting are met:

- **Fair value hedges**, when they hedge the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

The change in the fair value of a derivative that is a hedging instrument is recognized in the result of the period as financial cost or income. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item and is also recognized in profit or loss as financial cost or income.

For fair value hedges that relate to items carried at amortized cost, adjustments to carrying amount are amortized through profit or loss over the remaining term to maturity. Amortization of the effective interest rate may begin as soon as there is an adjustment to the carrying amount of the hedged item but must begin no later than when the hedged item is no longer adjusted for changes in its fair value attributable to the risk being considered. covering. Amortization of carrying amount adjustments is based on the recalculated effective interest rate on the amortization start date. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss for the period.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with its corresponding gain or loss recognized in profit or loss.

- **Cash flow hedges**, when they cover the exposure to the variation in cash flows attributed, either to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or to the exchange rate risk in a commitment unrecognized firm.

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

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge will be recognized in equity within other comprehensive income.

The effective part will be equal (in absolute terms) to the value that is less between:

- the difference between the fair value at the time of valuation and the inception date of the hedging instrument; and,
- the difference between the fair value (present value) of the expected future cash flows of the hedged item at the measurement date and at the commencement date

The ineffective part of the gain or loss of the hedging instrument will be recognized in the result of the period.

The ineffective part shall be the difference between:

- The difference between the fair value at the time of valuation and the inception date of the hedging instrument; and
- The effective part of the coverage.

The measurement of the effectiveness of the hedges is carried out monthly.

The amounts recognized in other comprehensive income are reclassified to income for the period when the hedged transaction affects the result, as well as when the hedged financial income or expense is recognized, or when the forecast transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized in other comprehensive income are reclassified to the initial carrying amount of the non-financial asset or liability. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

If the hedging instrument expires or is sold, terminated, or exercised without successive replacement or renewal of one hedging instrument with another hedging instrument, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized on the other comprehensive income remains in the other comprehensive income until the planned operation or firm commitment affects the result.

- **Hedges of a net investment abroad**, when they cover the exposure to the volatility in the conversion of foreign operations to the presentation currency of the Group associated with the exchange rate risk.

The objective of the net investment hedge in foreign currency is to cover the exchange rate risks that a Principal or Intermediate Holding Company that has business abroad may have on the impact on the conversion of financial statements from the functional currency to the currency of presentation. The foreign currency net investment hedge is a hedge of the foreign currency exposure, not a fair value hedge of changes in the value of the investment.

Effectiveness and ineffectiveness are accounted for in a similar way to cash flow hedges.

Gains or losses on the hedging instrument that are related to the effective portion of the hedge are recognized in other comprehensive income, while any gain or loss related to the ineffective portion is recognized in profit or loss. Upon disposition of the business abroad, the accumulated value of the gains or losses recorded in the other comprehensive income is reclassified to profit or loss..

2.21.5. Offset of financial instruments

Financial assets and liabilities are offset so that the net value is reported in the statement of financial position, only if (i) there is, at the present time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to liquidate them at net value, or to realize the assets and cancel the liabilities simultaneously.

2.22. Inventories

Goods acquired with the intention of selling them in the ordinary course of business or consuming them in the process of rendering services are classified as inventories.

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to affect the sale.

Inventories include merchandise in stock that does not require transformation, such as energy, gas and water meters and supplies. They include materials such as minor spare parts and accessories for the provision of services and goods in transit and in the possession of third parties.

Inventories are valued using the weighted average method and their cost includes the costs directly related to the acquisition and those incurred to bring them to their current condition and location.

2.23. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a tangible or intangible asset may be impaired in value. The Group estimates the recoverable value of the asset or CGU, at the time it detects an indication of impairment, or annually (as of November 30 and it is reviewed if there are relevant or significant events presented in December that merit analysis and inclusion in the calculation of the impairment) for intangible assets with indefinite useful lives and those not yet in use.

The recoverable value of an asset is the higher of the fair value less costs to sell, whether of an asset or a CGU, and its value-in-use is determined for an individual asset, unless the asset does not generate cash flows. cash that are substantially independent of those of other assets or groups of assets, in this case the asset must be grouped into a CGU. When a reasonable and consistent basis of distribution is identified, common/corporate assets are also allocated to individual CGUs or distributed to the smallest group of CGUs for which a reasonable and consistent basis of distribution can be identified. When the carrying amount of an asset or a CGU exceeds its recoverable value, the asset is considered impaired and its value is reduced to its recoverable amount.

In calculating value-in-use, the estimated cash flows, whether from an asset or a CGU, are discounted to their present value using a pre-tax discount rate that reflects market considerations of the time value of money and the asset-specific risks. To determine fair value less costs to sell, an appropriate valuation model is used.

Value impairment losses are recognized in the statement of comprehensive income in the section results for the period in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a CGU are assigned proportionally based on the carrying amount of each asset to the non-current assets of the CGU after exhausting goodwill. The CGU is the smallest identifiable group of assets that generates cash inflows in favor of the Group, which are largely independent of the cash flows derived from other assets or groups of assets. In the Group, CGUs were defined considering: 1) the existence of income and costs for each group of assets, 2) the existence of an active market for the generation of cash flows and 3) how they are managed and monitored.

the operations. For the purposes of assessing value impairment losses, assets are grouped into the following CGUs:

Subsidiary	CGU
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	Generation
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	
Hidroecológica del Teribe S.A. (HET)	
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	Transmission
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	
Transportista Eléctrica Centroamericana S.A. (TRELEC)	
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)	Distribution
Caribemar de la Costa S.A.S. E.S.P. (AFINIA)	
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	
Crediegsa S.A. (CREDIEGSA)	
Distribuidora de Electricidad del Sur (DELSUR)	
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Elektra Noreste S.A. (ENSA)	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	
Empresa Eléctrica de Guatemala S.A. (EEGSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	
Enérgica S.A. (ENERGICA)	
ENSA Servicios S.A.	
Inmobiliaria y Desarrolladora Empresarial de América S.A. (IDEAMSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	Gas

Subsidiary	CGU
Aguas de Antofagasta S.A.	Water Supply
Aguas de Malambo S.A. E.S.P.	
Aguas Regionales EPM S.A. E.S.P.	
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	
Empresas Públicas de Medellín E.S.P. (EPM)	
Empresas Públicas de Rionegro S.A. E.S.P. (EP RIO)	
Aguas de Antofagasta S.A.	Sanitation
Aguas de Malambo S.A. E.S.P.	
Aguas Nacionales EPM S.A. E.S.P.	
Aguas Regionales EPM S.A. E.S.P.	
Aquasol Morelia S.A. de C.V.	
Corporación de Personal Administrativo S.A. de C.V.	
Desarrollos Hidráulicos de Tampico S.A. de C.V.	
Ecoagua de Torreón S.A. de C.V.	
Ecosistema de Ciudad Lerdo S.A. de C.V.	
Ecosistemas de Celaya S.A. de C.V.	
Ecosistemas de Colima S.A. de C.V.	
Ecosistemas de Tuxtla S.A. de C.V.	
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	
Empresas Públicas de Medellín E.S.P. (EPM)	
Empresas Varias de Medellín S.A. E.S.P.	
Proyectos de Ingeniería Corporativa S.A. de C.V.	
Tecnología Intercontinental S.A. de C.V. TICSÁ	
Gestión de Empresas Eléctricas S.A. (GESÁ)	Others
Innova Tecnología y Negocios S.A. de C.V.	
Maxseguros EPM Ltd.	

Impairment of value for goodwill is determined by evaluating the recoverable value of each CGU (or group of CGUs) to which the goodwill is related. Impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, at each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If there is such an indication, the Group calculates an estimate of the recoverable value of the asset or the CGU. A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the recoverable value of an asset since the last time the impairment loss was recognized. The reversal is limited so that the asset's carrying amount does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset, in previous years. Such reversal is recognized in the statement of comprehensive income in the section results for the period.

2.24. Provisions

Provisions are recorded when the Group has a present legal or implicit obligation because of a past event. It is likely that the Group will have to dispose of resources embodying economic benefits to settle the obligation, and a reliable estimate of the value of the obligation can be made. In cases where the Group expects the provision to be reimbursed in whole or in part, the reimbursement is recognized as a separate asset, but only in cases where such reimbursement is practically certain, and the amount of the asset can be measured reliably. In the Group, each provision is used only to meet the disbursements for which it was originally recognized.

Provisions are measured by management's best estimate of the disbursements required to settle the present obligation, at the end of the reporting period, considering the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount corresponds to the present value of said cash flow, using for the discount a rate calculated with reference to the market yields of the bonds issued

by the National Government of the country in which the subsidiary is located. In Colombia, the yield of the TES Bonds (public debt securities issued by the General Treasury of the Nation) at the end of the reporting period must be used.

The expense corresponding to any provision is presented in the statement of comprehensive income in the section results for the period, net of any reimbursement. The increase in the provision due to the passage of time is recognized as a financial expense.

Dismantling cost provision

The Group recognizes as part of the cost of a fixed asset, whenever there is a legal or implicit obligation to dismantle or restore, the estimate of the future costs in which the Group expects to incur to carry out the dismantling or restoration and its counterpart the recognized as a provision for Dismantling or restoration costs. The cost of dismantling is depreciated over the estimated useful life of the fixed asset.

Dismantling or restoration costs are recognized at the present value of the expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, which must be determined by reference; for subsidiaries in Colombia, in terms of risk-free rates, the yield of TES Bonds (public debt securities issued by the General Treasury of the Nation) is used; For the subsidiaries in Panama, the market yields of the bonds issued by the National Government are used, and in El Salvador for the rate of loans with a term of more than 1 year to companies, an average rate of the banking financial system (the yield of the notes of the Government is temporarily not considered a risk-free rate due to the deterioration of the credit quality of the country).

Estimated future costs for Dismantling or restoration are reviewed annually. Changes in estimated future costs, in the estimated dates of disbursements or in the discount rate applied are added to or deducted from the cost of the asset, not to exceed the carrying amount of the asset. Any excess is recognized immediately in the result of the period. The change in the value of the provision associated over time is recognized as a financial expense in the statement of comprehensive income in the section results for the period.

Onerous contracts

The Group recognizes present obligations arising from an onerous contract as provisions and their balancing entry is in the statement of comprehensive income in the profit or loss for the period section. An onerous contract is one in which the unavoidable costs of fulfilling the obligations it entails exceed the economic benefits expected to be received from it. The unavoidable costs are those that reflect the lower net costs of honoring the contract, i.e., the lower value between the net cost of complying with its clauses and the value of any compensation or penalties arising from non-compliance.

Contingent liabilities

Possible obligations arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely under the control of the Group or present obligations arising from past events but not it is probable, if not possible, that an outflow of resources that includes economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, they are not recognized in the statement of financial position and, instead, are disclosed as contingent liabilities. Contingent liabilities arising from a business combination are recognized at fair value at the acquisition date.

Contingent assets

Assets of a possible nature, arising as a result of past events, whose existence has to be confirmed only by the occurrence, or in its case by the non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the Group, are not recognized in the statement of financial position, instead they are disclosed as contingent assets when their occurrence is probable. When the contingent event is true, the asset and the associated income are recognized in income for the period. Contingent assets acquired in a business combination are initially measured at their fair values on the acquisition date. At the end of subsequent reporting periods, such contingent assets are measured at the higher of the amount that would have been recognized and the amount initially recognized less recognized accumulated amortization.

2.25. Employee benefits

2.25.1. Post-employment benefits

Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the statement of comprehensive income in the section results for the period at the time the employee has rendered the service that gives him the right to make the contributions.

Defined benefit plans

Post-employment benefit plans are those in which the Group has a legal or constructive obligation to respond for the payment of benefits for which it is responsible.

For defined benefit plans, the difference between the fair value of plan assets and the present value of the plan obligation is recognized as an asset or liability in the statement of financial position. The cost of providing benefits under the defined benefit plans is determined separately for each plan, through the actuarial valuation method of the projected credit unit, using actuarial assumptions at the date of the reporting period. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, is the published purchase price.

Actuarial gains or losses, return on plan assets and changes in the effect of the asset ceiling, excluding from these values included in net interest on the net defined benefit liability (asset), are recognized in the other Integral result. Actuarial gains or losses comprise the effects of changes in actuarial assumptions, as well as experience adjustments.

Net interest on the net defined benefit liability (asset) comprises interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling and is recognized in profit or loss of the period.

The cost of current service, the cost of past service, any liquidation or reduction of the plan is recognized immediately in the statement of comprehensive income in the section results for the period in which they arise.

2.25.2. Short-term benefits

The Group classifies as short-term employee benefits those obligations with employees, which it expects to settle within the twelve months following the end of the accounting period in which the obligation was generated, or the service was provided. Some of these benefits are generated by current labor regulations, by collective agreements or by non-formalized practices that generate implicit obligations.

The Group recognizes short-term benefits at the time the employee has rendered his services as:

A liability, for the value that will be paid to the employee, deducting the amounts already paid previously, and its counterpart as an expense for the period, unless another chapter requires or allows the inclusion of payments in the cost of an asset or inventory, for example, if the payment corresponds to employees whose services are directly related to the construction of a work, these will be capitalized to that asset.

The amounts already paid in advance correspond, for example, to salary advances and per diem advances, among others, which, if they exceed the corresponding liability, the Group must recognize the difference as an asset in the expense account paid in advance, to the extent that the payment in advance gives rise to a reduction in payments to be made in the future or to a cash refund.

In accordance with the foregoing, the accounting recognition of short-term benefits is made at the time the transactions occur, regardless of when they are paid to the employee or third parties to whom the Group has entrusted the provision of certain services.

2.25.3. Long-term benefits

The Group classifies as long-term employee benefits those obligations that it expects to settle after the twelve months following the end of the accounting year or the period in which the employees provide the related services, that is, from the thirteenth month onwards; they are different from short-term benefits, post-employment benefits, and termination benefits.

post-employment defined benefit plans. Although its measurement is not subject to the same degree of uncertainty, the same methodology will be applied for its measurement as follows:

- The Group must measure the surplus or deficit in a long-term employee benefit plan, using the technique that is applied for post-employment benefits both for the estimation of the obligation and for the assets of the plan.
- The Group must determine the value of the net long-term employee benefits (liabilities or assets) by finding the deficit or surplus of the obligation and comparing the asset ceiling.

The benefits received by employees year after year throughout their working lives should not be considered "long-term", if at the close of the accounting year of each year the Group has delivered them in full.

2.25.4. Termination benefits

The Group recognizes as termination benefits, the consideration granted to employees, payable as a result of the company's decision to terminate an employee's employment contract before the normal retirement date or the decision of an employee to accept voluntary resignation in exchange for those benefits.

2.26. Reserves reinsurance activities

The assets and liabilities for reinsurance contracts represent for the Group the best estimate of the future collections and payments to be made for the risks assumed and ceded in the reinsurance obligations; which are measured and recognized through technical reserves.

2.26.1. Unearned premium subscribed and ceded reserve

They are constituted for the fulfillment of future obligations derived from the commitments assumed and assigned in the current policies. They correspond to the portion of the premium that, at the calculation date, has not been recognized as income or expense by the reinsurer. Its purpose is to adjust the result so that the profit is assigned to the period in which the premium was earned, regardless of when it was issued. This reserve is calculated policy by policy, as the result of the total premium assumed divided by the number of days the policy is in force, multiplied by the number of days corresponding to the time the risk has not been run on the calculation date. Likewise, the part of the reserve corresponding to the retrocession is calculated, considering the premium that has been assigned.

2.26.2. Reserve of losses or claims notified

This reserve is a provision of money that the Group must set up to cover the costs derived from claims already reported and pending payment. Its purpose is to establish adequate reserves to guarantee the payment of claims that have not been resolved during the accounting year. This reserve is constituted per claim, on the date in which the insurer becomes aware of the occurrence of the claim and corresponds to the best technical estimate of its cost. The amount of the reserve constituted is readjusted to the extent that more information is available and if there are reports from internal

or external liquidators. The reserve includes the settlement expenses incurred to address the claim, including the costs of attorneys' fees for those claims that are in court.

2.26.3. Reserve for unreported incurred losses (IBNR)

It represents an estimate of the number of resources that the Group must allocate to meet future payments of claims that have already occurred at the date of calculation of this reserve, but have not been notified or for which there is not enough information. To calculate this reserve, the following methodologies are used: the Bornhuetter - Ferguson method and the Chain-ladder method. The Bornhuetter - Ferguson method is a standard actuarial method used to estimate final claims costs. The technique combines; (a) an initial benchmark or market estimate of final losses; and (b) a final loss estimate based on actual claims experience to date. The first is based on a measure of exposure, such as premiums or the number of policies. The second is based on claims paid or incurred to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time goes on. The Chain Ladder method is a standard actuarial method that can be applied to premiums, claims paid, reserves for ongoing claims or claims incurred, or number of claims. The method involves analysis of historical claim development factors (the ratio of amounts accrued in one development period to the previous development period). Based on this analysis, a development pattern is selected which is used to estimate future claims/premium development.

2.27. Liabilities adequacy test

The technical provisions recorded by the Group are regularly subject to a reasonableness test to determine their sufficiency. If, because of the test, it is revealed that they are insufficient, they are adjusted with a charge to the result for the period.

2.28. Service concession arrangements

The Group recognizes service concession arrangements in accordance with the requirements of the IFRIC interpretation 12 Service Concession Arrangements.

This interpretation is applicable for concessions in which:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price.
- The grantor controls, through ownership, right of use or otherwise, any significant residual interest in the infrastructure at the end of the term of the agreement.

The Group does not recognize these infrastructures as property, plant, and equipment, it recognizes the consideration received in the contracts that meet the above conditions at fair value, as an intangible asset to the extent that the Group receives a right to charge users of the service, as long as these rights are conditional on the degree of use of the service, or as a financial asset, to the extent that there is an unconditional contractual right to receive cash or another financial asset, either directly from the assignor or from a third party. In cases where the Group is paid for construction services, partly through a financial asset and partly through an intangible asset, each component of the consideration is accounted for separately.

Financial assets of service concession arrangements are recognized in the consolidated statement of financial position and subsequently measured at amortized cost, using the effective interest rate. The evaluation of the impairment of these financial assets is carried out in accordance with the policy of impairment of financial assets.

Intangible assets from service concession arrangements are recognized in the consolidated statement of financial position as intangible assets called "intangible assets from service concession arrangement" and are amortized on a straight-line basis over the term thereof.

Revenue from ordinary activities and costs related to operating services are recognized in accordance with the accounting policy for revenue from ordinary activities and services related to construction or improvement services in accordance with the accounting policy for construction contracts. The contractual obligations assumed by the Group for the maintenance of the infrastructure during its operation, or for its return to the transferor at the end of the concession arrangement under the conditions specified therein, to the extent that it does not involve an activity that generates income, It is recognized following the accounting policy for provisions.

2.29. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

To determine the fair value, the Group considers the characteristics of the asset or liability in the same way that market participants would take into account when setting the price of said asset or liability on the measurement date. Fair value for measurement and disclosure purposes in the financial statements is determined on that basis, except for share-based payment transactions, lease transactions, and measurements that have certain similarities to fair value but are not fair value, such as net realizable value or value-in-use. The fair value of all financial assets and liabilities is determined at the date of presentation of the financial statements, for recognition and disclosure in the notes to the financial statements.

The fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access on the measurement date (level 1).
- Based on inputs applied to valuation methodologies commonly used by market participants, which are different from quoted prices that are observable for assets or liabilities, directly or indirectly (level 2).

- Based on internal cash flow discount valuation techniques or other valuation models, using variables estimated by the Group that are unobservable for the asset or liability, in the absence of variables observed in the market (level 3).

Note 44 Measurement of fair value on a recurring and non-recurring basis provides an analysis of the fair values of financial instruments and non-financial assets and liabilities and greater detail of their measurement.

2.30. Operating segment

An operating segment is a component of the Group that develops business activities from which it can obtain income from ordinary activities and incur costs and expenses, about which financial information is available and whose operating results are regularly reviewed by the highest authority, in the Group's operating decision-making, which is the Board of Directors to decide on the allocation of resources to the segments and the Management Committee to evaluate their performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the Group's consolidated financial statements.

2.31. Dividends and surpluses in cash distributed to the shareholders and owner of the Group

The Group recognizes a liability to make distributions to shareholders and owners of the Group in cash when the distribution is authorized and is no longer at the Group's discretion. The corresponding amount is recognized directly in equity.

2.32. Changes in accounting estimates, policies and errors

2.32.1. New and revised standards applied

2.32.1.1. Changes in accounting policies

A 31 de diciembre de 2022, las prácticas contables aplicadas en los Estados Financieros consolidados del grupo, son consistentes con el año 2021, excepto por los siguientes cambios: **FALTA TRADUCCIÓN**

New standards implemented

During 2021, the Group implemented the amendments adopted by Resolutions 035 and 197 of 2021, issued by the General Accounting Office of the Nation, which incorporate the changes in IFRS (new standards, amendments, or interpretations) issued by the International Accounting Standards Board (IASB), which are mandatory for the annual period beginning on January 1, 2021.

IFRS 9 IAS 39 IFRS 7 – IBOR - Reference Interest Rate Reform – Phase 1. This amendment, issued in September 2019, is intended to provide relief from the highly probable and prospective assessments required by IFRS 9 and IAS 39 for hedging relationships that are affected by the uncertainties of the IBOR reform. With the same objective, the Amendments provide retrospective assessment relief under IAS 39. The exceptions described in the Amendments apply only to those hedging relationships directly affected by uncertainties of the IBOR reform, including interest rate swaps between foreign exchange (for the affected interest component).

For hedging relationships to which an entity applies the exceptions set out in paragraphs 6.8.4 to 6.8.12 of IFRS 9 or paragraphs 102D to 102N of IAS 39, it shall disclose:

- a. the significant benchmark interest rates to which the entity's hedging relationships are exposed;

- b. the measure of risk exposure that the entity manages that is directly affected by the reform of the reference interest rate;
- c. the way in which the entity is managing the process of transition to alternative reference rates;
- d. a description of any significant assumptions or judgments the entity made in applying these paragraphs (for example, assumptions or judgments about when the uncertainty arising from interest rate benchmark reform ceases to be present with respect to the timing and amount of cash flows based on the reference interest rate); and
- e. the nominal amount of the hedging instrument in such hedging relationships.

The company had no impact on the financial statements.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - IBOR - Reference Interest Rate Reform – Phase 2. This amendment, issued in August 2020, which modified IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, added paragraphs 5.4.5 to 5.4.9, 6.8.13, Section 6.9 and paragraphs 7.2. 43–7.2.46.

The amendments refer to:

- Practical solution for contract modifications: even if there are changes in the contractual cash flows due to the adopted reform, companies will not have to derecognize or adjust the carrying amount of financial instruments, but rather the interest rate will be updated effective to reflect the change to the alternative reference rate.
- Exemption to avoid having to interrupt certain hedging relationships: even if the company makes the required changes in hedge accounting for adopting the reform, it will not have to discontinue its coverage since the company can update the coverage documentation to reflect the new benchmark. Once the new reference index has been implemented, the hedged items and hedging instruments must be valued with the new index, and the possible ineffectiveness that may exist in the hedge will be recognized in results.

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- Disclosures: The company must disclose information about
 - a. How the entity is managing the transition to the alternative reference rates, its progress at the reporting date and the risks to which it is exposed arising from financial instruments due to the transition.
 - b. Quantitative information on financial instruments that have yet to transition to an alternative reference rate at the end of the reporting period, showing separately:
 - i. non-derivative financial assets;
 - ii. non-derivative financial liabilities; and
 - iii. derivatives; and
 - c. The nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks.

The company identified financial instruments (such as financial assets, financial liabilities, contingent consideration) that are related to the LIBOR reference interest rate impacted by the reform.

For further details, see note 43 Financial risk management objectives and policies.

IFRS 16 - Rent reductions related to covid-19 beyond June 30, 2021. This amendment, issued in March 2021, extends the term of this practical application by changing the year of reduction of lease payments from 2021 to 2022.

The Group is not affected by this amendment because it does not apply and will not apply lease concessions.

Lessee will apply this amendment for annual reporting periods beginning on or after April 1, 2021. Early application is permitted, including for financial statements not authorized for issue as of March 31, 2021.

2.32.1.2. Adoption of new and revised Standards

Changes to IFRS (new standards, amendments, and interpretations), which have been published during the period, but have not yet been implemented by the Group, are detailed below:

Standard	Mandatory Application Date	Exchange rate
IFRS 17 - Insurance Contract	January 1, 2023	New
IFRS 17 - Insurance Contract - Initial application with IFRS 9 and comparative information	January 1, 2023	Amendment
IAS 1 - Presentation of financial statements and Modification, classification of liabilities as current or non-current	January 1, 2023	Amendment
IFRS 3 - Reference to the Conceptual Framework	January 1, 2022	Amendment
IAS 37 - Onerous contract - Costs of fulfilling a contract	January 1, 2022	Amendment
IAS 16 - Property, plant, and equipment - Proceeds before Intended Use	January 1, 2022	Amendment
IFRS 1 - Annual cycle 2018-2020 - Adoption for the first time.	January 1, 2022	Amendment
IFRS 9 - Annual cycle 2018-2020 - Rates of financial instruments in the "10 percent" test for derecognition in financial liability accounts.	January 1, 2022	Amendment
IAS 1 - Disclosure of Accounting Policies and Practice Statement 2 of IFRS	January 1, 2023	Amendment
IAS 8 - Definition of accounting estimates	January 1, 2023	Amendment
IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.	January 1, 2023	Amendment

IFRS 3 - Reference to the Conceptual Framework

This amendment, issued in May 2020, updates the reference to the Conceptual Framework for Financial Reporting, since IFRS 3 referred to a previous version of the Conceptual Framework, and in turn adds one more exception to the recognition principles of liabilities and contingent liabilities that requires that the criteria of IFRIC 21 or IAS 37 be applied, respectively, to determine whether there is a present obligation at the acquisition date, additionally, it prohibits the recognition of contingent assets acquired in a business combination.

The Group is evaluating the impacts that the application of this new standard could generate, it is estimated that the future adoption will not have a significant impact on the financial statements.

The amendment will be mandatory prospectively for annual periods beginning on or after January 1, 2022. Early application is permitted.

IAS 37 - Onerous contract - Costs of fulfilling a contract

This amendment, issued in May 2020, included in the measurement and recognition rules the way to measure an onerous contract more reliably through the directly related cost approach, which includes all costs that an entity cannot avoid. for the fulfillment of a contract, these direct costs also include the incremental costs of the contract and an allocation of other costs incurred in the activities required to fulfill it; the incremental cost approach -the one contemplated by IAS 37 before this amendment- included only the costs that an entity would avoid if it did not have the contract.

To date, there are no contracts classified as onerous in the Group, therefore it is not possible to measure the impact of the effects that the application of this amendment could cause in the presentation of liabilities in the statement of financial position, in the event of presenting a contract of this nature will be analyzed in light of the amendment.

The amendment to IAS 37 will be mandatory for annual periods beginning on or after January 1, 2022. Early application is permitted.

IAS 16 Property, plant and equipment - Product before its intended use.

This amendment, issued in May 2020, modifies the elements of analysis for the determination of the components of the cost of property, plant and equipment, eliminating from paragraph 17 (e) the possibility of "deducting the net values of the sale of any elements produced during the installation and start-up process of the asset (such as samples produced while the equipment was being tested)" and including that the income and costs associated with that produced during said installation and start-up process are recognized directly in the income statement. period in accordance with applicable regulations.



The amendment aims, in a simple and effective way, to eliminate the diversity that may arise in the practice adopted by companies when deciding whether to deduct the value of the product produced during the installation and commissioning process, and in this way improve the homogeneity of financial information.

The Group is evaluating the effects that the application of this amendment could have on the presentation of assets in the statement of financial position.

The amendment to IAS 16 will be mandatory for annual periods beginning on or after January 1, 2022. Early application is permitted.

IFRS 1 - Annual cycle 2018-2020 - Adoption for the first time

This amendment, issued in May 2020, establishes how assets, liabilities and accumulated translation differences should be measured for a subsidiary that becomes an entity that adopts IFRS for the first time after its parent.

The Group is evaluating the impacts that the application of this new standard could generate, it is estimated that the future adoption will not have a significant impact on the financial statements.

The amendment to IFRS 1 will be mandatory for annual periods beginning on or after January 1, 2022. Early application is permitted.

IFRS 9 - Annual cycle 2018-2020 - Rates of financial instruments in the 10% test for derecognition in financial liability accounts

This amendment, issued in May 2020, consists of clarifying the commissions that an entity includes when evaluating whether the terms of a new



or modified financial liability are materially different from those of the original financial liability and defines then that a borrower includes only the commissions paid or received between the borrower and the lender, including those paid or received by one or the other on behalf of the other.

The Group is evaluating the effects that the application of this amendment could have on the presentation of liabilities in the statement of financial position.

The amendment to IFRS 9 will be mandatory for annual periods beginning on or after January 1, 2022. Early application is permitted. If an entity applies the amendment for an earlier period, it shall disclose this fact.

IAS 1 - Disclosure of Accounting Policies and Statement of Practice 2 of the IFRS

This amendment, issued in February 2021, requires companies to disclose material accounting policy information rather than the description of their accounting policies. The amendment also makes an adjustment to Practice Statement 2 Making Materiality Judgments as to how to apply the concept of materiality to accounting policy disclosures and adjusts paragraph 21 of IFRS 7 Financial Instrument Disclosures, specifying the disclosure of significant accounting policies.

The Group is evaluating the impacts that the application of this new standard could generate, it is estimated that the future adoption will not have a significant impact on the financial statements.

The amendment will be mandatory prospectively for annual periods beginning on or after January 1, 2023. Early application is permitted.

IAS 8 - Definition of accounting estimates.

This amendment, issued in February 2021, updates the definition of accounting estimates to differentiate changes in estimates from changes in accounting policies, given their prospective or retroactive effect, respectively. To do this, it indicates that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. Sometimes the application of the accounting policy will require the application of estimates.

The Group is evaluating the impacts that the application of this new standard could generate, it is estimated that the future adoption will not have a significant impact on the financial statements.

The amendment will be mandatory prospectively for annual periods beginning on or after January 1, 2023. Early application is permitted.

IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

This amendment, issued in April 2021, clarifies that the exception provided by IAS 12 of not applying deferred tax when an asset or liability is initially and simultaneously recognized, which generates equal temporary differences, would not apply in the case of leases. (IFRS 16) and in dismantling (IAS 37 and IAS 16), cases in which, if IAS 12 should be applied for deferred tax. Added paragraph 22A states that, depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and an entity recognizes any resulting deferred tax liability and asset..

The Group is not affected by this amendment because it has been applying this interpretation or has been applying the deferred tax in this way in said transactions / or is in the process of implementing it.

This amendment will be mandatory for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

NIIF IFRS 17 Insurance Contracts. Issued in May 2017, replacing IFRS 4 which was approached as an interim standard, which was being developed in phases.

IFRS 17 resolves the inconveniences of comparison generated by the application of IFRS 4, given that local standards and historical amounts were allowed to be applied to insurance contracts, now with this new standard, all insurance contracts will be recorded in a consistent manner and at current amounts, generating more useful information for stakeholders, which will allow a better understanding of the financial position and profitability of insurance companies, granting a more uniform approach to presentation and measurement for all insurance contracts.

The group is evaluating the impacts that the application of this new standard could generate.

The amendments will be mandatory for annual periods beginning on or after January 1, 2021, but at the request of international insurers, the IFRS Foundation has extended its application for two additional years, to be enforceable in 2023. Earlier application is permitted if IFRS 9 and IFRS 15 are applied.

IFRS 17 - Insurance Contracts - Initial Application with IFRS 9 and Comparative Information

Issued in December 2021, to reduce temporary accounting mismatches between financial assets and liabilities of insurance contracts that may arise in the comparative information presented by the initial application of IFRS 17, when IFRS 9 is also applied to the entity, the overlapping classification of the financial asset is allowed, in order to improve the usefulness of the comparative information for investors.

This will allow insurers to have an option for the presentation of comparative information on financial assets. The classification overlay allows the entity to align the classification and measurement of a financial asset in the comparative information with what the entity



expects the classification and measurement of that financial asset would be performed in the initial application of IFRS 9, considering the business model and the characteristics of the cash flow it generates. Any difference for this application would go to retained earnings.

If, for example, using the classification overlay, an entity presented a financial asset previously measured at amortized cost rather than measured at fair value through profit or loss, the carrying amount of that asset at the date of transition to IFRS 17 would be its fair value measured at that date. Applying paragraph C28D of IFRS 17, any difference in the carrying amount of the financial asset at the date of transition resulting from the application of the classification overlay would be recognized in opening retained earnings.

This amendment adds paragraphs C28A to C28E and C33A; and will become effective on the date of initial application of IFRS 17, i.e., January 1, 2023.

IAS 1 - Presentation of Financial Statements, Classification of Liabilities as Current or Non-current

This amendment, issued in January 2020, clarifies that the classification of liabilities as current or non-current is based on the rights that existed at the end of the reporting period, specifies that the classification as current or non-current liabilities is not affected by expectations about whether or not the entity will exercise the right to defer settlement of the liability, specifies that the rights exist if at the end of the reporting period the payment agreements were complied with; In addition, the amendment clarifies that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments or other economic resources.

The Group is evaluating the effects that the application of this amendment could have on the presentation of liabilities in the consolidated statement of financial position.

The amendment to IAS 1 will be mandatory for annual periods beginning on or after January 1, 2023, on a retrospective basis. Earlier application is permitted.

Note 03.

Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements

The following are the significant judgments and assumptions, including those that involve accounting estimates, that the Group's management used in the application of the accounting policies under IFRS adopted in Colombia, and that have a significant effect on the values recognized in the consolidated financial statements.

The estimates are based on historical experience and based on the best information available on

the facts analyzed at the cut-off date. These estimates are used to determine the value of assets and liabilities in the consolidated financial statements when it is not possible to obtain said value from other sources. The Group evaluates its estimates regularly. Actual results may differ from these estimates.

The significant estimates and judgments made by the Group are described below:

- **Evaluation of the existence of impairment indicators for assets, goodwill, and asset valuation to determine the existence of impairment losses.**

On each reporting date, the status of the assets is reviewed to determine if there are indications that any of them have suffered an impairment loss. If there is an impairment loss, the asset's recoverable amount is affected; if the estimated recoverable amount is lower, it is reduced to its recoverable value and the impairment loss is recognized immediately in profit or loss for the period.

The evaluation of the existence of value impairment indicators is based on external and internal factors, and in turn on quantitative and qualitative factors. The evaluations are based on financial results, the legal, social and environmental environment and market conditions; significant changes in the scope or manner in which the asset or CGU is used or expected to be used and evidence of the obsolescence or physical deterioration of an asset or CGU, among others.

Determining whether goodwill has been impaired involves calculating the value-in-use of the CGUs to which it has been assigned. The calculation of the value-in-use requires the entity to determine the future cash flows that should arise from the CGUs and an appropriate discount rate to calculate the present value. When actual future cash flows are less than expected, an impairment loss may arise.

 **See note 8 Impairment of assets.**

- **The assumptions used in the actuarial calculation of post-employment obligations with employees.**

The assumptions and hypotheses used in actuarial studies include: Demographic assumptions and financial assumptions, the former refer to the characteristics of current and past employees, are related to the mortality rate and turnover rates among employees, the latter relate to the discount rate, future wage increases, and changes in future benefits.

 **See note 25 Employee benefits.**

- **The useful life and residual values of property, plant and equipment and intangibles.**

In the assumptions and hypotheses used to determine the useful lives of property, plant and equipment and intangibles, technical aspects such as: periodic maintenance and inspections performed on assets, failure statistics, environmental conditions and operational environment are considered. protection systems, replacement processes, obsolescence factors, manufacturer recommendations, climatic and geographical conditions and the experience of the technicians who know the assets. To determine the residual value, aspects such as: market values, reference magazines and historical sales data are considered.

👁 See note 5 Property, plant and equipment, net. 👁 note 7 Goodwill and other intangible assets.

- The assumptions used to calculate the fair value of financial instruments, including credit risk.

The Group discloses the fair value corresponding to each class of financial instrument in a manner that allows comparison with the carrying amounts. Macroeconomic projections calculated within the Group company are used. The investment portfolio is valued at market price. When this is absent, a similar one is sought in the market and if not, the following assumptions are used.

- Derivatives are estimated at fair value.

👁 See note 24 Derivatives and hedges.

- Accounts receivables are estimated at the prevailing market rate for similar loans.

👁 See note 12 Trade debtors and other accounts receivable.

- Accounts receivable from employees are valued similarly to mass debtors, except for housing loans.

👁 See note 12 Trade debtors and other accounts receivable.

- For equity investments, the methodology is cash flow; it is estimated at market price for those listed on the stock exchange.

👁 See note 13 Other financial assets.

- The probability of occurrence and the value of liabilities of uncertain value or contingent.

The assumptions used for uncertain or contingent liabilities include the qualification of the legal process by the "expert opinion" of the professionals in the areas, the type of contingent liability, possible legislative changes and the existence of jurisprudence of the high courts that are applied to the specific case, the existence within the Group of similar cases, the study and analysis of the merits of the

matter, the guarantees existing at the time of the occurrence of the facts. The Group discloses and does not recognize in the financial statements those obligations classified as possible; obligations classified as remote are not disclosed or recognized.

 **See note 27 Provisions, contingent assets, and liabilities.**

- **Future disbursements for dismantling and asset retirement obligations**

In the assumptions and hypotheses used to determine future disbursements for dismantling and asset retirement obligations, aspects such as: estimation of future disbursements in which the Group must incur for the execution of activities associated with dismantling of the assets on which legal or implicit obligations have been identified, the initial date of dismantling or restoration, the estimated date of completion and the discount rates. (See note 27 Provisions, contingent assets, and liabilities).

 **See note 27 Provisions, contingent assets, and liabilities.**

- **Determination of the existence of financial or operating leases based on the transfer of risks and benefits of the leased assets**

The significant assumptions that are considered for the determination of the existence of a lease include the evaluation of the conditions if the right to control the use of the asset is transferred for a period of time in exchange for a consideration, that is, the existence of an identified asset; the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; the right to direct how and for what purpose the asset is used throughout the period of use; right to operate the asset throughout the period without changes in the operating instructions.

 **See note 14 Leases.**

- **The recoverability of deferred tax assets**

The deferred tax asset in the Group has been generated by temporary differences, which generate future tax consequences in the financial situation of the Group companies. These differences are fundamentally represented in tax assets that exceed the assets under IFRS adopted in Colombia, and in tax liabilities, lower than the liabilities under IFRS adopted in Colombia, as is the case of

the components of the pension liability, amortized cost of bonuses, finance lease and other sundry provisions and for contingencies.

The deferred tax asset of the Group is recovered in the net income taxed on the current income tax generated in each Group company.

 **See note 40 Income tax.**

- **Determination of impairment of trade receivables**

To calculate the expected credit loss, each obligation is assigned an individual probability of non-payment that is calculated based on a probability model that involves sociodemographic, product, and behavioral variables.

The model will be applied based on the table of scores (Scorecard) developed taking into account the information of each company in the Group. The models are defined according to the information available and the characteristics of the population groups for each one. Although the methodology applies to all accounts with a balance, some exclusions should be considered, such as: charged-off accounts; self-consumption; contributions; public lighting and in general charges from third parties. For its calculation, the moment from which an obligation is considered to have been breached and will not be recovered is previously defined.

To calculate the credit loss of trade and other accounts receivable (except trade receivables from related parties) the following formula is used:

$PE = SE \times PI \times PDI$, where:

Where, Exposed Asset Balance (SE): corresponds to the capital balance, interest balance, and other current charges of the obligations. Probability of Default (PI): corresponds to the result of a statistical model that provides the probability that each account defaults in the following twelve months. This individual probability is located within a range found to attenuate the fluctuations in the value of the general provision from one month to the next and stabilize its behavior, which results in a standard PI by range.

Loss given default (PDI): is defined as the economic deterioration that the entity would incur if any of the default situations materializes. It is a percentage obtained from a table taken from the current

regulations of the Financial Superintendence of Colombia, Chapter II of External Circular Letter 100 of 1995.

 **See note 12 Trade and other receivables.**

- **Revenue estimate**

The Group recognizes revenue from the sale of goods and the rendering of services to the extent that the performance obligations are satisfied by the Group, regardless of the date on which the corresponding invoice is prepared, to make this estimate the information of the contracts or agreements with customers is taken and thus the value to be recognized in revenue is established.

When there is uncertainty about the moment in which the revenue should be recognized, the Group decides to recognize it at the moment in which the performance obligation is fulfilled, for those performance obligations that are satisfied over time, it is common to use the resource method calculated as executed costs compared to estimated costs.

For concepts other than the provision of residential public services, the Group estimates and recognizes the value of revenue from the sale of goods or provision of services based on the terms or conditions of interest rate, term, among others, of each contract that causes the sale.

In the month after the estimated revenue is registered, its value is adjusted by the difference between the value of the actual revenue already known against the estimated revenue.

 **See note 31 Income from ordinary activities.**

- **Risks and uncertainty arising from climate change**

Given that the largest participation in the energy market that EPM has in Colombia is from hydraulic generation that can be affected by climate changes, currently in the business financial scheme we have a risk coverage called "Climate Derivative" whose objective is to have with the protection coverage of the risk in income due to the occurrence of extreme climatic events that affect the rainfall and therefore the contractual commitments of energy generation. Likewise, it serves to protect exposure to risk due to purchases on the energy exchange in said periods, which consequently also increases.

It is important to note that under this coverage, all the impact that the company could receive due to non-generation and non-compliance with contractual commitments is transferred to the reinsurance market.

- **Operating segments**

To determine the operating segments, the information that is regularly provided to the Group's highest decision-making authority is based on information and how this information is segmented is identified. Once these segments have been identified, the ability to generate income and incur costs and expenses of the identified groupings is analyzed. Likewise, it is verified if the highest decision-making authority reviews the yields and allocates resources based on this segmentation, finally, it is examined if there is disaggregated financial information that supports this segmentation. In addition to the above factors, the Group's approach and management are analyzed to take into account today's possible segments that may arise in the future, according to its strategy.

 **See note 47 Operating segments.**

Note 04.

Significant transactions carried out and other relevant aspects that occurred during the period

As of December 31, 2022, significant transactions and other relevant aspects occurred during the period, other than those of the Group's normal course of business, are related to:

4.1. Expenses and others related to the Ituango hydroelectric plant contingency:

- On November 26 and 29, respectively, the synchronization of Generating Units 1 and 2 was performed to register them to the National Power System, complying with all the guidelines required by the XM (electricity market managers) and CON (National Council of Operation of the Electricity Sector) and being available for commercial generation. On December 14, 2022, the load rejection tests at maximum power in generation units 1 and 2 of the Ituango project were satisfactorily concluded, which led to the entry into commercial operation of these two units.

 **see note 5.**

- Progress continues to be made in the works for the start-up of the Project according to the proposed schedules.
- The hydroelectric plant has a physical progress of 90.35% (December 31, 2021: 86.9%).
- On November 30, the contract of the CCCI Consortium, responsible for the execution of the main civil works of the project, ended. On December 1, 2022, the firm Schrader Camargo S.A.S. began work to continue the civil works required for the commercial operation of units 3 and 4.

Regarding the contingency, EPM Group has recognized the following items in its consolidated financial statements as of December 31, 2022:

- Cost and progress of the construction of the Ituango hydroelectric power plant for \$ 6,853,978 (2021: \$ 10,334,27).

 **see note 5.**

- Provision balance of \$ 34,140 (2021: \$ 29,042) for the attention of those affected in Puerto Valdivia, for compensation for consequential damages, loss of profits and moral damages, due to the rising waters of the Cauca River because of the blockage of the project on April 28, 2018. During 2022 the provision was adjusted by \$10,358 (2021: \$-14,624) as provision expense and financial expense, and payments have been made for \$5,261 (2021: \$3,370).

 **see note 27.**

- Provision balance of \$ - (2021: \$699) for the attention of the contingency (humanitarian aid and economic support) of the people who had to be evacuated because of this event. During 2022 the provision was adjusted by \$1,194 (2021: \$-2,758) provision expense and financial expense, and payments have been made for \$1,893 (2021: \$2,272).

 **see note 27.**

- Provision balance of \$56,197 (2021: \$ 103,635) for environmental and social contingency, established by the specific action plan for the recovery of the parts affected by the events of the Cauca River detour tunnel clogging that the project had on April 28, 2018 and by the closing of floodgates that decreased the flow of the river downstream of the project. During 2022 the provision was adjusted by \$20,168 (2021: \$44,954) as recovery income and \$5,944 as financial expense and payments have been made for \$33,213 (2021: \$29,867)

 **see note 27.**

- Provision balance of \$106,053 (2021: \$201,919) for the non-compliance from November 2021 to October 2023, to the transporter Intercolombia for the months following the entry into operation of the Ituango hydroelectric power plant connection infrastructure. During 2022 the provision has been adjusted by \$100,854 (2021: \$42,918) as provision expense and financial expense and payments have been made for \$196,719 (2021: \$15,318).
- Balance of litigation provision of \$366,034 corresponding to class actions of downstream communities affected by the contingency. During 2022 the provision has been adjusted by \$68,220 as provision expense and no payments have been made.

 **see note 27.**

- Additionally, other expenses of \$7,518 have been recognized in the statement of comprehensive income during 2022 for the care of the community affected by the contingency.

4.2. Impairment of Cash Generating Units.

- An impairment of \$47,085 was recognized for the goodwill associated to the ADASA Water Provision CGU, corresponding to the goodwill generated in the acquisition of the subsidiary by EPM, which is amortized via impairment test to reflect the natural depletion of the concession.
- Impairment of assets was recognized for \$40,760 for Hidroecológica del Teribe S.A. (HET) because of the global macroeconomic scenario and risks which are reflected in the discount rate.
- Impairment of assets of \$589 was recognized for the Aguas de Morelia Wastewater Management CGU associated with the depletion of the concession.

4.3. Cybersecurity incident.

El On December 12, 2022, a cybersecurity incident occurred that affected some components of the technological platform of the organization, affecting the parent company and some national subsidiaries. However, after the verification procedures, it was concluded that it did not affect the accounting information for the year ended December 31, 2022.

Note 05.

Property, plants and equipment, net

The following is a detail of the carrying amount of property, plant, and equipment:

Property, plant, and equipment	December 31, 2022	December 31, 2021
Cost	58,954,033	52,022,688
Accumulated depreciation and impairment loss	(14,772,416)	(12,947,508)
Total	44,181,617	39,075,180

Amounts stated in millions of Colombian pesos

The following is a detail of the carrying value of property, plant, and equipment temporarily out of service:

Properties, plant, and equipment temporarily out of service	2022	2021
Plants, ducts, and tunnels	46,623	57,013
Lands and buildings	17,524	15,378
Networks, lines, and cables	6,540	4,709
Machinery and equipment	226	180
Communication and computer equipment	5	-
Furniture fixtures and office equipment	1	2
Total properties, plant, and equipment temporarily out of service	70,919	77,282

Amounts stated in millions of Colombian pesos-

The Group has property, plant and equipment retired from use and that have not been classified as non-current assets held for sale, corresponding to the Caracolí power plant, which is being modernized and will start operating in March 2023, the Sonsón 1 and Sonsón 2 power plants, which are expected to start operating on February 27, 2025, the Rio Piedras power plant that was changed from Generation to Water Provision, whose business strategy is to recover the mini power plant that will start operating in March 2023, the cucarachos los naranjos pumping station that is expected to be modernized, the land of the Porce IV project and of the Espíritu Santo project that is not yet in operation, networks and plant elements of the subsidiaries CENS and EDEQ. The carrying amount of these assets is as follows: for 2022 the cost amounts to \$130,932 (2021: \$144,318), accumulated depreciation is \$59,998 (2021: \$66,297), accumulated impairment is \$23 (2021: \$893) and depreciation of impairment is \$8 (2021:\$154).

The movement in cost, depreciation and impairment of property, plant and equipment is detailed below:

2022	Networks, lines and cables	Plants, ducts and tunnels	Construction in Progress ⁽¹⁾	Grounds and buildings	Machinery and equipment	Communication and computer equipment	Furniture and fixtures and office equipment	Other Property, Plant and Equipment ⁽²⁾	Total
Initial Balance	16,200,672	13,962,107	13,122,500	6,324,920	1,260,280	511,360	162,892	477,957	52,022,688
Additions ⁽³⁾	369,137	96,186	4,706,471	34,674	109,425	51,560	4,833	89,230	5,461,516
Advances delivered (amortized) to third parties	(3,723)	-	(462)	-	-	800	-	-	(3,385)
Transfers (-/+)	1,213,455	2,738,171	(7,776,960)	3,642,857	101,852	26,621	10,582	(23,108)	(66,530)
Provisions (-)	(35,654)	(3,201)	(664)	(2,896)	(632)	(1,913)	(211)	(3,476)	(48,647)
Withdrawals (-)	(64,628)	(49,875)	(810)	(19,077)	(45,363)	(19,054)	(2,275)	(8,881)	(209,963)
Foreign currency conversion effect	992,616	356,899	145,466	105,034	150,868	36,293	8,902	19,105	1,815,183
Other Changes ⁽⁴⁾	5,201	24,001	1,865	(16,470)	(18,114)	(1,282)	9,338	(21,368)	(16,829)
Final cost balance	18,677,076	17,124,288	10,197,406	10,069,042	1,558,316	604,385	194,061	529,459	58,954,033
Accumulated depreciation and impairment loss									
Accumulated depreciation and impairment loss	(6,028,576)	(4,604,026)	(2,552)	(1,030,909)	(680,125)	(321,928)	(100,751)	(178,641)	(12,947,508)
Period depreciation	(551,618)	(351,673)	-	(86,116)	(76,587)	(56,574)	(8,278)	(16,486)	(1,147,332)
Impairment for the period - See note 8	(724)	(20,882)	-	(10,041)	(9,662)	(22)	(3)	(16)	(41,350)
Dispositions (-)	12,122	1,294	-	20	190	1,750	210	1,775	17,361
Withdrawals (-)	36,508	15,782	-	18,687	29,206	18,504	2,080	4,445	125,212
Transfers (-/+)	-	(371)	371	(30)	-	195	-	30	195
Foreign currency conversion effect	(423,764)	(206,887)	-	(22,622)	(73,125)	(27,218)	(5,993)	(13,465)	(773,074)
Other changes	(288)	156	-	(2,524)	(2,506)	(139)	106	(725)	(5,920)
Final Accumulated depreciation and impairment loss	(6,956,340)	(5,166,607)	(2,181)	(1,133,535)	(812,609)	(385,432)	(112,629)	(203,083)	(14,772,416)
Total balance, properties, plant, and equipment, net	11,720,736	11,957,681	10,195,225	8,935,507	745,707	218,953	81,432	326,376	44,181,617
Advances delivered to third parties									
Initial Balance	7,282	-	49,048	-	-	-	-	498	56,828
Movement (+)	-	-	(38,910)	-	-	-	-	-	(38,910)
Movement (-)	(3,723)	-	38,448	-	-	800	-	-	35,525
Difference in conversion adjustment change	256	-	-	-	-	193	-	-	449
Final Balance	3,815	-	48,586	-	-	993.2928314	-	498	53,892

Amounts stated in millions of Colombian pesos

2021	Networks, lines and cables	Plants, ducts and tunnels	Construction in Progress ⁽¹⁾	Grounds and buildings	Machinery and equipment	Communication and computer equipment	Furniture and fixtures and office equipment	Other Property, Plant and Equipment ⁽²⁾	Total
Initial Balance	14,186,726	12,975,505	13,736,082	6,249,915	1,102,066	489,287	152,934	388,836	49,281,351
Additions ⁽⁴⁾	226,902	187,990	4,135,607	22,795	67,842	30,426	3,910	96,910	4,772,382
Advances delivered (amortized) to third parties	3,053	-	1,239	-	-	-	-	-	4,292
Transfers (-/+)	1,191,383	469,182	(1,985,128)	100,299	102,691	29,838	1,673	(1,346)	(91,408)
Provisions (-)	(12,305)	(6,277)	(514)	(1,797)	(4,818)	(2,580)	(435)	(2,155)	(30,881)
Withdrawals (-)	(42,745)	(48,736)	(16,533)	(2,363)	(4,381)	(34,064)	(1,117)	(3,783)	(153,722)
Foreign currency conversion effect	661,967	225,964	119,413	69,467	84,612	20,205	5,176	10,166	1,196,970
Other Changes ⁽⁵⁾	(14,308)	158,478	(2,867,667)	(113,396)	(87,733)	(21,752)	752	(10,670)	(2,956,296)
Final cost balance	16,200,673	13,962,106	13,122,499	6,324,920	1,260,279	511,360	162,893	477,958	52,022,688
Accumulated depreciation and impairment loss									
Accumulated depreciation and impairment loss	(5,289,677)	(4,202,341)	(4,685)	(979,172)	(603,184)	(307,069)	(85,280)	(158,247)	(11,629,655)
Period depreciation	(482,195)	(323,924)	-	(81,657)	(58,693)	(55,171)	(13,591)	(15,534)	(1,030,765)
Impairment for the period - See note 8	(7,757)	(1,528)	-	(26)	(624)	(5)	(6)	(7)	(9,953)
Reversions of Depreciation the following languages: (-)	-	35,776	-	11,529	305	156	12	171	47,949
Provisions (-)	6,905	3,626	-	4	4,574	2,336	395	1,528	19,368
Withdrawals (-)	25,648	21,104	-	1,496	3,426	33,541	1,033	2,528	88,776
Transfers (-/+)	(700)	(5)	701	227	(244)	(11)	(117)	150	1
Foreign currency conversion effect	(279,933)	(130,601)	-	(13,255)	(37,215)	(15,588)	(3,033)	(7,018)	(486,643)
Other changes	(867)	(6,135)	1,432	29,945	11,530	19,883	(165)	(2,209)	53,414
Final Accumulated depreciation and impairment loss	(6,028,576)	(4,604,028)	(2,552)	(1,030,909)	(680,125)	(321,928)	(100,752)	(178,638)	(12,947,508)
Total balance, properties, plant, and equipment, net	10,172,097	9,358,078	13,119,947	5,294,011	580,154	189,432	62,141	299,320	39,075,180
Advances delivered to third parties									
Initial Balance	3,386	-	47,809	-	-	-	-	498	51,693
Movement (+)	-	-	(34,745)	-	-	-	-	-	(34,745)
Movement (-)	3,053	-	35,984	-	-	-	-	-	39,037
Difference in conversion adjustment change	843	-	-	-	-	-	-	-	843
Final Balance	7,282	-	49,048	-	-	-	-	498	56,828

Amounts stated in millions of Colombian pesos -

1. Includes capitalization of loan costs for \$432,060 (2021: \$651,472), the weighted average rate used to determine the amount of loan costs was 10.73% in pesos (2021: 8.65%) in pesos and the rate in dollars 4.50% (2021: 4.53%). Additionally, it includes right-of-use assets associated with construction in progress amounting to \$4,095 (2021: \$783).

The main projects under construction are as follows:

Projects	2022	2021
Future Ituango Hydroelectric plant ⁽¹⁻¹⁾	6,853,978	10,334,271
Other EPM Projects	1,162,347	999,784
Construction, extension, remodeling, and maintenance of DECA substations, networks, lines and cables and subsidiaries	709,168	528,101
Replacement and Expansion Substations, networks, lines and ESSA loss control	151,489	251,900
Substations, lines, network growth, loss reduction and replacement of ENSA technology	164,515	162,948
Western Chain - EPM	132,868	82,434
Expansion of the STN, STR, networks, lines and CENS loss control	120,119	65,430
Refill Posts and Trafs - EPM	103,461	79,961
Power Distribution Lines - CARMAR	88,867	52,506
Miraflores dam upgrade	132,037	59,873
Adequacy of drinking water plant - EPM	78,177	-
Substations, networks, lines and CHEC loss control	69,037	46,127
Distribution networks, quality compensation FISDL-SIGET and other Delsur	67,733	-
Substation Connection Uraba Nueva Colina Apartado	58,925	44,926
Envigado Expansion Capiro Sector - EPM	75,636	58,703
SDL Refill and Expansion - EPM	36,677	93,970
Projects EMVARI - Vaso Altair (Phase 3), leachate treatment plant and others	42,928	72,068
Caldas La Estrella Interconnect - EPM	31,507	31,326
Modernization Ayura Plant - EPM	35,817	26,898
Construction Potabilization and WWTP plants, aqueduct and sewerage networks Regional waters	31,493	71,437
Other Group Subsidiary Projects	14,327	6,953
Expansion circuit yulimar Manantiales - EPM	20,323	44,430
Expansion and repositioning of EDEQ Substations, Networks, Lines and Cables	13,796	5,901
Total	10,195,225	13,119,947

Amounts stated in millions of Colombian pesos -

11. As of December 31, 2022, the Ituango hydroelectric power plant presented a physical progress of 90.35% (December 31, 2021: 86.9%), the physical progress presented as of the date of the period on which the separate financial statements are reported corresponds to the version of the schedule of October 13, 2022, which includes the damages suffered by the Project due to the sanitary emergency caused by COVID-19, in addition, as inspections were made to the missing work fronts and after the contingency, additional work requirements were defined to guarantee the stability of the Project, a situation that made it necessary to reconfigure longer deadlines and include additional work activities in the schedule.

On January 25, 2022, the company Mapfre Seguros Generales de Colombia, insurer of the future Ituango hydroelectric power plant, made a final, total, and definitive payment for USD 633.8 million for the contingency initiated in the project in April 2018, within the coverage of the all-risk construction and assembly policy. This payment was made in compliance with the provisions of the transaction contract signed on December 10, 2021, between Mapfre and EPM, and the second instance ruling of the Comptroller General of the Republic, notified on November 26, 2021.

In January 2022, the floor concrete emptying of the dump's 508 elevation drain gallery was started, additional consolidation injections of Gallery 380 MD were completed. Entry to the auxiliary bypass gallery – GAD was made through the closure area 11 and the route was formed to the GAD plugs. The activities of cleaning up slurries from tertiary drilling

and re-injection drilling for scanning the right deviation tunnel - TDD were completed, technical test for insertion of spheres in the Palmar, Finished second stage concrete emptying of aspirator elbow of unit 3, finished concrete emptying for generator enclosure of unit 2, discharge, verification and delivery to General Electric - GE of a fourth stator of generation unit 2, Four quarters of the generator lower cover of unit 2 was registered on site, the wall of the U-chamber of unit 3 was emptied completed, up to lift 203.5, the vacuum cleaner elbow mass emptying unit 4, stage 1 dimension 199.00 was completed, The arrival at work of the stairs for the metallic structure of the North Services Building was registered, the full of protection was started in the auxiliary window of the unloading tunnel 4, Finished emptying the side guides and adjusting the bottom beam on output structures no.1 and no.2, download from four stop logs on unloading plate picking.

In February 2022, emptying of the full of the okedad between almond 1 and dump no.2 was started, construction of floor in dump drainage gallery 508 was completed, Concrete was started to drain into the plugs of both the left and right branch of the auxiliary branch of the bypass gallery - GAD, verification and delivery to the GE Contractor of the third quarter stator for the UG2 and the Francis-type impeller for the UG1, the armored extension assembly in suction tunnels 1 and 2 has been completed, the main slab level 217.45 of generation 2 has been emptied completed, the aspirator concrete emptying of unit 4 has been completed. starts concrete emptying on the crane support slab on the platform of the boat dock.

In March 2022 additional consolidation injections were completed in gallery 250 Left margin, slab and concrete emptying for pedestals, level 204.1 of generation 3 unit, Construction of the final GAD plugs on the right and left branches was completed, and concrete draining of the GAD bottom discharge plug started, installation of shield on bottom conduction No.3 started, Finished concrete at lower elbows of lines No. 1 and No. 2, finished emptying concrete of suction tunnel No. 2, verification and delivery to Contractor GE of the support cone for UG1, the top cover for UG2, As well as the operating ring for the UG1, the concrete emptying of the U-chamber of unit 4 was completed, at lift 203.5, the secondary concrete emptying of the almond suction gate guides was completed.

Additional deep curtain injections were completed in gallery 380, right margin, in April 2022, concrete emptying of the final plug of the GA bottom discharge tunnel was completed. Concrete emptying of the slab 204.1 msnm was performed in unit 4 of the machine house, and stony emptying of the spiral chamber support was completed in Unit No. 4, The

stationary ring of the generation 4 unit was moved and positioned to the final assembly site, the concrete emptying of the drainage gallery of the North Machine House – Unit No 4 was completed, The slab level 211.90 m of the North Service Building was emptied, concrete was drained in the suction tunnel 3, recessed concrete (6 ferrules) was emptied in the pressure well No.1, Emptying of slab in unloading tunnel #1 is complete.

In May 2022 the installation of the 15 t overhead crane on the upper driving elbow 4 was started, and concrete was finally drained for the recessed of ferrules 45 to 41 of the pressure well 2, Finished concrete emptying for ferrule coating 23 and 24 of the lower conduction 1 and its connection with the spiral chamber, finished concrete emptying of slab of interfloor in IT. 193 of the north service building, finished emptying concrete of beams and perimeter slab of side building B, between dimensions 216.60 to 217.45, finished emptying concrete of restitution of the passage gallery between almenara 1 and house of machines, Finished concrete draining of the final plug of gallery K, of lower communication North, finished concrete draining of over slab in discharge tunnel 2, finished concrete draining of plug type 1 watertight door, dimension 192.20 of almond 1 with the lower construction gallery North, The installation and connection of force and control of six flow transmitters was carried out for the pumping system of the bowl plug in the TDI, Verification and delivery of the 262F Virola to Contractor GE for assembly of the spiral chamber of unit 4 and the shaft for the rotor/stator transport device of generation units 1 to 4 were carried out.

In June 2022 , the rotor of unit 1 was hoisted, moved and positioned from the assembly room to the final installation site, and the magnetic ring of unit 1 rotor was heated. the stator of unit 1 was moved from the assembly room to the final site, the concrete drain was completed to join the lower conduction 2 to the spiral chamber of unit 2. Finished construction of the plugs in branches 1 and 2 of the northern lower construction gallery, finished flush-flush of ferrules 26 to 21 in pressure well 1, finished flush-flush of ferrules 29 to 25 in pressure well 2, finished concrete draining for construction of the sealed door wall of the chamber of operation and control of almond 1, finished concrete draining of the temporary plug of unloading tunnel 4, finished draining of plug 46 auxiliary window of construction toward unloading tunnel 2, installation of the fire doors for enclosures in bar galleries 1 and 2 started, installation of air supply ducts in the cable outlet well started, installation of the fire system piping in the north services building started.

In July 2022, the stator of unit 1 was moved to the final site of assembly, lifting and transfer of the rotor of unit 2 to the final assembly site, total release of spiral chamber of unit 3 to continue civil works, start of filling of almond 1, for the execution of suction gate tests, finished the straight section of pressure well 1 and started the installation of ferrule 1 of upper elbow 1, Concrete emptying of the straight section of pressure well 2 was completed, between ferrules 19 to 15, mass concrete emptying of the spiral chamber of unit 3 was completed, between 204.10 and 205.50. start concrete drain to collect concrete plug from bottom discharge access gallery.

In August it finished emptying concrete of ferrules 1 to 4 from pressure well 1, finished filling almond 1 to it. 226, with water from the Cauca River, for the tests, concrete was emptied in the lower elbow of conduction 4, the installation of metal elements for facade was started in the north services building, the launch of Nylon spheres into the area of precap 2 was restarted. The draining of the restitution concrete was completed at room 2 between almond 1 and discharge 2, the emptying of concrete from unit 3 was completed until: 210.9 m, the closing of the bypass auxiliary gallery - GAD was performed.

In September, the assembly of the metal structure of the North Services Building was completed, and the spiral chamber concrete was emptied from unit 3 to it. 211.9, the hydrostatic test plug of the spiral chamber of unit 3 was moved to the assembly room, the concrete of the generator enclosure wall section 2 of unit 3 was emptied until 216.65. The spiral chamber of Unit 4 was hydrostatically tested, the rotor spider of Unit 4 was moved to the assembly room and was specifically emptied in Unit 4 in Unit 2. 204.10/205.50, shell emptying was carried out for ferrules 1 to 4 of the upper elbow 2, the installation of tensioning and testing of the priority anchors for anchoring debris removal barges was completed in underwater work, high voltage tests on the power cables for units 1 to 4 were completed, the jarillon of discharges 1 and 2 was blown.

In October, the mechanical and electrical assembly of generator unit 1 was completed, all activities in conduction no.1, including resans and cleaning inside it, and the assembly of the turbine of unit 2 was completed. The spiral chamber concrete drain of unit 3 was completed until 211.9, the mass concrete drain of unit 4 was completed between 210.90 and 211.85m. The consolidation injections Precap 1 - PT1, in the right deviation tunnel from the left deviation tunnel, were completed. the concrete drain of ferrules and top plug-in elbow 1 was completed, the tendon injections in almond 1 were completed, the removal of six (6) stop-logs from download 1 and seven (7) stop-logs from download 2 estimated in stage 1 was completed.

On November 26, the Generator Unit 1 was synchronized to enroll it in the National Power System. On November 29, synchronization of the Generating Unit 2 was made to register it with the National Power System, complying with all the guidelines required by XM (electricity market administrators) and THE CON (National electrical Sector Operating council) and being available for commercial generation.

The contract for the CCCI Consortium, which is responsible for the execution of the main civil works of the project, was finalized on 30 November. In November, the mass concrete emptying of unit 4 was completed between 210.90 and 211.85 meters above sea level. Also finished the concrete drain from the generator enclosure wall of unit 4 to point 216.85, finished the concrete drain from the preventive plug of the intermediate discharge. Finished draining the concrete plug in the communication gallery between Almenaras 1 and 2, recorded the arrival at work of the second stator segment of the generation 3 unit, completed the filling of the ring space of the micropiles of the pre plug 2.

On December 1, 2022, it began the firm Schrader Camargo S.A.S., to continue the civil works required for the entry into commercial operation of Units 3 and 4; On December 14, 2022, the full power load rejection tests on the project's Generation 1 and Generation 2 units (Entry into Commercial Operation) were successfully completed. For the execution of these tests, the following milestones were previously observed: Preventive evacuation of approximately 5,220 citizens, requested by the National Risk Management Unit (UNGRD) for downstream communities, carrying out the dry testing of units 1 and 2, Completion of secondary concrete up to dimension 217, units 1 and 2, assembly of power transformers of transformer banks 1 to 4, assembly of generator and rotor of units 1 and 2, completion of shielding of lines 1 and 2 (lower elbow, pressure well and upper elbow).

Due to the entry into commercial operation of the Ituango Central, the accounting transfer of the assets that entered into operation was carried out in the amount of \$ 5,716,113.45.

- 2 Includes automotive equipment and vehicles, medical and scientific equipment, property, plant and equipment in assembly, property, plant and equipment in transit and replacement assets, transportation, traction and lifting equipment, dining, kitchen, pantry and hotel equipment.
- 3 Includes purchases, capitalizable disbursements that meet the recognition criteria, goods received from third parties and costs for dismantling and removal of items of property, plant and equipment. At the end of December 2022 and December 2021, no government grants were received.
- 4 Corresponds to transfers to operation, among which the most representative is due to the Ituango project for a value of \$5,716,113.45.

The property, plant and equipment additions for the following items are taken as effective items \$ 5,437,587 (2021: \$ 4,772,380), minus the movement of advances for \$3,385 (2021: \$ 4,292), the loan costs per \$404,627 (2021: \$651,472), plus the use rights additions by \$ 3,889 (2021: \$112,499) the movement of environmental provisions and dismantling by the \$104,758 (2021: 25,424).

The assets subject to operational leases are as follows: The electrical infrastructure for the installation of networks by telecommunications operators, specifically poles.

At the end of the period, value Depreciation-linked assets linked to GUs which in turn have intangible lifetime assets were tested, which did not show Depreciation value-linked assets.

As of December 31, 2022, there are restrictions on the realization of the property, plant and equipment associated with some equipment of the motor park for a net carrying amount of the school \$2 (2021:\$2) These restrictions are for theft and have been affected as a guarantee for the fulfillment of obligations.

The most significant commitments for the acquisition of the Group's property, plant, and equipment at the cut-off date amount to \$3,229,904 (2021 3,608,451).

The following is the historical cost of the fully depreciated property, plant and equipment that continues to operate as of December 31, 2022 and 2021:

Group	2022	2021
Networks, lines and cables	10,684	10,254
Plants, ducts and tunnels	26,907	22,190
Buildings	5,052	2,422
Machinery and equipment	20,270	17,458
Communication and computer equipment	86,530	65,972
Other properties, plant and equipment	21,228	14,771
Total	170,671	133,067

Amounts stated in millions of Colombian pesos -

Note 06.

Investment property

The fair value of the investment properties is based on an appraisal made by appraisers who have recognized professional capacity and recent experience on the category of the real estate investments object of the appraisal; this value has been determined by appraisers of the Real Estate Assets Negotiation and Administration Unit of EPM; this activity is performed at least once a year. For the determination of the fair value of investment properties, the comparative or market method is used, which consists of deducting the price by comparison of transactions, supply and demand and appraisals

of similar or comparable properties, after adjustments for time, conformation and location; the residual method, which is applied only to buildings and is based on the determination of the restated construction cost less depreciation due to age and state of conservation; and the rental method, which is used to determine the possible value of an asset according to its capacity to generate income, taking into account the probable value of the monthly rent that lessees would be willing to pay in the leasing market. See note 44 Fair value measurement on a recurring and non-recurring basis:

Investment properties	2022	2021
Initial balance	167,329	165,119
Purchase	-	280
Net gain or loss from fair value adjustments ⁽¹⁾	20,383	(35)
Disposals (-)	(802)	(164)
Effect of foreign currency translation	3,310	2,074
Transfers ⁽²⁾ (-/+)	354	55
Final balance	190,574	167,329

Amounts stated in millions of Colombian pesos -

1. See details in note 32. Other income and note 36. Other expenses.

As of December 31, 2022, investment property rental income for the period amounted to \$510 (2021: \$2,169) and direct expenses

for the period related to investment properties amounted to \$266 (2021: \$249).

As of December 31, 2022, and 2021 there are restrictions on the property located in the Mamatoco sector of the municipality of Santa Marta, currently a direct reparation process is being carried out against the municipality, due to the omission of the municipal administration that generated a massive invasion process to the property, which makes it difficult to recover through police protection processes; the fair value is \$1,392 (2021: \$1,392)

Note 07.

Goodwill and other intangible assets

The following is a detail of the carrying amount of intangible assets:

Intangible assets	2022	2021
Cost		
Goodwill	3,955,113	3,425,374
Concessions and franchises	3,865,191	3,070,566
Rights	28,606	25,196
Licenses	237,728	209,691
Software	788,663	635,659
Easements	269,998	236,891
Costs Development Phases	64,137	35,016
Client-related intangibles	558,115	461,896
Other intangibles	24,254	20,191
Impairment amount		
Goodwill	(261,847)	(206,572)
Accumulated depreciation and impairment amount		
Concessions and franchises	(1,552,663)	(1,190,144)
Rights	(5,079)	(3,999)
Licenses	(135,652)	(107,153)
Software	(431,346)	(322,880)
Easements	(10,673)	(9,773)
Client-related intangibles	(253,081)	(182,528)
Other intangibles	(42,551)	(32,260)
Total	7,098,913	6,065,171

Amounts stated in millions of Colombian pesos -

The movement in the cost, amortization and impairment of intangible assets is detailed below:

2022	Goodwill	Similar concession s and rights	Capitalized developmen t costs	Software and computer applications	Licenses	Rights	Other intangible assets ⁽¹⁾	Total
Initial balance, cost	3,425,374	3,070,766	35,016	635,659	209,691	25,196	718,779	8,120,481
Additions ⁽²⁾	-	244,281	31,383	58,361	8,607	-	7,058	349,690
Transferences (-/+)	-	11,554	(1,972)	31,518	7,748	-	17,533	66,381
Disposals (-)	-	-	-	-	-	(112)	-	(112)
Derecognition (-)	-	(837)	-	(47)	(692)	-	-	(1,576)
Effect of foreign currency translation	529,739	550,236	-	61,252	14,313	3,523	104,722	1,263,785
Other changes	-	(10,609)	(290)	1,920	(1,939)	-	4,073	(6,845)
Final balance, cost	3,955,113	3,865,391	64,137	788,663	237,728	28,607	852,165	9,791,804
Initial balance, accumulated amortization and impairment	(206,572)	(1,190,144)	-	(322,880)	(107,153)	(3,999)	(224,562)	(2,055,310)
Charge of amortization for the period ⁽³⁾	-	(155,092)	-	(74,051)	(19,708)	(490)	(35,583)	(284,924)
Capitalized amortization	-	-	-	(263)	-	-	-	(263)
Impairment of the period (Note 8)	(47,085)	-	-	-	(1)	(212)	-	(47,298)
Disposals (-)	-	-	-	-	(20)	112	-	92
Derecognition (-)	-	224	-	47	479	-	-	750
Effect of foreign currency translation	(8,189)	(202,328)	-	(33,967)	(9,234)	(340)	(51,464)	(305,522)
Other changes	-	(5,322)	-	(37)	(16)	(150)	5,305	(220)
Final balance accumulated amortization and impairment	(261,847)	(1,552,662)	-	(431,346)	(135,653)	(5,079)	(306,304)	(2,692,891)
Ending balance intangible assets, net	3,693,266	2,312,729	64,137	357,317	102,075	23,528	545,861	7,098,913
Advances to third parties								
Initial balance		200						200
Final balance		200						200

Amounts stated in millions of Colombian pesos -

2021	Merchant credit	Similar concessions and rights	Capitalized development costs	Software and computer applications	Licenses	Rights	Other intangible assets (1)	Total
Initial balance, cost	3,329,793	2,884,729	43,992	473,141	161,888	25,072	713,099	7,631,714
Additions ⁽²⁾	-	229,860	10,421	65,786	19,685	-	5,648	331,400
Transferences (-/+)	-	21,623	(19,396)	53,106	23,070	(23)	12,947	91,327
Disposals (-)	-	(336)	-	(245)	-	(97)	-	(678)
Derecognition (-)	-	(24)	-	(4,159)	(2,889)	-	-	(7,072)
Effect of foreign currency translation	95,581	(75,748)	-	33,757	7,972	244	(13,862)	47,944
Other changes	-	10,662	-	14,273	(34)	-	946	25,847
Final balance, cost	3,425,374	3,070,766	35,017	635,659	209,692	25,196	718,778	8,120,482
Initial balance accumulated amortization and impairment	(206,572)	(1,074,436)	-	(254,196)	(89,358)	(3,289)	(195,784)	(1,823,635)
Charge of amortization ⁽³⁾	-	(132,522)	-	(55,955)	(15,583)	(482)	(33,809)	(238,351)
Capitalized amortization	-	(1,753)	-	-	-	-	3,358	1,605
Impairment of the period (Note 8)	-	-	-	-	-	-	(31)	(31)
Disposals (-)	-	128	-	127	-	97	(1,812)	(1,460)
Derecognition (-)	-	24	-	4,150	2,706	-	49	6,929
Effect of foreign currency translation	-	22,547	-	(16,916)	(5,386)	(194)	4,386	4,437
Other changes	-	(4,132)	-	(90)	468	(132)	(919)	(4,805)
Final balance accumulated amortization and impairment	(206,572)	(1,190,144)	-	(322,880)	(107,153)	(4,000)	(224,562)	(2,055,311)
Ending balance intangible assets, net	3,218,802	1,880,622	35,017	312,779	102,539	21,196	494,216	6,065,171
Advances to third parties								
Initial balance		200						200
Final balance		200						200

1

Includes easements, intangibles related to customers and other intangibles corresponding to premiums at Gas Service Stations.

2

Includes purchases, capitalizable disbursements that meet the recognition criteria and concessions. In 2020, purchases associated with capitalized development disbursements were allocated to IT projects: Digital Transformation, Sentinel Project, Treasury Project.

3

See note 34. Costs of services rendered and note 35. Administrative expenses.

At the end of the periods, intangible assets with indefinite useful lives were tested for impairment. Details of the impairment recognized in the statement of comprehensive income are included in note 8, Impairment of assets.

The amortization of intangible assets is recognized as costs and expenses in the statement of comprehensive income, income for the period, in the lines costs for services rendered and administrative expenses.

The carrying amount at the balance sheet date and the remaining amortization period for significant intangible assets is as follows:

Significant intangible assets	Useful life	Remaining amortization period	2022	2021
Goodwill	Indefinite		3,693,266	3,218,802
Chile concession	Definite	13	1,868,478	809,600
Proyecto Central Generación Ituango - EPM	Indefinite		177,666	177,666
Espíritu Santo - EPM	Indefinite		82,980	82,980
Easements Corridor Lines 53 - EPM	Indefinite		63,040	63,040
Circuito Bello Distribution Network - EPM	Definite	40	38,671	38,414
Elektra Noreste S.A. - SAP Business Management System and ERP and Other Software	Definite	1 to 14	298,837	113,358
Aguas Regionales S.A. E.S.P - concessions	Definite	11 to 75	116,412	72,543
Ecosistema ciudad de Lerdo S.A de C.V. from Mexico - Water treatment plant	Definite	35	86,791	-
Deca- Smart Metering System and Customer Care System	Definite	1 to 5	55,035	52,131
Electrificadora de Santander S.A. E.S.P - Easements	Indefinite		33,846	19,662
Distribución Eléctrica Delsur - SAP Sales Management System	Definite	2 to 5	79,208	14,679

The following intangible assets have indefinite useful lives: goodwill and easements, the latter are agreed in perpetuity. An easement is a real, perpetual or temporary right over another's property, by virtue of which it may be used, or certain disposition rights may be exercised, or the owner may be prevented from exercising some of its property rights (Art. 2970 of the Civil Code). In EPM, easements are not treated individually, since they are constituted for public service projects, where the general interest prevails over the particular, considering that the objective is to improve the quality of life of the community; the aforementioned projects do not have a defined time period, that is why they are constituted in perpetuity supported by their use. However, there are some easements with a defined useful life because they are tied to the useful life of the main asset that requires the easement.

Intangible assets with indefinite useful lives	2022	2021
Goodwill		
Aguas de Antofagasta	1,887,833	1,608,117
Empresa eléctrica de Guatemala S.A.	1,318,538	1,136,071
Proyecto Central Generación Ituango	177,667	177,667
Elektra Noreste S.A.	142,157	129,876
Espíritu Santo	82,981	82,981
Empresas Varias de Medellín S.A. E.S.P.	78,642	78,642
Empresa de Energía del Quindío S.A. E.S.P.	5,135	5,135
Surtigás Necoclí	303	303
Central Hidroeléctrica de Caldas S.A. E.S.P.	10	10
Sub-total goodwill	3,693,266	3,218,802
Other intangible assets		
Easements	246,918	220,281
Sub-total other intangible assets	246,918	220,281
Total intangible assets with indefinite useful lives	3,940,184	3,439,082

Amounts stated in millions of Colombian pesos -

The variation with respect to 2021 is mainly due to the increase in exchange rates, which generates a higher value of goodwill of international subsidiaries.

Note 08.

Impairment of assets

8.1. Impairment of investments in associates and joint ventures

The following table presents the cumulative effect of impairment losses recognized:

Investment	Carrying amount		Loss (reversal) of impairment	
	2022	2021	2022	2021
Associate				
UNE EPM Telecomunicaciones S.A.	1,065,566	1,290,198	-	-
Inversiones Telco S.A.S.	73,611	77,209	-	-
Hidroeléctrica Ituango S.A. E.S.P.	17,281	23,879	6,420	-
Hidroeléctrica del Río Aures S.A. E.S.P.	2,564	2,566	-	-
VE Servicios de Eficiencia Energética S.A.S.	-	63	-	-

Total associates	1,159,022	1,393,915	6,420	-
Joint ventures				
Parques del Río S.A.S.	36	45	-	-
Centro de Servicios Compartidos S.A.S	17,130	24,009	-	-
Total joint ventures	17,166	24,054	-	-

- Amount stated in millions of Colombian pesos -

Hidroeléctrica Ituango S.A. E.S.P.

It presents an impairment of \$6,420, within the process of evaluation and financial follow-up of the project, internally EPM, based on the actual information known and its assumptions of commercial operation, investments, cost of debt, among others, estimates the percentage that HI could receive during the operation stage of the plant, according to the estimates, the percentage of remuneration for HI would be 0%, therefore, the financial projection of the EPM Generation CGU does not include any disbursement in favor of the HI Company for remuneration.

8.2. Impairment of Cash Generating Units

The carrying value of goodwill and intangible assets with indefinite useful lives associated with each CGU are detailed below:

Cash Generating Unit	Carrying amount		Loss (reversal) of impairment	
	2022	2021	2022	2021
Energy Generation Segment				
Goodwill	260,647	260,647	-	-
Easements	966	854	-	(20)
Rights	-	-	212	-
Licenses	-	-	1	-
Lands	-	-	-	(4,168)
Buildings	-	-	10,041	(7,294)
Plants, ducts and tunnels	-	-	20,882	(35,776)
Networks, lines and cables	-	-	724	-
Machinery and equipment	-	-	9,091	(305)
Furniture, fixtures and office equipment	-	-	2	(12)
Communication and computer equipment	-	-	4	(156)
Transport, traction and lifting equipment	-	-	16	(155)
Replacement assets	-	-	-	(16)
Energy Generation	261,613	261,501	40,973	(47,902)
Energy Transmission Segment				
Easements	129,226	128,673	-	-
Energy Transmission	129,226	128,673	-	-

Energy Distribution Segment				
Goodwill	1,465,841	1,271,092	-	-
Easements	114,652	85,862	-	-
Rights-of-use buildings	-	-	(117)	-
Energy Distribution	1,580,493	1,356,954	(117)	-
Gas Segment				
Goodwill	303	303	-	-
Easements	3,693	3,693	-	-
Gas	3,996	3,996	-	-
Water supply segment				
Goodwill	1,717,820	1,463,387	43,206	-
Easements	7,728	5,475	-	-
Lands	-	-	-	9
Buildings	-	-	-	11
Plants, ducts and tunnels	-	-	-	1,527
Networks, lines and cables	-	-	-	3,848
Machinery and equipment	-	-	-	624
Medical and scientific equipment	-	-	-	5
Furniture, fixtures and office equipment	-	-	-	6
Communication and computer equipment	-	-	-	5
Transport, traction and lifting equipment	-	-	-	2
Water supply	1,725,548	1,468,862	43,206	6,037
Wastewater Management Segment				
Goodwill	170,013	144,731	3,879	-
Easements	1,745	1,737	-	42
Other intangibles	-	-	-	9
Lands	-	-	-	6
Plants, ducts and tunnels	-	-	-	1
Networks, lines and cables	-	-	-	3,909
Machinery and equipment	-	-	571	-
Furniture, fixtures and office equipment	-	-	1	-
Communication and computer equipment	-	-	17	-
Wastewater Management	171,758	146,468	4,468	3,967
Solid Waste Management Segment				
Goodwill	78,642	78,642	-	-
Solid Waste Management	78,642	78,642	-	-
Total	3,951,276	3,445,096	88,530	(37,898)

- Amount stated in millions of Colombian pesos -

Goodwill is mainly allocated to the following segments or CGUs:

Cash Generating Unit	2022	2021	Generated as a result of
Water Supply Adasa	1,857,721	1,577,144	Business combination in the acquisition of Aguas de Antofagasta by Inversiones Hanover
Energy Distribution EEGSA	1,318,539	1,136,071	Business combination in the acquisition of Deca II Group by EPM
Energy Generation EPM	260,647	260,647	Liquidation of the subsidiary EPM Ituango S.A. E.S.P. and Espiritu Santo whose assets were transferred to EPM.
Energy Distribution ENSA	142,157	129,876	Business combination in the Grupo PDG acquisition by EPM
Solid Waste Management Emvarias	78,642	78,642	Business combination in the acquisition made by EPM
Wastewater Management Adasa	30,112	30,974	Business combination in the acquisition of Aguas de Antofagasta by Inversiones Hanover
Energy Distribution EDEQ	5,135	5,135	Business combination in the acquisition made by EPM Inversiones
Gas EPM	303	303	Business combination with Surtidora de Gas del Caribe S.A. E.S.P. carried out by EPM.
Energy Distribution CHEC	10	10	Business combination in the acquisition made by EPM Inversiones
Total	3,693,266	3,218,802	

Amount stated in millions of Colombian pesos-

Easements intangible assets are mainly allocated to the following segments or CGUs:

Cash Generating Unit	2022	2021
Energy Transmission EPM	129,190	128,636
Energy Distribution EPM	38,611	35,942
Energy Distribution ESSA	37,141	19,625
Energy Distribution ENSA	20,739	12,476
Energy Distribution CENS	9,266	9,263
Energy Distribution CHEC	7,544	7,529
Water Supply EPM	7,412	5,214
Gas EPM	3,693	3,693
Energy Distribution EEGSA	1,096	771
Wastewater Management EPM	1,018	1,009
Wastewater Management Aguas Nacionales	597	598
Energy Generation EPM	444	444
Energy Generation Hidroecológica del Teribe	353	293
Water Supply Adasa	315	261
Energy Distribution EDEQ	256	256
Energy Generation CHEC	169	117
Wastewater Management Aguas de Malambo	130	130
Energy Transmission ESSA	36	37
Total	258,010	226,294

- Amount stated in millions of Colombian pesos -

Impairment of assets and intangible assets - Provision Agua de Antofagasta CGU

Aguas de Antofagasta calculated the impairment of its assets based on IAS 36, seeking to ensure that the value of the assets recorded on September 30, 2022 reflects their recoverable value through their use or sale.

Value-in-use: For this purpose, an estimate was made of the future cash flows that the company expects to obtain on the assets, considering the expectations of possible variations in the value, based on the most recent financial projections, the cash flow was calculated until 2033, the year in which the operating contract ends. The discount rate used for the valuation considers the return that the owner would require for this type of investment.

Based on the above, and on the analysis of the fixed assets susceptible to impairment allocation, the value of the impairment of the assets as of September 30 amounts to \$8,927,960,370 Chilean pesos and results from:

- **Value-in-use:** \$726,398,020,977 Chilean pesos
- **Carrying amount of the CGU:** \$735,325,981,347 Chilean pesos
- **Comparison amount:** \$8,927,960,370 Chilean pesos
- **Impairment amount:** \$ 8,927,960,370 Chilean pesos
- **Conversion rate cost impairment** 4.81 COP / CLP

Impairment of assets and intangible assets - Aguas de Antofagasta Wastewater Management CGU

Aguas de Antofagasta calculated the impairment of its assets based on IAS 36, seeking to ensure that the value of the assets recorded on September 30, 20 reflects their recoverable value through their use or sale.

Value-in-use: For this purpose, an estimate was made of the future cash flows that the company expects to obtain on the assets, considering the expectations of possible variations in the value, based on the most recent financial projections, the cash flow was calculated until 2033, the year in which the operating contract ends. The discount rate used for the valuation considers the return that the owner would require for this type of investment.

Based on the above, and on the analysis of the fixed assets susceptible to allocation of impairment, the impairment value of the assets as of September 30 amounts to \$861,896,851 Chilean pesos and results from:

- **Value-in-use:** \$69,435,320,218 Chilean pesos
- **Carrying amount of the CGU:** \$70,297,217,069 Chilean pesos
- **Comparison amount:** \$861,896,851 Chilean pesos
- **Impairment amount:** \$861,896,851 Chilean pesos

- **Conversion rate cost impairment** 4.81 COP / CLP

The key assumptions used by the Group for both segments in determining value-in-use/fair value less costs to sell are as follows:

Concept	Key assumption
Revenue	They were projected considering the markets in which they participate, in the regulated market account was taken of population growth, consumption behavior, the incorporation of new clients and the tariff path, in the case of the unregulated market, account was taken of water sales contracts and water demand expectations in this market as well as the growth in the price of m3
Costs and expenses	Considering the demand, variable and fixed costs were projected, as well as the growth of these costs, taking into account the incorporation into the operation of the projects under development after completion, factors affecting prices of inputs and services such as dollar price, inflation, energy price and fuels, among others, were taken into account
Investment	Based on the investment plan, account was taken of the implementation of the projects, their amounts, time and foreseeable variations resulting from possible macroeconomic effects

Impairment of assets and intangible assets - Generation of Hidroecológica del Teribe S.A. CGU.

Hidroecológica del Teribe S.A. calculated the impairment of its assets based on IAS 36, seeking to ensure that the value of the assets accounted for as of September 30, 2022, reflects their recoverable value through their use or sale.

Value-in-use: For this purpose, an estimate was made of the future cash flows that the company expects to obtain on the assets, considering the expectations of possible variations in the value, based on the most recent financial projections, the cash flow was calculated until 2063, the year in which the operating contract ends. The discount rate used for the valuation considers the return that the owner would require for this type of investment.

Based on the above, and on the analysis of the fixed assets susceptible to allocation of impairment, the impairment value of the assets as of September 30 amounts to USD 9,182,215 and results from:

- **Value-in-use:** \$108,049,349 U.S. dollars
- **Carrying amount of the CGU:** \$117,290,932 U.S. dollars
- **Comparison amount:** \$9,241,583 U.S. dollars
- **Impairment amount¹:** \$9,182,215 U.S. dollars
- **Conversion rate cost impairment** 4,433.65 COP / USD

¹ Corresponds to the maximum impairment that it was possible to assign to the CGU's assets according to IAS 36.

The key assumptions used by the group in determining value-in-use/ fair value less costs to sell are as follows:

Concept	Key assumption
Revenue	Contracted quantities are considered up to a target of 129 GWh - year over the whole horizon. The price of these contracts has declined slightly from the previous projection due to the expansion in generation of the new plants and the learning of large clients. Generation projects under construction were considered in the short and medium term. In the long term, the licensed projects were included, which were awarded in bids and generic projects that are included in the expansion plan.
Costs and expenses	Costs have been budgeted based on the projection of occasional market costs that are impacted by the sector's current demand and supply. The average growth in recent years and inflation in the coming years have been considered for expenditure. In time for environmental expenditure, the included in the contracts of the concessions are provided for.
Investment	It considers the replacement and acquisition of equipment for the medium-term generation plant and the exchange of short-term vehicles.

Impairment of assets and intangible assets - Aguas de Morelia Wastewater Management CGU

Aguas de Morelia calculated the impairment of its assets based on IAS 36, seeking to ensure that the value of the assets accounted for on December 31, 2022 reflects their recoverable value through their use or sale.

- **Value-in-use:** For this purpose, an estimate was made of the future cash flows that the company expects to obtain on the assets, considering the expectations of possible variations in the value, based on the most recent financial projections, the cash flow was calculated until 2026, the year in which the operating contract ends. The discount rate used for the valuation considers the return that the owner would require for this type of investment.

Based on the above, and on the analysis of the fixed assets susceptible to impairment allocation, the value of the impairment of the assets as of December 31 amounts to \$2,413,664 Mexican pesos and results from:

- **Value-in-use:** \$95,265,002 Mexican pesos
- **Carrying amount of the CGU:** \$112,295,364 Mexican pesos
- **Comparison amount:** \$17,030,362 Mexican pesos
- **Impairment amount¹:** \$2,413,664 Mexican pesos
- **Conversion rate cost impairment** 244.21 COP / MXP

¹ Corresponds to the maximum impairment that it was possible to assign to the CGU's assets according to IAS 36.

The key assumptions used by the group in determining value-in-use/ fair value less costs to sell are as follows:

Concept	Key assumption
Income	Revenue comes from the operation of the Atapaneo and Itzicuaros wastewater treatment plant, projected until the contract expires and based on historical consumption, i.e., +966 LPS and +147 LPS, respectively, representing 80% and 70% of installed capacity.
Costs and expenses	The costs and expenses were estimated in compliance with the maintenance of the plant, main inputs such as electrical energy, chemicals and personnel assuming at this last point, an increase at the end of the projection since the company is assumed to be closed.
Investment	No additional investment is estimated than infrastructure support.

The value-in-use and carrying value of the CGU at the end of 2022 that have intangible assets with indefinite useful lives are detailed below:

Cash Generating Unit	Functional Currency	Value-in-use	Carrying amount
Energy Generation EPM	Colombian pesos	22,101,830	18,066,332
Energy Distribution EPM	Colombian pesos	9,053,770	5,414,038
Water Supply EPM	Colombian pesos	3,768,349	3,376,659
Energy Distribution Afinia	Colombian pesos	2,872,201	2,663,566
Wastewater Management Aguas Nacionales	Colombian pesos	2,722,407	1,984,057
Energy Distribution ESSA	Colombian pesos	2,394,316	1,789,902
Gas EPM	Colombian pesos	1,882,734	738,123
Wastewater Management EPM	Colombian pesos	1,849,499	1,481,522
Energy Distribution CENS	Colombian pesos	1,474,251	1,114,698
Energy Transmission EPM	Colombian pesos	1,223,701	749,360
Energy Distribution CHEC	Colombian pesos	942,911	651,600
Water Supply Adasa	Chilean pesos	764,012	738,930
Energy Generation CHEC	Colombian pesos	334,923	205,621
Energy Distribution EDEQ	Colombian pesos	317,053	273,180
Solid Waste Management Emvarias	Colombian pesos	268,977	232,673
Energy Transmission ESSA	Colombian pesos	215,742	60,127
Wastewater Management Adasa	Chilean pesos	73,031	70,752
Wastewater Management Aguas de Malambo	Colombian pesos	30,980	13,234
Energy Distribution EEGSA	Quetzales	7,522	4,721
Energy Distribution ENSA	U.S. dollars	1,073	620
Energy Generation Hidroecológica del Teribe	U.S. dollars	108	107

Note 09.

Investments in subsidiaries

The detail of the Group's subsidiaries as of the date of the reporting period is as follows:

Name of the subsidiary		Location (Country)	Principal activity	Percentage of ownership and voting rights		Non-controlling party share percentage		Creation date
				2022	2021	2022	2021	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)		Colombia	Provides public electric power services, purchase, sale and distribution of electric power.	92.85%	92.85%	7.15%	7.15%	22/12/1988
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)		Colombia	It provides public energy services, operating electric power generation plants, transmission and subtransmission lines, and distribution networks, as well as the commercialization, import, distribution, and sale of electric power.	80.10%	80.10%	19.90%	19.90%	9/09/1950
Electrificadora de Santander S.A. E.S.P. (ESSA)		Colombia	It provides public services of electric energy, purchase, sale, commercialization and distribution of electric energy.	74.05%	74.05%	25.95%	25.95%	16/09/1950
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)		Colombia	Provides public electric power services, purchase, export, import, distribution and sale of electric power, construction and operation of generating plants, substations, transmission lines and distribution networks.	91.52%	91.52%	8.48%	8.48%	16/10/1952
Caribemar de la Costa S.A.S. E.S.P. (AFINIA)	(1)	Colombia	It provides public services for the distribution and commercialization of electrical energy, as well as the performance of all related activities, works, services, and products.	100.00%	100%	-	-	1/10/2020
Elektra Noreste S.A. (ENSA)		Panamá	Acquires energy, transports, distributes to customers, transforms voltage, installs, operates and maintains public lighting, authorized to generate energy up to a limit of 15% of maximum demand in the concession area.	51.16%	51.16%	48.84%	48.84%	19/01/1998

Hidroecológica del Teribe S.A. (HET)		Panamá	It finances the construction of the Bonyic hydroelectric project required to meet the growth in energy demand of the Isthmus of Panama.	99.68%	99.68%	0.32%	0.32%	11/11/1994
Empresa Eléctrica de Guatemala S.A. (EEGSA)		Guatemala	Provides electricity distribution services.	80.90%	80.90%	19.10%	19.10%	5/10/1939
Gestión de Empresas Eléctricas S.A. (GESA)		Guatemala	Provides advice and consultancies to electricity distribution, generation and transportation companies.	100.00%	100%	-	-	17/12/2004
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)		Guatemala	Provides outsourcing services in the materials management area.	99.94%	99.94%	0.06%	0.06%	23/03/2000
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)		Guatemala	Provides electricity marketing services.	80.52%	80.52%	19.48%	19.48%	5/11/1998
Transportista Eléctrica Centroamericana S.A. (TRELEC)		Guatemala	Provides electricity transmission services.	80.90%	80.90%	19.10%	19.10%	6/10/1999
Enérgica S.A. (ENERGICA)		Guatemala	It provides construction and maintenance services for projects and assets in the electricity sector.	78.19%	78.19%	21.81%	21.81%	31/08/1999
Crediegsa S.A. (CREDIEGSA)		Guatemala	Provides personnel recruitment services and other administrative services	80.90%	80.90%	19.10%	19.10%	1/12/1992
Distribuidora de Electricidad del Sur (DELSUR)		El Salvador	Transformation, distribution and commercialization of electricity that supplies energy to the south-central zone of El Salvador in Central America.	86.41%	86.41%	13.59%	13.59%	16/11/1995
Innova Tecnología y Negocios S.A. de C.V.		El Salvador	Provision of specialized services in electrical engineering and sale of household appliances to users of electrical energy from the Delsur company.	86.41%	86.41%	13.59%	13.59%	19/10/2010
Aguas Nacionales EPM S.A. E.S.P.	(2)	Colombia	It provides home public services of aqueduct, sewerage and cleaning, treatment and use of garbage, complementary activities and engineering services typical of these public services.	99.9997%	99.99%	0.01%	0.01%	29/11/2002
Aguas Regionales EPM S.A. E.S.P.	(3)	Colombia	Guarantee the provision of home public services of aqueduct, sewerage and cleaning and compensate the lag of the infrastructure of these services in the partner municipalities.	74.57%	74.57%	25.43%	25.43%	18/01/2006
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.		Colombia	It provides home public water and sewage services, as well as other complementary activities specific to each of these public services.	56.02%	56.02%	43.98%	43.98%	22/11/1999
Aguas de Malambo S.A. E.S.P.	(4)	Colombia	Dedicated to guaranteeing the provision of home public services of aqueduct, sewerage and cleaning in the jurisdiction of the Municipality of Malambo, Department of Atlántico.	98.64%	98.52%	1.359%	1.48%	20/11/2010
Ecosistemas de Colima S.A. de C.V.		México	Dedicated to preparing an executive project for the wastewater treatment plant, its construction, equipment and commissioning, conservation and maintenance, sludge stabilization in municipalities of the State of Colima.	100%	100%	-	-	14/02/2006
Ecosistemas de Tuxtla S.A. de C.V.		México	Dedicated to the construction, equipment, start-up, operation and maintenance of a wastewater treatment system with the modality of total recoverable private investment. Develop drinking water projects and water treatment plants.	100%	100%	-	-	17/11/2006
Ecosistema de Ciudad Lerdo S.A. de C.V.		México	Subsidiary dedicated to the construction, equipment, start-up, operation and maintenance for 20 years of a wastewater treatment system in the city of Lerdo Durango, with the modality of total recoverable private investment.	100%	100%	-	-	24/04/2007
Aquasol Morelia S.A. de C.V.		México	Subsidiary dedicated to the construction of a wastewater treatment plant, as well as the equipment and commissioning of said plant located in the town of Atapaneo in the Municipality of Morelia Michoacán.	100%	100%	-	-	13/11/2003
Ecosistemas de Celaya S.A. de C.V.		México	Dedicated to the preparation of the executive project for the wastewater treatment plant, as well as the treatment, transportation and final disposal of solid waste and sludge at the plant in the city of Celaya, state of Guanajuato.	100%	100%	-	-	5/12/2008

Desarrollos Hidráulicos de Tampico S.A. de C.V.		México	Dedicated to the construction, equipment, expansion, improvement, conservation, maintenance and operation of water supply systems and sewage services, collection works, drainage and wastewater treatment.	100%	100%	-	-	25/08/1995
Ecoagua de Torreón S.A. de C.V.		México	Dedicated to providing wastewater treatment operation services from any source, whether municipal or domestic, as well as activities related to wastewater treatment.	100%	100%	-	-	25/10/1999
Proyectos de Ingeniería Corporativa S.A. de C.V.		México	Provision of design services, engineering in general or construction, professional and technical services tending to operate, manage, direct and in general carry out all the activities that are necessary for the development of activities of any company of a commercial, industrial or of services, in its modality of physical or moral person.	100%	100%	-	-	1/08/2008
Corporación de Personal Administrativo S.A. de C.V.		México	Provision of professional services tending to operate, manage, direct and in general carry out all the activities that are necessary for the development of activities of any company of a commercial, industrial or service type in its modality of natural or legal person, as well as also the administration, selection, hiring and exchange of personnel who perform functions within the facilities of the applicant companies.	100%	100%	-	-	1/08/2008
Aguas de Antofagasta S.A.		Chile	Construction and operation of public services for the production and distribution of potable water and the collection and disposal of sewage through the operation of the sanitary concessions of the Empresa de Servicios Sanitarios de Antofagasta SA (currently Econsa Chile SA), and the performance of other benefits related to said activities, all in the manner and conditions established in decrees with Force of Law numbers 382 and 70, both of the year 1998, of the Ministry of Public Works, and other pertinent regulations. For this, on December 29, 2003, Aguas de Antofagasta SA signed with the Empresa de Servicios Sanitarios de Antofagasta SA (current Empresa Concesionaria de Servicios Sanitarios SA - Econsa SA) the "Contract for the transfer of the right to operate sanitary concessions ", for a total term of 30 years from the date of subscription.	100%	100%	-	-	28/11/2003
Empresas Varias de Medellín S.A. E.S.P.		Colombia	Subsidiary dedicated to the provision of the public cleaning service within the framework of the integral management of solid waste.	99.93%	99.93%	0.07%	0.07%	11/01/1964
EPM Inversiones S.A.		Colombia	Dedicated to capital investment in national or foreign companies organized as public service companies.	99.9999996%	99.99%	0.01%	0.01%	25/08/2003
Maxseguros EPM Ltd.		Bermuda	Negotiation, contracting and management of reinsurance for policies that protect assets.	100.00%	100.00%	-	-	23/04/2008
Panamá Distribution Group S.A. - PDG		Panamá	Capital investment in companies.	100.00%	100.00%	-	-	30/10/1998
Distribución Eléctrica Centroamericana DOS S.A. - DECA II		Guatemala	It makes capital investments in companies that are dedicated to the distribution and commercialization of electrical energy and to provide telecommunications services.	100.00%	100.00%	-	-	12/03/1999
Inmobiliaria y Desarrolladora Empresarial de América S.A. (IDEAMSA)		Guatemala	Subsidiary dedicated to making investments in real estate.	80.90%	80.90%	19.10%	19.10%	15/06/2006
Promobiliaria S.A.		Panamá	Buy, sell, build, modify, manage, lease and in general enter into any contract for the disposal, improvement, use and usufruct of real estate not necessary for the operation of property of the companies that make up Grupo EPM.	100.00%	100.00%	-	-	8/09/2015
EPM Latam S.A.		Panamá	Make capital investments in companies.	100.00%	100.00%	-	-	17/05/2007
EPM Capital México S.A. de C.V.		México	It develops infrastructure projects related to energy, lighting, gas, telecommunications, sanitation, water treatment plants, sewerage, wastewater treatment, buildings, as well as its operation, studies and services.	100.00%	100.00%	-	-	4/05/2012
EPM Chile S.A.		Chile	It develops projects for energy, lighting, gas, telecommunications, sanitation, sewage treatment plants and wastewater treatment, as well as providing said services and participating in all types of public or private tenders and auctions.	100.00%	100.00%	-	-	22/02/2013

Inversiones y Proyectos Hidrosur SpA	(5)	Chile	Participate in all kinds of contests, tenders, auctions, whether public and/or private, in the purchase of shares in national or foreign companies. Make strategic alliances, joint venture associations and sign business collaboration agreements to participate in tenders, obtain concessions and/or authorizations. Provide all kinds of advice and services directly or indirectly related to the activities carried out and in which the company is involved.	100.00%	100.00%	-	-	16/12/2014
Tecnología Intercontinental S.A. de C.V. TICSÁ	(6)	México	Dedicated to the study, development, promotion and execution of industrial projects, to the design, manufacture, assembly and assembly of machinery, the development of technology, including marketing, commercial representation and commerce in general.	100.00%	100.00%	-	-	28/07/1980
ENSA Servicios S.A.		Panamá	Provision of technical, commercial and any other complementary services to the provision of electricity service, without limiting other similar, related and/or compatible services that constitute added value to the activities described.	51.16%	51.16%	48.84%	48.84%	29/11/2017
FID 20431 SOMOS EPM (antes Patrimonio Autónomo Financiación Social)	(7)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	100.00%	100.00%	-	-	14/04/2008
FID 20432 SOMOS CHEC	(7)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	80.10%	80.10%	19.90%	19.90%	10/11/2020
FID 20433 SOMOS EDEQ	(7)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	92.85%	92.85%	7.15%	7.15%	10/11/2020
FID 20434 SOMOS ESSA	(7)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	74.05%	74.05%	25.95%	25.95%	10/11/2020
FID 269 CONSIGUELO CREDIEGSA	(8)	Guatemala	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	80.90%	0.00%	19.10%	0.00%	5/01/2022
FID 20435 SOMOS CENS	(9)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology for users.	74.05%	74.05%	25.95%	25.95%	30/09/2022

1. Subsidiary acquired by the EPM Group through a share purchase and sale transaction perfected on October 1, 2020.
2. On November 23, 2020, EPM capitalized Aguas Nacionales EPM S.A. E.S.P. for \$113,397.
3. In December 2020, EPM capitalized Aguas Regionales EPM S.A. E.S.P. for \$13,587, such capitalization was made in two rounds with payments made on December 28, 2020 for \$10,087 and on January 6, 2021 for \$3,500, in accordance with the terms of the share subscription regulations.
4. In April 2022, EPM capitalized Aguas de Malambo S.A. E.S.P. with a cash contribution of \$2,000 and the treasury credit (plus interest) that had been granted to such subsidiary for a total amount of \$757.
5. On December 16, 2020, EPM Chile S.A. capitalized Inversiones y Proyectos Hidrosur SpA. for USD \$15,500,000 (COP\$ 53,723).
6. In June 2021 EPM Capital México S.A. de C.V. capitalized Tecnología Intercontinental S.A. de C.V. TICSÁ for MXN 3,832,352 (COP\$ 723).
7. Autonomous patrimony (structured entity) administered under mercantile trust agreement No. FID 4-2-2043 We are EPM Group Loyalty and Relationship Program, signed with Fiduciaria de Occidente S.A. on November 10, 2020.
8. Autonomous patrimony (structured entity) administered under the mercantile trust contract No. 269 - management and investment trust, signed with the INTERBANCO Trust on January 5, 2022.
9. Autonomous patrimony (structured entity) administered under the mercantile trust agreement No. FID 4-2-2043 We are EPM Group Loyalty and Relationship Program, signed with Fiduciaria de Occidente S.A. on August 8, 2022.

The financial information of the Group's subsidiaries with significant non-controlling interests as of the date of the reporting period is as follows:

December 31, 2022	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the period continued operations	Other Comprehensive income	Total comprehensive income	Cash flows
Elektra Noreste S.A. (ENSA)	1,007,275	3,096,810	1,875,982	1,186,262	2,834,416	159,300	149,880	309,180	23,576
Empresa Eléctrica de Guatemala S.A. (EEGSA)	1,096,867	2,330,707	717,690	1,046,268	3,000,623	228,654	238,558	467,212	37,470
Electrificadora de Santander S.A. E.S.P. (ESSA)	577,446	1,984,427	561,812	995,654	1,712,098	234,348	16,477	250,825	198,425
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	427,632	1,048,152	326,678	600,475	1,232,156	131,200	19,838	151,038	65,477
Distribuidora Eléctrica del Sur S.A. de C.V. (DELSUR)	289,802	594,578	332,450	343,589	1,469,927	54,227	29,123	83,350	23,108
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	372,040	1,025,435	280,773	510,668	1,103,095	201,461	3,075	204,536	35,340
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	173,355	1,449	43,577	17,229	614,015	20,921	14,975	35,896	10,591
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	149,140	258,604	108,026	109,432	354,021	48,817	1,854	50,671	25,006
Transportista Eléctrica Centroamericana S.A. (TRELEC)	101,119	1,555,387	181,804	535,938	220,336	110,902	140,630	251,532	1,421
Aguas Regionales EPM S.A. E.S.P.	46,019	216,253	38,006	82,243	84,204	2,305	-	2,305	13,181
Other participations ⁽¹⁾	869,020	5,171,996	565,250	774,544	934,591	672,370	37,315	709,685	508,536

Amounts stated in millions of Colombian pesos -

December 31, 2021	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the period continued operations	Other Comprehensive income	Total Comprehensive income	Cash flows
Elektra Noreste S.A. (ENSA)	587,927	2,610,744	953,930	1,401,887	2,016,297	125,104	98,654	223,758	38,041
Empresa Eléctrica de Guatemala S.A. (EEGSA)	1,022,629	1,935,981	674,772	950,343	2,379,006	207,110	165,374	372,484	20,461
Electrificadora de Santander S.A. E.S.P. (ESSA)	385,805	1,842,576	483,971	873,006	1,464,797	235,644	24,027	259,671	82,895
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	313,913	1,036,048	264,205	604,966	985,344	107,107	26,774	133,881	101,142
Distribuidora Eléctrica del Sur S.A. de C.V. (DELSUR)	311,564	452,721	282,536	309,340	1,122,956	48,506	23,934	72,440	37,932
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	272,134	994,119	203,446	509,105	917,591	148,255	7,916	156,171	72,887
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	146,956	1,648	36,890	14,469	409,800	22,305	9,199	31,504	4,099
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	99,045	238,450	64,704	93,104	294,551	38,866	3,911	42,777	30,459
Transportista Eléctrica Centroamericana S.A. (TRELEC)	99,632	1,263,246	126,789	533,551	163,686	81,518	92,973	174,491	405
Aguas Regionales EPM S.A. E.S.P.	48,934	195,541	33,654	71,103	71,425	14,227	-	14,227	26,309
Other participations ⁽¹⁾	776,592	4,694,137	580,541	610,361	829,640	630,650	103,822	734,472	368,449

Amounts stated in millions of Colombian pesos -

- Corresponds to investments in subsidiaries where the non-controlling interest is not significant in terms of its equity interest and/or the amount of the financial figures of each entity, and includes the following subsidiaries: Hidroecológica del Teribe S.A., Enérgica S.A., Crediegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Aguas de Malambo S.A. E.S.P., Empresas Varias de Medellín S.A. E.S.P., EPM Inversiones S.A., Inmobiliaria y Desarrolladora Empresarial de América S.A., Innova Tecnología y Negocios S.A. de C.V. y Almacenaje y Manejo de Materiales Eléctricos S.A.

The results for the period, dividends paid, and equity assigned to non-controlling interests as of the date of the reporting period are as follows:

Non-controlling participations	December 31, 2022			
	Equity	Profit or loss for the period	Other Comprehensive income	Dividends paid
Elektra Noreste S.A. (ENSA)	508,543	77,796	297	11
Electrificadora de Santander S.A. E.S.P. (ESSA)	260,674	60,820	4,276	30,580
Empresa Eléctrica de Guatemala S.A. (EEGSA)	317,717	43,668	(109)	25,647
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	120,595	40,089	612	30,287
Transportista Eléctrica Centroamericana S.A. (TRELEC)	179,285	21,180	-	2,872
Centrales Eléctricas del Norte de Santander S.A. E.S.P.	46,529	11,127	1,682	7,055
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	27,869	7,134	40	61,882
Aguas Regionales EPM S.A. E.S.P.	36,123	586	-	-
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	21,771	3,996	-	4,085
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	13,596	3,488	132	2,863
Other uncontrolled participations ⁽¹⁾	34,626	10,159	5	7,380

Amounts stated in millions of Colombian pesos -

Non-controlling participations	December 31, 2021			
	Equity	Profit or loss for the period	Other Comprehensive Income	Dividends paid
Elektra Noreste S.A. (ENSA)	411,398	61,096	207	40
Empresa Electrica de Guatemala S.A. (EEGSA)	254,670	39,554	(27)	14,325
Electrificadora de Santander S.A. E.S.P. (ESSA)	226,156	61,157	6,236	17,923
Transportista Electrica Centroamericana S.A. (TRELEC)	134,170	15,568	-	1,962
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	110,182	29,502	1,575	-
Centrales Electricas del Norte de Santander S.A. E.S.P.	40,776	9,084	2,271	-
Aguas Regionales EPM S.A. E.S.P.	36,737	4,818	-	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	23,308	6,597	206	6,801
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	18,572	4,260	-	2,177
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	12,839	2,777	279	2,064
Otras participaciones no controladas ⁽¹⁾	28,065	8,794	2	7,409

Amounts stated in millions of Colombian pesos -

1. Corresponds to investments in subsidiaries where the non-controlling interest is not significant and includes the following companies: Inmobiliaria y Desarrolladora Empresarial de América S.A., Enérgica S.A., Aguas de Malambo S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Hidroecológica del Teribe S.A., Crediegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresas Varias de Medellín S.A. E.S.P. and Almacenaje y Manejo de Materiales Eléctricos S.A.

9.1. Significant restrictions

As of December 31, 2022, and 2021, the Group has no significant restrictions to access or use the assets, settle liabilities of the Group, nor do the non-controlling interests have protective rights that may restrict the Group's ability to access or use the assets and settle the liabilities of the subsidiaries or restrict dividends and other capital distributions.

9.2. Consolidated structured entities

As of December 31, 2022, and 2021, the Group has the following consolidated structured entities:

Structured Entity	December 31, 2022			
	Participation in the entity	Total Assets	Total liabilities	Net profit or loss for the period
FID 20431 SOMOS EPM (before Patrimonio Autónomo Financiación Social)	100%	238,799	18,146	26,945
FID 20432 SOMOS CHEC	80.10%	28,501	825	2,243
FID 20433 SOMOS EDEQ	92.85%	7,237	407	401
FID 20434 SOMOS ESSA	74.05%	8,432	(161)	(452)
FID 269 CONSÍGUELO	80.90%	-	2,121	404
FID 20435 SOMOS CENS	91.52%	979	5	29

Amounts stated in millions of Colombian pesos -

The Group has no obligation to provide financial support to the above structured entities.

9.3. Loss of control of subsidiaries

As of December 31, 2022 and 2021, there were no transactions or economic events implying the loss of control of subsidiaries.

Note 10.

Investments in associates

The details of the Group's investments in associates as of the date of the reporting period are as follows:

Name of associate	Location (Country)	Principal activity	Percentage of participation and voting rights		Creation date
			2022	2021	
Hidroeléctrica Ituango S.A. E.S.P.	Colombia	Promotion, design, construction, operation, maintenance and commercialization of energy at the national and international level of the Pescadero Hituango Hydroelectric Power Plant	46.45%	46.45%	8/06/1998
Hidroeléctrica del Río Aures S.A. E.S.P.	Colombia	Generation and commercialization of electric power through a hydroelectric power plant, located in the jurisdiction of the municipalities of Abejorral and Sonson. Of the Department of Antioquia	32.99%	32.99%	14/05/1997
UNE EPM Telecomunicaciones S.A.	Colombia	Provision of telecommunications services Information and communication technologies Information services and follow-up activities.	50.00%	50.00%	23/06/2006
Inversiones Telco S.A.S.	Colombia	Invest in companies whose social objects are based on the provision of business process outsourcing (BPO) services for companies, especially but not limited to telecommunications companies.	50.00%	50.00%	5/11/2013
VE Servicios de Eficiencia Energética S.A.S. ⁽¹⁾	Colombia	Carry out all the activities, works and services own or related to the installation, operation and production of energy of each of the energy efficiency projects developed by EV Alianza Energética S.A., such as the provision of energy and technological solutions, production, transformation, purchases, sale and supply of energy, gas and related products such as biogas; consulting services.	-	2.1%	21/02/2017

1. In December 2022, EPM Latam S.A. sold its 2.1% interest in VE Servicios de Eficiencia Energética S.A.S. to its partner Veolia.

The value of investments in associates as of the date of the reporting period is as follows:

Associate	December 31, 2022					December 31, 2021				
	Investment value					Investment value				
	Cost	Equity method	Impairment	Dividends	Total	Cost	Equity method	Impairment	Dividends	Total
UNE EPM Telecomunicaciones S.A.	2,342,488	(1,282,346)	-	-	1,060,142	2,342,488	(1,052,290)	-	-	1,290,198
Inversiones Telco S.A.S.	55,224	26,554	-	(8,167)	73,611	55,224	30,790	-	(8,805)	77,209
Hidroeléctrica Ituango S.A. E.S.P.	34,313	(10,612)	(6,420)	-	17,281	34,313	(10,434)	-	-	23,879
Hidroeléctrica del Río Aures S.A. E.S.P.	2,478	86	-	-	2,564	2,478	88	-	-	2,566
VE Servicios de Eficiencia Energética S.A.S. (1)	-	-	-	-	-	97	(34)	-	-	63
Total investments in associates	2,434,503	(1,266,318)	(6,420)	(8,167)	1,153,598	2,434,600	(1,031,880)	-	(8,805)	1,393,915

Amounts stated in millions of Colombian pesos -

The detail of the equity method recognized in income for the period and in other comprehensive income for the period is as follows:

Associated	December 31, 2022			December 31, 2021		
	Period equity method		Total	Period equity method		Total
	Period Result	Other comprehensive income		Period Result	Other comprehensive income	
UNE EPM Telecomunicaciones S.A.	(236,163)	634	(235,529)	(282,425)	20,666	(261,759)
Inversiones Telco S.A.S.	4,491	-	4,491	18,130	-	18,130
Hidroeléctrica Ituango S.A. E.S.P.	(178)	-	(178)	407	-	407
Hidroeléctrica del Río Aures S.A. E.S.P.	(25)	-	(25)	(71)	-	(71)
VE Servicios de Eficiencia Energética S.A.S.	1,498	-	1,498	(12)	(10)	(22)
Total	(230,377)	634	(229,743)	(263,971)	20,656	(243,315)

Amounts stated in millions of Colombian pesos

The financial information of the Group's significant associates at the date of the reporting period is as follows. All associates are accounted for by the equity method in the consolidated financial statements:

2022	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit or loss for the period	Other comprehensive income	Total comprehensive income	Dividend income
						Continued operations			
UNE EPM Telecomunicaciones S.A.	1,111,351	8,429,365	2,849,791	6,133,304	5,436,328	(473,812)	-	(473,812)	-
Inversiones Telco S.A.S.	195,575	125,656	115,996	58,010	561,016	8,982	-	8,982	8,167
Hidroeléctrica Ituango S.A. E.S.P.	37,911	65,565	1,550	50,928	1,748	1,720	-	1,720	-
Hidroeléctrica del Río Aures S.A. E.S.P.	5,439	16,675	181	-	-	(105)	-	(105)	-

Amounts stated in millions of Colombian pesos -

2021	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit or loss for the period	Other comprehensive income	Total comprehensive income	Dividend income
						Continued operations			
UNE EPM Telecomunicaciones S.A.	2,086,877	7,411,338	2,604,861	5,871,077	5,131,194	(572,492)	41,328	(531,164)	-
Inversiones Telco S.A.S.	204,447	146,218	120,335	75,912	572,843	36,260	-	36,260	19,073
Hidroeléctrica Ituango S.A. E.S.P.	38,396	89,443	942	75,516	983	875	-	875	-
VE Servicios de Eficiencia Energética S.A.S.	2,861	7,424	6,280	-	1,763	195	-	195	-
Hidroeléctrica del Río Aures S.A. E.S.P.	981	13,763	6,747	-	-	(215)	-	(215)	-

Amounts stated in millions of Colombian pesos

The financial information of these companies, which is the basis for applying the equity method, is prepared under Colombian Accepted Accounting and Financial Reporting Standards (NCIF) and adjusted to the Group's accounting policies.

Significant restrictions

As of December 31, 2022, and 2021, the Group has no significant restrictions on investments in associates related to the transfer of funds to the Group in the form of cash dividends, or repayment of loans or advances made by the Group, except for the case of UNE EPM

Telecomunicaciones S.A., in which it will be mandatory to distribute to the shareholders of UNE EPM Telecomunicaciones S.A., which is a subsidiary of the Group. in which it shall be mandatory to distribute as a dividend at least fifty percent (50%) of the net profit for the period after appropriations and/or legal, statutory, and occasional reserves, provided that the level of consolidated financial indebtedness does not exceed 2 times the EBITDA for the same period.

Note 11.

Investments in joint ventures

The detail of the Group's joint ventures as of the date of the reporting period is as follows:

Joint venture name	Location (Country)	Main activity	Percentage of participation and voting rights		Creation date
			2022	2021	
Parques del Río S.A.S. ⁽¹⁾	Colombia	Construction, operation and support of the Medellin Parques del Río project, as well as acting as urban project manager.	33%	33%	26/11/2015
Centro de Servicios Compartidos SAS ⁽²⁾	Colombia	General technology services, technological infrastructure services, specialized business technology services and other specialized services.	50%	50%	5/08/2020

1. Joint venture incorporated on November 26, 2015, in which the Municipality of Medellín, Intervial Colombia S.A.S., Empresa de Transporte Masivo del Valle de Aburrá Ltda. (Metro) and EPM participate. The strategic support for EPM's participation in this company is based on the following aspects:

- Apply EPM's experience in large-scale infrastructure developments.
- EPM is qualified to participate in the (POT for its Spanish initials).

2. Joint venture established on August 5, 2020, in which CaribeSol de la Costa S.A.S. E.S.P. and AFINIA participate, whose objective is to provide technology services to both companies.

The value of investments in joint ventures as of the balance sheet date was:

Joint venture name	2022			2021		
	Investment value			Investment value		
	Cost	Equity method	Total	Cost	Equity method	Total
Parques del Río S.A.S.	99	(63)	36	99	(54)	45
Centro de Servicios Compartidos S.A.S.	29,868	(12,738)	17,130	29,868	(5,859)	24,009
Total	29,967	(12,801)	17,166	29,967	(5,913)	24,054

- Amount stated in millions of Colombian pesos -

The detail of the equity method recognized in profit or loss for the period and in other comprehensive income for the period is as follows:

Joint venture	2022			2021		
	Equity method participation		Total	Equity method participation		Total
	Profit or loss for the period	Other comprehensive income		Profit or loss for the period	Other comprehensive income	
Parques del Río S.A.S.	(9)	-	(9)	(8)	-	(8)
Centro de Servicios Compartidos S.A.S.	(6,879)	-	(6,879)	(5,917)	-	(5,917)
Total	(6,888)	-	(6,888)	(5,925)	-	(5,925)

- Amount stated in millions of Colombian pesos -

The financial information of the Group's significant joint ventures at the date of the reporting period is as follows. All joint ventures are accounted for by the equity method in the consolidated financial statements:

2022	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit or loss for the period	Total comprehensive income
						Continued operations	
Parques del Río S.A.S.	110	-	-	-	-	(23)	(23)
Centro de Servicios Compartidos SAS	40,109	-	2,829	-	32,046	(26,919)	(26,919)

- Amount stated in millions of Colombian pesos -

2021	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit or loss for the period	Total comprehensive income
						Continued operations	
Parques del Río S.A.S.	141	-	4	-	-	(24)	(24)
Centro de Servicios Compartidos SAS	14,623	45,562	9,678	-	59,635	(14,322)	(14,322)

- Amount stated in millions of Colombian pesos -

As of December 31, 2022, Parques del Río S.A.S. is in pre-operational stage and has no operating income.

The financial information of the companies, which is the basis for applying the equity method, is prepared under IFRS and adjusted to the Group's accounting policies.

Significant restrictions

As of December 31, 2022, and 2021, the Group has no significant restrictions on investments in joint ventures related to the transfer of funds to the Group in the form of cash dividends, or repayment of loans or advances made by the Group.

Nota 12.**Trade and other receivables**

Details of the Group's trade and other receivables as of the reporting periods are as follows:

Trade and other receivables	2022	2021
Non-current		
Public service debtors ⁽¹⁾	1,958,242	1,043,865
Impairment of public services	(576,453)	(371,690)
Employee loans	167,792	141,129
Impairment of employee loans	(41)	(90)
Contracts for the management of public services ⁽⁴⁾	712,417	574,269
Other services	36	65
Other trade receivables ⁽³⁾	202,107	167,541
Impairment of other loans	(22,929)	(20,646)
Non-current total	2,441,171	1,534,443
Current		
Public service debtors ⁽¹⁾	8,492,921	6,056,201
Impairment of public services	(1,915,981)	(1,721,629)
Employee loans	56,552	53,300
Impairment of employee loans	(79)	(33)
Other contracts with customers	5,140	2,327
Dividends and participations receivable	17	-
Contracts for the management of public services ⁽⁴⁾	113,661	85,349
Indemnities ⁽²⁾	7,056	2,529,875
Other services	418,202	312,288
Other trade receivable ⁽³⁾	798,037	660,405
Impairment of other loans	(470,764)	(352,064)
Total current	7,504,762	7,626,019
Total	9,945,933	9,160,462

Amounts stated in millions of Colombian pesos -

The total portfolio presented an increase of \$785,471, (2021: 3,703,977) equivalent to 8.57% (2021: 68%), mainly explained by the following reasons:

1. Accounts receivable from debtors of public services do not generate interest and the term for their collection is generally 12 days, except for the non-current portfolio originated by the constitution of long-term financing plans for the connection of new customers to the system, or as a consequence of financing plans for the recovery of the portfolio. Its increase of \$3,351,097 is basically explained by the increase in accounts receivable, due to the recognition of the tariff option that has not yet been transferred to the users in the subsidiaries: Afinia, EPM Matriz, EDEQ, CHEC, ESSA and CENS.
2. The decrease in the indemnity account was due to the payment of \$2,523,084 made by the insurance company Mapfre for damages to civil works and total loss of machinery and equipment covered by the all-risk and construction policy for the "Central Hidroeléctrica Ituango".
3. Other trade receivables increased by \$172,198, mainly due to deposits given in guarantee by the parent company, EDEQ and ESSA; loans to employees in the parent company, CHEC, Empresa Eléctrica de Guatemala (EEGSAG) and EDEQ; operating leases in EPM, CHEC and CENS and royalties collected by third parties in EPM and CENS.
4. The account "Contracts for the management of public services" is increased by those existing in the subsidiary TICSÁ.

Long-term trade receivables are measured mainly at amortized cost under the effective interest rate method and short-term accounts receivable are presented at their nominal amount, except for the accounts receivable measured at fair value of: i) Municipality of Rionegro, originated by the merger with Empresas Públicas de Rionegro. For their valuation, the discounted cash flow payments are considered, applying the weekly rates for 360-day CDTs published by Banco de la República, and ii) the account receivable associated with the contract for the firm supply of liquid fuel (ACPM) for the Termoeléctrica La Sierra and Termodorada plants, which is updated according to the value of the fuel unit stipulated in the contract.

Trade receivable from reinsurance activity

The Group defined that the business model for accounts receivable is to receive contractual cash flows, for which reason they are initially measured at fair value and subsequently measured at amortized cost, using the effective interest rate.

The detail of accounts receivable reinsurance activity is as follows:

Trade receivable from reinsurance activity	2022	2021
Insurance and reinsurance services ⁽¹⁾	1,334	899
Total	1,334	899

Amounts stated in millions of Colombian pesos -

1. The value of insurance and reinsurance services corresponds to the General Liability Ituango program for USD\$277,526.

The increase in accounts receivable from this activity, with respect to the prior year, is due to the movement between issued premiums and portfolio collection.

Impairment of trade receivables

The Group measures the allowance for expected losses over the life of the asset using the simplified approach, which consists of taking the present value of credit losses arising from all possible default events at any time during the life of the transaction.

This alternative is taken since the volume of customers handled by the Group is very high and the measurement and control of risk in stages may lead to errors and an underestimation of impairment.

The expected credit loss model corresponds to a forecasting tool that projects the probability of default or non-payment of the portfolio within the next twelve months. Each obligation is assigned an individual probability of non-payment that is calculated from a probability model, which involves sociodemographic, product and behavioral variables.

Although the impairment forecast for the annual period is obtained based on the customer's payment behavior data contained during the period in question, the same does not occur when the impairment of the monthly periods comprising the annual period is recorded. In the latter case, the impairment recorded for the month evaluated is that obtained with the payment behavior data of the previous month.

As of the cut-off date, the aging analysis of accounts receivable at the end of the reporting period that are impaired is as follows:

	2022		2021	
	Gross carrying amount	Expected credit losses over the lifetime	Gross carrying amount	Expected credit losses over the lifetime
Public service debtors				
Current	7,673,876	(846,414)	3,577,078	(260,230)
Less than 30 days	822,184	(64,816)	812,514	(161,709)
30-60 days	198,777	(55,224)	292,531	(135,213)
61-90 days	181,852	(53,979)	247,083	(113,057)
91-120 days	100,263	(70,961)	153,540	(106,352)
121-180 days	170,474	(141,178)	290,620	(209,813)
181-360 days	319,316	(303,563)	847,219	(591,816)
Greater than 360 days	984,421	(956,299)	879,480	(515,129)
Total debtors for public services	10,451,163	(2,492,434)	7,100,065	(2,093,319)
Other debtors				
Current	906,038	(33,736)	3,213,414	(69,566)
Less than 30 days	103,928	(11,891)	149,094	(4,198)
30-60 days	35,035	(10,377)	29,553	(1,166)
61-90 days	17,985	(6,683)	10,407	(1,173)
91-120 days	14,886	(5,370)	6,364	(729)
121-180 days	47,577	(13,844)	10,759	(2,965)
181-360 days	123,987	(26,676)	224,478	(137,600)
Greater than 360 days	1,231,582	(385,236)	882,480	(155,436)
Total Other Debtors	2,481,018	(493,813)	4,526,549	(372,833)
Total debtors	12,932,181	(2,986,247)	11,626,614	(2,466,152)

Amounts stated in millions of Colombian pesos -

As mentioned initially, accounts receivable from public services had an increase of \$3,351,097, which in this table is reflected by the combined effect of the increase in the portfolio in the age "without default" and the recovery between ages 30 and 360 days.

The other accounts receivable account shows a decrease in the portfolio range without default, basically due to the payment of the account receivable from the insurance company Mapfre Seguros Generales de Colombia, for the concept of affectation of civil works and total loss of machinery and equipment covered in the all-risk and construction policy.

The reconciliation of the expected credit losses of the portfolio is as follows:

Expected credit losses over the life of the asset	2022	2021
Value correction at the beginning of the period	(2,466,152)	(2,406,254)
Impairment changes to the trade receivable held at the beginning of the period	(665,629)	(475,416)
Financial assets that have been derecognized during the period	621,226	358,780
New financial assets originated or purchased	(961,050)	(731,735)
Write-off	492,560	547,132
Changes in Risk Models/Parameters	27,715	258,973
Exchange difference and other movements	(34,918)	(17,632)
Final balance	(2,986,248)	(2,466,152)

Amounts stated in millions of Colombian pesos -

1. With respect to the expected credit losses of the EPM Group, the variation amounts to \$(520,096) mainly explained by the impairment generated by the trade receivable accrued for tariff option applied in the Parent Company, the subsidiaries AFINIA, CHEC, CENS, ESSA and EDEQ, ("It is a regulatory mechanism that allows electric energy service marketers to moderate abrupt increases in the tariff to facilitate the payment of their invoices"), ESSA and EDEQ, ("It is a regulatory mechanism that allows electric energy service marketers to moderate abrupt increases in the tariff to facilitate the payment of their invoices to users"), accounts that to date have not been transferred to users. The impairment generated in the subsidiary TICSÁ should also be considered.
2. In the item changes in risk models/parameters, the variation is because of the calibration of the portfolio impairment model performed by EPM in July 2022, which consisted of adjusting the Probability of Default (PI), which is one of the components of the expected loss formula.
3. Financial assets that have been written-off during the period presented an execution of \$621,226, which is mainly due to portfolio write-offs made by the subsidiary AFINIA for \$564,895 and write-offs in the Parent Company for \$53,787.

On the other hand, the portfolio reconciliation is as follows:

Trade receivables balance	2022	2021
Financial assets initial balance	11,626,614	7,862,739
New financial assets originated or purchased ⁽¹⁾	52,475,698	51,362,331
Financial asset write-offs ⁽²⁾	(50,836,533)	(47,540,715)
Financial assets that have been derecognized	(621,226)	(358,780)
Valuation at amortized cost	86,345	(67,452)
Other changes	201,283	368,491
Final Balance	12,932,181	11,626,614

Amounts stated in millions of Colombian pesos -

1. The balance of new assets originated or purchased corresponds to the accumulated invoicing of public services, subsidies, estimates, dividends, the account receivable corresponding to the tariff option and the Mapfre company.
2. The balance of financial asset write-offs corresponds to payments made by the Mapfre insurance company, the collection of public services, the collection of subsidies and dividends.

The Group writes off, against the impairment recognized in an allowance account, the values of impaired financial assets when:

- The trade receivable recorded do not represent certain rights, goods or obligations for the entity.
- It is not possible to collect the right or obligation through coercive or judicial jurisdiction.
- It is not possible to legally impute the value of the portfolio to any person, natural or legal.
- Once the cost-benefit ratio has been evaluated and established, it is more expensive to pursue the collection process than the value of the obligation.

The Group recognizes all impairment losses through an allowance account rather than directly.

Responsible instances for punishment write-off

The write-off is approved in each company by the person, committee or agency that has the corresponding authorization.

Note 13.

Other financial assets

The detail of other financial assets at the end of the period is as follows:

Other financial assets	2022	2021
Non-current		
Derivatives designated as hedging instruments under hedge accounting		
Swap Contracts ⁽¹⁾	466,733	101,067
Total derivatives designated as hedging instruments under hedge accounting	466,733	101,067
Financial assets measured at fair value through profit or loss		
Fixed income securities	9,331	5,591
Equity securities ⁽²⁾	128,814	97,768
Fiduciary rights ⁽²⁾	316,773	400,482
Total financial assets measured at fair value through profit or loss	454,918	503,841
Financial assets designated to fair value through other comprehensive income		
Equity instruments ⁽³⁾	2,100,071	2,236,758
Total financial assets designated to fair value through other comprehensive income	2,100,071	2,236,758
Financial assets measured at amortized cost		
Fixed income securities	1,745	2,018
Total financial assets measured at amortized cost	1,745	2,018
Finance lease	23,842	-
Total other non-current financial assets	3,047,309	2,843,684
Current		
Derivatives designated as hedging instruments under hedge accounting		
Swap Contracts	-	31,568
Option Contracts	-	3,674
Total derivatives designated as hedging instruments under hedge accounting	-	35,242
Financial assets measured at fair value through in profit or loss		
Derivatives that are not under hedge accounting	67,870	102,209
Fixed income securities ⁽⁴⁾	550,835	503,377
Investments pledged ⁽⁵⁾	233,004	30,310
Fiduciary rights	17,719	1,022
Total financial assets measured at fair value through profit or loss	869,428	636,918
Financial assets measured at amortized cost		
Fixed income securities	178,046	330,598
Total financial assets measured at amortized cost	178,046	330,598
Finance lease	(1)	1,588
Total other current financial assets	1,047,473	1,004,346
Total other financial assets	4,094,782	3,848,030

Amounts stated in millions of Colombian pesos -

1. Corresponds to the swap receivable under hedge accounting, whose variation is explained because of the devaluation of the U.S. dollar, which caused the swap receivable to increase considerably in value.

2. The decrease was due to the decrease in the price of Interconexión Eléctrica S.A. E.S.P. shares since their fair value is determined by the market price.
3. The positive variation in the pledged investments account is due to records of purchases of TES (public debt securities issued by the General Treasury of the Nation), which are acquired for participation in the auctions of energy contracts, through Derivex, and in which a guarantee is required where these securities act as such.
4. Corresponds to the weather derivative contracted to hedge the existing risk of dry seasons that imply a decrease in hydroelectric generation and a rise in energy prices in the stock market. This financial instrument is intended to protect the organization when events occur that may prevent the fulfillment of contractual commitments that involve buying energy on the stock exchange at market prices that may be unfavorable. With the weather derivative, part of this impact is transferred to the market, which would reduce the effect on the company's financial results.

Financial assets at fair value through profit or loss are assets whose cash flows are highly liquid.

They include investments made to optimize surplus liquidity, i.e., all those resources that are not immediately used for the development of the activities that constitute the corporate purpose of the company. The investment of liquidity surpluses is made under the criteria of transparency, security, liquidity and profitability, under the guidelines of an adequate control and under market conditions without speculative purposes.

Conventional purchases and sales of financial assets are accounted for on the trade date.

13.1. Equity investments designated at fair value through profit or loss through comprehensive income

The detail of equity investments designated at fair value through other comprehensive income is as follows:

Equity investment	2022	2021
Interconexión Eléctrica S.A. E.S.P. ⁽¹⁾	2,052,213	2,189,027
Promioriente S.A. E.S.P.	39,541	39,541
Reforestadora Industrial de Antioquia S.A.	4,947	4,947
Electrificadora del Caribe S.A. E.S.P.	1,385	1,385
Unidad de Transacciones S.A. de C.V.	731	605
Other investments ⁽²⁾	1,254	1,253
Total	2,100,071	2,236,758
Dividends recognized during the period related to investments that remain recognized at the ending of the period ⁽³⁾	77,059	134,089
Recognized dividends during the period	77,059	134,089

Amounts stated in millions of Colombian pesos -

1. Al 31 de diciembre de 2022, el precio en bolsa de Interconexión Eléctrica S.A. E.S.P. cerró en \$21,000 (2021: \$22,400).
2. Incluye inversiones en: Gestión Energética S.A. E.S.P., Terminal de Transporte de Bucaramanga S.A., Duke Energy Guatemala y Cía. S.A., Concentra Inteligencia en Energía S.A.S., Organización Terpel S.A., Banco Davivienda S.A., Enel Colombia S.A. E.S.P (antes Emgesa S.A. E.S.P.), Sin Escombros S.A.S., Hotel Turismo Juana Naranjo, Orazul Energy, Compañía de Alumbrado Eléctrico de Santa Ana S.A., Central de Abastos de Cúcuta S.A., Fid Bancolombia PA Cadenalco, Fosfonorte S.A., Gestión Energética S.A. E.S.P., Compañía de Alumbrado Eléctrico de San Salvador S.A., Cenfer S.A., Credieegsa S.A., Empresa Distribuidora del Pacífico S.A. E.S.P., Banco Bilbao Vizcaya Argentaria Colombia S.A., Central Hidroeléctrica de Betania S.A. y Acerías Paz del Río S.A.
3. Corresponde a los dividendos reconocidos al 31 de diciembre de 2022 por \$77,059 (2021: \$134,089) que se revelan en el rubro de dividendos de inversiones en el estado de flujos de efectivo.

The equity investments indicated in the table above are not held for trading purposes but are held for medium and long-term strategic purposes. The Group's management considers that the classification for these strategic investments provides more reliable financial information than reflecting the changes in their fair value immediately in the income statement for the period.

13.2. Reclassifications of financial assets

The Group has not made any changes in the business model of management and administration of financial assets; therefore no financial assets have been reclassified during 2022 and 2021

Note 14.

Leases

14.1. Finance lease as lessor

The most significant capital lease agreements in 2021 were the office facilities for the company of Grupo Tecnología Intercontinental, S.A.P. de C.V. TICSА. The office lease is for a period of 7 years, with an option to renew the lease after that date. Lease payments are modified each year based on inflation. For certain leases, the Company is restricted from entering into sublease agreements.

At the balance sheet date, future minimum lease payments and net investment in capital leases are distributed as follows:

Finance lease	2021	
	Gross investment	Net investment
Year one	904	14
Total leases	904	14
Present value of minimum lease payments to be received	904	14

Amounts stated in millions of Colombian pesos -

The Group, as lessor, does not have contracts that take the legal form of a lease and that in substance do not constitute a lease.

14.2. Lease that originates for right-of-use assets as lessee

As of the balance sheet date, the carrying amount of right-of-use assets is as follows (does not include right-of-use assets associated with construction, these are included in note 5 Property, plant, and equipment):

2022	Right-of-use land	Right-of-use buildings	Right-of-use plants, ducts and tunnels	Right-of-use networks, lines and cables	Right-of-use machinery and equipment	Right-of-use office furniture, fixtures and equipment	Right-of-use communication and computer equipment	Right-of-use traction and elevation transport equipment	TOTAL
Initial balance of cost	12,460	701,397	36,396	113,843	29,669	1,267	12,159	101,406	1,008,597
Additions	16,551	37,889	(53)	4,953	393	3	290	150,986	211,012
Disposals	(68)	(1,022)	-	-	-	-	(82)	-	(1,172)
Other changes ⁽¹⁾	(179)	(363)	-	-	-	-	89	-	(453)
Derecognitions (-)	-	(1,605)	-	-	-	(39)	(1,223)	(16,389)	(19,256)
Effect of foreign currency translation	214	5,189	7,634	7,242	-	299	657	412	21,647
Final balance of cost	28,978	741,485	43,977	126,038	30,062	1,530	11,890	236,415	1,220,375
Accumulated amortization and impairment amount									
Initial balance of accumulated depreciation and impairment of amount	(1,887)	(201,654)	(14,559)	(24,098)	(7,060)	(608)	(5,345)	(55,468)	(310,679)
Disposals	68	653	-	-	-	-	144	-	865
Other changes ⁽¹⁾	139	590	-	725	-	-	-	(8)	1,446
Derecognitions (-)	-	829	-	-	-	-	125	16,389	17,343
Effect of foreign currency translation	(52)	(3,047)	(4,241)	(1,684)	-	(173)	(514)	(183)	(9,894)
Amortization for the period	(1,285)	(32,800)	(7,586)	(8,771)	(8,219)	(189)	(1,302)	(32,466)	(92,618)
Impairment reversals	-	117	-	-	-	-	-	-	117
Final balance accumulated depreciation and impairment losses	(3,017)	(235,312)	(26,386)	(33,828)	(15,279)	(970)	(6,892)	(71,736)	(393,420)
Total final balance of net right-of-use assets	25,961	506,173	17,591	92,210	14,783	560	4,998	164,679	826,955

- Amounts stated in millions of Colombian pesos -

2021	Right-of-use land	Right-of-use buildings	Right-of-use plants, ducts and tunnels	Right-of-use networks, lines and cables	Right-of-use machinery and equipment	Right-of-use office furniture, fixtures and equipment	Right-of-use communication and computer equipment	Right-of-use traction and elevation transport equipment	TOTAL
Initial balance of cost	11,877	530,420	-	105,579	27,060	1,078	11,070	91,138	778,222
Additions	494	23,506	36,355	3,738	15,280	33	631	32,462	112,499
Disposals	-	(14)	-	-	-	-	-	(104)	(118)
Other changes ⁽¹⁾	8	148,971	-	-	-	-	-	-	148,979
Derecognitions (-)	-	(4,507)	-	-	(12,671)	-	-	(22,200)	(39,378)
Transfers	50	44	-	-	-	-	-	-	94
Effect of foreign currency translation	31	2,977	41	4,526	-	156	458	110	8,299
Final balance of cost	12,460	701,397	36,396	113,843	29,669	1,267	12,159	101,406	1,008,597
Accumulated amortization and impairment amount									
Initial balance of accumulated depreciation and impairment of amount	(1,185)	(124,958)	-	(12,048)	(12,780)	(368)	(3,937)	(51,724)	(207,000)
Disposals	-	-	-	-	-	-	-	104	104
Other changes ⁽¹⁾	(14)	(51,443)	-	(3,178)	-	-	-	(17)	(54,652)
Derecognitions (-)	-	581	-	-	12,671	-	221	22,200	35,673
Transfers	-	1,994	-	-	-	-	-	-	1,994
Effect of foreign currency translation	(31)	(1,129)	(16)	(726)	-	(63)	(208)	(53)	(2,226)
Amortization for the period	(657)	(26,699)	(14,543)	(8,146)	(6,951)	(177)	(1,421)	(25,978)	(84,572)
Final balance accumulated depreciation and impairment losses	(1,887)	(201,654)	(14,559)	(24,098)	(7,060)	(608)	(5,345)	(55,468)	(310,679)
Total final balance of net right-of-use assets	10,573	499,743	21,837	89,745	22,609	659	6,814	45,938	697,918

- Amounts stated in millions of Colombian pesos -

1. Principally in EPM as of December 2021, reclassifications of assets due to changes in their use, in operating conditions and identification of improvements in the accounting classification are included.

As of the cut-off date, the future minimum payments and the present value of the minimum lease liability payments are distributed as follows:

Finance lease	2022		2021	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
At one year	139,921	133,365	106,271	98,414
More than one year and up to five years	453,148	358,786	333,799	261,565
More than five years	1,221,711	381,995	1,207,722	366,257
Total financial leases	1,814,780	874,146	1,647,792	726,236
Less - value of unearned interest	(940,634)	-	(921,556)	-
Present value of minimum lease payments	874,146	874,146	726,236	726,236

Amounts stated in millions of Colombian pesos -

The most significant lease agreement is:

Lease Agreement Building Empresas Públicas de Medellín CT-085 of February 12, 2002, executed between EPM (THE COMPANIES) and the MUNICIPALITY OF MEDELLIN (MUNICIPALITY), the MUNICIPALITY is obliged to deliver by way of lease to THE COMPANIES and the latter are obliged to receive by the same title, the use and enjoyment of the real property of their property called "Edificio Empresas Públicas de Medellín", with all its constructions and improvements.

The term of the contract is 50 years from December 21, 2001, date on which the Municipality of Medellín began to appear as owner of the property.

The lease payments under the contract are readjusted each year by a percentage equal to the Consumer Price Index (CPI) at the national level, certified by DANE for the immediately preceding year.

Lease liabilities are included in other financial liabilities in the statement of financial position. Interest arising from lease liabilities amounts to \$258,632 (2021: \$240,141).

Total cash outflows from leases during the period were \$211,125 (2021: \$189,476).

14.3. Operating leases as lessor

The most significant operating leases agreements were presented in EPM:

Connection Agreement MA-0021450 dated January 24, 2013, entered between ECOPETROL (THE BENEFICIARY) and EPM (THE SUPPLIER), which regulates the connection of Ecopetrol to the STN at the Comuneros substation at 230 kV.

The term is 30 years for the operation and provision of the connection service as from the date of entry into operation of the project, which was February 1, 2016.

The total annual payments are indexed to the PPI, based on the PPI of the month prior to the signing of the connection contract.

Electrical infrastructure or the installation of networks by telecommunications operators. These may be renewed for a term not exceeding five years. The contract lease payments are updated according to the pole support rates regulated by the CRC (resolution 5890/2020) and multiplied by the number of poles that each customer uses; this charge is made monthly, and the rate is updated annually according to the PPI.

The value of revenue from operating leases is:

Operating leases	2022	2021
Year one	104,468	78,897
Year two	54,466	37,502
Year three	47,980	35,618
Year four	42,969	32,006
Year five	42,796	32,492
More than five years	363,424	338,851
Total operating leases	656,103	555,366

Amounts stated in millions of Colombian pesos -

14.4. Leases that do not originate for right-of-use assets as lessee

The most significant operating lease agreements are in EPM the spaces for the installation and operation of antennas in the meteorological stations, shift management system, user printing infrastructure, among others, which have no restrictions.

As of the cut-off date, future commitments for short-term leases are \$11,307 (2021: \$23,809).

Lease payments recognized as expenses for the period were \$42,629 (2021: \$32,032).

The Group, as lessee, does not have contracts that take the legal form of a lease and which in substance do not constitute a lease.

Note 15.

Guarantees

The Group has pledged the following financial assets as guarantees:

- Letters of credit, performance bonds and other guarantees for \$340,454 (2021: \$268,483) granted by the subsidiary ENSA to guarantee compliance with the obligations of the concession contract with the National Authority of Public Utilities of Panama and for the contracts for the purchase of energy from the generation and transmission companies.
- Retained premium of \$40,097 (2021: \$29,150) to the subsidiary Maxseguros by the ceding insurance company, in accordance with Colombian regulations.
- The Group has received as a guarantee from the subsidiary Maxseguros the premium withheld from reinsurance companies for \$10,248 (2021: \$11,223).

The Group has not received any guarantees as of December 31, 2022, and 2021, where it is authorized to sell or pledge them without default by the owner of the guarantee.

Note 16.

Other assets

The detail of other assets at the end of the reporting periods is as follows:

Other assets	2022	2021
Non-current		
Reinsurance activities ⁽¹⁾⁽⁵⁾	202,293	170,166
Employee benefits ⁽²⁾	65,614	56,727
Prepayments ⁽⁴⁾	40,647	24,004
Deferred loss on leaseback transaction	19,582	20,257
Advances to suppliers ⁽³⁾	2,216	5,400
Assets received in dation in lieu of payment	1,349	1,509
Other advances or credit balances due to taxes and contributions	5	7,100
Sales tax	-	2
Total other non-current assets	331,706	285,165
Current		
Advances to suppliers ⁽³⁾	488,156	474,525
Reinsurance activities ⁽¹⁾⁽⁵⁾	192,017	149,151
Prepayments ⁽⁴⁾	169,445	138,197
Sales tax	38,287	44,722
Advance payment of industry and commerce tax	31,730	12,325
Advance sales tax	23,248	18,505
Other credit balances due to other taxes	2,099	1,750
Industry and commerce tax withheld	1,765	433
Other advances or credit balances due to taxes and contributions	385	162
Total other current assets	947,132	839,770
Total other assets	1,278,838	1,124,935

Amounts stated in millions of Colombian pesos -

1. The non-current portion corresponds to unreported recoverable loss reserves of \$162,196 (2021: \$141,015) and retained earnings of \$40,097 (2021: \$29,151).
The current portion includes Loss reserves receivable of \$117,325 (2021: \$95,762) and Deferred premium - reinsurer portion of \$74,692 (2021: \$53,389).
2. Corresponds to loans to employees at below market rates amounting to \$65,614 (2021: \$56,727).
3. The non-current portion corresponds to resources provided in administration for \$2,148 (2021: \$5,369) and other advances of \$68 (2021: \$31).
The current portion includes other advances and prepayments for \$440,820 (2021: \$445,734); resources provided in administration of \$46,064 (2021: \$26,507); advances on agreements and arrangements and advances for travel and per diem expenses of \$1,272 (2021: \$2,284).
4. The non-current portion includes Insurance of \$33,229 (2021: \$17,789), Premium on legal stability contracts of \$4,682 (2021: \$5,574); Maintenance of \$2,419 (2021: \$562), Leases of \$67 (2021: \$79) and Goods and services of \$250 (2021: \$0).
The current portion includes Insurance for \$110,872 (2021: \$104,487), mainly comprised of the Ituango Hydroelectric Project all-risk policies; publications, fees, goods and services for \$31,165 (2021: \$25,202); Leases and maintenance for \$20,816 (2021: \$8,508) and Other prepaid goods and services for \$6,592 (2021: \$0).



5. Corresponds to technical reserves payable by reinsurers, the detail of which is as follows:

Concept	2022	2021
Unreported reserves for recoverable losses	162,196	141,015
Reserves for losses receivable	117,325	95,762
Deferred premium - reinsurer's portion	74,692	53,388
Retained funds	40,097	29,150
Total	394,310	319,317

Note 17.

Inventories

Inventories at the end of the period were as follows:

Inventories	2022	2021
Materials for rendering of services ⁽¹⁾	647.275	456.966
Merchandise in stock ⁽²⁾	59.165	42.204
Goods in transit	8.203	12.194
Total inventories	714.643	511.364

- Amounts stated in millions of Colombian pesos -

1. Includes materials for the rendering of services held by third parties, which are those delivered to contractors performing activities related to the rendering of services.
2. Includes goods in stock that do not require transformation, such as energy, gas and water meters, and supply goods, as well as those held by third parties.

Inventories of \$295,338 (2021: \$252,446) were recognized as cost for the rendering of services or cost of goods sold during the period. The write-off of inventories recognized as an expense during the period amounted to \$895 (2021: \$2,837). The Group has not generated impairment losses when comparing the net realizable value with the average cost of inventories.

As of December 31, 2022, and 2021, the Group did not pledge inventories as guarantee for liabilities.

Note 18.

Cash and cash equivalents

The composition of cash and cash equivalents at the end of the period is as follows:

Cash and cash equivalents	2022	2021
Cash on hand and at banks	3,016,337	2,171,897
Other cash equivalents ⁽¹⁾	1,111,407	1,918,164
Total cash and cash equivalents presented in the statement of financial position	4,127,744	4,090,061
Cash and cash equivalents presented in the statement of cash flows	4,127,744	4,090,061
Restricted cash and cash equivalents ⁽²⁾	299,174	903,773

Amounts stated in millions of Colombian pesos -

1. Includes restricted funds \$299,174 (2021: \$903,773) and cash equivalents \$812,232 (2021: \$1,014,391).
2. Of this \$89,065 (2021: \$70,550) corresponds to non-current restricted cash.

Cash investments mature within three months or less from the date of acquisition and earn interest at market rates for this type of investment.

The Group has restrictions on cash and cash equivalents as follows:
As of December 31, 2022, the fair value of restricted cash equivalents is \$299,174 (2021: \$903,773).

Fund or EPM agreement	Destination	2022	2021
Sinpro Housing Fund	To contribute to the acquisition of housing and the improvement of housing, of the servers that are beneficiaries of the conventional agreement between EPM and the unions.	31,456	37,760
Sintraemsdes Housing Fund	To contribute to the acquisition of housing and the improvement of housing, of the servers that are beneficiaries of the conventional agreement between EPM and the unions.	30,641	27,910
Premium income Corpb. 6972005469	Attend to possible contingencies after the acquisition of EPRIQ by EPM	7,133	8,871
Ministry of Mines and Energy - Fondo Especial Cuota Fomento (Special Fund for Development Quota)	Co-financing agreement for the construction, distribution infrastructure and connection to lower-income users in the municipalities of Amaga, Santafé de Antioquia, Sopetran, San Jeronimo and Ciudad Bolivar. Compressed Natural Gas and connection to users of Don Matias, Entrerrios, San Pedro, Santa Rosa and Yarumal. Convention No 106: Construction of the infrastructure for connecting users of the Valley of Aburra, the Bee, the Union and the Retiro. Convention 179: Includes the municipality of Sonson.	5,565	5,414

Fondo Entidad Adaptada de Salud y Fondo Fosyga (Adapted Health Entity and Fosyga Fund)	Mechanism of control and follow-up to the collection of contributions from the contributory scheme of the General Social Security System in Health.	4,318	2,210
Contract No. CT-2019-001105	Contract for the supply of energy and electric power for the unregulated market and support of contracts from energy distributor and distributor S.A. E.S.P, DICEL S.A. E.S.P.	3,058	2,589
Sinpro Education Fund	To promote the welfare of the servers to meet the needs of payment of tuition, texts and endowment that are required to advance studies of own and of the family group.	2,621	2,552
Education Fund Sintraemsdes	To promote the welfare of the servers to meet the needs of payment of tuition, texts and endowment that are required to advance studies of own and of the family group.	2,063	2,252
Agreement SOMOS points	Provision of services for the operation of the key capabilities associated with the Points element of the Large-Scale Loyalty Program for the EPM Group.	1,928	1,809
Sintraemsdes Calamity Fund	Promote the well-being of your servers to meet your urgent and unforeseen needs or those of your primary family group.	1,683	1,637
Calamity Fund Sinpro	Promote the well-being of your servers to meet your urgent and unforeseen needs or those of your primary family group.	1,476	1,420
GNB Government of Antioquia	Cover the co-financing of up to 70% of the cost of household electrical installations of Tier 1 families in the different subregions of the department of Antioquia.	1,449	-
Judicial or administrative proceedings	Accounting garnishment by judicial or administrative proceedings	1,163	986
Framework Agreement Municipality of Medellín No. 4600049285	Construction by EPM of platforms and other road elements in the city center, taking advantage of the Centro Parrilla project, that is, the renovation of aqueduct and sewerage networks.	592	-
Villages Program	To take advantage of the wood that completes its cycle of maturation in the forests planted by EPM around its reservoirs, to build housing of social interest in the municipalities of Antioquia outside the Valley of Aburra and to deliver them to families of scarce resources, preferably in situations of forced or voluntary displacement.	571	219
Public lighting and sanitation fees agreements with municipalities	Agreement to manage the resources of the territorial authorities for payment to the municipalities with agreements to collect the fees of public lighting and toilet, are resources exempt from 4x1000.	544	20
Motorcycle Repair Fund	To promote the welfare of official workers who operate in the regional market and use motorcycles of their own for the performance of their duties.	368	409
EAS Accounts Copayments	Receipt of resources for moderating fees and co-payments in the EAS	316	-
Resources of the future Ituango hydroelectric power plant.	Receipt of the resources paid by the insurers AXA, SBS and SURA and whose destination is exclusive to the Hidroituango plant.	122	426,174
Agreement 5 Indigenous Schools 2019-20	Co-finance the development of indigenous education centers within the framework of the Villages program to improve the quality of life of indigenous communities in the Department of Antioquia	112	196
Deposits Law 820	Guarantee required by the landlord to the tenant for payment of public services. According to Article 15 of Law 820 of 2003 and Regulatory Decree 3130 of 2003.	87	82
Administration of resources for the construction of infrastructure in Madera for Emvarias in La Pradera sanitary landfill.	Management of resources for the construction of infrastructure in Wood for Emseveral in the sanitary landfill La Pradera.	87	65
Municipality of Medellín - Land	Acquisition of sites identified and characterized within the protection zones of watersheds supplying aqueduct systems in the municipality of Medellín.	70	64
Espíritu Santo	EPM - Holy Spirit Liquidation	64	64
Inter-administrative Agreement CT - 2017-001388 (460007009)	Convention for the construction of 7 indigenous schools in 5 municipalities	27	92
Municipality of Medellín - Aguas	Integrated water management for human consumption of the inhabitants of the municipality of Medellín.	26	24
IDEA Agreement 4600003283	Join efforts to build gas home operations in the different subregions of the Department of Antioquia under the "Gas Without Borders" program.	1	1
Framework Agreement Municipality of Medellín No. 4600049285	Construction by EPM of platforms and other road elements in the city center, taking advantage of the Centro Parrilla project, that is, the renovation of aqueduct and sewerage networks.	-	222
Total restricted resources EPM		97,541	523,042

- Amounts stated in millions of Colombian pesos -

CARIBEMAR Fund or agreement	Destination	2022	2021
Fidudavivienda CA 482800013450 - Caribe Mar y Otros	Infrastructure expansion	61,870	263,552
Banco de Bogotá Cuentas 097372106; 097372098 y Otras	Management Housing loan account	20,885	-
Encargo Fiduciario ECA - Prone Barrio SNB 9 D y Otros	Power network standardization program	14,230	15,747
F_Corfi CA 477013965 -FAER GGC 562 y Otros	Energy of interconnected rural areas	1,052	1,088
Total restricted resources CARIBEMAR		98,037	280,387

- Amount stated in millions of Colombian pesos -

Fund or agreement Grupo Ticsa México	Destination	2022	2021
Ecosistemas de Tuxtla S.A. de C.V.	Trust Bank of Bajio/Multiva	14,087	3,241
Aquasol Morelia S.A. de C.V.	Trust National Bank of Works and Trust Bank of Bajio 15892649	7,979	6,300
Ecosistemas de Colima S.A. de C.V.	Trust Bank of Bajio 15892649	7,648	6,562
Ecosistemas de Celaya S.A. de C.V.	Trust Bank of Bajio 15892649 and Trust National Bank of Works	2,676	1,607
Tecnología Intercontinental S.A.P.I. DE C.V.	Extra 0511 Moflo	840	-
Total restricted resources Grupo Ticsa México		33,230	17,710

- Amount stated in millions of Colombian pesos -

Fund or agreement Empresas Varias	Destination	2022	2021
Encargo FID 919301039524 - Pradera y Otros	Resources earmarked for Pradera payments	23,007	19,442
FL ITAU 859060217 Renting hora	Delegated administration agreement with the municipality of Medellin, for the maintenance of green areas of the institutions of the municipality and its 5 co-regents	442	412
FL BBVA 423 Convenio Poda-Tala	Agreement with INDER for the washing of bridges and roofs of the stadium	32	32
Convenio 18-897796-47 EDU	Delegated administration agreement with the municipality of Medellin for the service of cutting green areas and pruning and cutting trees	26	24
FL Occidente INDER	Delegated administration agreement with the municipality of Medellin for the green area court service	4	4
Total restricted resources Empresas Varias		23,511	19,914

- Amount stated in millions of Colombian pesos -

Fund or agreement CENS	Destination	2022	2021
BBVA -Miniminas 756 and other	Carry out the execution of rural electrification works in the municipalities of the department of Norte de Santander.	18,959	32,270
Custody account BBVA XM Garantías Bancarias	Guarantee and compliance ties to cover energy purchase projects.	2,355	2,146
Revolving Housing Fund	Préstamos de vivienda empleados de CENS S.A.	903	992
Government-Davivienda Agreement and Others	Carry out the execution of rural electrification works in different municipalities	459	506
AOM Contract	Administration, operation, maintenance and replacement of rural electrification assets built with the resources of the project "Rural electrification program Catatumbo area and Ocana province, stage 1, Norte de Santander".	-	65
Total restricted resources CENS		22,676	35,979

- Amount stated in millions of Colombian pesos -

Fund or agreement Aguas Nacionales	Destination	2022	2021
FL ITAU 859085263 and FL ITAU 859085270	Interventoria Project	8,425	2,396
Current account Bancolombia 536423 and Others	Project Aguas de Atrato	799	2,787
ITAU savings account 153148929	Ministry Project	163	6,509
Total restricted resources Aguas Nacionales		9,387	11,692

- Amount stated in millions of Colombian pesos -

Fund or agreement ESSA	Destination	2022	2021
BBVA guarantees 0408	XM bank account	6,021	2,112
Agreement Resources public hearings	Agreement signed with the Mayor of Bucaramanga	1	1
San Gil public lighting agreement	San Gil street lighting convention	-	455
Total restricted resources ESSA		6,022	2,568

- Amount stated in millions of Colombian pesos -

Fund or agreement EDEQ	Destination	2022	2021
FL Davivienda Housing Fund 136270148986	Resources to improve the quality of life of workers through the provision of loans for the purchase and improvement of housing.	3,355	3,405
FL Fiducudicorp Housing Fund 919301005560	Resources to facilitate workers and their families access to higher education, health, welfare and recreation.	278	259
FL Davivienda Collective Portfolio 608136200000618	Resources earmarked for events caused by serious and unforeseen situations affecting the worker or his family.	6	19
FL Davivienda Social Good Fund-training 136270162219	Resources to provide workers with loans to purchase and replenish motorcycles for the performance of their work.	5	78
Total restricted resources EDEQ		3,644	3,761

- Amount stated in millions of Colombian pesos -

Fund or agreement Aguas Regionales	Destination	2022	2021
POIR Provision	Provision of resources due to differences between planned and implemented investments in EL POIR at tariff close in 6.	1,063	-
Sintraemsdes Housing Fund Agreement	Housing loans to eligible officials.	57	78
Implementation Act No.1 Framework Agreement CT_2019_001417	Development of a feasibility study for new sources of water catchment for drinking water supply in the central area of the Uraba region.	-	5,042
Total restricted resources Aguas Regionales		1,120	5,120

- Amount stated in millions of Colombian pesos -

Fund or agreement CHEC	Destination	2022	2021
Custody account management XM	Attention to guarantees for operations of Class of Transactions the energy storage in stock that manages and controls XM.	808	1,047
CONFA special fund	Attention to social and cultural programs for CHEC employees (delegated administration contract with CONFA).	223	213
Special Fund Agreement CORPOCALDAS, Government of Caldas	FL Davivienda 941 Inter-Administrative Convention	137	-
Special land fund	Management of forest conservation sites in the company's watersheds (delegated administration contract)	115	160
Special fund advertising guidelines	Attention to advertising guidelines through contracts with advertising agencies, CJ Martins, Rowell digital agency and Macann	80	55
special housing fund	Care of housing loans to CHEC employees, according to procedures and conditions established in the current Collective Labor Convention - CCTV	59	49
Conservation	Created fund of specific destination for Corpocaldas and the Government of Caldas to enter the contributions of the SG 114.21 agreement	40	-
MinScience Fund	Fund created for the management of the agreement between Minciencias and CHEC	17	-
Special Fund Social Financing Plan - PFS	Attention to the micro-credits that are made to users of the company market, with charge through the energy bill.	11	10
Ministry of Finance Agreement	Contributions from the Ministry of Finance for investment in science and technology focused on energy management.	-	45
Background for design, execution and verification of learning	Design, execution and verification of learning solutions through the application of pedagogical methodologies, signed with contractor ADYLOG SAS	-	37
Total restricted resources CHEC		1,490	1,616

- Amount stated in millions of Colombian pesos -

Fund or agreement ELEKTRA NORESTE S.A.	Destination	2022	2021
La Toscana	Civil Case Retention in Process.	1,406	1,163
Aguaseo	Columbus City Retention.	29	-
Total restricted resources ELEKTRA NORESTE S.A.		1,435	1,163

- Amount stated in millions of Colombian pesos -

Fund or agreement HIDROE	Destinación	2022	2021
Administration (Employee Compensation) and Service Contracts	Service Guarantee Deposits and Cesarean Fund	1,080	57
Etesa contract	Guarantee Deposit Unregulated Market Contract - MNR or Large Customers	-	499
Etesa contract	CDT for Energy Contract with Regulatory Entities (ETESA)	-	265
Total restricted resources HIDROE		1,080	821

- Amount stated in millions of Colombian pesos -

Nota 19.

Equity

19.1. Issued capital

Group's capital is not divided into shares.

Issued Capital	2022	2021
Initial balance	67	67
Total	67	67

- Amount stated in millions of Colombian pesos -

19.2. Reserves

Of the accounts comprising equity, reserves at the balance sheet date consisted of:

Reserves	2022	2021
Legal reserves ⁽¹⁾		
Initial Balance	1,467,230	1,454,681
Constitution	37,219	69,922
Release	(95,870)	(57,373)
Other movements	(1,809)	-
Final balance, legal reserves	1,406,770	1,467,230
Statutory reserves		
Initial Balance	29,862	32,872
Constitution	553	733
Release	(3,164)	(3,743)
Final balance, statutory reserves	27,251	29,862
Occasional reserves		
Initial Balance	576,452	576,452
Other movements	1,640	-
Final balance, occasional reserves	578,092	576,452
Other reserves		
Initial Balance	342,753	234,982
Constitution	163,078	107,771
Other movements	170	-
Final balance, other reserves	506,001	342,753
Total reserves	2,518,114	2,416,297

- Amount stated in millions of Colombian pesos -

The nature and purpose of the Group's equity reserves are described below:

- Legal reserves: in compliance with the Colombian tax provisions contained in Article 130 of the Tax Statute, repealed by Article 376 of Law 1819 of 2016 and in Decree 2336 of 1995, the companies of the EPM Group operating in Colombia duly constituted the legal reserves. The reserves constituted for excesses in depreciation quotas referred to in Article 130 of the tax statute may be released at the time when the depreciation requested for tax purposes is lower than that recorded in the income statement.
- For subsidiaries in El Salvador, legal reserves are established in accordance with the current Commercial Code, companies must annually set aside 7% of net profits to constitute their legal reserve, and the minimum limit established is one fifth of their capital stock. If for any reason the legal reserve is reduced, it must be restored in the same manner. Additionally, in accordance with the Income Tax Law, when the legal reserve is reduced for any reason, such as capitalization, application of losses from previous years or distribution, it will constitute taxable income for the company for the amount that was deducted for income tax purposes in tax years prior to the year in which it was reduced, and it will be settled separately from ordinary income. For such purposes, the corporation shall keep a record of the constitution of the legal reserve and of the amount deducted for the determination of the net or taxable income in each taxable year or period.
- For Guatemalan subsidiaries, according to the Code of Commerce, all corporations must annually appropriate at least 5% of their net profits to constitute the legal reserve, which cannot be distributed until the liquidation of the company. However, this reserve may be capitalized when it is equal to or greater than 15% of the paid-in capital at the close of the immediately preceding fiscal year, without prejudice to continuing to be reserving the aforementioned 5%.
- For subsidiaries in Mexico, according to the General Law of Commercial Companies, at least 5% of net profits for the year must be set aside to form the legal reserve, until its amount reaches 20% of capital stock at par value. The legal reserve may be capitalized but must not be distributed unless the company is dissolved and must be reconstituted when it is reduced for any reason. Retained earnings include the legal reserve.

Para filiales en otros países en los que opera el Grupo EPM no se tiene establecido por Ley la constitución de reserva legal.

1. In EPM, the Board of Directors in its meetings of March 23, 2022, and March 23, 2021, approved:
 - Release reserves of \$93,086 (2021: \$56,304) appropriated in prior periods as authorized by the Board of Directors.
 - Occasional reserves: in compliance with article 211 of the Tax Statute, the companies of the EPM Group operating in Colombia have created the required reserves to enjoy the special tax treatment and obtain a rationalization in the payment of income tax and complementary taxes.
 - Other reserves: include statutory reserves, reserves for repurchase of shares and quota shares, equity funds and others, which as of December 31 record the net balance corresponding to releases made by the subsidiaries in those reserves that have already met the requirements to be released.

19.3. Retained earnings

The changes in retained earnings during the period were as follows:

Retained earnings	2022	2021
Initial balance	21,165,517	19,642,461
Movement of reserves	(101,816)	(117,311)
Surpluses or dividends decreed	(1,850,775)	(1,396,953)
Transfer of the other comprehensive income	149	-
Purchases and sales to non-controlling interests	(30)	-
Income tax related to transactions with owners of the company	-	(2,814)
Other movements of the period	(714)	351
Total retained earnings before net profit or loss for the year	19,212,331	18,125,734
Net profit or loss for the period controlling interest	3,845,458	3,039,783
Total retained earnings	23,057,789	21,165,517

Surpluses paid during the year were \$1,850,775 (2021: \$1,396,953), \$1,009,514 (2021: \$761,974) ordinary, and \$841,261 (2021: \$634,979) extraordinary.

19.4. Other components of equity

Includes mainly the equity effects of changes in subsidiaries' holdings and payments based on shares of associates.

19.5. Non-controlling interests

The changes in non-controlling interests as of the balance sheet date are as follows:

Non-controlling interests	2022	2021
Initial balance	1,295,378	1,034,317
Surpluses or dividends declared	(195,339)	(107,744)
Share in net profit or loss for the year	280,043	241,863
Share in other comprehensive income	(3,800)	6,689
Purchases and sales to non-controlling interests	30	-
Income tax related to transactions with owners of the company	-	(2,692)
Another movement of the period	190,190	122,945
Total	1,566,502	1,295,378

- Amount stated in millions of Colombian pesos -

Note 20.

Accumulated other comprehensive income

The detail of each component of other comprehensive income in the consolidated statement of financial position and the related tax effect is as follows:

	2022			2021		
	Gross	Tax effect	Net	Gross	Tax effect	Net
Reclassification of property, plant and equipment to investment property	13,439	(1,107)	12,332	13,578	(1,107)	12,471
Re-measurement of defined benefit plans	96,942	(32,408)	64,534	(19,652)	10,928	(8,724)
Equity investments measured at fair value through equity	2,939,381	(309,124)	2,630,257	3,070,031	(5,994)	3,064,037
Share in other comprehensive income of associates and joint ventures	17,422	-	17,422	16,788	-	16,788
Cash flow hedges	(1,128,472)	478,445	(650,027)	(533,003)	190,413	(342,590)
Hedges of net investments in foreign operations	(277,654)	-	(277,654)	(61,509)	-	(61,509)
Translation of financial statements of foreign operations	1,969,017	-	1,969,017	1,117,985	-	1,117,985
Total	3,630,075	135,806	3,765,881	3,604,218	194,240	3,798,458

- Amount stated in millions of Colombian pesos -

During the period EPM Parent Company reclassified net loss for \$925,269 (2021: \$889,289) previously recognized in the other comprehensive income to the results of the period, for cash flow hedging.

A reconciliation of the opening and closing balances at the balance sheet date is presented below for each component of comprehensive income:

20.1. Component: reclassification of property, plant, and equipment to investment properties

The reclassification of property, plant, and equipment to investment property component of other comprehensive income corresponds to transfers from property, plant and equipment to investment property, which are measured at fair value. Changes in fair value are not reclassified to profit or loss.

Reclassification of property, plant and equipment to investment property	2022	2021
Initial balance	12,471	12,255
Net results from changes in fair value of investment properties	-	139
Profit or loss transferred to retained earnings	(139)	-
Other changes	-	77
Total	12,332	12,471

- Amount stated in millions of Colombian pesos -

20.2. Component: new defined benefit plan measures

The remeasurement component of defined benefit plans represents the cumulative value of actuarial gains or losses, the return on plan assets and changes in the effect of the asset ceiling, excluding the values included in the net interest on the net defined benefit liability (asset). The net value of remeasurements is transferred to retained earnings and is not reclassified to profit or loss for the period.

Component new defined benefit plan measures	2022	2021
Initial balance	(8,724)	(110,504)
Result for the period from remeasurement of defined benefit plans	116,594	143,913
Associated income tax (or equivalent)	(43,336)	(42,077)
Retained earnings transferred to retained earnings for the period	-	2
Other changes	-	(58)
Total	64,534	(8,724)

- Amount stated in millions of Colombian pesos -

20.3. Component: equity investments measured at fair value through

The component of other comprehensive income of equity investments measured at fair value through equity represents the cumulative gain or loss from fair value less amounts transferred to retained earnings when these investments have been sold. Changes in fair value are not reclassified to profit or loss for the period.

Equity investments measured at fair value through equity	2022	2021
Initial balance	3,064,037	3,388,605
Net result from changes in fair value of equity investments	(131,034)	(322,486)
Associated income tax (or equivalent)	(302,735)	(2,069)
Tax transferred to retained earnings	(11)	-
Other changes	-	(13)
Total	2,630,257	3,064,037

- Amount stated in millions of Colombian pesos -

20.4. Component: share in other comprehensive income of associates and joint ventures

The component of other comprehensive income of share in other comprehensive income of associates and joint ventures represents the cumulative value of the application of the equity method to the gains and losses of other comprehensive income of associates and joint ventures. The cumulative value of the gains or losses will be reclassified to profit or loss for the period or to retained earnings, depending on the items that originated the equity method, when these investments have been sold.

Share in other comprehensive income of associates and joint ventures	2022	2021
Initial balance	16,788	(3,867)
New defined benefit plan measures	(2,714)	9,428
Result from translation of foreign operations	1,713	(2,378)
Hedging operations	1,635	13,499
Associated income tax (or equivalent)	-	106
Total	17,422	16,788

- Amount stated in millions of Colombian pesos -

20.5. Component: cash flow hedges

The component of other comprehensive income of cash flow hedges represents the cumulative amount of the effective portion of gains or losses arising from changes in the fair value of hedged items in a cash flow hedge. The cumulative gain or loss is reclassified to profit or loss for the period only when the hedged transaction affects profit or loss for the period or the highly probable transaction is not expected to occur, or is included, as part of its carrying amount, in a non-financial hedged item.

Cash flow hedges	2022	2021
Initial balance	(342,590)	(37,900)
Net result from changes in fair value of hedging instruments	329,799	375,324
Income tax (or equivalent) from changes in the fair value of hedging instruments	(166,033)	(99,626)
Cumulative gain or loss from changes in fair value of hedging instruments reclassified to profit or loss for the period	(925,269)	(889,289)
Income tax (or equivalent) on fair value of hedging instruments reclassified to profit or loss for the period	379,908	287,795
Income tax (or equivalent) associated with hedges of net investments in foreign operations	74,158	21,106
Total	(650,027)	(342,590)

- Amount stated in millions of Colombian pesos -

20.6. Component: hedges of net investments in foreign businesses

The component of other comprehensive income of hedges of net investments in foreign operations represents the cumulative value of the effective portion of gains or losses arising from changes in the value of the hedging instrument. The cumulative gain or loss is reclassified to profit or loss for the period only when the total or partial disposal of the hedged foreign investment affects profit or loss for the period.

Hedges of net investments in foreign businesses	2022	2021
Initial balance	(61,509)	-
Net result from changes in the value of the hedging instrument	(216,145)	(61,509)
Total	(277,654)	(61,509)

- Amount stated in millions of Colombian pesos -

The income tax associated with hedges of net investments in foreign operations as of and for the year ended December 31, 2022, amounted to \$74,158 (2021: \$21,106).

20.7. Component: gain or loss on translation of foreign operations

The translation differences component represents the cumulative value of exchange differences arising from the translation to the Group's presentation currency of the results and net assets of foreign operations, as well as gains or losses on hedging instruments that are designated as hedges of a net investment in a foreign operation. Cumulative translation differences are reclassified to profit or loss for the period, partially or in full, when the foreign operation is disposed of.

Result from translation of foreign operations	2022	2021
Initial balance	1,117,985	831,287
Net exchange differences from translation of foreign operations	851,032	286,698
Total	1,969,017	1,117,985

- Amount stated in millions of Colombian pesos -

Note 21.

Loans and borrowings

The carrying amounts of loans and borrowings measured at amortized cost are as follows:

Loans and borrowings	2022	2021
Non-current		
Commercial bank loans	6,889,641	5,116,802
Bonds and securities issued	761,044	14,774,048
Multilateral banking loans	2,011,816	1,128,181
Development bank loans	16,233,690	1,625,088
Total other non-current loans and borrowings	25,896,191	22,644,119

Current		
Commercial bank loans	2,163,651	2,236,970
Multilateral banking loans	402,199	198,770
Bonds and securities issued	632,932	351,099
Development bank loans	280,295	244,834
Other loans	115,001	90,000
Total other current loans and borrowings	3,594,078	3,121,673
Total other loans and borrowings	29,490,269	25,765,792

- Amount stated in millions of Colombian pesos -

The new loans and borrowings disbursed in 2022 of the EPM Group were acquired in order to finance investment plans, working capital and for management operations.

The detail of loans and borrowings by entity is as follows: 

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
AFINIA	POPULAR BANK	COP	29/09/2022	1.00	IBR + 5.3%	16.41%	80,000	3,382	83,382	0.00%	-	-	-
AFINIA	Davivienda	COP	15/12/2022	1.00	IBR + 9.75%	21.19%	40,000	377	40,377	0.00%	-	-	-
WATERS OF ANTOFAGASTA	Banco BICE-BCI	CLP	1/01/2018	-	-	4.54%	2	-	2	1.51%	2	-	2
WATERS OF ANTOFAGASTA	State Bank	CLP	14/01/2015	10.00	UF + 2.9%	1.51%	94,781	1,208	95,989	1.51%	95,553	1,190	96,743
WATERS OF ANTOFAGASTA	State Bank	CLP	18/10/2018	5.00	TAB + 0.65%	1.42%	-	-	-	1.42%	138,243	(346)	137,897
WATERS OF ANTOFAGASTA	Scotiabank	CLP	18/10/2018	5.00	TAB + 0.65%	1.50%	-	-	-	1.50%	269,791	(614)	269,176
WATERS OF ANTOFAGASTA	Bonuses	CLP	18/12/2020	5.00	UF + 0.995%	0.20%	198,240	6,409	204,649	0.20%	144,816	7,271	152,087
WATERS OF ANTOFAGASTA	Bonuses	CLP	18/12/2020	13.00	UF + 1.4396%	2.01%	396,481	32,063	428,544	2.01%	289,632	25,561	315,192
WATERS OF ANTOFAGASTA	Bonuses	CLP	14/05/2021	4.50	UF + 0.995%	0.63%	198,240	5,323	203,563	0.63%	144,816	5,839	150,655
WATERS OF ANTOFAGASTA	Bonuses	CLP	14/05/2021	12.50	UF + 1.4396%	2.51%	594,721	25,551	620,272	2.51%	434,447	20,021	454,469
WATERS OF ANTOFAGASTA	Scotiabank	CLP	28/09/2022	5.00	UF + 1.55%	0.02%	558,563	24	558,588	0.00%	-	-	-
WATERS OF ANTOFAGASTA	State Bank	CLP	8/11/2022	6.00	UF + 0.7%	0.28%	376,657	(1,924)	374,733	0.00%	-	-	-
AGUAS REGIONALES	POPULAR BANK	COP	1/06/2018	7.25	IBR 3M + 3%	14.09%	5,738	152	5,890	5.96%	7,825	110	7,935
AGUAS REGIONALES	BANK OF BOGOTA	COP	30/09/2015	10.08	DTF + 2.6%	15.70%	255	9	264	5.93%	340	3	343
AGUAS REGIONALES	HELM BANK S.A.	COP	16/03/2012	12.00	DTF - 1%	10.77%	1,031	15	1,045	1.71%	1,855	10	1,865
AGUAS REGIONALES	BANCO BILBAO VIZCAYA ARGENTARIA	COP	30/04/2014	10.06	DTF - 0.7%	11.51%	188	4	191	2.18%	313	2	314
AGUAS REGIONALES	BANCO BILBAO VIZCAYA ARGENTARIA	COP	19/12/2014	10.00	DTF - 0.7%	11.42%	344	5	350	2.32%	516	1	518
AGUAS REGIONALES	BANCO DAVIVIENDA SA	COP	19/02/2018	10.25	IPC + 4.8%	16.94%	13,750	504	14,254	9.62%	16,250	437	16,687
AGUAS REGIONALES	POPULAR BANK	COP	21/01/2020	10.25	IBR 3M + 2.9%	14.53%	5,625	266	5,891	6.07%	6,000	136	6,136
AGUAS REGIONALES	POPULAR BANK	COP	18/03/2020	10.25	IBR 3M + 2.9%	14.55%	2,344	60	2,404	6.06%	2,500	38	2,538
AGUAS REGIONALES	POPULAR BANK	COP	22/04/2020	10.25	IBR 3M + 2.9%	14.47%	1,841	90	1,930	6.06%	1,900	45	1,945
AGUAS REGIONALES	POPULAR BANK	COP	22/05/2020	10.00	IBR 3M + 2.9%	14.82%	1,078	31	1,109	6.35%	1,150	10	1,160
AGUAS REGIONALES	POPULAR BANK	COP	19/06/2020	10.00	IBR 3M + 2.9%	14.90%	1,266	21	1,287	6.36%	1,350	6	1,356
AGUAS REGIONALES	POPULAR BANK	COP	21/07/2020	10.00	IBR 3M + 2.9%	14.59%	2,034	83	2,117	6.34%	2,100	28	2,128

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
AGUAS REGIONALES	POPULAR BANK	COP	19/08/2020	10.00	IBR 3M + 2.9%	14.80%	1,986	60	2,046	6.34%	2,050	19	2,069
AGUAS REGIONALES	POPULAR BANK	COP	23/09/2020	10.00	IBR 3M + 2.9%	14.90%	2,713	42	2,755	6.36%	2,800	11	2,811
AGUAS REGIONALES	POPULAR BANK	COP	26/10/2020	10.00	IBR 3M + 2.9%	14.80%	13,650	542	14,192	6.33%	13,650	179	13,829
AGUAS REGIONALES	FINDETER	COP	21/12/2020	3.00	0%	0.00%	914	-	914	0.00%	1,827	-	1,827
AGUAS REGIONALES	BANCO DAVIVIENDA SA	COP	30/11/2021	10.00	IBR 3M + 2.869%	14.90%	9,500	238	9,738	6.37%	9,500	50	9,550
AGUAS REGIONALES	BANCO DE OCCIDENTE S.A.	COP	1/12/2022	10.00	IBR 3M + 4.75%	17.43%	22,000	297	22,297	0.00%	-	-	-
CENS	POPULAR BANK	COP	18/12/2015	7.00	IBR + 1.88%	0.00%	-	-	-	5.06%	2,000	8	2,008
CENS	POPULAR BANK	COP	16/02/2018	10.00	IBR + 2.98%	14.43%	77,531	4,832	82,362	7.17%	94,760	1,673	96,433
CENS	POPULAR BANK	COP	15/05/2017	10.00	IBR + 3.35%	14.56%	20,948	859	21,807	7.45%	25,603	227	25,830
CENS	POPULAR BANK	COP	26/05/2017	10.00	IBR + 3.35%	14.57%	4,804	180	4,984	7.46%	5,871	41	5,912
CENS	POPULAR BANK	COP	23/06/2017	10.00	IBR + 3.35%	14.56%	3,659	104	3,763	7.52%	4,472	11	4,484
CENS	POPULAR BANK	COP	29/06/2017	10.00	IBR + 3.35%	14.61%	5,714	146	5,860	7.54%	6,986	8	6,994
CENS	POPULAR BANK	COP	18/07/2017	10.00	IBR + 3.35%	14.68%	9,344	738	10,082	7.48%	11,213	296	11,509
CENS	POPULAR BANK	COP	27/07/2017	10.00	IBR + 3.35%	14.69%	4,063	307	4,370	7.53%	4,875	111	4,986
CENS	POPULAR BANK	COP	23/08/2017	10.00	IBR + 3.35%	14.99%	3,750	230	3,980	7.65%	4,500	71	4,571
CENS	POPULAR BANK	COP	15/09/2017	12.00	IBR + 3.35%	15.16%	4,026	215	4,241	7.60%	4,832	67	4,898
CENS	POPULAR BANK	COP	19/09/2017	10.00	IBR - 1.8%	8.04%	4,146	373	4,519	1.99%	4,738	263	5,002
CENS	POPULAR BANK	COP	19/09/2017	10.00	IBR + 3.075%	14.47%	7,404	430	7,834	7.04%	8,885	171	9,056
CENS	POPULAR BANK	COP	17/11/2017	12.00	IBR + 3.35%	14.62%	6,037	250	6,287	7.44%	7,245	67	7,312
CENS	POPULAR BANK	COP	17/11/2017	10.00	IBR -1.8%	7.36%	2,854	226	3,080	1.77%	3,262	164	3,425
CENS	POPULAR BANK	COP	17/11/2017	10.00	IBR + 3.075%	14.08%	5,096	234	5,330	6.94%	6,116	89	6,204
CENS	POPULAR BANK	COP	18/12/2017	10.00	IBR + 3.35%	14.55%	12,500	390	12,890	7.47%	15,000	78	15,078
CENS	POPULAR BANK	COP	18/01/2018	9.00	IBR + 3.35%	14.73%	25,438	2,032	27,469	7.46%	30,063	811	30,874
CENS	Davivienda	COP	14/06/2019	12.00	IBR + 1.15%	11.37%	17,000	980	17,980	4.65%	19,000	576	19,576
CENS	Davivienda	COP	27/06/2019	12.00	IBR + 1.15%	11.39%	4,856	262	5,119	4.64%	5,427	158	5,586

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
CENS	Occidente	COP	16/12/2019	7.00	IBR S.V. + 2.75%	13.38%	28,000	1,036	29,036	6.89%	35,000	129	35,129
CENS	Occidente	COP	16/01/2020	7.00	IBR S.V. + 2.75%	13.79%	18,000	1,432	19,432	6.95%	20,000	436	20,436
CENS	BBVA	COP	28/07/2020	7.00	IBR S.V. + 2.9%	14.15%	5,000	372	5,372	6.92%	5,000	125	5,125
CENS	BBVA	COP	28/09/2020	7.00	IBR S.V. + 2.9%	14.53%	12,500	635	13,135	6.91%	12,500	225	12,725
CENS	Davivienda	COP	30/11/2020	3.00	IBR + 2.55%	12.21%	7,500	178	7,678	5.40%	15,000	90	15,090
CENS	FINDETER	COP	24/12/2020	3.00	0%	0.00%	5,708	(0)	5,708	0.00%	11,415	(0)	11,415
CENS	BBVA	COP	21/01/2021	7.00	IBR S.V. + 2.9%	14.31%	17,500	1,375	18,875	6.90%	17,500	484	17,984
CENS	BBVA	COP	30/04/2021	3.00	IBR + 0.15%	10.75%	6,610	53	6,663	3.37%	11,568	34	11,602
CENS	BBVA	COP	27/05/2021	2.00	IBR + 0.15%	9.94%	3,110	18	3,128	3.29%	10,575	28	10,602
CENS	BBVA	COP	22/02/2022	7.00	IBR S.V. + 2.9%	14.86%	19,000	1,126	20,126	0.00%	-	-	-
CENS	Davivienda	COP	11/03/2022	10.00	IBR S.V. + 3.843%	16.10%	30,000	1,594	31,594	0.00%	-	-	-
CENS	BBVA	COP	24/11/2022	10.00	IBR S.V. + 2.79%	15.31%	40,000	580	40,580	0.00%	-	-	-
CENS	BBVA	COP	20/12/2022	10.00	IBR S.V. + 2.79%	15.32%	40,000	172	40,172	0.00%	-	-	-
CHEC	BBVA	COP	22/08/2014	10.00	IPC E.A. + 3.5%	14.70%	14,656	419	15,075	8.37%	23,031	332	23,363
CHEC	Corbanca	COP	22/08/2014	10.00	IPC E.A. + 3.5%	14.68%	11,156	321	11,477	8.35%	17,531	258	17,789
CHEC	Bancolombia	COP	9/02/2018	8.00	IBR + 2.29%	13.91%	26,406	1,102	27,508	5.98%	34,531	346	34,877
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	11.87%	34,400	285	34,685	3.36%	38,700	64	38,764
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	11.88%	3,692	21	3,713	3.40%	4,139	(3)	4,136
CHEC	Davivienda	COP	20/11/2019	12.00	IBR + 0.388%	11.93%	1,617	15	1,632	3.44%	1,799	(1)	1,797
CHEC	BBVA	COP	29/12/2020	10.00	IBR + 3.432%	15.59%	30,000	489	30,489	7.06%	30,000	84	30,084
CHEC	FINDETER	COP	30/12/2020	3.00	0%	0.00%	1,325	(0)	1,325	0.00%	2,650	(0)	2,650
CHEC	Bancolombia	COP	15/03/2021	10.00	IBR + 1.8%	13.64%	53,000	1,026	54,026	5.26%	53,000	248	53,248
CHEC	Davivienda	COP	7/04/2021	3.00	IBR 1M + 0.5%	10.81%	885	14	898	3.39%	1,548	5	1,554
CHEC	Davivienda	COP	9/04/2021	2.00	IBR 1M + 0.5%	9.58%	914	9	924	3.33%	3,658	11	3,669
CHEC	Davivienda	COP	20/04/2021	10.00	IBR 1M + 1.693%	13.28%	3,969	47	4,016	4.71%	4,010	11	4,021

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
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CHEC	Bancolombia	COP	12/05/2021	10.00	IBR + 1.8%	13.63%	87,000	2,676	89,676	5.25%	87,000	750	87,750
CHEC	BBVA	COP	25/05/2022	10.00	IBR + 3.533%	16.03%	15,000	342	15,342	0.00%	-	-	-
CHEC	Banco de Occidente	COP	25/05/2022	1.00	IBRSV + 1.5%	15.73%	10,000	67	10,067	0.00%	-	-	-
CHEC	POPULAR BANK	COP	24/08/2022	10.00	IBR + 4.41%	16.92%	17,000	323	17,323	0.00%	-	-	-
DEL SUR	Bancolombia	USD	4/09/2020	2.00	5.25%	0.00%	-	-	-	5.25%	4,345	15	4,360
DEL SUR	Davivienda	USD	26/08/2013	10.00	LIBOR 3M + 3.7%	4.07%	33,070	275	33,345	4.07%	37,323	143	37,466
DEL SUR	Davivienda	USD	7/10/2015	10.00	LIBOR 3M + 4.2%	4.59%	36,077	639	36,716	4.59%	35,830	301	36,131
DEL SUR	Davivienda	USD	29/10/2021	9.00	LIBOR 3M + 4%	4.15%	144,306	2,051	146,357	4.15%	119,435	783	120,218
EDEQ	AV VILLAS	COP	22/02/2019	3.75	DTF T.A. + 2.3%	0.00%	-	-	-	5.33%	1,472	9	1,481
EDEQ	AV VILLAS	COP	23/06/2016	7.00	IBR + 3.1%	12.47%	299	4	303	6.33%	899	4	903
EDEQ	AV VILLAS	COP	15/09/2017	7.00	IBR + 3.1%	14.25%	2,100	34	2,134	6.80%	3,300	3	3,303
EDEQ	OCCIDENTE	COP	29/11/2019	7.00	IBR + 2.75%	14.34%	8,000	217	8,217	6.36%	10,000	53	10,053
EDEQ	AV VILLAS	COP	5/11/2019	6.50	IBR + 2.3%	13.68%	6,417	211	6,628	5.85%	8,250	60	8,310
EDEQ	BANCO DE BOGOTA	COP	29/05/2020	7.00	IBR + 2.18%	13.58%	8,998	229	9,226	5.61%	10,000	58	10,058
EDEQ	BANCO DE BOGOTA	COP	19/08/2020	7.00	IBR + 2.18%	13.65%	9,500	282	9,782	5.61%	10,000	81	10,081
EDEQ	FINDETER	COP	19/01/2021	3.00	0%	0.00%	658	(0)	658	0.00%	1,308	(0)	1,308
EDEQ	BBVA_844	COP	10/05/2021	3.00	IBR 1M + 0.15%	10.50%	435	6	441	3.03%	742	2	745
EDEQ	BBVA_2073	COP	10/05/2021	2.00	IBR 1M + 0.15%	9.31%	494	5	499	2.97%	1,679	5	1,684
EDEQ	VILLAS_21454	COP	23/07/2021	7.00	IBR + 2.25%	13.93%	21,454	853	22,307	5.70%	21,454	245	21,699
EDEQ	VILLAS_15000T	COP	13/01/2022	1.00	IBR + 1.5%	12.19%	15,000	381	15,381	0.00%	-	-	-
EDEQ	BBVA_10000	COP	27/05/2022	5.00	IBR + 2.91%	14.87%	10,000	207	10,207	0.00%	-	-	-
EDEQ	BBVA_15000	COP	24/06/2022	5.00	IBR + 2.91%	14.98%	15,000	138	15,138	0.00%	-	-	-
EDEQ	POPULAR BANK _11296	COP	10/11/2022	5.00	IBR + 3.9%	16.37%	11,297	239	11,536	0.00%	-	-	-
EMVIAS	FINDETER	COP	27/01/2021	3.00	0%	0.00%	2,132	-	2,132	0.00%	4,101	-	4,101
ENSA	Citibank	USD	28/12/2021	0.50	0%	0.00%	-	-	-	1.01%	20,304	2	20,306

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
ENSA	Citibank	USD	28/12/2021	0.50	0%	0.00%	-	-	-	1.00%	25,479	2	25,482
ENSA	Citibank	USD	29/12/2021	0.50	0%	0.00%	-	-	-	1.01%	36,627	2	36,629
ENSA	Bonuses	USD	13/12/2012	15.00	4.73%	3.46%	384,816	(1,926)	382,890	3.46%	318,493	(1,995)	316,498
ENSA	Scotiabank	USD	3/10/2018	5.00	4.25%	4.25%	481,020	1,389	482,409	4.25%	398,116	1,151	399,267
ENSA	Bonuses	USD	1/07/2021	15.00	3.87%	4.05%	481,020	1,826	482,846	4.05%	398,116	1,731	399,847
ENSA	BLADEX	USD	1/02/2022	1.00	0%	2.00%	24,051	446	24,497	0.00%	-	-	-
ENSA	SCOTIABANK	USD	9/03/2022	1.00	0%	2.00%	288,612	497	289,109	1.10%	27,868	72	27,940
ENSA	BANESCO	USD	23/09/2022	1.00	0%	3.80%	72,153	236	72,389	1.31%	23,887	45	23,932
ENSA	SCOTIABANK	USD	1/11/2022	1.00	0%	5.35%	72,153	332	72,485	1.31%	27,868	51	27,919
ENSA	CITIBANK	USD	7/12/2022	1.00	0%	5.88%	38,482	164	38,645	0.00%	-	-	-
EPM	Bonuses IPC III TRAMO	COP	21/04/2009	15.00	IPC + 6.24%	20.01%	198,400	5,929	204,329	11.83%	198,400	4,273	202,673
EPM	Bonuses IPC IV TRAM 2	COP	14/12/2010	12.00	IPC + 4.2%	0.00%	-	-	-	10.03%	119,900	166	120,066
EPM	Bonuses IPC IV TRAM 3	COP	14/12/2010	20.00	IPC + 4.94%	18.40%	267,400	(1,324)	266,076	10.53%	267,400	29	267,429
EPM	Bonuses IPC V TRAMO II	COP	4/12/2013	10.00	IPC + 4.52%	18.44%	96,210	566	96,776	10.28%	96,210	270	96,480
EPM	Bonuses IPC V TRAM III	COP	4/12/2013	20.00	IPC + 5.03%	18.58%	229,190	(1,142)	228,048	10.73%	229,190	(980)	228,210
EPM	Bonuses IPC VI TRAMO II	COP	29/07/2014	12.00	IPC + 4.17%	17.71%	125,000	1,968	126,968	9.91%	125,000	869	125,869
EPM	Bonuses IPC VI TRAM III	COP	29/07/2014	20.00	IPC + 4.5%	17.98%	250,000	2,584	252,584	10.19%	250,000	771	250,771
EPM	Bonuses IPC V TRAM IV	COP	20/03/2015	8.71	IPC + 3.65%	18.26%	130,000	941	130,941	10.12%	130,000	707	130,707
EPM	Bonuses IPC VII TRAMO II	COP	20/03/2015	12.00	IPC + 3.92%	17.32%	120,000	(638)	119,362	9.48%	120,000	(128)	119,872
EPM	Bonuses IPC VII TRAM III	COP	20/03/2015	20.00	IPC + 4.43%	17.71%	260,000	(1,125)	258,875	9.94%	260,000	258	260,258
EPM	BID-1664-1	COP	31/03/2016	9.69	7.8%	9.16%	142,385	425	142,810	8.98%	189,846	1,089	190,935
EPM	BID 2120-1	COP	27/05/2014	9.33	6272%	8.72%	190,295	1,760	192,056	8.56%	190,295	(144)	190,152
EPM	BANK OF TOKYO-MITSUB	USD	29/09/2008	15.00	Libor 6M + 0.95%	5.92%	80,099	1,371	81,471	0.59%	132,652	1,252	133,904
EPM	GLOBAL 2024 COP	COP	10/09/2014	10.00	7625%	7.73%	965,745	20,425	986,170	7.73%	965,745	19,616	985,361
EPM	AGRARIO	COP	24/06/2014	16.00	IBR + 2.4%	14.45%	84,673	1,233	85,906	6.85%	96,273	(953)	95,320

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
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EPM	AFD	USD	10/08/2012	14.98	4311%	4.40%	677,827	12,051	689,878	4.40%	673,204	11,752	684,956
EPM	BID 2120-2	COP	23/08/2016	17.59	7.5%	9.10%	287,942	266	288,208	9.10%	312,980	(75)	312,905
EPM	BNDES	USD	26/04/2016	23.67	4887%	4.76%	472,047	5,984	478,031	5.01%	273,977	(1,096)	272,881
EPM	GLOBAL 2027 COP	COP	8/11/2017	10.00	8375%	8.46%	4,165,519	51,346	4,216,865	8.45%	4,165,519	51,358	4,216,877
EPM	BID 2120-3	COP	8/12/2017	16.30	6265%	7.64%	143,354	627	143,981	7.61%	155,819	656	156,475
EPM	CAF	USD	3/10/2016	18.00	Libor 6M + 3.1%	8.30%	888,037	17,767	905,804	3.70%	796,232	(1,770)	794,462
EPM	1023 Bonuses USD	USD	18/07/2019	10.00	4.25%	4.39%	4,810,200	67,110	4,877,310	4.39%	3,981,160	52,805	4,033,965
EPM	BID 2120-4	COP	17/06/2020	13.77	5%	6.08%	311,184	3,534	314,718	6.04%	338,243	4,336	342,579
EPM	Bonuses USD 2030	USD	15/07/2020	10.58	4375%	4.60%	2,765,865	13,690	2,779,555	4.60%	2,289,167	8,693	2,297,860
EPM	FINDETER	COP	28/01/2021	3.00	0%	0.00%	23,903	-	23,903	0.00%	45,967	-	45,967
EPM	BBVA	COP	18/05/2021	3.00	IBR 1M + 0.1%	11.22%	763	7	770	3.02%	1,145	2	1,147
EPM	BBVA	COP	18/05/2021	3.00	IBR 1M + 0.1%	11.23%	9,938	85	10,023	3.02%	14,907	28	14,935
EPM	BBVA	COP	18/05/2021	2.00	IBR 1M + 0.1%	11.18%	8,568	55	8,623	3.01%	25,704	44	25,748
EPM	JP MORGAN	COP	24/11/2021	4.98	IBR OIS + 2.477%	14.09%	979,250	10,888	990,138	5.54%	979,250	(401)	978,849
EPM	BANCO SANTANDER TESORERIA	USD	1/12/2021	1.00	LIBOR 1M + 1.45%	0.00%	-	-	-	1.55%	796,232	1,062	797,294
EPM	BNP TESORERIA	USD	10/12/2021	1.00	LIBOR 1M + 1.4%	0.00%	-	-	-	1.50%	457,833	420	458,253
EPM	UMB BANK	USD	19/12/2022	5.00	SOFR 3M + 2.2%	7.59%	1,443,060	(19,489)	1,423,571	0.00%	-	-	-
EPM	POPULAR BANK	COP	2/12/2022	1.00	IBR 3M + 6.62%	17.74%	120,000	1,749	121,749	0.00%	-	-	-
EPM	Comisiones	USD	15/09/2021	-	0%	0.00%	-	(102)	(102)	0.00%	-	(65)	(65)
ESSA	POPULAR BANK	COP	30/04/2015	7.00	IBR + 1.88%	0.00%	-	-	-	5.06%	1,950	16	1,966
ESSA	POPULAR BANK	COP	27/01/2016	7.00	IBR + 1.88%	10.92%	1,500	42	1,542	5.35%	4,500	34	4,534
ESSA	POPULAR BANK	COP	16/02/2016	7.00	IBR + 1.88%	10.95%	1,300	29	1,329	5.37%	3,900	21	3,921
ESSA	POPULAR BANK	COP	28/03/2016	7.00	IBR + 1.88%	11.18%	700	7	707	5.34%	2,100	2	2,102
ESSA	POPULAR BANK	COP	14/04/2016	7.00	IBR + 1.88%	11.56%	1,275	41	1,316	5.45%	2,975	26	3,001
ESSA	POPULAR BANK	COP	1/07/2016	12.00	IBR + 3.15%	15.11%	12,000	524	12,524	6.84%	14,000	150	14,150

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
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ESSA	POPULAR BANK	COP	19/08/2016	12.00	IBR + 3.15%	15.01%	4,800	136	4,936	6.79%	5,600	27	5,627
ESSA	POPULAR BANK	COP	13/10/2016	12.00	IBR + 3.15%	15.09%	5,625	225	5,850	6.84%	6,525	57	6,582
ESSA	POPULAR BANK	COP	11/11/2016	12.00	IBR + 3.15%	15.22%	21,875	595	22,470	6.89%	25,375	67	25,442
ESSA	POPULAR BANK	COP	5/12/2016	12.00	IBR + 3.15%	15.07%	5,000	106	5,106	6.88%	5,800	(4)	5,796
ESSA	POPULAR BANK	COP	14/12/2016	12.00	IBR + 3.15%	15.06%	9,375	141	9,516	6.84%	10,875	(22)	10,853
ESSA	POPULAR BANK	COP	11/01/2017	12.00	IBR + 3.15%	15.08%	9,744	401	10,146	6.83%	11,244	102	11,346
ESSA	POPULAR BANK	COP	16/01/2017	12.00	IBR + 3.15%	15.07%	6,494	257	6,751	6.81%	7,494	66	7,560
ESSA	POPULAR BANK	COP	15/05/2017	12.00	IBR + 3.15%	15.10%	6,750	193	6,943	6.82%	7,750	32	7,782
ESSA	BBVA	COP	14/06/2017	12.00	IBR + 3.56%	15.78%	6,500	114	6,614	7.37%	7,500	(3)	7,497
ESSA	BBVA	COP	29/06/2017	12.00	IBR + 3.56%	15.58%	5,200	85	5,285	7.22%	6,000	10	6,010
ESSA	BBVA	COP	13/07/2017	12.00	IBR + 3.56%	15.73%	6,750	291	7,041	7.32%	7,750	88	7,838
ESSA	BBVA	COP	28/09/2017	12.00	IBR + 3.56%	15.76%	10,125	132	10,257	7.34%	11,625	(25)	11,600
ESSA	BBVA	COP	12/10/2017	12.00	IBR + 3.56%	15.74%	3,500	153	3,653	7.31%	4,000	47	4,047
ESSA	BBVA	COP	30/10/2017	12.00	IBR + 3.56%	15.73%	3,500	133	3,633	7.29%	4,000	37	4,037
ESSA	BBVA	COP	29/11/2017	12.00	IBR + 3.56%	15.79%	4,900	121	5,021	7.33%	5,600	17	5,617
ESSA	BBVA	COP	11/12/2017	12.00	IBR + 3.56%	15.77%	2,800	55	2,855	7.34%	3,200	3	3,203
ESSA	BBVA	COP	14/12/2017	12.00	IBR + 3.56%	15.77%	9,800	180	9,980	7.34%	11,200	6	11,206
ESSA	BBVA	COP	26/12/2017	12.00	IBR + 3.56%	15.83%	63,000	796	63,796	7.39%	72,000	(231)	71,769
ESSA	POPULAR BANK	COP	26/12/2017	12.00	IBR + 3.15%	14.89%	7,250	137	7,387	6.63%	8,250	32	8,282
ESSA	BBVA	COP	29/10/2018	12.00	IBR + 2.91%	14.84%	32,000	1,484	33,484	7.19%	36,000	329	36,329
ESSA	BBVA	COP	28/11/2018	12.00	IBR + 2.91%	14.76%	4,800	178	4,978	7.19%	5,400	25	5,425
ESSA	BBVA	COP	26/12/2018	12.00	IBR + 2.91%	14.77%	43,200	1,180	44,380	7.21%	48,600	31	48,631
ESSA	POPULAR BANK	COP	28/12/2018	12.00	IBR + 2.91%	14.57%	84,800	2,203	87,003	7.12%	95,400	(5)	95,395
ESSA	POPULAR BANK	COP	27/12/2019	12.00	IBR + 2.91%	14.62%	84,600	2,273	86,873	7.12%	94,000	30	94,030
ESSA	Davivienda	COP	4/09/2020	3.00	IBR + 2.1%	11.69%	5,625	109	5,733	5.38%	13,125	71	13,196

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ESSA	POPULAR BANK	COP	5/01/2021	3.00	T.N. + 1E-57%	0.00%	4,853	(0)	4,853	0.00%	9,334	(0)	9,334
ESSA	BBVA	COP	26/02/2021	2.00	IBR + 0.1%	8.83%	2,927	18	2,945	3.22%	8,782	22	8,804
ESSA	Davivienda	COP	26/02/2021	12.00	IBR + 1.7%	13.59%	8,059	127	8,186	5.16%	8,060	25	8,085
ESSA	Davivienda	COP	26/02/2021	12.00	IBR + 1.7%	13.59%	1,790	28	1,818	5.16%	1,790	5	1,796
ESSA	BBVA	COP	12/03/2021	3.00	IBR + 0.1%	10.19%	3,618	67	3,685	3.33%	6,030	26	6,056
ESSA	Davivienda	COP	23/04/2021	3.00	IBR + 2.55%	13.23%	22,498	799	23,297	5.90%	30,000	348	30,348
ESSA	Davivienda	COP	15/06/2021	12.00	IPC E.A. + 3.7%	16.00%	50,000	1,455	51,455	9.05%	50,000	440	50,440
ESSA	BBVA	COP	2/07/2021	3.00	IBR + 0.2%	10.51%	1,183	30	1,214	3.50%	1,775	10	1,785
ESSA	BBVA	COP	2/07/2021	2.00	IBR + 0.2%	9.21%	1,447	29	1,477	3.41%	2,895	15	2,910
ESSA	Davivienda	COP	14/09/2021	10.00	IBR + 3.8%	15.90%	14,948	331	15,279	7.21%	14,951	71	15,022
ESSA	Banco ITAU	COP	6/10/2021	1.00	IBR + 1.3%	0.00%	-	-	-	4.69%	15,000	131	15,131
ESSA	Banco ITAU	COP	2/11/2021	1.00	IBR + 1.3%	0.00%	-	-	-	4.73%	45,000	297	45,297
ESSA	Sudameris	COP	17/12/2021	5.00	IBR + 3.4%	15.15%	30,000	511	30,511	6.99%	30,000	78	30,078
ESSA	BBVA	COP	29/12/2021	1.00	T.N. + 4.32329624765675%	0.00%	-	-	-	4.41%	30,000	7	30,007
ESSA	POPULAR BANK	COP	7/04/2022	1.00	T.N. + 8.9%	8.84%	50,000	1,014	51,014	0.00%	-	(131)	(131)
ESSA	POPULAR BANK	COP	12/04/2022	1.00	T.N. + 8.9%	8.85%	50,000	955	50,955	0.00%	-	-	-
ESSA	POPULAR BANK	COP	21/10/2022	10.00	IBR + 4.45%	17.08%	10,000	305	10,305	0.00%	-	-	-
ESSA	Av Villas	COP	21/10/2022	10.00	IBR + 4.45%	17.08%	10,000	305	10,305	0.00%	-	-	-
ESSA	POPULAR BANK	COP	23/11/2022	10.00	IBR + 4.45%	17.09%	20,000	329	20,329	0.00%	-	-	-
ESSA	Av Villas	COP	23/11/2022	10.00	IBR + 4.45%	17.09%	10,000	165	10,165	0.00%	-	-	-
ESSA	Av Villas	COP	5/12/2022	10.00	IBR + 4.45%	17.09%	20,000	226	20,226	0.00%	-	-	-
ESSA	CAF	COP	7/12/2022	15.00	IBR + 4.99%	17.95%	162,967	234	163,201	0.00%	-	-	-
ESSA	POPULAR BANK	COP	20/12/2022	10.00	IBR + 4.45%	17.10%	30,000	143	30,143	0.00%	-	-	-
GRUPO DECA	Banco Industrial	USD	15/12/2017	1.00	TAPP - 1.5%	0.00%	-	-	-	0.00%	-	-	-
GRUPO DECA	Banco De Desarrollo Rural	USD	22/03/2018	1.00	TAPP - 1.2%	0.00%	-	-	-	4.83%	119,435	-	119,435

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP - 6.8%	5.56%	137,046	(1,228)	135,817	5.68%	134,612	(878)	133,734
GRUPO DECA	Banco América Central	GTQ	21/12/2018	10.00	TAPP - 6.81%	5.58%	80,337	(682)	79,655	5.66%	78,910	(547)	78,363
GRUPO DECA	Banco Agromercantil	GTQ	24/01/2019	10.00	TAPP - 6.87%	5.51%	182,032	(38)	181,993	5.60%	165,041	189	165,230
GRUPO DECA	Banco América Central	USD	21/12/2018	10.00	LIBOR 90 + 2.26%	4.36%	123,660	4,342	128,002	2.98%	119,435	(2,350)	117,085
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP - 1.25%	4.80%	20,610	(121)	20,489	4.84%	19,906	(120)	19,785
GRUPO DECA	Banco Agromercantil	USD	24/01/2019	10.00	LIBOR 90 + 3.05%	5.19%	26,793	1,285	28,079	3.77%	23,887	(314)	23,573
GRUPO DECA	Banco Industrial	GTQ	27/05/2020	1.00	TAPP - 6.8%	5.50%	61,259	-	61,259	5.50%	51,575	-	51,575
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP - 6.8%	5.88%	175,377	-	175,377	5.88%	172,262	-	172,262
GRUPO DECA	Banco América Central	GTQ	26/12/2018	10.00	TAPP - 6.81%	5.87%	80,862	-	80,862	5.87%	79,426	-	79,426
GRUPO DECA	Banco Agromercantil	GTQ	25/01/2019	10.00	TAPP - 6.87%	5.80%	182,032	1,555	183,586	5.80%	165,041	1,456	166,497
GRUPO DECA	Banco América Central	USD	26/12/2018	10.00	LIBOR 90 + 2.26%	3.05%	41,220	-	41,220	3.05%	39,812	-	39,812
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP - 1.25%	5.09%	20,610	-	20,610	5.09%	19,906	-	19,906
GRUPO DECA	Mercom Bank LTD	USD	25/01/2019	10.00	LIBOR 90 + 3.05%	3.83%	26,793	284	27,078	3.83%	23,887	128	24,015
GRUPO DECA	Bancolombia Panamá	USD	25/01/2019	10.00	LIBOR 90 + 3.05%	3.84%	107,241	1,138	108,379	3.84%	95,548	514	96,062
GRUPO DECA	Bancolombia Panamá	USD	16/07/2019	1.00	LIBOR 30 + 2.5739%	6.45%	48,090	-	48,090	2.66%	39,812	-	39,812
GRUPO DECA	Banco Industrial	GTQ	24/11/2021	7.00	TAPP + 5.57%	5.57%	667,376	(258)	667,118	5.79%	515,754	(89)	515,666
HET	Banesco	USD	15/11/2021	10.00	3.9%	3.90%	215,891	482	216,373	3.90%	195,077	142	195,219
MALAMBO	Davivienda	COP	7/12/2021	1.00	IBR + 4.1%	14.72%	1,283	130	1,413	7.93%	1,400	7	1,407
TICSA	Santander	MXN	14/06/2016	7.00	TIIE + 2.4%	7.01%	8,220	(946)	7,274	7.01%	14,771	151	14,922
TICSA	Santander	MXN	14/06/2016	10.00	TIIE + 2.4%	7.77%	44,913	(434)	44,479	7.77%	42,671	395	43,067
TICSA	Santander	MXN	14/06/2016	14.00	TIIE + 2.4%	7.79%	21,786	318	22,104	7.79%	18,582	330	18,912
TICSA	Interacciones	MXN	31/12/2020	15.33	TIIE + 3%	7.51%	15,805	933	16,738	7.51%	13,581	1,218	14,798
TICSA	Banco del Bajío	MXN	31/07/2013	14.67	TIIE + 2.75%	8.48%	75,655	1,699	77,354	8.48%	59,045	5,092	64,137
TICSA	Santander	MXN	22/03/2021	1.00	TIIE + 4%	7.55%	11	0	11	7.55%	5,764	-	5,764
TICSA	Davivienda	COP	27/05/2022	1.00	EA + 0%	14.00%	8,955	-	8,955	0.00%	-	-	-

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	2022				2021			
						IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value
TICSA	Bank of America	MXN	17/06/2022	1.00	TIIE + 1.8%	9.12%	7,405	-	7,405	0.00%	-	-	-
Total							29,151,796	338,473	29,490,269		25,531,872	233,919	25,765,792

As of December 31, 2022, and 2021, the following movements are associated with loans and borrowings and for purposes of presentation in the statement of cash flows are disclosed in the following items: i) obtaining public borrowings and treasury \$3,797,929 and \$4,816,759 for 2021; ii) payments of public borrowings and treasury \$3,516,017 and \$5,701,677 for 2021; iii) transaction costs for issuance of debt instruments \$26,617 and \$44,163 for 2021.

Interest paid on loan transactions on December 31, 2022, was \$1,627,130 (2021: \$1,344,583).

The net foreign exchange difference on December 31, 2022, assumed associated with the debt was \$(412,600) (2021: \$(345,306))

As of the cut-off date, the borrowings used as hedging instruments for net investments in foreign operations are CAF, JBIC and AFD and had designated for 2022 USD 342 million and an exchange difference of \$244,571 has been reclassified from profit or loss for the period to other comprehensive income.

The information of the bonds issued is as follows:

Subseries	Original currency	Start Date	Term	Nominal interest rate	2022				2021				Amount awarded							
					IRR	Nominal value	Amortized Cost Value	Total value	IRR	Nominal value	Amortized Cost Value	Total value	Amount awarded to 2020	Amount awarded to 2019	Amount awarded to 2018	Amount awarded to 2017	Amount awarded to 2016	Amount awarded to 2015	Amount awarded to 2014	Amount awarded to 2013
A10a	COP	4/12/2013	10	IPC + 4.52%	18.4 %	96,210	566	96,776	10.28 %	96,210	270	96,480	96,210	96,210	96,210	96,210	96,210	96,210	96,210	96,210
A10a	COP	20/03/2015	9	IPC + 3.65%	18.3 %	130,000	941	130,941	10.12 %	130,000	707	130,707	130,000	130,000	130,000	130,000	130,000	130,000	-	-
A12a	COP	14/12/2010	12	IPC + 4.2%	0.0%	-	-	-	10.03 %	119,900	166	120,066	119,900	119,900	119,900	119,900	119,900	119,900	119,900	119,900
A12a	COP	29/07/2014	12	IPC + 4.17%	17.7 %	125,000	1,968	126,968	9.91%	125,000	869	125,869	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
A12a	COP	20/03/2015	12	IPC + 3.92%	17.3 %	120,000	(638)	119,362	9.48%	120,000	(128)	119,872	120,000	120,000	120,000	120,000	120,000	120,000	-	-
A15a	COP	21/04/2009	15	IPC + 6.24%	20.0 %	198,400	5,929	204,329	11.83 %	198,400	4,273	202,673	198,400	198,400	198,400	198,400	198,400	198,400	198,400	198,400
A20a	COP	14/12/2010	20	IPC + 4.94%	18.4 %	267,400	(1,324)	266,076	10.53 %	267,400	29	267,429	267,400	267,400	267,400	267,400	267,400	267,400	267,400	267,400
A20a	COP	4/12/2013	20	IPC + 5.03%	18.6 %	229,190	(1,142)	228,048	10.73 %	229,190	(980)	228,210	229,190	229,190	229,190	229,190	229,190	229,190	229,190	229,190
A20a	COP	29/07/2014	20	IPC + 4.5%	18.0 %	250,000	2,584	252,584	10.19 %	250,000	772	250,772	250,000	250,000	250,000	250,000	250,000	250,000	250,000	-
A20a	COP	20/03/2015	20	IPC + 4.43%	17.7 %	260,000	(1,125)	258,875	9.94%	260,000	258	260,258	260,000	260,000	260,000	260,000	260,000	260,000	-	-
A5a	COP	20/03/2015	5	IPC + 2.72%	0.0%	-	-	-	0.00%	-	-	-	-	120,000	120,000	120,000	120,000	120,000	-	-
A6a	COP	29/07/2014	6	IPC + 3.57%	0.0%	-	-	-	0.00%	-	-	-	-	125,000	125,000	125,000	125,000	125,000	125,000	-
International bond	COP	31/01/2011	10	8.375%	0.0%	-	-	-	0.00%	-	-	-	130,822	130,822	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
International bond	COP	10/09/2014	10	7.625%	7.7%	965,745	20,425	986,170	7.73%	965,745	19,616	985,361	965,745	965,745	965,745	965,745	965,745	965,745	965,745	-
International bond	COP	8/11/2017	10	8.375%	8.5%	4,165,519	51,346	4,216,865	8.45%	4,165,519	51,358	4,216,877	4,165,519	3,530,000	2,300,000	2,300,000	-	-	-	-
International bond	USD	18/07/2019	10	4.25%	4.4%	4,810,200	67,110	4,877,310	4.39%	3,981,160	52,805	4,033,965	3,432,500	3,277,140	-	-	-	-	-	-
International bond	USD	15/07/2020	11	4.375%	4.6%	2,765,864	13,690	2,779,555	4.60%	2,289,167	8,693	2,297,860	1,973,688	-	-	-	-	-	-	-
TOTAL						14,383,528	160,330	14,543,859		13,543,859	138,708	13,336,399	12,464,373	9,944,807	6,556,845	6,556,845	4,256,845	4,256,845	3,626,845	2,161,100

The detail of international bonds issued by subsidiaries of the EPM Group is as follows:

ENSA:

ENSA:

Type of bond	Original Currency	Starting date	Deadline	Nominal interest rate	2022				2021				Amount awarded						
					IRR	Nominal value	Amortized cost	Total Value	IRR	Nominal value	Amortized cost	Total Value	to 2020	to 2019	to 2018	to 2017	to 2016	to 2015	to 2014
Bonds	USD	13/12/2012	15	4.73%	3.46%	318,493	(1,995)	316,498	3.46%	318,493	(1,995)	316,498	274,600	-	-	-	-	-	-
Bonds	USD	1/07/2021	15	3.87%	4.05%	398,116	1,731	399,847	4.05%	398,116	1,731	399,847	-	-	-	-	-	-	-
TOTAL						716.609	(264)	716.345		716.609	(264)	716.345	617.850	-	-	-	-	-	-

Amount stated in millions of Colombian pesos, the exchange rate used was the TRM at the end of each period.

AGUAS DE ANTOFAGASTA:

Type of bond	Original Currency	Starting date	Deadline	Nominal interest rate	2022				2021				Amount awarded						
					IRR	Nominal value	Amortized cost	Total Value	IRR	Nominal value	Amortized cost	Total Value	to 2020	to 2019	to 2018	to 2017	to 2016	to 2015	to 2014
Bonds	CLP	18/12/2020	5.00	UF + 0.995%	0.20%	198,240	6,409	204,649	0.20%	144,816	7,271	152,087	140,442	-	-	-	-	-	-
Bonds	CLP	18/12/2020	13.00	UF + 1.4396%	2.01%	396,481	32,063	428,544	2.01%	289,632	25,561	315,192	280,884	-	-	-	-	-	-
Bonds	CLP	14/05/2021	4.50	UF + 0.995%	0.63%	198,240	5,323	203,563	0.63%	144,816	5,839	150,655	-	-	-	-	-	-	-
Bonds	CLP	14/05/2021	12.50	UF + 1.4396%	2.51%	594,721	25,551	620,272	2.51%	434,447	20,021	454,469	-	-	-	-	-	-	-
TOTAL						1,387,682	69,346	1,457,028		1,013,711	58,692	1,072,403	421,325		-	-	-	-	-

Amount stated in millions of Colombian pesos, the exchange rate used was the TRM at the end of each period.

In 2022 in the EPM Group, the following updates were presented:

Financing

On December 14, EPM executed the signing of its first sustainable loan facility for USD 700 million with international commercial banks through a group of four banks: BBVA, BNP Paribas, Bank of Nova Scotia (Scotiabank) and SMBC, with UMB Bank as agent bank. These resources will be used to finance the investment plan in the Company's energy transmission and distribution, gas, water and sanitation businesses.

The loan operation includes the monitoring of two indicators (KPI - Key Performance Indicators): GHG (greenhouse gas) emissions and the Index of water losses per billed user (IPUF). Compliance with these indicators represents a reduction in the agreed interest rate. Below we detail the commitments acquired for annual monitoring of these two indicators within the framework of the contract:

	2022	2023	2024	2025	2026
<i>GHG emissions</i>	943,106	331,236	267,340	261,937	259,318
<i>IPUF</i>	5.84	5.82	5.81	5.79	5.77

Disbursements

January

- Electrificadora de Santander (ESSA): Bank BBVA for \$26,000.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): Bank AV Villas for \$15,000.
- Deca Group: Banco Industrial for GTQ 271 million, equivalent to \$140,684.

February

- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): BBVA Bank for \$19,000.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Bladex for USD 5 million equivalent to \$19,679 and Banco Davivienda for USD 15 million equivalent to \$59,038.

March

- EPM Parent Company: Long-term loan BNDES for USD 2.5 million equivalent to \$9,559.
- TICSa: Banco Santander MXN112 equivalent to \$21,588.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Scotiabank for USD 60 million equivalent to \$228,430.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Bank BBVA for \$30,000.

April

- Electrificadora de Santander (ESSA): Banco de Bogotá for \$100,000.
- TICSА: Banco Santander MXN 2.6 million equivalent to \$448 and Banco de Bajío MXN 30 million equivalent to \$5,593.
- Del Sur: Banco Davivienda for USD 6 million equivalent to \$22,758.

May

- Central Hidroeléctrica de Caldas (CHEC): BBVA for \$15,000, Banco de Occidente for \$25,000 and Banco de Bogotá for \$15,000.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): Bank BBVA for \$10,000.
- TICSА: Banco Santander MXN 8.9 million equivalent to COP 1,781 and Bank Davivienda for \$5,000.
- Hidroeléctrica del Teribe (HET): Global Bank for USD 1.5 million equivalent to \$6,029.
- Electrificadora de Santander (ESSA): CAF for USD 34 million, equivalent to \$137,835.

June

- EPM Parent Company: Long-term loan BNDES for USD 20.15 million equivalent to \$82,248.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): BBVA Bank for \$15,000.
- TICSА: Banco de Bajío MXN 27 million equivalent to \$5,347.
- Grupo Deca: Banco Industria for GTQ 150 million, equivalent to \$76,297.

July

- Grupo Deca: Banco Industria for USD 16 million, equivalent to \$69,813.
- TICSА: Bank Santander MXN 2.8 million equivalent to \$611.
- Del Sur: Bank Davivienda for USD 107 thousand equivalent to \$461.

August

- Central Hidroeléctrica de Caldas (CHEC): Banco de Bogotá for \$17,000.
- Del Sur: Citibank for USD 3 million equivalent to \$12,967 and Banco Industrial for USD 2.9 million equivalent to \$12,568.

- EPM Matriz: Long-term loan BNDES for USD 2.6 million equivalent to \$10,987.
- TICSА: Bank Santander MXN 15.6 million equivalent to \$3,344.

September

- EPM Matriz: Long-term loan BNDES for USD 2.9 million equivalent to \$12,931.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Banesco for USD 15 million, equivalent to \$66,505.
- Del Sur: Banco Industrial for USD 3 million, equivalent to \$13,301.
- Afinia: Banco Popular for \$80,000.

October

- Electrificadora de Santander (ESSA): Banco Popular for \$10,000 and Banco AV Villas for \$10,000.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Davivienda for USD 10 million equivalent to \$47,118.

November

- EPM Parent Company: Long-term loan BNDES for USD 3.5 million equivalent to \$17,488.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): Banco Popular for \$11,297.
- Electrificadora de Santander (ESSA): Banco Popular for \$20,000 and Banco AV Villas for \$10,000.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Banco BBVA for \$40,000.
- Aguas de Antofagasta (ADASA): Banco del Estado for CLP 66,142 million, equivalent to \$350,081.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Scotiabank for USD 15 million equivalent to \$73,900 and Citibank for USD 10 million equivalent to \$49,267.
- TICSА: Banco Santander MXN 0.9 million equivalent to COP 232.

December

- EPM Parent Company: Long-term loan BNDES for USD 2.5 million equivalent to \$12,316, long-term loan UMB BANK for USD 300 million equivalent to \$1,440,744 and short-term loan with Banco Popular for \$120,000.

- Aguas Regionales: Banco de Occidente for \$22,000.
- Electrificadora de Santander (ESSA): Banco Popular for \$30,000 and Banco AV Villas for \$20,000.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Banco BBVA for \$40,000.
- Afinia: Davivienda for \$40,000.
- Empresa de distribución de energía del noreste de Panamá S.A. (ENSA): Citibank for USD 13 million, equivalent to \$62,250.

Debt / EBITDA

The EPM Group has different financial commitments (COVENANT), established in the loan contracts signed with the French Development Agency - AFD, Inter-American Development Bank, CAF- Development Bank of Latin America, National Bank for Economic and Social Development - BNDES, JPMorgan and Bank of Tokyo -MUFG-, Japan Bank for International Cooperation guarantee - JBIC and Club Deal (BNP Pariba, BBVA, Scotiabank and Sumitomo). These contracts include some of the following covenants:

Covenants	Entity	Limit Indicator	Outcome December 2022
EBITDA/Financial Expenses	BNDES - AFD	3.0	4.71
EBITDA/Net Financial Expenses	CAF - JPMorgan - UMB Bank	3.0	5.35
Long Term Debt/EBITDA LTM	JBIC	3.5	2.95
Long-term net debt/EBITDA LTM	AFD - CAF - JPMorgan - IDB - UMB Bank	4.0	2.45
Long Term Debt/Equity	JBIC - BNDES - IDB	1.5	0.85

Non-compliance

During the accounting period, the Panel has not failed to pay principal and interest on its loans.

Nota 22.

Trade and other payables

Trade and other payables are measured at amortized cost and consist of:

Trade and other payables	2022	2021
Non-current		
Accounts payable	130,343	113,614
Acquisition of goods and services	76,380	62,332
Deposits received in guarantee ⁽¹⁾	469,814	382,239
Advances received	76,093	64,090
Resources received in administration	20,230	17,740
Construction contracts	2,186	27,515
Total accounts payable and other non-current accounts payable	775,046	667,530
Current		
Accounts payable ⁽²⁾	1,278,775	1,054,647
Acquisition of goods and services	2,991,793	2,744,041
Subsidies allocated	58,555	42,457
Deposits received in guarantee ⁽¹⁾	38,841	27,721
Advances received	107,571	46,254
Resources received in administration	17,022	12,337
Other accounts payable	8,434	334
Construction contracts	83,423	40,440
Commissions payable	2,111	2,110
Total current trade and other payables	4,586,525	3,970,341
Total trade and other payables	5,361,571	4,637,871

- Amount stated in millions of Colombian pesos -

1. In Guatemala, the General Electricity Law establishes that all new users must provide the distributor with a payment guarantee. This guarantee may be provided in monetary form or by means of a bond and is calculated for each category of user as the amount equivalent to two average monthly invoices of a typical user of the same category. EEGSA collects such guarantees from its customers and records the amounts received as "Consumer Deposits". In accordance with the provisions of the General Electricity Law, Decree No. 93-96 of November 15, 1996, Article 94, from that date until March 10, 2007, deposits received from customers accrued real interest at 5% per annum. As of March 11, 2007, deposits received must be returned by adding to the principal the monthly weighted average lending interest rate of the banking system. It also establishes that, upon termination of the contract, the distributor must make a settlement that includes the initial amount of the guarantee plus the total interest accrued and capitalized each year less any outstanding debts and costs incurred by the user.

As of December 31, 2006, EEGSA records a provision for interest originated by the payment guarantees.

Deposits received from consumers, plus accrued interest and less any outstanding debt for past services, are refundable to users when they cease to use the electric energy service provided by EEGSA. In 2022, these deposits have been classified as non-current liabilities because the Company does not expect to make significant payments in the next year, based on estimates and recurrence of customer withdrawals, in addition to the going concern assumption.

As of December 31, 2022, the amount of consumer deposits was \$425,619 (2021: \$339,320).

2. The most significant increase is reflected in the account payables for compensation, due to the purchase of energy resulting from the commercial operation; the others, due to the increase in temporary liabilities for both national and imported purchases.

The term for payment to suppliers is generally 30 calendar days, with exceptions that are documented in the processes and determined, among others, by the type of obligation and contract.

Non-compliances

During the accounting period, the Group has not defaulted in the payment of creditors and other accounts payable.

Note 23.

Other financial liabilities

Other financial liabilities consist of:

Other financial liabilities consist of:

Other financial liabilities	2022	2021
Non-current		
Lease liabilities	742,790	619,277
Financial liabilities measured at fair value through profit or loss for the period ⁽¹⁾	-	43,743
Pension bonds	142,137	210,546
Derivatives for cash flow hedging purposes ⁽²⁾ (see note 24)	4,065	164,277
Total other non-current financial liabilities	888,992	1,037,843
Current		
Lease liabilities	131,356	106,959
Financial liabilities measured at fair value through profit or loss for the period ⁽¹⁾	49,090	47,575
Pension bonds	506,284	448,896
Total other current financial liabilities	686,730	603,430
Total other financial liabilities	1,575,722	1,641,273

- Amount stated in millions of Colombian pesos -

1. It includes the assessment of the climate derivative whose objective is to have the coverage of the risk in income due to the occurrence of extreme weather events that affect rainfall and thus the contractual commitments of energy generation. The variation of the financial liability measured at fair value is due to the fact that in 2021 one of the installments of the weather derivative premium was paid.
2. The variation of derivatives for hedging purposes is due to the considerable increase in the exchange rate in 2022, which generated a valuation of the right of the swaps and consequently a decrease in the net obligation

Conventional purchases and sales of financial liabilities are accounted for by the date of negotiation.

23.1. Financial liabilities designated to fair value through profit or loss

Financial liability for premiums payable for the weather derivative, which has been contracted to cover dry seasons that imply a decrease in hydraulic generation and the rise in energy prices on the stock market. It is measured at fair value with changes through profit or loss, in order to achieve asymmetry or "match" the financial asset (derivative/option, valued at fair value through results) with the financial liability (premiums payable).

Its valuation technique is the average of the expected future flows, discounted at a risk-free rate plus a spread that contemplates the possibility of default (own credit risk).

23.2. Financial liabilities designated at fair value through profit or loss, with the effects of the change in credit risk of the liability recognized in profit or loss for the period

Concept	2022	2021
Gain (loss) for the period from changes in fair value attributable to changes in credit risk recognized in profit or loss for the period	1,169	1,139
Difference between the carrying amount and the value payable at the time of liquidation:	(8,392)	(3,833)
Carrying amount of liability	49,090	91,317
Value to be paid at the time of liquidation	57,482	95,150
Total	49,090	91,317

- Amount stated in millions of Colombian pesos -

The Group has determined that presenting the effects of changes in the credit risk of a liability in other comprehensive income would create or increase an accounting asymmetry in the result of the period, this asymmetry is generated given that EPM's rating is BB+ and the NewRe is AA. It should be noted that this liability comes from a contract that is linked to an option-type derivative instrument, which represents an asset for EPM. The derivative instrument (asset) is valued at fair value (including credit risk) with changes in results since it is not designated in hedge accounting.

Non-compliance

During the accounting period, Grupo EPM has not defaulted on the payment of principal and interest on its loans.



Note 24.

Derivatives and hedges

The group has the following types of hedges:

- Cash flow hedges, which consist of hedging the variation in future cash flows attributable to certain risks, such as interest rate and exchange rate risks that may impact results, their fair values at the end of the reporting period amount to:
 - Swaps: A right of \$464,000 and an obligation of \$4,065 for a net right of \$459,934 (2021: \$32,693 Obligation).
 - Ticsa Swaps: A right of \$2,768 (2021: A right of \$1,057).

The hedging relationship is effective considering that the fundamental financial conditions (such as nominal, interest rate, payment dates and maturity) of the hedging instrument and the hedged item coincide, in accordance with IFRS 9, based on a qualitative assessment of these fundamental conditions, that the hedging instrument and the hedged item have values that will generally move in opposite directions due to the same risk and, therefore, that there is an economic relationship between the hedged item and the hedging instrument.

- Hedges of net investments in foreign operations, whose objective is to hedge the equity for the exchange rate risks that EPM may have, by the equity method in the effect of translation of financial statements in the investments in subsidiaries with functional currency dollar for further details  **see note 21 loans and borrowings** and  **note 20 Accumulated other comprehensive income**. The effectiveness tests of these hedges are performed with the “lesser of” test, which consists of identifying the effectiveness as the accumulated lower value between the valuation of the hedging instrument and that of the hedged item and any difference is considered ineffective recognized in the profit or loss for the period.

The risks that have been hedged in these operations are presented below, for further details  **see note 43 Financial risk management objectives and policies:**



Hedging Classification	Description	Covered risk	Section	Hedged item	Carrying amount of hedged item	Carrying amount of hedging instrument	Changes in fair value of the hedging instrument during the period	Changes in the fair value of the hedged item during the period	Ineffectiveness of the hedge recognized in profit or loss for the period	Effectiveness of the hedge recognized in other comprehensive income	Reclassification from other comprehensive income to income for the period ¹
Cash flow hedging											
Swaps	Cross Currency Swap	USD/COP exchange rate and Libor/fixed interest rate of debt service	Part of AFD loans and international bonds	Loans in U.S. Dollars	7,656,866	459,934	492,627	640,084	N/A	492,627	925,269
Swaps TICSAs	Interest rate swaps	Interest rate TIIE	Santander loan	Loan in MXN	73,857	2,734	1,677	(3,043)	N/A	2,734	N/A
Net investment coverage abroad	Net investment hedges in foreign operations	USD/COP exchange rate	Investments in subsidiaries in HET, PDG and MaxSeguros.	Investments in subsidiaries with functional currency USD	1,414,715	1,645,964	157,872	231,351	18,978	216,145	N/A

- Amount stated in millions of Colombian pesos -

1. The reclassification of the other comprehensive income to the profit or loss for the period, for the swap instruments affected the interest, exchange difference, interest exchange difference and principal of the right. Additionally, \$ 57,951 were capitalized as borrowings costs mainly to the Hidroituango power plant.

The exchange risk hedging operations are part of the public indebtedness regulated in Decree 1068 of 2015, therefore, they require the general approval of the operation via resolution and additionally the official authorization of each of the letters of confirmation of the financial entities that may possibly have participation in the respective specific operations. This approval process, according to the concept of the entities that govern the subject in the country, can only be initiated once the respective resources have been disbursed. This means that during the period in which the approval process is carried out, the Group is exposed to the exchange risk without having the possibility of executing this type of exchange hedging operations.

Cash flow hedges

The Group expects cash flows under cash flow hedge accounting to be realized in the period from January 1, 2023, to February 15, 2031, for further details  **see note 43 Financial risk management objectives and policies, paragraph 43.1 Market risk.**

The characteristics of the main cash flow hedging instruments that are under hedge accounting are as follows:

Current hedge

Features								
Covered underlay	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029
Close Date	8-jun-20	7-jul-20	10-jul-20	15-jul-20	15-jul-20	9-nov-20	12-nov-20	18-may-21
Derivative Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterparty	BNP PARIBAS	JP Morgan	JP Morgan	Scotia Bank	Goldman Sachs	Goldman Sachs.	BBVA	Merrill Lynch International
Nominal (USD)	100,000,000	50,000,000	100,000,000	100,000,000	100,000,000	125,000,000	125,000,000	100,000,000
Spot exchange rate	3.597	3.627	3.617	3.606	3.608	3.657	3.642	3.649
Due Date	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29	18-jul-29

* CCS : Cross Currency Swap

Current hedge

Features									
Covered underlay	Bonds 2029	Bonds 2029	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031
Close Date	2-jun-21	3-jun-21	11-sep-20	16-sep-20	22-oct-20	23-oct-20	29-ene-21	11-mar-21	4-jun-21
Derivative Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterparty	BBVA	Merrill Lynch International	JP Morgan	JP Morgan	Sumitomo Mitsui Banking Corporation, New York Branch	JP Morgan	BNP Paribas	Goldman Sachs	CITIBANK
Nominal (USD)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	75,000,000	75,000,000	25,000,000
Spot exchange rate	3.638	3.647	3.709	3.708	3.774	3.774	3.568	3.525	3.602
Due Date	18-jul-29	18-jul-29	15-feb-31	15-feb-31	15-feb-31	15-feb-31	15-feb-31	15-feb-31	15-feb-31

* CCS : Cross Currency Swap

TICSA

Characteristics	COLIMA	CELAYA
Covered underlay	Credit Santander	Credit Santander
Section No.	1	1
Close Date	31-dic-19	31-dic-19
Derivative Type	swap	swap
Counterparty	Santander	Santander
Nominal (MXN)	282,750,000	95,250,000
Strike	N.A.	N.A.
Obligation (MXN)	377,000,000	127,000,000
EPM pays	6.1259%	6.40%
EPM Receives	Variable TIIE+Spread	Variable TIIE+Spread
Maturity date	12-feb-24	10-dic-26
Initial exchange	No.	No.
Final exchange	No.	No.
Modality	Non-Delivery	Non-Delivery

Termination of hedge

It is reported that during 2022 the hedging operation for USD28 million corresponding to the underlying loan with AFD matured. **Derivatives not under hedge accounting.**

The Group has entered into contracts containing derivatives that are not under hedge accounting.

 **see note 13. Other financial assets.**

Note 25.

Employee benefits

Employee benefits recognized at the balance sheet date have the following composition:

Employee benefits	2022	2021
Non-current		
Post-employment benefits	608,062	801,487
Long-term benefits	91,465	98,509
Termination benefits	181	106
Other benefits	-	7
Total non-current employee benefits	699,708	900,109
Current		
Short-term benefits	264,047	248,399
Post-employment benefits	126,848	62,240
Total current employee benefits	390,895	310,639
Total	1,090,603	1,210,748

25.1. Post-employment benefits

Includes the defined benefit plans and defined contribution plans detailed below:

25.1.1. Defined benefit plans

Defined benefit plans	Pensions ¹		Retroactive severance ²		Public services subsidy ³		Educational aid plan ⁴		Other defined benefit plans		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Present value of defined benefit obligations												
Initial balance	889,743	1,076,594	135,034	145,435	36,372	45,070	856	1,154	37,633	32,960	1,099,638	1,301,213
Present service cost	3,168	2,300	3,750	4,287	189	268	-	-	2,968	3,014	10,075	9,869
Interest income or (expense)	60,940	57,325	9,012	6,274	2,924	2,819	51	49	36	37	72,963	66,504
New measurements	2,943	-	-	-	-	-	-	-	(169)	-	2,774	-
Experience assumptions	(3,459)	(25,163)	18,595	17,090	4,147	(1,041)	190	(93)	-	-	19,473	(9,207)
Demographic assumptions	(550)	(690)	3	-	-	-	1	-	-	-	(546)	(690)
Financial assumptions	(137,463)	(144,590)	(12,819)	(16,206)	(8,516)	(7,741)	(137)	(118)	-	(2,163)	(158,935)	(170,818)
Past service cost	7,443	6,379	381	308	(367)	(14)	361	8	-	-	7,818	6,681
Foreign currency translation effect	10,994	4,523	-	-	153	122	-	-	7,918	5,396	19,065	10,041
Contributions made to the plan	-	-	-	-	-	-	-	-	-	-	-	-
Payments made by the plan	(89,296)	(88,790)	(26,409)	(22,154)	(3,123)	(3,111)	(148)	(144)	(4,393)	(2,647)	(123,369)	(116,846)
Business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	3,009	1,855	-	-	-	-	-	-	1,360	1,036	4,369	2,891
Present value of obligations at December 31	747,472	889,743	127,547	135,034	31,779	36,372	1,174	856	45,353	37,633	953,325	1,099,638
Fair amount of plan assets												
Initial balance	235,911	296,493	-	-	-	-	-	-	-	-	235,911	296,493
Contributions made to the plan	5,879	9,628	-	-	-	-	-	-	-	-	5,879	9,628
Payments made by the plan	(54,978)	(53,145)	-	-	-	-	-	-	-	-	(54,978)	(53,145)
Interest income	15,236	14,674	-	-	-	-	-	-	-	-	15,236	14,674
Actuarial gains or losses:	-	-	-	-	-	-	-	-	-	-	-	-
Expected return on plan (excluding interest income)	5,900	(32,302)	-	-	-	-	-	-	-	-	5,900	(32,302)
Effect of foreign currency translation	5,972	5,344	-	-	-	-	-	-	-	-	5,972	5,344
Other changes	4,496	(4,781)	-	-	-	-	-	-	-	-	4,496	(4,781)
Fair value of plan assets December 31	218,416	235,911	-	-	-	-	-	-	-	-	218,416	235,911
Surplus or (deficit) of the defined benefit plan	(529,056)	(653,832)	(127,547)	(135,034)	(31,779)	(36,372)	(1,174)	(856)	(45,353)	(37,633)	(734,909)	(863,727)
Net defined benefit plan asset or (liability)	(529,056)	(653,832)	(127,547)	(135,034)	(31,779)	(36,372)	(1,174)	(856)	(45,353)	(37,633)	(734,909)	(863,727)
Total defined benefit plan assets	(529,056)	(653,832)	(127,547)	(135,034)	(31,779)	(36,372)	(1,174)	(856)	(45,353)	(37,633)	(734,909)	(863,727)

- Amounts stated in millions of Colombian pesos -

1. Includes the retirement pension plans in charge of the companies of the EPM Group in accordance with the regulations of each country. Also, social security contributions and funeral allowance.
2. Includes plans for retroactive severance payments, consisting of a recognition of an average monthly salary multiplied by the years of service, payable through advances and at the time of termination of the contract. The source of the plan is the "Sixth Law of 1945 by which some provisions on labor agreements, professional associations, collective conflicts and special labor jurisdiction are dictated" and National Decree 1160 of 1989, which partially regulates Law 71 of 1988, which establishes rules on pensions and other provisions.
3. The benefit for public services is a plan that consists of a total or partial discount on the monthly value to be paid for the public energy service, and in some cases on the water and telephone service, in the following companies of the Group: Central Hidroeléctrica de Caldas S.A. E.S.P., Centrales Eléctricas del Norte de Santander S.A. E.S.P., Electrificadora de Santander S.A. E.S.P. and Elektra Noreste S.A., Centrales Eléctricas del Norte de Santander S.A. E.S.P., Electrificadora de Santander S.A. E.S.P. and Elektra Noreste S.A. In Electrificadora de Santander S.A. E.S.P., the benefit is granted to former employees whose time of service at the date of retirement was at least 15 years of employment. The benefit for public services is covered by the collective bargaining agreements in force in these companies.
4. Correspond to the educational allowance granted by law to the children of retirees who are economically dependent on the retiree, up to the age of 25.

No risks have been identified for EPM Group generated by the post-employment benefit plans, nor modifications, reductions or settlements that impact the present value of the obligation.

The weighted average of the duration in years of the obligations for defined benefit plans as of the cut-off date is presented below:

Benefit	2022		2021	
	From	To	From	To
Pension	6	8	7	11
Retroactive severance	3	5	4	5
Public services aid	6	8	8	11
Education	2	2	1	8
Other defined benefit plans	1	6	2	5

The Group has no restrictions on the current realization of the defined benefit plan surplus.

The Group did not make any defined benefit contributions during the period.

The fair value of plan assets is composed as follows:

Assets that support the plan	2022		2021	
	% Participation	Fair value	% Participation	Fair value
Cash and cash equivalents	4.18%	9,356	0.38%	997
Equity instruments				
Government Sector	48.73%	116,549	-	-
Total equity instruments	6%	15,218	-	-
Debt instruments				
AAA	48.73%	116,549	66.21%	156,197
AA	6.36%	15,218	7.01%	16,546
A	3.69%	8,828	5.16%	12,170
BB and less	0.40%	964	0.32%	756
No rating	20.89%	49,948	12.25%	28,901
Investment funds	6.32%	15,122	5.28%	12,457
Total debt instruments	86.40%	206,629	96.23%	227,027
Other assets	3.33%	7,954	3.34%	7,887
Total Assets that support the plan	100%	239,157	100%	235,911

The main actuarial assumptions used to determine the defined benefit plan obligations are as follows:

Assumptions	Colombia			
	2022		2021	
	From	To	From	To
Discount rate (%)	8.10%	13.60%	6.00%	8.50%
Annual Salary Increase Rate (%)	3.50%	6.50%	4.60%	4.60%
Actual rate of return of the assets in the plan	2.59%	2.59%	3.19%	4.80%
Future rate of increase in annual pension	4.50%	4.50%	3.50%	3.50%
Annual inflation rate (%)	4.50%	4.50%	3.50%	3.50%
Survival tables	Valid Rentlists Table 2008			

	Panama			
	2022		2021	
	From	To	From	To
	1.68%	1.68%	2.44%	2.44%
	0.76%	0.76%	3.20%	3.20%
	2.75%	0.33%	5.00%	5.00%
	-	-	-	-
	0.76%	0.76%	1.60%	1.60%
	Table of mortality of the urban population Republic of Panama 2010-2015			

Assumptions	Guatemala			
	2022		2021	
	From	To	From	To
Discount rate (%)	4.90%	4.90%	4.80%	4.90%
Annual Salary Increase Rate (%)	4.50%	4.50%	4.50%	4.50%
Future rate of increase in annual pension	-	-	-	-
Annual inflation rate (%)	4.00%	4.00%	4.00%	4.00%
Survival tables	Table RP-2000			

	Mexico			
	2022		2021	
	From	To	From	To
	9.80%	9.80%	8.40%	8.40%
	8.00%	8.00%	5.58%	5.58%
	-	-	-	-
	3.75%	3.75%	3.50%	3.50%

Assumptions	El Salvador			
	2022		2021	
	From	To	From	To
Discount rate (%)	3.51%	3.51%	3.51%	3.51%
Annual Salary Increase Rate (%)	1.71%	1.71%	1.71%	1.71%
Future rate of increase in annual pension	-	-	-	-
Annual inflation rate (%)	6.12%	6.12%	6.12%	6.12%
Survival tables	Table CSO-80			

	Chile			
	2022		2021	
	From	To	From	To
	1.68%	1.68%	0.66%	0.66%
	0.76%	0.76%	3.00%	3.00%
	-	-	-	-
	2.75%	0.33%	7.20%	7.20%
	Tables CB H 2014 y RV M 2014			

El The following table shows the effect of a plus 1% and a minus 1% change in the salary increase, in the discount rate and in the increase in the benefit on the defined benefit post-employment benefit obligation:

Assumptions	Increase in discount rate by +1%	Decrease in discount rate by -1%	Increase in salary increase by +1%	Decrease in salary increase by -1%	Increase in profit by +1%	Decrease in profit increase by -1%
Pensions	546,004	616,960	-	-	83,643	83,643
Retroactive severance	117,752	124,607	128,172	114,277	-	-
Public services	16,307	18,489	-	-	18,659	18,659
Other post-employment benefits	3,841	4,179	-	-	4,291	4,291
Total post-employment benefits	683,904	764,235	128,172	114,277	106,593	106,593

Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analyses of the present value of the obligations (DBO) are the same as for the actuarial calculation as of December 31, 2022 and 2021: Projected Unit Credit (PUC). There are no limitations to the sensitivity. There have been no changes in the methods and assumptions used to prepare the sensitivity analysis from the previous period to the current period.

Calculation of pension liabilities in accordance with current tax requirements in Colombia

Resolution 037 of 2017 issued by the General Accounting Office of the Nation established the obligation to disclose the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 and Decree 1833 for pension commutations; therefore, the figures presented below do not correspond to the requirements of IFRS.

Pension liabilities

The pension actuarial calculation was prepared with the following technical bases:

Actuarial assumptions - Pension obligation	2022	2021
Real technical interest rate	7.73%	4.80%
Salary increase rate	4.36%	2.60%
Pension increase rate	4.11%	2.60%
Mortality table	RV08 (Valid annuitants)	

The following table details the calculation of the pension liability with the above parameters:

Concept	2022		2021	
	Number of people	Obligation Value	Number of people	Obligation Value
Staff retired entirely by EPM Group companies	933	240,189	1,186	280,087
Staff retired with shared pension with Colpensiones	1,831	2,484	1,726	234,281
Staff Benefit shared with Colpensiones	935	120,428	1,027	124,530
Staff retired with pension shared with other entities	633	6,421	478	46,742
Total	4,332	673,227	4,417	685,640

- Amounts stated in millions of Colombian pesos -

The pension bonds related to pension obligations are detailed below:

Concept	2022		2021	
	Number of people	Reserve value	Number of people	Reserve value
Type A Pensional Bonus Modality 1	230	3,388	240	3,040
Type A penalty bond Modality 2	4,130	20,903	4,256	200,836
Type B Pensional Bond	2,993	78,110	3,326	398,439
Type T Pensional Bonus	5	390	5	311
Other - Contributions Law 549	141	11,097	174	5,834
Total	7,499	113,888	8,001	608,460

Amounts stated in millions of Colombian pesos -

The differences between pension liabilities calculated under IFRS as adopted in Colombia and tax pension liabilities are shown below:

Concept	2022	2021
Pension liabilities under IFRS	468,267	748,352
Fiscal pension liabilities	971,096	1,251,120
Difference	(502,829)	(502,768)

Amounts stated in millions of Colombian pesos -

Pension commutation liabilities

The actuarial calculation of pension commutation was prepared on the following technical basis:

Actuarial assumptions - Pensionary commutation	2022	2021
Real technical interest rate	4.80%	4.80%
Rate of salary increase	3.98%	2.60%
Pension increase rate	3.98%	2.60%
Mortality table	Valid Rentlists Table 2008	

The following table shows the calculation of the pension commutation with the above parameters:

Concept	2022		2021	
	Number of people	Obligation Value	Number of people	Obligation Value
Staff retired entirely by EPM Group companies	74	17,728	66	16,560
Staff retired with shared pension with Colpensiones	338	47,391	341	44,718
Staff Benefit shared with Colpensiones	62	6,419	60	6,658
Staff retired with pension shared with other entities	10	1,054	24	3,318
Total	484	72,592	491	71,254

Amounts stated in millions of Colombian pesos -

The pension bonds related to the pension commutation liability are detailed below:

Concept	2022		2021	
	Number of people	Reserve value	Number of people	Reserve value
Type A Pensional Bonus Modality 1	11	39	12	43
Type A penalty bond Modality 2	232	12,654	241	11,596
Type B Pensional Bond	198	23,914	202	21,572
Type T Pensional Bonus	3	-	3	7
Other - Contributions Law 549	1	52	1	45
Total	445	36,659	459	33,263

Amounts stated in millions of Colombian pesos -

The differences between the pension commutation liability calculated under IFRS as adopted in Colombia and the fiscal pension commutation liability are shown below:

Concept	2021	2020
Pension commutation liabilities under IFRS	72,592	71,418
Fiscal pensions commutation liability	109,252	104,516
Difference	(36,660)	(33,098)

Amounts stated in millions of Colombian pesos -

25.1.2. Defined contribution plans

The Group made contributions to defined contribution plans recognized in profit or loss for the period as an expense of \$35,620 (2021: \$30,839), as a cost of \$68,421 (2021: \$59,572) for a total of \$104,041 (2021: \$90,411).

25.2. Long-term employee benefits

Long-term benefits	Seniority Premium ⁽¹⁾		Total	
	2022	2021	2022	2021
Present value of obligations for other long-term benefits				
Initial Balance	98,509	107,059	98,509	107,059
Cost of the present service	9,019	9,910	9,019	9,910
Income or (expenses) by interest	7,506	5,875	7,506	5,875
Assumptions by experience	10,108	6,296	10,108	6,296
Demographic assumptions	(282)	2	(282)	2
Financial assumptions	(12,873)	(15,475)	(12,873)	(15,475)
Past service cost	(2,060)	(172)	(2,060)	(172)
Foreign currency conversion effect	560	372	560	372
Payments made by the plan	(19,022)	(15,358)	(19,022)	(15,358)
Present value of obligations as at 31 December	91,465	98,509	91,465	98,509
Surplus or (deficit) for long-term benefits	(91,465)	(98,509)	(91,465)	(98,509)
Long-term profit net asset or (liability)	(91,465)	(98,509)	(91,465)	(98,509)

1. It is granted based on the employee's years of service and is recognized and paid in accordance with the terms established in the collective bargaining agreements in force in each company or the labor regulations of the country.

The Group has not identified any risks generated by long-term benefit plans, or modifications, reductions or settlements that impact the present value of the obligation.

The weighted average duration in years of the obligations for long-term benefit plans at the balance sheet date is presented below:

Benefit	2022		2021	
	From	To	From	To
Seniority Premium	3.3	3.0	4.3	3.0
Other long-term benefits	6	6	6	6

The Group does not expect to make contributions to the plan for the next annual period.

Los principales supuestos actuariales utilizados para determinar las obligaciones por los planes de beneficios a empleados a largo plazo son los siguientes: **FALTA TRADUCCIÓN**

Assumptions	Colombia		Guatemala	
	2022	2021	2022	2021
Discount rate (%)	13.50%	8.00%	4.90%	5.00%
Annual Salary Increase Rate (%)	5.17%	4.85%	4.50%	4.50%
Annual inflation rate (%)	4.50%	3.50%	4.00%	4.00%
Survival tables	Valid Rentlists Table 2008		Table RP-2000	

The following table shows the effect of a plus 1% and a minus 1% change in the salary increase, in the discount rate and in the increase in the benefit on the long-term benefit obligation:

Assumptions	Increase in discount rate by +1%	Decrease in discount rate by -1%	Increase in salary increase by +1%	Decrease in salary increase by -1%
Seniority Premium	67,492	73,948	74,243	67,218
Other long-term benefits	3,887	4,298	4,294	3,888
Total long-term benefits	71,379	78,246	78,537	71,106

Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analysis of the present value of the obligations (DBO) were the same as for the actuarial calculation as of December 31, 2022, and 2021: Projected Unit Credit (PUC). The sensitivity does not present any limitations or changes in the methods and assumptions used to prepare the analysis for the current period.

25.3. Short-term employee benefits

The composition of short-term benefits is as follows:

Short-term benefits	2022	2021
Payroll payable	13,601	30,891
Severances	72,465	63,222
Interests on severances	8,875	7,589
Holidays	47,855	42,148
Vacation bonus	57,084	53,740
service premium	960	1,140
Holidays (Christmas) bonus	582	423
Bonuses	18,378	12,873
Other bonuses, salaries and legal benefits	44,247	36,373
Total short-term benefits	264,047	248,399

Amounts stated in millions of Colombian pesos -

Note 26.

Taxes, contributions, and fees payable

The detail of taxes, contributions and fees, other than income tax, is as follows:

Taxes, contributions, and fees	2022	2021
Withholding tax ⁽¹⁾	199,535	248,284
Industry and commerce tax ⁽²⁾	105,835	77,707
Value Added Tax	73,247	56,064
Fees	40,923	33,624
Other national taxes	29,635	26,258
Contributions	28,262	25,729
Customs tax and surcharges	16,512	171
other municipal taxes	8,822	5,122
Taxes, contributions and fees abroad	6,964	5,215
Unified property tax	766	482
Royalties and monetary compensation	752	1,360
Motor vehicle tax	12	-
Penalties	9	-
National consumption tax	6	6
Total taxes, fees and contributions	511,280	480,022

Amounts stated in millions of Colombian pesos -

1. The value caused in December 2021 was higher than that of December 2022, because of the recognition in December 2021 of the payment of the Hidroituango power plant loss, which generated a higher value to be paid for self-withholdings, which are declared and paid in the withholding tax.
2. The taxable base for the industry and commerce tax increased due to the increase in income compared to the accounting period 2021.

Nota 27.

Provisions, contingent assets, and liabilities

27.1. Provisions

The reconciliation of provisions is as follows:

Concept	Dismantling or environmental restoration ⁽¹⁾	Litigation ⁽²⁾	Contingent - business combinations	Guarantees ⁽³⁾	Other provisions ⁽⁴⁾	Total
Initial balance	211,430	543,480	165,214	201,919	503,213	1,625,256
Additions	188	39,456	-	-	137,541	177,185
Uses (-)	(51,613)	(22,141)	-	(196,719)	(111,168)	(381,641)
Reversals, Unused amounts (-)	(27,854)	(35,610)	(35,816)	-	(25,667)	(124,947)
Adjustment for changes in estimates	3,339	74,481	1,949	91,859	37,456	209,084
Capitalizable dismantling	104,701	-	-	-	58	104,759
Exchange rate difference	-	830	27,569	-	-	28,399
Financial update	18,130	48,264	5,196	8,994	5,130	85,714
Foreign currency conversion effect	1,051	5,071	-	-	93,469	99,591
Final balance	259,372	653,831	164,112	106,053	640,032	1,823,400
Non-current	139,046	429,371	164,112	-	507,945	1,240,474
Current	120,326	224,460	-	106,053	132,087	582,926
Total	259,372	653,831	164,112	106,053	640,032	1,823,400

Amounts stated in millions of Colombian pesos-

As of December 31, 2022, the significant behavior of the Group's provisions is as follows:

1. Increase of \$47,942 mainly due to the recognition of the new provisions arising from the start-up of the two generation units of the Hidroituango power plant (paragraph 27.1.1).
2. Increase of \$110,351 mainly originated by the update of the claims of the lawsuit of EADE against EPM and actions of the Group against EPM and Sociedad Hidroeléctrica Ituango S.A. E.S.P. (Clause 27.1.2).
3. Decrease of \$95,866 as a result of payments made to the operator XM, for delay in the start-up of the Ituango Hydroelectric Power Plant (paragraph 27.1.4).
4. Increase of \$136,819 mainly due to the increase in provisions for: a) technical reserves of the subsidiary Maxseguros, as a result of movements in the unearned premium reserve due to progress in the claims process and the renewal of policies; b) Sanitary Concession Transfer Agreement, entered into between the Company and Econssa Chile S. A. in Adasa; c) compensation to customers for non-compliance with service quality standards in Elektra; d) environmental sanction issued by Corpourabá in Aguas Regionales and e) payment for service rendered in Aguas Regionales for non-compliance with service quality standards in Elektra; and e) payment for service rendered in Aguas Regionales. A. in Adasa; c) compensation to customers for non-compliance with service quality standards in Elektra; d) environmental sanction issued by Corpourabá in Aguas Regionales and e) payment for connection service to CHEC in EDEQ. (numeral 27.1.5).

27.1.1. Dismantling or restoration

The Group is required to incur costs for dismantling or restoring its facilities and assets in the following events:

Removal of transformers containing PCBs (polychlorinated biphenyls). The Group has committed to the dismantling of these assets from 2008 to 2026, under Resolution 222 of December 15, 2011, of the Ministry of Environment and Sustainable Development and the Stockholm Convention of May 22, 2008. Applies in Colombia, Panama and El Salvador. The provision is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are estimated costs, CPI and TES fixed rate. As of December 31, 2022,

the domestic subsidiaries that contribute to this item are ESSA with \$397, CENS with \$367, EDEQ with \$178, EPM with \$142, CHEC with \$87 and Afinia with \$68 and the international ones that contribute are: DELSUR with \$5,829 and ENSA with \$939.

- In the sanitation service in Colombia, for the disposal of solid waste in the subsidiary EMVARIAS and it is a land on which cells or vessels are built for the deposit of garbage, it is necessary to restore it through a series of activities aimed at the closure, closure and post-closure of this. The obligation starts from the moment in which the landfill is in optimal conditions to carry out the final disposal activity and continues until the regulating environmental entity, by means of a resolution, decrees the termination of the closure, decommissioning and post-closure stage. This obligation is defined in the RAS 2000 (Drinking Water and Basic Sanitation Technical Regulations), which establishes the basic criteria and minimum environmental requirements that must be met by wastewater systems in order to mitigate and minimize the impacts of design, construction, start-up, operation, maintenance, dismantling, termination, and closure activities. As of December 31, 2022, payments of \$980 have been generated and the balance of the provision ended at \$19,724.
- Dismantling of the Jepírachi Wind Farm located in the department of La Guajira, in the towns of Cabo de la Vela and Puerto Bolívar in Colombia, which through CREG resolution 136 of 2020, published in the Official Gazette of July 15, 2020, allows the restart of operations until 2023, which originated the activation of the provision in the amount of \$9,640 million, for a final balance as of December 31, 2022, of \$36,179.
- Dismantling of Ituango hydroelectric power plant camp

With the entry into operation of the two power generating units of the Ituango Hydroelectric Power Plant, the Tacuí - Cuní camp, which was initially designed and dimensioned for the construction of the Ituango Hydroelectric Project, is expected to be dismantled. Once the construction stage is completed, the operation stage of the project begins and the dimensioning for the construction stage is much larger than that required for the operation stage. For this reason, it is estimated that dismantling will begin in 2027, which is

the probable date of completion of construction and delivery to operation of the 8 generation units. The estimated cost for the dismantling of the camps was valued according to the areas that are not required for the operation of the plant and according to the plan and dimensioning of the facilities. The balance of the provision as of December 31, 2022 amounted to \$12,205.

- In EPM, provision for environmental impact in the construction of infrastructure projects: it arises as a legal obligation derived from the granting of the environmental license to compensate for the loss of biodiversity during the construction phase, as well as compensation for the subtraction of reserve areas, impact of banned species and forest use; obligations that are formalized through resolutions of the ANLA (National Environmental Licensing Authority), CAR - Regional Autonomous Corporation and/or MADS - Ministry of Environment and Sustainable Development. The execution of the project's biotic environmental compensations extends beyond the time in which the asset begins to operate technically, being necessary to implement the figure of the provision with the intention that such disbursements remain as a greater value of the construction in progress. The Group has committed to compensate the loss of biodiversity, subtraction, and closures from 2016 to 2019 according to Res: Res. 1313/2013 ANLA, Res. 519/2014 ANLA, Res. LA. 0882/04/08/2014 ANLA, Res. 1166/2013 MADS, Res. 1852/2013 CAR, Res. 2135/2014 CAR, Resolution 1189/22/07/2104 MADS, Res. 1120907/17-03-2015 CORNARE, Res. 141011201207/17-03-2015 CORNARE, Res. LA. 0882/04/08/2014 ANLA, Res. LA. EIA1-9872 21/04/2014 CVS, among others. The provision is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are estimated costs, CPI and TES fixed rate. As of December 31, 2022, the main subsidiaries that contribute to this concept are: EPM with \$3,600, ESSA with \$2,976 and CENS with \$2,481.
- Environmental impacts Ituango Hydroelectric Power Plant: With the entry into operation of the two power generating units of the Ituango Hydroelectric Power Plant, obligations arise from the use of natural vegetation cover found in the areas where different infrastructures were implemented for the project (reservoir, camps, roads, workshops, storage areas, among others), in this sense, according to its environmental license, the project must make

forest compensations in a ratio of 1 to 1 in the intervened areas of tropical rainforest and 1 to 5 in the areas of tropical dry forest. In general, these compensation obligations are associated with the biotic environment PMA programs related to the management and conservation of vegetation cover, the subprogram for reestablishing forest cover, the subprogram for the management and protection of fish and fishery resources in the lower and middle Cauca river basins, and the execution of these activities also addresses the obligations associated with requests from the competent authorities (Coranquia and Corpourabá) for the use of species with regional restrictions. The balance of the provision as of December 31, 2022, amounted to \$16,813.

- Environmental compensation and 1% mandatory investment: Law 99 of 1993, established the mandatory nature of environmental licensing for the development of any activity that may produce serious deterioration to renewable natural resources or the environment, or introduce considerable or notorious modifications to the landscape and depending on the type of activity, the size and location of the project, and assigned the competencies in relation to environmental licensing to the National Authority of Environmental Licenses, the Regional Autonomous Corporations, or the metropolitan areas.

Article 321 of Law 1955 of 2019, indicates that all holders of an environmental license who have pending investments as of May 25, 2019 may avail themselves of the percentage increase in the value of the forced investment liquidation base of not less than 1%, according to the year of commencement of activities authorized in the environmental license and defined the requirements and procedures to update pending investments and avail themselves of new terms of execution subject to the approval of the ANLA.

As of December 31, 2022, for the EPM Group, obligations of this type are contemplated in the amount of \$47,316 related to the use of water taken directly from natural sources, in the projects carried out in: Ituango Hydroelectric Power Plant, Porce III, Porce II and La Sierra. In accordance with the law, the executed values of 1% are: Ituango Hydroelectric Power Plant for \$39,046, Porce III for \$6,601 which includes payments for \$8,492, Porce II for \$1,650 which includes payments for \$4,431 and La Sierra for \$20 which includes payments for \$693.

Additionally, as of December 31, 2022 EPM includes a provision for \$56,197 for environmental contingency, established by the specific action plan for the recovery of the parts affected by the events of the Cauca River detour tunnel blockage that the Ituango Hydroelectric Power Plant had on April 28, 2018; by the closing of gates in 2019 that decreased the flow of the river downstream of the project; and by the events that may arise from the technical milestones, pending to be reached due to the contingency, as well as from the execution of the project itself. During 2022 the provision was adjusted by \$20,168 as recovery income and \$5,944 as financial expense and payments have been made in the amount of \$33,213. The balance of the provision as of December 31, 2022, amounted to \$56,197.

The specific action plan for recovery should consider three framework programs:

- a. Recovery of affected bogs.
- b. Recovery of affected fish fauna.
- c. Restoration of aquatic habitats located in the affected area.

These three programs correspond to the environmental component as a response to the identification of the damages caused, as well as discretionary actions. Also included are social programs, economic activities, infrastructure, risk management, among others.

The different actions are planned to be developed between the municipalities of Valdivia and Nechí; however, if impacts are identified in the municipalities that are part of La Mojana, they will also be the object of the intervention.

In the EPM Group, with the entry into operation of the two power generating units of the Ituango Hydroelectric Power Plant, the following provisions were recognized:

Monitoring: obligation originated by the monitoring and follow-up plan that is part of the activities contemplated in the environmental license of the project, in general these monitors correspond to the follow-up to be performed by the project to the different physical, biotic, and socioeconomic variables that are addressed with the environmental management measures contemplated in the project's Environmental Management Plan (EMP), and their basic purpose

is to evaluate over time the evolution of these variables in order to identify their behavior and response to the occurrence of the impacts caused by the development of the project and the application of the management measures contemplated in the EMP. The balance of the provision as of December 31, 2022, amounted to \$16,556.

Mandatory social commitments: obligations related to the execution of activities related to the agreements with the Nutabe de Orobajo indigenous community, improvement of living conditions, restitution of social or community infrastructure and compensation for loss of housing or economic activities of the families and communities that were impacted by the construction and/or operation of the Ituango project. These obligations are contemplated in programs and projects of the EMP (social component), which include, among others, the program of integral restitution of living conditions, the project of restitution of community infrastructure, the attention to commitments associated to the agreements with the Nutabe indigenous community and the other programs of management of the socioeconomic environment contemplated in the environmental license of the project. The balance of the provision as of December 31, 2022, amounted to \$36,994.

27.1.2 Litigation

This provision covers estimated probable losses related to labor, administrative, civil and tax (administrative and governmental) litigation arising from the operation of the Group's companies. The main assumptions considered in the calculation of the provision are: Average CPI to actual data in previous years and projected data in future years, discount rate calculated with reference to market yields of bonds issued by the National Government, estimated value to be paid, start date and estimated date of payment, for those lawsuits classified as probable. To date, there is no evidence of future events that could affect the calculation of the provision.

In the Group companies operating in Colombia, in order to reduce the uncertainty conditions that may arise with respect to the estimated date of payment and the estimated value payable of a lawsuit classified

as probable, there are business rules based on statistical studies with which the average duration of the processes per action was obtained and also the application of the jurisprudence to the maximum ceilings that it defines for the value of non-pecuniary or immaterial claims when these exceed their amount, as described below:

Average duration of proceedings per action

Administrative and tax

Type of legal action or procedure	Average length (in years)
Abbreviated	4
petition for compliance	4
Group Action	6
Representative actions	4
conciliation (pre-trial)	2
Partie civile proceedings	4
Contractual (Breach of contract)	13
Survey and demarcation	5
Executive	5
Singular executive	3
Expropriation	4
Comprehensive reparation incident (criminal)	2
Imposition of easement	4
Nullification of administrative acts	5
Nullification and reestablishment of rights	10
Nullification and reestablishment of labor rights	11
Ordinary	7
Ordinary of Membership	5
Accusatorial Criminal (Law 906 of 2004)	4
Division's lawsuits	4
Protection of consumer rights	6
Police Grievances	3
Right to Reclaim	7
Direct compensation	12
Oral	5

Labor proceedings

Type of legal action or procedure	Average length (in years)
Labor solidarity	3.5
Pension	3.5
Extra Hours	3.5
Job Reinstatement	4
Salary Scale Equalization	3.5
Unfair Dismissal Compensation	3.5
Reassessment of Social Benefits	3.5
Compensation work accident	4
Refund of Health-Pension Contributions	4

Application of jurisprudence

Typology: The amounts of the claims for compensation for non-pecuniary damages shall be recorded according to the following typology:

- Moral prejudice.
- Damage to health (physiological or biological damage), resulting from bodily or psychophysical injury.
- Damage to relationship life.
- Damage to constitutional and conventional assets.

The amounts of other non-pecuniary claims not recognized by jurisprudence will not be recorded, unless it can be inferred from the claim that, in spite of being denominated otherwise, they correspond to one of the admitted typologies. Claims for non-pecuniary compensation for damage to property shall not be recorded either.

Quantification: The amount of non-pecuniary claims shall be recorded uniformly as follows, regardless of their typology:

Direct victim Compensation	100 Monthly Minimum Legal Wage Enforced (SMMLV)
Indirect victim compensation	50 Monthly Minimum Legal Wage Enforced (SMMLV)

- **For subsidiaries in Chile:** with respect to the probable date of payment of the lawsuits, the type of process, previous cases, and the progress of the procedural stages of each case are taken into consideration, which can be very specific and varied depending

on the subject matter. In this regard, labor proceedings, being oral and having only two hearings, have a maximum duration of six months, except in specific cases where there are problems in the notification of the claim, or the hearings are suspended. In civil lawsuits, given that they are long processes of long knowledge and written processing, they can last at least two years, so the estimated time in the lawsuits currently being processed by the subsidiary Aguas de Antofagasta S.A., considering its state of progress, should be until 2023.

Quantification: to determine the amount of the judgments, in principle, the amount of the plaintiff's claim is considered, since jurisprudence cannot be applied in this sense, and the amount will vary depending on the Court and the cause of action. Additionally, in civil lawsuits, the amount of the compensation will depend on the court that dictates it, since in Chile there is no precedent system. What a civil judge cannot do, and even less the appellate and supreme court, is to award higher amounts to the claims.

- **For subsidiaries in Panama:** regarding the estimated payment date, each case is evaluated individually with external legal counsel, taking into consideration the average duration of similar processes.
- **Quantification:** The estimated amount to be paid in a lawsuit is determined based on the amount of the plaintiff's claim and an analysis of the specific condition that motivates the lawsuit in order to determine the recognition of a possible damage. For this purpose, we rely on the assessment of external legal advisors of each company and in certain cases with the support of insurance advisors in case an actuarial valuation is required.
- **For subsidiaries in El Salvador:** the estimated date of payment for administrative or judicial processes is estimated based on the average duration of the processing of similar processes, obtained from statistical data over the 20 years of operation of the subsidiaries.

Quantification: The estimated amount payable in litigation is determined based on the amount of the initial claim filed against the company.

The following are the recognized litigations:

Company	Third party	Pretension	Value
EPM	Maikol Arenales Chaves	To declare the defendants administratively responsible, as the perpetrators of the antilegal damage having destroyed the fishing resource of the Montecristo Cienagas Complex, which is due to the construction of the IHP.	276,209
	Oscar Elias Arboleda Lopera	It includes 173 claimants who worked for EADE; and, they say that in the dissolution and liquidation of this company there was an employer replacement with EPM, which obliges it to all the work credits.	150,259
	Luis Fernando Anchico Indaburo	To declare EPM administratively responsible, as the cause of the antilegal damage due to the destruction of the fishing resource of the Montecristo cienagas complex, which is due to the construction of the IHP (Ituango Hydroelectric Project) and it requests recognition and payment of a minimum wage for each household from february 2019 until the sentence is handed down, this is called by the defendants as consolidated loss of profits.	18,465
EPM	Roger Alberto Gil Barragán	To recognize as compensation for each of the members of the group "ASOBAPEBEL", which are one hundred and ninety-three (193) for the anti-legal damage caused, the moral, material injury and the violation of fundamental rights such as decent living, vital minimum, decent housing, work, Food security and the destruction of its source of subsistence, the displacement of its territory and the antilegal psychic and physical transformation of its lives, bearing as a title of imputation the exceptional risk due to the emergency that caused the damage to the Cauca river.	18,194
	Santiago Andrés Ortiz Mora	To declare EPM responsible for the damage caused, the moral, material and the violation of fundamental rights, caused to the members of the "SAN ROQUE" group, for the destruction of its source of subsistence, The displacement of their territory and the psychic and physical transformation of their lives due to the affectation originating in the "Hidroituango" plant in April 2018. The amount for each of the 161 members of the group is \$MMLV 100, for a total of 14,132,628,300. It is claimed for loss of profits for the 18,146,431,34.	14,329
	Other Labors	processes with average of 142 and less than.	13,771
	Other Administrative	litigation with an average of 25 and less than 1,029.	13,067
	Rodrigo Antonio Muñoz Arenas	To declare the responsibility of the State for the deficiencies or omissions in which the defendants incurred, by not measuring the danger, threat and damage that would be caused by the indiscriminate felling of trees in the area of influence of the dam, to which, communities attribute changes in river behavior and landslides in the area. To condemn the payment of the plaintiffs and members of the affected group to the vital minimum lost for the time that the emergency lasted, 200.00.	11,959

Company	Third party	Pretension	Value
EPM	Javier Maure Rojas	To declare EPM administratively responsible, as the cause of the antilegal damage when it destroyed the fishing resource of the Montecristo cienagas complex, which is due to the construction of the IHP (Ituango Hydroelectric Project); that a minimum wage be recognized and paid for each household from february 2019 until the sentence is passed and the recognition of a future loss of profits from the time of the sentence to the probable life of each of the claimants.	11,608
	Department of Valle del Cauca	In order to restore the right, the Department of Cauca Valley is ordered to return the amounts withheld from Estampillas Pro-Hospitals of Public University and Pro-Universities of the Valley with the respective interests to which there is place.	9,363
	Gustavo Jiménez Pérez	To declare EPM E.S.P. responsible for the unlegal damage caused, moral, material and fundamental rights violations caused to the 75 members of the "ASOMIBA" group; for the destruction of their source of subsistence, the displacement of their territory and the repair of the damage; The members of the group "ASOPEISLA" are requested to pay the intangible and material damages due to the start of the emergency arising from the project "Hidroituango", of compensation for each of the members of the group "ASOMIBA", is set at one hundred (100 SMLV).	7,356
	Esilda Rosa Romero Aguas	They request that EPM be declared administratively responsible as a result of the damages caused to the claimants and that the amount of SMLMV 80 be recognized in the form of moral injury for each of the claimants: 39 in total.	7,343
	John Walter Jaramillo	That the invalidity of the dismissal, with their respective salaries and increases, be declared the social benefits for as long as they remain unlinked; likewise, it will be on the account of the demanding social security contributions until it is effectively reintegrated.	4,989
	Notary 25 de Medellín	The refund of the amount paid by EPM ITUANGO S.A. E.S.P., on 1 December 2011, duly indexed, is requested.	3,157
	General Fire Control Ltda.	To declare the nullity of the Communications subscribed by EPM, by which the fines imposed, on the day 04/07/2011 to USD 153.957,00, on 09/03/2009, for breach of delivery, by USSE263,368,60, are updated, based on the number 5.13 Conditions of the Recruitment Process No. 029158, and on the occasion of the execution of Contract No. 29990329557.	3,012
	Municipio de Copacabana	That it be declared that EPM has partially breached contract 8405949 and that it is responsible for the economic damages suffered by the municipality of Copacabana, as the public lighting tax of the industrial and commercial sectors is not collected, during the periods of 2007, 2008, 2009, 2010 and part of 2011. These have been settled in the sum of the 385.066-113-1034 and that must be paid	2,738

Company	Third party	Pretension	Value
EPM		upon execution of the providence that resolves the present claim.	
	Unión Temporal Energía Solar S.A. y Estructuras Arbi Ltda.	That it be stated that the tender submitted by the complainants to tender No. ES-2043-GI, convened by EPM, was legally eligible to take it into account at the time of awarding the respective contract of tender No. ES-2043-GI.	2,130
	Francisco Javier Muñoz Usman	That the nullity of the conciliation act signed by vice in the consent is decreed and consequently the reinstatement of the contract of employment, the reinstatement, the payment of all the salaries and benefits left to receive, in the same way that social security contributions are canceled from the moment of dismissal and even when the actor is reintegrated.	1,972
	Other Prosecutors	processes with average of 9 and less than 997s.	1,356
	Omar Augusto Lugo Hoyos	That the nullity of the conciliation act signed by vice in the consent is decreed and consequently the reinstatement of the contract of employment, the reinstatement, the payment of all the salaries and benefits left to receive, in the same way that social security contributions are canceled from the moment of dismissal and even when the actor is reintegrated.	1,238
	Carga de Saldos PPA de EP Rio	Difference Manual Litigation Burden EP Rio in January 2020	1,195
	General Fire Control Ltda.	EPM is condemned to the return of monies held in connection with the imposition of fines for not meeting the technical specifications and guaranteed characteristics, Plus the delinquent interest caused from the date of the withholding and to the date of the actual refund based on the number 5.13 DEDUCTIONS FOR NON-COMPLIANCE (FINES), of the contract process specifications No. 029158, and on the execution of contract No. 29990329557.	1,029
	CORANTIOQUIA - Corporación Autónoma Regional del Centro de Antioquia	That because of the declaration of nullity of Resolution No. 130 TH1106 - 8318, of June 7, 2011, CORANTIOQUIA again liquidate the fee for the use of water collected from the Riogrande and that it was charged with invoice No. TH1195 of April 11, 2011, For the period 2010, as provided for in Decree 155 of 2004, and return to EPM what it overpaid.	998
	Luis Bernardo Mora Meneses	EAS re-entry	989
	July 2021 payments	Payment of July 2021 still in effect, litigation 14000738	(18)
	May 2022 payments	Payment of May 2022 still in effect, litigation 18020753	(52)
	September 2022 actual payment	Payment of November 2022 still in effect, 21010400	(78)
	August 2022 payment	Payment of August 2022 still in effect, litigation 17002497	(316)
EPM Total			576,262
CHEC	Norma Cecilia Osorio Montoya y otros	Reparation and payment of moral and material damages	8,765
	Leidy Marcela Jiménez Jaramillo y otros	Loss of profits/material-moral injury	2,606
	José Hernando Anturi Noriega y otros	Permanent travel expenses - Social security contributions	2,290

Company	Third party	Pretension	Value
	Jose Aníbal Acevedo, Julián Andrés Galvez Henao, Germán Alberto Morales Flórez, Juan Pablo Orozco y otros	Reinstatement, relief of social benefits and moratory sanctions.	1,895
	Carlos Yamid Moreno y otros	Employer's fault Work accident	1,323
	Salomón Galvis Giraldo y otros	Conventional retirement	882
	Hernando de Jesús Ocampo Jiménez y otros	Actual Contract/Pensionary Part Quota	630
	Alba Lucía Saldarriaga Toro y otros	Wage and loan adjustment/ settlement payment and social benefits	592
	Néstor Hernández Morales y otros	Penalty replacement	505
	Luis Alberto Merchán Gómez	Compensation for emergent damage	388
	Jairo Antonio Amariles Marulanda	Public excuses and compensation payments	138
	José Mabier Murillo Echeverri y otros	Pensional Reliquidation	106
	Carlos Alberto Montoya González y otros	Recognition 100% measured 14	59
	Cecilia Valdés Dávila	Partial energy exemption	14
	Saldo conciliatorio	Payments made without terminating processes/ in different periods	(43)
CHEC Total			20,150
Aguas de Antofagasta S.A.	Superintendencia de Servicios Sanitarios	ISSA Sanctionary Record - 2022	9,643
	Superintendencia de Servicios Sanitarios	ISSA Sanctionary Record - 2021	3,884
	Sociedad de profesionales LASERMED	C-3934-2020 Claim for damages for waterlogging in dermatological clinics.	1,784
	Contreras y otros	609/ C3016-2022 Contreras and others/ Aguas de Antofagasta	873
	Municipalidad de Sierra Gorda	C-2883-2020 Claim for damages for settlement in the former mayoralty building.	833
	Superintendencia de Servicios Sanitarios	ISSA Sanctionary Record - 2020	731
	Ortiz/Solinoc SpA y otros	Compensation for injury from work accident/ nullity of dismissal	293
	ECONSA	C-4568-2016 Declare demand for domain and infrastructure retirement.	236
	Arzobispado de Antofagasta y otros	Awaiting final judgment	184
	Vanegas/Ayprev SPA	C-373-2021 Judicial collection for nullity of dismissal. Layoffs not validated.	177
	Rojas y otros	O-7555/ O-5996- 2022 Rojas et al./ Aguas de Antofagasta S.A.	74
	Dirección General de Aguas	FO-0203-299 Unauthorized river-channel work audit	35
	Consejo de Defensa del Estado	C-3796-2017	4
Total Aguas de Antofagasta S.A.			18,751
CENS	Elsa Reyes de Buitrago and others	Indexing of the first pensioner, as pensioners and/or as a substitute for all claimants and cancellation of interest at the legal maximum as provided for in Law 100 of 1993 in Article 141.	4,194
	Sara Franco Guerrero and others	Material Damages/Moral Damages/Related Life	3,263
	Other labor processes of less than 150m	Other labor processes (50) with an amount of less than 150m	2,218
	Jesus Ephraim Ibarra Ochoa and others	That the pensionable compatibility between the pension recognized by CENS and the old-age pension recognized by the ISS pensions now Colpensiones be declared.	1,491
	Ermelina Perez de Rivera and others	That it is stated that CENS has the obligation to continue to pay the full amount of health contributions and continue to pay 12% on the monthly penalty; likewise, to reintegrate the contributions left to pay from the date of	1,401

Company	Third party	Pretension	Value
CENS		the pension's shareability, indexing them, plus moratory interests.	
	William Alexis Ramirez	Cease charging for public lighting to the municipality of Cucutta, reimbursement of Account Balances the vehicles by public lighting to the municipality, payment of contractual and non-contractual damages. Pretension: 15% of the value recovered by the municipality.	1,372
	Carlos Omar Rincon Carrillo and others	Recognition and payment of transportation assistance discounted by the contractor, expenses incurred for the maintenance of the work tools, social benefits, holidays and moratoria compensation for the payment of the settlement at the termination of the work contract, in addition to the costs of the process.	1,202
	Luis Alberto Pena Villamizar	Claim COMPLIANCE Judgment deferred within the ordinary labor process 200-097.	692
	Jose Herlin Velandia Rojas and others	To recognize the conventional benefits of Articles 20, 21, 26, 36 in the same way as workers who entered the enterprise before 01 February 2004, the moratorium on compensation under Article 99 of Law 50 of 1990, Costs, indexing and extra and ultra-petite.	429
	Richard Arcenio Rodriguez Camargo and others	That it is stated that the time of service as an apprenticeship SENA at CENS of the claimants shall be taken into account for all purposes with the date on which they started as workers contractors on an indefinite term in accordance with the provisions of the collective labor convention, in addition, it is stated that the company has failed to comply in a comprehensive manner with the postulates provided for in that convention and all the corresponding labor claims are recognized and paid to the claimants.	417
CENS	Cristian Camilo Gentil Torra	Recognition and payment of assistance from cesantias, interest from cesantias, holidays, premium services and compensation Moratorium under article 65 of the Substantive Labor Code, in addition to the costs of the proceedings.	191
	Municipality of Medellin	To declare the nullity of Resolutions No. 37797, 37798, 37799, 37807, 37800 and 37801 of August 29, 2019, through which the Sub-Secretary of Revenue of the Municipality of Medellin carried out liquidation of revision to the holding agent CENS S.A. E.S.P., on the works contracts concluded with third parties for the months of February, May, June, August, September and October 2017.	88
Total CENS			16,958

Company	Third party	Pretension	Value
ESSA	Alba Liliana Ochoa Hernandez	To declare ESSA administratively responsible for the death of individuals and to condemn the payment of moral and material damages.	1,986
	Johana Andrea Granados Olarte and others	Request for payment for moral and material damages, injuries, loss of profits/consequential damages.	1,662
	Mary Consuelo Abaunza Salazar and others	To condemn the Electrialadora de Santander S.A. E.S.P. to respond patrimonially for the payment of the property and extra-marital damages due because of the death of workers who lose their lives in a work accident.	1,015
	Nancy Pinzon Suarez	To declare the passive liability of the company in work accident suffered by the worker and to ESSA jointly responsible for the payment of material and moral damages.	918
	Elkin Libardo Lizcano Tarazona and others	Declare termination of the work contract in violation of due process	864
	Gabriel Antonio Villegas Murcia and others	To condemn Electrificadora de Santander S.A. E.S.P. to the payment of compensation for the accident at work of the claimant.	661
	Maria Eugenia Cobos Ramirez	Claim for sickness at work, obligation to pay in favor of the claimants for the full and ordinary compensation of damages provided for in Art. 216 of the CST.	258
	Gerardo Vargas Baron and others	Claim for common origin disability pension/ conventional retirement pension	32
ESSA Total			7,396
National waters	Wilber Leibin Castle Borja / Matilde Andrade de Palacios and others	To declare the company's property responsibility for the death of the actor's wife, allegedly caused by a traffic accident in a raining water collection grid.	2,485
	Jesus Enrique Acevedo Ruiz	Warranty Appeal: Contract reality. Payment of legal and extralegal wages and social benefits and social security, legal and moratoria compensation, monetary correction, extra and ultra-petite sentences and payment of procedural costs.	1,516
	Alberto Guerrero Castro and others	Relicidation of wages, benefits and social security and compensation Moratorium.	993
	Fray Noe Betancert Tarkta and others	Reinstatement and Workers' Compensation	286
	Natalia Lopez Montoya	Declare the existence of the labor relationship, payment of wages, social benefits, compensation, sanction Moratorium of Article 65 CST.	160
Total National Waters			5,440
AFINIA	National SINTRALECOL	Nullity of agreements	1,046
	Javier Correa Cardales and others	Performance Reliquidation	839
	Sabel Humberto Puerta Padilla and others	Pay disabilities	838
	Martha couple Medina	Wage leveling	310
	Javier Alfonso Osorio painting and others	Refund Action	155
	Carmen Ines Yanes Ortiz	Nullity of affiliation and transfer of penalty fund	147
	Joseph of the Saints Echeverry	Servitude compensation	46
	Jose del Carmen Baza Barrera	Compensation for ATEP	12
	Adjust Receipts	Electricaribe Collection Adjustment	(4)
Total AFINIA			3,389
ELEKTRA NORTHEASTERN S.A.	Alex Montenegro and others (Urbanization Tuscany)	Civil process - residents of Tuscany	1,419
	ASEP	Civil lawsuit against Res.12581	722

Company	Third party	Pretension	Value
	Aristide Contreras and others	Suit against ENSA for solidarity for the payment of acquired rights	721
TOTAL ELEKTRA NORTHEASTERN S.A.			2,862
EVMARIAS	Pedro Nel Rendon Morales and others	Request/ adjustment of conventional pension/ pension relief/ replacement pension compensation/ penalty bond	534
	Arley Alonso Velez Toro and others	Labor responsibility/ nullity and restoration of labor law/ employer guilt	404
	Veronica Milena Cardona Acosta and others	Real contract	320
	Alexis by Jesus Botero Jiménez	Labor solidarity with JAC Pradera	92
Total EMVARIES			1,350
DELSUR	FOLLOW	Claim for compensation reimbursements from technical indicators	437
	Miscellaneous Customers	Complaint due to error in Presentation and Disclosure the fare basis	395
	Municipal Mayor of San Salvador and others	Municipal tax claims for installation of poles	158
	Iberplastic S.A. de C.V. et al.	Claim for damaged appliances	57
Total DELSUR			1,047
Waters of Malambo	Nelson Luna Market	Payment of invoice No.0095, pursuant to alleged works for emergency care in the race 22 with street 22 of the municipality of Malambo.	226
Total Malambo Waters			226
Total disputes recognized			653,831

- Amount stated in millions of Colombian Pesos -

27.1.3. Contingent consideration - Business combinations

Corresponds to the contingent consideration related to the acquisition of the subsidiaries Espíritu Santo Energy S. de R.L. and Empresas Varias de Medellín S.A. E.S.P. - EMVARIAS. The balance as of December 31, 2022, amounted to \$149,369 and \$14,473, respectively, for a total provision in the Group of \$164,112.

The main assumptions considered in the calculation of the contingent consideration related to the acquisition of Espíritu Santo are estimated date of occurrence of the milestones associated with the contingent payment, the associated probability of occurrence and additionally, the discount of the payment flows was considered by applying a discount rate (Libor rate) according to the risk of the liability. To date, there is no evidence of future events that could affect the calculation of the provision.

The main assumptions used on the future events of the contingent consideration related to the EMVARIAS acquisition are: litigation in progress against EMVARIAS at the date of the transaction, definition of the year of materialization of each of the litigations, definition of the value linked to each of the litigations, estimate of the future contingent disbursements linked to the litigations estimated for each year and discount rate (TES fixed rate) to discount the flows of future contingent disbursements. To date, there is no evidence of future events that could affect the calculation of the provision.

27.1.4. Guarantees

Provision balance of \$106,053 for the non-compliance from November 2021 to October 2023, to the transporter Intercolombia for the months following the entry into operation of the Ituango Hydroelectric Power Plant connection infrastructure. During 2022 the provision was adjusted by \$100,854 between provision expense and financial expense and payments have been made in the amount of \$196,719. The balance of the provision as of December 31, 2022, amounted to \$106,053.

27.1.5 Other provisions

Las The subsidiaries that, in the Group, contribute to the item of other provisions are:

EPM in Colombia includes the detail of the following provisions: a) for events focused on the quality of life of employees and their family group, such as: employer's policy, multiplier points, Somos program, technical reserve and provision for high cost and catastrophic diseases; b) provisions related to environmental sanctioning procedures and sanctions imposed by the competent authorities; c) provisions related to the Ituango Hydroelectric Power Plant; d) union contribution.

The main assumptions considered in the calculation for each type of provision are as follows:

Employer's policy: granted to EPM employees as an extra-legal benefit. An aggregate deductible was contracted from July 1, 2022, to June 30, 2023, for \$4,750. The main assumptions considered in the calculation for each type of provision are discount rate TES fixed rate, estimated value to be paid and estimated payment date. To date, there is no evidence of future events that could affect the calculation of the provision. The balance of the provision as of December 31, 2022, amounted to \$4,272, which includes payments of \$4,146.

Technical reserve: associated to the Medical and Dental Service Unit of EPM and which is stipulated in Article 7 of Decree 2702 of 2014, which has the purpose of maintaining an adequate reserve to guarantee the payment of the provision of health services of the Social Security Health System. This reserve includes both the health services already known by the entity, as well as those occurred, but not yet known, which are part of the mandatory health plan and complementary plans, as well as disabilities due to general illness. The basis for calculating the reserve is that corresponding to all service authorizations issued and which at the cut-off date on which the reserve is to be calculated have not been collected, except those corresponding to authorizations issued more than twelve months ago or those that at least four months after having been issued, there is evidence that they have not been used. The balance of the provision as of December 31, 2022, amounted to \$16,537.

High cost and catastrophic diseases: the basis for calculating this provision is that corresponding to the analysis of the entire population attended by members and beneficiaries of the Adapted Health Entity (EAS) of EPM, who suffer from any of the authorized pathologies. The balance of the provision as of December 31, 2022, amounted to the amount of \$17,801, which includes payments in the amount of \$4,833.

For the other provisions described, the main assumptions considered in the measurement are estimated life expectancy, estimated payment date, estimated payment value, discount rate calculated with reference to market yields of bonds issued by the National Government.

Environmental sanction procedures:

As of December 31, 2022, the Group has a balance of \$5,133 for environmental sanctions imposed by the ANLA to Sociedad Hidroeléctrica Ituango S.A. E.S.P. for \$5,133 resolution No. 00826 of April 26, 2022, for the affectation to the protection assets of soil, flora and water resource, in the affected areas around the Ituango Hydroelectric Power Plant.

Other penalties:

- As of December 31, 2022, the Group has a balance of \$828 for penalties imposed by the Superintendence of Industry and Commerce to EPM for: a) the profit or loss from technical audits to the Natural Gas Vehicle service stations, for nonconformities found for supply in the chips, according to resolution 40278 issued by the Ministry of Mines and Energy in the amount of \$460; b) charges Energy _Gas-Res SSPD2022242400785535 in the amount of \$368.
- As of December 31, 2022, the Group has a balance of \$58 in EPM, for the easement imposition process for the San Lorenzo-Calizas energy project.

Ituango Hydroelectric Power Plant Contingency:

- In EPM, provision for \$34,140 for the contingency of the Ituango Hydroelectric Power Plant that caused the rising waters of the Cauca River as a profit or loss of the project on April 28, 2018. This provision covers the attention of those affected in Puerto Valdivia for compensation for consequential damages, loss of profits, moral damages and repair to community infrastructure. During 2022 the provision was adjusted by \$10,358 between provision expense and financial expense and payments have been made in the amount of \$5,261. As of December 31, 2022, the balance of the provision amounted to \$34,140.
- In EPM, the provision for the care of evacuees, the maintenance of shelters and the payment of economic support was cancelled, situation generated by the declaration of the red alert for the evacuation of the populations located downstream of the dam and

that originated by the plugging of the Auxiliary Diversion Gallery - GAD on April 28, 2018, which consequently caused the contingency of the Ituango Hydroelectric Power Plant. During 2022, the provision was adjusted by \$1,194 between provision expense and financial expense and payments have been made in the amount of \$1,893. As of December 31, 2022, the balance of the provision was fully utilized.

AGUAS REGIONALES - Urabá - Colombia includes provision for environmental sanction issued by Corpourabá for non-compliance with the Sanitation and Dumping Management Plan (PSMV) approved by the municipality of Apartadó. The balance of the provision as of December 31, 2022, amounted to \$6,036.

EDEQ - Armenia, Quindío - Colombia includes provision corresponding to payment for connection service to CHEC associated to the Armenia 230 KV Substation for remuneration of assets and AOM.

The balance of the provision as of December 31, 2022, amounted to \$1,110.

CENS - Norte de Santander - Colombia includes provision corresponding to expected losses from construction contracts. The balance of the provision as of December 31, 2022, amounted to \$23.

AFINIA - Caribbean Region - Colombia includes provision corresponding to those estimated liabilities that, having rendered the service, it was not possible to accept the service or invoice. The balance of the provision as of December 31, 2022, amounted to \$17.

ADASA in Chile includes the provision related to the return of the working capital existing at the end of the concession term of the Sanitary Concession Transfer Agreement signed between the Company and Econssa Chile S.A. The balance of the provision as of December 31, 2022, amounted to \$46,648.

ENSA in Panama includes the provision related to compensation to customers for non-compliance with service quality standards, which are regulated by the National Authority of Public Services of Panama (ASEP). The balance of the provision as of December 31, 2022, amounted to \$60,277.

TICSA in Mexico includes provisions related to contractual obligations, electric energy expenses and other expenses related to plant construction projects. The balance of the provision as of December 31, 2022, amounted to \$4,728.

DELSUR in El Salvador includes provision related to customer claims for undue charges, voltage variations, damage to electrical appliances, among others. The balance of the provision as of December 31, 2022, amounted to \$3,865.

27.1.6 Estimated payments

The estimate of the dates on which the Group considers that it will have to make payments related to the provisions included in the consolidated statement of financial position as of the cut-off date is as follows:

Estimated payments	Dismantling or environmental restoration	Litigation	Business combination	Guarantees	Other provisions	Total
To One year	129,277	48,808	-	106,053	56,027	340,165
To Two-year	66,343	201,912	1,431	-	14,652	284,338
To Three years	19,805	12,916	133	-	6,918	39,772
To four or more years	36,901	583,776	162,549	-	9,628	792,854
Total	252,326	847,412	164,113	106,053	87,225	1,457,129

Amounts stated in millions of Colombian pesos

27.2. Insurance technical reserves

The technical reserves associated with insurance contract obligations for property damage, tort liability, infidelity and financial risks, directors and officers, errors and omissions, and cyber risk programs are detailed below:

Insurance technical reserves	2022	2021
Loss reserves payable	136,500	116,235
Reserve for unreported incurred losses	201,910	149,384
Unearned premium reserve	84,381	60,917
Total	422,791	326,536

Amounts stated in millions of Colombian pesos

The movement in insurance technical reserves is as follows:

December 2022	Initial balance	Adjustments in technical reserves	Final balance
Loss reserves payable	116,235	20,265	136,500
Reserve for unreported incurred losses	149,384	52,526	201,910
Unearned premium reserve	60,917	23,464	84,381
Total	326,536	96,255	422,791

Amounts stated in millions of Colombian pesos

2021	Initial balance	Adjustments in technical reserves	Final balance
Loss reserves payable	118,748	(2,513)	116,235
Reserve for unreported incurred losses	71,782	77,602	149,384
Unearned premium reserve	50,647	10,270	60,917
Total	241,177	85,359	326,536

Amounts stated in millions of Colombian pesos

27.3 Liabilities, contingent assets

The composition of contingent liabilities and assets that are not recognized in the financial statements are as follows:

Type of contingency	Contingent liabilities	Contingent assets
Litigation	3,021,080	49,294
Guarantees	340,454	-
Total	3,361,534	49,294

Amounts stated in millions of Colombian pesos

The Group has litigation or proceedings that are currently pending before jurisdictional, administrative and arbitration.

The main litigations pending resolution and judicial and extrajudicial disputes to which the Group is a party as of the cut-off date, as well as disputes, are indicated below:

27.3.1 Contingent liabilities

Company	Third	Pretension	Value
EPM	Hydroelectric Ituango S.A.	To declare that the BOUNWTO Contract, signed on 2011/03/30, between HIDROITUANGO and EPM ITUANGO, of the Pescadero Ituango Hydroelectric Project, and the latter's contractual position was ceded by the latter to EPM, who acquired all Rights and Obligations its operations under the agreed terms and conditions; and, who is obliged to comply fully and promptly. To declare that EPM has failed to comply with the Contract for not implementing, within the agreed time limit: Milestones 8 and 9, the construction for the entry into Commercial Operation of Group 1 of Units; and, at the payment of all costs, "overruns", including financial costs, incurred. To declare that EPM has the obligation to pay the monthly remuneration to which HIDROITUANGO is entitled, whose date of enforceability of the first payment is the Business Operation Entry Date of Group I of Units. Likewise, to plead guilty for material damages in the loss of profits made in the sum of the 621,221,00,000, plus the monthly value that is caused during the process.	659,623
	Miscellaneous Administrative	627 processes below the m71.985 with an average of m7766.	361,148
EPM	Hydroelectric Ituango S.A.	To declare that, between ITUANGO HYDROELECTRIC plant and EPM, there is a Contract for the financing, construction, assembly, development, start-up and operation of the Pescadero Ituango Hydroelectric Project, known as BOUNWTO, held on 2011/03/30, where EPM ITUANGO relinquished its contractual position in favor of EPM. EPM was forced to meet MILESTONE 7 "The closure of the bypass gates and the commencement of filling the reservoir (...)" by 2018/07/01; which it failed to comply with. In addition, it has partially failed and/or has late or failed to perform MILESTONE 9 "The Entry into Commercial Operation of Unit 1" by 2019/08/27. EPM is therefore obliged to pay the "penal clauses of constraint for failure to comply with Milestones," which is why THE ITUANGO HYDROELECTRIC plant has the right to demand the payment of penal clauses of constraint up to the value of the "maximum financial liability" corresponding to US450m.	300,862
	ISAGEN S.A. E.S.P.	Grant EPM to compensate ISAGEN for the damages it suffered because of the fire and the consequent unavailability of the Guatape Central.	295,004

Company	Third	Pretension	Value
EPM	ELECTRICARIBE - Electricadora del Caribe S.A. E.S.P.	To declare that EPM failed to comply with the Acquisition Contract, by abstaining from making the adjustment of the compensatory payment for the anticipated award, in favor of ELECTRICIFICADORA DEL CARIBE S.A. IN LIQUIDATION. Therefore, the CARIBBEAN ELECTRIER - IN LIQUIDATION - has the right to receive the difference between the compensatory payment for an award at the closing date and the compensatory payment for a final award, which amounts to (COP7 43,548,032,051). To declare that EPM, for its non-compliance, is obligated to pay the delinquent interest, between 2020/11/09 or the date determined by the Court and the date of effective payment of capital sentences.	146,446
	Neighborhood Villa Esperanza	Immaterial injury in proportion to SMLMV 100 for each of the members of the group, that is, for one hundred and ninety-six (1296) persons, which in total is equivalent to one hundred and thirteen thousand seven hundred and sixty-three million and thirty-nine thousand two hundred pesos (6,113,763,139,200). Material injury resulting from the destruction of each of the houses, calculated at an individual value per house of five million pesos (the 5,000,000), which in total indicates are 377, for a total of one thousand eight hundred and eighty-five million pesos (1,885 million pesos).	112,928
	CCC Ituango consortium	To declare that the Claimants built the GAD in accordance with the detailed drawings and designs; the Technical Specifications of Construction; and the instructions and requirements of EPM and INTERVENTORIA; That the contingency that occurred in the project since 2018/04/28 is not attributable to a contractual breach of compliance with the Claimants; and, neither is due to the operation of the works delivered. It requests that EPM be sentenced to pay the Consortium of the Expedited Works Program 70.000,000,000 for an incentive for the execution of the Accelerated Works Program; and, to reimburse the Claimants for any amounts that they are obliged to pay for decisions taken in the indemnification actions promoted by third parties allegedly affected by the Contingency... In total 22 pretensions.	79,778
	Aura of Jesus Salazar mallet	Collective law Approximately 113 people each claim 133,400 for consolidated loss of profits and 78,753,854 for future loss of profits, for destroying, interrupting, and cutting the ancestral paths of the horseshoe leading from the Alto Chiri Vereda of the municipality of Briceno to the Toledo Valley corregiment.	36,725

Company	Third	Pretension	Value
EPM	Guzman Bayona E Sons S IN C	To declare the Mining-Energy Planning Unit (UPME) and Empresas Pública de Medellín E.S.P. responsible for extra-contractual, patrimonial and solidarily responsible for the de facto way in which they incurred in awarding and installing electric wiring towers over a mining concession area without previously coordinating and without meditating administrative act or judicial resolution for the affectation of the acquired rights.	22,337
	Various workers	216 processes less than m7 1,084 with average of m7.	15,518
	Civil and Real Estate Works S.A - Oceisa	That it be stated that EPM's failure to comply with the primary obligation to deliver studies and designs prevented OCEISA from executing the contract and that it is not contractually responsible for those portions of work that could not be executed by third parties for acts other than the parties that prevented the normal execution of the contract.	15,214
	Dayron Alberto Mejia Zapata	Material damages: Loss of profits: Calculated in '000.923 100, sum to be updated according to the proven; Moral damage: Estimated at 100 s.m.; Damage to health: Estimated at s.m.; And, Damage to Constitutional Goods: they estimate in an amount of 100 s.m., all of the above for each of the shareholders, or in its absence, the maximum granted by the case law for similar cases, for a total as of the date of 4.500 s.m.m.l.v.	11,979
	Temporary Union New Hope	To declare that EPM violated and unbalanced the contract CT-2013-000641 whose object was the execution of the construction and electromechanical assembly works of the transmission lines to 230KV Guavio - New Hope and associated reconfigurations PARADISE - New Hope - Circus and Paradise - New Hope - San Mateo.	10,112
	Ivan de Jesus Zapata Zapata	To declare administratively responsible the entities sued for all material, moral and damage to the life of relationship caused because of the execution of an administrative operation that ended with the eviction of the claimants and their family groups from the Finca La Inmaculada, carried out on 2019/10/18. To condemn the defendants to pay the value of the land, buildings, and fixtures, as well as the agroforestry valuation of the property; the damages and affliction arising from the suffering caused by the eviction, the violation of human dignity, and to see how their homes and crops were destroyed. It claims SML 100 for each of the plaintiffs.	8,235

Company	Third	Pretension	Value
EPM	Dario de Jesus Perez Piedrahita	To declare the defendant responsible for the violation of the fundamental and collective rights to life, health, family privacy, the enjoyment of a healthy environment, the existence of ecological balance and the rational management and use of natural resources, they led to the causation of the antilegal damage caused to the claimants/by the imposition of easements in compliance with an energy generation plan that has produced significant damage to the actors, both material and moral.	7,829
	Abraham de Jesus Barrientos	To declare hydroelectric ITUANGO and EPM responsible for the damages and damages caused; and, in solidarity with THE IDEA, the ALCALDIA OF MEDELLIN and THE DEPARTMENT OF ANTIOQUIA. Loss of profits: From the loss of perception in the displacement due to the emergency caused, damage due to the impossibility of exercising the ancestral economic activity of the barequeo, of which the claimants are supported, calculated at SML 2, for 27 months equivalent to 5,50,920,072 per person; For emotional affectations, for each, 100 SMLV, with an estimate of the 787,780,300 for a total of 10,094,734,500.	7,648
	VELPA Soluciones Integrales S.A.	EPM is condemned to pay the amount of damages suffered by VELPA Soluciones because its proposal has been rejected within the hiring process No. 2009-0927 and have been awarded to the firms ELECTROLUMEN Ltda. And MELEC S.A.; as well as the amount of the sums that will no longer receive VELPA SOLUCIONES INTEGRALES S.A., given the impossibility of contracting with the State for a period of 5 years, as a result of the decision taken by EPM.	7,579
	Martha Cecilia Arango Usme	That it be declared that EPM occupied the land area or lot located in the urban area of Medellin called ASOMADERA owned by the plaintiff without having exhausted in front of my mandate process or legal mechanism; this is, by means of a way of fact, to install in this abusive way electric power towers and electric lines, leading to irreversible damage and damage that must be repaired.	7,546
	VELPA Soluciones Integrales S.A.	That EPM's decision to reject the proposal submitted by VELPA SOLUCIONES INTEGRALES S.A., in the framework of the PC-2009-0974 contracting process opened by EPM, be declared null and void, For being allegedly disabled to contract with EPM and to condemn it to pay the amount of damages suffered when the claim was rejected in the hiring process No. 2009 - 0974 and of the sums that it will cease to receive as a result of the impossibility of contracting with the State for a period of 5 years, as a result of the decision taken by EPM.	6,900

Company	Third	Pretension	Value
EPM	INMEL Engineering S.A.S.	To condemn EPM to repair to the Consortium Linea BGA for the damages suffered, in proportion to its participation in the contracting consortium (80%), after Presentation the time of the tender, conclusion, execution and improvement of the contract CT 2016 001695, where unforeseen situations were presented that were not attributable to the contractor, which changed the conditions of execution and made its compliance more onerous for the contractor; and, that the contractor failed while refusing to restore the financial or economic balance of the contract.	6,762
	Meteo Aristides Tuberquia	That EPM is administratively responsible for the material and intangible damages in its integrity caused to the claimants OSCAR AUGUSTO ARISTIZABAL VILLEGAS, ILDA MARIA TUBERQUIA SEPULVEDA, MATEO ARISTIZABAL TUBERQUIA, MARISOL ARISTIZABAL, For the damage that occurred during the months of November and December of the year 2009 and that results from the operation of the hydroelectric plant Guatape, which in turn uses the reservoir Penol-Guatape.	6,581
	Radian Colombia S.A.S.	To declare that between EPM and Radian Colombia SAS there was the working record CT-2015-002500-A1, which was aimed at: "Construction, replacement and maintenance of networks, operations and ancillary works of the infrastructure of EPM aqueduct networks". That EPM failed to comply with clause 1.4 Scope and location of the works, and its obligation to pay the additional administrative and location resources required for the care of the northern zone that was assigned to it after the said statement of work.	6,397
	VELPA Soluciones Integrales S.A.	That EPM be condemned for the amount of damages suffered from loss of profits and emerging damage, as the contract CT 2009 0220 has been declared suspended, And the eventual decision to have terminated the contract based on foundations as a non-existent causal and for the sums that will cease to receive VELPA SOLUCIONES INTEGRALES S.A., in the face of the impossibility of contracting with the State for a period of 5 years, and this, On the basis of contracts concluded exclusively with the State during the year 2009 and their projection for the next period of 5 years.	5,507
	AXEDE S.A.	Loss of profits for having affected their right to free concurrency, given the actions and omissions advanced by PUBLIC COMPANIES OF MEDELLIN EPM and the company MVM SOFTWARE ENGINEERING.	5,058

Company	Third	Pretension	Value
EPM	International Bussines Group S.A.S.	THE COMPLAINANT requests the declaration of responsibility of the convoked for the damages suffered by the facts described and the conviction of the payment of the material damages, as follows: Emerging damage, consolidated loss of profits and future loss of profits.	4,564
	Investments Gallego Tobon SAS	Material damages arising from: Construction of two synthetic courts, dismantling of the courts, assembly of the gym; canon of lease for 48 months; labor expenses, advertising and marketing expenses; payment of utilities, stationery, supplies, toiletry supplies; purchase of equipment for the gym; loss of future profit: 1,416,371,947; Moral damages, for the 5 natural conveners: 500 SMLMV/Physiological damage, for 5 natural persons: 500 SMLMV/Loss of opportunity, for the 5 natural persons: 500 SMLMV.	4,221
	Zandor Capital S.A. Colombia	Requests the nullity of administrative acts No. 0156SE-20170130033319 of March 14, 2017, 015ER-20170130045192 of April 8, 2017 and SSPD-20178300036125 of June 20, 2017 and as reinstatement of duty an initial claim of five thousand (5.000) million pesos.	3,870
	OPTIMA S.A.	That CORANTIOQUIA And EPM, are jointly and administratively responsible for the totality of the damages, patrimonial and extra-statimomial, caused to OPTIMA S.A. CONSTRUCTION And HOUSING And PROMOTROA ESCODIA S.A., for the failure to fulfill the duty of care, prevention, protection, maintenance, recovery and other actions, They ensured the balance and sustainable development of the environment in the Bruges basin, Loma de las Bruges and Ayura Basin in the municipality of Envigado, as well as the lack of care, protection and surveillance of the assets under their control.	3,775
	Humberto de Jesus Jiménez Zapata	That the process be pursued as a group action in accordance with Law 472 of 2008, against Hidroelectrica Ituango S.A. ESP and EPM ITUANGO S.A. ESP, so that the living conditions of the shareholders that were stable are respected, And the values that are relative to each of the censed families and persons are given, stating that EPM Proyecto Hidroituango did not pay in due form the values and compensation to each of the families and persons who were censed, in accordance with the manual of unit values.	3,718
	Diversion Center S.A.	Declare that EPM is administratively responsible for material damages and loss of profits caused to the Sociedad FUN CENTER S.A., for acts and omissions, that is, failure in the service, having ordered in an arbitrary, unilateral and abusive manner, The	3,593

Company	Third	Pretension	Value
EPM		disconnection of the public energy service that supplied the ice rink called PARD ON ICE, owned by the demanding company FUN CENTER S.A., from day 23/07/2009 at 11:50 a.m., by doing so, it prevented him from carrying out all the activities that constituted his social object up to that time.	
	Hilos Hebratex S.A.S	Claims the profit or profit for: The five months of 2012, the 474,987,000; the twelve months of 2013, the 1,271,857,000; the six months of 2014, the 1,17,634,000. For the paralysis during the 25 days that it took to repair the engines and the arrangement and delivery of the machines, the 82,125,000, the arrangement of the machines, the Met 2,400,000, the payment of the payroll during the 25 days of paralysis of the company, the Met 4,172,646; for the production materials that were damaged, m7 2,312.000; and, for rent payment during the company's twenty-five days of paralysis, met 2,348,000.	3,467
	Buses Coonatra SAS Cup Deposit	PROFIT CESANTE. Estimated from the entry into operation of the logistics center (1 January 2019), until 30 September 2019, at an estimated monthly level of 280.740.048. CONSEQUENTIAL DAMAGE, by payment of salaries and social benefits of personnel who have provided permanent custody services of the property and its maintenance, from December 2018, until September 30, 2020, at any time, that, as holder of the real right of domain, in any case, he is responsible for the conservation and preservation of the good.	3,378
	Albeiro de Jesus Valencia Perez	The complainant applies for the payment of social benefits and the moratorium penalty, from 09 July 2010, until the total value of all claimants' arrears is canceled, in order to obtain the payment of the judgment issued by the Eighth (08) Labor Decongestion Court of the Circuit of Medellin in the labor lawsuit filed with 05001-31-05-005-2011-0135-00, in which EPM was not party to the proceeding.	3,371
	SMARTGROWTH S.A.S	To declare that EPM is responsible for the antilegal damage and material damages caused to the plaintiffs by actions and omissions in the constitution of the unformalized electric servitude on the rural property "La Casajera", located in Madrid, Cundinamarca; and, for the damages caused to the mining activity developed. To condemn EPM to the removal of electrical power wiring through the premises; and, to repair for the damage by the school 1,477,586,746, which corresponds to compensation for the occupied area, and which is susceptible to the constitution of servitude not formalized since 2016.	3,313

Company	Third	Pretension	Value
EPM	INCILÉS S.A.	Declared void EPM Resolutions 0041 of 21 January 2005 and 00283 April 21 of 2005 stating the risk of non-compliance with contract No 020113590 between EPM and INCILVILES.	3,286
	Maria Isabel Lora Lopez	That EPM be administratively held responsible for all property and extra-statelessness damages incurred by the plaintiffs on the grounds of the death of the minor under the name MONICA ANDREA LORA LOPEZ and for the injuries suffered and suffered by MARIA ISABEL LORA LOPEZ; For the events that occurred on 02/02/2000 in the CAFES neighborhood of the oriente municipality of Medellin.	3,155
	Gustavo Velez Correa	That EPM be declared administratively responsible for the economic damages caused to the plaintiff in the fact that the actor is the holder of a mining concession contract over the area that EPM required for the imposition of servitude and expropriation, related to the Valle de San Nicolas Project, In the jurisdiction of the municipality of El Retiro.	3,018
	Carlos Augusto Jiménez Vargas	That it be stated that the defendants are jointly responsible for all damages suffered by the plaintiffs due to the sewage works of THE GRILLE CENTER.	2,856
	German Alcides Blanco Alvarez	It requests the recognition of 100 SMLMV on the occasion of the diagnosed and firm work disability, of 17.79%, causing a decrease of its work and physical activity, causing a detriment to the estate that will enter Mr. German Blanco Alvarez for the accident of 29/04/2011, where damages were caused to the plaintiffs.	2,703
	Total Engineering Public Services S.A. E.S.P.	That EPM be declared to have failed to comply with Contract CT-2010-0499, the object of which was the "Construction and replacement of aqueduct and sewerage networks in the Moravia district of the municipality of Medellin and paving of the roads affected by these works... ". That, as a result, of such non-compliance, the economic balance of the Contract was broken and is responsible for the restoration of that balance.	2,682
	Oscar Jaime Restrepo Molina	Because of the frustrated profits, because of the decrease in the contracts he may have had with EPM and his inability to contract with it, following the presentation complaint made with the company, the suspension of the contracts that were in effect was suspended.	2,602
	Dario Sepulveda Hernandez	The convener requests to be covered the damages generated by the construction of PH PORCE III, for the abandonment that he had to make of his ranch and of his activity as barequero to the height of the Las BRISAS and SWIRINO landscapes, In the face of non-compliance with the agreements reached with EPM.	2,601

Company	Third	Pretension	Value
EPM	Horacio de Jesus Gomez Ramirez	To declare EPM administratively, civil and patrimonially responsible for not including HORACIO DE JESUS GOMEZ RAMIREZ, IMELDA RODRIGUEZ HENAO, MIGUEL DE JESUS GOMEZ RAMIREZ, MARIA CAROLINA SANCHEZ DE GOMEZ as affected by the Hidroituango project, as miners since 1994; to compensate them for the loss of economic activity of 28 years; to pay them improvements in possession, crops, construction and maintenance of a road, legal premiums, relocation, emergent damage, loss of profits and moral damages caused; and, to pay them \$ 2,675,664,000.	2,578
	Mayor of San José de Cucutta	That the Municipality of Cucutta be restored the property damage caused by EPM due to the increased charge of the consumption of public lighting energy of the city, as a result of CENS's erroneous billing of this service.	2,343
	Horacio de Jesus Gomez Ramirez	To declare EPM responsible for including Messrs. Horacio and Miguel de Jesus Gomez Ramirez; Maria Carolina Sanchez de Gomez and Imelda Rodriguez Henao, as affected by the Hidroituango Project; As CHORREROS MINERS since 1994 and therefore to cancel the compensation to which they are entitled, for the payment of compensation for loss of economic activity and TO COMPENSATE the prohijados for 27 years; and to pay for their improvements, crops, possession, construction and maintenance of the road; legal premiums, relocation, emerging damage, loss of profits and moral damages since 2018/05/26.	2,339
	Consortium Basin Networks	To declare that EPM was unjustly or unlawfully enriched by the execution of contract CT-2014-000377-A1, not perfected, reason why it must compensate for the alleged impoverishment suffered by the CORSORCIO BASIN NETWORKS.	2,317
	Luis Guillermo de Bedout Piedrahita	That it be declared that it belongs to the full and absolute domain of the plaintiffs the building Lot No. 2, real estate registration no. 01N-445794, and that, by virtue of the foregoing, EPM be ordered to restore that real property to them; that EPM be condemned to the payment of the civil or natural fruits obtained from the very moment of the beginning of the possession, until the moment of the delivery of the property.	2,309
	Euroceramica S.A.	EPM is expected to recognize and pay the sum of THREE THOUSAND ONE HUNDRED AND THREE MILLION QUINESTOS SEVENTY-EIGHT THOUSAND NINE HUNDRED AND THREE M/L pesos (SET3,103,578.903), allegedly poorly billed by EPM.	2,292

Company	Third	Pretension	Value
EPM	Yuneidy Mazo Gaviria	To declare EPM and others responsible for the damages caused by the overflow of the Cauca river that originated in the Hidroituango project. Morales 100 damages SMLMV for each claimant. For the affectation of constitutional property, the rights enshrined in international human rights conventions and treaties, and the other rights that the Judge finds proven. SUBSIDIZED, the judge is asked to grant alternatives, such as a study kit and tools for recreation and sport for a minimum of 5,000,000.	2,191
	Javier David Cortés Vanegas	For past and future loss of profits and consolidated emerging damage and for EPM to make commitments to the community for the adoption of necessary measures to improve security conditions and the selection of its contractors.	2,186
	Rafael Segundo Herrera Ruiz	It is stated that EPM and others are jointly and administratively responsible for the totality of the property and extra-statelessness damages caused to the actors, on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,149
	José Eduardo Suarez	To declare the entities called responsible for patrimonial and extra-statelessness caused to the actors, by the overflow of the Cauca River that originated in the Hidroituango project. Defendants are sentenced to the payment of SML 100 for each claimant for moral damages. Make the payment of 1 SML for each month that the red alert remained for the municipality of Caceres, between 2018/05/12 and 2019/07/26. If the red alert was extended, they request to recognize the minimum wages that the shareholders stop earning, from the date of the new facts, until the alerts are completed.	2,096
	Alberto Arroyo Montiel	To declare Hidroituango administratively responsible to EPM, and to others, for the damages caused to the defendants, for the no longer perceiving when having to travel for the emergency caused, Because of the exceptional risk for the impossibility of exercising the economic activity from which the plaintiffs' sustenance was derived, calculated for 27 months, it was settled with 2 SMLV for 12 months. For the emotional affectations of the victims, 100 SMLV is requested for each for 2020. The estimate is 7,87,780,300 per person, for a total of 7,896,749,900. There are 33 plaintiffs.	2,058

Company	Third	Pretension	Value
EPM	Carlos Mario Diaz Arboleda	To declare EPM and others responsible because Carlos MARIO DIAZ was diagnosed with loss of working and physical capacity, in 31.67%, after surgical intervention that included the embedding of 2 plates and 4 fixation screws between vertebrae, which prevent normal and routine movement. Material that had to be removed for in-hospital infection, so it cannot be fully recovered from the spine and will have a detriment to the estate, so the defendants will have to compensate for this monthly reduction.	2,050
	Dennis Esther Sehuanes Angle	Declare that THE MUNICIPALITY OF MEDELLIN, the government of Antioquia, PUBLIC COMPANIES OF MEDELLIN, the municipality of Ituango and the municipality of Taraza are administratively responsible for the legal damages caused to the plaintiffs, on the occasion of the immediate evacuation of their properties, leaving their commercial activities by the overflow of the Cauca river has brought a great alteration to the constitutional and conventional rights of the shareholders.	2,044
	Edwin David Yepes Garcia	EPM and others are declared jointly and administratively responsible for all the property and extratrimonial damages caused to the actors on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,042
	Ruby Susana Arrieta Baldovino	The entities jointly and administratively responsible for the totality of the property and extra-statelessness damages caused to the actors are declared on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,042
	Wilfran Enrique Gonzalez Castro	The entities are declared jointly and administratively responsible for the totality of the property and extra-statelessness damages caused to the actors, on the occasion of the overflow of the Cauca River that originated in the Ituango Hydroelectric Project.	2,029
	Noris del Carmen Romero	To declare the defendants responsible for the property and extra-statelessness damages caused to the actors, on the occasion of the overflow of the Cauca river that originated in the Hidroituango plant ; as a consequence of the above, to the payment of 7,87,780,300 for each claimant, By virtue of moral damages for the months that these people were outside their homes because of the declaration of red and orange alerts for the municipality of Caceres and the corregimientos de Jardin - Piedmont - Guarumo - Port Belgium, among others.	2,008

Company	Third	Pretension	Value
EPM	Sirle Johana Villareal Henriquez	To declare the defendants responsible for the property and extratrimonial damages caused to the actors, as follows: For moral injury, 787,780,300 per plaintiff. CESANTE CONSOLIDATED PROFITS: 12,844,891,299 each. FUTURE CESANTE PROFITS: If the red alert is extended, recognize the minimum wages that the shareholders stop earning until the alerts are completed. DAMAGE To CONSTITUTIONAL And CONVENTIONAL PROPERTY: 100 SMLV each. SUBSIDIZED, a study kit and tools for recreation and sport for a minimum of \$5.000.000 for each of the plaintiffs.	1,992
	Alba Rocio Lopez Castle	To declare that THE MUNICIPALITY OF MEDELLIN, EPM and others, are responsible for the antilegal damages caused to the plaintiffs, on the immediate evacuation of their properties, leaving also their commercial activities. For each of the claimants for moral damages the total sum of 100 SMLMV. Consolidated loss of profits and future loss of profits showing that the red alert was extended until the time the warnings are completed Damage to constitutional and conventional goods is condemned to payment of the costs and agencies in law.	1,985
	Moraine Olave de Larios	Relatives of the former Integral worker who died in Ituango, claim for full compensation of damages, for moral damages caused. Solidarity.	1,712
	Ruben Dario Escobar Villa	It is stated that within the employment relationship the complainant executed working hours in the form of availability, without these times being paid.	1,323
	Sebastian Garzon Lopez	He applies for reimbursement to EPM for health status and employer's fault for work accident	1,084
	Juliana Urrea Giraldo	It is intended to declare the patronal guilt of the MISPE Consortium and in solidarity with EPM, for the payment of property and extra-marital damages	975
	Glenis Margoth Martinez Paternina	Applicant applies for the pension of survivors of professional origin, together with the moratory interests. Definitive social benefits. Contributions to integral social security. Compensation Moratorium of Art. 65 of the CST. Compensation for full damages of art. 216 of the CST, for employer's fault; immaterial damages for moral damage (in the amount of 100 SMLV for each child) and physiological damages (in the amount of 100 SMLV for each child). Costs and expenses of the process; all of the above, due to accident of type of work and death of your spouse.	705

Company	Third	Pretension	Value
EPM	Ephraim Villa Escobar	Wage leveling. Former EPM worker states that during the period from 1 January 2007 to 31 August 2014 he was a Professional B, When paid as a Professional A and for the period from 1 September 2014 to 31 March 2017, he served as a Professional C and was paid as a Professional B and is therefore entitled to such pay recognition.	687
	Ledy Xiomara Patino Bedoya	Spouse of ROR Engineering Worker seeks compensation for a couple's work accident who died.	657
	Luis Eduardo Henao Ospina	Former contractor worker Radian Colombia seeks relief from the payment of social benefits and compensation for unfair dismissal.	593
	Jorge Alberto Lopez Guzman	That it be stated that the functions that the shareholder performed in EPM are of another position, as a technologist operation and maintenance and services in category and salary, consecutively condemned to reliquidate and/or readjustment to the act, wages, social, legal and extralegal benefits, On remuneration for night work, overtime, Sunday and public holidays, and the IBC for pensions for Colpensions.	565
	Ciudadela Comercial Unicentro Medellin P	To declare the nullity of the administrative act issued by EPM with registered 20190130037817 of 2019-02-27. Order the restoration of the right to the complainant by the cessation of the collection of the electric energy tax provided for in Law 142 of 1994, Law 143 of 1994 and Law 223 of 1995; and, to make the refund of the payment for this item from January 1, 2017, and until the date of judicial notification that ends the process.	294
	Multiple prosecutors	1 process less than 7,294 with average of seven.	7

Company	Third	Pretension	Value
EPM Total			2,253,541
National waters	HHA Consortium and others	Recognition of damages-related overruns, for greater permanence in the work due to the presence of unpredictable physical conditions, claims higher socio-environmental and financial costs.	587,265
	Dayron Alberto Mejia Zapata and others	Recognition of material and moral damages, compensation.	12,129
	Consortium Buenos Aires and others	Declare breach of contract(s) by Aguas Nacionales EPM S.A. E.S.P. and liability for damages suffered by claimants, condemning them to pay for consequential damages, loss of profits and damages caused by breach of contract.	4,539
	Darly Bibiany heads	Compensation for full employer damage in fatal accident	483
	José Ariel Palacio Duque and others	Solidarity, relief of wages, benefits and social security, compensation Moratorium/ Labor demand	342
	Ana Graciela Cordoba Cuesta	To declare administrative and extra-contractually responsible to the Municipality of Quibdo and Aguas Nacionales EPM S.A. E.S.P - Aguas de Atrato, the material damages caused to the property and to the furniture contained in the technical report of damages incurred in the house.	56
National waters			
Total National Waters			604,814
CHEC	Maria Marleny Montoya de Garcia and others	Direct reparation for property/material and moral damages	23,763
	William Agudelo Valencia and others	Conventional retirement	15,263
	Juan Camilo Arroyave Giraldo and others	Consequential damage	1,711
	Positive Insurance Company S.A.	Return mathematical capital reserve	1,369
	José jair Granada and others	Permanent VIATICOS - Social security contributions	474
	Carlos Eduardo Jeronimo Arango and others	Measured Pensional Reliquidation/ 100% Messed Recognition 14	408
CHEC Total			42,988
ESSA	Tomon Ltda. And others	To declare the existence of a strategic alliance contract between ESSA and the temporary union San Gil Enlightened	16,211
	Gerrsson Emmanuel Duarte Pabon and others	Material and moral damages caused by failure in service/ loss of profits, consequential damage.	10,943
	Elquin by Jesus Tobon Clavijo and others	Processes of less than 500.000.000.	9,377
	Promotora Agrotropical Colombiana S.A.S.	To declare the breach of commercial offer No. ON-013-2008, ESSA being sentenced to payment for damages.	1,401
	José de la Cruz Carreno Acevedo	To declare the permanent occupation of the private property by Electrificadora de Santander S.A. E.S.P., on 10 urban lots owned by Mr. José de la Cruz Carreno Acevedo since mid-September 2016.	982

Company	Third	Pretension	Value
ESSA	Hermides Pineda Silva	To declare administrative and extra-contractually responsible to ESSA and Enlightenment Yariguies S.A. in solidarity the damages caused to the plaintiffs, on the occasion of the death of Robert Andrés Pineda Balaguera, in events that occurred on May 23, 2017.	720
	Colombia Electricity Workers' Union, SINTRAELECOL	To recognize and fulfill in the present and future the agreements entered into in the collective labor convention signed between Sintraelecol Sectional Bucaramanga and the Electriadora de Santander S.A. E.S.P. signed on June 9, 2003, but it is valid for four years from november 1, 2003.	594
	Briceida Oviedo de Rodriguez	To declare civil contractual liability to ESSA for failure to comply with the obligations arising from the contractual relationship for the manufacture of material works and the supply of electrical energy with Mrs. Briceida Oviedo de Rodriguez.	581
ESSA Total			40,809
EMVARIES	JAC La Cejita and others	Declarative	12,722
	Felipe Andrés Builes Zapata, Ivan Dario Bedoya Berrio, Bladimir Valencia Salazar and others	Real contract	7,261
	Sorleny Correa Montiel and others	Loss of profits	6,422
	Ligia of Jesus Usuga of Giraldo	Non-contractual liability	1,589
	Ligia Stella Sierra Valencia and others	Request Salary Leveling	1,353
	Jesus Gregorio Valencia Valencia	Change from public worker to official worker	1,133
	Light Elena Montoya Velez, William Alexander Saldarriaga Benjumea	Moral damages	1,039
	Patricia Amparo Pajon Lopez and others	Nullity and restoration of labor law	842
	Alcides Martlnez Diaz	Direct repair	832
	Aleyda Patricia Chaverra Sierra and others	Service failure - repair damage caused	693
	Luis Fernando Gutiérrez Correa	Compensation damages	248
	Fabiola Londono Higueta and others	Labor responsibility for solidarity with Comultrevv and others	225
	Luis Alfonso Nunez Ospina and others	Conventional retirement pension/ penalty replacement/ relief/ adjustment pension	212
	John Jairo Mesa Isaza and others	Employer guilt	43
	Gloria Luz Ospina Gutiérrez	Appeal for guarantee of nullity and restoration of the right	40
EMVARIES	Gonzalo Elias Rios Alzate	Executive process for collection conviction	17
Total EMVARIES			34,671

Company	Third	Pretension	Value
CENS	Maria Riquilda Poveda Murillo and others	Moral damages, material damages, loss of profits	11,604
	Nubia Boada Duenas and others	Continuity in the payment of 12% on the penalty rate, reinstate the contributions discounted from the moment of the pension's shareability, duly indexed and payment of moratory interest from Article 141 of Law 100 of 1990, plus costs of the process.	2,784
	Orlando Emiro Contreras Velasco	To declare the right to readjustment of the pension, taking into account the parameters indicated in article 1 of Law 71 of 1988, ordering CENS to pay retroactively the amounts left to cancel and that are settled when the largest increase is applied. To condemn the recognition and payment of the arrears interest referred to in article 141 of Law 100 of 1993.	2,494
	Paht Construcciones S.A.S.	Order the liquidation of Contract CT-2015-000070, where CENS S.A E.S.P, must readjust the contractual equity in favor of Paht Construcciones S.A.S., with the application of the theory of the unforeseen, as well as the amounts by way of complement of the payment of Act No. 6 for works executed, recognized and unpaid.	1,514
	Other administrative and labor processes	Other administrative (7) and labor (10) processes, with a value of less than 250m.	1,242
	Carlos Augusto Rangel Alvarez	Recognition of conventional benefits	438
	Freddy David Rojas Suarez	To condemn in patrimonial and solidarity CENS, Colombia Telecomunicaciones and TELMEX Colombia, for injuries caused in the personal integrity of the complainant in events that occurred on October 20, 2020.	360
	Nury Leticia Rodríguez Benítez	To declare the non-existence of the residential sewage servitude in charge of the alleged servant premises, in favor of the alleged dominant property, called Palujan #1.	329
	Guajira Ltda cable.	It shall declare CENS SA EPS and/or UNE EPM Telecomunicaciones S.A. responsible for the contractual breach by not applying the fees and the formula for the use, access and payment of the shared infrastructure provided for in Resolution CRC No. 5283 of 2017 and incorporate them into the infrastructure lease contracts signed with the plaintiffs' companies Cable Guajira Ltda, Cable Suceso S.A.S. and Cable Digital of Colombia S.A.S.	297
CENS	SYM Ltda Engineering.	To declare CENS to be extrascontract and administratively responsible for declaring plaintiffs unable to contract with the State. That economic damages be recognized for loss of opportunity.	283
	National Infrastructure Agency - ANI	To decree the expropriation of the property with real estate registration	59

Company	Third	Pretension	Value
		sheet No. 260-330627 of the Office of Public Instruments of Cucutta (N.S.).	
	La Estrella Mall Condo P.H.	Statement of the failure to charge the complainant with the energy tax and therefore nullity of Resolutions No. 20191030011621 and 20191030015458, with the order to cease the collection of the tax and the refund of the sums paid.	24
Total CENS			21,428
EDEQ	Maria Amparo Fernandez Gil and others	Direct reparation for the death of relatives of the plaintiffs	5,637
	Danielly Arcila by Gil and others	To declare the defendants administratively, out of contract, jointly and patrimonially responsible for the injuries suffered by the plaintiffs in different events	3,935
	Field Elias Buritica Herrera	Declare the employer's fault in the work accident suffered, paying the affected person and his family the material damages (future and consolidated loss of profits) and immaterial (moral damages and health damage).	450
	Nelson Forero Perez	Declare termination of employment without just cause and without authorization from the labor office, condemning the defendant to the payment of compensation.	62
	John de Dios Botero	Request restitution of the part of the "Vista Hermosa" estate that was occupied with electric networks	14
Total EDEQ			10,098
Waters of Antofagasta	7813 - 1633	7813/21-7 and 1633-2021	2,712
	C-2022	C-2311/02316/2661/2734/3074/3186 - 2022	2,221
	Soto with ADASA	C-4372-2019 Claim for damages for non-contractual liability.	1,201
	General Insurance Company	Compensation for damages for the waterlogging of Bicentennial Building	364
	Audit records	Audit record 13736/ 137387 17725	98
	Sepulveda/ Municipality of Antofagasta and ADASA	Protection of infringement of rights on the occasion of dismissal and collection of benefits (responsibility of ADASA in subcontracting regime).	61
Total Waters of Antofagasta			6,657
Regional waters	Maria Inés Osorio Montoya	To condemn the Municipality of Apartado and Aguas Regional EPM, to the payment of material damages (current and future), moral damages and the damage to health, on the occasion of the death of the young Cesar Augusto Jiménez Osorio, Determined by the injuries sustained in the events that occurred on 01 June 2016 in the city of Apartado.	2,971
	Elsa Ruconno Hainaut Perez	To condemn the Municipality of Apartado and Aguas Regional EPM to pay for the material and intangible damages caused by the failure in the service resulting from the realization of	631

Company	Third	Pretension	Value
		the paving work of Calle 104, 106 and 107 of the Laureles neighborhood.	
	Juan Carlos Lastra Serna	Declare the existence of an indefinite contract of employment.	239
	Several administrative staff	Several smaller administrative staff	145
Total Regional Waters			3,986
ELEKTRA Noreste S.A.	Investments Chugani and others	Civil lawsuit for contract cancellation damage	1,804
	Osman Moreno and others	Labor demand	89
Total ELEKTRA Noreste S.A.			1,893
EPM Investments	DIAN - National Customs and Tax Authority	To declare the nullity of administrative acts: Resolution No. 112412020000026 of 2020 and Resolution No. .900006 of 2021, issued by the DIAN. Accordingly, declare the firmness of the 2013 taxable year income and supplementary tax declaration, submitted in 2014.	143
Total EPM Inversisiones			143
Waters of Malambo	Fabian Bacca Jiménez	Recognition of the employment relationship acquired in the years 2015 and 2016, and consequently, the payment of vacation, premiums, allowances, bonus for the subscription of the convention and compensation for dismissal without fair cause.	24
	Emer Enrique Conrado Anguilla and others	Declare liability for damages of property, health, other property and/or rights, conventional and constitutionally protected and generally of any other type proven, caused by failure to provide the service.	14
	Indeterminate persons	Fraudulent Connection Process 2022	9
	SINTRAEMSDDES union	The annulment of an arbitral award is requested	5
Total Malambo Waters			52
Total Td Contingent liabilities			3,021,080

-Amounts stated in millions of Colombian pesos-

With respect to the uncertainty in the estimated date of payment and the estimated value to be paid, for contingent liabilities the same business rules indicated in note 27.1.2.

In the Group, EPM also has as contingent liabilities, Environmental Sanction Proceedings, with the following information:

Third	Pretension	Value
Metropolitan Area of the Valley of Aburra	Discharge of wastewater from the San Fernando WWTP in violation of the minimum 80% removal level for parameters DBO5_Biochemical Oxygen Demand_, SST_Total Suspended Solids_, fats and oils established in Article 72, New User, of Decree 1594 of 1984. _ Metropolitan Resolution No. S.A. 000415 of April 28, 2014. A plea for conclusion was presented.	It is not possible to know the sanction to be imposed.
National Environmental Licensing Authority "ANLA"	Construction of a mini center without authorization and use the ecological flow to generate energy without being authorized in environmental license (Porce III hydroelectric plant) _Auto 4335 of December 17, 2013.	It is not possible to know the sanction to be imposed
National Environmental Licensing Authority "ANLA"	Termosierra 1. To carry out the air quality samples reported in ICA 13, 14 and 15, without the periodicity established by the Industrial Air Quality Monitoring System, authorized in the environmental instrument corresponding to this project. 2. For conducting environmental noise monitoring reported in ICA 13, 14 and 15, with an Environmental Laboratory not accredited by IDEAM. _Auto 350 of February 5, 2018.	Charges were made, but it is not possible to know the sanction to be imposed.
National Environmental Licensing Authority "ANLA"	Use of explosives in construction of Nueva Esperanza tower. The environmental license granted by this resolution does not cover any kind of work or activity other than those described in the Environmental Impact Study, the Environmental Management Plan, and in this administrative act. _ Auto 02574 of June 27, 2017, ANLA_	It is not possible to know the sanction to be imposed; disclaimers were filed
Metropolitan Area of the Valley of Aburra	Dumping of domestic wastewater from the rupture of the sewage pipe that leads to these waters, on a potrero and later on the gorge Dona Maria, a property called Torremolino.	It is not possible to know the sanction to be imposed; no charges have been made.

Third	Pretension	Value
Metropolitan Area of the Valley of Aburra	In an authorized channel occupation over the La Malpaso gorge, a bed covering was observed and the walls of it in particular cyclopeo, work was not approved by the environmental authority. Metropolitan Resolution N° S.A. 1002 of June 4, 2020, aburra "by means of which an administrative procedure of an environmental sanction is initiated".	It is not possible to know the sanction to be imposed; no charges have been made.
Metropolitan Area of the Valley of Aburra	Alleged environmental affectation to the flora resource due to the severe pruning of one (1) individual tree of the species Cheflera (Schefflera actinophylla). Metropolitan Resolution No. S.A. 1050 of June 8, 2020 "through which an environmental sanction procedure is initiated".	It is not possible to know the sanction to be imposed; no charges have been made.
Corantioquia - South aburra Territorial Office	Non-compliance with the permit for forest harvesting and harvesting of species in good condition and in closed conditions without permission. Administrative Act 160AS-1506-12031 of June 17, 2015.	It is not possible to know the sanction to be imposed; disclaimers were filed
Corantioquia - Tahamies Territorial Office	To make charges against PUBLIC COMPANIES IN MEDELLIN, identified with NIT 890.904.996-7, for the alleged commission of environmental offenses on the basis of guilt and for the effects caused to the flora resource, derived from the events consisting of the burning of a sector of approximately 10 hectares, being 2,5 hectares of natural forest and stubble. Resolution 160TH-ADM1903-1901 of March 29, 2019- TH4-2013-8	It is not possible to know the sanction to be imposed.
CORPOGUAJIRA	For failing to comply with Article 2,2,6,1,3,1(f) of Decree 1076 of 2015 as regards the obligations of the generator of hazardous waste or waste at the Jepirachi wind farm (register with the competent environmental authority for one time and keep the registration information updated annually). Auto 976 of October 2, 2017; Resolution 1373 of September 29, 2020.	It is not possible to know the sanction to be imposed; no charges have been made.

Third	Pretension	Value
National Environmental Licensing Authority "ANLA"	<p>For having disposed of surplus material from the excavation activities of the construction of the Via Puerto Valdivia (Presa Site - Ituango) on the channel and protection strip of the "Quebrada Tamara"; And, having carried out the replacement of the bridges located along the Via Puerto Valdivia to build two (2) Box culverts without the authorization to do so; and, having made discharges of wastewater to a field of infiltration in the "El Ciruelar" field. (SAN0143-00-2018_Auto 3196 of 2018).</p> <p>Auto 964 of March 12, 2019, ANLA understands by not filed the disclaimers, But later it issues the Auto 2792 of May 13, 2019 by which it leaves the Auto 964 of 2019 without effect and orders to take into account the disclaimers submitted and evaluate the request for evidence.</p>	<p>It is not possible to know the sanction to be imposed.</p> <p>Vital-registered decadal 3500081101479819080 of February 18, 2019. Presentation</p>
National Environmental Licensing Authority "ANLA"	<p>Having carried out inadequate practices with respect to surface water sources in the project's area of influence; having carried out the collection of the water resources from the Quebradas "El Roble", "Burunda" "Bolivia" and "Guacimal", at flows higher than those authorized and/or concessioned for the development of the project; not having implemented in each of the concessioned water bodies, the infrastructure that would allow monitoring of the remaining flows, for the purpose of being presented in the environmental compliance reports; Not having carried out and delivered water quality monitoring and hydrobiological communities in the "Cauca River", under the conditions set out in the environmental license.</p> <p>For not having carried out the reformation and recovery of the channel of the "San Andrés River" and of its flood zone to its natural conditions, within the time granted; having carried out the exploitation of stone materials coming from "San Andrés River", without the updated environmental permits; For not having delivered the results of the sediment monitoring of "Rio Cauca", in order to establish the baseline of comparison at the time of the start of the project's operation</p> <p>Having exceeded the maximum permissible levels of PST (particulate matter) and atmospheric pollutants in the asphalt plant located in the "El Valle" Industrial Zone; for not having built the necessary facilities and infrastructures in the asphalt plant chimney for monitoring emissions from fixed sources; For failing to comply with the management measures of the "Management and Disposal Plan of Materials and dumpster Areas" disposition of plant material mixed with inert material within the deposits and lack of signaling of the material disposal zones that remain active.</p> <p>All this in the area of influence of the project "construction, filling and operation of the Pescadero - Ituango Hydroelectric Project... (SAN0033-00-2019_Auto 2920 of 2015).</p>	<p>It is not possible to know the sanction to be imposed.</p> <p>Decadengo-on-the-file 2018041852-1-000, April 10, 2018, Presentation</p>

Third	Pretension	Value
Forest, Biodiversity and Ecosystem Services Division of the Ministry of Environment and Sustainable Development	<p>For having intervened 100 HECTARES that contained forest species subject to national closure without the previous Resolution authorizing their lifting and that were in the reservoir area of the Ituango Hydroelectric Project. (SAN027 (Minambient)_Resolution 835 of 2017).</p> <p>Discargo duty with registered E1-2017-032747 of November 28, 2017_Probation period Auto June 273, 2018. Presentation</p>	<p>It is not possible to know the sanction to be imposed. Summary of allegations of conclusion on 9 June 2021. Presentation</p>
National Environmental Licensing Authority "ANLA"	<p>Auto 00009 of January 8, 2021 La ANLA initiates the environmental sanction procedure for the contingency associated with the auxiliary deviation system, to verify the following facts:</p> <ol style="list-style-type: none"> 1. Not having reported within the term provided for in the law (24 hours) the contingent event that occurred on April 28, 2018. 2. To have continued the construction of the SAD and its infrastructure, without having sufficient technical information related to the environmental characterization of the area operated for the geology and geotechnical components. 3. For allegedly generating negative impacts on renewable natural resources. 4. Not having guaranteed for the first days of the month of May of the year 2018 and before the evacuation of the water dam of the Cauca River by the project's machine house, the ecological flow of that source downstream of the dam site, to ensure the integrity of ecosystem services and environmental protection goods that are part of the water source. <p>By the contingency associated with the Auxiliary Deviation System.</p> <p>*No charges are available; however, a request was made for a cessation of the sanctioning procedure by Communiqué No. 2018064395-1-000 of 24 May 2018 (SAN0097-00-2018_Auto 02021 of 2018)</p>	<p>Without any charges, counsel considers it possible.</p> <p>The opinion of the expert expert expert (Poyry) for the lifting of the preventive measure was submitted on 30 December 2021.</p> <p>To date, no charges have been made.</p>
National Environmental Licensing Authority "ANLA"	<p>Initiation of sanction procedure for not guaranteeing downstream water of the dam of the project "Construction and operation of the Pescadero - Ituango hydroelectric project" The ecological flow to ensure the integrity of the ecosystem services and the environmental protection goods that are part of the water source "Rio Cauca".</p> <p>*No charge formulation available. (SAN0001-2019_Auto 0060 of 2019)</p>	<p>Without any charges, counsel considers it possible.</p>

Third	Pretension	Value
National Environmental Licensing Authority "ANLA"	<p>1. Dumping on intermittent dry channel X=1157241 and Y=1281506</p> <p>2. Discharge to the rain channel from the mixer washing system located in the industrial zone of main works</p> <p>THE ANLA opened a sanctioning file, but it has not been formally initiated.</p> <p>By Resolution No 1222 of December 03, 2013, THE ANLA imposed preventive measures to suspend dumping. By Resolution No. 1363 of October 31, 2017, the ANLA lifted the preventive measure mentioned. Through Auto No. 01282 of March 22, 2019, THE ANLA breaks down the proceedings related to this preventive measure of the license file LAM2233 so that they work in file SAN0031-2019.</p>	Without any charges, counsel considers it possible.
National Aquaculture and Fisheries Authority "AUNAP"	<p>Start Preliminary investigation of the effects on fishing activity during the closing of the machinery house gates.</p> <p>*No charge formulation available. (No file AUNAP_Auto 002 of February 14, 2019).</p>	Without any charges, counsel considers it possible.
National Environmental Licensing Authority "ANLA"	<p>Repeated non-compliance with imposed obligations. Auto 11359 of December 19, 2019.</p> <p>SAN0284-00-2018 _December 19, 2019_.</p>	Situation not resolved. To date, they have not made any charges.
National Environmental Licensing Authority "ANLA"	<p>HYDROELECTRIC ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. Non-compliance Contingency Obligations:</p> <ul style="list-style-type: none"> - Not having permanently carried out the proper management of non-domestic wastewater and filtration in the left margin of the Gallery 380 MI. - Not having presented the hydrogeological model of the right margin of the project. - Not to have presented the cartographic information related to water quality and hydrobiological monitoring to be carried out at different points downstream of the project dam site. - Not having presented the results of the monitoring of offensive odors, water quality and physiochemical sludge quality during the pumping activity of the machine house. Order No 2423 of March 30, 2020, by which the environmental sanction procedure is initiated. <p>SAN0030-00-2020_ March 30, 2020_ To date no charges have been filed.</p>	<p>Situation not resolved.</p> <p>Charges were filed by Auto 9812 of 18 November 2021 and charges were filed on 13 December 2021.</p>
National Environmental Licensing Authority "ANLA"	<p>HYDROELECTRIC ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. Repeated non-compliance with the obligations imposed under the contingency. Initiation of the environmental sanction procedure by Order No 06576 of July 13, 2020</p> <p>SAN1285-00-2019 _ July 13, 2020_ To date no charges have been filed.</p>	Situation not resolved. To date, they have not made any charges.

Third	Pretension	Value
National Environmental Licensing Authority "ANLA"	<p>HYDROELECTRIC ITUANGO S.A. E.S.P. - HIDROITUANGO S.A. E.S.P. _ Pass air quality and odor monitoring without meeting protocols established by the Minambiente. _Perform sample analysis for air quality and odor sampling by laboratories not accredited to IDEAM.</p> <p>Initiation of the environmental sanction procedure by means of Auto No. 07774 of August 14, 2010</p> <p>SAN1258-00-2019 _ August 14, 2020_ To date no charges have been filed.</p>	Situation not resolved. To date, they have not made any charges.

Garantías **FALTA TRADUCCIÓN**

Company	Third	Pretension	Value
ELEKTRA NORTHEASTERN S.A.	Generating companies	Guarantee of compliance to provide credit security and fulfillment of obligations under energy purchase contracts.	230,161
	National Public Services Authority	Performance bond to guarantee the fulfillment of the obligations entered into in the Concession Agreement.	72,153
	Electric Transmission Company, S. A.	Bank guarantee to guarantee payment of one month of billing of the Transmission System.	23,733
	Electric Transmission Company, S. A.	Letter of credit as a guarantee of payment of energy purchase costs in the occasional market.	12,745
	Operator Regulatory Entity of El Salvador	Letter of credit as a guarantee of payment of energy purchase costs in the occasional market.	1,662
TOTAL ELEKTRA NORTHEASTERN S.A.			340,454
Total Contingent liabilities Security Warranties			340,454

- Amount stated in millions of Colombian pesos -

Works for tax purposes

The Group also has as contingent liabilities, works for taxes, with the following information:

In exercise of the provisions of Article 238 of Law 1819 of 2016, Empresas Públicas de Medellín E.S.P. -EPM- as a taxpayer of income tax and complementary taxes was linked to the mechanism of works for taxes, among others, with the project "Improvement of tertiary roads in Cocorná" prior technical feasibility concept of the Ministry of Transportation, as a form of payment of a portion of the income tax for the taxable period 2017 in the amount of \$33,701 million, with 10% participation by Empresa de Energía del Quindío S.A. E.S.P. -EDEQ-. Subsequently, the Ministry of Transportation objected to the scope of the project resulting in the disappearance of the factual and legal grounds of the administrative act of connection to the mechanism, so that it lost its enforceability and consequently the project became unenforceable for EPM.

By virtue of the foregoing and considering the decay of the administrative act, it is expected that the National Tax and Customs Directorate will issue the liquidation of the income tax for the taxable year 2017, with which the extinction of the tax obligation would be obtained once the payment is made, in that order, the company is exploring alternatives and taking steps to achieve the closure of this issue. This situation could imply a future disbursement of interest for late payment pending to be determined and to assume the costs executed in the work that to date amount to \$1,011 million, once the process to which this matter is subject to under the terms of Decree 1625 of 2016 is concluded."

In line with the exploration of alternatives that has been taking place, with the purpose of mitigating the risk of causing interest on arrears in the future on the income tax for the taxable year 2017 of EPM and EDEQ, in the event of an eventual declaration of default through a firm administrative act by the competent national authority or a ruling by a judicial authority, a deposit was made as an advance payment on September 16, 2022, in favor of the National Tax and Customs Administration DIAN for \$77,985 million, which is reflected in the financial obligation of the companies as a surplus, which in legal and tax terms is equivalent to an overpayment or of what is not due susceptible to refund to the taxpayers once this matter is definitively resolved in their favor. The deposit of these resources in

no way obeys to an express or tacit conduct of acceptance of any type of responsibility on the part of EPM and EDEQ and does not imply acceptance or manifestation of noncompliance in their obligations derived from the linkage to the mechanism of works for taxes. Neither do they waive any claims they may file in connection with this matter to demonstrate that there is no breach and that therefore no interest or penalties are payable.

Once it is determined that there was no non-compliance with the works for taxes mechanism by the taxpayers, the DIAN must return any amount in favor of EPM and EDEQ.

In addition to the above and as a mechanism to protect the interests of the companies, EPM filed a lawsuit before the Administrative Court of Antioquia in the exercise of the means of control of nullity and reestablishment of the right against the Territorial Renewal Agency (ART), the Ministry of Transportation, the National Institute of Roads (INVIAS), the National Customs Tax Directorate (DIAN), and the National Planning Department (DNP). In order to, among others: declare the nullity of the administrative act issued by the Territorial Renewal Agency on May 13, 2022, by virtue of which it denies recognizing the exception of loss of enforceability and/or request for the study of direct revocation of Resolution 175 of 2018 "whereby a request for linking the payment of income and complementary tax to an investment project in the areas most affected by the armed conflict - ZOMAC" is approved; recognize the exception of "loss of enforceability" and, consequently, refrain from requiring EPM and EDEQ, to comply with the obligations contained in Resolution 175 of 2018 issued by the ART, due to the decay of the act in the framework of its competencies within the mechanism works for taxes; declare that EPM and EDEQ made the timely and complete payment of the resources destined to the cancellation of the income tax for the 2017 annuity.

It is important to highlight that since May 24, 2018, the resources for the payment of the income tax of the taxpayers EPM and EDEQ were deposited in the trust arranged for the mechanism of works for taxes whose yields are recognized in favor of the competent national authority and therefore there is no place to understand that there is delay in the compliance of the tax obligation by the taxpayers. As of December 2022, the yields amount to \$6,009 million, of which \$448 million have already been transferred to the General Directorate of Public Credit and National Treasury.

27.3.2. Contingent Assets

Company	Third	Pretension	Value
EPM	The National Ministry of Health and Social Protection	The MinSalud has a legal and constitutional obligation to recognize and cancel the value of services rendered to affiliates in relation to drugs and/or procedures, interventions or elements not included in the Mandatory Health Plan (POS).	9,645
	Constructora Monserrate of Colombia SAS	Expropriation in favor of Empresas Públicas de Medellín E.S.P. for the project "Expansion of Primary Distribution Capacity in the Western Sector of Medellín-Western Chain Calazans Tank" is decreed by judicial means. Property called Lot 7, located in the Altos de Calazans sector, Of the municipality of Medellín owned by the Monserrate Building Society of Colombia SAS.	8,223
	Miscellaneous Administrative	Proceedings for amounts less than \$922.	4,722
	Poblado Club Campestre Executive S.A.	To declare the town Club Campestre Executive S.A., Optima S.A. Housing and Construction and the Municipality of Envigado responsible for the damage of the collector owned by EPM, which collects and transports the residual water from the sanitary basin of La Honda Gorge in the municipality of Envigado, And indemnify EPM for the value of all property damage proven by the damage to the collector collecting and transporting the wastewater from that sanitary basin.	4,085
	Fiduciaria Bogota S.A. - Fidubogota S.A.	To impose on behalf of Public Companies of Medellín E.S.P. energy conduction servitude, on the lot of land or property called La Boca de Pantano, with real estate registration number 50 C-1497258 located in rural area of the municipality of Madrid (Cundinamarca) for transmission lines at 500 kV, And for one (1) tower point (with its earthing) of the New Hope Transmission Project.	1,099
	Municipality of Envigado	To declare the nullity of the administrative act contained in resolutions 2656 of August 13, 2007, and 4176 of October 26, corresponding to the sanction imposed for the alleged violation of Municipal Decree 259 of August 14, 2002; To declare the inapplicability of Decree 259 of August 14, 2002 of the Municipality of Envigado (Antioquia), "through which urban sanctions are established", as contrary to the Political Constitution, the Law and the Regime of Public Domestic Services. To order, by way of restoration of the right, that the sanction imposed on administrative acts whose nullity is requested be returned to EPM 655'460,000.	1,047

Company	Third	Pretension	Value
EPM	Corantioquia - Regional Autonomous Corporation of the Center of Antioquia	That the annulment of Article 5 of Resolution No. 130 TH - 1302 - 9864 issued by the territorial director Tahamies of "Corantioquia" for the rate of surface water use for the period 2011, of the Rio Grande source, at a flow rate of 19.5 mts3/sec. Reinstate Empresas Públicas de Medellín E.S.P., the highest canceled value by means of the Surface Water Use Fee Decree 155 - 4742, Hydrological Unit: Magdalena River - Cauca, between January 1, 2011 and December 31, by invoice TH - 1927 of April 30, 2012. That Corantioquia be condemned to recognize and pay EPM the legal interests, current and delinquent interests that have been legally caused; payment of costs and agencies entitled to take place in accordance with the provisions of article 188 of law 1437 of 2011 and other concordant rules.	933
	Insurances Generales Suramericana S.A.	It is requested to issue a payment order against the South American Insurance Company S.A. and in favor of EPM, for the sum of \$723.669,21 23, plus interest due from September 2002.	866
	Municipality of Caloto	That the nullity of: -Resolution No. 035 of 2012, (declares unproven the exceptions proposed by EPM against the payment order and orders to proceed with the execution) and, - Resolution No. 039 of 2012, (Solves Replenishment Appeal).//2)That, as a reinstatement, the Municipality of Caloto shall reinstate to EPM any sum that, by virtue of ICA, has canceled to it, pursuant to the present claim, And that this sum be returned with commercial interests.//3)That the municipality is condemned on the costs.	703
	Multiple prosecutors	Proceedings for amounts less than \$702.	168
EPM Total			31,491
CENS	Minute Corporation of God and others	To impose in favor of CENS S.A E.S.P. the public servitude of conduction of electric power on the premises; to build the electrical infrastructure; to allow transit through the area; to remove crops and other obstacles; to build routes of a transitional nature and/or to use existing ones; prohibit the planting of trees that may hinder the exercise of servitude and the recording of the servitude sentence.	2,425
	Consortium CDE Ltda.	Get cancellation of the resources you owe in favor of CENS	1,130

Company	Third	Pretension	Value
CENS	Superintendency of Public Domestic Services	The nullity shall be declared and the refund of the liquid amount of money which was paid by CENS S.A. E.S.P. for the sanction in the form of a fine imposed by the SSPD shall be ordered.	921
	Municipality of Medellin	To declare the nullity so that any sum that may be canceled by the Special Contribution of Public Works may be reinstated in the CENS.	375
	Other civil, labor and administrative processes with a level of less than 20m	Other civil proceedings (36) with an amount of less than \$20 million.	271
	Ministry of Environment and Sustainable Development - MINENVIROMENT	The nullity is declared and ordered to THE ANLA, the refund to CENS of any sum that it will cancel by way of the sales tax for the acquisition of BT multiplex cable for the Rural Electrification Project.	227
	Ladrillera Colcucutta Gres SAS	That it is held out of counter-current responsibility for the anti-legal damage to CENS, as a result of the destabilization of the land where a medium voltage concrete pole is supported, the request is therefore to condemn the defendant to make the payment for the stabilization of the land supported by the 34.5 kV structure.	166
	Municipality of Abrego	Fees Pensionary shares and titles	25
Total CENS			5,540
Water National	Consortium Buenos Aires and others	The purpose of the claim is to obtain a declaration of contractual civil liability from the Consortium Buenos Aires and the Consortium Sanitization 17 in respect of the Contract of INTERVENTORIA, causing the damages object of indemnification specified in the claim.	3,647
	Superintendency of Public Domestic Services	The annulment of the administrative acts issued by the respondent entity containing liquidation Official Special Contribution Year 2018, by which the appeal filed by National Waters as a result of the above is resolved.	3
Total AGUNAL			3,650
Aguas de Malambo	Municipality of Malambo	A warrant of payment was released against the municipality of Malambo - Atlantico and in favor of Aguas de Malambo S.A. ESP. For the late interest of the former capital from December 31, 2012, until the obligation is canceled.	3,274

Company	Third	Pretension	Value
	Notaria Unica de Malambo et al.	To declare the nullity of the Administrative Act, by means of capitalization registration, issued by the Notaria Unica of the Municipality of Malambo - Atlantico, and as a consequence to be reintegrated with Aguas de Malambo S.A. E.S.P. And others.	155
Total Aguas de Malambo			3,429
Regional waters	Municipality of Chigorodo and others	Please issue a payment order in favor of Aguas de Uraba S.A. E.S.P and against the municipality of Chigorodo, legally represented by Dr. Daniel Segundo Alvarez, in his capacity as mayor, or by whom he does his times at the time of notification of the complaint.	2,136
	Various Prosecutors and Administrative	Various Prosecutors and Administrative	601
	Corpouraba - Corporation for the Sustainable Development of the Uraba	That the nullity of the remuneration fee corresponding to the municipality of Apartado between the period January and December of the year 2014 be declared, since this does not correspond to the reality of the charges discharged by the users of sewage of the company Aguas de Uraba S.A. E.S.P.	443
	Municipality of San Jeronimo	To impose the real right of servitude of public sewerage services on the property in the rural and urban area of the municipality of San Jeronimo.	210
Total Regional Waters			3,390
Emseveral	DIAN National Customs and Tax Authority	That the invalidity of the offices provided by the Internal Obligation Control Working Group of the Medellin Tax Division be declared, by which requests for correction of income tax returns were denied.	1,499
	Superintendency of Public Home Services - SSPD	Nullity	186
Total Emseveral			1,685
CHEC	Indeterminate	Indemnity	45
	José Alonso Arias Reyes	Imposition of servitude	37
	SSPD - Superintendency of Public Domestic Services	To declare nullity and the restoration of the right	11
	Paula Andrea Botero Diaz	Damages due to falsehood in document	7
	Bertha Elena Romero Garcia	Indemnity	5
	Cesar Augusto Ocampo Arenas	Application for old-age pension, for retirement from the company	4
CHEC Total			109
Total Contingent Assets - Litigation			49,294

- Amounts stated in millions of Colombian pesos -

Estimated payments and receipts

The estimate of the dates on which the Group believes it will be required to make payments related to the contingent liabilities or receive collections on the contingent assets included in this note to the consolidated statement of financial position at the balance sheet date is as follows:

Years	Contingent liabilities	Contingent assets
To one year	785,089	24,754
To two years	1,395,080	12,919
To three years	42,212	10,701
To four years and beyond	2,787,926	12,033
Total	5,010,307	60,407

Amounts stated in millions of Colombian pesos

Note 28.

Other liabilities

The composition of other liabilities is as follows:

Other liabilities	2022	2021
Non-current		
Collection received for third parties ⁽¹⁾	10	10
Amounts received in advance ⁽²⁾	3,431	3,661
Government grants	518,083	633,964
Assets received from customers or third parties	26,066	26,673
Other deferred loans	20,880	20,950
Transfer of assets and financial guarantees	40,874	36,528
Total other non-current liabilities	609,344	721,786
Current		
Collection received for third parties ⁽¹⁾	518,689	243,152
Amount received in advance ⁽²⁾	561,863	165,488
Government grants	119,505	119,381
Assets received from customers or third parties	23	10
Transfer of assets and financial guarantees	10,248	11,224
Total Other Current Liabilities	1,210,328	539,255
Total Other Liabilities	1,819,672	1,261,041

Amounts stated in millions of Colombian pesos -

1. Corresponds to the collection associated with the sale of long-term energy, reliability charge and compensations from the biller.
2. Corresponds mainly to collections received from public works and UdeA stamp, from the employees' fund, from the Emvarias sanitation tax, public lighting to the different municipalities of Antioquia, the commercial representation contract that EPM has with ESSA and CHEC, and the collections to be classified according to IAS 32.

28.1. Deferred reinsurance commissions

The detail of deferred reinsurance commissions, which is included in prepaid income, is as follows:

Deferred income for reinsurance commissions	2022	2021
Initial Balance	10,466	5,585
Additions	42,622	25,690
Amortization	(38,430)	(20,809)
Final Balance	14,658	10,466

Amounts stated in millions of Colombian pesos -

1. Corresponds to reinsurance commissions of the subsidiary Maxseguros and is included in other deferred income.

 [see note 28.3](#)

28.2. Government grants

The movement in government grants as of the cut-off date is as follows:

Government grants	2022	2021
Initial Balance	753,346	867,701
Granted during the period	317	2,662
Recognized in the period result ⁽¹⁾	(119,985)	(119,831)
Foreign currency conversion effect	4,131	2,915
Other changes	(221)	(101)
Final Balance	637,588	753,346
Non-current	119,505	633,964
Current	518,083	119,382
Carrying amount as of December 31	637,588	753,346

Amounts stated in millions of Colombian pesos -

1. Corresponds to the subsidies of Caribemar de la Costa S.A.S.E.S.P., received from the Government as compensatory payments for the variations in the collection indicators and energy losses, in accordance with the share purchase agreement signed by Electrificadora del Caribe S.A. E.S.P. - in liquidation (the Seller) and Empresas Públicas de Medellín E.S.P. (the Purchaser) on March 30, 2020.

The Group has received grants from the Inter-American Development Bank (IDB) for the micro and small business financing program; from

Financiera del Desarrollo (FINDETER) as a favorable rate loan for the construction of water and sewage infrastructure; from Fondo para la Reconstrucción del Eje Cafetero (FOREC) for the reconstruction of energy networks as a result of the earthquake in that region of the country.

The Group has not failed to comply with any of the conditions related to the grants.

28.3 Deferred income

The detail of deferred income as of the cut-off date was as follows:

Deferred income	2022	2021
Non-current		
Leases	30	119
Sales	264	230
Sale of energy service	3,109	3,278
Other income received in advance	28	34
Total non-current deferred income	3,431	3,661
Current		
Leases	1,110	269
Sales ⁽¹⁾	271,732	66,408
Sale of energy service ⁽²⁾	99,420	12,023
Sale of aqueduct service ⁽³⁾	85,648	27,033
Sale of sewerage service ⁽³⁾	45,826	27,499
Sale of cleaning services	677	677
Sale of gas fuel service	3,511	3,563
Other income received in advance ⁽⁴⁾	53,939	28,016
Total current deferred income	561,863	165,488
Total deferred income	565,294	169,149

Amounts stated in millions of Colombian pesos -

1. The increase is explained by higher amounts received in advance for all services rendered, mainly in long-term energy, electric energy, and regulated market energy contracts.
2. The higher value was presented in the revenues received in advance in the concept of reliability charge due to a higher value received in the sale of energy service.
3. This value is recorded annually for the Water Tariff Structure, which applies to the measurement and recognition of the revenue received in advance originated by the execution of the "Regulated Works and Investments Plan (POIR)", which is approved by the CRA and generates the obligation to execute the investments, the tariff component corresponding to this obligation should not be recognized until it is executed, since IFRS 15 establishes that an entity shall only recognize revenue when it has satisfied the required or contracted performance obligations.
4. Includes \$14,658 (2021 \$10,466) for deferred reinsurance commissions from the subsidiary Maxseguros.

Note 29.

Changes in liabilities from financing activities

The reconciliation of liabilities arising from financing activities is as follows:

Reconciliation of liabilities arising from financing activities 2022	Initial Balance	Statement of cash flows	Changes other than cash		Other changes ⁽¹⁾	Total
			Foreign currency movement	Fair value changes		
Loans and borrowings (see note 21)	25,765,792	255,296	1,757,858	-	1,711,323	29,490,269
Lease liabilities (see note 23)	726,236	(63,672)	-	-	211,582	874,146
Pensional Bonds (see note 23)	659,443	(61,475)	-	-	50,453	648,421
Hedge instruments	27,970	37,233	-	(328,087)	(199,783)	(462,667)
Dividends or surpluses paid	55,358	(2,023,436)	-	-	2,036,877	68,799
Capital subsidies	753,346	317	-	-	(116,074)	637,589
Other funding flows	-	(3,130)	-	-	3,130	-
Total liabilities for financing activities	27,988,145	(1,858,867)	1,757,858	(328,087)	3,697,508	31,256,557

Amounts stated in millions of Colombian pesos -

Reconciliation of liabilities arising from financing activities 2021	Initial Balance	Statement of cash flows	Changes other than cash		Other changes ⁽¹⁾	Total
			Foreign currency movement	Fair value changes		
Loans and borrowings (see note 21)	24,587,802	(929,080)	1,448,090	-	658,980	25,765,792
Lease liabilities (see note 23)	687,667	(76,052)	-	-	114,621	726,232
Pensional Bonds (see note 23)	670,586	(47,249)	-	-	36,106	659,443
Hedge instruments	356,747	22,985	-	(364,485)	12,723	27,970
Dividends or surpluses paid	45,675	(1,449,655)	-	-	1,459,338	55,358
Capital subsidies	867,701	2,662	-	-	(117,017)	753,346
Other funding flows	-	14,104	-	-	(14,104)	-
Total liabilities for financing activities	27,216,178	(2,462,285)	1,448,090	(364,485)	2,150,647	27,988,145

1. Includes interest paid during the year of \$1,885,286 (2021: \$1,501,384), which by company policy is classified as operating activities in the statement of cash flows; accrued interest \$2,467,617 (2021: \$1,644,474); translation effect \$1,153,055 (2021: \$392,589); accrual of dividends and surplus \$2,036,877 (2021: \$1,459,338) and Other \$(73,563) (2021: \$155,630).

Note 30.

Deferred regulatory accounts

The balance of deferred regulatory accounts at the date of presentation of the consolidated financial statements corresponds to the local regulatory framework applicable to the subsidiary Elektra Noreste S.A. - ENSA, established by the National Authority of Public Services of Panama (ASEP). This entity oversees regulating and establishing the rates that the Company bills to its customers. The Company maintains its accounting records in accordance with the uniform system of accounts established by ASEP for electric utilities.

The regulated system under which the Company operates allows any excess or deficiency between the estimated cost of energy considered in the tariff and the actual cost incurred by the Company to be included as a compensatory adjustment, to be recovered from (or refunded to) customers, at the next tariff revision. Any excess in the cost of energy charged to customers is accrued as a deferred regulatory account credit balance in the Group's consolidated statement of financial position and carries a reduction in the next tariff review to be applied to customers. Likewise, any deficit in the cost of energy charged to customers is accrued as a debit balance in deferred regulatory accounts in the Group's consolidated statement of financial position and leads to an increase in the next tariff review to be recovered from customers.

Deferred regulatory accounts with a debit balance represent probable future revenues associated with certain costs expected to be recovered from customers through the tariff process. Deferred regulatory accounts with a loan balance represent probable reductions in future revenues associated with amounts expected to be credited to customers through the rate process.

The movement in regulatory accounts is as follows:



Deferred regulatory accounts	Asset	
	2022	2021
Initial Balance	136,282	767
Result for the period	(97,743)	126,824
Foreign currency conversion effect	17,576	8,691
Final Balance	56,115	136,282

Amounts stated in millions of Colombian pesos -

Balances associated with regulatory accounts deferred in accordance with the regulation must be recovered or repaid within the following two semesters.

The movement in deferred taxes associated with regulatory accounts is as follows:

Deferred regulatory accounts	Liability	
	2022	2021
Initial Balance	(40,884)	(230)
Additions	-	(121)
Other changes	(1,048)	24
Result for the period	30,625	(38,391)
Foreign currency conversion effect	(5,527)	(2,166)
Final Balance	(16,834)	(40,884)

Amounts stated in millions of Colombian pesos -

Cash flows used/generated by regulatory accounts amounted to \$(67,118) (2021: \$88,434), which, by Group policy, are classified as operating activities in the statement of cash flows.

Note 31.

Ordinary activities revenue

For presentation purposes, the Group disaggregates its revenues from the services it provides according to the lines of business in which it participates and the manner in which management analyzes them. The detail of revenues from ordinary activities is as follows:

Ordinary activities revenue	2022	2021
Rendering of services		
Energy distribution service ⁽¹⁾	22,153,223	17,018,435
Energy generation Service	6,368,408	5,517,429
Energy transmission service	469,994	384,968
Energy intersegment eliminations	(2,007,900)	(2,010,599)
Gas fuel service	1,219,000	1,012,643
Sanitation service ⁽²⁾	923,597	753,993
Aqueduct service	1,709,254	1,487,880
Cleaning service	279,605	260,307
Insurance and reinsurance services ⁽³⁾	51,274	36,346
Financing services ⁽⁴⁾	73,821	51,153
Computer services	1,204	1,115
Contracts with customers for the construction of assets ⁽⁵⁾	199,132	76,727
Fees	10,653	7,671
Commissions	22,735	19,228
Billing and collection services	41,600	36,537
Financing component ⁽⁶⁾	395,055	156,488
Other services	378,808	306,958
Returns	(764,909)	(468,178)
Total rendering of service	31,524,554	24,649,101
Sale of goods	55,457	74,594
Leases	148,397	107,952
Total	31,728,408	24,831,647

Amounts stated in millions of Colombian pesos

1. The increase for distribution service is mainly due to: i) the recognition of the tariff option in the national energy subsidiaries in accordance with CREG resolutions 102 and 058 of 2020 in the amount of \$1,244,883, as follows: Afinia \$751,908, EPM \$282,292, CENS \$87,082, CHEC \$56,716, ESSA \$44,619 and EDEQ \$22,266; in the international subsidiaries: (ii) the subsidiary ENSA (a) higher commercial demand and large customers, (b) higher average price of the generation charge transferred to customers, (c) higher energy transferred from customers who purchase energy from the generator and pay the Distribution Added Value to the operator, (d) growth in customers in the residential sector; (iii) the DECA Group due to (a) the net effect of customer growth, (b) higher units sold and (c) increase in the average sales price.
2. The increase in the water and sanitation service was mainly due to: a) EPM, due to the tariff integration of the regional market, more customers and the activation of reconnection charges; b) ADASA, mainly due to the increase in consumption in the regulated market, due to the increase in users, consumption and discharges, particularly water supply; in addition, the non-regulated market increased its income due to the better distribution of flows and higher tariffs due to inflation and the Unidad de Fomento.
3. The increase was explained in the subsidiary Maxseguros for \$14,929 as a result of the increase in premiums reflecting the loss ratio of the EPM Group in recent years and the changes in the insurable values.
4. The increase was explained in the Social Financing Program, given the growth in the portfolio and the higher financings made to the users assigned to the program, as follows: EPM \$18,936, CHEC \$1,785, EDEQ \$887, ESSA \$870, CENS \$3.
5. The increase was mainly explained in the subsidiaries of a) CENS for \$40,415 due to the growth in the FAER 2019, FAZNI 2020 contracts and the second stage of the Ecopetrol contract; b) TICSAs for \$86,168 a) in the construction business there is a higher amount of projects in execution and new projects closed during the year, b) the Tuxtla and Tampico plants have been operating since October 2021.
6. The increase was explained in the valuation at amortized cost of the financing of public utilities due to the increase in the market reference rate for the collection of interest and additionally due to the financing component of the tariff option, mainly in the subsidiaries EPM \$125,112, Afinia \$99,014 and CHEC \$7,475 and in the national subsidiaries of Aguas, contributing Aguas Regionales with \$2,084 and Aguas de Malambo with \$1,003.

In the Group, performance commitments are met and measured on a cyclical basis as the Group is mainly engaged in the rendering of public services (regulated and non-regulated market, long-term contracts and secondary market) and the provision of services related to public services to other agents in the sector (reliability charge, firm energy, AGC). These utilities are delivered to the user on an ongoing basis, plus consumption is measured and revenue is recognized on a periodic basis, typically monthly.

The Group recognized the following amounts in the period, for contracts effective as of the cut-off date:

Construction contracts

The method applied to determine the stage of completion of construction contracts is the recourse method.

The Group recognized the following amounts in the period, for the contracts in force at the cut-off date described in the preceding paragraph.

2022	Contract asset balance at the beginning of the period	Contract asset balance at the end of the period	Liability balance at the beginning of the period	Liability balance at the end of the period	Income recognized during the period corresponding to the prior period liability	Outstanding value of performance obligations that are not met Prior year
Contract 1 - FAER Contract GGC-105	-	-	1	1	1	1
Contract 2 - Fundescat Agreement	-	-	-	-	-	-
Contract 3 - Ecopetrol Agreement	-	-	1,895	1,848	29	1,848
Contract 4 - Government Contract	-	-	134	134	23	134
Contract 6 - FAER Administration Fee GGC 105 and 313 - Construction contracts	-	-	4	4	-	4
Contract 7 - FAER Contracts 2019 Third Party Resources	614	-	30,041	8,052	333	8,052
Contract 8 - FAZNI Contract 2020	-	96	2,296	48	764	48
Contract 9 - OHL Arrangement	52	50	-	-	47	-
Contract 10 - FAER 2019- Administration	782	1,613	-	-	782	-
Construction contracts - TICSa	-	-	32,644	66,386	-	-
Construction contracts - agreements	879	476	940	281	-	-
Contract- Line construction contracts	-	2,869	-	8,211	5,582	-
Construction contracts - ADASA	-	163,341	-	36,665	-	-
Total	2,327	168,446	67,954	121,629	7,560	10,087

Amounts stated in millions of Colombian pesos

2021	Contract asset balance at the beginning of the period	Contract asset balance at the end of the period	Liability balance at the beginning of the period	Liability balance at the end of the period	Income recognized during the period corresponding to the prior period liability	Outstanding value of performance obligations that are not met Prior year
Contract 1 - FAER Contract GGC-105	-	-	1	1	52	1
Contract 2 - Fundescat Agreement	-	-	-	-	31	-
Contract 3 - Ecopetrol Agreement	-	-	1,934	1,895	197	1,895
Contract 4 - Government Contract	-	-	156	134	12	134
Contract 6 - FAER Administration Fee GGC 105 and 313 - Construction contracts	-	-	4	4	90	4
Contract 7 - FAER Contracts 2019 Third Party Resources	96	614	30,417	30,041	81	30,040
Contract 8 - FAZNI Contract 2020	-	-	2,536	2,296	-	2,296
Contract 9 - OHL Arrangement	-	52	-	-	153	-
Contract 10- FAER 2019- Administration	-	782	-	-	-	-
Construction contracts - TICSa	-	-	596	32,644	-	-
Construction contracts - agreements	502	879	1,546	940	-	-
Total	598	2,327	37,190	67,954	616	34,370

Amounts stated in millions of Colombian pesos

Other contracts with customers

2022	Contract asset balance at the beginning of the period	Contract asset balance at the end of the period	Liability balance at the beginning of the period	Liability balance at the end of the period	Income recognized during the period corresponding to the liability of the prior period.
Uniform terms contract for regulated services ⁽¹⁾	1,815,300	3,057,619	51,945	135,544	1,474
Unregulated market -MNR or large customers ⁽²⁾	206,245	143,709	22,357	95,275	7,241
XM representation contract (3)	8,011	59,068	-	-	-
Other contracts with customers	-	-	166	11,419	402
Total	2,029,556	3,260,397	74,468	242,239	9,117

Amounts stated in millions of Colombian pesos

2021	Contract asset balance at the beginning of the period	Contract asset balance at the end of the period	Liability balance at the beginning of the period	Liability balance at the end of the period	Income recognized during the period corresponding to the prior period liability
Uniform terms contract for regulated services ⁽¹⁾	1,006,896	1,815,300	15,496	51,945	7,180
Unregulated market - MNR or large customers ⁽²⁾	219,241	206,245	13,422	22,357	12,749
XM representation contract	13,097	8,011	-	-	-
Other contracts with customers	-	-	1,019	166	1,019
Total	1,239,234	2,029,556	29,937	74,468	20,948

1. The purpose of this contract is to define the uniform conditions through which the companies of the EPM Group provide residential public services in exchange for a price in money, which will be set according to the rates in force and in accordance with the use given to the service by the users, subscribers or owners of real estate, hereinafter the user, who upon benefiting from the services provided by the companies, accepts and adheres to all the provisions herein defined.

The increase in assets in the uniform conditions contracts for the energy service was explained in the distribution segment by the recognition of the tariff option for an amount of \$1,244,883 in EPM and in the national energy subsidiaries.

The increase in liabilities in the uniform conditions contracts for the service of Water Provision and Solid Waste Management corresponds mainly to the provision of the Regulated Works and Investments Plan (POIR) as established by the Drinking Water and Basic Sanitation Regulatory Commission in resolution CRA 688 of 2014, for which, an income received in advance.
2. Resolution 131 of December 23, 1998 of the Energy and Gas Regulation Commission (CREG) establishes the energy and power supply conditions for large consumers and indicates in Article 2 the power or energy limits for a user to be able to contract the supply of energy in the competitive market; the mentioned resolution allows the execution of contracts with large consumers to establish by mutual agreement the energy and power supply prices; the purpose of the contract is to supply energy and electric power to the consumer, as a non-regulated user, to meet its own demand.
3. Another important contract is the XM representation contract, which manages the Colombian Wholesale Energy Market, attending the commercial transactions of the market agents.

The Group expects to recognize the revenue corresponding to the performance obligations that are not satisfied during the next accounting period, since most of them correspond to the uniform condition contracts corresponding to residential public services.

Note 32.

Other income

The detail of other income is as follows:

Other income	2022	2021
Recoveries ⁽¹⁾ ⁽⁴⁾	200,792	181,218
Government grants ⁽⁵⁾	119,985	119,831
Indemnities ⁽²⁾ ⁽⁴⁾	61,587	1,999
Other ordinary income ⁽³⁾ ⁽⁴⁾	57,883	31,378
Valuation of investment properties ⁽⁶⁾	20,753	15,001
Utilization ⁽⁴⁾	20,498	19,107
Excesses ⁽⁴⁾	5,626	4,367
sheet sales ⁽⁴⁾	694	2,578
Past service cost of defined benefit plan	473	-
Reversal of impairment loss on right-of-use assets ⁽⁷⁾	117	-
Photocopies	1	2
Reversal of impairment loss of property, plant, and equipment ⁽⁷⁾	-	47,949
Reversal of impairment loss of intangible assets ⁽⁷⁾	-	20
Total	488,409	423,450

Amounts stated in millions of Colombian pesos

1. The variation was mainly explained in i) Afinia for \$11,927 product of recoveries from prior years, disabilities, financial expenses and on the other hand ii) EPM for \$10,458 explained by the combined effect of the decrease in the effective recoveries of costs and expenses for \$10,696 and increase in the non-effective recoveries for \$21,153: a) contingent consideration of Espiritu Santo and Emvarias for \$22,550, b) high cost illnesses for \$10,442, c) environmental and social provision of the Ituango hydroelectric plant for \$2,831, d) updating of provisions: tax litigation for \$4,748, offset by a decrease in administrative litigation for \$27,065 and labor litigation for \$2,089; e) increase in employer's policy for \$1,801 and f) increase in other miscellaneous recoveries for \$7,182.

The amount of effective recoveries in the Group amounted to \$83,150 (2021: \$82,737) and the non-effective \$117,643 (2021: \$98,481), disclosed in the statement of cash flows.

2. Variation originated mainly in the subsidiaries of: i) EPM for indemnities received from the insurance companies for consequential damages and loss of profits for the losses occurred in the Playas power plant for \$26,592 and the Termosierra power plant for \$24,122; ii) subsidiary ESSA for loss in the transformer SE Real de Minas y Otros for \$1,097; iii) Aguas Nacionales for claim to Seguros Suramericana for damages in the fines grids of the treatment plant PTAR Aguas Claras de Bello for \$1,293.

3. The variation was mainly explained by the subsidiaries of i) Grupo TICSa for \$13,830 for trust deposits and adjustments in shareholder liabilities; ii) Adasa for \$8,199 due to the readjustment charge to MANTOS COPPER S.A. due to an increase in the marginal cost of 45 KW/H (National Energy Commission) for a total of \$1,208,819 for the year; iii) Ensa \$3,701; iv) EPM \$1,414, offset by a decrease in national energy subsidiaries for \$1,580.

4. Amounts disclosed as effective income that correspond to inflows of money

5. Disclosed in the applied government subventions of the statement of cash flows.

6. Disclosed in result due to valuation of investment property in the statement of cash flows.

7. Disclosed in the reversal of impairment loss on property, plant and equipment, right-of-use assets and intangible assets in the statement of cash flows.

Note 33.

Profit on sale of assets

The detail of the profit on sale of assets is as follows:

Income from sale of assets	2022	2021
Profit on disposal of properties, plant, and equipment ^{(1) (2)}	5,515	1,343
Profit on derecognition of rights-of-use ⁽³⁾	67	486
Profit on disposal of investment properties ⁽²⁾	70	3
Total	5,652	1,832

-Amounts stated in millions of Colombian pesos-

1. The increase was mainly explained by i) Grupo DECA for \$2,766 as a result due to disposal of a 14,892.17 square meter land that TRELEC sold to IDEAMSA; ii) EPM for \$576 as a result due to disposals of vehicles for \$400 and the sale of the Honda substation, cross gas plant and Porce substation for \$176.
2. The gain on sale of property, plant, and equipment of \$5,515 (2021: \$1,343) and the gain on sale of investment properties of \$70 (2021: \$3) are non-cash and are disclosed as part of the result due to disposal of property, plant and equipment, rights-of-use, intangibles and investment property in the statement of cash flows.
3. The gain on derecognition of rights-of-use of \$67 (2021: \$486) is non-cash and is disclosed as part of the result due to disposals of property, plant and equipment, right-of-use assets, intangible assets, and investment property in the statement of cash flows.

Note 34.

Costs of services rendered

The detail of the costs for services rendered is as follows:

Costs for services rendered	2022	2021
Bulk purchases ⁽¹⁾	5,645,044	4,960,462
Stock exchange purchases ⁽²⁾	5,333,171	3,687,937
Use of lines, networks, and duct ⁽³⁾	2,433,359	2,087,481
Personal services ⁽⁴⁾	1,197,373	1,067,137
Orders and contracts for other services ⁽⁵⁾	1,127,718	840,131
Depreciation ⁽¹³⁾	1,057,828	941,451
Cost of distribution and/or commercialization of natural gas ⁽⁶⁾	767,620	600,585
Maintenance and repair orders and contracts	649,746	602,645
Commercial and financial management of the service ⁽⁷⁾	321,373	249,694
Licenses, contributions, and royalties	270,915	247,146
Materials and other operating costs ⁽⁸⁾	258,038	209,676
Amortization ⁽¹³⁾	220,854	191,547
Generals ⁽⁹⁾	218,110	157,304
Consumption of direct inputs ⁽¹⁰⁾	190,490	140,539
Fees	174,734	150,145
Insurance ⁽¹¹⁾	159,408	124,227
Other ⁽¹²⁾	138,361	86,506
Taxes and fees	115,515	95,576
Connection cost	93,357	80,272
Amortization of rights-of-use ⁽¹³⁾	62,979	60,297
Impairment of intangible assets ^{(13) (14)}	47,298	50
Impairment of Property, Plant and Equipment ^{(13) (14)}	41,349	9,953
Public services	40,703	32,965
Leases	35,274	26,352
Commercialized goods	31,101	43,355
Costs associated with transactions in the wholesale market	18,085	13,748
Depletion ⁽¹³⁾	16,679	13,205
Liquefied natural gas	15,506	11,342
cost of losses in the provision of the aqueduct service	3,929	5,050
Write-down of inventory ^{(13) (15)}	895	2,837
Gas compression	649	46
Total cost for services rendered	20,687,461	16,739,661

Amounts stated in millions of Colombian pesos

1. Variation explained by the combined effect of the increase in: Afinia for \$361,333, DECA for \$322,762, CENS for \$35,311 and ESSA for \$2,944 due to higher units acquired at a higher average purchase rate; offset by the decrease in subsidiaries: EPM for \$131,417, CHEC for \$25,500 and EDEQ for \$10,274.
2. Increase explained by increased energy purchases at higher prices in the following subsidiaries: DECA for \$572,382, ENSA for \$493,221, EPM for \$276,937, Afinia for \$99,141, ESSA for \$75,026, CHEC for \$55,073, CENS for \$39,163 and EDEQ for \$21,348.
3. Increase explained by the national energy subsidiaries due to higher network costs, mainly in generation and distribution due to the fact that, in the STR, the charge presented increase due to the approval of income of some agents according to the methodology of CREG resolution 015 of 2018 and due to the increase of the PPI: EPM \$168,693, Afinia \$105,500, DECA \$44,826, ESSA \$24,166, CENS \$21,521, CHEC \$12,180 and EDEQ \$6,030, offset by the decrease in costs in the subsidiary ENSA for \$27,309.
4. The increase was explained by the salary increase which was impacted by the CPI, the subsidiaries that contributed the most were: EPM with \$43,111, EPM Mexico \$14,984, ESSA \$13,151, CENS \$11,324, CHEC \$10,823 and Afinia \$9,010.

5. Increase explained by i) Construction contracts: TICSa for \$69,029 explained by the increase in project execution and CENS for \$41,493 due to the execution of the FAER 2019 and FAZNI 2020 contracts during 2022, ii) Other contracts: Ticsa \$40,752, ENSA \$17,930, Afinia \$16,267 due to higher collection operations, and EPM \$9,100 and iii) due to higher costs of installation, de-installation, meter reading, cleaning and surveillance and security services mainly in EPM for \$28,657.
6. The increase was explained in EPM by the higher cost of gas supply and transportation impacted by a higher price due to the behavior of the TRM and higher quantities executed.
7. The increase was explained in Afinia \$64,537 and EPM \$5,782.
8. Increase in environmental management costs, elements and accessories for rendering of public services and other elements and materials mainly in EPM.
9. Increase mainly explained in Maxseguros \$35,984 associated with the reserve for claims incurred and not reported (IBNR), and in EPM \$14,397 due to an increase in costs related to studies and projects, advertising, improvements in other people's property, transportation, industrial safety and cleaning and cafeteria elements.
10. Increase explained by higher chemical inputs in Aguas de Antofagasta \$34,214 and EPM for \$6,497.
11. This item increased mainly in EPM due to costs related to all risk insurance \$28,515, compliance insurance \$974 and civil and extracontractual liability insurance \$896.
12. Increase due to the combined effect of i) EPM higher costs of goods and services in the generation and gas segments for an amount of \$47,620 and ii) DECA for an amount of \$4,304.
13. Corresponds to non-cash costs.
14. Disclosed as part of the impairment of property, plant and equipment, right-of-use assets and intangible assets in the statement of cash flows.
15. Disclosed in the net write-down of inventories in the statement of cash flows.

Note 35.

Administrative expenses

The detail of administrative expenses is as follows:

Administrative expenses	2022	2021
Employee Benefit Expenses		
Wages and salaries ⁽¹⁾	646,486	543,014
Social security expenses ⁽²⁾	156,061	153,018
Pension expenses ^{(8) (9)}	54,395	48,039
Interest rate benefits to employees	11,625	9,572
Other post-employment benefit plans different of pensions ^{(8) (9)}	5,811	6,650
Other long-term benefits	7,516	5,100
Termination benefits ⁽⁹⁾	3,429	3,032
Total employee expenses	885,323	768,425
General expenses		
Taxes, contributions and fees ⁽³⁾	327,243	270,905
Commissions, fees and services	164,427	152,231
Provision for contingencies ^{(4) (9)}	115,934	338,031
Maintenance	93,890	78,246
Provision for guarantees ^{(5) (9) (10)}	91,859	39,230
Intangible assets	88,260	82,137
Depreciation of property, plant and equipment ⁽⁸⁾	72,831	76,109
Amortization of intangible assets ⁽⁹⁾	64,069	46,804
Other General expenses	58,761	27,618
General insurance	51,235	53,475
Other provisions ^{(7) (8) (9)}	44,642	10,113
Surveillance and security	35,556	30,898

Amortization of rights-of-use assets ⁽⁸⁾	29,643	24,274
Christmas lighting	27,980	16,249
Advertising and publicity	23,549	25,471
Promotion and dissemination	18,414	10,322
Public services	17,077	12,752
Cleaning, coffee shop, restaurant and laundry services	14,163	10,741
Licenses and safe-conducts	13,889	10,379
Studies and projects ⁽⁷⁾	13,338	6,790
Communication and transportation	10,530	8,274
Fuels and lubricants	8,369	3,663
Legal expenses	7,857	7,411
Leases	7,355	5,680
Printed matter, publications, subscriptions and affiliations	6,963	6,168
Apprenticeship contracts	6,501	5,207
Materials and supplies	6,071	4,992
Information processing	4,822	3,791
Travel and travel expenses	4,049	1,564
Organization of events	3,149	1,875
Administration contracts	2,488	4,213
Cultural events	2,424	1,373
Photocopies	2,271	1,762
Repairs	1,994	1,070
Industrial safety	1,134	1,419
EAS technical reserve (6) (8) (9)	752	4,843
Provision for dismantling, removal or rehabilitation ^{(8) (9)}	750	51,023
Provision insurance and reinsurance	511	12,156
Total general expenses	1,444,750	1,449,259
Total	2,330,073	2,217,684

Amounts stated in millions of Colombian pesos

1. The increase was explained by the salary increase which was impacted by the CPI, being the subsidiaries that contribute the most EPM with \$30,355, Deca \$24,733, Ticsa \$17,260, ENSA \$17,260, and Afinia with \$5,608.
2. The variation was due to salary increases, mainly in EPM.
3. Increase explained by i) industry and commerce tax in EPM \$18,578, Afina \$15,964 and ESSA \$3,823, due to higher revenue from the rendering of services and ii) tax on financial movements in EPM \$5,702 and Afina \$2,920.
4. Decrease mainly explained in EPM by the adjudgment of administrative litigation provisions in December 2021 including the Group's actions against EPM and Hidroeléctrica Ituango.
5. Increase explained by EPM to the update of the provision of guarantees to the transporter Intercolombia for the months after the start of operation of the connection infrastructure of the Ituango hydroelectric plant.
6. Decrease due to updating the provision of the technical reserve of the EPM Medical Service Unit.
7. The variation corresponds to the increase in i) EPM for \$16,362 for high cost illnesses of the EAS due to the increase in the treatments of this type of illnesses; environmental provision and contingency attention of the Ituango hydroelectric power plant; ii) ADASA for \$11,021 as a result of the update resulting from a better estimate of the working capital closing provision, which consists of the return of the working capital existing at the end of the term of the concession of the Sanitary Concession Transfer Contract, signed between the company and Econssa Chile S. A. A. and iii) Aguas Regionales \$6,036 since Corpouraba generated a sanctioning resolution for the non-construction and entry into operation of the Apartadó WWTP.
8. Corresponds to non-cash expenses, which have no impact on changes in cash and cash equivalents.
9. Disclosed under provisions, post-employment, and long-term defined benefit plans in the statement of cash flows.

Note 36.

Other expenses

The detail of other expenses is as follows:

Other expenses	2022	2021
Loss on disposals of property, plant and equipment ^{(1) (7) (9)}	51,537	30,601
Other ordinary expenses ⁽²⁾	34,174	25,624
Effective interest financing services ⁽³⁾	29,705	96,284
Contributions in non-corporate entities ⁽⁴⁾	15,679	15,055
Arbitral awards and extrajudicial conciliations ⁽⁵⁾	3,562	2,263
Loss on disposal of inventories ^{(7) (8)}	1,128	81
Donations	808	417
Loss on sale of property, plant and equipment ⁽⁷⁾	501	513
Sentencing	483	155
Loss due to changes in fair value of investment properties ⁽⁶⁾	370	15,143
Loss on disposal of intangible assets ^{(7) (9)}	316	130
Taxes assumed	168	-
Loss on derecognition of rights-of-use ^{(7) (9)}	80	6
Total	138,511	186,272

Amounts stated in millions of Colombian pesos

1. Increase explained by the subsidiary ENSA mainly because of the deregistration of meters due to the meter replacement program due to being defective, damaged and with inferior technology, as well as defective transformers, system change, change due to increased loads and damaged.
2. The variation is mainly due to Afinia for \$11,971.
3. The decrease is explained by the subsidiary Afinia in \$67,084 and corresponds to the valuation of the amortized cost of the financing already invoiced for public energy services.
4. The increase corresponds in EPM to the contributions made to the EPM foundation.
5. The increase corresponds mainly to EPM for \$1,086.
6. The decrease was explained in EPM because the fair value of some investment properties showed a recovery with respect to the previous year.
7. Corresponds to non-cash expenses.
8. Disclosed in the net write-down of inventories in the statement of cash flows.
9. Disclosed in the result due to disposal of property, plant and equipment, right-of-use assets, intangible assets, and investment properties in the statement of cash flows.

Note 37.

Finance income and expenses

37.1. Finance income

The detail of finance income is as follows:

Financial income	2022	2021
Interest Income:		
Bank deposits ⁽¹⁾⁽⁶⁾	121,835	39,395
Gain from valuation of financial instruments at fair value ⁽²⁾⁽⁷⁾	86,315	15,444
Interest on trade receivables and default interest ⁽⁶⁾	71,617	55,472
Other finance income ⁽³⁾⁽⁶⁾	48,541	14,972
Restricted funds ⁽⁴⁾⁽⁶⁾	37,122	1,408
Gain on trust rights ⁽⁷⁾	16,690	15,447
Financial assets at amortized cost ⁽⁶⁾	13,706	10,886
Gain from valuation of financial instruments at amortized cost ^{(5) (7)}	1,282	63
Resources received in administration ⁽⁶⁾	403	96
Finance Lease ⁽⁶⁾	337	-
Gain on monetary readjustment ⁽⁶⁾	55	3
Total financial income	397,903	153,186

Amounts stated in millions of Colombian pesos

1. The variation was mainly due to the increase in bank deposits of i) Grupo Chile \$20,536, ii) EPM for \$17,683, iii) Afinia for \$16,893 and iv) national energy subsidiaries for \$13,469.
2. Increase originated in investments in debt securities, mainly in the subsidiaries of i) EPM for \$58,996, ii) Aguas Nacionales for \$8,071, iii) national energy subsidiaries for \$1,959 and iv) Emvarias for \$1,576.
3. Increase explained by the combined effect mainly in the subsidiaries of i) Adasa for \$15,413 due to higher financial placements and lower commission expenses, ii) Afinia for \$11,672 due to discounts received for early payment and yields on funds and trusts, iii) Maxseguros for \$8,844 due to income originated in the profits of insurance technical reserves; iv) decrease in TICSa for \$4,384.
4. Increase mainly explained in EPM for \$33,163 because of the money received from the insurance company for the Ituango hydroelectric power plant contingency.
5. Increase originated in DECA Group for \$1,176 due to accrued interest on fixed-term investments.
6. It is disclosed in the item income from interest and returns of the statement of cash flows
7. Disclosed in the result for valuation of financial instruments and hedge accounting in the statement of cash flows.

37.2. Finance expense

The detail of finance expense is as follows:

Finance expense	2022	2021
Interest on bank overdrafts and borrowings		
Interest expense:		
Interest on lease obligations ⁽⁶⁾	63,280	59,044
Other interest expense ^{(1) (6)}	26,584	31,051
Total interest	89,864	90,095
Long-term external financing operations ⁽⁶⁾	854,249	695,467
Long-term internal financing operations ^{(2) (6)}	639,523	245,582
Financial instruments for hedging purposes ^{(3) (6)}	327,762	90,316
Short-term internal financing operations ^{(4) (6)}	105,572	50,209
Short-term external financing operations ^{(5) (6)}	41,445	17,012
Total interest expense on other financial liabilities that are not measured at fair value through profit or loss ⁽⁶⁾	1,166	708
Other financial expenses:		
Interest on financial liabilities and valuation losses on investments and other assets ⁽⁷⁾	215,351	231,801
Commissions different of amounts included in determining the effective interest rate ⁽⁶⁾	9,950	9,655
Total finance expenses	2,284,882	1,430,845

- Amounts in millions of Colombian pesos -

1. The variation was mainly explained by the combined effect of: i) a decrease in ADASAC of \$22,695, ii) an increase in Grupo DECA of \$16,378 as a result of the interest generated by the guarantee deposits made by users for the provision of distribution services.
2. Increase mainly originated by: higher long-term indebtedness in the subsidiaries of: i) ADASA for \$213,318 originated by the significant growth of inflation (12.8% as of December), affecting considerably the financial debt of the subsidiary since the financial liabilities are expressed in Unidades de Fomento-UF-, ii) EPM for \$61,685, iii) ESSA for \$40,484, iv) Grupo DECA for \$12,551, v) Grupo TICSa for \$9,865, vi) Hidroecológica del Teribe S.A. for \$7,051.
3. Increase mainly in EPM for \$238,863 in the number of financial hedges contracted.
4. Increase mainly explained in i) Chile Group for \$30,855 due to the transfer from long-term to short-term of the portion of financial obligations of A-1 and A-2 bonds, the restatement of Unidades de Fomento (UF) and the new indebtedness generated by the re-profiling of the debt, ii) DECA Group with \$18,729, iii) domestic energy subsidiaries for \$9,233 and iv) offset by a decrease in ENSA for \$3,701.
5. Increase originated by the combined effect of short-term external indebtedness mainly in the subsidiaries of i) increase in EPM for \$36,204, ii) Afinia for \$3,759 and iii) decrease in ENSA for \$15,530.
6. Disclosed in interest expense and commissions in the statement of cash flows.
7. For purposes of presentation in the statement of cash flows: \$129,647 (2021: \$209,590) are disclosed under the result for valuation of financial instruments and hedge accounting and \$85,712 (2021: \$22,211) are disclosed under provisions for tax liabilities, insurance and reinsurance and financial update.

Note 38.

Net foreign exchange
difference

The effect on foreign currency transactions is as follows:

Net foreign exchange difference	2022	2021
Income from exchange difference		
Own position		
For goods and services and others	24,110	12,221
For liquidity	334,775	379,137
Trade receivables	293,527	210,610
Provisions	-	353
Other adjustments from exchange difference	12,098	228
Financing operation		
Gross income	10,498	84,877
Hedge debt ⁽¹⁾	1,311,409	925,577
Total income from exchange difference	1,986,417	1,613,003
Expenses by exchange difference		
Own position		
For goods and services and others	(76,529)	(50,500)
For liquidity	(158,048)	(113,036)
Trade receivable	(62,872)	(112,806)
Provisions	(28,399)	(21,920)
Other adjustments from exchange difference	(262)	20,098
Financing operation		
Gross expense	(1,763,393)	(1,355,761)
Hedge debt	-	-
Total expenses from exchange difference	(2,089,503)	(1,633,925)
Net foreign exchange difference	(103,086)	(20,922)

Amounts stated in millions of Colombian pesos -

The net accumulated expense for exchange difference amounts to \$103,086, the main income corresponds to the hedging of the debt in dollars for \$1,311,409 and the expense for debt restatement of \$1,763,393, associated with the accumulated devaluation of the Colombian peso during the period, which to date amounts to 20.82% (2021: Devaluation of 15.98%).

The rates used for foreign currency translation in the consolidated financial statements are as follows:

Currency	Currency Code	Direct conversion to USD		Closing exchange rate		Average exchange rate	
		2022	2021	2022	2021	2022	2021
United States Dollar	USD	-	-	4,810.20	3,981.16	4,788.49	3,963.13
Quetzal	GTQ	7.85	7.72	612.59	515.75	608.60	512.94
Mexican Peso	MXP	19.49	20.46	246.84	194.54	244.21	189.58
Chilean Peso	CLP	851.95	852.00	5.65	4.67	5.48	4.67

Note 39.

Share of result of equity investments

The effect of the share in equity investments is as follows:

Share of result of equity investments	2022	2021
Dividends and participations ⁽¹⁾	77,059	134,089
Result on a business combination - (See note 10)	-	(10,039)
Result on sale of equity investments, net	83	-
Impairment of investments in subsidiaries, associates and joint ventures - (See note 8)	(6,420)	-
Total share of result of equity investments	70,722	124,050

Amounts stated in millions of Colombian pesos -

1. Includes dividends from investments classified as financial [see note 13. Other financial assets.](#)

Note 40.

Income tax

40.1. fiscal provisions

The applicable and current tax provisions establish the following:

- The nominal income tax rate is 31% for EPM and its subsidiaries in Colombia. Fiscal income from occasional profits tax is taxed at a rate of 10%.
- For subsidiaries in Guatemala, the tax is determined by the Regime on Profits from Lucrative Activities, which consists of applying the tax rate on taxable income determined from the accounting profit. From the period 2015 onwards, the income tax rate is 25%. The tax is paid through quarterly payments due with a settlement as of December 31; or by the Simplified Optional Regime on Income from Lucrative Activities consisting of applying the tax rate on monthly taxed income. From the 2014 period onwards, the tax rate is 5% on the first Q.30,000 (in non-rounded amounts) and 7% on the excess. The tax is paid through withholdings or, failing that, through direct payment to the Tax Administration, with the proper authorization from the treasury; Additionally, the Income Tax regulations establish a 5% tax on the distribution of dividends and profits to both resident and non-resident shareholders.
- Likewise, the tax legislation contemplates a Regime on Capital Income, Capital Gains and Losses which establishes a rate of 10% for income from movable and real estate capital, as well as for net capital gains.
- For subsidiaries in El Salvador, 30% for companies with taxable income greater than US\$150,000 and 25% for those that do not exceed the limit; for subsidiaries in Mexico a tax rate of 30% and for subsidiaries in Chile the nominal rate is 27% for 2018 and subsequent periods. Panama subsidiaries have a general rate of 25% and for companies in which the State has a shareholding of more than 40%, a rate of 30%.

- Residential public utility companies in Colombia are excluded from determining income tax by the presumptive income system calculated from the net fiscal equity of the immediately preceding year.
- On June 11, 2008, EPM and the Nation (through the Ministry of Mines and Energy) signed a legal stability contract for the Power Generation activity for a period of 20 years. Among the stabilized tax regulations, the following stand out: ordinary income tax rate (33%), wealth tax, presumptive income, fiscal cost of fixed assets, deduction for depreciation, special deduction of 40% for investments in real productive fixed assets.
- Special treatments are considered those granted by the Regime of Colombian Holding Companies (CHC), a special tax regime for national companies that have as one of their activities the holding of securities, investment or holding of shares or participations in companies or entities. Colombian or from abroad.

40.2. Reconciliation of the effective rate

The reconciliation between the applicable tax rate and the effective rate and the composition of the income tax expense for the periods 2021 and 2020 is as follows:

Income and complementary taxes	2022	%	2021	%
Profit before taxes	5,803,410		4,267,840	
Nominal income rate		35%		31%
Income tax nominal rate	2,031,194		1,323,030	
Effects of changes in tax rates	91,729	2%	211,173	5%
Elimination in consolidated results	(271,034)	-4%	(27,484)	-1%
Tax effect of tax rate changes in foreign subsidiaries	(47,770)	-1%	(110,894)	-3%
Effect of permanent tax differences:	(82,176)	-2%	(147,547)	-3%
Dividend income	196,813	3%	193,777	5%
Fiscal income	28,982	0%	1,013,945	24%
Refund of special deduction	-	0%	1,028	0%
Non-deductible provisions	24,402	0%	124,580	3%
Loss on derecognition of assets	5,177	0%	6,994	0%

Impairment of investments in subsidiaries	371,339	6%	-	0%
Non-taxed dividends	(138,352)	-2%	(111,528)	-3%
Compensation for consequential damages	(8,516)	0%	(993,124)	-23%
Exempt income	(99,322)	-2%	(133,673)	-3%
Special deduction of real productive fixed assets	(310,639)	-5%	(262,130)	-6%
Net result of other permanent differences	(39,224)	-1%	(102,461)	-2%
Adjustment of tax rate difference (current/deferred tax)	(112,837)	-2%	115,044	3%
Tax deductions	49,258	1%	45,529	1%
Occasional gains	105	0%	57	0%
Adjustments of income from prior years	46,795	1%	(53,032)	-1%
Tax Offsets	(108,794)	-2%	(75,148)	-2%
Income tax at effective rate	1,610,791	28%	1,074,627	27%
Detail of current and deferred expenses				
Current tax	1,763,460	30%	915,551	21%
Deferred tax	(152,669)	-2%	159,076	4%
Income tax	1,610,791	28%	1,074,627	25%

- Amounts in millions of Colombian pesos -

Among the most important items in the reconciliation of the effective rate and that contribute to the fact that it is 7 points below the nominal rate, is the special deduction of real productive fixed assets in the parent company by virtue of the application of the Legal Stability contract. Another important point in this purification is the treatment of exempt income granted to the dividends received by EPM parent company from foreign subsidiaries, an exemption allowed under the Colombian Holding Companies Regime (CHC).

As a relevant fact during the year 2022 and that affects the variation of the effective rate from one year to another, is the recognition of the impairment of the amount in the investment of UNE, transaction without tax effect in the liquidation of the net income. Another aspect to consider and that impacts the income tax for the period reported is the effect on the deferred tax due to the change in the rate for occasional gains incorporated by Law 2277 of 2022, going from 10% to 15% as from the taxable year 2023. This adjustment meant for the companies in Colombia a higher expense for \$91.72

40.3. Income tax recognized in profit or loss

The most significant components of income tax expense at the cut-off date are:

Income tax	2022	2021
Current income tax expense	1,825,459	1,043,731
Adjustments recognized in the current period related to income tax of prior periods	46,795	(53,032)
Tax benefits from tax loss, tax credits or temporary differences used in the period	(108,794)	(75,148)
Current income tax expense, PPUA, Reserves and rectifications		
Total current income tax	1,763,460	915,551
Deferred tax		
Net deferred tax income related to the origination and reversal of temporary differences	(244,399)	(52,097)
Net deferred tax income related to changes in tax rates or laws	91,730	211,173
Total deferred taxes	(152,669)	159,076
Income tax	1,610,791	1,074,627

- Amounts in millions of Colombian pesos -

The current income tax expense is impacted for 2022 mainly by higher pre-tax profits and a higher nominal income tax rate in Colombia going from 31% in 2021 to 35% in 2022, offset by higher special deductions for investments in real productive fixed assets in the parent company. It is also important to mention that as a relevant item affecting the rate variation from one year to another, is the recognition of the impairment in the amount of UNE's investment, which did not occur in the taxable year 2021.

The deferred tax expense related to the changes in the tax rates originated by the new occasional profit rate incorporated by Law 2277 of 2022, going from 10% to 15% as from the taxable year 2023, adjustment made in the national subsidiaries.

In this regard, it is important to indicate that domestic companies recorded the effect of the rate change in the profit or loss for the period, thus applying the provisions of paragraph 58 of IAS 12; in this way they did not avail themselves of the voluntary exception established in Decree 2617 of December 29, 2022, which allows recognizing this update within the entity's equity in the retained earnings of previous years.

The rates used for the determination of deferred tax for subsidiaries in Colombia are:

Year	2021	2022	2023
Income tax	31%	35%	35%
Occasional gain	15%	15%	15%

The rates used for the determination of deferred tax are:

35% for the year 2022 and subsequent periods. The Energy Generation segment of EPM has an income tax rate of 33%, stabilized for 20 years by virtue of the legal stability contract EJ-04 of March 31, 2008, modified by means of ANOTHER YES EJ-01 of June 4, 2010. This rate is only used in those cases in which, by law, the income rate in Colombia is increased above 33%.

In the case of assets whose profit is expected to be realized as occasional gain, a rate of 15% is used.

27% for temporary differences generated in the subsidiaries in Chile, 30% and 25% for the subsidiaries in Panama and Mexico and 25% for the other subsidiaries in Central America.

40.4. Temporary differences that do not affect deferred taxes

Deductible temporary differences and unused tax losses and credits, for which the Group has not recognized deferred tax assets, are detailed below:

Concept	2022	2021
More than one year and up to five years	21,813	28,050
More than five years	1,737	2,561
Unlimited time	4,432	3,402
Unused tax losses	27,982	34,013
Unlimited time	558,206	290,256
Unused tax credits	558,206	290,256
More than one year and up to five years		
More than five years	565	2,348
Excess of presumptive income over ordinary net income	565	2,348
Deductible temporary differences		
Total	586,753	326,617

- Amounts in millions of Colombian pesos -

Las The deductible temporary differences and losses, tax credits and excess of presumptive income over ordinary net income correspond to unused tax losses by Aguas de Malambo S.A. E.S.P. of \$4,856 million (2021 \$4,589), EPM Inversiones S.A. for \$1,373 (2021 \$1,373), Hidroecológica del Teribe S. A. for \$21,813 (2021 \$28,050), unused tax credits by Empresas Públicas de Medellín E.S.P. for \$558,147 million (2021 \$271,701), Aguas de Malambo S.A. E.S.P. for \$59 million (2021 \$59) and excess of presumptive income over ordinary net income not used by EPM Inversiones S.A. for \$565 million (2021 \$2,348).

The amount of the current income tax asset or liability is as follows:

	2022	2021
Current income tax asset or liability		
Total non-current income tax liabilities		
Income tax ⁽¹⁾	(33,351)	(33,351)
Total income tax liability	(33,351)	(33,351)
Total current income tax liability		
Income tax	(500,396)	(159,025)
Total income tax assets	697,964	575,023
Balances in favor of income tax	697,964	575,023
Total income tax assets	164,218	382,647

- Amounts in millions of Colombian pesos -

1. Corresponds to the works for taxes liability of EPM and EDEQ, which represents the possibility for companies to partially pay income tax and complementary taxes by financing and executing public works of social transcendence in the areas most affected by the conflict - ZOMAC - instead of transferring the resources to the DIAN. This possibility arose with Law 1819 of 2016, was mainly added by Laws 1955 and 2010 of 2019 and was regulated by Decrees 1915 of 2017 and 1147 of 2020.

This liability is backed by a mercantile trust contract, which is being executed as the works under this program are being built.

40.5. Income tax recognized in other comprehensive income

The detail of the tax effect corresponding to each component of "other comprehensive income" in the consolidated statement of comprehensive income is as follows:

Accumulated other comprehensive income	2022			2021		
	Gross	Tax effect	Net	Gross	Tax effect	Net
Reclassifications of property, plant and equipment to investment property	13,439	(1,107)	12,332	13,578	(1,107)	12,471
New defined benefit plan measures	96,942	(32,408)	64,534	(19,652)	10,928	(8,724)
Equity investments measured at fair value through equity	2,939,381	(309,287)	2,630,094	3,070,031	(5,994)	3,064,037
Share in other comprehensive income of associates and joint ventures	17,422	-	17,422	16,788	-	16,788
Cash flow hedges	(1,128,472)	404,287	(724,185)	(533,003)	190,413	(342,590)
Hedges of net investments in foreign businesses	(277,654)	74,158	(203,496)	(61,509)	-	(61,509)
Translation of foreign business financial statements	1,969,275	-	1,969,275	1,117,985	-	1,117,985
Total	3,630,333	135,643	3,765,976	3,604,218	194,240	3,798,458

- Amounts in millions of Colombian pesos -

40.6. Deferred tax

The detail of deferred tax is as follows:

Deferred tax	2022	2021
Deferred tax assets	1,217,353	906,746
Deferred tax liabilities	(2,368,390)	(2,171,022)
Total deferred tax liabilities, net	(1,151,037)	(1,264,276)

- Amounts in millions of Colombian pesos -

40.6.1. Deferred tax assets

Deferred tax assets	Initial balance	Changes included in the OCI	Net changes included in profit or loss	Effect by conversion adjustments	Other	Foreign currency conversion effect	Final Balance
Assets	2,463,968	-	1,292,683	(33)	37,830	102,059	3,896,507
Property, plant and equipment	1,124,572	-	79,858	(33)	-	9,115	1,213,513
Intangible assets	18,638	-	(18,182)	-	988	3,442	4,886
Investments and derivative instruments	131,545	-	49,184	-	28,543	3,262	212,534
Trade receivables	434,435	-	1,344,246	-	-	5,439	1,784,120
Cash and cash equivalents	-	-	1,651	-	-	-	1,651
Inventories	8,674	-	(925)	-	-	196	7,946
Other assets	524,632	-	(252,750)	-	8,327	80,404	360,613
Rights-of-use - Deferred tax assets	221,472	-	89,601	-	(29)	201	311,245
Liabilities	(1,557,222)	-	(1,282,621)	-	207,995	(47,305)	(2,679,154)
Loans and borrowings	526,236	74,158	455,586	-	1,625	6,239	1,063,845
Trade payables	5,339	-	9,976	-	914	360	16,589
Employee benefits	275,518	(17,268)	15,266	-	207	7,584	281,307
Derivatives	56,617	324,702	(379,908)	-	-	-	1,410
Provisions	263,177	-	47,945	-	311	4,696	316,129
Other liabilities	125,602	-	57,081	-	346	17,628	200,657
Elimination effect against assets	(2,809,711)	(381,592)	(1,488,567)	-	204,590	(83,812)	(4,559,092)
Total deferred tax assets	906,746	-	10,062	(33)	245,824	54,754	1,217,353

- Amounts in millions of Colombian pesos -

40.6.2. Deferred tax liabilities

Deferred tax liabilities	Initial balance	Changes included in the OCI	Net changes included in profit or loss	Effect by conversion adjustments	Other	Foreign currency conversion effect	Final Balance
Assets	4,720,107	413,819	1,289,884	-	34,247	114,803	6,572,861
Property, plant and equipment	4,001,049	-	277,190	-	(236)	28,277	4,306,281
Intangible assets	270,775	-	(12,356)	-	709	40,723	299,851
Investment properties	14,982	-	11,792	-	-	-	26,774
Investments and derivative instruments	58,552	413,819	(1,129)	-	22,445	6,041	499,728
Trade receivables	106,975	-	918,781	-	7,932	32,918	1,066,606
Cash and cash equivalents	1,651	-	-	-	-	-	1,651
Inventories	14,530	-	2,069	-	(17)	2,437	19,019
Other assets	31,311	-	9,227	-	3,405	4,410	48,354
Rights-of-use assets	220,281	-	84,311	-	9	(3)	304,597
Liabilities	(2,549,085)	(355,524)	(1,432,492)	(556)	208,140	(74,953)	(4,204,471)
Loans and borrowings	31,169	-	(3,087)	(556)	5,860	2,294	35,680
Trade payables	4,275	-	1,236	-	101	(7)	5,605
Employee benefits	185,084	26,068	41,507	-	(2,326)	4,605	254,937
Derivatives	315	-	(95)	-	-	600	820
Provisions	30,393	-	1,082	-	(153)	26	31,348
Other liabilities	9,389	-	15,432	-	67	1,342	26,230
Elimination effect against liabilities	(2,809,711)	(381,592)	(1,488,567)	-	204,591	(83,812)	(4,559,091)
Total deferred tax liabilities	2,171,022	58,295	(142,607)	(556)	242,386	39,850	2,368,390

- Amounts in millions of Colombian pesos -

40.6.3. Temporary differences

The most significant items on which temporary differences arose are as follows:

In assets, the greatest impact arises from temporary differences in property, plant and equipment due to the difference between the accounting and tax bases, generated among others, by the recognition of the attributed cost, tax inflation adjustments and by the application of different useful lives and depreciation methods; likewise, adjustments were presented due to the purchase and sale operations of assets between companies of the EPM Group that implied the recognition of unrealized accounting profits, on which the companies individually considered should have been taxed. In accounts receivable of commercial portfolio corresponds to the impairment of portfolio due to the difference in the portfolio impairment depuration under the tax standard and the portfolio impairment under the accounting standard under the expected loss method; additionally, there were temporary differences because of the valuation at amortized cost of short-term borrowings between economic related parties.

Deferred tax assets were recognized for tax losses in Aguas de Antofagasta for Ps. 424,819 (2021 Ps. 2543,351) and Ps. 31,415 (2021 Ps. 29,749) subsidiaries in Mexico.

Regarding liabilities, the items that impacted the calculation of the deferred tax were mainly the settlement of the provision corresponding to the installments of pension bonds, the actuarial calculation in pensions and in the pension commutation of EADE, and the credits and loans for the valuation at amortized cost of bonds, securities issued, loans and borrowings in the short term.

Finally, the devaluation effect experienced by the Colombian currency during the last taxable period, close to 21%, generated a substantial increase in the carrying amount of liabilities and accounts payable in foreign currency, while their tax basis remained stable and their effects are only evidenced at the time of settlement or partial payment of the obligations, based on the exchange difference effectively realized, according to the provisions of articles 269 and 288 of the Tax Statute. The foregoing implied a decrease in the net deferred tax.

In the items that do not have future tax consequences, as is the case

of tax liabilities and financial returns generated in the plan assets of EPM, CHEC and Emvarias, no deferred tax was generated.

Additionally, in the operation contract of the Aguas Claras wastewater treatment plant, the valuation of the account receivable recorded by Aguas Nacionales versus the valuation made by EPM to the financial lease under accounting standards is asymmetrical to the extent that different financial assumptions and different accounting bases are used.

The temporary differences on which no deferred tax was generated were, among others, for investments in subsidiaries, associates, and joint ventures, in accordance with paragraph 39 of IAS 12; likewise, in the items that do not have future tax consequences, as is the case of the plan assets of EPM, CHEC and Emvarias because they are exempt income in accordance with the provisions of paragraph 7 of Article 235-2 of the Tax Statute.

In Aguas de Malambo no deferred tax was recognized for the years reported considering that in the present period tax losses increased and that, according to the projections analyzed, it is expected that their recovery would be postponed beyond 2023, therefore, there is no certainty of their recovery.

The approval of dividends in the EPM Group after the filing date and before the financial statements were authorized for their publication, does not generate income tax consequences since the policy for domestic subsidiaries is that only profits and non-taxed reserves are distributed. The tax effects on income tax that could be generated by dividends declared by foreign subsidiaries are eliminated with the entry into force of Article 77 of Law 2010 of 2019, since these distributions are considered capital exempt income in application of the Colombian Holding Companies (CHC) regime.

New regulations for subsidiaries in Colombia

Principal amendments incorporated by Law 2277 of December 13, 2022, whereby a tax reform for equality and social justice is adopted and other provisions are enacted:

- Article 10 amended Article 240 of the Tax Statute to establish a general income tax rate of 35% for legal entities as from taxable year 2023 and subsequent years.

In the same article, a 3% surtax was established for taxable years 2023, 2024, 2025 and 2026 for taxpayers whose main economic activity is the generation of electric energy through water resources, applicable to legal entities that obtain income equal to or greater than 30,000 UVT in the taxable year, threshold that will be calculated in an aggregate manner for activities carried out by related persons according to the criteria of relationship provided in article 260-1 of the Tax Statute. The regulation also establishes that the surtax is subject to an advance payment of 100% of its amount.

On the other hand, paragraph 6 creates a minimum tax rate for taxpayers of income tax, tax residents in Colombia whose financial statements are subject to consolidation, called the Group Tax Purified Tax Rate (TTDG), establishing a formula for its calculation and whose result cannot be less than 15%; in case of being lower, the tax must be adjusted following the formula established in the regulation.

- EPM's Power Generation activity, having a legal stability contract effective until June 11, 2028, may continue with the application of the stabilized standards in the terms in which they were in 2008, when the contract was signed, as long as the changes that have occurred after the signing of the contract are unfavorable to the interests of the mentioned generation activity. If, on the other hand, the changes to the stabilized standards are favorable, the new standards may be applied. The concept of whether a change is favorable or unfavorable must be reviewed on a case-by-case basis in harmony with other standards.
- It added to the Tax Statute article 259-1, which establishes a limit to the tax benefits and incentives listed therein, and which may not exceed 3% per year of the ordinary net income before subtracting the special deductions contemplated in the norm, and the amount resulting from applying the formula indicated in the same article must be added to the amount to be paid for income tax.
- It introduced an amendment to the second paragraph of article 36-1 of the Tax Statute, which establishes that profits from the sale of shares registered in a Colombian Stock Exchange, owned by the same beneficial owner, do not constitute income or occasional gain, when such sale does not exceed 3% of the outstanding shares of the respective company during the same taxable year. Prior to Law 2277, this treatment was allowed for disposals not exceeding 10% of the outstanding shares.

- Article 32, amended Article 313 of the Tax Statute to change the rate of the Occasional Profits Tax from 10% to 15%.
- It modified article 115 of the Tax Statute, with which it will no longer be possible to take as a tax discount in the income tax, fifty percent (50%) of the industry and commerce tax, notices and boards paid. On the other hand, 100% of said tax may be taken as deductible.
- In Article 56, paragraph 1 of Article 12-1 of the Tax Statute was modified, regarding the effective place of administration of foreign companies: The previous rule considered that foreign companies had to comply with tax obligations in Colombia, if in the country the commercial and management decisions decisive and necessary to carry out the activities of the company or entity as a whole were materially taken. The new Law changed this requirement, to determine the obligation in the event that such decisions are day to day.
- In Article 21, Article 256 of the Tax Statute was modified, with which the income tax discount for investments made in research, technological development or innovation, goes from 25% to 30% of the amount of the investment. It also establishes that the costs and expenses that give rise to the discount may not be capitalized or taken as a cost or deduction again by the same taxpayer. At the same time, Article 158-1 of the Tax Statute was repealed, which allowed investments in research, technological development and innovation to be taken as deductible. This norm has the coverage of the Legal Stability contract EJ-04 of 2008 for the activity of Energy Generation of EPM, in the terms in which the norm was in 2008.
- In Article 91, a reduced transitory moratorium interest rate was established for tax and customs obligations that are fully paid until June 30, 2023, equivalent to fifty percent (50%) of the interest rate established in Article 635 of the Tax Statute. The request for the subscription of the payment facilities or agreements must be filed no later than May fifteenth (15), 2023. The rule provides that any means of payment will be valid, including the compensation of the balances in favor that are generated between the effective date of the law and the thirtieth (30th) of June 2023.

Other tax aspects

- Regarding the presumptive income rate, Article 90 of Law 2010 of

2019, amended Article 188 of the Tax Statute, to provide for a rate of zero percent (0%) as from taxable year 2021. On the other hand, Article 191 of the same Statute, includes within the presumptive income exclusions the residential public services companies.

- On the other hand, article 51 of Law 2155 of 2021, incorporated in article 689-3 of the Tax Statute, the benefit of audit for the taxable periods 2022 and 2023, establishing that if the private liquidation of the taxpayers of the income tax and complementary taxes that increase their net income tax in at least a minimum percentage of thirty five percent (35%), in relation to the net income tax of the immediately preceding year, shall become final if within the six (6) months following the date of its filing, no notice to correct or special requirement or special summons or provisional liquidation has been notified, provided that the return is duly filed in due time and the total payment is made within the terms established by the National Government for such purpose.

If the increase of the net income tax is at least a minimum percentage of twenty five percent (25%), in relation to the net income tax of the immediately preceding year, the income tax return shall be final if within the twelve (12) months following the date of its filing, no notice to correct or special requirement or special summons or provisional liquidation has been notified, provided that the return is duly filed in a timely manner and the total payment is made within the terms established by the National Government for such purpose.

- Another issue that has been addressed by the tax authority in recent years is related to the definition of beneficial owner, which was developed by DIAN Resolutions 000164 of December 27, 2021 and 00037 of March 17, 2022. In numeral 1 of Article 5 of Resolution 000164, it provides that the decentralized entities in which the capital is 100% public, as is the case of EPM, are not obliged to identify, obtain, preserve, provide and update in the Sole Registry of Beneficial Owners -RUB the information referred to in the referred resolution. The paragraph of said article clarifies that the exception does not extend to mixed economy companies.
- In the sales tax, the general rate of 19% is maintained. The 5% rate is maintained for electric vehicles and their components, parts and accessories, as well as for components and spare parts of the gas vehicle plan. The VAT rule of Article 192 of Law 1819 of 2016 remains,

according to which, the VAT rate of contracts in which a public entity is a contractor will be the one corresponding to the date of the resolution or act of award, or subscription of the respective contract, the rate is increased once they are modified or added with economic content.

- In relation to the jurisprudence and doctrine with impacts on the determination of the tax burden of companies, it is important to highlight the decision of the Council of State of October 21, 2021, reporting judge Stella Jeannette Carvajal Basto, file 24435, which declares the nullity of Concept DIAN 001054 of October 12, 2014, whereby the exclusion of the sales tax on residential public services is applicable both to the initial connection of the service to the user, as well as to the reconnections that occur in those cases, for example, where there are delays in payment by the users. Although the ruling is directed to the public water service, it is applicable to energy and gas services.
- In accordance with the provisions of Article 258-1 of the Tax Statute, the VAT paid on the acquisition, importation, construction and formation of real productive fixed assets, including the services necessary to put the good in conditions of use, and the assets acquired through leasing, is maintained as a discount in the income tax. The use of the discount according to the doctrine of the tax authority, DIAN Official Letter 100208221-1130, filed 907362 of July 26, 2021, may occur in the period in which the investment is made or in the following periods, in this official letter, the authority incorporates its appreciations regarding the fractionation in several periods.
- The tax on dividends received by national companies that are an income that does not constitute income or occasional gain, whose rate is 10% as withholding at source on income, which will be transferable and imputable to the individual resident or investor resident abroad, continues to be in force.
- The sale of electric energy generated based on wind energy, biomass or agricultural waste, solar, geothermal or sea energy will continue to be considered exempt income for a term of 15 years as from 2017, only by generating companies, according to the definitions of Law 1715 of 2014 and Decree 2755 of 2003.
- The Colombian Holding Companies (CHC) regime, incorporated to the Colombian legal system through Law 1943 of 2018, remains in

force, to which national companies that have as one of their main activities the holding of amounts, the investment or holding of shares or shares in Colombian and/or foreign companies or entities, and/or the administration of such investments, may apply under compliance with certain requirements determined in the current regulations. The regulation provides, among other aspects, that dividends or participation distributed by non-resident entities in Colombia to a CHC shall be exempt from income tax and shall be declared capital exempt income.

- The amendments made by Law 1943 of 2018 to the thin capitalization rule of Article 118-1 of the Tax Statute remain, limiting the deductibility of interest paid when there is over indebtedness, specifying that such limitations only apply with respect to debts contracted between economic related parties. For purposes of the interest deduction, the taxpayer must be able to demonstrate to the DIAN, by means of a certification from the resident or non-resident entity acting as creditor, which shall be deemed to be sworn under oath, that the loan or loans do not correspond to indebtedness operations with related entities through a guarantee, back-to-back, or any other operation in which substantially such related entities act as creditors. It should be noted that this provision does not apply to cases of financing of transportation infrastructure projects or public services, provided that such projects are in charge of companies, entities or special purpose vehicles.
- In relation to the transfer pricing regime, our tax system establishes that all taxpayers of income tax and complementary taxes that carry out transactions with economic related parties abroad or located in free trade zones are required to calculate, for purposes of this tax, their income, costs, deductions, assets and liabilities, considering the Principle of Full Competition; in other words, that the operations are carried out at market prices, i.e., complying with the conditions that would have been used in comparable operations with or between independent parties. The same treatment must be given to any transaction with persons or entities located in Non-Cooperating Jurisdictions of Low or No Taxation and with entities subject to Preferential Tax Regimes, whether or not they are economically related. There is a formal obligation for companies that carry out during the tax period transactions subject to the transfer pricing regime, to prepare and send to the DIAN, in addition to the informative declaration referred to in article 260-9

of the tax statute, the supporting documentation referred to in article 260-5 of the same law, which consists of the local report, the master report and the country-by-country report. The regulations indicate the requirements to be followed.

- As from the taxable year 2015, the taxpayers of the Income and Complementary Tax, subject to this tax with respect to their income from national and foreign source, and their equity owned inside and outside the country, who own assets abroad of any nature, shall be obliged to file the annual declaration of assets abroad, obligation that shall be applicable when the amount of equity of the foreign assets owned as of January 1 of each year is higher than two thousand (2,000) UVT. All assets, including accounts receivable, temporary investments, bank accounts, advances, borrowings and other concepts that, according to their nature, are considered as assets, must be declared. If the net worth value of the assets to be reported is higher than 3,580 UVT, it must declare them in a discriminate manner, informing their amount, the jurisdiction where they are located and their nature. The assets owned as of January 1st of each year that do not comply with the limit indicated, must be declared in an aggregate manner according to the jurisdiction where they are located, for their equity amount.
- As for the Industry and Commerce tax, it is generated by the direct or indirect performance of an industrial, commercial or service activity in a municipal jurisdiction, either permanently or occasionally. The Framework Law that governs it is Law 14 of 1983 and Law 1819 of 2016, which introduced some changes. Since it is a territorial tax, it corresponds to the municipal councils to issue agreements for its application. Its taxable base is determined on income and the tax is settled according to the rates established for each activity by the municipalities where they are carried out.

The taxable base does not include income corresponding to exempt, excluded or non-taxable activities, as well as refunds, rebates and discounts, exports and the sale of fixed assets and the collection of taxes on those products whose price is regulated by the State and the receipt of subsidies.

The transportation of Natural Gas is exempt from the Industry and Commerce Tax.

The taxable base of the industry and commerce tax in the

distribution of natural gas is the gross margin of commercialization of the fuel, understood as the difference between the income from fixed charges, consumption and use of networks, and the costs of purchase and transportation of gas (art. 67 Law 383/97).

The activity of energy generation is regulated by Law 56 of 1981 and is taxed in those municipalities where the generation plant is located, from the moment the works enter into operation or functioning. In these cases, the rate corresponds to a few pesos for each kilowatt installed, a figure that is readjusted annually by a percentage equal to the national cost of living growth index certified by DANE, corresponding to the immediately preceding year.

The capacity of the generation plants is determined by the Ministry of Mines and Energy by means of a resolution, as well as the dates of initiation and termination or closing of activities. Likewise, the National Government will fix by decree, the proportion in which such tax must be distributed among the different affected municipalities where the works are carried out.

- Regarding the contribution of public works contracts, this was established by Legislative Decrees 2009 of December 14, 1992 and 265 of February 5, 1993, has been extended and modified by Laws 104 of December 30, 1993, 241 of December 26, 1995, 418 of December 26, 1997, 782 of December 23, 2002, 1106 of December 22, 2006, Regulatory Decree 3461 of September 11, 2007, Laws 1421 and 1430 of December 2010 and Law 1738 of December 18, 2014.

The paragraph of Article 8° of Law 1738 of 2014 granted permanent nature to this contribution.

All individuals or legal entities and public-private partnerships that sign public works contracts with public law entities or enter into contracts to add to the amount of existing ones, who must pay the contribution in favor of the Nation, department or municipality, depending on the level to which the contracting public entity belongs, are taxpayers of the contribution.

The current regulations have established the withholding mechanism by the contracting public entities, among them EPM, deducting the amount of the Contribution from each account it pays to the contractors, including advances.

Through Agreement No. 66 of 2017 of the Council of Medellín, the

“provisions related to the contribution of public works contracts or public works concession and other concessions were modified in the Tax Statute of the municipality, calling it Special Contribution, setting among other elements, as a rate of five percent (5%) on the total amount of the contract or its addition.

A relevant aspect for the operations carried out by the Company is related to the stamps, which have been proliferating in the last years to such an extent that there are energy sale operations in the stock exchange and long term contracts, in which the tax charge for stamps is higher than 5%. In this sense, article 32 of Law 2155 of 2021 modified article 14 of Law 2052 of 2020, stating that during a maximum of two years as from January 1, 2022, the national government must promote before the Congress of the Republic modifications in the matter of stamps in such a way that limits are imposed to the requirement of this tax.

Regarding electronic invoicing, the most recent changes are found in Resolution DIAN 012 of 2021, which provided for the issuance as from August 1, 2022 of the electronic equivalent document “Supporting Document for Purchases to those not Obligated to Invoice”. And in Resolution 1092 of July 2022, which establishes the limit of 5 UVT to issue POS documents as from February 1, 2023.

- By means of Law 2023 of 2020, the departmental assemblies, municipal and district councils were empowered to create the “Pro Sports and Recreation Tax”.

The Law determined as a generating fact the subscription of contracts and agreements made by the Central Administration of the Department, Municipality or District, its Public Establishments, the Industrial and Commercial and Social Enterprises of the State of the Department, Municipality or District, the Mixed Economy Companies where the Territorial Entity owns more than 50% of the capital stock or stockholders and the indirect decentralized entities with natural or legal persons, except for the agreements and contracts of uniform conditions of the residential public services, with a maximum rate of 2.5% of the total amount of the contract, leaving the power of the Departmental Assemblies or Municipal or District Councils to determine the percentage amount thereof.

In the Municipality of Medellín, this tax was created through Agreement 018 of 2020, establishing, in addition to the provisions

of the law, that the following are exempt, among others: i) agreements and contracts of uniform conditions of residential public services, ii) those entered into with companies rendering residential public services and iii) contracts of all kinds of users for the rendering of residential public services referred to in Laws 142 and 143 of 1994.

Article 6 of the Agreement also establishes that all individuals and/or legal entities that enter into contracts, agreements or negotiate on an occasional, temporary or permanent basis, supplies, works, advisory services, consultancies, provisions and intermediation and other contractual forms with Industrial and Commercial Companies are taxpayers of the Tax. As in Law 2023, it is established that the entities mentioned in this article 6 are also Tax Collecting Agents.

Agreement 070 of December 20, 2022 issued by the Council of Medellín states that the Residential Public Services Companies -ESPD- are not withholding agents of this tax either as contractors, or as contractors or contributors.

On the other hand, Article 8 of Agreement 018, determines the rate applicable to this tax, as follows: "The Entities that make up the General Budget of the Municipality of Medellín, shall be withholding agents of the Pro Sports Tax, at one point three percent (1.3%) [...]".

Notwithstanding the exemption for contracts entered into with companies providing residential public services, within the framework of mandate contracts, when EPM acts as agent of an entity that is a withholding agent of this tax as a result of an administration of resources or of an inter-administrative agreement, since EPM has the fiscal qualities of the principal, it must withhold such tax on behalf of the entity.

Note 41.

Related party disclosures

EPM, parent company of the EPM Group, is an industrial and commercial company of the State, decentralized of the municipal order, whose sole owner is the Municipality of Medellín. Its capital is not divided into shares.

Subsidiaries, associates and joint ventures, including subsidiaries of associates and joint ventures, key management personnel, as well as entities over which key management personnel may exercise control or joint control and post-employment benefit plans for the benefit of employees are considered related parties of the Group.

The balances and transactions between the companies of the EPM Group have been eliminated in the consolidation process and are not disclosed in this note. The total amount of the transactions carried out by the Group with its related parties during the corresponding period is presented below:

Transactions and balances with related parties	Revenue ⁽¹⁾	Costs/ Expenses ⁽²⁾	Amounts receivable ⁽³⁾	Amounts payable ⁽⁴⁾	Guarantees and collateral received ⁽⁵⁾
Associates:					
2022	62,838	43,277	13,105	8,947	-
2021	64,770	54,383	6,383	8,329	-
Key management personnel of the company or its controlling company:					
2022	5	50,941	875	4,137	903
2021	5	26,292	930	3,630	1,006
Other related parties:					
2022	207,939	100,406	94,440	14,474	-
2021	150,123	133,532	58,777	6,430	-

- Amounts stated in millions of Colombian pesos -

1. Revenues generated from transactions with associated companies correspond to the sale of services related to information and communication technologies, information services and complementary activities related and/or related to them. Revenues generated with other related parties correspond mainly to the sale of energy, rendering of public services and financial services. The detail of the income obtained by the Group from its related parties is as follows:

	Revenue	2022	2021
Associates	Sale of goods and services	53,057	54,705
	Interest	54	6
	Other	9,728	10,059
Key management personnel of the company or its controlling company	Sale of goods and services	5	5
	Fees	-	-
Other related parties	Sale of goods and services	46,375	138,394
	Interest	67	134
	Fees	703	8,819
	Other	160,793	2,775
Total revenue from related parties		270,782	214,897

- Amounts stated in millions of Colombian pesos -

2. Corresponds to costs and expenses arising from transactions involving the purchase of energy, acquisition of goods and services, including services related to communications and complementary activities, with associates and other related parties. The detail of the costs and expenses incurred by the Group with its related parties is as follows:

	Costs and Expenses	2022	2021
Associates	Purchase of goods and services	41,160	51,791
	Fees	2,105	2,563
	Other	12	29
Key management personnel of the company or its controlling company	Purchase of goods and services	16,902	14,419
	Fees	11,595	3,190
	Other	22,444	8,683
Other related parties	Purchase of goods and services	36,558	77,340
	Interest	2	-
	Fees	3,759	5,246
	Other	60,088	50,947
Total costs and expenses incurred with related parties		194,625	214,208

3. The Group maintains accounts receivable with its related parties derived from the sale of energy, rendering of public services, sale of services associated to information and communications technologies, information services, among others. The EPM Group qualifies the portfolio under criteria that allow prioritizing the management of its recovery through the departments in charge of it or collection entities. The collection applies according to the billing cycle with respect to residential public services.
4. The payment policy, for the most part, is 30 days from the date the invoice is filed.
5. The guarantees and collateral received correspond to mortgage guarantees on housing loans granted to key management personnel.

Transactions between the Group and its related parties are carried out under conditions equivalent to those existing in transactions between independent parties, in terms of their purpose and conditions.

Transactions and balances with related government entities:

The surpluses paid during the year were \$1,850,776 (2021: \$1,396,953), \$1,009,514 (2021: \$761,974) ordinary and \$841,262 (2021: \$634,979) extraordinary.

Remuneration to the Board of Directors and key personnel of the Group:

The remuneration of the members of the Board of Directors and key management personnel of the Group is as follows:

Concept	2022	2021
Wages and other short-term employee benefits	48,522	45,025
Pensions and other post-employment benefits	978	1,053
Other long-term employee benefits	1,193	1,343
Remuneration to key management personnel	50,693	47,419

- Amounts stated in millions of Colombian pesos -

The amounts disclosed are the amounts recognized as a cost or expense during the reported period for compensation of key management personnel.

Note 42.

Capital management

The Group's capital includes indebtedness through the capital market, commercial banking, development banking, development agency, and multilateral banking, at a national and international level.

The Group manages its capital with the objective of planning, managing, and evaluating the attainment of financial resources in the national and international financial markets, for strategic investments and investment projects, through different options that optimize the cost, that guarantee the maintenance of adequate financial indicators and adequate risk rating and minimizes financial risk. For the above, it has defined the following capital management policies and processes:

Financing management: financing management includes the performance of all long-term credit operations, to guarantee the timely availability of the resources required for the normal operation of the company and to materialize investment and growth decisions, trying to optimize financing costs.

The Group is not subject to external capital requirements.

The Group has not made any changes to its capital management objectives, policies, and processes during the period ended as of the cut-off date, nor has it been subject to external capital requirements.

In order to deal with changes in economic conditions, the Group implements proactive mechanisms for managing its financing, enabling different financing alternatives to the extent feasible, so that, when it is required to execute any long-term credit operation, it has access to the source that is available at each market moment in competitive conditions and with the necessary opportunity.

The values that the Group manages as capital are presented below::

Capital management	2022	2021
Bonds and borrowings		
Commercial bank borrowings	9,053,293	7,353,772
Multilateral bank borrowings	1,163,243	1,326,950
Development bank borrowings	2,292,111	1,869,922
Bonds and securities issued	16,866,622	15,125,147
Other borrowings	115,000	90,000
Total debt	29,490,269	25,765,791
Total capital	29,490,269	25,765,791

Amounts stated in millions of Colombian pesos

Note 43.

Financial risk management objectives and policies

The Group is exposed to financial risk, which is defined as the possibility of an event occurring that negatively affects financial results, including market risk, liquidity risk, credit risk, and operating risk.

Market risk refers to the changes or volatility of market variables that can generate economic losses. Market variables refer to exchange rates, interest rates, securities, commodities, among others; and their changes can impact, for example, financial statements, cash flow, financial indicators, contracts, the viability of projects, and investments.

Credit risk refers to the possible breach of payment obligations by third parties arising from contracts or financial transactions entered into.

Liquidity risk is the scarcity of funds and the inability to obtain the resources at the time they are required to meet contractual obligations and execute investment strategies. The scarcity of funds leads to the need to sell assets or contract financing operations in unfavorable market conditions.

Lastly, operational risk, from a financial point of view, is defined as deficiencies or failures in processes, technology, infrastructure, human resources, or the occurrence of unforeseen external events.

The Comprehensive Risk Management Department aims to lead the definition and implementation of the strategy for comprehensive risk management, in order to achieve adequate protection and assurance of the assets, resources, and interests of EPM Group.

The Group's policy is to manage the risks that affect its activity and its environment, adopting the best practices and international standards of Comprehensive Risk Management (GIR), as a way of facilitating the fulfillment of the purpose, strategy, business objectives, and purposes, both of statutory and legal origin. It has an information system that facilitates comprehensive risk management, guarantees the confidentiality, availability, and reliability of the information, and allows analysis and monitoring of risks and improvement plans. It has implemented a comprehensive risk management system and has a methodology for the identification, analysis, evaluation, control and monitoring of risks, among which are those associated with

money laundering and financing of terrorism, which allows reducing vulnerability, proposing, and implementing effective mechanisms for the proper development of business, processes, projects, and contracts. As assessment criteria, there are assessment tables for the consequences of the materialization of risks and probability tables, which are applicable at the different levels of management defined in the methodological guide for comprehensive risk management.

The comprehensive risk management monitoring and review activity is aligned with the management follow-up process established in the Group, in order to propose and implement improvement actions. The established monitoring and review scheme evaluates, among others, the following aspects:

- The comprehensive risk management implementation strategy.
- Changes in the internal and external context that imply making adjustments in the treatment of identified risks or that generate new risks.
- The variation of risks in terms of frequency, probability and consequence.
- The evaluation criteria of the probability and consequence of the risks.
- The implementation and effectiveness of treatment plans.

The Group manages the financial risks associated with the different management levels, for which it identifies the risks within the market, liquidity and credit groups that are classified in the category of financial risks, quantifies their impact and implements mitigation strategies.

Reform of the reference interest rate on financial instruments

The Company carried out the evaluation of the concepts that would be affected by the change in the reference rate, resulting in currently having instruments indexed at the libor rate in dollars, such as: credit liabilities and contracts with suppliers.

Risks

The group is negotiating with financial entities the transition scheme to alternative reference rates. This process will require the updating of the contractual clauses of the credits indexed to LIBOR, a process that for the company will require the authorization of the Ministry of Finance and Public Credit.

The value of the financial instruments pending the transition to an alternative reference rate is:

	Rate
	Libor
Non-derivative financial liabilities	1,584,540

Amounts in millions of Colombian pesos

To date, an analysis of the risks to which the company is exposed has been carried out and the following risks were identified:

Risk code	Risk scenario	Consequence	Initial risk level
R1	Coverage ratio ineffectiveness	Minimal	Acceptable
R2	Difficulties in performing credit valuations	Menor	Acceptable

To date, no hedging relationships have been established, so this risk would disappear. The Company has identified the contracts and other items in the financial statements (contingent consideration) that include the Libor rate; therefore, it is in the process of updating the clauses of the contracts, the internal documentation, the changes required in the systems to perform valuations and follow up on the work plan defined to successfully complete the transition process to the new rate.

43.1. Market risk

43.1.1. Price risk

It is the risk that the fair value of the future cash flows of a financial instrument may fluctuate due to variations in market prices. The Group has identified that the financial instruments affected by market risk include:

- Cash and cash equivalents (Fixed Income Securities and Trust Assignments)
- Other financial assets.
- Investments measured at fair value through equity

The sensitivity analyzes correspond to the financial situation as of December 31, 2021 and apply to the following concepts:

- Cash and cash equivalents (Fixed Income Securities and Trust Assignments).
- Other financial assets.

The methodology used to measure market risk is Value at Risk. The result is presented with a confidence level of 99% and a time horizon of one day. For the quantification of VaR, a non-parametric methodology is used in which the historical volatility of the risk factors considers three methodologies: historical volatility, EWMA volatility (exponential weighting) and Garch volatility. Additionally, the correlation of the risk factors is determined considering their daily data, taking into account that for assets with exposure to interest rates, the variation in rates is calculated and for currency assets, the factor is calculated with the historical returns. Var indicates the amount of the maximum loss that would be incurred at the stipulated confidence level.

Valor Expoused	VaR COP diary
924,496	536
Amounts in millions of Colombian pesos	

43.1.2. Interest rate risk

It is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of variations in market interest rates. The Group has identified that the financial instruments affected by interest rate risk include:

- Cash and cash equivalents (Fixed Income Securities and Trust Assignments)
- Other financial assets.
- Financial liabilities measured at amortized cost loans and borrowings.
- Financial liabilities measured at fair value with changes in other comprehensive income -Derivative instruments.

Interest rate sensitivity analysis

The following table indicates the sensitivity to a possible reasonable change in the interest rates of the financial instruments exposed to this risk, without considering the effect of hedge accounting. Keeping the other variables constant, the profit/loss before taxes and the equity of EPM Group would be affected by changes in variable interest rates as follows:

	Increase/decrease in basis points	Exposed amount	Financial effect	
			In profit or loss before income taxes	In equity
2022				
Financial assets measured at fair value with changes in profit or loss				
Investments at fair value through profit or loss	100	924,496	(2,921)	(2,337)
	(100)	924,496	2,921	2,337
Financial liabilities measured at amortized cost				
Loans and borrowings	100	10,356,764	(103,568)	(82,854)
	(100)	10,356,764	(103,568)	(82,854)
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	100	1,827,615	(57,485)	(45,988)
	(100)	1,827,615	57,485	45,988
2021				
Financial assets measured at fair value with changes in profit or loss				
Investments at fair value through profit or loss	100	1,593,506	(6,575)	5,260
	(100)	1,593,506	6,575	(5,260)
Financial liabilities measured at amortized cost				
Loans and borrowings	100	8,727,525	(87,277)	(69,821)
	(100)	8,727,525	87,277	69,821
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	100	711,284	(62,322)	(49,858)
	(100)	711,284	62,322	49,858

- Amount in millions of Colombian Pesos -

The Group considers that the sensitivity analysis is representative of the interest rate risk exposure.

43.2 Exchange rate risk

It is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates.

The Group has identified that the financial instruments affected by the exchange rate risk include:

- Cash and cash equivalents.
- Other financial assets.

- Financial liabilities measured at amortized cost loans and borrowings.
- Financial liabilities measured at fair value with changes in other comprehensive income -Derivative instruments.

On July 1, 2021, the group approved the application of hedge accounting for net investments in foreign businesses. The coverage seeks to reduce the volatility of other comprehensive income by the participation method of the effect of conversion of financial statements. The net investment hedge is applied to the investments that the company has in foreign currency, in this case, to investments in subsidiaries with the functional currency of the dollar and has as a hedging instrument an equivalent amount of the debt denominated in dollars. The company designated as the hedged item the net investments in HET, PDG and MaxSeguros and as a hedging instrument an amount of debt denominated in USD equivalent to the value of the investment, in a total value of USD 342 million.

Análisis de sensibilidad a las tasas de cambio:

FALTA TRADUCCIÓN

The following table indicates the sensitivity to a reasonable change in the exchange rates of \$100 pesos in the currency against the U.S. dollar without considering the effect of hedge accounting. The impact is caused by the change in monetary and non-monetary assets. Holding all other variables constant, the Group's income/loss before taxes and shareholders' equity would be affected by changes in exchange rates as follows:

	Increase/decrease in pesos	Exposed amount	Financial effect	
			In profit or loss before income taxes	In equity
2022				
Financial assets measured at fair value with changes in profit or loss				
Investments at fair value through profit or loss	100	1,527,045	31,746	25,397
	(100)	1,527,045	(31,746)	(25,397)
Financial liabilities measured at amortized cost				
Loans and borrowings	100	17,981,705	(373,824)	(299,060)
	(100)	17,981,705	373,824	299,060
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	100	7,576,065	157,500	126,000
	(100)	7,576,065	(157,500)	(126,000)
2021				
Financial assets measured at fair value with changes in profit or loss				
Investments at fair value through profit or loss	100	871,315	31,917	25,534
	(100)	871,315	(31,917)	(25,534)
Financial liabilities measured at amortized cost				
Loans and borrowings	100	14,605,189	-366.858	-293.486
	(100)	14,605,189	366.858	293.486
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	100	6,382,528	160,318	128,255
	(100)	6,382,528	(160,318)	(128,255)

- Amount in millions of Colombian Pesos -

The Group considers that the sensitivity analysis is representative of the exchange rate risk exposure.

43.3. Credit risk

It is the risk that one of the counterparties does not comply with the obligations derived from a financial instrument or purchase contract and this translates into a financial loss. The Group has identified that the financial instruments affected by credit risk include:

- Cash and cash equivalents

- Other financial assets
- Accounts receivable and other accounts receivable

Cash and cash equivalents and investments at fair value through profit or loss:

For credit risk management, in EPM Group quotas are assigned by issuer, by counterparty and intermediary, taking into account the financial, risk and fundamental analysis of the entities, emphasizing the equity support of the shareholders. The methodology considers the characteristics of the investment portfolio and the applicable regulations. The concentration of credit risk is limited since it obeys the provisions of the business rules manual for treasury operations. The description of the factors that define the concentration of risk is detailed below:

- The quotas are updated quarterly based on the latest available financial statements of the entities analyzed.
- When the value of the consolidated portfolio of temporary investments exceeds the equivalent of 10,000 current legal monthly minimum wages (SMMLV), no more than 20% of this value should be concentrated in the same issuer, counterparty, or intermediary, except for securities issued by governments that comply with current regulations.
- Stock market intermediaries, other than supervised banking establishments, may act as counterparties to carry out transactions, but cannot be considered eligible issuers.
- Stockbroker companies that act as the counterparty of treasury operations must have at least the second risk rating in strength or quality in portfolio management.
- Stock brokerage companies backed by banks, that is, banked counterparties, must have a minimum equity of 30,000 SMLMV.

Finally, the steps to avoid risk concentration are aimed at establishing, analyzing, monitoring, and controlling the quotas, for which it controls the current quotas and their occupancy status. On the other hand, justifications related to the need to temporarily exceed quotas are submitted for approval.

Trade receivables measured at amortized cost and other receivables:

EPM Group is exposed to the risk that users or customers who use public services fall into default or do not pay those services. Accounts receivable from public service debtors are classified into two large groups: those originating from late-payments and the other group corresponds to financing or payment agreements with customers that are carried out as a portfolio recovery strategy or for linking new customers.

The EPM Group companies evaluate the behavior and value of accounts receivable at the end of each period to determine if there is objective evidence that the portfolio is impaired and to identify its possible impact on future cash flows. The criteria used to determine that there is objective evidence of an impairment loss are:

- Customer default on payment
- It is known or there is evidence that the client enters into corporate restructuring processes or in economic insolvency or liquidation of the company.
- Social disturbances, public order, or natural disasters occur, which according to experience are directly correlated with the non-payment of collection accounts.

In order to avoid an excessive concentration of non-payment risk, the EPM Group companies have developed and put into operation various strategies that allow them to mitigate said risk, among which the following stand out:

- Persuasive collection by making phone calls and sending letters to customers with the support of specialized collection agencies.
- Customer segmentation that allows identifying those with the highest risk, due to their value, to carry out personalized collection activities with them.
- Possibility of making payment agreements or partial payments that lead to the recovery of the exposed capital.
- Offset of accounts receivable against accounts payable by EPM Group with supplier customers.

- When the previous strategies do not generate satisfactory results, coercive collection actions are carried out through the suspension and interruption of the service.
- If the previous strategies do not give satisfactory results, the collection of the portfolio is proceeded through the judicial process.

The Group believes that the amount that best represents its exposure to credit risk at the end of the period, without considering any collateral taken or other credit enhancements is:

Concept	2022	2021
Cash and cash equivalents	1,998,196	4,090,062
Investments in debt instruments	676.154	871.895
Trade receivables *	1,958,605	2,089,476
Other trade receivables *	290.135	376.676
Maximum exposure to credit risk	4,923,090	7,428,109
- Amounts in millions of Colombian pesos -		

* Corresponds to the amount of the portfolio provision.

43.4. Liquidity risk

It refers to the possibility that there may be insufficient resources for the timely payment of the entity's obligations and commitments, and therefore the Group may be forced to obtain liquidity in the market or to liquidate investments in an onerous manner. It is also understood as the possibility of not finding buyers for the securities in the portfolio.

The Group has identified that the financial instruments affected by liquidity risk include:

- Non-derivative financial assets
- Debt financial instruments with variable interest rate
- Debt financial instruments with a fixed interest rate

To control liquidity risk, temporary comparisons of figures, reference indicators, and liquidity levels are made over different time horizons. Based on this analysis, investment strategies are developed that do not affect the Group's liquidity, taking into account the cash budget and market risk analyzes to consider the diversification of sources of funds, the ability to sell assets, and the creation of contingency plans.

In general, the main aspects taken into account in the analysis are:

- Securities liquidity: the characteristics of the issuer, issue amount, and trading volume are analyzed.
- Market liquidity: the general behavior of the market is analyzed and rate forecasts are made to infer its future behavior.
- Portfolio liquidity: cash flows are coordinated in order to determine investment strategies in accordance with future liquidity requirements, and diversification is sought to avoid the concentration of securities by issuer, rates, and/or terms.

The following table shows the remaining contractual maturity analysis for non-derivative financial assets and liabilities:

	Effective average interest rate	Less than 1 year	From 1 to 2 years	From 2 to 3 years old	3 to 4 years old	More than 4 years	Total contractual obligation
2022							
Non-derivative financial assets	10.79%	1,820,727	34,394	22,029			1,877,150
Debt financial instruments with variable interest rates	10.33%	1,454,606	974,177	795,994	2,731,937	4,668,494	10,625,207
Fixed interest rate debt financial instruments	5.47%	1,740,774	1,396,826	429,524	250,785	14,708,909	18,526,817
2021							
Non-derivative financial assets	5.37%	930,528	20,463	11,000			961,991
Debt financial instruments with variable interest rates	5.59%	2,323,398	1,368,523	832,767	573,438	4,579,613	9,677,738
Fixed interest rate debt financial instruments	5.69%	469,741	963,103	1,306,436	338,982	12,775,864	15,854,128

- Amount in millions of Colombian Pesos -

The amounts included in the above tables for non-derivative financial assets and liabilities may change in response to changes in the variable interest rate relative to the estimated interest rate at the end of the reporting period. The Group considers that cash flows may not occur earlier than indicated above.

The following table shows the remaining contractual maturity analysis for derivative financial liabilities:

	Less than 1 year	From 1 to 2 years	From 2 to 3 years old	3 to 4 years old	More than 4 years	Total contractual obligation
2022						
Swap Contracts	598,093	647,106	644,87	651,619	473,684	3,015,372
Total	598,093	647,106	644,87	651,619	473,684	3,015,372
2021						
Swap Contracts	103,48	169,464	170,578	169,764	260,196	873,483
Total	103,48	169,464	170,578	169,764	260,196	873,483

- Amount in millions of Colombian Pesos -

The main method for measuring and monitoring liquidity is cash flow forecasting, which is carried out in the Group's companies and consolidated in the cash budget. As a result, the cash position is monitored on a daily basis and cash projections are made on an ongoing basis in order to:

- Monitor liquidity needs related to operating and investing activities associated with the acquisition and disposition of long-term assets.
- Pay, prepay, refinance or obtain new loans, according to the Group's cash flow generation capacity.

These projections take into account the Group's debt financing plans, compliance with ratios, compliance with organizational objectives and applicable regulations.

Finally, in addition to investment management and cash flow forecasting as part of a prudent liquidity risk management strategy to control the current and working capital ratios, EPM Group seeks to ensure adequate liquidity through the availability of long-term financing with loan alternatives.

43.5. Insurance risk

The EPM Group has incorporated a captive reinsurance company, domiciled in Bermuda, registered in REACOEX Colombia and rated by AM Best with A-, and it is through such company that the reinsurance risk is transferred from the insurance company in Colombia (currently Sura) to the reinsurance market, for the policies of: Property Damage

+ Loss of Profit, Sabotage and Terrorism, Directors and Administrators, Infidelity and Financial Risks ("Crime"), Errors and Omissions, Civil Liability and Coverage for cyber risks.

As mentioned, such risk management is done through Maxseguros EPM Ltd., which consolidates the risks assumed and cedes them through reinsurance operations.

In reference to the policies of selection, cession and management of reinsurance, these are carried out based on a strategy established jointly by the Management of Integral Risk Management of EPM and Maxseguros EPM Ltd., which may change from year to year according to the fluctuations of the reinsurance market and the conditions of the insured risks, however, a solid backing is sought and a minimum rating of A- or equivalent is required.

The reinsurance companies with which operations were carried out in 2022 were the following:

Reinsurer	Risk rating
LIBERTY MUTUAL INSURANCE COMPANY	S&P's A
SWISS RE CORPORATE SOLUTIONS AMERICA INSURANCE CORPORATIONS (Swiss Re Corso)	A.M. Best A+
Chubb Seguros Colombia	NR
Scor Reinsurance Company	S&P's AA-
Hannover Ruck SE	A.M. Best A+
Korean Re	S&P's A
SWISS RE AMERICA CORPORATION	A.M. Best A+
Munchener Ruckversicherungs - Gesellschaft - Munich Re	S&P's AA-
Starr Insurance & Reinsurance Limited	A.M. Best A
IRB - Brazil Resseguros S.A.	A.M. Best A-

The Group's main claims assumed are as follows:

Type of claim	Reserve amount	Amount reinsurer
Todoriesgo material damage	103.419	91.394
Son Son I - Hydroelectric Plant	7.253	-
La Alpujarra Thermal Plant	2.189	-
Son Son II - Hydroelectric Plant	2.227	-
SE Bucaramanga	1.954	-
PTAR San Fernando	2.275	-
Total	119.317	91.394

-Amounts stated in millions of Colombian pesos -

The amount of insured assets is as follows:

The amount of insured assets is as follows:

Subsidiary	2022	2021
EPM	32,850,012	27,077,344
CHEC	2,794,141	2,380,998
DELSUR	419.636	319.952
ESSA	952.324	780.03
HET	962.698	759.545
AGUAS NACIONALES	1,423,289	1,181,589
AFINIA	-	900.315
BODEGAS ITUANGO	1,729,484	1,096,759
Total	41,131,584	34,496,532

-Amounts stated in millions of Colombian pesos -

Note 44.

Fair value measurement on a recurring and non-recurring basis

The methodology established in IFRS 13 Fair Value Measurement specifies a hierarchy in valuation techniques based on whether the variables used in determining fair value are observable or unobservable.

The Group determines the fair value on a recurring and non-recurring basis, as well as for disclosure purposes:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access on the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are directly or indirectly observable for assets or liabilities (level 2).
- Based on internal cash flow discount valuation techniques or other valuation models, using variables estimated by the Group that are unobservable for the asset or liability, in the absence of variables observed in the market (level 3).

During 2022 and 2021 in the Group no transfers were made between fair value hierarchy levels, both for transfers in and transfers out of the levels, when.

Valuation techniques and variables used by the Group to measure fair value for recognition and disclosure:

Cash and cash equivalents: include fixed income instruments and fiduciary charges. The latter reflects the balance of the Collective Investment Funds (FIC) owned by the EPM Group. These funds are used as a savings and investment mechanism and are managed by trust companies. Through these funds, resources are invested in a portfolio of assets that are updated at fair value. The EPM Group uses the market approach as a valuation technique for this item, these items are classified in level 1 of the fair value hierarchy.

Investments at fair value through profit or loss and through equity: corresponds to the investments made to optimize liquidity surpluses, that is, all those resources that are not immediately allocated to the development of the activities that constitute the corporate purpose of the companies. Additionally, it includes the resources delivered to a financial institution as collateral for the sale of the Los Cururos Wind Farm and EPM Transmission Chile. The EPM Group uses the market approach as a valuation technique, these items are classified in level 1 of the fair value hierarchy.

Equity investments: corresponds to the resources placed in equity

securities of national or foreign entities, represented in shares or parts of social interest. The methodologies used are the market price for those listed on the stock exchange (level 1) and the discount of cash flows for the rest (level 3).

Fiduciary rights: corresponds to the rights originated by virtue of the execution of commercial fiduciary contracts. The EPM Group uses the market approach as a valuation technique, these items are classified at level 1.

Derivative instruments: The Group uses derivative financial instruments, such as forward contracts, futures contracts, financial swaps (swaps), and options, to hedge various financial risks, mainly the risk of interest rate, exchange rate, and price of basic products (commodities). Such derivative financial instruments are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The Group uses discounted cash flow as a valuation technique for swaps, in an income approach. The variables used are Interest rate swap curve for rates denominated in dollars, to discount flows in dollars; and External Interest Rate Swap Curve for rates denominated in pesos, to discount flows in pesos. These items are classified in level 2 of the fair value hierarchy. Regarding Zero Cost Collar options, the Black and Scholes model is used as a reference, which analyzes the value of options based on the price of the asset underlying the option and follows a continuous stochastic process of Gauss-Wiener evolution with mean and constant instantaneous variance. These items are classified in level 2 of the fair value hierarchy. Additionally, for the put option of the climatic derivative, the Montecarlo method is used as a valuation technique, which simulates the non-financial variable (rainfall measured in two meteorological stations located in the basins of two of the most important rivers in EPM's area of influence: Río Abajo and Riogrande I) in a series of situations or possible scenarios for a given event, including the limits and present value of the flows defined in the contract. This item is classified in level 3 of the fair value hierarchy because variables not obtained from observable market data are used.

Trade receivables: made up of the account receivable originating from the business combination for the acquisition of the subsidiary Empresas Públicas de Rionegro, for its valuation the discount of the payment flows is considered, applying the weekly deposit rates for CDT at 360 days, published by the Banco de la República; and for the account receivable associated with the contract for the firm supply of liquid fuel (ACPM) for the La Sierra and Termodorada thermoelectric

plants, which is updated according to the value of the fuel unit stipulated in the contract. Both items are classified in level 3 of the fair value hierarchy.

Investment properties: are properties (land or buildings, considered in whole or in part, or both) that are held (by the Group in its own name or through a financial lease) to obtain rents, capital gains, or both, in place of for:

- Its use in the production or supply of goods or services, or for administrative purposes; or
- Their sale in the ordinary course of operations.

The Group uses two valuation techniques for these items. Within the market approach, the comparative or market method is used, which consists of deducting the price by comparing transactions, supply and demand, and appraisals of similar or comparable real estate, prior adjustments for time, composition, and location. Within the cost approach, the residual method is used, which is applied only to buildings and is based on the determination of the updated construction cost, less depreciation due to age, and state of conservation. Both items are classified in level 3 of the fair value hierarchy.

Contingent considerations: arising from the business combinations in the acquisitions of the subsidiaries Espiritu Santo Energy S. de RL and Empresas Varias de Medellín SA ESP – EMVARIAS, the discount of the payment flows is considered by applying the discount rates: Libor rate and TES rate, respectively. These items are classified in level 3 of the fair value hierarchy.

Other accounts payable: corresponds to the premium payable for a weather derivative whose valuation technique is the average of expected future flows, discounted at a risk-free rate plus a spread that considers the possibility of default (own credit risk). This item is classified in level 3 of the fair value hierarchy because variables not obtained from observable market data are used, such as own credit risk.

The following table shows, for each of the fair value hierarchy levels, the assets and liabilities of the Group measured at fair value regularly at the cut-off date:

Fair value on a recurring basis as of December 31, 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	812,232	812,232	-	-	812,232
Total negotiable or designated at fair value (See note 12)	812,232	812,232	-	-	812,232
Fixed income securities	560,166	560,166	-	-	560,166
Equity securities investments at fair value	128,814	128,814	-	-	128,814
Investments pledged or given in guarantee	233,004	233,004	-	-	233,004
Total other investments at fair value (See note 11)	921,984	921,984	-	-	921,984
Variable income securities other equity investments	2,100,071	2,092,266	-	7,805	2,100,071
Total other equity investments (See note 11)	2,100,071	2,092,266	-	7,805	2,100,071
Trust in administration	334,492	334,492	-	-	334,492
Total trust rights (See note 11)	334,492	334,492	-	-	334,492
Put Options	67,870	-	-	67,870	67,870
Derivative swaps	466,733	-	466,733	-	466,733
Total derivatives	534,603	-	466,733	67,870	534,603
Other accounts receivable	47,105	-	-	47,105	47,105
Total debtors (See note 10)	47,105	-	-	47,105	47,105
Investment properties Urban and rural land	153,781	-	-	153,781	153,781
Investment property Buildings and houses	36,793	-	-	36,793	36,793
Total investment properties	190,574	-	-	190,574	190,574
Liabilities					
Provision - business combination	164,112	-	-	164,112	164,112
Total contingent consideration (See note 14)	164,112	-	-	164,112	164,112
Other accounts payable	49,089	-	-	49,089	49,089
Total accounts payable	49,089	-	-	49,089	49,089
Swaps derivative liabilities	4,065	-	4,065	-	4,065
Total derivative liabilities	4,065	-	4,065	-	4,065
Total fair value on a recurring basis	4,723,795	4,160,974	462,668	100,153	4,723,795

Amounts stated in millions of Colombian pesos

Fair value on a recurring basis as of December 31, 2021	Carrying amount	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	1,014,391	1,014,391	-	-	1,014,391
Total negotiable or designated at fair value	1,014,391	1,014,391	-	-	1,014,391
Fixed income securities	508,968	508,968	-	-	508,968
Equity securities investments at fair value	97,768	97,768	-	-	97,768
Investments pledged or given in guarantee	30,310	30,310	-	-	30,310
Total other investments at fair value (See note 11)	637,046	637,046	-	-	637,046
Variable income securities other equity investments	2,236,758	2,228,715	-	8,043	2,236,758
Total other equity investments (See note 11)	2,236,758	2,228,715	-	8,043	2,236,758
Trust in administration	401,504	401,504	-	-	401,504
Total trust rights (See note 11)	401,504	401,504	-	-	401,504
Put Options	102,210	-	-	102,210	102,210
Derivative swaps	132,634	-	132,634	-	132,634
Collar Options	3,673	-	3,673	-	3,673
Total derivatives	238,517	-	136,307	102,210	238,517
Other accounts receivable	23,187	-	-	23,187	23,187
Total debtors (See note 10)	23,187	-	-	23,187	23,187
Investment properties Urban and rural land	136,211	-	-	136,211	136,211
Investment property Buildings and houses	31,119	-	-	31,119	31,119
Total investment properties	167,329	-	-	167,329	167,329
Liabilities					
Provision - business combination	165,214	-	-	165,214	165,214
Total contingent consideration (See note 14)	165,214	-	-	165,214	165,214
Other accounts payable	91,317	-	-	91,317	91,317
Total accounts payable	91,317	-	-	91,317	91,317
Swaps derivative liabilities	164,277	-	164,277	-	164,277
Total derivative liabilities	164,277	-	164,277	-	164,277
Total fair value on a recurring basis	4,297,923	4,281,655	(27,969)	44,238	4,297,923

Amounts stated in millions of Colombian pesos

No transfers between levels were made during 2022.

The following tables present a reconciliation of the Group's assets and liabilities measured at fair value on a recurring basis using unobservable inputs (classified in level 3 fair value hierarchy) at December 31, 2022 and 2021:

Changes in level 3 of the fair value hierarchy as of December 30, 2022	Initial balance	Changes recognized in profit or loss	Changes recognized in other comprehensive income	Purchases	Sales and transfers	Settlements	Final balance
Assets							
Variable income securities other equity investments	8,043	-	(238)	-	-	-	7,805
Total other equity investments (See note 11)	8,043	-	(238)	-	-	-	7,805
Options							
Options	102,210	(34,340)	-	-	-	-	67,870
Total derivatives	102,210	(34,340)	-	-	-	-	67,870
Other accounts receivable							
Other accounts receivable	23,187	23,918	-	-	-	-	47,105
Total receivables	23,187	23,918	-	-	-	-	47,105
Investment properties							
Investment properties Urban and rural land	136,211	-	17,570	-	-	-	153,781
Investment properties Buildings and houses	31,119	-	5,674	-	-	-	36,793
Total investment properties	167,33	-	23,244	-	-	-	190,574
Liabilities							
Provision - business combination	165,214	(1,102)	-	-	-	-	164,112
Total contingent consideration (See Note 14)	165,214	- (1,102)	-	-	-	-	164,112
Other accounts payable							
Other accounts payable	91,317	20,844	-	-	-	(63,071)	49,090
Total accounts payable	91,317	20,844	-	-	-	(63,071)	49,090

Amounts stated in millions of Colombian

Changes in level 3 of the fair value hierarchy as of December 30, 2021	Initial balance	Changes recognized in profit or loss	Changes recognized in other comprehensive income	Purchases	Sales and transfers	Settlements	Final balance
Assets							
Variable income securities other equity investments	7,924	-	119	-	-	-	8,043
Total other equity investments (See note 12)	7,924	-	119	-	-	-	8,043
Options	128,204	(25,994)	-	-	-	-	102,210
Total derivatives	128,204	(25,994)	-	-	-	-	102,210
Other accounts receivable	23,237	(50)	-	-	-	-	23,187
Total receivables	23,237	(50)	-	-	-	-	23,187
Investment properties Urban and rural land	129,172	-	6,900	228	(89)	-	136,211
Investment properties Buildings and houses	35,947	-	(4,860)	52	(20)	-	31,119
Total investment properties	165,119	-	2,040	280	(109)	-	167,3300
Liabilities							
Provision - business combination	155,378	9,836	-	-	-	-	165,214
Total contingent consideration (See Note 15)	155,378	9,836	-	-	-	-	165,214
Other accounts payable	120,429	13,543	-	-	-	(42,655)	91,317
Total accounts payable	120,429	13,543	-	-	-	(42,655)	91,317

Amounts stated in millions of Colombian pesos

The carrying amounts and estimated fair values of the Group's assets and liabilities that are not recognized at fair value in the consolidated statement of financial position, but require disclosure at fair value, as of December 31, 2022, and 2021 are as follows:

2022	Carrying amount	Level 2	Total
Assets			
Public services	7,958,729	7,940,569	7,940,569
Employees	224,225	198,662	198,662
Construction contracts	5,140	5,140	5,140
Other accounts receivable	1,757,839	1,751,547	1,751,547
Total Assets	9,945,933	9,895,918	9,895,918
Liabilities			
Development bank borrowings	2,292,111	2,292,111	2,292,111
Multilateral bank borrowings	1,163,243	1,163,243	1,163,243
Commercial bank borrowings	9,053,293	9,053,293	9,053,293
Bonds and securities issued	16,866,622	13,995,066	13,995,066
Other liabilities	115,000	111,786	111,786
Total liabilities	29,490,269	26,615,499	26,615,499
Total	(19,544,239)	(16,719,573)	(16,719,573)

Amounts stated in millions of Colombian pesos

2021	Carrying amount	Level 2	Total
Assets			
Public services	5,006,747	5,010,873	5,010,873
Employees	194,306	200,128	200,128
Construction contracts	2,327	2,327	2,327
Other accounts receivable	3,957,082	3,945,141	3,945,141
Total Assets	9,160,462	9,158,470	9,158,470
Liabilities			
Development bank borrowings	1,869,922	1,869,922	1,869,922
Multilateral bank borrowings	1,326,950	1,326,950	1,326,950
Commercial bank borrowings	7,353,772	7,353,772	7,353,772
Bonds and securities issued	15,125,147	14,427,158	14,427,158
Other liabilities	90,000	86,084	86,084
Total liabilities	25,765,791	25,063,886	25,063,886
Total	(16,605,330)	(15,905,416)	(15,905,416)

Amounts stated in millions of Colombian pesos

As of December 31, 2022, and 2021, there were no concepts in levels 1 and 3.

Note 45.

Service concession arrangements

At the balance sheet date, the Group manages as operator several concessions that contain provisions for the construction, operation and maintenance of facilities, as well as the rendering of public services such as water supply, wastewater collection and treatment, in accordance with the applicable regulations.

The remaining period of the concessions where the Group acts as operator is detailed below:

Company/Agreement	Activity	Country	Grant Period	Initial Remaining Period
Empresas Públicas de Medellín - Municipality of Caldas	The municipality undertakes to make available and facilitate the use of networks and other infrastructure for the provision of water and sewerage services.	Colombia	30 years (extendable)	6 years
Empresas Públicas de Medellín - Municipality of Itagüí	Construction of water and sewer networks for the provision of service in assigned neighborhoods. Collector construction parallel to the La Justa and Sewer ravine on the street 36 at the height of the Ditaíres Park. Construction of the collector parallel to the cover of the La Muñoz gorge. Transfer of hydraulic structures to provide the service of Sewer in the municipality and provide the sanitation to the Medellín River.	Colombia	30 years (extendable)	25 years

Empresas Públicas de Medellín - Municipality of Barbosa	The municipality undertakes to make available and facilitate the use of networks and other infrastructure for the provision of water and sewerage services.	Colombia	30 years (extendable)	5 years
Empresas Públicas de Medellín - Municipality of Copacabana	Execution of works for the supply of drinking water, sewerage and the provision of such services.	Colombia	20 years (extendable)	8 years
Empresas Públicas de Medellín - Municipality of Girardota	Provision of aqueduct and sewerage service.	Colombia	20 years (extendable)	10 years
Empresas Públicas de Medellín - Municipality of Sabaneta	The municipality undertakes to make available and facilitate the use of networks and other infrastructure for the provision of water and sewerage services.	Colombia	10 years (extendable)	2 years
Empresas Públicas de Medellín - Municipality of La Estrella	Execution of works and provision of potable water and sewerage services.	Colombia	10 years (extendable)	2 years
Empresas Públicas de Medellín - Municipality of Envigado	Provision of the aqueduct and sewerage service and construction of works for the provision of the Aqueduct and Sewer service.	Colombia	10 years (extendable)	5 years
Empresas Públicas de Medellín - Municipality of Bello	Execution of works and provision of the aqueduct and sewerage service.	Colombia	10 years (extendable)	1 year
Municipality of San Jeronimo / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Santa Fe / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Sopetran / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Olaya Municipality / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Apartadó / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Carepa/ Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Chigorodó / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Mutatá / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of Turbo / Aguas Regionales EPM.	The municipality undertakes to make available the movable and immovable property that make up the system for the provision of aqueduct and sewerage services.	Colombia	30	14
Municipality of El Retiro / Aguas de Oriente	Operate and maintain networks and other infrastructure received during the concept of adequate service delivery.	Colombia	No explicit duration period	NA
Aguas Antofagasta S.A.	Operation of public services for the production and distribution of drinking water, collection and disposal of wastewater and other services related to such activities	Chile	30	11
Colima wastewater treatment plant.	Wastewater treatment	Mexico	34 years	22 years
Wastewater treatment plants in Morelos and Tierra Negra, Tamaulipas.	Wastewater treatment	Mexico	24 years	20 years
New processes contracted for the PEMEX project in Ciudad Madero, Tamaulipas.	Wastewater treatment	Mexico	24 years	20 years
Atapaneo and Itzicuaros wastewater treatment plants in Morelia.	Wastewater treatment	Mexico	24 years	16 years
Tuxtla and Paso el Limón wastewater treatment plants, in Tuxtla Gutiérrez.	Wastewater treatment	Mexico	18 years	12 years
Celaya wastewater treatment plant in Celaya, Guanajuato.	Wastewater treatment	Mexico	18 years	10 years
Ministry of the Environment/Hidroecológica del Teribe S.A. (HET).	Use of water	Panama	Permanent	Permanent
Public Services Authority (ASEP)/Hidroecológica del Teribe S.A. (HET).	Hydroelectric generation	Panama	50 years	27 years
Electricity Transmission Company/Hidroecológica del Teribe S.A. (HET)	System Interconnected	Panama	24 years-(extendable)	
National Environmental Authority (ANAM)/Hidroecológica del Teribe S.A. (HET)	Protected area management	Panama	20 years	13 years
Empresa de Distribución Eléctrica Chiriquí S.A./Hidroecológica del Teribe S.A. (HET)	Energy sales	Panama	15 years	8 years
Empresa de Distribución Metro-Oeste S.A./Hidroecológica del Teribe S.A. (HET)	Energy sales	Panama	15 years	8 years
Elektra Noreste S.A./Hidroecológica del Teribe S.A. (HET)	Energy sales	Panama	15 years	8 years

Service concession arrangements for the provision of water and sewage services

In Colombia

The concession arrangements between EPM and the Municipalities establish the conditions under which the aqueduct and sewerage networks are managed, operated and maintained for the provision of drinking water and wastewater sanitation services to their inhabitants, under the terms, conditions and rates established by the Drinking Water and Basic Sanitation Regulatory Commission - CRA -.

The user is charged via tariffs according to the intervention of replacement, expansion or interventions in the networks with the execution of projects under construction (Construction in progress). Following the parameters and conditions established by the CRA (Water Regulation Commission).

The agreements indicate the following rights and obligations for EPM as operator in the service concession agreement:

- Right to receive from the Municipality all the aqueduct and sewerage networks and to have exclusivity as system operator.
- Obligation to make exclusive use of the aqueduct and sewage networks for the purposes for which they are intended, maintain them and return them in the conditions of use in which they were received.
- Some concession arrangements have the option of being automatically renewed for equal periods unless one of the parties expresses the intention not to continue with it.
- The concession arrangements do not establish an obligation for the construction of property, plant and equipment.

Upon termination of the concession, EPM must return the water and sewage networks without any consideration to the Municipalities. There have been no changes in the terms of the concession agreement during the period.

For these agreements the intangible asset model is applicable.

 **See note 7 Goodwill and other intangible assets.**

In Aguas Regionales

As of the cut-off date, no revenues and costs incurred for construction services exchanged for a financial asset or intangible asset have been recognized.

The concession arrangement between Aguas Regionales with the Municipalities establishes the conditions under which they manage, operate and maintain the aqueduct and sewerage networks for the provision of drinking water and wastewater sanitation services to their inhabitants, under the terms, conditions and rates established by the Comisión de Regulación de Agua Potable y Saneamiento Básico - CRA - (Drinking Water and Basic Sanitation Regulatory Commission).

The agreements indicate the following rights and obligations for Aguas Regionales as operator in the service concession arrangement:

- **Description of the concession arrangement:** The Municipality agrees to make available the movable and immovable assets that make up the system for the provision of aqueduct and sewerage services.
- **Rights of the arrangement:** To receive the aqueduct and sewerage real estate and other infrastructure delivered by the municipality, and to make exclusive use for the purposes for which it was intended.
- **Obligations of the arrangement:** To operate and maintain the networks and other infrastructure received within the concept of adequate service provision.
- **Obligations of the operating company upon termination of the concession:** Return the networks in the current conditions of use.

There have been no changes in the terms of the concession agreement during the period.

In Aguas de Oriente

The concession arrangement between Aguas del Oriente with the municipality of El Retiro establishes that the municipality is obligated to deliver as a commodatum the aqueduct and sewerage systems of the municipality of El Retiro to the company Aguas del Oriente Antioqueño S.A E.S.P, to provide aqueduct and sewerage services.

In the gratuitous bailment, the following obligations are indicated for Aguas del Oriente: To provide water and sewage services in the municipality of El Retiro in compliance with Law 142 of 1994 and the resolutions issued by the Water and Basic Sanitation Regulatory Commission.

Obligations of the municipality: To deliver to Aguas del Oriente as a gratuitous bailment the aqueduct and sewer distribution networks.

Obligations of the arrangement: The expansion of the networks will be done in accordance with the regulations on the matter and will be in charge of the parties, who may do them directly or through the municipality in projects of greater coverage. The recovery of such investments will be made by the parties under the schemes agreed upon with the beneficiaries of the projects and in accordance with the provisions of the law on this matter. With resources from tariffs, Aguas del Oriente will carry out the maintenance and replacement of networks under technical and economic criteria.

Termination of the arrangement: The agreement will be terminated for the following reasons: A) By mutual agreement between the parties and B) By liquidation of the company.

Upon termination of the concession, Aguas del Oriente must return the aqueduct and sewerage systems (aqueduct and sewerage networks) to the municipality. The drinking water production systems (intake, pipelines, drinking water treatment plant, storage tanks, pumping, land where the system is located, etc.). They are and will continue to be owned by Aguas del Oriente.

There have been no changes in the terms of the concession arrangement during the period.

In ADASA

The exploitation of the concession right implies the financing and execution of works required for the maintenance, replacement and expansion of the infrastructure and facilities necessary to satisfy the demand of the related public services, during the term of the exploitation right, in the operational territory of the concession and according to the Development Plan approved by ECONSSA CHILE S.A. or the one qualified by the Superintendence of Sanitary Services under the terms of article fifty-eight of the General Law of Sanitary Services.

As part of the contract that granted the Concession to the Company, the Company received real estate, furniture, facilities, water use rights and easements, which are used in the operation of the sanitary concessions. The Company is prohibited from assigning, encumbering, leasing or constituting any right in favor of third parties over the assets received through the concession, which must be returned at the end of the Contract in the state in which they are found, ensuring their correct operation at all times. Subsequent investments made by the company, in that portion that cannot be recovered through tariffs because their estimated use exceeds the remaining term of the Sanitary Concession, will be recovered in that portion at the end of the concession, where ECONSSA Chile S.A. will reimburse these investments, since the investment reimbursement clauses are applicable to it, as indicated and established in the respective transfer contract signed.

As part of its obligations, the company must annually present specific information on the assets held in commodatum, as well as the new investments made within the framework established in the transfer agreement signed between both companies, including a record of each and every one of the facilities and networks of the sanitary services of production and distribution of drinking water and collection and disposal of sewage.

In México

The entity considers that the concession contract in which it participates is within the scope of INIF 17 Concession Contracts. Additionally, it has assessed that the consideration granted by the Agency is an account receivable since it has the contractual and unconditional right to receive cash for construction services. During the construction period the Company recognizes a work in progress,

once the Agency grants the release of the construction the Company recognizes an account receivable that is recorded as a short-term and long-term financial asset, depending on the estimated collection date. The interest generated by this trade receivable is recognized in the statement of profit or loss within interest income.

Revenues from the operation of concessioned projects are recognized as concession revenues as they accrue.

In HIDROSUR

As of December 31, 2022, the company manages as operator several concessions that contain provisions for construction, operation and maintenance for hydroelectric generation, water use, energy sales, transmission system and protected area management.

Note 46.

Operating segments

46.1. Segment information

For management purposes, the Group is organized into segments based on its products and services, and has the following eight operating segments for which information is presented:

- Electricity Generation Segment, whose activity consists of the production of energy and commercialization of large blocks of electricity, based on the acquisition or development of a portfolio of energy proposals for the market.

- Electricity Distribution Segment, whose activity consists of transporting electricity through a set of lines and substations, with their associated equipment, operating at voltages lower than 220 KV, the commercialization of energy to the end user of the regulated market and the development of related and complementary activities. It includes the Regional Transmission System (STR), the Local Distribution System (SDL), the public lighting service and the provision of associated services.
- Electricity Transmission Segment, whose activity consists of transporting energy in the National Transmission System (STN), composed of the set of lines, with their corresponding connection equipment, operating at voltages equal to or higher than 220 KV. The National Transmitter (TN) is the legal entity that operates and transports electric energy in the STN or has incorporated a company whose purpose is the development of such activity.
- The Natural Gas Distribution and Commercialization segment, whose activity consists of transporting gas from the city gate to the end user through medium and low-pressure pipelines. It includes the sale of gas through different systems, including distribution by network, natural gas for vehicles, compressed natural gas and service stations.
- Water Supply Segment, whose activity consists of conceptualizing, structuring, developing and operating systems to supply water. It includes the commercial management of the portfolio of services related to the supply of water for different uses, in addition to the use of the production chain, specifically in the production of energy, and the supply of raw water.
- Wastewater Management Segment includes the activities of conceptualizing, structuring, developing and operating wastewater systems and solid waste management, in addition to the use of the production chain, specifically in the production of energy and gas.
- Solid Waste Management Segment includes carrying out commercial management related to these services and the use of biosolids and other by-products of wastewater treatment, and solid waste management.

- Other segment, which corresponds to other activities that are not included in the segments listed above. Includes: Adapted Health Entity (EAS) and Medical and Dental Services Unit, billing and collection services for third parties, income received from investment properties (leases), social financing, EATIC Laboratory tests, provision of specialized transportation service and services associated with information and communication technologies, information services and complementary activities related or related to them.

The Group has not aggregated operating segments to form these eight reportable segments; however, it carries out the activity of energy trading, which consists of the purchase of electricity in the wholesale market and its sale to other market agents or to regulated or unregulated end-users. Therefore, the Group includes the financial information of this activity in the corresponding segments that contain this activity.

Management monitors the operating results of the operating segments separately for the purpose of making decisions on the allocation of resources and evaluating their performance. Segment performance is evaluated on the basis of income or loss from operations before income taxes and discontinued operations and is measured on a consistent basis with income or loss from operations in the consolidated financial statements.

Transfer prices between operating segments are agreed upon as between independent parties in a manner similar to that agreed upon with third parties.

2022	Generation	Transmission	Distribution	Gas	Water supply	Wastewater management	Solid waste management	Other segments	Total segments	Intersegment eliminations	Consolidated
Revenues from external customers	4,753,989	347,758	22,357,862	1,296,008	1,739,639	1,193,245	285,014	248,954	32,222,469	-	32,222,469
Inter-segment revenues	1,188,993	149,209	797,593	300,851	74,332	52,195	2,676	132,676	2,698,525	(2,698,525)	-
Total net revenue	5,942,982	496,967	23,155,455	1,596,859	1,813,971	1,245,440	287,690	381,630	34,920,994	(2,698,525)	32,222,469
Costs and expenses without depreciation, amortization, provisions and impairment of PP&E and intangibles	(2,929,975)	(102,037)	(17,193,924)	(1,379,131)	(863,268)	(638,070)	(229,167)	(377,495)	(23,713,067)	2,564,406	(21,148,661)
Depreciation, amortization, provisions and impairment of PP&E and intangible assets	(441,948)	(66,321)	(855,075)	(21,556)	(305,986)	(133,829)	(53,264)	(32,952)	(1,910,931)	42,058	(1,868,873)
Impairment of trade receivable	(50,936)	(1,082)	(942,746)	(5,922)	(18,514)	(32,445)	(922)	(52,783)	(1,105,350)	(1,055)	(1,106,405)
Other expenses	(20,592)	(1,457)	(96,458)	(1,266)	(16,791)	(3,024)	(49)	(865)	(140,502)	1,991	(138,511)
Interest and yield income	106,119	3,419	110,108	4,637	30,251	71,401	4,717	32,518	363,170	(115,112)	248,058
Finance income (other than interest and yields)	11,305	2,135	46,042	8,922	18,100	12,505	3,208	47,628	149,845	-	149,845
Total finance income	117,424	5,554	156,150	13,559	48,351	83,906	7,925	80,146	513,015	(115,112)	397,903
Interest expense	(448,721)	(73,643)	(486,911)	(62,530)	(412,921)	(179,985)	(6,011)	(510,891)	(2,181,613)	122,031	(2,059,582)
Finance expenses (other than interest)	(129,407)	(320)	(42,890)	(1,247)	(20,901)	(9,674)	(16,206)	(6,204)	(226,849)	1,549	(225,300)
Total finance expense	(578,128)	(73,963)	(529,801)	(63,777)	(433,822)	(189,659)	(22,217)	(517,095)	(2,408,462)	123,580	(2,284,882)
Net foreign exchange difference	(337,669)	453	(38,321)	5,697	10,290	643	(9)	255,503	(103,413)	327	(103,086)
Equity method in the profit or loss of associates and joint ventures	-	-	-	-	-	-	-	(231,842)	(231,842)	-	(231,842)
Effect of share in equity investments	-	-	3,299	-	-	-	-	68,455	71,754	(1,032)	70,722
Profit or loss before income tax for the period	1,701,158	258,114	3,658,579	144,463	234,231	332,962	(10,013)	(427,298)	5,892,196	(83,362)	5,808,834
Income tax	(260,842)	(63,403)	(1,066,788)	(45,402)	45	(150,510)	(1,558)	(49,312)	(1,637,770)	17,600	(1,620,170)
Net movement in regulatory accounts related to profit or loss for the period	-	-	(67,118)	-	-	-	-	-	(67,118)	-	(67,118)
Net profit or loss for the period	1,440,316	194,711	2,524,673	99,061	234,276	182,452	(11,571)	(476,610)	4,187,308	(65,762)	4,121,546
Total assets without investments in associates and joint ventures and debit balances of deferred regulatory accounts	24,606,779	2,787,176	26,622,356	1,553,728	9,719,100	7,737,864	449,472	4,556,627	78,033,102	(3,680,732)	74,352,370
Investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	1,176,188	1,176,188	-	1,176,188
Deferred assets related to regulatory account balances	-	-	56,115	-	-	-	-	-	56,115	-	56,115
Total assets and debit balances of deferred regulatory accounts	24,606,779	2,787,176	26,678,471	1,553,728	9,719,100	7,737,864	449,472	5,732,815	79,265,405	(3,680,732)	75,584,673
Total liability	13,966,376	1,415,644	14,662,315	1,010,327	5,854,651	4,088,042	396,477	5,769,165	47,162,997	(2,578,164)	44,584,833
Deferred liabilities related to regulatory account balances	-	-	16,834	-	-	-	-	-	16,834	-	16,834
Total liabilities and credit balances from deferred regulatory accounts	13,966,376	1,415,644	14,679,149	1,010,327	5,854,651	4,088,042	396,477	5,769,165	47,179,831	(2,578,164)	44,601,667
Additions to non-current assets	2,460,246	95,397	2,121,829	13,238	708,891	272,050	13,484	126,071	5,811,206	-	5,811,206

Amounts stated in millions of Colombian pesos

2021	Generation	Transmission	Distribution	Gas	Water supply	Wastewater management	Solid waste management	Other segments	Total Segments	Intersegment elimination	Consolidated
Revenues from external customers	3,984,547	284,419	17,090,683	1,052,820	1,494,765	876,855	263,658	209,187	25,256,929	-	25,256,929
Inter-segment revenue	1,371,909	112,092	638,207	265,065	60,071	25,400	1,896	125,878	2,600,518	(2,600,518)	-
Total net revenue	5,356,456	396,511	17,728,890	1,317,885	1,554,836	902,255	265,554	335,060	27,857,447	(2,600,518)	25,256,929
Costs and expenses without depreciations, amortizations, provisions and Depreciation stock of PP&E and intangibles	(2,754,621)	(84,393)	(13,961,262)	(1,134,223)	(735,412)	(466,821)	(195,931)	(312,644)	(19,645,307)	2,509,884	(17,135,423)
Costs and expenses without depreciation, amortization, provisions and impairment of PP&E and intangibles	(630,804)	(59,714)	(702,209)	(21,179)	(248,257)	(117,727)	(44,353)	(36,475)	(1,860,718)	38,796	(1,821,922)
Impairment of trade receivables	(7,885)	(1,481)	(302,123)	(401)	(1,466)	(65,835)	80	(15,189)	(394,300)	(6,745)	(401,045)
Other expenses	(24,020)	(1,542)	(122,518)	(1,114)	(12,278)	(10,342)	(1,196)	(14,858)	(187,868)	1,596	(186,272)
Interest and yield income	39,897	936	74,795	2,759	14,435	46,105	1,488	2,323	182,738	(70,917)	111,821
Finance income (other than interest and yields)	4,348	815	22,846	1,652	719	5,930	1,552	3,511	41,373	(8)	41,365
Total finance income	44,245	1,751	97,641	4,411	15,154	52,035	3,040	5,834	224,111	(70,925)	153,186
Interest expenses	(242,413)	(47,389)	(309,470)	(50,809)	(138,797)	(135,604)	(2,558)	(339,981)	(1,267,021)	77,634	(1,189,387)
Finance expenses (other than interest)	(81,096)	(229)	(30,271)	(1,310)	(102,056)	(16,886)	(7,204)	(3,779)	(242,831)	1,373	(241,458)
Total finance expense	(323,509)	(47,618)	(339,741)	(52,119)	(240,853)	(152,490)	(9,762)	(343,760)	(1,509,852)	79,007	(1,430,845)
Net foreign exchange difference	(19,635)	9,069	(50,355)	7,672	27,249	6,173	(2)	(955)	(20,784)	(138)	(20,922)
Equity method in the profit or loss of associates and joint ventures	-	-	-	-	-	-	-	(269,896)	(269,896)	-	(269,896)
Effect of share in equity investments	-	-	1,869	-	-	-	-	124,058	125,927	(1,877)	124,050
Profit or loss before income tax for the period	1,640,227	212,583	2,350,192	120,932	358,973	147,248	17,430	(528,825)	4,318,760	(50,920)	4,267,840
Income tax	(419,223)	(53,109)	(587,041)	(47,253)	(54,769)	(15,607)	(2,175)	77,441	(1,101,736)	27,109	(1,074,627)
Net movement in regulatory accounts related to profit or loss for the period	-	-	88,433	-	-	-	-	-	88,433	-	88,433
Net profit or loss for the period	1,221,004	159,474	1,851,584	73,679	304,204	131,641	15,255	(451,384)	3,305,457	(23,811)	3,281,646
Total assets without investments in associates and joint ventures and debit balances of deferred regulatory accounts	23,718,500	2,378,471	22,484,715	1,362,054	7,655,842	5,914,403	360,622	5,622,769	69,497,376	(3,275,157)	66,222,219
Investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	1,417,969	1,417,969	-	1,417,969
Deferred assets related to regulatory account balances	-	-	136,282	-	-	-	-	-	136,282	-	136,282
Total assets and debit balances of deferred regulatory accounts	23,718,500	2,378,471	22,620,997	1,362,054	7,655,842	5,914,403	360,622	7,040,738	71,051,627	(3,275,157)	67,776,470
Total Liability	13,760,897	1,264,875	12,626,165	855,391	4,136,445	2,532,518	299,947	5,708,212	41,184,450	(2,199,049)	38,985,401
Deferred liabilities related to regulatory account balances	-	-	40,884	-	-	-	-	-	40,884	-	40,884
Total liabilities and credit balances from deferred regulatory accounts	13,760,897	1,264,875	12,667,049	855,391	4,136,445	2,532,518	299,947	5,708,212	41,225,334	(2,199,049)	39,026,285
Additions to non-current assets	2,310,358	79,728	1,708,046	12,679	588,825	251,520	35,726	116,897	5,103,779	-	5,103,779

46.2 Información por área geográfica

Revenues from external customers

Country	2022	2021
Colombia (country of domicile EPM)	22,899,462	18,247,372
Guatemala	3,694,625	2,844,284
Panama	2,919,645	2,099,470
El Salvador	1,474,212	1,127,026
Chile	842,828	734,016
Mexico	334,558	169,005
Ecuador	12,570	5,929
Bermuda	51,274	36,346
International intersegment elimination	(6,705)	(6,519)
Total countries other than Colombia	9,323,007	7,009,557
Total consolidated revenues	32,222,469	25,256,929

Amounts stated in millions of Colombian pesos

La Revenue information is based on the location of the customer.

There is no customer in the Group that generates more than 10% of its revenues

Non-current assets

Country	2022	2021
Colombia (country of domicile of EPM)	37,982,084	35,460,720
Chile	3,542,859	3,530,519
Panama	3,260,907	2,861,449
Guatemala	3,448,649	3,030,659
El Salvador	498,764	429,786
Mexico	17,751	1,600
Total countries other than Colombia	10,768,930	9,854,013
Total non-current assets	48,751,014	45,314,733

Amounts stated in millions of Colombian pesos

For these purposes, non-current assets include property, plant and equipment, intangible assets and investment properties including assets for the acquisition of subsidiaries and goodwill.

Note 47.**Events after the reporting period**

After the date of presentation of the consolidated financial statements and before the date of authorization for their publication, there were no other relevant events that imply adjustments to the amount stated.

