Empresas Públicas de Medellín E.S.P. and Subsidiaries

Annual consolidated financial statements
Under Colombian Generally Accepted
Accounting Principles
(NCIF)
December 31, 2021 and 2020

CERTIFICATION OF FINANCIAL STATEMENTS

Medellín, March 23, 2022

To the Board of Directors of Empresas Públicas de Medellín E.S.P.

We, the undersigned, in our capacity as the Legal Representative and Accountant of Empresas Públicas de Medellín E.S.P., hereby certify that the balances of the consolidated Financial Statements of Empresas Públicas de Medellín E.S.P. and its subsidiaries at December 31, 2021 and 2020, were faithfully taken from the accounting books, which are prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for the Spanish original) and adopted by the Colombian General Accounting Office through Resolution 037/2017 and its amendments. These accounting and financial reporting standards are based on the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the Interpretations Committee, adopted in Colombia through Decree 2420/2015 and its amendments.

We certify that the assertions contained in the consolidated Financial Statements were verified for accuracy in relation to:

a) All economic events that have occurred during the reporting period have been properly recorded for their due recognition in the appropriate amounts and accounts, measured at fair value and adequately disclosed.

b) That economic events are classified, presented and disclosed in accordance with accounting and financial reporting standards.

c) All assets, liabilities and equity in the consolidated financial statements represent the existence of assets, rights and obligations and have been valued at the appropriate amounts.

d) The disclosures or accounting notes are prepared clearly and in accordance with accounting and financial reporting standards.

The Consolidated Financial Statements do not contain any defects, inaccuracies or misstatements that would prevent the true financial position and financial performance of the Entity and its subsidiaries from being known.

Jorge Andrés Carrillo Cardoso
Legal Representative

John Jaime Rodríguez Sosa
Public Accountant
Professional License No. 144842-T

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors:
Empresas Públicas de Medellín E.S.P.:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Empresas Públicas de Medellín E.S.P., and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2021, the consolidated statements of profit and loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ended, and the notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements, present fairly in all material respects, the consolidated financial position of the Group as of December 31, 2021, its financial performance and its cash flows for the year ended, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia adopted by the Nation's General Accounting Office through resolution 037 of 2017, Resolution 056 of 2020, Resolution 035 and 0197 of 2021.

Basis for Opinion

We conducted our audit in accordance with the International Auditing Standards accepted in Colombia. Our responsibilities under these standards are described below in the Auditor Responsibilities section. We are independent with respect to the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Colombia and we have fulfilled the other ethics ethical responsibilities in accordance with those requirements. We consider the audit evidence obtained to be sufficient and appropriate to provide a reasonable basis for expressing our opinion.

Emphasis of Matter

Without changing our opinion, We draw attention to the facts indicated in Note 4 to the consolidated financial statements, with reference to the contingency of the Ituango Hydroelectric Project and its impact on the financial statements. The Group continues to monitor the evolution of the project and to take all relevant measures and actions to identify and recognize the accounting effects caused by this contingency and the actions of the control agencies and environmental authorities. The final outcome of the impacts on the financial position, the results of the operation and the statement of cash flows is uncertain, and will depend on the subsequent evolution of these events until the completion of the project.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were covered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and accordingly, we do not express a separate opinion on these matters.

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1. Impairment Assessment of Long-Lived Assets – Cash Generating Unit (CGU) Power generation

As described in Notes 2.23 and 8.2 to the consolidated financial statements, as of 31 December 2021, the book value of the Groups related to the Cash Generating Unit (CGU), the power generation, was $18,338,578 million.

The Management analyzes the recoverability of its non-financial long- lived assets periodically or when events or changes in circumstances indicate their recoverable amount, which are measured by comparing the book value of the asset or group of assets with their expected future cash flows before taxes, which may be lower than their carrying amount.

The Value in use is determined based on projected and discounted cash flows, using discount rates that reflect the time value of money and the specific risks of the assets considered.

The discount rate used to discount future net cash flows is the WACC, which was determined considering the industry and economic environment of the Entity.

Management's cash flow projections included assumptions and judgments related to: (i) the methodology used and calculations performed for the estimation of value in use and (ii) the relevant inputs and assumptions used in the model such as: (1) the historical behavior and growth rates of certain base variables for the projection; (2) the discount rates applied and macroeconomic variables used; (3) the projection period and (4) the perpetual gradient growth.

The main considerations for selecting as a key audit matter the impairment assessment of the Power Generation CGU are: 1) Use of significant judgments by Management to calculate the value in use of the CGU and 2) The progress of the Ituango hydroelectric project, included within the Power Generation CGU, where there is an impact on the projection of cash flows.

This, in turn, led to a high degree of auditor's judgment, subjectivity and effort in performing procedures to evaluate management's cash flow projections, complex assumptions and judgments, including, among others, revenue growth rates, discount rates, projection period and growth gradient in perpetuity.

In addition, the audit efforts, involved the use of professionals with specialized skills and knowledge to assist us in performing these procedures and evaluating the audit evidence obtained.

Procedures developed by the audit team

Our audit procedures related to the impairment assessment of the Power Generation CGU included the following, among others:

– Evaluation of the design and effectiveness of controls related to management's assessment of the value in use of the CGU. This included the control associated with the approvals of key operating assumptions included in the projections by the Vice President and Board of Directors.

– The evaluation of Management's assumptions involved assessing whether the assumptions used were reasonable, considering (i) the current and past performance of the Power Generation CGU, (ii) consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

– Involvement of professionals with knowledge and experience in valuation who assisted us in: (i) the evaluation of the methodology used to estimate the value in use and the development of independent calculations, and (ii) the evaluation of the following relevant inputs and assumptions used in the model: (1) the historical behavior and growth rates of certain base variables for the projection; (2) the discount rates applied and macroeconomic variables used; (3) the projection period; and (4) the perpetual gradient growth.

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– Evaluation of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable financial reporting framework.

2. Determination of provisions and Contingent liabilities

As described in Note 28.1.2 and 28.3 to the consolidated financial statements, the Management registers liabilities for processes related to labor, civil matters, administrative and tax litigation in those instances in which it can reasonably estimate the amount of the loss and when the liability is probable.

The Group discloses contingencies in which management concludes that it is not probable, but possible, that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

As indicated in note 28, as of December 31, 2021, the Group recognized provisions for litigation of $543,480 million, and disclosed contingent liabilities of $2,226,071 million.

The main considerations for selecting provisions and contingent liabilities as a key audit matter are: 1). The judgment applied by management in determining the value and the probability of occurrence of provisions and contingencies for litigation and 2). The materiality of the contingent liabilities.

This led to a high degree of auditor judgment, subjectivity and audit efforts in assessing the judgments applied by management in the provisions and contingencies for litigation.

Procedures developed by the audit team

Our audit procedures related to the determination of provisions and contingent liabilities for litigation included the following, among others:

– Understanding of the processes established by the Group for the estimation of litigation provisions and determination of contingent liabilities including assessment of the design, implementation and effectiveness of relevant controls.

– Confirmation from a sample of the Group's internal and external lawyers regarding the probabilities of failure and the status of the current processes.

– Recalculation of the valuation of the provisions registered.

– Selection of a sample of the main litigation processes and contingencies to analyze supporting documentation, legal claims, probability of failure indicated by the Group and the estimated amount.

– Evaluation of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable financial reporting framework.

Other information

Management is responsible for the other information. The other information comprises the information included in the management report but does not comprise the consolidated financial statements or our auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information contained therein is materially inconsistent with

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the consolidated financial statements or our knowledge obtained during the audit, or appears to contain a material misstatement. If based on the work we have performed, we conclude that there is a material misstatement of the other information, we would be required to report it. We have nothing to report on this matter.

Responsibility of management and Those Charged with Governance in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of this consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia as adopted by the Nation's General Accounting Office through Resolution 037 of 2017, Resolution 056 of 2020, Resolution 035 and 0197 of 2021, and for such internal control as management determines is relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities in relation to audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit performed in accordance with International Standards on Auditing accepted in Colombia will always detect a material error when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion. Our

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conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.

- Evaluate the presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence about the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding of the Group, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Group with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where appropriate, related safeguards.

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

Other matters

The consolidated financial statements for the year ended 31 December 2020, are presented solely for comparative purposes, were audited by another External Auditor who expressed an unqualified opinion on 23 March 2021.

Deloitte & Touche Ltda.

DELOITTE & TOUCHE LTDA

March 23, 2022.

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2021 and 2020

Amounts stated in millions of Colombian pesos

	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment, net	5	39,075,180	37,651,696
Investment property	6	167,329	165,119
Goodwill	7	3,218,802	3,123,221
Other intangible assets	7	2,846,369	2,684,858
Right-of-use assets	15	697,918	571,222
Investments in associates	11	1,393,915	1,643,033
Investments in a joint ventures	12	24,054	32,467
Deferred tax assets	41	906,746	726,806
Trade and other receivables	13	1,534,443	1,276,757
Other financial assets	14	2,843,684	3,441,279
Other assets	17	285,165	93,104
Cash and cash equivalents (restricted)	19	70,550	110,920
Total non-current assets		**53,064,155**	**51,520,482**
Current assets			
Inventories	18	511,364	477,338
Trade and other receivables	13	7,626,019	4,179,728
Assets for current tax assets	41	575,023	416,267
Other financial assets	14	1,004,346	2,411,864
Other assets	17	839,770	785,297
Cash and cash equivalents	19	4,019,511	3,987,044
Total current assets		**14,576,033**	**12,257,538**
Total assets		**67,640,188**	**63,778,020**
Debit balances of deferred regulatory accounts	31	136,282	767
Total assets and debit balances of deferred regulatory accounts		**67,776,470**	**63,778,787**
Equity			
Issued capital	20	67	67
Treasury shares		(52)	(52)
Reserves	20	2,416,297	2,298,987
Accumulated other comprehensive income	21	3,798,458	4,079,876
Retained earnings	20	18,125,734	16,057,923
Net profit for the period	20	3,039,783	3,584,538
Other components of equity		74,520	71,537
Equity attributable to Owners of the Company		**27,454,807**	**26,092,876**
Non-controlling interests	20	1,295,378	1,034,317
Total equity		**28,750,185**	**27,127,193**

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2021 and 2020

In millions of Colombian pesos

	Notes	2021	2020
Liabilities			
Non-current liabilities			
Loans and borrowings	22	22,644,119	20,687,484
Creditors and others accounts payable	23	667,530	619,099
Other financial liabilities	24	1,037,843	1,320,326
Employee benefits	26	900,109	1,021,447
Income tax payable	41	33,351	33,701
Deferred tax liabilities	41	2,171,022	1,978,080
Provisions	28	1,089,354	592,862
Other liabilities	29	721,786	954,417
Total non-current liabilities		**29,265,114**	**27,207,416**
Current liabilities			
Loans and borrowings	22	3,121,673	3,900,318
Creditors and others account payable	23	3,970,341	3,086,015
Other financial liabilities	24	603,430	577,488
Employee benefits	26	310,639	284,489
Income tax payable	41	159,025	197,380
Taxes contributions and rates payable	27	480,022	376,960
Provisions	28	535,902	690,892
Other liabilities	29	539,255	330,406
Total current liabilities		**9,720,287**	**9,443,948**
Total liabilities		**38,985,401**	**36,651,364**
Deferred tax liabilities related to balances of deferred regulatory accounts	31	40,884	230
Total liabilities and credit balances of deferred regulatory accounts		**39,026,285**	**36,651,594**
Total liabilities and equity		**67,776,470**	**63,778,787**

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

Jorge Andres Carrillo Cardoso
General manager
attached certification

Martha Lucia Duran Ortiz
Executive Vice President of Finance and Investments

John Jaime Rodriguez Sosa
Director of Accounting and Costs
TP144842-T
attached certification

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

Amounts stated in millions of Colombian pesos

	Notes	2021	2020
Sale of goods	32	74,594	27,928
Rendering of services	32	24,649,101	19,201,942
Leases	32	107,952	96,741
Total revenue		**24,831,647**	**19,326,611**
Other income	33	423,450	471,794
Income from sale of assets	34	1,832	507
Total income		**25,256,929**	**19,798,912**
Costs of goods sold and services rendered	35	(16,739,661)	(13,508,628)
Administrative expenses	36	(2,217,684)	(1,772,997)
Impairment loss on accounts receivable		(401,045)	(295,471)
Other expenses	37	(186,272)	(92,187)
Financial income	38	153,186	157,273
Financial expenses	38	(1,430,845)	(1,267,632)
Net foreign exchange difference	39	(20,922)	(374,260)
Share of loss of equity accounted investees	11 and 12	(269,896)	(91,970)
Gain on equity investments	40	124,050	1,664,795
Profit of the period before taxes from continuing activities		**4,267,840**	**4,217,835**
Income tax expense	41	(1,074,627)	(499,028)
Profit for the period after taxes		**3,193,213**	**3,718,807**
Net movement in balances of net regulatory accounts related to the result of the period	31	126,824	30,534
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period	31	(38,391)	(8,423)
Profit for the period and net movement in deferred tax related to deferred regulatory accounts		**3,281,646**	**3,740,918**
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Reclassification of properties, plant and equipment to investment properties	21	187	-
Remeasurement of defined benefit plans	21	158,695	(52,321)
Equity investments measured at fair value through equity	21	(322,482)	596,104
Equity accounted investees - share of OCI	11 and 21	9,535	(825)
Income tax related to components that will not be reclassified	21 and 41	(48,232)	14,025
		(202,297)	**556,983**
Items that will be reclassified subsequently to profit or loss:			
Cash flow hedges:	**21**	**(513,965)**	**(27,458)**
Reclassified to profit or loss for the period		375,323	(402,757)
Effective portion of changes in fair value		(889,288)	375,299
Exchange differences on translation of foreign operations	21	282,638	230,765
Equity accounted investees - share of OCI	11 and 21	11,121	872
Hedges of net investments in foreign operations		(61,509)	-
Income tax related to the components that may be reclassified	21 and 41	209,275	11,142
		(72,440)	**215,321**
Other comprehensive income, net of taxes		**(274,737)**	**772,304**
Total comprehensive income for the period		**3,006,909**	**4,513,222**
Profit for the period attributable to:			
Owners of the company		3,039,783	3,584,538
Non-controlling interest		241,863	156,380
		3,281,646	**3,740,918**
Total comprehensive income attributable to:			
Owners of the company		2,758,357	4,359,720
Non-controlling interest		248,552	153,502
		3,006,909	**4,513,222**

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 Rodriguez 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, 2021 and 2020
Amounts stated in millions of Colombian pesos

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						Other comprehensive income									
	Issued capital	Treasury shares	Reserves	Retained earnings	Other components of equity	Equity investments	Defined benefit plans	Cash flow hedges	Hedges of net investments in foreign operations	Conversion differences	Reclassification of properties, plant and equipment to investment property	Result of the period in other comprehensive income of associates and joint ventures business	Attributable to Owners of the Company	Non-controlling interests	Total
	Note 20.1		Note 20.2	Note 20.3	Note 20.4	Note 21.3	Note 21.2	Note 21.5	Nota 21.6	Nota 21.6	Nota 21.1	Nota 21.4		Nota 20.4	
Balance at January 1, 2020	**67**	**(41)**	**2,337,862**	**17,503,406**	**68,333**	**2,794,405**	**(77,145)**	**(21,584)**	**-**	**600,765**	**12,234**	**(3,914)**	**23,214,388**	**964,572**	**24,178,960**
Profit for the period	-	-	-	3,584,539	-	-	-	-	-	-	-	-	3,584,539	156,380	3,740,919
Other comprehensive income of the period, net of income tax	-	-	-	-	-	594,266	(33,299)	(16,316)	-	230,485	-	47	775,183	(2,878)	772,305
Comprehensive income for the period	**-**	**-**	**-**	**3,584,539**	**-**	**594,266**	**(33,299)**	**(16,316)**	**-**	**230,485**	**-**	**47**	**4,359,722**	**153,502**	**4,513,224**
Reacquisition of shares	-	(11)	-	-	-	-	-	-	-	-	-	-	(11)	(10)	(21)
Surpluses or dividends decreed	-	-	-	(1,488,302)	-	-	-	-	-	-	-	-	(1,488,302)	(103,440)	(1,591,742)
Movement of reserves	-	-	(40,418)	40,418	-	-	-	-	-	-	-	-	-	-	-
Purchases and sales to uncontrolled participations	-	-	1,543	432	(370)	-	-	-	-	31	-	-	1,636	(1,461)	175
Transfers to retained earnings	-	-	-	27	-	(19)	(8)	-	-	-	-	-	-	-	-
Income tax related to transactions with owners	-	-	-	(2,246)	-	-	-	-	-	-	-	-	(2,246)	(2,142)	(4,388)
Equity method on variations in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	(156)	(156)
Income tax related to transactions with owners	-	-	-	-	3,574	-	-	-	-	-	-	-	3,574	-	3,574
Other movement of the period	-	-	-	4,187	-	(47)	(52)	-	-	6	21	-	4,115	23,452	27,567
Balance at December 31, 2020	**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**
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**
Profit for the period	-	-	-	3,039,783	-	-	-	-	-	-	-	-	3,039,783	241,863	3,281,646
Other comprehensive income for 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	-	2
Income tax related to transactions with owners	-	-	-	(2,814)	-	-	-	-	-	-	-	-	(2,814)	(2,692)	(5,506)
Equity method on variations in equity	-	-	-	-	3,003	-	-	-	-	-	-	-	3,003	-	3,003
Other movement of the period	-	-	(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**

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

Jorge Andrés Carrillo Cardoso
General Manager
Certification Attached

Martha Lucía Durán Ortiz
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EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
Amounts stated in millions of Colombian pesos

	Notes	2021	2020
Cash flows from operating activities:			
Profit for the year		3,281,646	3,740,918
Adjustments to reconcile the net profit for the year to the net cash flows used in operating activities:			
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	35 and 36	1,353,687	1,265,623
Impairment of property, plant and equipment, right of use assets and intangible assets	8	10,004	200,267
Impairment loss on accounts receivable	13	401,046	295,471
Reversal loss of impairment of property, plant and equipment value, right-of-use assets and intangible assets	8	(47,969)	-
Write-down of inventories, net	35 and 37	2,918	848
Gain / loss due to exchange difference	39	20,922	374,260
Gain / loss due to valuation of investment property	33 and 37	142	18,250
Result for valuation of financial instruments and hedge accounting	38.1 and 38.2	178,636	44,027
Result of compensation for activities associated with investment flow	33	(159)	(192)
Provisions, post-employment and long-term defined benefit plans	36	499,411	311,982
Provisions for tax, insurance and reinsurance obligations and financial updating	36 and 38.2	34,368	29,086
Government subsidies applied	33	(119,831)	(30,782)
Deferred income tax	41	159,076	(237,239)
Current income tax	41	915,551	736,268
Share of loss of equity-accounted investees	10 and 11	269,896	91,970
Interest and yield income	38.1	(122,232)	(77,563)
Interest and commission expenses	38.2	1,199,044	1,119,023
Gain / loss due to disposal of properties, plant and equipment, right-of-use assets, intangibles and investment property	34 and 37	(833)	55
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments	34 and 37	30,251	14,767
Non-cash recoveries	33	(98,481)	(111,208)
Result of deferred regulatory accounts	31	(88,434)	(22,110)
Gain / loss from due to disposal of Investments in subsidiaries	40	-	192
Gain / loss from business combinations	40	10,039	(1,592,003)
Dividend income from investments	14	(134,089)	(72,984)
		7,754,609	6,098,926
Net changes in operating assets and liabilities:			
Change in inventories		(33,870)	(38,772)
Change in trade and other receivables		(1,426,647)	943,027
Change in other assets		(576,889)	(135,223)
Change in creditors and other accounts payable		844,614	374,585
Change in employee benefits		(7,446)	(1,877)
Change in provisions		(192,949)	(177,451)
Change in other liabilities		417,780	320,173
Cash generated from operating activities		6,779,202	7,383,388
Interest paid		(1,501,384)	(1,310,429)
Income tax paid		(1,051,369)	(1,140,994)
Income tax refund		52,848	46,785
Net cash provided by operating activities		4,279,297	4,978,750
Cash flows from investing activities:			
Acquisition of subsidiaries or business, net of cash acquired		(10,039)	554,720
Disposal of subsidiaries or business		-	(192)
Purchase of property, plant and equipment	5	(4,256,108)	(3,165,459)
Disposal of property, plant and equipment	5	12,359	3,048
Purchase of intangible assets	7	(331,400)	(278,216)
Disposal of intangible assets	7	2,138	671
Acquisition of investment properties	6	(280)	-
Disposal of investment properties		-	507
Purchase of investments in financial assets	14 and 24	(734,148)	(2,177,248)
Disposal of investments in financial assets	14	2,735,146	382,341
Interest received		1,040	4,236
Dividends received from subsidiaries		18	-
Dividends received from associates and joint business	11	19,073	16,786
Other dividends received	14	134,089	72,965
Compensation received	5	694,919	369,700
Other cash flows from investment activities		29,597	20,350
Net cash flow used in investing activities		(1,703,596)	(4,195,791)
Cash from financing activities:			
Acquisition of own shares		-	(21)
Obtaining of borrowings and loans	22	4,816,759	6,424,523
Payments of borrowings and loans	22	(5,701,677)	(2,896,219)
Transaction costs due to issuance of debt instruments	22	(44,163)	(28,553)
Payments of liabilities for financial leasing	24	(76,052)	(46,525)
Dividends or surpluses paid to Medellín Municipality	42	(1,396,953)	(1,488,319)
Dividends or surplus paid to non-controlling interests	9	(52,702)	(104,256)
Subsidies of capital		2,662	460
Payments of capital of derivatives designated as cash flow hedges		22,985	19,586
Acquisition of non-controlling interests		-	175
Payment of pension bonds	24	(47,249)	(7,712)
Other cash from financing activities		14,103	(3,422)
Net cash flows provided / (used in) by financing activities		(2,462,287)	1,869,717
Net increase in cash and cash equivalents		113,414	2,652,676
Effects of variations in exchange rates in the cash and cash equivalents		(121,317)	(265,278)
Cash and cash equivalents at beginning of the year	19	4,097,964	1,710,566
Cash and cash equivalents at end of the year	19	4,090,061	4,097,964
Restricted cash	19	903,773	541,788

The accompanying notes are an integral part of these Consolidated Financial Statements.

Jorge Andrés Carrillo Cardoso
General Manager
Certification Attached

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

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

Index of notes to the Consolidated Financial Statements

Note 1. Reporting entity 3

Note 2. Significant accounting policies 11

Note 3. Significant accounting judgments, estimates and causes of uncertainty in the preparation of the financial statements 49

Note 4. Significant transactions carried out and other relevant aspects that occurred during the period 53

Note 5. Property, plant, and equipment, net 54

Note 6. Investment property 62

Note 7. Goodwill and other intangible assets 63

Note 8. Impairment of assets 69

Note 9. Investments in subsidiaries 76

Nota 10. Business combinations 88

Note 11. Investments in associates 89

Note 12. Investments in joint ventures 90

Note 13. Trade and other accounts receivable 93

Note 14. Other financial assets 97

Note 15. Leases 99

Note 16. Guarantees 102

Note 17. Other assets 103

Note 18. Inventories 104

Note 19. Cash and cash equivalents 105

Note 20. Equity 111

Note 21. Other accumulated comprehensive income 114

Note 22. Credits and loans 117

Note 23. Creditors and other accounts payable 125

Note 24. Other financial liabilities 126

Note 25. Derivatives and hedges 129

Note 26. Employee benefits 134

Note 27. Taxes, contributions and fees payable 141

Note 28. Provisions, contingent assets and liabilities ... 141
Note 29. Other liabilities ... 198
Note 30. Changes in liabilities due to financing activities ... 200
Note 31. Deferred regulatory accounts ... 201
Note 32. Income from ordinary activities ... 202
Note 33. Other income ... 206
Note 34. Income from sale of assets ... 208
Note 35. Costs for provision of services ... 208
Note 36. Administrative expenses ... 210
Note 37. Other expenses ... 212
Note 38. Financial income and expenses ... 213
Note 39. Exchange difference, net ... 215
Note 40. Effect of participation in equity investments ... 217
Note 41. Income tax ... 217
Note 42. Information to be disclosed about related parties ... 231
Note 43. Capital management ... 234
Note 44. Financial risk management objectives and policies ... 235
Note 45. Fair value measurement on a recurring and non-recurring basis ... 245
Note 46. Service concession agreements ... 250
Note 47. Operating segments ... 253
Note 48. Events after the reporting period ... 259

Notes to the consolidated financial statements of Grupo EPM for the periods ended December 31, 2021 and 2020

(In millions of Colombian pesos, except when otherwise indicated)

Note 1. Reporting entity

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter "Grupo EPM" for its Spanish initials) is the parent company of a multi-Latin business group made up of 44 companies and four structured entities[1] ; with presence in the rendering of public services in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.

Empresas Públicas de Medellín ESP (hereinafter EPM for its Spanish initials), 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 its assets, in accordance with Article 85 of Law 489 of 1998. The capital with which it was established and operates, as well as its assets, is public nature, being its sole owner of the municipality of Medellin. 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 service of cleaning, treatment, and use of garbage, as well as the complementary activities of one of these public services.

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 Marketing of Natural Gas; Water provision; Wastewater Management; Solid Waste Management. Additionally, the Others Segment includes participation in the telecommunications business, through the associate UNE EPM Telecomunicaciones SA and its subsidiaries: Edatel SAESP, Orbitel Servicios Internacionales SA - OSI, Cinco Telecom Corporation – CTC, and Colombia Móvil SA; and the associate Inversiones Telco SAS and its subsidiary Emtelco SA; offering voice services, data, Internet, professional services, data center, among others.

The consolidated financial statements of the Group for the year ended December 31, 2021, were authorized by the Board of Directors for publication on March 23, 2022.

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] Autonomous Estates of Social Financing of EPM, CHEC, EDEQ and ESSA. 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.

1. Regulations for Colombia

The activity carried out by Grupo EPM, 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 Attorney General's Office.

1.1 Regulatory commissions

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

These entities are the following:

- The Energy and Gas Regulation Commission (CREG for its Spanish initials), a technical body 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 and, more generally, with the provision of electricity, fuel gas and liquid fuel services.
- The Commission for the Regulation of Potable Water and Basic Sanitation (CRA for its Spanish initials), regulates the rates for aqueduct, sewage and sanitation and their provision conditions in the market. It is a special administrative unit, attached to the Ministry of Housing, City and Territory.

1.2 Regulation by sector

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.

1.2.2 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.

1.2.3 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.

2. Regulations for Chile

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.

2.2 Regulatory framework

In the current regulation 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.

The regulation model emphasizes two crucial aspects to introduce economic rationality in the operation of the sector: tariffs and the concession regime, both aspects are contained in the legal framework under which the operation of the sector is regulated, being a function of The Superintendence of Sanitary Services apply and enforce the provisions of the respective legal bodies: DFL No. 70 of 1988, Tariff Law, and DFL No. 382 of 1988, General Law of Sanitary Services.

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).

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.

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.

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.

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.

- 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.

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.

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.

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.

5. Regulations for Mexico

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.

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.

6. Regulations for Panama

The electricity sector in Panama is divided into three areas of activities: generation, transmission and distribution. The country has a regulatory structure in place for the electricity industry, based on legislation passed between 1996 and 1998. This framework creates an independent regulator, the National Public Services Authority (ASEP), and creates a transparent process for setting rates for the sale of energy to regulated customers.

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.

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 2. 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 Annex 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, with the exception of 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.

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

2.2 Consolidation principles

The consolidated financial statements include the financial statements of EPM and its subsidiaries as of December 31, 2021 and 2020. 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 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 Group subsidiary determines its own functional currency and includes items in its financial statements using that functional currency.

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 book value 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 gain or loss is recognized in income 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.

2.3 Classification of assets and liabilities in current and 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.

2.4 Cash and cash equivalents

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

2.5 Business combinations

Business combinations are recorded using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred measured at the acquisition date at fair value and the amount of minority interests in the acquiree. For each business combination, the Group decides whether the non-controlling interests in the acquiree should be measured at their fair value or by the proportional part of the identifiable net assets of the acquired entity. All costs related to the acquisition are recognized as an expense when incurred and included in administrative expenses.

The identifiable assets acquired, and the liabilities assumed are recorded at their fair value on the date of acquisition, except that:

– Deferred tax assets or liabilities and assets or liabilities related to employee benefit agreements must be recognized and measured in accordance with IAS 12 Income Tax and IAS 19 Employee Benefits adopted in Colombia.

– Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group made as a replacement for share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based payments at the date of acquisition.

– The assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations adopted in Colombia, are measured in accordance with said Standard.

When the Group acquires a business, the financial assets and liabilities assumed are evaluated for the appropriate classification and designation in accordance with the contractual terms, the economic circumstances and the pertinent conditions on the date of acquisition. This includes the separation of derivatives embedded in the host contracts by the acquiree.

The Group recognizes an intangible asset acquired in a business combination, independent of goodwill, provided that the intangible asset meets the recognition criteria, is identifiable, or arises from contractual and legal rights; measures the value of a reacquired right recognized as an intangible asset based on the remaining contractual term of the related contract, regardless of whether market participants would consider potential contractual renewals in determining fair value.

If a business combination is carried out in stages, any prior interest is remeasured at its acquisition date at fair value and any resulting gain or loss is recognized in income. The accounting treatment of what is recorded in the Other Comprehensive Income (OCI), at the time of the new purchase, that is, the amounts resulting from the previous participation in the acquiree at the date of acquisition that had been previously recognized in other comprehensive income and are reclassified to the result of the period as long as said treatment is appropriate, in the event that said participation is sold.

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

The consideration transferred is measured as the aggregate value of the fair value, at the acquisition date of the assets delivered, the liabilities incurred or assumed, and the equity instruments issued by the Group, including any contingent consideration, to obtain control of the entity acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and when applicable, the fair value of any previously held interest in the acquiree, over the net value of the assets acquired, liabilities and contingent liabilities assumed on the acquisition date. The gain or loss resulting from the measurement of the previously held interest is recognized in profit or loss for the period or in other comprehensive income. When the consideration transferred is less than the fair value of the net assets of the acquiree, the corresponding gain is recognized in income for the period, on the date of acquisition.

Any contingent consideration in a business combination is classified as an asset, liability or equity and is recognized at fair value on the acquisition date and is included as part of the consideration transferred in a business combination. Changes subsequent to the measurement period at fair value of contingent consideration, classified as a financial asset or financial liability, are recognized in profit or loss for the period, or in the case of specific liabilities designated at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the credit risk of the liability are recognized in other comprehensive income; when it is classified as equity, it is not remeasured and its subsequent settlement is recognized in equity. If the consideration does not classify as a financial liability, it is measured in accordance with the applicable IFRS. An asset or liability is remeasured at its reporting date in accordance with IFRS 9 Financial Instruments or IAS 37 Provisions, Contingent Liabilities and Contingent Assets when appropriate.

The accounting policy established to record changes in the fair value of the contingent consideration during the measurement period is as follows: all changes in the fair value of the contingent consideration that qualify as adjustments to the measurement period are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments arising from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill arising in a business combination is assigned, on the acquisition date, to the Group's cash-generating units - CGU, which are expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill arising from the acquisition of a business is recorded at cost on the date of business acquisition less accumulated impairment losses, if any.

For impairment assessment purposes, goodwill is assigned to each of the Group's CGUs (or groups of CGUs) that expect to benefit from the synergies of this combination.

The CGUs to which the goodwill is assigned are subject to impairment evaluations annually, or more frequently, if there is an indication that the unit may have suffered impairment. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first in order to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit, proportionally, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. The impairment loss recognized for goodwill purposes cannot be reversed in the following period.

When goodwill is part of a CGU and part of the operation within such unit is sold, the goodwill associated with the sold operation is included in the book value of the operation at the time of determining the gain or loss on disposal. of the operation. The goodwill that is written off is determined based on the percentage of the operation sold, which is the ratio of the book value of the operation sold and the book value of the CGU.

If the initial accounting of a business combination is incomplete at the end of the accounting period in which the combination occurs, the Group discloses the provisional values of the items whose accounting is incomplete. These provisional values are adjusted during the measurement period and additional assets and liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that would have affected the values recognized at that date.

Business combinations under common control are recorded using the uniting of interest method as a reference. Under this method, the assets and liabilities involved in the transaction are kept reflected at the same values used in the consolidation of the financial statements of the controlling company of the companies under common control, any difference between what was paid over the book value of the assets acquired and transferred liabilities is recognized as an equity transaction; revenues, costs and expenses of the combined companies (after elimination of transactions between them) are combined from the beginning of the period in which the combination occurs until the date of the combination of entities under common control.

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, under which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

On the acquisition date, the excess of the acquisition cost 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 book value 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 using 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 is subsequently adjusted based on the changes experienced after the acquisition, for the portion of the net assets of the entity that corresponds to the investor. The Group's profit for the period includes its participation in the profit for the period of the investee and the other comprehensive income of the Group includes its participation in the other comprehensive income of the investee. When there are variations in the percentages of participation 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 participation in the losses of an associate or joint venture exceeds the Group's participation in them (which includes any long-term participation that, in essence, forms part of the Group's net investment in the associate or joint venture), the Group stops recognizing its participation in future losses. Additional losses are recognized as long as the Group has contracted any legal or implicit obligation or has made payments on behalf of the associate or joint venture. When the associate or joint venture later obtains profits, the company resumes the recognition of its participation in them only after its participation in the aforementioned profits equals the participation in 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 value 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 value of the associate or joint venture, this being the higher of the value in use and its fair value less the costs necessary for its sale, and its book value.

When significant influence over the associate or joint control over the joint venture is lost, the Group measures and recognizes any residual investment it retains in it at fair value. The difference between the book value of the associate or joint venture and the fair value of the retained residual investment, with the value 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. Additionally, the Group records all amounts previously recognized in other comprehensive income with respect to that associate or joint venture on the same basis that would have been required if said associate or joint venture directly sold the financial assets or liabilities. Therefore, if a gain or loss previously recorded in other comprehensive income by the associate or joint venture had been reclassified to profit or loss at the time of 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 the use of the equity method is discontinued.

2.7 Joint operations

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 in particular 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 Income from ordinary activities

Income 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 into 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 of time, 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 Contracts with clients

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 Written premiums and acquisition costs

Written premiums comprise the total premiums receivable for the coverage period. Income from issued premiums 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 written premiums.

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 in order 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.

Among the most relevant taxes are the income tax and the value-added 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 the purpose of 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, which make sales of personal property and provide taxed services or obtain exempt income from exports, are responsible for the common regime of this tax; They are also acts taxed with VAT, the sale or assignment of rights over intangible assets, associated with industrial property and the importation of tangible assets. Currently, in Colombia, energy services, aqueduct, sewage, public sanitation services and public garbage collection services and home gas service 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 particular case of home 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 book value 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 initials in Spanish).

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.

Grupo EPM as lessee

Right-of-use assets are recognized and presented as assets in the statement of financial position at the beginning of the lease, at cost. The corresponding liability is included in the statement of financial position as a lease liability.

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.

Grupo EPM 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.

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 book value 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 book value 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 taken into account for subsequent accounting is the fair value at the date of the change in use. If a property, plant, and equipment becomes an investment property, it will be accounted for at its fair value, the difference between the fair value and the book value 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 as long as 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 book value 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.

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 are 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 taking into account 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

[2] The effective interest rate method is a method of calculating the amortized cost of a financial asset and allocating income over the relevant period. The effective interest rate is the discount rate that exactly equals the future cash flows of a financial asset (including all fees, commissions and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums and discounts) over the expected life of the instrument, or if appropriate, a shorter period, at its carrying amount on initial recognition.

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, taking into account 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 book value 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

The 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 fails to comply with its payment obligation, in accordance with the conditions of a security instrument. debt. 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 greater of (i) the amount of the value correction for expected losses and (ii) the value initially recognized less the accumulated value of recognized income.

Derecognition of financial liabilities

A financial liability or part of it 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 under substantially different terms, or if the terms of an existing liability are substantially modified, such exchange or modification is treated as a write-off of the original liability and the recognition of a new liability and the difference in the respective book values are recognized in the result of the period.

If the changes are not material, the Group recalculates the gross carrying amount of the financial liability and recognizes a change gain or loss in the result 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, when applicable, the revised effective interest rate. Any cost or commission incurred adjusts the carrying amount of the modified financial liability and is amortized over its remaining term.

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 of 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 book value 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 book value 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 book value 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 book value 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 on a monthly basis.

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 book value 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 Compensation 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 book value 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 book value 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)	

Subsidiary	CGU
Empresas Públicas de Medellín E.S.P. (EPM)	Gas
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 Regionales 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. TICSA	

Subsidiary	CGU
Gestión de Empresas Eléctricas S.A. (GESA)	Others
Innova Tecnología y Negocios S.A. de C.V.	
Maxseguros EPM Ltd.	
Promobiliaria S.A.	

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 as a result 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. reliability. 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 in particular, 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 the present obligations that derive from an onerous contract, as provisions and its counterpart is in the statement of comprehensive income in the section results for the period. An onerous contract is one in which the unavoidable costs of fulfilling the obligations that it entails exceed the economic benefits that are expected to be received from it.

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 the legal or implicit obligation to respond for the payment of the benefits that remained at its expense.

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 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 subscribed and assigned premium 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 for reported losses or claims

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 amount 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 in order to determine their sufficiency. If, as a result 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 agreements

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

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 agreements 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 agreements are recognized in the consolidated statement of financial position as intangible assets called “intangible assets from service concession agreements” 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 agreement 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 takes into account 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 45 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 estimates, accounting policies and errors

2.32.1 Application of new and revised standards

Changes in accounting policies

Group 's Consolidated Financial Statements are consistent with the year 2020, except for the following changes:

<u>New standards implemented</u>

During 2021, the company implemented the changes accepted by through Resolutions 035 and 197 of 2021, issued by the General Accounting Office of the Nation, where the changes in the IFRS (new standards, amendments or interpretations) are incorporated, issued by the Standards Council

International Accounting Standards (IASB), which are mandatory for the annual period beginning on or after 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 due to the uncertainty arising from the reform of the reference interest rate, since at the closing date there were no hedging relationships indexed to LIBOR.

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 book value 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.
- 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 44 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.

Application of new and revised standards

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

Rule	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	Modification
IAS 1 – Presentation of financial statements and Modification, classification of liabilities as current or non-current	January 1, 2023	Modification
IFRS 3 - Reference to the Conceptual Framework	January 1, 2022	Modification
IAS 37 - Onerous contract - Costs of fulfilling a contract	January 1, 2022	Modification

Rule	Mandatory Application Date	Exchange rate
IAS 16 - Property, plant and equipment - Product before intended use	January 1, 2022	Modification
IFRS 1 - Annual cycle 2018-2020 - Adoption for the first time.	January 1, 2022	Modification
IFRS 9 - Annual cycle 2018-2020 - Rates of financial instruments in the "10 percent" test for derecognition in financial liability accounts.	January 1, 2022	Modification
IAS 1 - Disclosure of Accounting Policies and Practice Statement 2 of IFRS	January 1, 2023	Modification
IAS 8 - Definition of accounting estimates	January 1, 2023	Modification
IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.	January 1, 2023	Modification

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

IFRS 17 solves the comparison problems generated by the application of IFRS 4, given that it was allowed to apply local standards and historical values in insurance contracts, now with this new standard, all insurance contracts will be recorded in a consistent manner and current values, generating more useful information for stakeholders, which will allow a better understanding of the financial position and profitability of insurance companies, providing a more uniform presentation and measurement approach for all insurance contracts.

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

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

IFRS 17 – Insurance Contract - Initial application with IFRS 9 and comparative information

Issued in December 2021, in order to reduce temporary accounting mismatches that arise between financial assets and liabilities of insurance contracts that may arise in the comparative information presented by the initial application of IFRS 17, when it also applies IFRS 9 allows the entity to overlap the classification of the financial asset, 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 that the classification and measurement of that financial asset would be carried out 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 instead of 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 on that date. Applying section C28D of IFRS 17, any difference in the carrying amount of the financial asset at the transition date resulting from the application of the classification overlay would be recognized at the opening of retained earnings.

This amendment adds paragraphs C28A to C28E and C33A; and will become effective on the date of initial application of IFRS 17, that is, on 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 liability is not affected by expectations about whether or not the entity will exercise the right to defer the settlement of the liability, specifies that the rights exist if at the end of the reporting period complied with payment agreements; Additionally, the amendment clarifies that the 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 statement of financial position.

The amendment to IAS 1 will be mandatory for annual periods beginning on or after January 1, 2023 retrospectively. Permit your anticipate app.

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 or not 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 in order 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.

Note 3. 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 value impairment indicators for assets, goodwill and asset valuation to determine the existence of value 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 26 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 book values. 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 25 Derivatives and hedges).
- Accounts receivable are estimated at the prevailing market rate for similar loans. (See note 13 Trade debtors and other accounts receivable).
- Accounts receivable from employees are valued similarly to mass debtors, except for housing loans. (See note 13 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 14 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 28 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 28 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 15 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, financial leasing 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 41 Income tax).

- **The determination of whether a set of assets meets the conditions to be classified as a discontinued operation.**

The significant assumptions for a set of assets to be classified as a discontinued operation consider the fact that it is a component of the entity that has been disposed of, or has been classified as held for sale, and represents a line of business. or a geographic area, which is significant and can be considered separate from the rest and is part of a single coordinated plan for its sale.

The Group classifies a non-current asset (or a disposal group) as held for sale if its carrying amount will be recovered primarily through a sale transaction, rather than through continued use.

To apply the above classification, the asset (or group of assets for disposal) must be available, in its current condition, for immediate sale, subject exclusively to the usual and customary terms for the sale of these assets (or groups of assets). assets for disposal), and their sale must be highly probable.

- **The determination of control, significant influence or joint control over an investment.**

Significant influence over VE Energy Efficiency Services SAS

As of December 31, 2021 and 2020, the Group, through the subsidiary EPM Latam SA, holds 2.1% of the equity instruments of VE Servicios de Eficientia Energética SAS, therefore, it does not hold more than 20% participation in the rights of vote of the latter, however, due to contractual agreements and representation on the entity's Board of Directors with 2 members out of a total of 5, the Group exercises significant influence over the financial and operating policy decisions of VE Servicios de Eficiencia Energética SAS, and therefore, is included in the Group's consolidated financial statements as an investment in an associate measured by the equity method. (See note 11 Investments in associates).

- **Determination of portfolio impairment**

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 debtors and other accounts receivable (except accounts receivable between related parties) the following formula is used:

PE = SE x PI x 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 in the event that 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 13 Trade debtors and other accounts receivable)

– **Income estimate**

The Group recognizes revenue from the sale of goods and the provision of services to the extent that performance obligations are met 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 the clients and thus the value to be recognized in income is established.

When there is uncertainty about the moment in which the income 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 income 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 income is registered, its value is adjusted by the difference between the value of the actual income already known against the estimated income. (See note 32 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 in order to take into account today's possible segments that may arise in the future, according to its strategy. (See note 47 Operating segments)

Note 4. Significant transactions carried out and other relevant aspects that occurred during the period

As of December 31, 2021, the significant transactions and other relevant aspects that occurred during the period, other than those of the normal course of business of the Group, are related to:

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

- The progress of the works for the start-up of the Project continues according to the proposed schedules.
- The Project presents a physical progress of 86.9% (December 31, 2020: 80.62%).
- The protocol for attention to events and crises (PADEC for its initials in Spanish) continues to prevent the spread of the coronavirus (COVID-19).
- On March 11, 2021, the Administrative Court of Antioquia inadmissible the lawsuit filed by EPM for $9.9 billion pesos against the Constructor, Auditor and Designer Consortiums of the future Ituango hydroelectric power plant, as well as that of the Suramericana insurance companies. Insurance and CHUBB. Faced with this decision, EPM filed an appeal for reconsideration on the 17th of the same month and year. As of the date of the period for which the separate financial statements are reported, the resolution of the appeal is pending.
- In December 2021, EPM signed a transaction contract with MAPFRE SEGUROS GENERALES DE COLOMBIA SA for the payment of compensation under the All Risk Construction and Assembly policy, for the contingency of the Ituango Hydroelectric Project, for USD 983.8 million. To date, EPM had received an advance payment of USD$350 million. (see notes 5 and 12).
- Faced with the arbitration claim, filed against Mapfre Seguros Generales - construction all-risk policy, with the signing of the transaction contract, EPM was obliged to withdraw the claim once the payment of all the sums subject to compensation had been made, taking into account that the arbitral tribunal was not constituted nor the claim admitted.
- In December 2021, EPM received the following payments under the policies of directors and administrators: $402,454 (USD 100.67 million) from SEGUROS GENERALES SURAMERICANA SA, $21,500 from AXA COLPATRIA SEGUROS SA, and $2,000 from SBS SEGUROS COLOMBIA SA (see note 5).

Regarding the contingency, Grupo EPM has recognized the following items in its consolidated financial statements as of December 31, 2021:

- Cost and progress of property, plant and equipment associated with the construction of the future Ituango hydroelectric plant for $10,334,271 (see note 5).
- Accounts receivable from the insurer Mapfre for $2,529,331 derived from the transaction contract for the payment of compensation under the All Risk Construction and Assembly policy, of which $51,524 correspond to the exchange difference of the accounts receivable expressed in dollars and $5,953 for the non-contractual civil liability policy. (see note 13).

- Provision balance of $29,042 for the care of those affected in Puerto Valdivia, for compensation for emergent damage, loss of earnings and moral damage, due to the rising waters of the Cauca River as a result of the clogging that the project had on April 28, 2018. During 2021, the provision was adjusted by $-14,624 as recovery income and $1,051 as financial expense and payments have been made for $3,370 (see note 28).

- Provision balance of $699 for the care of people who had to evacuate as a result of said event. During 2021, the provision was adjusted by $-2,758 as recovery income and financial expense $114 and payments have been made for $2,272 (see note 28).

- Provision balance of $103,635 for environmental and social contingency, established by the specific action plan for the recovery of the parties affected by the events of the plugging of the diversion tunnel of the Cauca River that the project had on April 28, 2018 and by the closure of gates that reduced the flow of the river downstream of the project. During 2021, $44,954 has been recognized as a financial provision and expense and payments have been made for $29,867 (see note 28).

- Balance provision for $201,919 for the non-compliance from November 2021 to September 2023, to the Intercolombia transporter for the months after the start-up of the connection infrastructure of the future Ituango hydroelectric plant. During 2021, the provision has been adjusted by $42,918 as a provision expense and financial expense and payments have been made for $15,318. (see note 28).

- During 2021, the provision for environmental sanctions filed by the National Environmental Licensing Authority - ANLA was updated by $86 and payments of $5,595 have been made, leaving the balance of said provision at zero. (see note 28).

- Additionally, in the statement of comprehensive income, other expenses of $4,822 and recoveries of $-7,483 have been recognized in 2021 for the care of the community affected by the contingency (see notes 33 and 37).

Note 5. Property, plant, and equipment, net

The following is the detail of the book value of property, plant and equipment:

Property, plant, and equipment	2021	2020
Cost	52,022,688	49,281,352
Accumulated depreciation and impariment loss	(12,947,508)	(11,629,656)
Total	**39,075,180**	**37,651,696**

Amounts stated in millions of Colombian pesos

The following is the detail of the book value of property, plant and equipment that are temporarily out of service:

Properties, plant and equipment temporarily out of service	2021	2020
Networks, lines and cables	1,507	7,948
Plants, ducts and tunnels	112,736	9,448
Grounds and buildings	15,655	15,618
Machinery and equipment	3,285	355
Communication and computer equipment	-	5
Furniture fixtures and office equipment	13	-
Other properties, plant and equipment	43	825
Total properties, plant and equipment temporarily out of service	**133,239**	**34,199**

Amounts stated in millions of Colombian pesos -

The Group owns property, plant, and equipment withdrawn from use and that have not been classified as non-current assets held for sale, mainly corresponding to equipment from the La Sierra and Caracolí generation plants, land from the Porce IV Project, and the Espiritu Santo Project. which has not yet been put into operation, Riopiedras land which went from the generation business to the water supply business as a business strategy to recover the mini-power plant and the cucarachos - los naranjos pumping station, which is expected to undergo modernization. The book value of these assets is made up as follows: for 2021 the cost amounts to $133,239 (2020: $34,199).

The most significant variation in the heading of Plants, Pipelines, and tunnels corresponds to the equipment and assets of the La Sierra power plant due to the incident that occurred in 2021, at the Caracolí power plant, which is in the process of modernization and is expected to be put into operation in May 2022, the assets of Substations and lines that they leave as a reserve on-site in case of any technical damage or store them; in the category of machinery and equipment, the variation is represented by a Sealing team.

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

Grupo·epm

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)
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 -

Grupo·epm®

2020	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	11,944,051	11,548,606	12,177,233	6,151,651	785,430	457,299	138,155	401,345	43,603,770
Business combination	1,157,877	938,774	3,010	79,000	207,676	-	3,924	569	2,390,830
Additions[4]	48,910	87,921	3,283,330	12,330	19,873	31,740	2,010	62,732	3,548,846
Advances delivered (amortized) to third parties	2,064	-	11,887	-	-	-	-	-	13,951
Transfers (-/+)	939,139	362,780	(1,485,105)	31,226	70,512	13,390	8,301	(10,215)	(69,972)
Provisions (-)	(631)	(3,171)	(1)	(227)	(2,780)	(4,630)	(521)	(1,125)	(13,085)
Withdrawals (-)	(24,608)	(115,806)	(291,568)	(2,956)	(3,729)	(14,009)	(704)	(827)	(454,207)
Assets classified as held for sale - See note X	-	-	-	-	-	-	-	-	-
Foreign currency conversion effect	127,005	58,079	31,145	16,559	23,073	5,593	1,763	3,865	267,082
Effect on loss of subsidiary control	-	-	-	-	-	-	-	-	-
Other changes	(7,081)	98,325	6,148	(37,668)	2,012	(96)	5	(67,508)	(5,863)
Final Balance	**14,186,726**	**12,975,508**	**13,736,079**	**6,249,915**	**1,102,067**	**489,287**	**152,933**	**388,836**	**49,281,352**
Accumulated depreciation and impairment loss									
Accumulated depreciation and impairment loss	(3,632,741)	(2,773,850)	-	(797,216)	(315,173)	(270,667)	(67,215)	(141,253)	(7,998,115)
Period depreciation	(448,594)	(316,293)	-	(80,070)	(54,753)	(49,916)	(14,314)	(14,887)	(978,827)
Period-time-end-time-use -See note 8 Depreciation	(20,947)	(117,235)	(1,676)	(25,615)	(21,227)	(175)	(59)	(181)	(187,114)
Business combination	(1,157,966)	(938,774)	(3,010)	(79,000)	(207,676)	-	(3,925)	(569)	(2,390,920)
Reversions of Depreciation the following languages: (-)	-	-	-	-	-	-	-	-	-
Provisions (-)	227	1,193	-	9	2,686	4,348	506	1,013	9,982
Withdrawals (-)	16,925	11,050	-	207	2,460	13,614	681	528	45,466
Transfers (-/+)	(3)	4	-	173	(88)	(5)	-	88	168
Assets classified as held for sale -	-	-	-	-	-	-	-	-	-
Foreign currency conversion effect	(46,615)	(28,909)	-	(996)	(5,792)	(4,021)	(842)	(2,376)	(89,551)
Effect on loss of subsidiary control	-	-	-	-	-	-	-	-	-
Other changes	36	(39,527)	-	3,336	(3,621)	(248)	(110)	(610)	(40,744)
Final Accumulated depreciation and impairment loss	**(5,289,678)**	**(4,202,341)**	**(4,685)**	**(979,172)**	**(603,184)**	**(307,070)**	**(85,278)**	**(158,247)**	**(11,629,656)**
Total balance, properties, plant, and equipment, net	**8,897,048**	**8,773,167**	**13,731,394**	**5,270,743**	**498,883**	**182,217**	**67,655**	**230,589**	**37,651,696**

Advances delivered to third parties									
Initial Balance	1,437	-	34,922	-	-	-	-	498	36,857
Movement (+)	(28)	-	(32,528)	-	-	-	-	-	(32,556)
Movement (-)	2,091	-	44,416	-	-	-	-	-	46,507
Difference in conversion adjustment change	(114)	-	999	-	-	-	-	-	885
Final Balance	**3,386**	**-**	**47,809**	**-**	**-**	**-**	**-**	**498**	**51,692**

Amounts stated in millions of Colombian pesos -

Includes capitalization of loan costs for $651,472 (2020: $380,316) of which $177,205 corresponds to capitalizable exchange difference, the weighted average rate used to determine the amount of loan costs was 8.65% in pesos (2020: 7.62%) in pesos and the rate in dollars 4.53%, (2020: 4,195%). Additionally, it includes right-of-use assets associated with construction in progress amounting to $783 (2020: $2,261).

The main projects under construction are the following:

Project	December 2021	December 2020
Ituango[1.1]	10,334,271	11,140,307
Other EPM Projects	935,104	758,306
Construction, extension, remodeling and maintenance of DECA substations, networks, lines and cables and subsidiaries	528,101	564,723
Replacement and Expansion Substations, networks, lines and ESSA loss control	251,900	349,313
Substations, lines, network growth, loss reduction and replacement of ENSA technology	162,948	179,481
caldas La Estrella Interconnect - EPM	93,970	145,294
Western Chain - EPM	82,434	64,552
Expansion of the STN, STR, networks, lines and CENS loss control	79,961	90,261
Modernization Ayura Plant - EPM	72,068	46,067
Expansion circuit yulimar Manantiales - EPM	71,437	38,750
Refill Posts and Trafs - EPM	65,430	23,057
Power Distribution Lines - CARMAR	59,873	-
Substations, networks, lines and CHEC loss control	58,703	34,707
Adequacy of drinking water plant - EPM	52,506	42,202
Distribution networks, quality compensation FISDL-SIGET and other Delsur	46,127	20,469
Envigado Expansion Capiro Sector - EPM	44,926	32,073
SDL Refill and Expansion - EPM	44,430	4,913
San Nicolas Valley - EPM	34,018	60,995
Projects EMVARY - Vaso Altair (Phase 3), leachate treatment plant and others	31,326	19,448
Beaches Recovery Project - EPM	30,662	72,596
Construction Potabilization and WWTP plants, aqueduct and sewerage networks Regional waters	26,898	29,689
Other Group Subsidiary Projects	6,953	5,829
Expansion and respositioning of EDEQ Substations, Networks, Lines and Cables	5,901	8,363
Total	**13,119,947**	**13,731,394**

Amounts stated in millions of Colombian pesos -

[1.1] As of December 31, 2021, the future Ituango hydroelectric plant presented a physical progress of 86.9% (December 31, 2020: 80.62%), the physical progress that is presented as of the date of the period on the reported in the separate financial statements, corresponds to the version of the contingency, stabilization and commissioning schedule of the project approved in January 2021.

It is estimated that the start-up of the first two power generation units may start in 2022. However, this date of the start-up is very dynamic, due to the changes that occur in the technical variables, the evolution, and efficiency of the measures implemented to address the contingency and the effects caused by the COVID-19 pandemic on the project.

In January 2021, the concrete repairs were completed in the sluice shafts 1, 3, and 4, the construction of the gable wall downstream of units 5 and 6, the regularization of floor concrete in units 1 and 2 of the house of machines, the pouring of concrete lining in gallery 285, access to the sluice chamber of the Auxiliary Diversion Gallery - GAD, the construction of the support pillar in the gap between the powerhouse and beacon 1 and the delivery of the area of unit 1 to General Electric, for mounting the aspirator tube of this unit.

In February 2021, the assembly of the suction tube of unit 1 began, a section of the suction tube was installed in which a total of three ferrules were joined, in addition, the elbow that is part of the suction tube was placed in place. Six 112 MVA power transformers entered the powerhouse, they were deposited in each of their cells, three for each unit scheduled to operate in 2022, after the transport operation and taken to the powerhouse, the installation of the beams of the definitive bridge cranes, weighing 300 tons each. The manufacture of ferrules for the shielding in the lower pipes began, in addition, the arrival of sheets for the manufacture of the shielding of pressure wells 1 to 4 was completed, the emptying of the upstream wall for the frame of units 1 and 2, in addition, the concrete pouring of the wall downstream of unit 1 began.

In March 2021, the drilling and installation of the pipe were completed in the 58 micropiles of pre-plug 2, the lining of the acceleration window was completed, in the intermediate discharge, the concrete pouring was completed in the wall downstream of unit 1 up to the level 217.50, the assembly and testing of the first 300-ton bridge crane in the powerhouse was completed, the emptying of the second stage of the gap between the powerhouse and beacon 1 began, the assembly of the inclined elevator in the cable exit shaft, the assembly of the suction tube of unit 1 was completed, the area was released for the execution of civil works, the assembly of the suction tube of unit 2 began.

On March 24, 2021, the Company received from the insurance company Mapfre the terms of continuity of insurance for the future Ituango hydroelectric plant, concerning the coverage of all assembly, sabotage, and terrorism risks, in addition to General Insurance. Suramericana received continuity for the non-contractual civil liability policy.

In April 2021, the assembly and testing of the definitive 300-ton bridge crane were completed, the construction of the 58 micropiles and the respective injection, for pre-plug 2, was completed in the intermediate discharge, the concrete coating works on the plug were completed. In the access gallery 285 and in the acceleration window 260, the pouring of massive concrete began in the aspirator tube of Unit 1, the construction of the wall downstream of Unit 2 was completed, the assembly of the elevator was completed for the inclined shaft of power cables.

Between May 9 and 12, 2021, activities were suspended throughout the day due to the demonstrations carried out by the communities in different surrounding areas, where their access roads were blocked, which prevented staff from entering the construction site.

As of May 2021, the assembly of the suction tube of unit 1 was completed, the civil works continued, the pouring of concrete in the suction tube of unit 2 was completed, up to elevation 199, the construction of the upstream portico was completed of units 1 and 2, the demolition of concrete and the removal of equipment from units 3 and 4 was completed, the operation tests of the elevator in the inclined cable shaft were completed, the foundation slab of the service building north of elevation 193, the drilling and installation of pipes for the five additional micropiles of pre-plug 2, requested by the designer, began.

In June 2021, the filling of the hole between the powerhouse and beacon 1 was completed, the drilling and installation of pipes for the five additional micropiles of pre-plug 2, requested by the designer, was completed, and the drilling of holes for slurries was completed. of the pre- plug 2, the entry of spheres for the pre-plug 2 begins, which are being located in the tunnel platform of the intermediate discharge, personnel of the National Navy, began the scanning of the Down boring wells for the by-pass and casting of spheres, the assembly of the suction pipe of unit 2 was completed, the second stage concrete pouring of the suction pipes of units 1 and 2 was completed, up to a height of 199.86, the casting of the rail beam of the gantry of the bridge crane, downstream of unit 2 in the north powerhouse, the concrete of the U-shaped enclosure of unit 1 was cast, the No.4 ferrule was inserted into the lower conduit 2 for replacement, Finished casting of replacement concrete for the lower beam modules 2, 3 and 4 of the exit structure of discharge tunnel 2.

In July 2021, the concrete pouring of plug 12 of the intermediate discharge was completed, the drilling of holes for slurries of pre-plug 2 was completed, the entry of components and parts for the second 300-ton bridge crane in the house began. of machines, two transformers from unit No. 4, located in cells Nos. 9 and 10, respectively, were entered into the cavern, the casting of the support slab and pedestals to support the spiral chamber of unit 2 was completed, on slab 204.10; lifting and lowering of the straight section, spiral chamber and stationary ring of unit 1, from the assembly room to the final assembly site at elevation 204.10; The activities for the assembly of the armored extension in the suction tunnel No.1 began, the entry and discharge of ferrules began in the powerhouse, for the assembly of the suction tube of unit 3.

In August 2021, the transfer and lowering of the spiral chamber and stationary ring of unit No. 2 were carried out, from the assembly room to level 204.1. The assembly of the 300-ton bridge crane No. 2 began on the rail beams of the powerhouse gantry, in the pressure wells, the activities for the assembly of the lifting equipment began, by the contractor ATB, in the pipelines, the demolition of the upper driving elbow 1 was completed, the removal of sediments from pressure well 3, in addition, the demolition of the lower conduction elbow 4 began, the emptying of the first type 2 confinement wall was completed and the emptying of the second type 2 confinement wall began in unit 4 of the powerhouse, emptied type 1 pedestals to support the suction tube in unit 4 of the powerhouse, began arrival and unloading of power cables from the transformers in the 500 kV substation.

In August 2021, a third payment of $383,171 (USD 100 million) was received from the insurer MAPFRE, which was recorded in the financial statements as follows: $268,965 in property, plant, and equipment as a lower value of civil works and $114,206 was recognized as a lower value of the account receivable from the insurer for equipment write-offs recognized in previous years.

In September 2021, the transfer and lowering of the spiral chamber and stationary ring of unit No. 2 was carried out, from the assembly room to level 204.1; completed mass concrete pouring in unit 1, between elevation 204.1 to 205.5; the construction of the CR2 canal was completed, on the downstream shoulder of the dam, the emptying of the wall of the free-flow canal in the intermediate discharge was completed, the depressurization of the left diversion tunnel - TDI was completed, the drainage of water continues, access to the left diversion tunnel is achieved through plug III, already 90% demolished, the removal of enriched material from the Cauca riverbed, downstream of the discharges, has begun, the excavations in the upper part of the small square have been completed of gates, the casting of massive concrete in unit 1, between elevation 204.1 to 205.5, was completed; The construction of the beacon frame was completed, the tandem test of the powerhouse bridge cranes No.1 and No.2 was carried out, using the rotor hoisting device.

In October 2021, access to the left diversion tunnel was achieved through plug III, already demolished, in addition, the regrowth of plug IV was completed, the pouring of massive concrete began in unit 1, at elevation 205.5, successfully executing the static load tests at 125% of the equipment capacity in the bridge cranes No. 1 and No. 2 of the powerhouse, the pouring of the massive concrete of unit 1 was completed, between levels 208.80/ 210.90. Likewise, the concrete pouring began in unit 2 between levels 204.10/205.5, the installation of steel began in the straight part of the suction tube of unit 4, they enter the first quarter of the generator stator into the assembly room from the powerhouse, concrete pouring began for the regrowth of the spillway basin plug, inside the left diversion tunnel, massive concrete was cast in unit 2 up to elevation 205.5.

As of November 2021, the concrete pouring was completed in unit 2 up to elevation 205.5, the massive concrete pouring for unit 1 was completed, between elevations 210.9/211.9; the emptying of the slab, sections 2, 3 and 4 of suction tunnel 3 was completed, drilling began towards pre-plug 1, from the left diversion tunnel, the water control in conduit No.1 was completed , the pouring of concrete from the plug in the spillway basin was completed, the water control in conduit No.1 was completed, the concrete pouring of the plug in the basin of the landfill was completed, the water control in conduit No.1 was completed , the concrete pouring of the plug in the landfill basin was completed, ferrules 5 and 6 were moved to the definitive site for the extension of suction tube 2, the demolition of the lower elbows of pipes 3 and 4 was completed, between heights 214 to 203, the construction of the protection ring for discharge tunnel No.4 is completed, the installation of instrumentation for the GAD by-pass is completed, the concrete for restitution of plug 9 of the left diversion tunnel is completed, start to emptying of with lining concrete of the suction tube of unit 3.

In December 2021, activities began for the construction of the loading platform located on the dam, left bank, the activation of the Bypass system towards the intermediate discharge – Free flow channel was completed, the launch of nylon spheres began through the PR3 well for pre- plug 2, the first stage is emptied for the embedment of the armor of the lower elbow of conduit 2, the emptying of the wall of the enclosure of the generator of unit 1 is completed, between levels 214.30 and 216.65, arrival at work of the cylindrical valve for unit 1, the assembly of blades for the rotor of unit 1 began, the pouring of concrete of the main slab level 217.45 of unit 1 of the powerhouse ends, the pouring of concrete up to level 211.9 of unit 2 of the power house, the massive concrete pouring of the vacuum tube of unit 3 ends, up to level 197, the concrete pouring of the section of the suction tunnel 4 begins, it is carried out the reception and verification of the first part of the metal structure of the north services building, the assembly of metal columns in the north services building begins, the emptying of the aerial beams of the beacon gate frame is completed.

On December 10, 2021, EPM signed with MAPFRE SEGUROS GENERALES DE COLOMBIA SA, a transaction contract for the payment of compensation under the All-Risk Construction and Assembly policy, for the contingency of the future Ituango hydroelectric plant, for a value of USD 983.8 million, thus definitively closing the adjustment process and any possible controversy over it. To date, EPM had received an advance payment of USD$350 million, which had been recorded in the Financial Statements, as a lower value of the item of property, plant, and equipment. The remaining value of USD 633.8 million was recorded in the financial statements as a lower value in the item of property, plant, and equipment and as an account receivable in the name of the insurer with the exchange rate in force on the day the insurance contract was signed. transaction, equivalent to $2,471,853.

In addition, On December 21, 2021, EPM received the following payments: $21,500 from AXA COLPATRIA SEGUROS SA, under the directors and administrators policy No. 6158013902, and $2,000 from SBS SEGUROS COLOMBIA SA, under the directors and administrators policy No. 1002911 in which the insured are the directors and administrators of the future Ituango hydroelectric plant and on December 23, EPM received a payment of $402,454 (USD 100.67 million) from SEGUROS GENERALES SURAMERICANA SA, under the directors' civil liability policy. and administrators No. 475631 issued to protect the directors and administrators of Grupo EPM. These payments were recorded in the financial statements as a lower value of property, plant, and equipment.

(two) Includes equipment and vehicles from the automotive fleet, 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 room, kitchen, pantry and hotel equipment.

(3) Corresponds in 2020 to the assets acquired through a business combination for the acquisition of AFINIA.

(4) Includes purchases, capitalizable disbursements that meet the recognition criteria, goods received from third parties, and costs for dismantling and removal of elements of property, plant, and equipment. At the end of December 2021 and December 2020, no government subsidies were received.

(5) Corresponds mainly to $-2,746,128 (2020: $271,875) for the lower value of the constructions in progress of the future Ituango hydroelectric plant, which originates from the higher value indemnified in relation to the value of the damaged asset. In addition, there are other items such as the amortized cost for $-106,578, reclassifications to rights of use for $-148,784.

The additions of property, plant and equipment for $4,772,380 (2020: $3,548,846), the additions of rights of use for $112,499, plus the movement of advances for $4,292 (2020: $13,951), less borrowing costs are taken as effective items. for $651,472 (2020: -$380,082), the capitalized interest of the finance lease for

$1,253 (2020: 234), the capitalizable valuation for $13,857 and the movement of environmental and dismantling provisions for -$25,424 (2020 -$16,830).

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

At the end of the period, an impairment test was performed on the assets linked to the CGUs, which in turn have intangibles with an indefinite useful life, obtaining as a result impairment in the value of some components, which implied their recognition in the financial statements (see note 8. Impairment of value of assets).

As of December 31, 2021, there are restrictions on the realization of property, plant and equipment, associated with some equipment of the automotive fleet for a net book value of $2 (2020: $2) These restrictions are due to theft and have been affected as a guarantee for the fulfillment of obligations.

The most significant commitments for the acquisition of property, plant and equipment of the Group at the cut-off date amount to $3,608,451 (2020: 2,997,193).

The following is the historical cost of fully depreciated property, plant and equipment that continues to be in operation as of December 31, 2021 and 2020:

Group	2021	2020
Networks, lines and cables	**10,254**	**9,964**
Plants, ducts and tunnels	22,190	15,526
Buildings	2,422	1,437
Machinery and equipment	17,458	17,048
Communication and computer equipment	65,972	57,835
Other properties, plant and equipment	14,771	13,992
Total	**133,067**	**115,802**

Amounts stated in millions of Colombian pesos -

Note 6. Investment property

The fair value of investment properties is based on an appraisal carried out by experts who have recognized professional capacity and recent experience in the category of real estate investments subject to appraisal; This value has been determined by appraisers from EPM's Real Estate Asset Negotiation and Administration Unit. This activity is carried out at least once a year. To determine the fair value of investment properties, 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 of time, conformation, and location; the residual method, 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; and the rental method, which is used to determine the possible value of an asset according to its ability to generate income, taking into account the probable value of the monthly canon that tenants would be willing to pay in the rental market. See note 45 Fair value measurement on a recurring and non-recurring basis:

Investment properties	2021	2020
Initial Balance	165,119	140,354
Foreign currency conversion effect	2,074	830
Shopping	280	-
Transferences4 (-/+)	55	42,692
Net gain or loss by adjustment of fair value3	(35)	(18,250)
Dispositions / Withdrawals (-)	(164)	(507)
Final Balance	**167,329**	**165,119**

Amounts stated in millions of Colombian pesos -

(1) See details in note 33. Other income and note 37. Other expenses.

(2) Includes transfers to property, plant and equipment from investment properties.

As of December 31, 2021, rental income from investment properties for the period amounted to $2,169 (2020: $500) and direct expenses for the period related to investment properties amounted to $249 (2020: $77).

As of December 31, 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 said municipality, due to the omission of the municipal administration. a process of a massive invasion of the property, which makes it difficult to recover it through police protection processes; fair value is $1,501 (2019: $1,392)

Note 7. Goodwill and other intangible assets

The following is the detail of the recorded value of intangible assets:

Intangible	2021	2020
Cost		
Merchant credit	3,425,374	3,333,398
Concessions and franchises	3,070,566	2,884,529
Rights	25,196	25,072
Licenses	209,691	161,888
Software	635,659	473,141
Easements	236,891	215,490
Costs Development Phases	35,016	43,992
Client-related intangibles	461,896	477,552
Other intangibles	20,191	20,257
Value-based Depreciation	-	-
Merchant credit	**(206,572)**	**(210,177)**
Accumulated and value-based Amortization Depreciation	-	-
Concessions and franchises	(1,190,144)	(1,074,436)
Rights	(3,999)	(3,289)
Licenses	(107,153)	(89,358)
Software	(322,880)	(254,196)
Easements	(9,773)	(9,108)
Client-related intangibles	(182,528)	(160,880)
Other intangibles	(32,260)	(25,796)
Total	**6,065,171**	**5,808,079**

Amounts stated in millions of Colombian pesos -

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

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

Advances delivered to third parties								
Initial Balance		200						200
Movement (+)		-						-
Movement (-)		-						-
Final Balance		**200**						**200**

Amounts stated in millions of Colombian pesos -

2020	Merchant credit	Similar concessions and rights	Capitalized development costs	Software and computer applications	Licenses	Rights	Other intangible assets(1)	Total
Incremental cost balance	3,102,023	2,395,253	34,070	409,232	140,714	23,049	637,463	6,741,803
Business Combinations(2)	-	-	-	33	-	-	3,869	3,903
Additions(3)	-	222,884	11,192	30,442	11,714	-	1,983	278,216
Transfers (-/+)	-	21,052	(1,270)	27,746	8,386	(1)	12,495	68,408
Provisions (-)	-	(25)	-	(6)	(194)	(91)	-	(316)
Withdrawals (-)	-	(1)	-	(1,866)	(715)	-	(1,593)	(4,174)
Foreign currency conversion effect	227,770	247,082	-	7,558	1,901	1,610	58,660	544,582
Other changes	-	(1,515)	-	-	81	-	726	(708)
Final cost Balance	**3,329,793**	**2,884,729**	**43,992**	**473,141**	**161,887**	**24,567**	**713,603**	**7,631,713**
Initial accumulative depreciation	(206,572)	(859,119)	-	(205,463)	(76,791)	(2,477)	(145,319)	(1,495,740)
Amortization of the period(4)	-	(129,227)	-	(47,908)	(12,311)	(469)	(33,336)	(223,251)
Capitalized Amortization	-	(1,786)	-	-	-	2	1,786	2
Impairment of the period (Note 8)	-	(8,830)	-	-	(1)	(308)	(55)	(9,194)
Business Combinations(2)	-	-	-	(33)	-	-	(3,869)	(3,903)
Provisions (-)	-	6	-	6	194	89	(651)	(355)
Withdrawals (-)	-	-	-	1,813	691	-	1,593	4,098
Foreign currency conversion effect	-	(75,003)	-	(2,565)	(1,072)	5	(16,825)	(95,460)
Other changes	-	(478)	-	(45)	(69)	(131)	893	170
Final amortization and impairment loss	**(206,572)**	**(1,074,436)**	**-**	**(254,196)**	**(89,358)**	**(3,289)**	**(195,783)**	**(1,823,634)**
Final balance, intangible assets	**3,123,221**	**1,810,293**	**43,992**	**218,945**	**72,529**	**21,278**	**517,820**	**5,808,079**

Advances delivered to third parties								
Initial Balance		200						200
Movement (+)		-						-
Movement (-)		-						-
Foreign currency conversion effect		-						-
Final Balance		**200**						**200**

Amounts stated in millions of Colombian pesos -

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

(2) Corresponds in 2020 to the intangible assets acquired through a business combination for the acquisition of AFINIA.

(3) 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.

(4) See note 35. Costs for provision of services and note 36. Administrative expenses.

At the end of the periods, an impairment test was performed on the assets for those intangibles with an indefinite useful life. The detail of the value impairment recognized in the statement of comprehensive income is found in note 8. Asset value impairment.

The amortization of intangibles is recognized as costs and expenses in the statement of comprehensive income, section results for the period, in the lines costs for provision of services and administration expenses.

The book value at the cut-off date and the remaining amortization period for significant intangibles is:

Significant intangible assets	Service life	Remaining period of Amortization time for the period	2021	2020
Merchant credit	Indefinite		3,218,802	3,123,221
Chile Concession	Defined	13	809,600	1,242,627
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	Defined	41	58,337	58,337
Secondary Network Loca y Hato - EPM	Defined	3	35,086	35,086
Elektra Noreste S.A. - Commercial management system, ERP SAP and Other Software	Defined	1 to 14	113,358	72,725
Aguas Regionales S.A. E.S.P - Concessions	Defined	11 to 75	72,543	51,990
Deca- Intelligent Measurement System and System Attention to the user	Defined	1 to 5	52,131	23,794
Electricadora de Santander S.A. E.S.P - Servitures	Indefinite		19,662	12,203
Distribución Eléctrica Delsur - SAP Commercial Management System	Defined	2 to 5	14,679	12,264

Amounts stated in millions of Colombian pesos -

The following intangible assets have an indefinite useful life: goodwill and easements, the latter are agreed upon in perpetuity. By definition, an easement is the real, perpetual or temporary right over someone else's property, by virtue of which it can be used, exercise certain rights of disposal, or prevent the owner from exercising some of his property rights (Art. 2970 of the Civil Code). At EPM, easements are not treated individually, since they are constituted for public service projects, where the general interest prevails over the individual, considering that the objective is to improve the quality of life of the community; The aforementioned projects do not have a defined timeframe, which is why they are constituted in perpetuity, supported by their use. However, there are some easements with defined useful lives, because they are tied to the useful life of the main asset that requires the easement.

Intangible assets with indefinite useful life	2021	2020
Merchant Credit		
Aguas de Antofagasta	1,608,117	1,662,625
Empresa eléctrica de Guatemala S.A.	1,136,071	994,110
Proyecto Central Generación Ituango	177,667	177,667
Elektra Noreste S.A.	129,876	121,749
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
Merchant credit subtotal	**3,218,802**	**3,123,221**
Other intangible assets		
Easements	212,241	205,060
Subtotal other intangible assets	**212,241**	**205,060**
Total intangible assets with indefinite useful life	**3,431,043**	**3,328,281**

Amounts stated in millions of Colombian pesos -

The variation with respect to 2020 is mainly due to the increase in exchange rates that generate a higher value of goodwill of international subsidiaries.

Note 8. Impairment of assets

8.1 Impairment of associated investments and joint ventures

At the date of presentation of the financial statements, no impairment losses were recognized in the statement of comprehensive income, related to investments in associates and joint ventures.

8.2 Impairment of value of Cash Generating Units

For CGUs, the book value of goodwill and intangible assets with indefinite useful lives and value impairment losses (reversal) assigned for each type of asset are detailed below:

Cash Generating Unit	Value in books		Loss (reversal) of Depreciation the TES	
	2021	2020	2021	2020
Energy Generation Segment				
Merchant credit	260,647	260,647	-	-
Easements	854	794	(20)	55
Rights	-	-	-	308
Licenses	-	-	-	1
Grounds	-	-	(4,168)	4,328
Buildings	-	-	(7,294)	21,287
Plants, ducts and tunnels	-	-	(35,776)	65,434
Networks, lines and cables	-	-	-	1,053
Machinery and equipment	-	-	(305)	14,425
Furniture, fixtures and office equipment	-	-	(12)	16
Communication and computer equipment	-	-	(156)	175
Transport, traction and lifting equipment	-	-	(155)	163
Replacement Assets	-	-	(16)	18
Energy Generation	**261,501**	**261,441**	**(47,902)**	**107,263**
Energy Transmission Segment				
Easements	128,673	128,590	-	-
Transmission Energy	**128,673**	**128,590**	**-**	**-**
Energy Distribution Segment				
Merchant credit	1,271,092	1,121,004	-	-
Easements	85,862	65,922	-	-
Construction in progress	-	-	-	1,676
Plants, ducts and tunnels	-	-	-	51,802
Networks, lines and cables	-	-	-	19,893
Machinery and equipment	-	-	-	6,802
Furniture, fixtures and office equipment	-	-	-	42
Rights of use Buildings	-	-	-	3,959
Energy Distribution	**1,356,954**	**1,186,926**	**-**	**84,174**
Gas segment				
Merchant credit	303	303	-	-
Easements	3,693	3,692	-	-
Gas	**3,996**	**3,995**	**-**	**-**
Water supply segment				
Merchant credit	1,463,387	1,512,989	-	-
Easements	5,475	5,055	-	-
Grounds	-	-	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	**1,468,862**	**1,518,044**	**6,037**	**-**
Waste Water Management Segment				
Merchant credit	144,731	149,636	-	-
Easements	1,737	1,426	42	-
Concessions and franchises	-	-	-	8,830
Other intangibles	-	-	9	-
Grounds	-	-	6	-
Plants, ducts and tunnels	-	-	1	-
Networks, lines and cables	-	-	3,909	-
Management Wastewater	**146,468**	**151,062**	**3,967**	**8,830**
Solid Waste Management Segment				
Merchant credit	78,642	78,642	-	-
Solid Waste Management	**78,642**	**78,642**	**-**	**-**
Total	**3,445,096**	**3,328,700**	**(37,898)**	**200,267**

Amounts stated in millions of Colombian pesos -

Goodwill is assigned mainly to the segments or CGUs detailed below:

Cash Generating Unit	2021	2020	Generated Product From
Generación Energía EPM	260,647	260,647	Liquidation of subsidiary EPM Ituango S.A. E.S.P. and Espiritu Santo whose assets were transferred to EPM
Distribución Energía EDEQ	5,135	5,135	In addition to the acquisition by EPM Inversiones Business combination
Distribución Energía CHEC	10	10	In addition to the acquisition by EPM Inversiones Business combination
Distribución Energía EEGSA	1,136,071	994,111	In addition to the acquisition of Grupo DECA II by EPM Business combination
Distribución Energía ENSA	129,876	121,748	In addition to the acquisition of the Grupo PDG by EPM Business combination
Gas EPM	303	303	Combination of business with the Surtidora de Gas del Caribe S.A. E.S.P. made by EPM
Provisión Agua Adasa	1,577,144	1,631,651	In addition to the acquisition of the Aguas de Antofagasta by Inversiones Hanover
Gestión Aguas Residuales Adasa	30,974	30,974	In addition to the acquisition of the Aguas de Antofagasta by Inversiones Hanover
Gestión Residuos Sólidos Emvarias	78,642	78,642	In-place on the acquisition by EPM
Total	**3,218,802**	**3,123,221**	

Amounts stated in millions of Colombian pesos -

The intangible Easements is assigned mainly to the segments or CGUs that are detailed below:

Cash Generating Unit	2021	2020
Generación Energía EPM	444	444
Generación Energía CHEC	117	98
Generación Energía Hidroecológica del Teribe	293	252
Transmisión Energía EPM	128,636	128,555
Transmisión Energía ESSA	37	35
Distribución Energía EPM	35,942	29,473
Distribución Energía EDEQ	256	256
Distribución Energía CHEC	7,529	7,437
Distribución Energía CENS	9,263	9,263
Distribución Energía ESSA	19,625	12,168
Distribución Energía EEGSA	771	659
Distribución Energía ENSA	12,476	6,666
Gas EPM	3,693	3,692
Provisión Agua Adasa	261	270
Provisión Agua EPM	5,214	4,785
Gestión Aguas Residuales EPM	1,009	656
Gestión Aguas Residuales Aguas Nacionales	598	598
Gestión Aguas Residuales Aguas de Malambo	130	172
Total	**226,294**	**205,479**

Amounts stated in millions of Colombian pesos -

Impairment of assets and intangibles - CGU Wastewater Management of Ciudad Lerdo

In Ciudad Lerdo, the impairment of its assets was calculated based on IAS 36, seeking to ensure that the value of the assets that are accounted for as of December 31, 2021 reflects their recoverable value through their use or sale.

Use value: For which the estimation of the future cash flows that the company expects to obtain on the assets was made; Considering the expectations about possible variations in the value, it was also based on the most recent financial projections, the cash flow was calculated until 2029, the year in which the operation contract ends. The discount rate that was used for the valuation considers the yield that the owner would demand from this type of investment.

Based on the foregoing, and on the analysis of fixed assets subject to impairment allocation, the value of asset impairment as of December 31, 2021 amounts to $44,873 Mexican pesos, resulting from:

Value in use: $34,029,103Mexican pesos

Book value of the CGU:	$72,380,406	Mexican pesos
Comparison value:	$38,351,303	Mexican pesos
Impaired value [1] :	$44,873	Mexican pesos
Impairment cost conversion rate	189.58 COP / MXP	

[1] Corresponds to the maximum impairment that was possible to assign to CGU 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	Revenues come from the operation of the Lerdo Wastewater Treatment Plant, treating ultrafiltration and reverse osmosis water sent to the Gómez Palacios and Guadalupe Victoria Combined Cycle Thermoelectric Power Plants at the request of the Federal Electricity Commission (CFE), projected until the expiration of the contract and based on historical consumption. Water delivered to the CFE 64 LPS over an installed capacity of 200 LPS.
Costs and expenses	The costs and expenses were estimated in compliance with plant maintenance, main supplies such as electricity, chemicals and personnel. Expenses are considered additional legal fees regarding lawsuits filed by the company. The cancellation of the deferred tax on which there are no expectations of recovery is presented.
Investment	No additional investments are estimated other than infrastructure maintenance.

Impairment of assets and intangibles - Water Provision CGU of Aguas de Malambo

In Aguas de Malambo, the impairment of its assets was calculated based on IAS 36, seeking to ensure that the value of the assets that are accounted for as of December 31, 2021 reflects their recoverable value through their use or sale.

Use value: For which the estimation of the future cash flows that the company expects to obtain from its operations was made; based on the most recent financial projections. The discount rate that was used for the valuation considers the yield that the owner would demand from this type of investment.

Based on the foregoing, and on the analysis of fixed assets subject to impairment allocation, the value of asset impairment as of December 31, 2021 amounts to $6,037 and results from:

Value in use:	$18,001	million of Colombian pesos
Book value of the CGU:	$24,038	millions of Colombian pesos
Impaired value:	$6,037	millions of Colombian pesos

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	As of February 2024, income is calculated with the rate modification that is being requested from the CRA. As of July 2026, income is calculated taking into account the POIR corresponding to the second decade. It is considered an affectation in the collection, in accordance with the real 2021 and the tariff modification
Costs and expenses	The costs and expenses were estimated according to the operation and maintenance of the subsidiary, whose main items are personnel, energy, chemical products, purchase of bulk water, operation and maintenance contracts, insurance and development of commercial activities such as cutting and reconnection service, billing and collection. Likewise, designs and studies required for the viability of projects and the expense for portfolio deterioration are considered.
Investment	The investments contemplated in the business plan are considered, mainly in pipes, accessories, intakes and pumping stations, necessary to increase the continuity and coverage in the Service Provision Area and the quality of the service provision.

Impairment of assets and intangibles - CGU Wastewater Management of Aguas de Malambo

In Aguas de Malambo, the impairment of its assets was calculated based on IAS 36, seeking to ensure that the value of the assets that are accounted for as of December 31, 2021 reflects their recoverable value through their use or sale.

Use value: For which the estimation of the future cash flows that the company expects to obtain from its operations was made; based on the most recent financial projections. The discount rate that was used for the valuation considers the yield that the owner would demand from this type of investment.

Based on the foregoing, and on the analysis of fixed assets subject to impairment allocation, the value of asset impairment as of December 31, 2021 amounts to $3,958 and results from:

Value in use: $13,035 million Colombian pesos

Book value of the CGU:	$16,993	millions of Colombian pesos
Impaired value:	$3,958	millions of Colombian pesos

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	As of February 2023, the remuneration for the operation of the La Milagrosa WWTP is incorporated, in January 2024 considering the tariff modification and as of July 2026 the income is calculated considering the POIR corresponding to the second decade. It is considered an affectation in the collection, in accordance with the real 2021 and the tariff modification
Costs and expenses	The costs and expenses were estimated in compliance with the operation and maintenance of the subsidiary, whose main items are personnel, maintenance contracts, energy, sludge transportation, environmental taxes, among others.
Investment	The investments considered in the business plan are contemplated, mainly in pipes, accessories and collectors, considering the physical infrastructure and the closing of gaps between users.

The value in use and book value of the CGU at the end of 2021 that present intangible assets with an indefinite useful life is detailed below:

Cash Generating Unit	Functional currency	Value in use	Value in books
Provisión Agua EPM	Colombian Pesos	3,674,470	3,056,164
Gestión Aguas Residuales EPM	Colombian Pesos	1,752,611	1,302,579
Generación Energía EPM	Colombian Pesos	25,744,212	18,338,578
Transmisión Energía EPM	Colombian Pesos	1,215,189	788,720
Distribución Energía EPM	Colombian Pesos	7,627,538	4,637,674
Gas EPM	Colombian Pesos	1,695,744	748,805
Distribución Energía CENS	Colombian Pesos	1,789,774	954,329
Generación Energía CHEC	Colombian Pesos	250,799	226,381
Distribución Energía CHEC	Colombian Pesos	866,054	549,898
Distribución Energía EDEQ	Colombian Pesos	361,278	224,224
Transmisión Energía ESSA	Colombian Pesos	220,276	61,920
Distribución Energía ESSA	Colombian Pesos	2,243,925	1,639,089
Distribución Energía EEGSA	Quetzales	5,716	4,515
Distribución Energía ENSA	Us Dollars	906	514
Gestión Aguas Residuales Aguas Nacionales	Colombian Pesos	3,742,660	1,888,059
Gestión Residuos Sólidos Emvarias	Colombian Pesos	411,032	219,029
Distribución Energía Afinia	Colombian Pesos	1,954,261	874,945
Provisión Agua Adasa	Chilean Pesos	739,908	691,871
Gestión Aguas Residuales Adasa	Chilean Pesos	73,178	66,198
Gestión Aguas Residuales Aguas de Malambo	Colombian Pesos	26,700	16,744
Generación Energía Hidroecológica del Teribe	Us Dollars	121	120

Amounts stated in millions of Colombian pesos -

Note 9. Investments in subsidiaries

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

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)		Colombia	It provides public electricity services, purchase, sale and distribution of electricity.	92.85%	92.85%	7.15%	7.15%	12/22/1988
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)		Colombia	It provides public energy services, operating electric power generation plants, transmission and sub-transmission lines and distribution networks, as well as the commercialization, import, distribution and sale of electric power.	80.10%	80.10%	19.90%	19.90%	09/09/1950
Electrificadora de Santander S.A. E.S.P. (ESSA)		Colombia	Provides public electricity services purchase, sale, marketing and distribution of electricity.	74.05%	74.05%	25.95%	25.95%	09/16/1950
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)		Colombia	Provides public electricity services, purchase, export, import, distribution and sale of electricity, construction and operation of generating plants, substations, transmission lines and distribution networks.	91.52%	91.52%	8.48%	8.48%	10/16/1952
Caribemar de la Costa S.A.S. E.S.P. (AFINIA)	(1)	Colombia	It provides public services of distribution and commercialization of electrical energy, as well as the performance of all related activities, works, services and products.	100%	100%	-	-	10/1/2020
Elektra Noreste S.A. (ENSA)		Panama	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 the maximum demand in the concession area.	51.16%	51.16%	48.84%	48.84%	01/19/1998

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
Hidroecológica del Teribe S.A. (HET)		Panama	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%	100%	-	-	12/17/2004
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)		Guatemala	Provides outsourcing services in the area of materials management.	99.94%	99.94%	0.06%	0.06%	03/23/2000
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)		Guatemala	Provides electricity trading 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%	08/31/1999
Crediegsa S.A. (CREDIEGSA)		Guatemala	Provides recruitment services and other administrative services	80.90%	80.90%	19.10%	19.10%	12/1/1992
Distribuidora de Electricidad del Sur (DELSUR)		The Savior	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%	11/16/1995

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
Innova Tecnología y Negocios S.A. de C.V.		The Savior	Provision of specialized services in electrical engineering and sale of electrical appliances to users of electrical energy of the Delsur company.	86.41%	86.41%	13.59%	13.59%	10/19/2010
Aguas Regionales EPM S.A. E.S.P.	(2)	Colombia	It provides residential public services of aqueduct, sewage and sanitation, treatment and use of garbage, complementary activities and engineering services typical of these public services.	99.99%	99.99%	0.01%	0.01%	11/29/2002
Aguas Regionales EPM S.A. E.S.P.	(3)	Colombia	Guarantee the provision of residential public services of aqueduct, sewerage and sanitation and compensate for the lag in the infrastructure of these services in the partner municipalities.	74.57%	74.57%	25.43%	25.43%	01/18/2006
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%	11/22/1999
Aguas de Malambo S.A. E.S.P.	(4)	Colombia	Dedicated to guaranteeing the provision of residential public services of aqueduct, sewerage and sanitation in the jurisdiction of the Municipality of Malambo Department of Atlántico.	98.57%	98.52%	1.43%	1.48%	11/20/2010
Ecosistemas de Colima S.A. de C.V.		Mexico	Dedicated to developing the 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%	-	-	02/14/2006
Ecosistemas de Tuxtla S.A. de C.V.		Mexico	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 treatment plants.	100%	100%	-	-	11/17/2006

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	**2020**	**2021**	**2020**	
Ecosistema de Ciudad Lerdo S.A. de C.V.		Mexico	Subsidiary dedicated to the construction, equipping, start-up, operation and maintenance for 20 years of a wastewater treatment system in the city of Lerdo Durango, with the fully recoverable private investment modality.	100%	100%	-	-	04/24/2007
Aquasol Morelia S.A. de C.V.		Mexico	Subsidiary dedicated to the construction of a wastewater treatment plant, as well as the equipment and start-up of said plant located in the town of Atapaneo in the Municipality of Morelia Michoacán.	100%	100%	-	-	11/13/2003
Ecosistemas de Celaya S.A. de C.V.		Mexico	Dedicated to the development 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.		Mexico	Dedicated to the construction, equipment, expansion, improvement, conservation, maintenance and operation of water supply systems and sewage services, collection, drainage and wastewater treatment works.	100%	100%	-	-	08/25/1995
Ecoagua de Torreón S.A. de C.V.		Mexico	Dedicated to providing wastewater treatment operation services from any source, whether municipal or domestic, as well as activities related to wastewater treatment.	100%	100%	-	-	10/25/1999

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
Proyectos de Ingeniería Corporativa S.A. de C.V.		Mexico	Provision of design services, engineering in general or construction, professional and technical services aimed at operating, managing, directing and in general carrying 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 natural or moral person.	100%	100%	-	-	08/01/2008
Corporación de Personal Administrativo S.A. de C.V.		Mexico	Provision of professional services aimed at operating, managing, directing and in general carrying 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 requesting companies.	100%	100%	-	-	08/01/2008
Aguas de Antofagasta S.A.		Chile	Construction and operation of the public services for the production and distribution of drinking water and the collection and disposal of wastewater through the operation of the sanitary concessions of the Empresa de Servicios Sanitarios de Antofagasta SA (currently Econssa 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 Empresa de Servicios Sanitarios de Antofagasta SA (current Empresa Concesionaria de Servicios Sanitarios SA – Econssa SA) the “Contract for the transfer of the right to exploit sanitary concessions ”, for a total term of 30 years from the date of subscription.	100%	100%	-	-	11/28/2003

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
Empresas Varias de Medellín S.A. E.S.P.		Colombia	Subsidiary dedicated to the provision of public sanitation services within the framework of comprehensive solid waste management.	99.93%	99.93%	0.07%	0.07%	01/11/1964
EPM Inversiones S.A.		Colombia	Dedicated to capital investment in national or foreign companies organized as public service companies.	99.99%	99.99%	0.01%	0.01%	08/25/2003
Maxseguros EPM Ltd.		Bermuda	Negotiation, contracting and management of reinsurance for policies that protect assets.	100%	100%	-	-	04/23/2008
Panamá Distribution Group S.A. - PDG		Panama	Capital investment in companies.	100%	100%	-	-	10/30/1998
Distribución Eléctrica Centroamericana DOS S.A. - DECA II		Guatemala	It makes capital investments in companies dedicated to the distribution and commercialization of electrical energy and to providing telecommunications services.	100%	100%	-	-	03/12/1999
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%	06/15/2006
Promobiliaria S.A.		Panama	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 owned by the companies that make up Grupo EPM.	100%	100%	-	-	09/08/2015
EPM Latam S.A.		Panama	Make capital investments in companies.	100%	100%	-	-	05/17/2007

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	**2020**	**2021**	**2020**	
EPM Capital México S.A. de C.V.		Mexico	It develops infrastructure projects related to energy, lighting, gas, telecommunications, sanitation, water treatment plants, sewage, wastewater treatment, buildings, as well as their operation, studies and services.	100%	100%	-	-	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 kinds of public or private tenders and auctions.	100%	100%	-	-	02/22/2013
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 ventures and sign business collaboration agreements to participate in tenders, obtain concessions and/or authorizations. Provide all kinds of advice and services related directly or indirectly to the activities carried out and in which the company is involved.	100%	100%	-	-	12/16/2014
Tecnología Intercontinental S.A. de C.V. TICSA	(6)	Mexico	Dedicated to the study, development, promotion and execution of industrial projects, design, manufacture, assembly and assembly of machinery, development of technology including marketing, commercial representation and trade in general.	100%	100%	-	-	07/28/1980
ENSA Servicios S.A.		Panama	Provision of technical, commercial and any other complementary services to the provision of the electricity service, without limiting other analogous, related and/or compatible services that constitute an added value to the activities described.	51.16%	51.16%	48.84%	48.84%	11/29/2017

Subsidiary Name		Location (country)	Main activity	*Ownership percentage and voting rights*		*Percentage of participation of the non-controlling party*		Date of Establishment
				2021	2020	2021	2020	
FID 20431 SOMOS EPM (antes Patrimonio Autónomo Financiación Social)	(7)	Colombia	Manage the resources and payments of the social financing program created to make it easier for users to purchase household appliances, gas appliances and products related to information technology.	100%	100%	-	-	04/14/2008
FID 20432 SOMOS CHEC	(7)	Colombia	Manage the resources and payments of the social financing program created to make it easier for users to purchase household appliances, gas appliances and products related to information technology.	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 make it easier for users to purchase household appliances, gas appliances and products related to information technology.	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 make it easier for users to purchase household appliances, gas appliances and products related to information technology.	74.05%	74.05%	25.95%	25.95%	10/11/2020

(1) Subsidiary acquired by the EPM Group through a share purchase transaction completed on October 1, 2020 (see note 10. Business combinations).

(2) On November 23, 2020, EPM capitalized Aguas Regionales EPM SAESP for $113,397.

(3) In December 2020, EPM capitalized Aguas Regionales EPM SAESP for $13,587, said 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 regulation. share subscription.

(4) In March 2021, EPM capitalized Aguas de Malambo SAESP with the treasury loan (plus interest) that had been granted to said subsidiary for a total value of $1,433; subsequently, in May 2021, he capitalized it with a cash contribution of $567.

(5) On December 16, 2020, EPM Chile SA capitalized Inversiones y Proyectos Hidrosur SpA for USD $15,500,000 (COP$ 53,723)

(6) In June 2021, EPM Capital México SA de CV capitalized Tecnología Intercontinental SA de CV TICSA for MXN 3,832,352. (COP$723)

(7) Autonomous equity (structured entity) managed under commercial trust contract No. FID 4-2-2043 We are Grupo EPM Loyalty and Relationship Program, signed with Fiduciaria de Occidente SA on November 10, 2020.

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

December 31, 2021	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result continued operations	Other Comprehensive income	Total end result	Statement of 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 -

December 31, 2020	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result continued operations	Other Comprehensive income	Total end result	Statement of cash flows
Elektra Noreste S.A. (ENSA)	734,507	2,054,912	1,233,157	868,808	2,065,381	74,526	23,961	98,487	167,217
Empresa Eléctrica de Guatemala S.A. (EEGSA)	641,214	1,669,023	392,165	893,334	2,239,651	147,559	30,549	178,108	17,434
Electrificadora de Santander S.A. E.S.P. (ESSA)	334,859	1,689,133	516,361	826,830	1,268,295	138,137	(3,613)	134,524	135,679
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	286,548	1,024,373	243,313	720,700	856,035	67,938	(11,193)	56,745	133,248
Distribuidora Eléctrica del Sur S.A. de C.V. (DELSUR)	168,047	383,982	257,570	158,237	919,556	37,491	(10,386)	27,105	24,372
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	273,766	926,944	341,473	379,975	831,760	77,062	(1,447)	75,615	51,239
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	99,584	1,226	21,656	7,026	302,022	11,572	3,955	15,527	7,170
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	98,934	226,510	78,958	80,686	258,644	27,739	221	27,960	44,323
Transportista Eléctrica Centroamericana S.A. (TRELEC)	93,135	1,013,495	567,834	3,135	153,268	76,455	11,313	87,768	595
Aguas Regionales EPM S.A. E.S.P.	55,267	175,462	38,346	66,890	60,355	9,294	-	9,294	31,136
Other participations[1]	517,828	4,124,039	352,603	516,599	691,509	392,715	28,962	421,677	278,030

Amounts stated in millions of Colombian pesos -

[1] Corresponds to investments in subsidiaries where the non-controlling interest is not significant in terms of equity participation and/or the amount of the financial figures of each entity, and includes the following subsidiaries: Hidroecológica del Teribe S.A., Enérgica S.A., Credieegsa S.A., Aguas Regionales 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 result for the period, the dividends paid, and the equity assigned to the non-controlling interests at the date of the reporting period is as follows:

Non-controlling participations	December 31, 2021			
	Equity	Profit or loss	Other Comprehensive Income	Dividends paid
Elektra Noreste S.A. (ENSA)	411,398	61,096	207	40
Electrificadora de Santander S.A. E.S.P. (ESSA)	226,156	61,157	6,236	17,923
Empresa Electrica de Guatemala S.A. (EEGSA)	254,670	39,554	(27)	14,325
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	110,182	29,502	1,575	-
Transportista Electrica Centroamericana S.A. (TRELEC)	134,170	15,568	-	1,962
Centrales Electricas del Norte de Santander S.A. E.S.P.	40,776	9,084	2,271	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	23,308	6,597	206	6,801
Aguas Regionales EPM S.A. E.S.P.	35,537	3,618	-	-
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
Other uncontrolled participations (1)	27,923	8,651	2	7,409

Amounts stated in millions of Colombian pesos -

Non-controlling participations	December 31, 2020			
	Equity	Profit or loss	Other Comprehensive Income	Dividends paid
Elektra Noreste S.A. (ENSA)	335,392	36,396	(44)	-
Electrificadora de Santander S.A. E.S.P. (ESSA)	176,689	35,851	(938)	38,543
Empresa Electrica de Guatemala S.A. (EEGSA)	195,704	28,181	(775)	13,814
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	95,369	15,335	(288)	27,921
Transportista Electrica Centroamericana S.A. (TRELEC)	102,300	14,601	-	1,315
Centrales Electricas del Norte de Santander S.A. E.S.P.	29,421	5,762	(949)	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	18,488	5,002	(179)	9,073
Aguas Regionales EPM S.A. E.S.P.	31,918	2,364	-	-
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	13,775	2,210	-	2,628
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	11,847	1,982	16	2,593
Other uncontrolled participations (1)	23,242	8,695	1	8,369

Amounts stated in millions of Colombian pesos -

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 Regionales EPM S.A. E.S.P., Empresas Varias de Medellín S.A. E.S.P. y Almacenaje y Manejo de Materiales Eléctricos S.A.

9.1 Significant restrictions

As of December 31, 2021 and 2020, the Group does not have significant restrictions to access or use the assets, settle liabilities of the Group, nor do non-controlling interests have protective rights that may restrict the Group's ability to access or use the assets and settle liabilities of subsidiaries or restrict dividends and other distributions of capital.

In September 2020, the wastewater treatment plants of Tierra Negra, Morelos and the osmosis and microfiltration treatment plant - PTOI, were confiscated by the Municipal Commission of Drinking Water and Sewerage of the Conurbation Zone of the Mouth of the Pánuco River. - COMAPA arguing alleged irregularities, as of that date total control of the operations of the wastewater treatment plants was lost. Consequently, the Subsidiary Desarrollo Hidráulicos de Tampico SA de CV carried out 3 amparo lawsuits before the competent authorities, the results of which were favorable and allowed the recovery of the Tierra Negra WWTP facilities on September 14, 2021, subsequently the recovery of the PTOI on September 15 and finally, on September 17, 2021, the delivery of the Morelos WWTP by COMAPA. Therefore, as of December 31, 2021, the Group has recovered the operation of the three indicated plants and expects to recover the cash flow in the following months.

9.2 Consolidated structured entities

As of December 31, 2021, and 2020, the Group has the following consolidated structured entities:

Structured Entity	2021			
	Participation in the entity	Total Assets	Total liabilities	Net result of the period
FID 20431 SOMOS EPM (formerly Patrimonio Autónomo Financiación Social)	100%	217,542	22,958	27,663
FID 20432 SOMOS CHEC	80.10%	21,888	543	867
FID 20433 SOMOS EDEQ	92.85%	5,040	711	(151)
FID 20434 SOMOS ESSA	74.05%	4,399	825	(326)

Amounts stated in millions of Colombian pesos -

Structured Entity	2020			
	Participation in the entity	Total Assets	Total liabilities	Net result of the period
FID 20431 SOMOS EPM (formerly Patrimonio Autónomo Financiación Social)	100%	191,467	13,239	19,776
FID 20432 SOMOS CHEC	80.10%	20,861	809	1,416
FID 20433 SOMOS EDEQ	92.85%	1,762	42	18
FID 20434 SOMOS ESSA	74.05%	567	25	(25)

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, 2021, and 2020, there were no transactions or economic events that implied the loss of control of subsidiaries.

Nota 10. Business combinations

As a result of the execution of a Share Acquisition Agreement with Electrificadora del Caribe SAESP, Grupo EPM obtained on October 1, 2020, the date from which it began operations, control of CaribeMar de la Costa SASESP (“Caribbean Mar”). or the “Company” under the AFINIA brand through the acquisition of 100% of its shares and therefore of the voting rights through Empresas Públicas de Medellín ESP (85%) and EPM Latam SA (15%).

During the reporting period, the following adjustments were made to accounting for the business combination of AFINIA:

Concept	Book value	Adjustments(1)	Fair Value Measurement
Assets, liabilities, equity holdings or compensation items			
Equity investments	32,355	(2,488)	29,868
Trade and other accounts receivable	1,443,740	68	1,443,808
Cash and cash equivalents	681,408	(10)	681,398
Employee benefits	25,362	2,627	27,989
Creditors and other Accounts payable companies	250,797	888	251,686
Provisions	922	(12)	910
Other liabilities	897,257	(90)	897,167
Transfer compensation	119,244	4,195	123,439
Total	**863,921**	**(10,039)**	**853,882**

Amounts stated in millions of Colombian pesos -

[1] Represented an adjustment to the result for business combination of $-10,039, which is presented in the Consolidated Statement of Comprehensive Income in the line of Effect for participation in equity investments.

At the end of the reporting period, the purchase price allocation process for the business combination is complete.

Note 11. Investments in associates

The detail of investments in associates of the Group at the date of the reporting period is as follows:

Associate name	Location (Country)	Main activity	Percentage of participation and voting rights		Creation date
			2021	2020	
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 Rio 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%	2.1%	21/02/2017

Amounts stated in millions of Colombian pesos -

(1) As of December 31, 2021, the Group continues to have significant influence over the financial and operating policy decisions of this company (see note 3).

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

Associate	2021				2020			
	Investment value				Investment value			
	Cost	Equity metod	Dividends	Total	Cost	Equity metod	Dividends	Total
UNE EPM Telecomunicaciones S.A.	2,342,488	(1,052,290)	-	1,290,198	2,342,488	(780,910)	(12,547)	1,549,031
Inversiones Telco S.A.S.	55,224	30,790	(8,805)	77,209	55,224	27,093	(14,508)	67,809
Hidroeléctrica Ituango S.A. E.S.P.	34,313	(10,434)	-	23,879	34,313	(10,841)	-	23,472
Hidroeléctrica del Río Aures S.A. E.S.P.	2,478	88	-	2,566	2,478	159	-	2,637
VE Servicios de Eficiencia Energética S.A.S.	97	(34)	-	63	88	(4)	-	84
Total investments in associates	**2,434,600**	**(1,031,880)**	**(8,805)**	**1,393,915**	**2,434,591**	**(764,503)**	**(27,055)**	**1,643,033**

Amounts 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:

Associated	2021			2020		
	Period equity method		Total	Period equity method		Total
	Period Result	Other comprehensive result		Period Result	Other comprehensive result	
UNE EPM Telecomunicaciones S.A.	(282,425)	20,666	(261,759)	(101,941)	47	(101,894)
Inversiones Telco S.A.S.	18,130	-	18,130	9,783	-	9,783
Hidroeléctrica Ituango S.A. E.S.P.	407	-	407	293	-	293
Hidroeléctrica del Río Aures S.A. E.S.P.	(71)	-	(71)	(135)	-	(135)
VE Servicios de Eficiencia Energética S.A.S.	(12)	(10)	(22)	-	-	-
Total	**(263,971)**	**20,656**	**(243,315)**	**(92,000)**	**47**	**(91,952)**

Amounts stated in millions of Colombian pesos -

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

2021	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result Continued operations	Other comprehensive result	Total comprehensive income	Dividend income
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 -

2020	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result Continued operations	Other comprehensive result	Total comprehensive income	Dividend income
UNE EPM Telecomunicaciones S.A.	1,875,321	7,455,526	2,024,214	5,759,047	4,843,434	(212,543)	104	(212,439)	12,547
Inversiones Telco S.A.S.	163,965	125,474	88,519	55,996	428,756	9,420	-	9,420	4,239
Hidroeléctrica Ituango S.A. E.S.P.	18,338	109,916	874	76,874	694	254	-	254	-
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.	1,272	13,684	6,742	-	-	(409)	-	(409)	-

Amounts stated in millions of Colombian pesos -

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

Significant restrictions

As of December 31, 2021, and 2020, 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 in the case of UNE EPM Telecomunicaciones SA in which it will be mandatory to distribute as a dividend at least fifty percent (50%) of the net profits of the period after appropriations and/or legal, statutory and occasional reserves, as long as the level of consolidated financial debt does not exceed 2 times the EBITDA of the same period.

Note 12. Investments in joint ventures

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

Joint venture name	Location (Country)	Main activity	Percentage of participation and voting rights		Creation date
			2021	2020	
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%	05/08/2020

(1) Joint venture established 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 of EPM's participation in said company is based on the following aspects:

- Apply EPM's experience in large-scale infrastructure developments.

- EPM is authorized to participate by the POT.

(2) Joint business established on August 5, 2020, in which CaribeSol de la Costa SASESP and AFINIA participate, whose objective is to provide technology services to both companies.

The value of investments in joint ventures at the cut -off date was:

Joint venture name	2021			2020		
	Investment value			Investment value		
	Cost	Equity method	Total	Cost	Equity method	Total
Parques del Río S.A.S. (1)	99	(54)	45	99	(46)	53
Centro de Servicios Compartidos SAS (2)	29,868	(5,859)	24,009	32,355	59	32,414
Total	**29,967**	**(5,913)**	**24,054**	**32,454**	**12**	**32,467**

Amounts stated in millions of Colombian pesos -

The detail of the equity method recognized in the result of the period and in the other result integral of the period is the following:

Joint venture name	2021			2020		
	Equity method participation		Total	Equity method participation		Total
	Period Result	Other comprehensive result		Period Result	Other comprehensive result	
Parques del Río S.A.S. (1)	(8)	-	(8)	(29)	-	(29)
Centro de Servicios Compartidos SAS (2)	(5,917)	-	(5,917)	59	-	59
Total	**(5,925)**	**-**	**(5,925)**	**29**	**-**	**29**

Amounts stated in millions of Colombian pesos -

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

2021	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result continued operations	Total comprehensive income	Dividend income
Parques del Río S.A.S. (1)	141	-	4	-	-	(24)	(24)	-
Centro de Servicios Compartidos SAS (2)	14,623	45,562	9,678	-	59,635	(14,322)	(14,322)	-

Amounts stated in millions of Colombian pesos -

2020	Current Assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Period Result continued operations	Total comprehensive income	Dividend income
Parques del Río S.A.S. (1)	161	-	1	-	-	(29)	(29)	-
Centro de Servicios Compartidos SAS (2)	47,351	60,765	7,344	35,945	14,240	117	117	-

Amounts stated in millions of Colombian pesos -

As of December 31, 2021, Parques del Rio SAS is in the pre-operational stage and has no operating income.

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

Significant restrictions

As of December 31, 2021, and 2020, 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.

Note 13. Trade and other accounts receivable

The detail of the trade debtors and other accounts receivable of the Group at the date of the reporting periods is as follows:

Trade and other accounts receivable	2021	2020
Non-current		
Public service Debtors[(1)]	1,043,865	801,952
Value-of-the-public services Depreciation	(371,690)	(401,236)
Employee loans	141,129	122,345
Value-based loans employees Depreciation	(90)	(10)
Dividends and shares receivable	-	17
Contracts for the management of public services	574,269	536,651
Indemnities	-	110,865
Other services	65	125
Other Debtors Receivable	167,541	131,254
Value-based other loans Depreciation	(20,646)	(25,207)
Non-current total	**1,534,443**	**1,276,757**
Current		
Public service Debtors[(1)]	6,056,201	4,912,954
Value-of-the-public services Depreciation	(1,721,629)	(1,731,674)
Employee loans	53,300	46,157
Value-based loans employees Depreciation	(33)	(58)
Dividends and shares receivable	-	10,269
Other contracts with customers	2,327	598
Contracts for the management of public services	85,349	76,174
Indemnities[(2)]	2,529,875	317,648
Other services	312,288	228,455
Other Debtors Receivable	660,405	567,275
Value-based other loans Depreciation	(352,064)	(248,069)
Total current	**7,626,019**	**4,179,728**
Total	**9,160,462**	**5,456,485**

Amounts stated in millions of Colombian pesos -

(1) The increase in the public services debtors account is equivalent to $1,385,160 and is explained, mainly, by the accounts receivable from the energy service of the parent company and the subsidiary AFINIA and the associated subsidies.

(2) The increase in the indemnity account is mainly due to accounts receivable from the parent company Mapfre insurer, due to civil works and total loss of machinery and equipment, covered by the all-risk and construction policy.

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

Accounts receivable reinsurance activity

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

The following is the detail of accounts receivable reinsurance activity:

Accounts receivable reinsurance activity	2021	2020
Insurance and reinsurance services	899	10,765

Amounts stated in millions of Colombian pesos -

The main reinsurer is the following:

Main reinsurers	2021	2020
Suramericana Seguros Generales S.A.	899	10,765
Total	**899**	**10,765**

Amounts stated in millions of Colombian pesos -

The variation of the accounts receivable reinsurance activity, with respect to the previous year, is due to the collection of the entire balance as of December 31, 2020. The balance receivable as of December 31, 2021, corresponds to the renewal of the insurance for the 2021- 2022.

Impairment of accounts receivable

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

This alternative is taken given that the volume of clients handled by the Group is very high and the measurement and control of risk in stages can lead to errors and an undervaluation of impairment.

The expected 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 based on a probability model that involves sociodemographic, product, and behavioral variables.

Although the forecast of impairment for the annual validity 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 that comprise the annual validity is recorded. In the latter case, the impairment recorded for the month evaluated is obtained with the payment behavior data for the previous month.

At the cut-off date, the aging analysis of accounts receivable at the end of the reporting period for which they are impaired is:

	2021		2020	
	Gross book value	Expected credit losses over the lifetime	Gross book value	Expected credit losses over the lifetime
Public service debtors				
Current	3,577,078	(260,230)	3,138,585	(319,713)
Less than 30 days	812,514	(161,709)	655,728	(152,435)
30-60 days	292,531	(135,213)	309,655	(218,347)
61-90 days	247,083	(113,057)	273,336	(220,920)
91-120 days	153,540	(106,352)	254,570	(233,428)
121-180 days	290,620	(209,813)	282,619	(241,995)
181-360 days	847,219	(591,816)	300,173	(275,905)
Greater than 360 days	879,480	(515,129)	500,240	(470,166)
Total debtors for public services	**7,100,065**	**(2,093,319)**	**5,714,907**	**(2,132,910)**
Other debtors				
Current	3,213,414	(69,566)	1,177,998	(20,816)
Less than 30 days	149,094	(4,198)	71,718	(5,288)
30-60 days	29,553	(1,166)	10,770	(2,324)
61-90 days	10,407	(1,173)	8,202	(1,882)
91-120 days	6,364	(729)	6,142	(2,103)
121-180 days	10,759	(2,965)	8,659	(4,009)
181-360 days	224,478	(137,600)	90,760	(17,732)
Greater than 360 days	882,480	(155,436)	773,583	(219,191)
Total Other Debtors	**4,526,549**	**(372,833)**	**2,147,832**	**(273,345)**
Total debtors	**11,626,614**	**(2,466,152)**	**7,862,739**	**(2,406,255)**

Amounts stated in millions of Colombian pesos -

The variation in the EPM Group's expected credit losses amounts to $(59,897), is demonstrated by the increase in the balances of the age from 181 to 360 days, as a consequence of the bearing of the account receivable for capital gains from the land of the Planta de Tratamiento (PTAR) Aguas Claras in the Municipality of Bello.

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

Expected credit losses over the life of the asset	2021	2020
Value correction at the beginning of the period	(2,406,254)	(746,443)
Impairment changes to the accounts receivable held at the beginning of the period	(475,416)	(492,335)
Impairment	358,780	5,488
New financial assets originated or purchased	(731,735)	(264,129)
Cancellations	547,132	372,121
Changes in Risk Models/Parameters	258,973	88,872
Business combination(1)	-	(1,335,484)
Difference in change and other movements	(17,632)	(34,345)
Final Drive Account Balance	**(2,466,152)**	**(2,406,255)**

Amounts stated in millions of Colombian pesos -

(1) Corresponds to the entry of the new subsidiary AFINIA in 2020.

The portfolio reconciliation is as follows:

Accounts receivable balance	2021	2020
Financial assets initial balance	7,862,739	5,832,789
New financial assets originated or purchased	51,362,331	26,163,115
Financial asset write-offs	(47,540,715)	(26,941,894)
Impairment	(358,780)	(9,216)
Business combination(1)	-	2,779,225
Valuation at amortized cost	(67,452)	(18,697)
Other changes	368,491	57,416
Final Drive Account Balance	**11,626,614**	**7,862,739**

Amounts stated in millions of Colombian pesos -

(1) Corresponds to the entry of the new subsidiary AFINIA. in 2020.

The Group writes off, against the value impairment recognized in a corrective account, the values of impaired financial assets when:

- The registered accounts receivable do not represent certain rights, goods or obligations for the entity.

- It is not possible to collect the right or obligation, by coercive or judicial jurisdiction.

- It is not possible to legally impute to any person, natural or legal, the value of the portfolio.

- Once the cost-benefit ratio has been evaluated and established, it is more onerous to advance the collection process than the value of the obligation.

The Group recognizes all value impairment losses through a corrective account and not directly.

Instances responsible for the allowance

The allowance is approved in each of the companies by the person or unit that has the corresponding authorization.

Note 14. Other financial assets

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

Other financial assets	2021	2020
Non current		
Derivatives designated as hedging instruments under hedge accounting		
Swap Contracts	101,067	46,279
Total derivatives designated as hedging instruments under hedge accounting	**101,067**	**46,279**
Financial assets measured at fair value through profit or loss		
Fixed income securities	5,591	177,513
Equity securities	97,768	79,928
Investments pledged	-	25,765
Fiduciary rights	400,482	449,679
Total financial assets measured at fair value through profit or loss	**503,841**	**732,885**
Financial assets designated to fair value through the other comprehensive income		
Equity instruments[2]	2,236,758	2,559,131
Total financial assets designated to fair value through the other comprehensive income	**2,236,758**	**2,559,131**
Financial assets measured at amortized cost		
Fixed income securities	2,018	1,640
Total financial assets measured at amortized cost	**2,018**	**1,640**
Financial leasing	-	101,344
Total other non-current financial assets	**2,843,684**	**3,441,279**
Current		
Derivatives designated as hedging instruments under hedge accounting		
Swap Contracts	31,568	16,105
Option Contracts	3,674	-
Total derivatives designated as hedging instruments under hedge accounting	**35,242**	**16,105**
Financial assets measured at fair value through in profit or loss		
Derivatives that are not under hedge accounting[3]	102,209	128,204
Fixed income securities[1]	503,377	2,068,299
Investments pledged	30,310	9,383
Fiduciary rights	1,022	-
Total financial assets measured at fair value through profit or loss	**636,918**	**2,205,886**
Financial assets measured at amortized cost		
Fixed income securities	330,598	185,605
Investments pledged	-	126
Total financial assets measured at amortized cost	**330,598**	**185,731**
Financial leasing	1,588	4,142
Total other current financial assets	**1,004,346**	**2,411,864**
Total other financial assets	**3,848,030**	**5,853,143**

Amounts stated in millions of Colombian pesos -

(1) The variation is mainly explained by the disinvestment in fixed-income securities in dollars (Time Deposit), which had as destination the prepayment of the IDB loan for US$450 million.

(2) The decrease originates from the decrease in the price of the shares of Interconexión Eléctrica SA ESP, given that their fair value is determined by the market price.

(3) Corresponds to the climatic derivative contracted to cover the existing risk of dry seasons that imply a decrease in hydroelectric generation and the rise in energy prices on the stock market. This financial instrument intends to give protection to EPM parent when events materialize that may prevent the fulfillment of contractual commitments that imply buying energy on the stock market at market prices that may be unfavorable. With the climate derivative, part of this impact is transferred to the market, which would allow the effect on the Group's financial results to be reduced.

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

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.

Conventional purchases and sales of financial assets are accounted for by applying the trading date.

14.1 Equity investments designated at fair value through other comprehensive income

The breakdown of equity investments designated at fair value through other comprehensive income is:

Equity investment	2021	2020
Interconexión Eléctrica S.A. E.S.P.[1]	2,189,027	2,511,518
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.	605	594
Other investments[2]	1,253	1,146
Total	**2,236,758**	**2,559,131**
Dividends recognized during the period related to investments that remain recognized at the end of the period [3]	134,089	72,984
Recognized dividends during the period	**134,089**	**72,984**

Amounts stated in millions of Colombian pesos -

(1) As of December 31, 2021, the market price of Interconexión Eléctrica SAESP closed at $22,400 (2020: $25,700) pesos.

(2) Includes investments in: Gestión Energética S.A. E.S.P., Terminal de Transporte de Bucaramanga S.A., Duke Energy Guatemala y Cía. S.A., Organización Terpel S.A., Concentra Inteligencia en Energía S.A.S., Banco Davivienda S.A., Emgesa S.A. E.S.P., Sin Escombros S.A.S., Hotel Turismo Juana Naranjo, Central de Abastos de Cúcuta S.A., Fid Bancolombia PA Cadenalco, Orazul Energy, Fosfonorte S.A., Compañía de Alumbrado Eléctrico de Sana Ana S.A., Gestión Energética S.A. E.S.P., Compañía de Alumbrado Eléctrico de San Salvador S.A., Cenfer S.A., Credieegsa S.A., Ecosistema de Morelos S.A. de C.V., Empresa Distribuidora del Pacífico S.A. E.S.P., Banco Bilbao Vizcaya Argentaria Colombia S.A., Central Hidroeléctrica de Betania S.A., Acerías Paz del Río S.A.

(3) The dividends received as of December 31, 2021 for $134,089 (2020: $72,984), are disclosed in the caption of other dividends received in the statement of cash flows.

The equity investments indicated in the table above are not held for trading purposes, instead, they 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 results for the period.

14.2 Reclassifications of financial assets

The Group has not made changes in the business model for the management and administration of financial assets, so no financial assets have been reclassified.

Note 15. Leases

15.1. Finance lease as lessor

The most significant financial leasing agreements are: the installations for the offices of the Intercontinental Technology Group company, SAP de CV TICSA. 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 cut-off date, the minimum future payments and the net investment in financial leases are distributed as follows:

Financial leasing	2021		2020
	Gross investment	Net investment	Gross investment
Year One	904	14	2,124
Year Two	-	-	466
Total leases	**904**	**14**	**2,590**
Present value of the minimum rental payments to be received	**904**	**14**	**2,590**

Amounts stated in millions of Colombian pesos -

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

15.2. Leasing that originates assets for right of use as lessee

At the cut-off date, the book value of right-of-use assets is as follows (does not include right-of-use assets associated with construction in progress, these are included in note 5 Properties, plant and equipment):

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 computer and communication equipment	Right of use traction and lifting transport equipment	TOTAL
Initial cost Balance	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
Retirement (-)	-	(4,507)	-	-	(12,671)	-	-	(22,200)	(39,378)
Transfers	50	44	-	-	-	-	-	-	94
Foreign currency conversion effect	31	2,977	41	4,526	-	156	458	110	8,299
Final cost Balance	12,460	701,397	36,396	113,843	29,669	1,267	12,159	101,406	1,008,597
Accumulated Amortization and Depreciation									
Initial balance of Accumulated Amortization and Depreciation	(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)
Retirement (-)	-	581	-	-	12,671	-	221	22,200	35,673
Transfers	-	1,994	-	-	-	-	-	-	1,994
Foreign currency conversion effect	(31)	(1,129)	(16)	(726)	-	(63)	(208)	(53)	(2,226)
Period amortization	(657)	(26,699)	(14,543)	(8,146)	(6,951)	(177)	(1,421)	(25,978)	(84,572)
Final balance of Accumulated Amortization and Depreciation	(1,887)	(201,654)	(14,559)	(24,098)	(7,060)	(608)	(5,345)	(55,468)	(310,679)
Total Final Balance of use right 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 -

2020	Right of use land	Right of use buildings	Right of use networks, lines and cables	Right of use machinery and equipment	Right of use office furniture, fixtures and equipment	Right of use computer and communication equipment	Right of use traction and lifting transport equipment	TOTAL
Initial cost Balance	12,172	504,267	103,507	22,944	1,063	10,251	87,407	741,611
Additions	629	27,605	800	5,009	-	935	101	35,079
Business combination(2)	-	6,314	-	-	-	-	3,637	9,951
Provisions	-	-	-	-	-	(219)	-	(219)
Other changes	(927)	(7,365)	-	-	-	(2)	-	(8,294)
Retirement (-)	(6)	(1,480)	-	(893)	-	-	-	(2,379)
Transfers	-	399	-	-	-	-	-	399
Foreign currency conversion effect	9	680	1,272	-	15	105	(7)	2,074
Final cost Balance	11,877	530,420	105,579	27,060	1,078	11,070	91,138	778,222
Accumulated Amortization and Depreciation								
Initial balance of Accumulated Amortization and Depreciation	(604)	(93,705)	(5,737)	(6,544)	(212)	(2,824)	(22,573)	(132,199)
Business combination(2)	-	(6,268)	-	-	-	-	(3,637)	(9,905)
Provisions	-	-	-	-	-	219	-	219
Other changes	114	121	-	(1)	1	1	(23)	213
Withdrawals (-)	4	2,046	-	-	-	-	-	2,050
Foreign currency conversion effect	3	44	58	-	4	15	1	125
Period Amortization	(702)	(23,237)	(6,369)	(6,235)	(161)	(1,348)	(25,492)	(63,544)
Period Depreciation	-	(3,959)	-	-	-	-	-	(3,959)
Final balance of Accumulated Amortization and Depreciation	(1,185)	(124,958)	(12,048)	(12,780)	(368)	(3,937)	(51,724)	(207,000)
Total Final Balance of use right assets	10,692	405,462	93,531	14,280	710	7,133	39,414	571,222

Amounts stated in millions of Colombian pesos -

(1) Mainly in EPM, reclassifications of assets due to changes in their use, in operating conditions and identification of improvements in the accounting classification are included.

(2) Corresponds to the business combination with the company AFINIA.

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

Financial leasing	2021		2020	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
One year	106,271	98,414	86,402	86,196
More than a year and up to five years	333,799	261,565	293,513	237,695
More than five years	1,207,722	366,257	1,246,138	363,777
Total leases	**1,647,792**	**726,236**	**1,626,053**	**687,668**
Minus - Value of unearned interest	(921,556)	-	(938,385)	-
Present value of minimum rental payments	**726,236**	**726,236**	**687,668**	**687,668**

Amounts stated in millions of Colombian pesos -

The most significant lease agreement is:

Lease contract for the Empresas Públicas de Medellín Building CT-085 dated February 12, 2002, between EPM (THE COMPANIES) and the MUNICIPALITY OF MEDELLIN (MUNICIPALITY), the MUNICIPALITY undertakes to deliver as a lease to THE COMPANIES and they undertake to receive in the same title, the use and enjoyment of the real estate of his property called "Edificio Empresas Públicas de Medellín", with all its constructions and improvements.

The duration of the contract is 50 years from December 21, 2001, the date on which the MUNICIPALITY OF MEDELLIN began to appear as the owner of the property.

The lease payments of 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.

The interest originated from the lease liability amounts to $240,141.

Total cash outflows for leases during the period were $189,476.

15.3 Operating lease as lessor

The most significant operating lease agreements are for the electrical infrastructure for the installation of networks by telecommunications operators. These can be renewed for a period not exceeding five years. The lease payments of the contract are updated according to the post support rates that are regulated by the CRC (resolution 5890/2020) and multiplied by the number of supports that each client uses; This payment is made monthly and the rate is updated annually in accordance with the IPP.

The value of operating lease income is:

Operating Lease	2021	2020
Year One	78,897	81,836
Year Two	37,502	17,081
Year Three	35,618	15,560
Year Four	32,006	12,637
Year five	32,492	12,943
More than five years	50,562	28,889
Total leases	**267,077**	**168,946**

Amounts stated in millions of Colombian pesos

15.4 Leases that do not originate assets for right of use as lessee

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

As of the cut-off date, future short-term lease commitments are $23,809 (2020: $17,602).

Lease payments recognized as expenses for the period are $32,032 (2020: $23,454).

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

Note 16. Guarantees

The Group has granted the following financial assets as collateral:

- Letters of credit, performance bonds and other guarantees for $268,483 (2020: $245,952) were granted by the subsidiary ENSA to guarantee compliance with the obligations of the concession contract with the National Public Services Authority of Panama and for the purchase contracts of energy to generation and transmission companies.
- Fixed-term certificate of deposit - CDT, whose book value is $0 (2020: $133). The conditions for the use of the guarantee are to cover contingencies due to litigation against the Municipality of Bucaramanga by the subsidiary ESSA SA This guarantee is constituted and granted to Seguros del Estado.
- Retained premium of $29,150 (2020: $33,341) to the subsidiary Maxseguros by the ceding insurance company, in accordance with Colombian regulations.
- The Group has received as collateral from the subsidiary Maxseguros the premium withheld from the reinsurance companies for $11,223 (2020: $12,440).

The Group has not received guarantees as of December 31, 2021 and 2020, in which it is authorized to sell or pledge them without a default by the owner of the guarantee.

Note 17. Other assets

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

Concept	2021	2020
Non-current		
Reinsurance activities (1)	170,166	-
Employee benefits (2)	56,727	53,361
Prepayments (4)	24,004	8,240
Deferred loss due to leaseback operation	20,257	20,933
Other advances or taxes and contributions in favor	7,100	-
Advances delivered to suppliers (3)	5,400	9,085
Goods received in payment allocation	1,509	1,485
Sales tax	2	-
Total other non-current assets	**285,165**	**93,104**
Current		
Advances delivered to suppliers (3)	474,525	364,285
Reinsurance activities (1)	149,151	250,671
Prepayments(4)	138,197	103,766
Sales tax	44,722	62,211
Advance sales tax	18,505	3
Advance of industry and trade tax	12,325	1,297
Other Account Balances taxes in favor	1,750	2,184
Trade and industry tax withheld	433	426
Other advances or s taxes and contributions in favor	162	172
Advance Special Contribution	-	282
Total other current assets	**839,770**	**785,297**
Total Other Assets	**1,124,935**	**878,401**

Amounts stated in millions of Colombian pesos

(1) The non-current portion corresponds to Unreported Recoverable Loss Reserves in the amount of $141,015 and Retained Funds in the amount of $29,151 (2020: $ -).

The current portion includes Reserves for losses receivable for a value of $95,762 (2020: $112,048) and Deferred premium - reinsurer part for a value of $53,389 (2020: $250,671).

(2) Corresponds to Loans to employees at rates below market rates for a value of $56,727 (2020: $53,361).

(3) The non-current portion corresponds to resources granted in administration for $5,369 (2020: $9,088) and Other advances and advances for $31 (2020: -$3).

The current portion includes Other advances and advances for $445,734 (2020: $336,893); resources granted in administration for $26,507 (2020: $26,935); advances on conventions and agreements and advances for travel and travel expenses for $2,284 (2020: $458).

(4) The non-current portion includes Insurance for $17,789 (2020: $1,384) corresponds mainly to the All-Risk policies of the future Ituango hydroelectric plant valid until March 2021, which are being amortized; Premium in legal stability contracts for $5,574 (2020: $6,465); Maintenance for $562 (2020: $318) and Leases for $79 (2020: $73).

The current portion includes Insurance for $104,487 (2020: $81,995), mainly made up of the All-Risk Policies for the future Ituango hydroelectric plant; Printed matter, publications, Fees, Goods and Services paid in advance for $25,202 (2020: $15,283); Leases and Maintenance for $8,508 (2020: $6,488).

(5) Corresponds to the technical reserves in charge of reinsurers, whose detail is as follows:

Concept	2021	2020
Recoverable loss reserves not reported	141,015	61,592
Loss reserves receivable	95,762	112,048
Deferred Premium -Reinsurance Party	53,388	43,691
Funds held	29,150	33,341
Total	**319,315**	**250,672**

-Figures in millions of Colombian pesos-

Note 18. Inventories

Inventories at the end of the period were represented as follows:

Inventories	2021	2020
Materials for rendering services (1)	456,966	409,904
Merchandise in stock (2)	42,204	59,980
Goods in transit	12,194	7,454
Total inventories	**511,364**	**477,338**

Amounts stated in millions of Colombian pesos -

(1) Includes materials for the provision of services held by third parties, which are those delivered to contractors who perform activities related to the provision of services.

(2) Includes merchandise in stock that does not require transformation, such as energy, gas and water meters, and supplier goods, as well as those held by third parties.

Inventories of $143,236 (2020: $240,190) were recognized as cost for rendering the service or cost of merchandise sold during the period. The write-off of inventories recognized as an expense during the period amounted to $2,837 (2020: $1,193). The Group has not generated losses in value when comparing the net realizable value with the average cost of inventories. Markdown reversals amounted to 2020: $657.

As of December 31, 2021, the Group has no committed inventories to guarantee liabilities.

Note 19. Cash and cash equivalents

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

Cash and cash equivalents	2021	2020
Cash in hand and banks	2,171,897	2,931,676
Other cash equivalents (1)	1,918,164	1,166,288
Total cash and cash equivalents presented in the statement of financial position	**4,090,061**	**4,097,964**
Total cash and cash equivalents presented in the statement of cash flows	**4,090,061**	**4,097,964**
Restricted Cash(2)	**903,773**	**541,788**

Amounts stated in millions of Colombian pesos -

(1) Includes restricted funds $903,773 (2020: $541,788) and cash equivalents $1,014,391 (2020: $624,501).

(2) Of these $70,550 (2020: $110,920) correspond to non-current restricted cash.

Treasury investments mature in a period equal to or less than three months from the date of acquisition and accrue market interest rates for this type of investment.

The Group has restrictions on cash and cash equivalents, detailed below: As of December 31, 2021, the fair value of restricted cash equivalents is $903,773 (2020: $541,788).

EPM Fund or Agreement	Destination	2021	2020
Resources Hidroituango Project	Receipt of the resources paid by the insurers AXA, SBS and SURA and whose destination is exclusive for the Hidroituango project.	426,174	-
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.	37,760	27,943
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.	27,910	28,506
Corpb Award Income. 6972005469	Attend to possible contingencies after the acquisition of EPRIO by EPM	8,871	8,797
Ministry of Mines and Energy - Special Fund Quota Development	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.	5,414	5,771
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.	2,589	2,478
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.	2,552	2,389
SINTRAEMSDES 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.	2,252	2,172
Adapted Health Entity Fund 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.	2,210	2,283
Convention POINTS WE ARE	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.	1,809	1,775
Sintraemsdes calamity fund	Promote the well-being of your servers to meet your urgent and unforeseen needs or those of your primary family group.	1,637	1,587
Sinpro calamity fund	Promote the well-being of your servers to meet your urgent and unforeseen needs or those of your primary family group.	1,420	1,397
Judicial or administrative proceedings	Accounting garnishment by judicial or administrative proceedings	986	45
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.	409	396
Agreement MARCO MEDELLIN CITY 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	-

Village 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.	219	217
Convention 5 Esc. Indigenous people 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	196	413
Inter-Administrative Convention CT -2017 -001388 (460007009)	Convention for the construction of 7 indigenous schools in 5 municipalities	92	292
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.	82	75
Management of resources for the construction of infrastructure in Wood for Emseveral in the sanitary landfill La Pradera.	Management of resources for the construction of infrastructure in Wood for Emseveral in the sanitary landfill La Pradera.	65	64
Municipality of Medellin - Land	Acquisition of sites identified and characterized within the protection zones of watersheds supplying aqueduct systems in the municipality of Medellin.	64	63
Holy Spirit	EPM - Holy Spirit Liquidation	64	63
Municipality of Medellin - Aguas	Integrated water management for human consumption of the inhabitants of the municipality of Medellin.	24	205
Agreements Rates of public lighting and toilets with the 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 tax on financial transactions.	20	202
IDEA Convention 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
Ituango guarantee account	Deposit the resources (approximately 6,000,000,000) that EPM must contribute, in order to support the issuance of a bank guarantee for the Ituango project.	-	6,666
Agreement signed between the Metropolitan Area of the valley of aburra and Public Companies of Medellin E.S.P., Execution Act No. 4 of Framework Convention No. CT 2015-000783 of 2015	Support the construction of the southern interceptor of the Aburra River - Medellin	-	2,654
Inter-Administrative Contract Number PC-2017-001532 of 2017,	Construction and intervention of aqueduct and sewerage network connections in Pepe Sierra I, Barrios de Jesus, El Progreso and Canada del Nino neighborhoods	-	611
IDB Credit 2120	Disbursement for the construction of the Bello Wastewater Treatment Plant (WWTP).	-	351
Contribution Municipalities of Pueborrico and Ciudad Bolivar	Convention for the Construction of 7 Rural Indigenous Schools	-	1
Total EPM Restricted Resources		**523,042**	**97,417**

CARIBEMAR Fund / Agreement	Destination	2021	2020
Fidudavivienda CA 482800013450 - Caribbean Sea and others	Infrastructure expansion	263,552	329,191
ECA Trust Order - Prone Barrio SNB 9 D and others	Power network standardization program	15,747	15,739
F_Corfi CA 477013965 - FAER GGC 562 and others	Energy of interconnected rural areas	1,088	3,022
Commissioned Conpes 150040000191 and others	Infrastructure expansion	-	1,116
Total CARIBEMAR RESTRICTED RESOURCES		**280,387**	**349,068**

Amounts stated in millions of Colombian pesos -

CENS Fund / Agreement	Destination	2021	2020
BBVA -Miniminas 756 and others	Carry out the execution of rural electrification works in the municipalities of the department of Norte de Santander	32,270	32,814
BBVA XM Custody Account Banking guarantees	Guarantee and compliance ties to cover energy purchase projects.	2,146	2,063
Revolving Housing Fund	Housing loans employees of CENS S.A.	992	1,502
The Governance Convention-Davivienda et al.	Carry out the execution of rural electrification works in different municipalities	506	547
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	65
FAER Catatumbo III.	Carry out the execution of rural electrification works in the municipalities of Convention, San Calixto, Cachira, Hacari, Ocana, La Playa, Villa Caro, Teorama and La Esperanza department North of Santander	-	1
Total CENS Restricted Resources		**35,979**	**36,992**

Amounts stated in millions of Colombian pesos -

Other Companies Fund / Agreement	Destination	2021	2020
Order FID 919301039524 - Pradera and others	Resources earmarked for Pradera payments	19,442	16,622
FL ITAU 859060217 Renting hour	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	412	404
FL BBVA 423 Poda-Tala Agreement	Agreement with INDER for the washing of bridges and roofs of the stadium	32	32
Convention 18-897796-47 EDU	Delegated administration agreement with the municipality of Medellin for the service of cutting green areas and pruning and cutting trees	24	24
FL WEST INDER	Delegated administration agreement with the municipality of Medellin for the green area court service	4	3
Total Restricted Resources for Miscellaneous Enterprises		**19,914**	**17,085**

Amounts stated in millions of Colombian pesos -

Grupo Tisca Mexico Fund / Agreement	Destination	2021	2020
Aquasol Morelia S.A. de C.V.	Trust National Bank of Works and Trust Bank of the Bajio 15892649	6,300	4,614
Ecosistemas de Colima S.A. de C.V.	Trust Bank of Bajio 15892649	6,562	3,181
Ecosistemas de Tuxtla S.A. de C.V.	Trust Bank of Bajio/Multiva	3,241	3,983
Ecosistemas de Celaya S.A. de C.V.	Trust Bank of the Bajio 15892649 and Trust Bank of National Works	1,607	1,517
Total Restricted Resources Grupo Ticsa Mexico		**17,710**	**13,295**

Amounts stated in millions of Colombian pesos -

National Waters Fund / Agreement	Destination	2021	2020
ITAU Savings Account 153148929	Ministry Project	6,509	12,553
Bancolombia Current Account 536423 and others	Project Aguas de Atrato	2,787	626
FL ITAU 859085263 AND FL ITAU 859085270	Interventoria Project	2,396	550
Total Restricted Resources National Waters		**11,692**	**13,729**

Amounts stated in millions of Colombian pesos -

Fund / agreement Regional waters	Destination	2021	2020
Implementing Act No.1 Framework Convention 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	5,115
SINTRAEMSDES Housing Fund Convention	Housing loans to eligible officials	78	67
Total restricted resources Regional waters		**5,120**	**5,182**

Amounts stated in millions of Colombian pesos -

ESSA Fund / Agreement	Destination	2021	2020
BBVA guarantees 0408	XM bank account	2,112	2,454
Convention Line 115 Port Wilches	Rural electrification agreement line Puerto Wilches - Barrancabermeja	-	874
San Gil street lighting convention	San Gil street lighting convention	455	448
Governance Convention - ESSA Phase V	Convention governing rural electrification	-	449
Public Hearing Resources Convention	Agreement signed with the Mayor of Bucaramanga	1	1
Total ESSA Restricted Resources		**2,568**	**4,226**

Amounts stated in millions of Colombian pesos -

EDEQ Fund or Agreement	Destination	2021	2020
FL Davivienda Housing Fund 136270148986 FL Fiducredocorp Housing Fund 919301005560	Resources to improve the quality of life of workers through the provision of loans for the purchase and improvement of housing.	3,405	2,473
FL Trusteeship West 1101031000001 FL Davivienda Collective Portfolio 608136200000618 FL Davivienda Social Good Fund - Training 136270162219	Resources to facilitate workers and their families access to higher education, health, welfare and recreation.	259	256
FL Davivienda MOTO FUND 136270167200	Resources to provide workers with loans to purchase and replenish motorcycles for the performance of their work.	78	7
FL Davivienda Calamity Fund 136000742868	Resources earmarked for events caused by serious and unforeseen situations affecting the worker or his family.	19	12
Total restricted resources EDEQ		**3,761**	**2,748**

Amounts stated in millions of Colombian pesos -

CHEC Fund or Agreement	Destination	2021	2020
XM Handling Custody Account	Attention to guarantees for operations of Class of Transactions the energy storage in stock that manages and controls XM.	1,047	889
Special CONFA Fund	Attention to social and cultural programs for CHEC employees (delegated administration contract with CONFA).	213	185
Special Fund of Premises	Management of forest conservation sites in the company's watersheds (delegated administration contract)	160	44
Special housing fund	Care of housing loans to CHEC employees, according to procedures and conditions established in the current Collective Labor Convention - CCTV	55	54
Fund for design, implementation and verification of learning	Design, execution and verification of learning solutions through the application of pedagogical methodologies, signed with contractor ADYLOG SAS	49	40
Ministry of Finance Agreement	Contributions from the Ministry of Finance for investment in science and technology focused on energy management.	45	-
Special fund advertising guidelines	Attention to advertising guidelines through contracts with advertising agencies, CJ Martins, Rowell digital agency and Macann	37	7
Special Fund Social Funding Plan - PFS	Attention to the micro-credits that are made to users of the company market, with charge through the energy bill.	10	10
Total CHEC Restricted Resources		**1,616**	**1,229**

Amounts stated in millions of Colombian pesos -

Fund or agreement ELEKTRA NORTHEASTERN S.A.	Destination	2021	2020
Restricted background	Tuscany	1,163	-
Total RESTRICTED RESOURCES ELEKTRA NORTHEASTERN S.A.		**1,163**	**-**

Amounts stated in millions of Colombian pesos -

HydroE Fund or Agreement	Destination	2021	2020
Etesa Contract	Guarantee Deposit Unregulated Market Contract - MNR or Large Customers	499	474
Etesa Contract	CDT for Energy Contract with Regulatory Entities (ETESA)	265	299
Government Contracts (Employee Compensation)	Deposits Cesantia Fund Employees	45	34
Service Contract	Warranty Deposit Service Contract	12	10
Total HydroE Restricted Resources		**821**	**817**

Amounts stated in millions of Colombian pesos -

Total EPM Group Restricted Resources	**903,773**	**541,788**

Amounts stated in millions of Colombian pesos -

Note 20. Equity

20.1 Equity

The Group does not have its equitydivided into shares.

Equity	2021	2020
Initial Balance	67	67
Increase (decrease in equity)	-	-
Total	**67**	**67**

Amounts stated in millions of Colombian pesos -

20.2Reserves

Of the accounts that make up the equity, the reserves at the cut-off date were made up of:

Reserves	2021	2020
Reserves of the law (1)		
Initial Balance	1.454.681	1.501.063
Constitution	69.922	78.559
Release	(57.373)	(125.120)
Another move	-	179
Final balance	**1.467.230**	**1.454.681**
Statutory reserves		
Initial Balance	32.872	33.996
Constitution	733	662
Release	(3.743)	(2.774)
Another move	-	988
Final balance, statutory reserves	**29.862**	**32.872**
Occasional reserves		
Initial Balance	576.452	577.529
Another move	-	(1.077)
Final balance, ocassional reserves	**576.452**	**576.452**
Other reserves		
Initial Balance	234.982	225.274
Constitution	107.771	8.252
Release	-	3
Another move	-	1.453
Final balance, other reserves	**342.753**	**234.982**
Total reserves	**2.416.297**	**2.298.987**

Amounts 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 tax provisions of Colombia contained in Articles 130 (reserve of 70% for the excess of fiscal depreciation over accounting) of the Tax Statute and Decree 2336 of 1995 (for profits incorporated into results in the application of the equity participation method applied under local regulations), the companies of the EPM Group that operate in Colombia have constituted the legal reserves.
- For the subsidiaries of El Salvador, legal reserves are established in accordance with the current Commercial Code, companies must annually establish a legal reserve of 7% of net profits, with a minimum established limit of one-fifth of their share capital. Additionally, in accordance with the Income Tax Law, when the legal reserve is reduced for any reason, such as capitalization, application to losses from previous years or distribution, they will constitute taxable income for the company for the amount that was deducted for purposes of income tax in tax years prior to its reduction, being settled separately from ordinary income, at a rate of 25%. For such purposes, the company will keep a record of the constitution of the legal reserve and of the amount deducted to determine the net or taxable income in each fiscal year or taxation period.
- For Guatemalan subsidiaries, according to the Commercial Code, all commercial companies 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 can be capitalized when it is

equal to or greater than 15% of the paid-in capital at the end of the immediately preceding fiscal year, without prejudice to continuing to reserve the 5%.

- For subsidiaries in Mexico, in accordance with the General Law of Commercial Companies, a minimum of 5% of the net profits for the year must be set aside to form the legal reserve, until its amount reaches 20% of the capital stock at nominal value. The legal reserve can be capitalized but must not be distributed unless the company is dissolved and must be reconstituted when it decreases for any reason. Retained earnings include the legal reserve.

For subsidiaries in other countries in which Grupo EPM operates, the constitution of a legal reserve is not established by law.

(1) In EPM, the Board of Directors in its sessions of March 23, 2021 and March 26, 2020, approved:

- Release reserves for $56,304 (2020: $95,521) appropriated in previous periods by authorization of the Board of Directors.
- Occasional reserves: in compliance with article 211 of the Tax Statute, the companies of the EPM Group that operate in Colombia have set up the required reserves in order to enjoy the special tax treatment and obtain a rationalization in the payment of income and complementary taxes.
- Other reserves: includes statutory reserves, for the repurchase of shares and quotas, equity funds and others, which as of December 31 record the net balance corresponding to the releases made by the subsidiaries in those reserves that have already met the requirements to be released.

20.3Retained Earnings

The movement of accumulated results during the period was:

Retained earnings	2021	2020
Initial Balance	19,642,461	17,503,406
Movement of reserves	(117,311)	40,418
Surpluses or dividends decreed	(1,396,953)	(1,488,302)
Transfer of the other integral result	-	27
Purchases and sales to non-controlling interests	-	433
Income tax related to Class of Transactions proprietary-related taxes	(2,814)	(2,246)
Another movement of the period	351	4,187
Total retained earnings before the net result of the period	**18,125,734**	**16,057,923**
Net result of the controlling share period	**3,039,783**	**3,584,538**
Total retained earnings	**21,165,517**	**19,642,461**

Amounts stated in millions of Colombian pesos -

The surpluses paid during the year were $1,396,953 (2020: $1,488,319), $761,974 (2020: $811,810) ordinary and $634,979 (2020: $676,509) extraordinary.

20.4 Non-controlling interests

The movement of non-controlling interests at the cut-off date is:

Non-controlling interests	2021	2020
Initial Balance	1,034,317	964,572
Surpluses or dividends decreed	(107,744)	(103,440)
Reacquisition of shares	-	(10)
Participation in the net result of the financial year	241,863	156,380
Participation in the other integral result	6,689	(2,878)
Purchases and sales to non-controlling interests	-	(1,461)
Income tax related to Class of Transactions proprietary-related taxes	(2,692)	(2,142)
Effect by Subsidiary Disposition	-	(156)
Another movement of the period	122,945	23,452
Total	**1,295,378**	**1,034,317**

Amounts stated in millions of Colombian pesos -

Note 21. Other accumulated comprehensive income

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

Other accumulated comprehensive income	2021			2020		
	Gross	Tax Effect	Net	Gross	Tax Effect	Net
Property, plant, and equipment reclassifications to investment properties	13,578	(1,107)	12,471	13,439	(1,184)	12,255
New defined benefit plan measurements	(19,652)	10,928	(8,724)	(163,586)	53,081	(110,505)
Equity investments measured at fair value through equity	3,070,029	(5,994)	3,064,035	3,392,529	(3,925)	3,388,604
Participation in the other comprehensive income of associates and joint ventures	16,787	-	16,787	(3,868)	-	(3,868)
Cash-flow hedges	(533,002)	190,413	(342,589)	(19,037)	(18,862)	(37,899)
Hedges of net investments in foreign operations	(61,509)		(61,509)			
Conversion of foreign business financial statements	1,117,987	-	1,117,987	831,289	-	831,289
Total	**3,604,218**	**194,240**	**3,798,458**	**4,050,766**	**29,110**	**4,079,876**

Amounts stated in millions of Colombian pesos -

During the period, EPM Parent Company reclassified a net loss of ($889,289)a (2020: target profit of $375,299) previously recognized in other comprehensive income to results for the period, for cash flow hedging.

A reconciliation of the opening and closing balances at the cut-off date is presented below for each component of comprehensive income:

21.1 Component: reclassification of property, plant, and equipment to investment property

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

Reclassification of property, plant and equipment to investment properties	2021	2020
Initial Balance	12,255	12,234
Net earnings from changes in fair value of investment properties	139	-
Other changes	77	21
Total	**12,471**	**12,255**

Amounts stated in millions of Colombian pesos -

21.2 Component: new measurements of defined benefit plans

The component of new measurements of defined benefit plans represents the accumulated 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 liability (asset) of net defined benefits. The net value of the new measurements is transferred to retained earnings and is not reclassified to results for the period.

New Measurements component for defined benefit plans	2021	2020
Initia Balance	(110,504)	(77,145)
Period result for new defined benefit plan measurements	143,913	(48,103)
Associated income tax (or equivalent)	(42,077)	14,804
Cumulative results transferred to period-to-date results	2	(8)
Other changes	(58)	(52)
Total	**(8,724)**	**(110,504)**

Amounts stated in millions of Colombian pesos -

21.3 Component: equity investments measured at fair value through equity

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

Equity investments measured at fair value through equity	2021	2020
Initial Balance	3,388,605	2,794,405
Net gains from changes in fair value of equity investments	(322,486)	596,103
Associated income tax (or equivalent)	(2,069)	(1,837)
Accumulated gains (losses) transferred to the period's accumulated profits / losses	-	(19)
Other changes	(13)	(47)
Total	**3,064,037**	**3,388,605**

Amounts stated in millions of Colombian pesos -

21.4 Component: participation in other comprehensive income of associates and joint ventures

The component of other comprehensive income of participation in the other comprehensive income of associates and joint ventures represents the accumulated value of the application of the equity method to the gains and losses of the other comprehensive income of associates and joint ventures. The accumulated value of profits or losses will be reclassified to results for the period or to retained earnings, depending on the items that gave rise to the equity method, when these investments have been sold.

Participation in the other comprehensive income of associates and joint ventures	2021	2020
Initial Balance	(3,867)	(3,914)
New defined benefit plan measurements	9,428	(824)
Results for conversion of foreign business	(2,379)	323
Hedging operations	13,499	548
Associated income tax (or equivalent)	106	-
Total	**16,787**	**(3,867)**

Amounts stated in millions of Colombian pesos -

21.5 Component: cash flow hedges

The component of other comprehensive income from cash flow hedges represents the accumulated value of the effective portion of the gains or losses arising from changes in the fair value of items hedged in a cash flow hedge. The accumulated value of the gains or losses will be reclassified to the results of the period only when the hedged transaction affects the results of the period or the highly probable transaction is not expected to occur, or is included, as part of its book value, in an item non-financial cover.

Cash Flows Hedges	2021	2020
Initial Balance	(37,900)	(21,584)
Profit (loss) from changes in fair value of hedge instruments	375,324	(402,758)
Associated income tax (or equivalent)	(78,520)	123,004
Accumulated profit (loss) from changes in fair value of hedge instruments reclassified	(889,288)	375,300
Associated income tax (or equivalent)	287,795	(111,862)
Total	**(342,589)**	**(37,900)**

Amounts stated in millions of Colombian pesos -

21.6 Component: hedges of net investments in foreign operations

The component of other comprehensive income from hedges of net investments in foreign operations represents the accumulated value of the effective portion of the gains or losses arising from changes in the value of the hedging instrument. The accumulated value of the gains or losses will be reclassified to the results of the period only when the total or partial disposition of the investment abroad covered affects the results of the period.

Hedges of net investments in foreign operations	2021	2020
Initial Balance	-	-
Gains or losses from changes in fair value of the hedging instrument	(61,509)	-
Total	**(61,509)**	**-**

Amounts stated in millions of Colombian pesos -

21.7 Component: gains or losses on conversion of operations abroad

The translation differences component represents the accumulated value of the exchange differences arising from the conversion to the Group's presentation currency of the results and net assets of foreign operations, as well as of the gains or losses of hedging instruments that are designated in a hedge of a net investment in a foreign operation. Accumulated conversion differences are reclassified to the results of the period, partially or totally, when the foreign operation is disposed of.

Result for conversion of foreign business	2021	2020
Initial Balance	831,287	600,765
Net exchange differences due to foreign business conversion	286,698	230,485
Purchases and sales to non-controlling interests	-	31
Other changes	-	6
Total	**1,117,985**	**831,287**

Amounts stated in millions of Colombian pesos -

Note 22. Credits and loans

The following is the detail of the book value of credits and loans measured at amortized cost:

Credits and loans	2021	2020
Non-current		
Commercial banking loans	5,116,802	4,043,713
Bonds and securities issued	14,774,048	12,994,248
Multilateral banking loans	1,128,181	2,765,208
Bank loans for development	1,625,088	884,315
Total other non-current loans and credits	**22,644,119**	**20,687,484**
Current		
Commercial banking loans	2,236,970	1,963,067
Multilateral banking loans	198,770	196,978
Bonds and securities issued	351,099	697,440
Bank loans for development	244,834	705,333
Other loans	90,000	337,500
Total other loans and current loans	**3,121,673**	**3,900,318**
Total other credits and loans	**25,765,792**	**24,587,802**

Amounts stated in millions of Colombian pesos -

The new credits and loans disbursed in 2021 from Grupo EPM were acquired in order to finance investment plans, working capital and for management operations.

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

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	december 31, 2021			
						IRR	Nominal value	Amortized Cost Value	Total value
WATERS OF ANTOFAGASTA	Bank BICE-BCI	CLP	01/01/2018	-	-	1.51%	2		2
WATERS OF ANTOFAGASTA	State Bank	CLP	14/01/2015	10.00	UF + 2.9%	1.51%	95,553	1,190	96,743
WATERS OF ANTOFAGASTA	State Bank	CLP	18/10/2018	5.00	TAB + 0.65%	1.42%	138,243	(346)	137,897
WATERS OF ANTOFAGASTA	Scotiabank	CLP	18/10/2018	5.00	TAB + 0.65%	1.50%	269,791	(614)	269,176
WATERS OF ANTOFAGASTA	Bonuses	CLP	18/12/2020	5.00	UF + 0.995%	0.20%	144,816	7,271	152,087
WATERS OF ANTOFAGASTA	Bonuses	CLP	18/12/2020	13.00	UF + 1.4396%	2.01%	289,632	25,561	315,192
WATERS OF ANTOFAGASTA	Bonuses	CLP	14/05/2021	4.50	UF + 0.995%	0.63%	144,816	5,839	150,655
WATERS OF ANTOFAGASTA	Bonuses	CLP	14/05/2021	12.50	UF + 1.4396%	2.51%	434,447	20,021	454,469
REGIONAL WATERS	POPULAR BANK	COP	05/06/2020	1.01	IBR 6M + 2.19%	0.00%	-	-	-
REGIONAL WATERS	POPULAR BANK	COP	01/06/2018	7.25	3M IBR + 3%	5.96%	7,825	110	7,935
REGIONAL WATERS	BANK OF BOGOTA	COP	30/09/2015	10.08	DTF + 2.6%	5.93%	340	3	343
REGIONAL WATERS	HELM BANK S.A.	COP	16/03/2012	12.00	DTF + -1%	1.71%	1,855	10	1,865
REGIONAL WATERS	BANCO BILBAO VIZCAYA ARGENTARIA	COP	30/04/2014	10.06	DTF + -0.7%	2.18%	313	2	314
REGIONAL WATERS	BANCO BILBAO VIZCAYA ARGENTARIA	COP	19/12/2014	10.00	DTF + -0.7%	2.32%	516	1	518
REGIONAL WATERS	BANCO DAVIVIENDA SA	COP	19/02/2018	10.25	CPI + 4.8%	9.62%	16,250	437	16,687
REGIONAL WATERS	POPULAR BANK	COP	21/01/2020	10.25	3M IBR + 2.9%	6.07%	6,000	136	6,136
REGIONAL WATERS	POPULAR BANK	COP	18/03/2020	10.25	3M IBR + 2.9%	6.06%	2,500	38	2,538
REGIONAL WATERS	POPULAR BANK	COP	22/04/2020	10.25	3M IBR + 2.9%	6.06%	1,900	45	1,945
REGIONAL WATERS	POPULAR BANK	COP	22/05/2020	10.00	3M IBR + 2.9%	6.35%	1,150	10	1,160
REGIONAL WATERS	POPULAR BANK	COP	19/06/2020	10.00	3M IBR + 2.9%	6.36%	1,350	6	1,356
REGIONAL WATERS	POPULAR BANK	COP	21/07/2020	10.00	3M IBR + 2.9%	6.34%	2,100	28	2,128
REGIONAL WATERS	POPULAR BANK	COP	19/08/2020	10.00	3M IBR + 2.9%	6.34%	2,050	19	2,069
REGIONAL WATERS	POPULAR BANK	COP	23/09/2020	10.00	3M IBR + 2.9%	6.36%	2,800	11	2,811
REGIONAL WATERS	POPULAR BANK	COP	26/10/2020	10.00	3M IBR + 2.9%	6.33%	13,650	179	13,829
REGIONAL WATERS	END	COP	21/12/2020	3.00	0%	0.00%	1,827	-	1,827
REGIONAL WATERS	BANCO DAVIVIENDA SA	COP	30/11/2021	10.00	3M IBR + 2.869%	6.37%	9,500	50	9,550
CENS	Bogota	COP	15/05/2014	7.00	IBR + 1.88%	0.00%	-	-	-
CENS	Bogota	COP	18/12/2015	7.00	IBR + 1.88%	5.06%	2,000	8	2,008
CENS	Bogota	COP	16/02/2018	10.00	IBR + 2.98%	7.17%	94,760	1,673	96,433
CENS	Popular	COP	15/05/2017	10.00	IBR + 3.35%	7.45%	25,603	227	25,830
CENS	Popular	COP	26/05/2017	10.00	IBR + 3.35%	7.46%	5,871	41	5,912
CENS	Popular	COP	23/06/2017	10.00	IBR + 3.35%	7.52%	4,472	11	4,484
CENS	Popular	COP	29/06/2017	10.00	IBR + 3.35%	7.54%	6,986	8	6,994
CENS	Popular	COP	18/07/2017	10.00	IBR + 3.35%	7.48%	11,213	296	11,509
CENS	Popular	COP	27/07/2017	10.00	IBR + 3.35%	7.53%	4,875	111	4,986
CENS	Popular	COP	23/08/2017	10.00	IBR + 3.35%	7.65%	4,500	71	4,571
CENS	Popular	COP	15/09/2017	12.00	IBR + 3.35%	7.60%	4,832	67	4,898
CENS	Popular	COP	19/09/2017	10.00	IBR + -1.8%	1.99%	4,738	263	5,002
CENS	Popular	COP	19/09/2017	10.00	IBR + 3.075%	7.04%	8,885	171	9,056
CENS	Popular	COP	17/11/2017	12.00	IBR + 3.35%	7.44%	7,245	67	7,312
CENS	Popular	COP	17/11/2017	10.00	IBR + -1.8%	1.77%	3,262	164	3,425
CENS	Popular	COP	17/11/2017	10.00	IBR + 3.075%	6.94%	6,116	89	6,204
CENS	Popular	COP	18/12/2017	10.00	IBR + 3.35%	7.47%	15,000	78	15,078
CENS	Popular	COP	18/01/2018	9.00	IBR + 3.35%	7.46%	30,063	811	30,874
CENS	Davivienda	COP	29/11/2018	10.00	CPI + 4.3%	0.00%	-	-	-
CENS	Davivienda	COP	19/12/2018	10.00	CPI + 4.3%	0.00%	-	-	-
CENS	Davivienda	COP	02/01/2019	10.00	CPI + 4.3%	0.00%	-	-	-
CENS	Davivienda	COP	18/01/2019	10.00	CPI + 4.3%	0.00%	-	-	-
CENS	Davivienda	COP	14/06/2019	12.00	IBR + 1.15%	4.65%	19,000	576	19,576
CENS	Davivienda	COP	27/06/2019	12.00	IBR + 1.15%	4.64%	5,427	158	5,586
CENS	Davivienda	COP	28/06/2019	12.00	IBR + 3.47%	0.00%	-	-	-

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	december 31, 2021			
						IRR	Nominal value	Amortized Cost Value	Total value
CENS	West	COP	16/12/2019	7.00	IBR S.V. + 2.75%	6.89%	35,000	129	35,129
CENS	West	COP	16/01/2020	7.00	IBR S.V. + 2.75%	6.95%	20,000	436	20,436
CENS	Scotiabank	COP	28/01/2020	1.00	IBR S.V. + 1.2%	0.00%	-	-	-
CENS	Scotiabank	COP	27/03/2020	1.00	IBR S.V. + 1.2%	0.00%	-	-	-
CENS	BBVA	COP	28/07/2020	7.00	IBR S.V. + 2.9%	6.92%	5,000	125	5,125
CENS	BBVA	COP	28/09/2020	7.00	IBR S.V. + 2.9%	6.91%	12,500	225	12,725
CENS	Davivienda	COP	30/11/2020	3.00	IBR + 2.1%	5.40%	15,000	90	15,090
CENS	END	COP	24/12/2020	3.00	0%	0.00%	11,415	(0)	11,415
CENS	BBVA	COP	21/01/2021	7.00	IBR S.V. + 2.9%	6.90%	17,500	484	17,984
CENS	BBVA	COP	30/04/2021	3.00	IBR + 0.15%	3.37%	11,568	34	11,602
CENS	BBVA	COP	27/05/2021	2.00	IBR + 0.15%	3.29%	10,575	28	10,602
CHEC	BBVA	COP	22/08/2014	10.00	IPC E.A. + 3.5%	8.37%	23,031	332	23,363
CHEC	CorpBanca	COP	22/08/2014	10.00	IPC E.A. + 3.5%	8.35%	17,531	258	17,789
CHEC	Bancolombia	COP	09/02/2018	8.00	IBR + 2.29%	5.98%	34,531	346	34,877
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	3.36%	38,700	64	38,764
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	3.40%	4,139	(3)	4,136
CHEC	Davivienda	COP	20/11/2019	12.00	IBR + 0.388%	3.44%	1,799	(1)	1,797
CHEC	Bancolombia	COP	13/03/2020	1.00	IBR + 0.86%	0.00%	-	-	-
CHEC	Popular	COP	20/04/2020	1.00	IBR + 2.15%	0.00%	-	-	-
CHEC	Bancolombia	COP	12/05/2020	1.00	IBR + 0.86%	0.00%	-	-	-
CHEC	BBVA	COP	29/12/2020	10.00	IBR + 3.432%	7.06%	30,000	84	30,084
CHEC	END	COP	30/12/2020	3.00	0%	0.00%	2,650	(0)	2,650
CHEC	Bancolombia	COP	15/03/2021	10.00	IBR + 1.8%	5.26%	53,000	248	53,248
CHEC	Davivienda	COP	07/04/2021	3.00	IBR 1M + 0.5%	3.39%	1,548	5	1,554
CHEC	Davivienda	COP	09/04/2021	2.00	IBR 1M + 0.5%	3.33%	3,658	11	3,669
CHEC	Davivienda	COP	20/04/2021	10.00	IBR 1M + 1.693%	4.71%	4,010	11	4,021
CHEC	Bancolombia	COP	12/05/2021	10.00	IBR + 1.8%	5.25%	87,000	750	87,750
FROM THE SOUTH	Davivienda	COP	26/08/2020	1.00	LIBOR 3M + 4%	0.00%	-	-	-
FROM THE SOUTH	Davivienda	COP	26/08/2013	10.00	LIBOR 3M + 3.7%	4.07%	37,323	143	37,466
FROM THE SOUTH	Davivienda	COP	07/10/2015	10.00	LIBOR 3M + 4.2%	4.59%	35,830	301	36,131
FROM THE SOUTH	Davivienda	COP	29/10/2021	9.00	LIBOR 3M + 4%	4.15%	119,435	783	120,218
FROM THE SOUTH	Bancolombia	COP	04/09/2020	2.00	+ 5.25%	0.00%	4,345	15	4,360
EDEQ	AV VILLAS	COP	28/08/2020	0.90	IBR + 2%	0.00%	-	-	-
EDEQ	AV VILLAS	COP	23/06/2016	7.00	IBR + 3.1%	6.33%	899	4	903
EDEQ	AV VILLAS	COP	15/09/2017	7.00	IBR + 3.1%	6.80%	3,300	3	3,303
EDEQ	AV VILLAS	COP	22/02/2019	3.75	DTF T.A. + 2.3%	5.33%	1,472	9	1,481
EDEQ	WEST	COP	29/11/2019	7.00	IBR + 2.75%	6.36%	10,000	53	10,053
EDEQ	AV VILLAS	COP	05/11/2019	6.50	IBR + 2.3%	5.85%	8,250	60	8,310
EDEQ	BANK OF BOGOTA	COP	29/05/2020	7.00	IBR + 2.18%	5.61%	10,000	58	10,058
EDEQ	BANK OF BOGOTA	COP	19/08/2020	7.00	IBR + 2.18%	5.61%	10,000	81	10,081
EDEQ	END	COP	19/01/2021	3.00	0%	0.00%	1,308	(0)	1,308
EDEQ	BBVA_844	COP	10/05/2021	3.00	IBR 1M + 0.15%	3.03%	742	2	745
EDEQ	BBVA_2073	COP	10/05/2021	2.00	IBR 1M + 0.15%	2.97%	1,679	5	1,684
EDEQ	VILLAS_21454	COP	23/07/2021	7.00	IBR + 2.25%	5.70%	21,454	245	21,699
EVMARIAS	END	COP	27/01/2021	3.00	0%	0.00%	4,101	-	4,101

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	december 31, 2021			
						IRR	Nominal value	Amortized Cost Value	Total value
ENSA	Bonuses	USD	10/07/2006	15.00	7.6%	8.16%	-	-	-
ENSA	Bonuses	USD	13/12/2012	15.00	4.73%	3.46%	318,493	(1,995)	316,498
ENSA	Scotiabank	USD	03/10/2018	5.00	4.25%	4.25%	398,116	1,151	399,267
ENSA	Bonuses	USD	01/07/2021	15.00	3.87%	4.05%	398,116	1,731	399,847
ENSA	BLADEX	USD	06/10/2021	0.50	0.3%	1.10%	27,868	72	27,940
ENSA	Citibank	USD	09/11/2021	1.00	0%	1.31%	23,887	45	23,932
ENSA	Citibank	USD	11/11/2021	1.00	0%	1.31%	27,868	51	27,919
ENSA	Citibank	USD	28/12/2021	0.50	0%	1.01%	20,304	2	20,306
ENSA	Citibank	USD	28/12/2021	0.50	0%	1.00%	25,479	2	25,482
ENSA	Citibank	USD	29/12/2021	0.50	0%	1.01%	36,627	2	36,629
EPM	IPC III BONDS TRANCHE	COP	21/04/2009	15.00	CPI + 6.24%	11.83%	198,400	4,273	202,673
EPM	IPC IV TRAM BONDS 2	COP	14/12/2010	12.00	CPI + 4.2%	10.03%	119,900	166	120,066
EPM	IPC IV TRAM BONDS 3	COP	14/12/2010	20.00	CPI + 4.94%	10.53%	267,400	29	267,429
EPM	CPI BONDS V TRANCHE II.	COP	04/12/2013	10.00	CPI + 4.52%	10.28%	96,210	270	96,480
EPM	IPC V TRAM III BONDS	COP	04/12/2013	20.00	CPI + 5.03%	10.73%	229,190	(980)	228,210
EPM	CPI BONDS VI TRANCHE II.	COP	29/07/2014	12.00	CPI + 4.17%	9.91%	125,000	869	125,869
EPM	IPC VI TRAM III BONDS	COP	29/07/2014	20.00	CPI + 4.5%	10.19%	250,000	771	250,771
EPM	CPI V TRAM IV BONDS	COP	20/03/2015	8.71	CPI + 3.65%	10.12%	130,000	707	130,707
EPM	CPI BONDS VII TRANCHE II.	COP	20/03/2015	12.00	CPI + 3.92%	9.48%	120,000	(128)	119,872
EPM	IPC VII TRAM III BONDS	COP	20/03/2015	20.00	CPI + 4.43%	9.94%	260,000	258	260,258
EPM	IDB-1664-1	COP	31/03/2016	9.69	7.8%	8.98%	189,846	1,089	190,935
EPM	IDB 2120-1	COP	27/05/2014	9.33	6.272%	8.56%	190,295	(144)	190,152
EPM	BANK OF TOKYO-MITSUB	COP	29/09/2008	15.00	LIBOR 6M + 0.95%	0.59%	132,652	1,252	133,904
EPM	GLOBAL 2021 COP	COP	31/01/2011	10.00	8.375%	0.00%	-	-	-
EPM	GLOBAL 2024 COP	COP	10/09/2014	10.00	7.625%	7.73%	965,745	19,616	985,361
EPM	AGRICULTURAL	COP	24/06/2014	16.00	IBR + 2.4%	6.85%	96,273	(953)	95,320
EPM	AFD	COP	10/08/2012	14.98	4.311%	4.40%	673,204	11,752	684,956
EPM	IDB 2120-2	COP	23/08/2016	17.59	7.5%	9.10%	312,980	(75)	312,905
EPM	BNDES	COP	26/04/2016	23.67	4.887%	5.01%	273,977	(1,096)	272,881
EPM	GLOBAL 2027 COP	COP	08/11/2017	10.00	8.375%	8.45%	4,165,519	51,358	4,216,877
EPM	IDB 2120-3	COP	08/12/2017	16.30	6.265%	7.61%	155,819	656	156,475
EPM	CAF	COP	03/10/2016	18.00	LIBOR 6M + 3.1%	3.70%	796,232	(1,770)	794,462
EPM	IDB INVEST SECTION 12 YEARS	COP	29/12/2017	12.38	LIBOR 6M + 2.75%	0.00%	-	-	-
EPM	IDB INVEST SECTION 8 YEARS	COP	29/12/2017	8.38	LIBOR 6M + 2.125%	0.00%	-	-	-
EPM	BANCOLOMBIA	COP	11/02/2019	3.00	IBR 6M + 2.5%	0.00%	-	-	-
EPM	HSBC	COP	26/11/2018	3.00	LIBOR 6M + 1.65%	0.00%	-	-	-
EPM	1023 USD BONUSES	COP	18/07/2019	10.00	4.25%	4.39%	3,981,160	52,805	4,033,965
EPM	POPULAR BANK	COP	05/05/2020	1.00	IBR 6M + 2.1%	0.00%	-	-	-
EPM	IDB 2120-4	COP	17/06/2020	13.77	5%	6.04%	338,243	4,336	342,579
EPM	BONDS USD 2030	COP	15/07/2020	10.58	4.375%	4.60%	2,289,167	8,693	2,297,860
EPM	END	COP	28/01/2021	3.00	0%	0.00%	45,967	-	45,967
EPM	BBVA	COP	18/05/2021	3.00	IBR 1M + 0.1%	3.02%	1,145	2	1,147
EPM	BBVA	COP	18/05/2021	3.00	IBR 1M + 0.1%	3.02%	14,907	28	14,935
EPM	BBVA	COP	18/05/2021	2.00	IBR 1M + 0.1%	3.01%	25,704	44	25,748
EPM	JP MORGAN	COP	24/11/2021	4.98	IBR OIS + 2.477%	5.54%	979,250	(401)	978,849
EPM	1052 BANCO SANTANDER TESORERIA	COP	01/12/2021	1.00	LIBOR 1M + 1.45%	1.55%	796,232	1,062	797,294
EPM	1053 BNP TESORERY	COP	10/12/2021	1.00	LIBOR 1M + 1.4%	1.50%	457,833	420	458,253
EPM	Commissions	COP				0.00%	-	(65)	(65)
ESSA	Bogota	COP	10/04/2014	7.00	IBR + 1.88%	0.00%	-	-	-
ESSA	Bogota	COP	16/04/2014	7.00	IBR + 1.88%	0.00%	-	-	-
ESSA	Bogota	COP	30/04/2015	7.00	IBR + 1.88%	5.06%	1,950	16	1,966
ESSA	Bogota	COP	27/01/2016	7.00	IBR + 1.88%	5.35%	4,500	34	4,534
ESSA	Bogota	COP	16/02/2016	7.00	IBR + 1.88%	5.37%	3,900	21	3,921
ESSA	Bogota	COP	28/03/2016	7.00	IBR + 1.88%	5.34%	2,100	2	2,102
ESSA	Bogota	COP	14/04/2016	7.00	IBR + 1.88%	5.45%	2,975	26	3,001

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	december 31, 2021			
						IRR	Nominal value	Amortized Cost Value	Total value
ESSA	Bogota	COP	01/07/2016	12.00	IBR + 3.15%	6.84%	14,000	150	14,150
ESSA	Bogota	COP	19/08/2016	12.00	IBR + 3.15%	6.79%	5,600	27	5,627
ESSA	Bogota	COP	13/10/2016	12.00	IBR + 3.15%	6.84%	6,525	57	6,582
ESSA	Bogota	COP	11/11/2016	12.00	IBR + 3.15%	6.89%	25,375	67	25,442
ESSA	Bogota	COP	05/12/2016	12.00	IBR + 3.15%	6.88%	5,800	(4)	5,796
ESSA	Bogota	COP	14/12/2016	12.00	IBR + 3.15%	6.84%	10,875	(22)	10,853
ESSA	Bogota	COP	11/01/2017	12.00	IBR + 3.15%	6.83%	11,244	102	11,346
ESSA	Bogota	COP	16/01/2017	12.00	IBR + 3.15%	6.81%	7,494	66	7,560
ESSA	Bogota	COP	15/05/2017	12.00	IBR + 3.15%	6.82%	7,750	32	7,782
ESSA	BBVA	COP	14/06/2017	12.00	IBR + 3.56%	7.37%	7,500	(3)	7,497
ESSA	BBVA	COP	29/06/2017	12.00	IBR + 3.56%	7.22%	6,000	10	6,010
ESSA	BBVA	COP	13/07/2017	12.00	IBR + 3.56%	7.32%	7,750	88	7,838
ESSA	BBVA	COP	28/09/2017	12.00	IBR + 3.56%	7.34%	11,625	(25)	11,600
ESSA	BBVA	COP	12/10/2017	12.00	IBR + 3.56%	7.31%	4,000	47	4,047
ESSA	BBVA	COP	30/10/2017	12.00	IBR + 3.56%	7.29%	4,000	37	4,037
ESSA	BBVA	COP	29/11/2017	12.00	IBR + 3.56%	7.33%	5,600	17	5,617
ESSA	BBVA	COP	11/12/2017	12.00	IBR + 3.56%	7.34%	3,200	3	3,203
ESSA	BBVA	COP	14/12/2017	12.00	IBR + 3.56%	7.34%	11,200	6	11,206
ESSA	BBVA	COP	26/12/2017	12.00	IBR + 3.56%	7.39%	72,000	(231)	71,769
ESSA	Bogota	COP	26/12/2017	12.00	IBR + 3.15%	6.63%	8,250	32	8,282
ESSA	BBVA	COP	29/10/2018	12.00	IBR + 2.91%	7.19%	36,000	329	36,329
ESSA	BBVA	COP	28/11/2018	12.00	IBR + 2.91%	7.19%	5,400	25	5,425
ESSA	BBVA	COP	26/12/2018	12.00	IBR + 2.91%	7.21%	48,600	31	48,631
ESSA	Popular	COP	28/12/2018	12.00	IBR + 2.91%	7.12%	95,400	(5)	95,395
ESSA	Popular	COP	27/12/2019	12.00	IBR + 2.91%	7.12%	94,000	30	94,030
ESSA	West	COP	28/07/2020	1.00	IBR + 2.7%	0.00%	-	-	-
ESSA	West	COP	05/08/2020	1.00	IBR + 2.7%	0.00%	-	-	-
ESSA	Davivienda	COP	04/09/2020	3.00	IBR + 2.1%	5.38%	13,125	71	13,196
ESSA	Davivienda	COP	04/09/2020	1.00	IBR + 2.1%	0.00%	-	-	-
ESSA	Bogota	COP	30/09/2020	1.00	IBR + 2.98%	0.00%	-	-	-
ESSA	Bogota	COP	29/10/2020	1.00	IBR + 2.1%	0.00%	-	-	-
ESSA	Bogota	COP	30/10/2020	1.00	IBR + 2.98%	0.00%	-	-	-
ESSA	BBVA	COP	28/12/2020	1.00	3.19%	0.00%	-	-	-
ESSA	BBVA	COP	30/12/2020	1.00	3.19%	0.00%	-	-	-
ESSA	Popular	COP	05/01/2021	3.00	0.00%	0.00%	9,334	(0)	9,334
ESSA	BBVA	COP	26/02/2021	2.00	IBR + 0.1%	3.22%	8,782	22	8,804
ESSA	Davivienda	COP	26/02/2021	12.00	IBR + 1.7%	5.16%	8,060	25	8,085
ESSA	Davivienda	COP	26/02/2021	12.00	IBR + 1.7%	5.16%	1,790	5	1,796
ESSA	BBVA	COP	12/03/2021	3.00	IBR + 0.1%	3.33%	6,030	26	6,056
ESSA	Davivienda	COP	23/04/2021	3.00	IBR + 2.55%	5.90%	30,000	348	30,348
ESSA	Davivienda	COP	15/06/2021	12.00	IPC E.A. + 3.7%	9.05%	50,000	440	50,440
ESSA	BBVA	COP	02/07/2021	3.00	IBR + 0.2%	3.50%	1,775	10	1,785
ESSA	BBVA	COP	02/07/2021	2.00	IBR + 0.2%	3.41%	2,895	15	2,910
ESSA	Davivienda	COP	14/09/2021	10.00	IBR + 3.8%	7.21%	14,951	71	15,022
ESSA	ITAU Bank	COP	06/10/2021	1.00	IBR + 1.3%	4.69%	15,000	131	15,131
ESSA	ITAU Bank	COP	02/11/2021	1.00	IBR + 1.3%	4.73%	45,000	297	45,297
ESSA	Sudameris	COP	17/12/2021	5.00	IBR + 3.4%	6.99%	30,000	78	30,078
ESSA	BBVA	COP	29/12/2021	1.00	4.41%	4.41%	30,000	7	30,007
ESSA	Commissions	COP				0.00%	-	(131)	(131)
DECA GROUP	Industrial Bank	COP	20/12/2018	10.00	TAPP + -6.8%	5.68%	134,612	(878)	133,734
DECA GROUP	Central America Bank	COP	21/12/2018	10.00	TAPP + -6.81%	5.66%	78,910	(547)	78,363
DECA GROUP	Banco Agromercantil	COP	24/01/2019	10.00	TAPP + -6.87%	5.60%	165,041	189	165,230
DECA GROUP	Central America Bank	COP	21/12/2018	10.00	LIBOR 3M + 2.26387%	2.98%	119,435	(2,350)	117,085
DECA GROUP	International Bank	COP	19/12/2018	10.00	TAPP + -1.25%	4.84%	19,906	(120)	19,786
DECA GROUP	Banco Agromercantil	COP	24/01/2019	10.00	LIBOR 3M + 3.05%	3.77%	23,887	(314)	23,573
DECA GROUP	Industrial Bank	COP	15/12/2017	1.00	TAPP + -1.5%	0.00%	-	-	-
DECA GROUP	Industrial Bank	COP	27/05/2020	1.00	TAPP + -6.8%	5.50%	51,575	-	51,575
DECA GROUP	Rural Development Bank	COP	22/03/2018	1.00	TAPP + -1.2%	4.83%	119,435	-	119,435

Company	Entity or loan	Original currency	Start Date	Term	Nominal Interest Rate	december 31, 2021			
						IRR	Nominal value	Amortized Cost Value	Total value
DECA GROUP	Industrial Bank	GTQ	20/12/2018	10.00	TAPP + -6.8%	5.88%	172,262	-	172,262
DECA GROUP	Central America Bank	GTQ	26/12/2018	10.00	TAPP + -6.81%	5.87%	79,426	-	79,426
DECA GROUP	Banco Agromercantil	GTQ	25/01/2019	10.00	TAPP + -6.87%	5.80%	165,041	1,456	166,497
DECA GROUP	Central America Bank	USD	26/12/2018	10.00	LIBOR 3M + 2.26387%	3.05%	39,812	-	39,812
DECA GROUP	International Bank	USD	19/12/2018	10.00	TAPP + -1.25%	5.09%	19,906	-	19,906
DECA GROUP	Mercom BANK LTD.	USD	25/01/2019	10.00	LIBOR 3M + 3.05%	3.83%	23,887	128	24,016
DECA GROUP	Bancolombia Panama	USD	25/01/2019	10.00	LIBOR 3M + 3.05%	3.84%	95,548	514	96,062
DECA GROUP	Bancolombia Panama	USD	16/07/2019	1.00	LIBOR 3M+ 2.5739%	2.66%	39,812	-	39,812
DECA GROUP	Industrial Bank	GTQ	24/11/2021	7.00	TAPP + 5.79%	5.79%	515,754	(89)	515,666
HET	Banesco	USD	15/11/2021	10.00	3.9%	3.90%	195,077	142	195,219
MALAMBO	Davivienda	COPY	07/12/2021	1.00	IBR + 4.1%	7.93%	1,400	7	1,407
TICSA	Santander	MXN	14/06/2016	7.00	IIE + 2.4%	7.01%	14,771	151	14,922
TICSA	Santander	MXN	14/06/2016	10.00	IIE + 2.4%	7.77%	42,671	395	43,067
TICSA	Santander	MXN	14/06/2016	14.00	IIE + 2.4%	7.79%	18,582	330	18,912
TICSA	Interactions	MXN	31/12/2020	15.33	IIE + 3%	7.51%	13,581	1,218	14,798
TICSA	Banco del Bajio	MXN	31/07/2013	14.67	IIE + 2.75%	8.48%	59,045	5,092	64,137
TICSA	Santander	MXN	22/03/2021	1.00	IIE + 4%	7.55%	5,764	-	5,764
TICSA	Bank of America	MXN	04/12/2018	1.00	IIE + 2.85%	6.80%	-	-	-
TICSA	Davivienda	COP	17/02/2020	1.00	EA + 0%	7.50%	-	-	-
TICSA	Davivienda	COP	12/03/2020	1.00	EA + 0%	7.60%	-	-	-
TICSA	Davivienda	COP	02/04/2020	1.00	EA + 0%	8.00%	-	-	-
TICSA	-	MXN	14/05/2020	1.00	IIE + 3.7%	8.25%	-	-	-
TICSA	Davivienda	COP	17/06/2020	1.00	EA + 0%	7.60%	-	-	-
Total							**25,531,872**	**233,920**	**25,765,792**

Amounts stated in millions of Colombian Pesos

As of December 31, 2021, and 2020, there are the following movements associated with credits and loans, and for presentation purposes in the statement of cash flows they are disclosed in the following items: i) obtaining public credits and treasury $ 4,816,759 and $ 6,424,523 for 2020; ii) payments of public credit and treasury $ 5,701,677 and $ 2,896,219 for 2020; iii) transaction costs for the issuance of debt instruments $44,163 and $28,553 for 2020.

Interest paid for credit operations as of December 31, 2021 was $1,344,583 (2020: $1,258,089).

The net exchange difference as of December 31, 2021, assumed associated with the debt was ($345,306)
In 2021, the EPM Group presented the following novelties by credit:

disbursements

January

- Parent EPM: Development Credit with FINDETER for $60,677.
- Electrificadora de Santander (ESSA for its initials in Spanish): Development Credit with FINDETER for $12,320.
- Empresa de Energía del Quindío SA ESP (EDEQ for its initials in Spanish): Development Credit with FINDETER for $1,742.
- Centrales Eléctricas del Norte de Santander SA ESP (CENS for its initials in Spanish): Development Credit with FINDETER for $17,500.
- Empresas Varias de Medellín (EMVARIAS for its initials in Spanish): Development Credit with FINDETER for $5,413.

February

- Electrificadora de Santander (ESSA): Banco BBVA for $11,710 and Banco Davivienda for $9,850.

March

- Electrificadora de Santander (ESSA): Banco BBVA for $7,236.
- Central Hidroeléctrica de Caldas (CHEC for its initials in Spanish): Bancolombia for $53,000.

April

- Electrificadora de Santander (ESSA): Banco Davivienda for $30,000.
- Central Hidroeléctrica de Caldas (CHEC): Banco Davivienda for $29,635.
- Centrales Eléctricas del Norte de Santander SA ESP (CENS): Banco BBVA for $13,634

May

- EPM Parent: Banco BBVA for $50,323
- Central Hidroeléctrica de Caldas (CHEC): Bancolombia for $87,000.
- Centrales Eléctricas del Norte de Santander SAESP (CENS): Banco BBVA for $13,063.
- Empresa de Energía del Quindío SAESP (EDEQ for its initials in Spanish): Banco BBVA for $2,919 and Bancolombia for $10,000.
- Aguas de Antofagasta (ADASA for its initials in Spanish): Bonds for CLP 118,453 in COP $628,170
- Del Sur: Banco Davivienda for USD 30 in COP $112,520

June

- Electrificadora de Santander (ESSA): Banco Davivienda for $50,000.

July

- Electrificadora de Santander (ESSA): BBVA for $4,670.
- Empresa de Energía del Quindío SAESP (EDEQ): Banco AV Villas for $21,454.
- Empresa de distribución de energía del noreste de Panama SA (ENSA for its initials in Spanish): Bonds for USD 100 million.

September

- EPM Parent: Long-term loan BNDES for USD 8.9 million (COP$ 34,317).
- Electrificadora de Santander (ESSA): Banco Davivienda for $14,951.

October

- Electrificadora de Santander (ESSA): Banco ITAU for $15,000.
- Empresa de distribución de energía del noreste de Panama SA (ENSA): Bladex for USD 7 million.
- Del Sur: Banco Davivienda for USD 30

November

- Parent EPM: BNDES long-term loan for USD 6.5 million (COP 26,184), EPM carried out a Debt Management Operation consisting of contracting a loan with the banks JPMorgan and Bank of Tokyo -MUFG- to make a voluntary prepayment for an amount of USD 250 million (COP 986,093) of the HSBC loan.
- Aguas Regionales: Banco Davivienda for $9,500
- Electrificadora de Santander (ESSA): Banco ITAU for $45,000.
- Empresa de distribución de energía del noreste de Panama SA (ENSA): Citibank for USD 13 million.
- Grupo Deca: Banco Industria for GTQ 1,000 million.

December

- Parent EPM: Long-term loan from BNDES for USD 6.7 million (COP 26,465), short-term loan with Banco Santander for USD 200 million (COP 800,908), short-term loan with BNP Paribas for USD 115 million (COP 448,485).
- Electrificadora de Santander (ESSA): Banco Sudameris for COP 30,000 and BBVA for $30,000.
- Empresa de distribución de energía del noreste de Panama SA (ENSA): Citibank for USD 20.7 million.
- Aguas de Malambo: Davivienda Bank for $1,400

Covenant Debt / EBITDA

The EPM Group has different financial commitments (covenants), 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- and Guarantee of Japan Bank for International Cooperation – JBIC. Some of the following covenants are included in these contracts: Debt/EBITDA LTM, Net Debt/EBITDA LTM, EBITDA/Financial Expenses, EBITDA/Net Financial Expenses, and Long-Term Debt/Equity

Contractually, one of the management schemes to avoid defaulting on this type of commitment is the issuance of waivers by creditors.

It should be noted that at the moment in which the EPM Group exceeds the agreed Debt/EBITDA covenant, it does not generate a direct activation of the declaration of default by the banks, nor of advance payment, since it is an action contractually subject to the decision of the bank(s) to exercise or not this declaration and in addition to the fact of having remedial periods agreed in the contracts to deal with a possible breach.

The EPM Group must report compliance with the Long-Term Financial Debt/EBITDA indicator as follows: to the Japan Bank for International Cooperation -JBIC- on a quarterly basis and the French Development Agency -AFD- every six months.

The EPM Group obtained the required waiver for the JBIC credit for the entire 2021 term for the Debt/EBITDA covenant, additionally, it was established that, during this year, the Net Debt/EBITDA covenant would be reported as stipulated in the other contracts, It is highlighted that this indicator shows compliance with the cut-off date of December 2021. Additionally, on September 30, an Amendment to the credit agreement with the AFD was signed, where the current financial covenant Debt was contractually modified, leaving the measurement from the date in Net Debt/EBITDA <=4 times.

IDB Invest contract management

In relation to the credit agreement signed with IDB Invest on December 29, 2017, for the partial financing of the future Ituango hydroelectric plant, on December 1, 2021, EPM and the bank agreed on the voluntary and early prepayment of the total balance. pending this credit. Due to the foregoing, on December 22, 2021, in compliance with the agreement, EPM paid the USD 450 million principal balance of the loan (COP 1,798,326).

Bancolombia contract management

In relation to the credit agreement signed with Bancolombia on November 22, 2018, EPM paid voluntarily and in advance the principal balance of the loan of $450,000 on December 27, 2021.

Breaches

During the accounting period, the Group has not defaulted on the payment of principal and interest on its loans.

Note 23. Creditors and other accounts payable

Creditors and other accounts payable are measured at amortized cost and are made up of:

Creditors and other accounts payable	2021	2020
Non-current		
Creditors	113,614	116,814
Procurement of goods and services	62,332	71,234
Deposits Received on Collateral(1)	382,239	313,309
Advances and advances received	64,090	80,216
Resources received in administration	17,740	14,965
Construction contracts	27,515	22,561
Total creditors and other non-current accounts payable	**667,530**	**619,099**
Current		
Creditors	1,054,647	665,731
Procurement of goods and services	2,744,041	2,308,554
Assigned subsidies	42,457	25,051
Deposits received on collateral	27,721	36,818
Advances and advances received	46,254	10,624
Resources received in administration	12,337	22,141
Other Accounts payable	334	357
Construction contracts	40,440	14,629
Fees payable	2,110	2,110
Total creditors and other accounts payable, current	**3,970,341**	**3,086,015**
Total creditors and other accounts payable	**4,637,871**	**3,705,114**

Amounts stated in millions of Colombian pesos -

[1] In Guatemala, the General Electricity Law establishes that all new users must provide the distributor with a guarantee of payment. This guarantee may be provided in monetary form or by means of a deposit and will be calculated for each category of user as the amount equivalent to two average monthly bills of a typical user of the same category. EEGSA collects such guarantees from its clients and records the amounts received as “Deposits from consumers”. 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 of the 5% per year. As of March 11, 2007, the deposits received must be returned adding to the capital the monthly weighted average active interest rate of the banking system. It also establishes that, upon rescinding the contract, the distributor must make a settlement that includes the initial amount of the guarantee plus all the interest accrued and capitalized each year, minus the outstanding debts and costs that the user may have incurred.

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

Deposits received from consumers, plus accrued interest and minus any outstanding debt for past services, are reimbursable to users when they stop using the electric power service provided by EEGSA. In 2021 these deposits have been classified as non-current liabilities because the company does not expect to make significant payments in the next year, according to the estimates and recurrence of customer withdrawals, in addition to the going concern premise.

As of December 31, 2021, the amount of consumer deposits was $339,320 (2020: $299,169).

[2] The most significant increase is reflected in the Creditors for compensation account, due to the purchase of energy as a result of the commercial operation; the others, due to the increase in temporary liabilities for both domestic 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.

Breaches

During the accounting period, the Group has not failed to pay creditors and other accounts payable.

Note 24. Other financial liabilities

Other financial liabilities are made up of:

Other financial liabilities	2021	2020
Not current		
Lease liability	619,277	639,114
Financial liabilities measured at fair value through profit or loss	43,743	79,411
Penalty Bonds	210,546	251,866
Cash flow hedge derivatives(1) (see note 25)	164,277	349,935
Total other non-current financial liabilities	**1,037,843**	**1,320,326**
Current		
Lease Liability(2)	106,959	48,553
Financial liabilities measured at fair value through profit or loss	47,575	41,018
Penalty Bonds(2)	448,896	418,720
Cash flow hedge derivatives(1) (see note 25)	-	69,197
Total other current financial liabilities	**603,430**	**577,488**
Total Other Financial Liabilities	**1,641,273**	**1,897,814**

Amounts stated in millions of Colombian pesos -

(1) Within the market risk management plan, the company completed the closing of hedging operations for US$475 million in 2021, of the authorizations obtained in 2020 before the Ministry of Finance and Public Credit for the issuance of bonuses for the years 2019 and 2020.

(2) Includes the following items: payment of pension bonuses for $47,249 and payment of financial lease liabilities for $76,052 reflected in the statement of cash flows.

Conventional purchases and sales of financial liabilities are accounted for by applying the trading date.

24.1 Financial liabilities designated at fair value through profit or loss

Financial liability for premiums payable from the climatic derivative, which has been contracted to cover dry seasons that imply a decrease in hydroelectric generation and the rise in energy prices on the stock market. It is measured at fair value through profit or loss, in order to achieve asymmetry or "match" the financial asset (derivative/option, valued at fair value through profit or loss) with the financial liability (premiums payable).

Its 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).

24.2 Financial liabilities designated at fair value through profit or loss, with the effects of the change in the credit risk of the liability recognized in profit or loss for the period

Concept	2021	2020
Period profit (loss) from changes in fair value attributable to changes in credit risk recognized in the period	1,139	2,057
Difference between book value and value payable at liquidation:	(3,833)	(2,626)
Book value of liability(s)	91,317	120,429
Value to be paid at the time of settlement	95,150	123,055
Total	**91,317**	**120,429**

Amounts 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 for the period. This asymmetry is generated given that EPM's rating is BB+ and 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.

Breaches

During the accounting period, Grupo EPM has not failed to pay the principal and interest of its loans.

Note 25. Derivatives and hedges

The group has the following types of coverage:

- Cash flow hedges, which consists of covering the variation in future cash flows attributable to certain risks, such as interest rate and exchange rate that may impact results, whose fair values at the end of the reporting period amount to:
    - Swaps: an obligation of $32,693 (2020: $354,221 Obligation).
    - Options: one right for $3,673 (2020: $0)
    - Ticsa Swaps : Right for $1,050 (2020: $2,526 Obligation)
- Hedges of net investments in foreign operations, whose objective is to cover the equity for the exchange rate risks that EPM may have, by the method of participation in the effect of conversion of financial statements in investments in subsidiaries with functional currency dollar for further details see note 22 Credits and loans and note 21 Other accumulated comprehensive income

The risks that have been covered in these operations are presented below, for further details, see note 44 Financial risk management objectives and policies:

Hedge classification	Description	Risk Covered	Leg	Covered heading	Value in books Item covered	Value in books instrument of coverage	Changes in Fair Value Measurement the time period of the hedging instrument	Changes in Fair Value Measurement the item's time-frame covered	Coverage ineffectiveness recognized in the outcome of the period	Effectiveness of coverage recognized in the other end result	Reclassification of the other integral result to the period result (1)
Cash flow coverage											
Swaps	Cross Currency Swap	Exchange rate USD/COP and debt service fixed/libor interest rate	Part of the AFD loans and international bonds	Credit in Dollars	7,016,781	(32,693)	321,528	6,265,574	N.A.	321,528	820,340
Collar	Zero Cost Collar Option	Exchange rate USD/COP	50% of the account per square in USD	Account to balance in USD	2,523,378	3,673	3,673	N.A.	N.A.	3,673	N.A.
TICSA swaps	Interest rate coverage swap	Interest rate TIIE	Credit Santander	Credit in MXN	76,900	1,038	3,575	(8,132)	N.A.	1,038	N.A.
Hedge of net investment in a foreign operation	Coverage of net investments in foreign operations	Exchange rate USD/COP	Investments in subsidiaries in HET, PDG and MaxSeguros.	Investments in subsidiaries with USD reporting currency	1,183,364	1,488,091	147,867	72,600	16,723	61,509	N.A.

Amounts stated in millions of Colombian pesos -

[1] The reclassification of the other comprehensive income to the result of the period, for the swap instruments, affected the item of interest, exchange difference, interest exchange difference and capital of the right. Additionally, $15,075 were capitalized as loan costs, mainly to the future Ituango hydroelectric plant.

Foreign exchange risk hedging operations are part of the public debt 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 confirmation letters from the financial entities. that possibly have participation of the respective specific operations. This approval process, according to the concept of the entities that govern the issue in the country, can only be started once the respective resources have been disbursed. Generating that during the period in which the approval process is carried out, there is a stage in which the company is exposed to exchange risk without having the possibility of executing this type of exchange hedging operations.

During 2021, the group completed the closing of hedging operations for US$475 million of the authorizations obtained in 2020 before the Ministry of Finance and Public Credit for the bond issues of 2019 and 2020.

Cash flow hedge

The group expects that the cash flows that are under cash flow hedge accounting will be realized in the period between January 1, 2022 and February 15, 2031, for more details see note 44 Objectives and policies of financial risk management, numeral 44.1 Market risk.

The characteristics of the main cash flow hedging instruments that are under hedge accounting are as follows:

EPM

Covered underlay	AFD Credit	AFD Credit	AFD Credit	AFD Credit	AFD Credit	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2029
Close Date	03-feb-17	06-feb-17	10-feb-17	24-mar-17	30-mar-17	08-jun-20	07-jul-20	10-jul-20	15-jul-20	15-jul-20	09-nov-20	12-nov-20
Derived Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterparty	BNP Paribas	BNP Paribas	BNP Paribas	CITI BANK	CITI BANK	BNP PARIBAS	JP Morgan	JP Morgan	Scotia Bank	Goldman Sachs	Goldman Sachs.	BBVA
Nominal (USD)	64,750,000	47,381,250	85,312,500	13,164,375	85,312,500	100,000,000	50,000,000	100,000,000	100,000,000	100,000,000	125,000,000	125,000,000
Spot exchange rate	2,850	2,855	2,850	2,899	2,878	3,597	3,627	3,617	3,606	3,608	3,657	3,642
Due Date	31-jul-22	31-jul-22	31-jul-22	31-jul-22	31-jul-22	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

Covered underlay	Bonds 2029	Bonds 2029	Bonds 2029	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031	Bonds 2031
Close Date	18-may-21	02-jun-21	03-jun-21	11-sep-20	16-sep-20	22-oct-20	23-oct-20	29-ene-21	11-mar-21	04-jun-21
Derived Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterparty	Merrill Lynch International	BBVA	Merrill Lynch International	JP Morgan	JP Morgan	Sumitomo Mitsui Banking	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	100,000,000	75,000,000	75,000,000	25,000,000
Spot exchange rate	3,649	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	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	MORELIA
Covered underlay	Credit Santander	Credit Santander	Credit Santander
Section No.	1	1	1
Close Date	31-dic-19	31-dic-19	31-dic-19
Derivative Type	swap	swap	swap
Counterparty	Santander	Santander	Santander
Nominal (MXN)	282,750,000	95,250,000	246,300,000
Strike	N.A.	N.A.	N.A.
Obligation (MXN)	377,000,000	127,000,000	328,400,000
EPM pays	6.1259%	6.40%	5.84%
EPM Receives	Variable TIIE+Spread	Variable TIIE+Spread	Variable TIIE+Spread
Maturity date	12-feb-24	10-dic-26	10-ene-22
Initial exchange	No.	No.	No.
Final exchange	No.	No.	No.
Modality	Non-Delivery	Non-Delivery	Non-Delivery

Options

Characteristics		
Hedged underlay	**50% insurance CXC MAPFRE**	**50% insurance CXC MAPFRE**
Close Date	20-dic-21	21-dic-21
Derivative Type	Zero Cost Collar Option	Zero Cost Collar Option
Counterparty	Goldman Sachs	Bank of America
Nominal (USD)	250,000,000	66,000,000
Strike PUT	3,899.87	3,899.87
Strike CALL	4,138.00	4,141.00
Maturity Date	31-ene-22	31-ene-22
Settlement Date	01-feb-22	01-feb-22

Non-hedged weather derivative

The group currently has a risk coverage called "Climate Derivative" which is based on a put option and whose objective is to have the risk protection coverage in income due to the occurrence of extreme weather events that affect rainfall and therefore the contractual commitments for power generation. Likewise, it serves to protect exposure to risk due to purchases on the energy exchange in said periods, which consequently also increases. Under this coverage, all the impact that the company could receive due to non-generation and breach of contractual commitments is transferred to the reinsurance market.

Coverage Termination

It is reported that during 2021 there was a maturity of a hedge operation for USD250 million corresponding to the underlying loan with HSBC.

Note 26. Employee benefits

The item of employee benefits recognized at the cut-off date has the following composition:

Employee Benefits	2021	2020
Non-current		
Post-employment benefits	801,487	914,292
Long-term benefits	98,509	107,059
Termination benefits	106	91
Other benefits	7	5
Total employee benefits, non-current	**900,109**	**1,021,447**
Current		
Short-term benefits	248,399	194,061
Post-employment benefits	62,240	90,428
Total benefits to current employees	**310,639**	**284,489**
Total	**1,210,748**	**1,305,936**

Amounts stated in millions of Colombian pesos -

26.1. Post-employment benefits

Includes defined benefit plans and defined contribution plans detailed below:

26.1.1. Defined benefit plans

Defined benefit plans	Pensions[1]		Retroactive Severance[2]		Subsidy for public services[3]		Educational Relief Plan[4]		Other defined benefit plans		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Present value of defined benefit obligations												
Initial Balance	1,076,594	1,048,517	145,435	135,816	45,070	38,847	1,154	1,286	32,960	28,693	1,301,213	1,253,159
Cost of the present service	2,300	3,674	4,287	4,309	268	192	-	-	3,014	3,057	9,869	11,232
Income or (expenses) by interest	57,325	66,487	6,274	7,550	2,819	2,529	49	71	37	19	66,504	76,656
Actuarial gains or losses due to changes in:												
Assumptions by experience	(25,163)	3,758	17,090	496	(1,041)	5,063	(93)	(77)	-	13	(9,207)	9,253
Demographic assumptions	(690)	1,873	-	3	-	128	-	-	-	-	(690)	2,004
Financial assumptions	(144,590)	37,930	(16,206)	6,040	(7,741)	1,519	(118)	38	(2,163)	1,874	(170,818)	47,401
Past service cost	6,379	-	308	-	(14)	17	8	-	-	-	6,681	17
Foreign currency conversion effect	4,523	3,597	-	-	122	31	-	-	5,396	1,234	10,041	4,862
Contributions made to the plan		-	-	-	-	-	-	-	-	2	-	2
Payments made by the plan	(88,790)	(89,786)	(22,154)	(20,155)	(3,111)	(3,256)	(144)	(164)	(2,647)	(2,990)	(116,846)	(116,351)
Business combinations		-	-	11,376	-	-		-		-	-	11,376
Other changes	1,855	544	-	-	-	-		-	1,036	1,058	2,891	1,602
Fair value of obligations as of 31 December	**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**
Fair value of the plan assets												
Initial Balance	296,493	318,683	-	-	-	-	-	-	-	-	296,493	318,683
Contributions made to the plan	9,628	8,416	-	-	-	-	-	-	-	-	9,628	8,416
Payments made by the plan	(53,145)	(57,859)	-	-	-	-	-	-	-	-	(53,145)	(57,859)
Interest income	14,674	19,728	-	-	-	-	-	-	-	-	14,674	19,728
Actuarial gains or losses:												
Plan Expected Performance (excluding Interest Income)	(32,302)	5,917	-	-	-	-	-	-	-	-	(32,302)	5,917
Foreign currency conversion effect	5,344	1,139	-	-	-	-	-	-	-	-	5,344	1,139
Other changes	(4,781)	469	-	-	-	-	-	-	-	-	(4,781)	469
Fair value of the plan assets as of 31 December	**235,911**	**296,493**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**235,911**	**296,493**
Surplus or (deficit) of the defined benefit plan	**(653,832)**	**(780,101)**	**(135,034)**	**(145,435)**	**(36,372)**	**(45,070)**	**(856)**	**(1,154)**	**(37,633)**	**(32,960)**	**(863,727)**	**(1,004,720)**
Net asset or (liability) of the defined benefit plan	**(653,832)**	**(780,101)**	**(135,034)**	**(145,435)**	**(36,372)**	**(45,070)**	**(856)**	**(1,154)**	**(37,633)**	**(32,960)**	**(863,727)**	**(1,004,720)**
Total defined benefits	**(653,832)**	**(780,101)**	**(135,034)**	**(145,435)**	**(36,372)**	**(45,070)**	**(856)**	**(1,154)**	**(37,633)**	**(32,960)**	**(863,727)**	**(1,004,720)**

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. Likewise, contributions to social security and funeral assistance.

(2) Includes plans for retroactive layoffs, consisting of recognition of an average monthly salary multiplied by years of service, payable through advances and at the time of termination of the contract. The source that gives rise to the plan is the "Sixth Law of 1945 by which some provisions on labor conventions, professional associations, collective disputes and special labor jurisdiction are dictated"

and National Decree 1160 of 1989, by which it is regulated partially Law 71 of 1988, by which rules on pensions and other provisions are issued.

(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 for the aqueduct and telephone service, in the following Group companies: Central Hidroeléctrica de Caldas SAESP, Centrales Eléctricas del Norte de Santander SAESP, Electrificadora de Santander SAESP and Elektra Noreste SA In Electrificadora de Santander SAESP, the benefit is granted to former employees whose length of service at the retirement date was at least 15 years employment relationship. The benefit for public services is covered by the current collective bargaining agreements of these companies.

(4) Corresponds to the educational aid that by law is granted to the children of retirees who depend economically on them, up to the age of 25.

post-employment benefit plans, nor modifications, nor 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 at the cut-off date, is presented below:

Benefit	2021		2020	
	From	To	From	To
Pension	7	11	9	12
Retroactive severance	4	5	4	6
Assisted public services	8	11	9	12
Education	1	8	4	4
Other defined benefit plans	2	5	1	1

The Group has no restrictions on the current realization of the surplus of the defined benefit plan.

The Group did not make contributions for defined benefits during the period.

The fair value of plan assets is made up as follows:

Assets that support the plan	2021		2020	
	% participation	Fair Value Measurement	% participation	Fair Value Measurement
Cash and cash equivalents	**0.42%**	**997**	**4.87%**	**14,449**
Equity instruments				
Government Sector	-	-	8.43%	24,982
Total equity instruments	**-**	**-**	**8.43%**	**24,982**
Debt instruments				
AAA	66.21%	156,197	66.90%	198,362
AA	7.01%	16,546	2.22%	6,585
TO	5.16%	12,170	3.28%	9,713
BB and smaller	0.32%	756	0.59%	1,749
No rating	12.25%	28,901	10.92%	32,381
Investment funds	5.28%	12,457	2.79%	8,272
Total debt instruments	**96.23%**	**227,027**	**86.70%**	**257,062**
Other assets	**3.34%**	**7,887**	**-**	**-**
Total assets supporting the plan	**100%**	**235,911**	**100%**	**296,493**

Amounts stated in millions of Colombian pesos -

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

Assumptions	Colombia				Panama			
	2021		2020		2021		2020	
	From	To	From	To	From	To	From	To
Discount rate (%)	6.00%	8.50%	6.10%	7.70%	2.44%	2.44%	2.44%	2.44%
Annual Salary Increase Rate (%)	4.60%	4.60%	4.60%	4.60%	3.20%	3.20%	3.20%	3.20%
Actual rate of return of the assets in the plan	3.19%	4.80%	6.96%	6.96%	5.00%	5.00%	5.00%	5.00%
Future rate of increase in annual pension	3.50%	3.50%	3.50%	3.50%	-	-	-	-
Annual inflation rate (%)	3.50%	3.50%	3.50%	3.50%	1.60%	1.60%	0.20%	0.20%
Survival tables	Valid Rentlists Table 2008				Table of mortality of the urban population Republic of Panama 2010-2015			

Assumptions	Guatemala				Mexico			
	2021		2020		2021		2020	
	From	To	From	To	From	To	From	To
Discount rate (%)	4.80%	4.90%	4.90%	4.90%	8.40%	8.40%	6.70%	6.70%
Annual Salary Increase Rate (%)	4.50%	4.50%	4.50%	4.50%	5.58%	5.58%	5.58%	5.58%
Future rate of increase in annual pension	-	-	-	-	-	-	-	-
Annual inflation rate (%)	4.00%	4.00%	4.00%	4.00%	3.50%	3.50%	3.50%	3.50%
Survival tables	Table RP-2000							

Assumptions	El Salvador				Chile			
	2021		2020		2021		2020	
	From	To	From	To	From	To	From	To
Discount rate (%)	3.51%	3.51%	2.31%	2.31%	0.66%	0.66%	0.66%	0.66%
Annual Salary Increase Rate (%)	1.71%	1.71%	1.71%	1.71%	3.00%	3.00%	0.63%	0.63%
Future rate of increase in annual pension	-	-	-	-	-	-	-	-
Annual inflation rate (%)	6.12%	6.12%	0.70%	0.70%	7.20%	7.20%	2.43%	2.43%
Survival tables	Table CSO-80				Tables CB H 2014 and RV M 2014			

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, in the discount rate and in the increase in the benefit on the obligation for defined post-employment benefit plans:

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	770,933	907,938	-	-	104,797	104,797
Retroactive severance	130,192	140,225	145,555	120,559	-	-
Public services	32,669	39,115	-	-	39,457	39,457
Other post-employment benefits	818	898	-	-	904	904
Total post-employment benefits	**934,612**	**1,088,176**	**145,555**	**120,559**	**145,158**	**145,158**

Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analyzes of the present value of the obligations are the same as for the actuarial calculation as of December 31, 2021 and 2020: Projected Unit of Credit. Sensitivity is not limited. There have been no changes in the methods and assumptions used to prepare the sensitivity analysis from the previous period to the current one.

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 actuarial calculation of pensions was prepared with the following technical bases:

Actuarial assumptions - Pensionary obligation	2021	2020
Real technical interest rate	4.80%	4.80%
Rate of salary increase	2.60%	3.64%
Pension increase rate	2.60%	3.64%
Mortality table	Valid Rentlists Table 2008	

The following table details the calculation of the pension liability with the above parameters:

Concept	2021		2020	
	Number of people	Obligation Value	Number of people	Obligation Value
Staff retired entirely by EPM Group companies	1,186	280,087	1,255	322,862
Retired staff with shared pension with Colpensions	1,726	234,281	1,875	269,148
Personal Benefit shared with Colpensions	1,027	124,530	885	111,439
Retired staff with pension shared with other entities	478	46,742	431	44,925
Total	**4,417**	**685,640**	**4,446**	**748,374**

Amounts stated in millions of Colombian pesos -

The pension bonds related to pension obligations are detailed below:

Concept	2021		2020	
	Number of people	Reserve value	Number of people	Reserve value
Type A Pensional Bonus Modality 1	240	3,040	243	2,832
Type A penalty bond Modality 2	4,256	200,836	4,394	199,493
Type B Pensional Bond	3,326	398,439	3,516	405,193
Type T Pensional Bonus	5	311	5	280
Other - Contributions Law 549	174	5,834	174	5,349
Total	**8,001**	**608,460**	**8,332**	**613,147**

Amounts stated in millions of Colombian pesos -

The differences between pension liabilities calculated under IFRS adopted in Colombia and tax pension liabilities are shown below:

Concept	2021	2020
Penalty liabilities under IFRS	748,352	910,235
Fiscal Pensionary Liabilities	1,251,120	1,290,086
Difference	**(502,768)**	**(379,851)**

Amounts stated in millions of Colombian pesos -

Liabilities pension commutations

The actuarial calculation of pension commutation was prepared with the following technical bases:

Actuarial assumptions - Pensionary commutation	2021	2020
Real technical interest rate	4.80%	4.80%
Rate of salary increase	2.60%	3.64%
Pension increase rate	2.60%	3.64%
Mortality table	Valid Rentlists Table 2008	

The following table shows the calculation of the pension commutation with the above parameters:

Concept	2021		2020	
	Number of people	Obligation Value	Number of people	Obligation Value
Staff retired entirely by EPM Group companies	66	16,560	86	21,911
Retired staff with shared pension with Colpensions	341	44,718	355	47,998
Personal Benefit shared with Colpensions	60	6,658	42	4,284
Retired staff with pension shared with other entities	24	3,318	21	2,510
Total	**491**	**71,254**	**504**	**76,703**

Amounts stated in millions of Colombian pesos -

The pension bonds related to the pension commutation liability are detailed below:

Concept	2021		2020	
	Number of people	Reserve value	Number of people	Reserve value
Type A Pensional Bonus Modality 1	12	43	12	39
Type A penalty bond Modality 2	241	11,596	255	11,309
Type B Pensional Bond	202	21,572	206	20,662
Type T Pensional Bonus	3	7	3	22
Other - Contributions Law 549	1	45	1	41
Total	**459**	**33,263**	**477**	**32,073**

Amounts stated in millions of Colombian pesos -

The differences between the pension commutation liability calculated under IFRS adopted in Colombia and the fiscal pension commutation liability are shown below:

Concept	2021	2020
Pension commutation liabilities under IFRS	71,418	93,034
Fiscal pensions commutation liability	104,516	108,777
Difference	**(33,098)**	**(15,743)**

Amounts stated in millions of Colombian pesos -

26.1.2. Defined contribution plans

The Group made contributions to defined contribution plans recognized in the result of the period as an expense for $30,839 (2020: $27,640), as a cost for $59,572 (2020: $54,641) for a total of $90,411 (2020: $82,281).

26.2. Long-term employee benefits

Long-term benefits	Seniority Premium[1]		Total	
	2021	2020	2021	2020
Present value of obligations for other long-term benefits				
Initial Balance	107,059	96,973	107,059	96,973
Cost of the present service	9,910	8,746	9,910	8,746
Income or (expenses) by interest	5,875	5,915	5,875	5,915
Actuarial gains or losses due to changes in:				
Assumptions by experience	6,296	3,430	6,296	3,430
Demographic assumptions	2	605	2	605
Financial assumptions	(15,475)	3,967	(15,475)	3,967
Past service cost	(172)	135	(172)	135
Foreign currency conversion effect	372	47	372	47
Payments made by the plan	(15,358)	(13,744)	(15,358)	(13,744)
Business combinations	-	985	-	985
Present value of obligations as at 31 December	**98,509**	**107,059**	**98,509**	**107,059**
Surplus or (deficit) for long-term benefits	**(98,509)**	**(107,059)**	**(98,509)**	**(107,059)**
Long-term profit net asset or (liability)	**(98,509)**	**(107,059)**	**(98,509)**	**(107,059)**

(1) It is granted based on the employee's years of service, it is recognized and paid in accordance with the terms established in the current collective bargaining agreements of each company or the labor regulations of the country.

No risks generated by long-term benefit plans, nor modifications, reductions or settlements that impact the present value of the obligation have been identified in the Group.

The weighted average of the duration in years, of the obligations for long-term benefit plans at the cut-off date, is presented below:

Benefit	2021		2020	
	From	To	From	To
Seniority Premium	4.3	4.3	7	7
Other long-term benefits	6	6	6	6

The Group does not expect to make contributions to the plan for the next annual period.

The main actuarial assumptions used to determine the obligations for long-term employee benefit plans are as follows:

Assumptions	Colombia		Guatemala	
	2021	2020	2021	2020
Discount rate (%)	8.00%	5.80%	5.00%	5.00%
Annual Salary Increase Rate (%)	4.85%	4.85%	4.50%	4.50%
Annual inflation rate (%)	3.50%	3.50%	4.00%	4.00%
Survival tables	Valid Rentlists Table 2008		Table RP-2000	

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, in the discount rate and in the benefit increase on the obligation for long-term benefit plans:

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%
Seniority Premium	88,049	98,292	98,458	87,845	-	-
Other long-term benefits	17,124	2,915	2,908	2,607	-	-
Total long-term benefits	**105,173**	**101,207**	**101,366**	**90,452**	**-**	**-**

Amounts stated in millions of Colombian pesos -

The methods and assumptions used to prepare the sensitivity analyzes of the present value of the obligations were the same as for the actuarial calculation as of December 31, 2021 and 2020: Projected Unit of Credit. The sensitivity does not present limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

26.3. Short-term employee benefits

The composition of short-term benefits is as follows:

Short-term benefits	2021	2020
Payroll payable	30,891	8,814
Severances	63,222	55,782
Interests on severances	7,589	6,759
Holidays	42,148	37,839
Vacation bonus	53,740	51,425
Profit-sharing payment	1,140	640
Holidays (Christmas) bonus	423	254
Bonuses	12,873	11,231
Other bonuses, salaries and legal benefits	36,373	21,317
Total short-term benefits	**248,399**	**194,061**

Amounts stated in millions of Colombian pesos -

Note 27. Taxes, contributions and fees payable

The detail of taxes, contributions and fees, other than income tax, is as follows:

Taxes, contributions and fees	2021	2020
Withholding at source and stamp tax [1]	248,284	136,344
Industry and Trade Tax	77,707	44,776
Value Added Tax	56,064	47,739
Fees	33,624	29,320
Other national taxes	26,258	916
Contributions [2]	25,729	105,654
Taxes, contributions and fees abroad	5,215	4,416
Other city taxes	5,122	1,321
Royalties and monetary compensation	1,360	667
Unified property tax	482	78
Customs tax and surcharges	171	2,940
National consumption tax	6	6
Audit and audit fees	-	2,782
Sanctions	-	1
Total taxes, fees and contributions	**480,022**	**376,960**

Amounts stated in millions of Colombian pesos -

(1) The increase is explained by the higher values calculated for the self-withholdings (Rent and Special Income), due to the compensation received for the future Ituango hydroelectric power plant, higher energy revenues and the exchange difference realized.

(2) The decrease is explained by the causation of the additional contribution to the SSPD for the 2020 validity and which was paid in 2021.

Note 28. Provisions, contingent assets and liabilities

28.1. Provisions

The reconciliation of provisions is as follows:

Concept	Dismantling or environmental restoration	Litigation [1]	Contingent - Business combination Ty. Compensation	Guarantees [2]	Other provisions [3]	Total
Initial Balance	218,800	300,056	155,378	174,318	435,202	1,283,754
Additions	2,908	329,905	-	-	70,034	402,847
Uses (-)	(35,481)	(34,958)	(791)	(15,318)	(69,589)	(156,137)
Reversals, Unused Amounts (-)	(2,273)	(60,744)	(13,266)	-	(28,093)	(104,376)
Adjustment for changes in estimates	44,392	1,053	-	39,230	35,395	120,070
Capitalizable dismantling	- 25,424	-	-	-	-	(25,424)
Exchange rate difference	-	- 344	21,910	-	-	21,566
Financial update	7,753	6,434	1,983	3,689	2,354	22,213
Foreign currency conversion effect	755	2,078	-	-	57,910	60,743
Final Drive Account Balance	**211,430**	**543,480**	**165,214**	**201,919**	**503,213**	**1,625,256**
Non-current	125,566	346,732	163,572	42,660	410,824	1,089,354
Current	85,864	196,748	1,642	159,259	92,389	535,902
Total	**211,430**	**543,480**	**165,214**	**201,919**	**503,213**	**1,625,256**

-Amounts stated in millions of Colombian pesos-

As of December 31, 2021, the significant behavior of the Group's provisions is:

(1) An increase of $243,424 originated mainly in seven group actions against EPM and the future Ituango hydroelectric power plant that went from Possible to Probable probability of success.

(2) Increase of $ 27,601 originated from the update of the provision, which contemplates the non-compliance from November 2021 to September 2023, to the Intercolombia transporter for the months after the connection infrastructure of the future Ituango hydroelectric plant came into operation.

(3) Increase of $68,011 originating mainly from the combined effect between the increase in the provision of: a) technical reserves of the subsidiary Maxseguros, product of the TRM that had an increase of 16% with respect to the previous year, b) technical reserve of the Company Adapted Health, which presented an increase in authorized and non-legalized orders and due to the decrease in: c) the payment of a penalty imposed by the SSSPD (Superintendence of Residential Public Services) to EPM and d) the decrease in the provision of the contingency of the future Ituango hydroelectric plant, as a result of the closure of some activities such as economic support for evacuated families.

28.1.1 Dismantling or restoration

The Group is obliged to incur costs for the dismantling or restoration of 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, covered by Resolution 222 of December 15, 2011 of the Ministry of Environment and Sustainable Development and the Stockholm Convention of May 22, 2008. It applies in Colombia, Panama and The Savior. 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 fixed rate TES. As of December 31, 2021, the national subsidiaries that contribute to this item are: ESSA with $599, CENS with $374, EDEQ with $214, EPM with $156, CHEC with $99 and Afinia with $70 and the international ones that contribute are: DELSUR with $6,661 and ENSA with $765.

- In the sanitation service in Colombia, due to the disposal of solid waste in the subsidiary EMVARIAS and it is a piece of land in which cells or vessels are built for the deposit of garbage, being necessary to restore it through a series of activities aimed at carrying out the closure, closure and post-closure of this. The obligation begins from the moment in which the sanitary landfill is in optimal conditions to carry out the final disposal activity and continues until the regulatory environmental entity, by means of a resolution, decrees the completion of the closure, closure and post-closure. This obligation is defined in the RAS 2000 (Technical Regulation for Drinking Water and Basic Sanitation), which establishes the basic criteria and minimum environmental requirements that sanitation systems must meet in order to mitigate and minimize the impacts that may occur. present in the activities of design, construction, commissioning, operation, maintenance, dismantling, completion and closure. As of December 31, 2021, payments amounting to $425 have been generated and the balance of the provision ended at $22,550.

- 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 on July 15, 2020, allows the restart of operations until the year 2023, which originated the activation of the provision for a value of $9,640 million, for a final balance as of December 31, 2021 of $17,932.

- 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, affectation of prohibited species and forest use; obligations that are formalized through the resolutions of the ANLA (National Environmental Licensing Authority), CAR - Regional Autonomous Corporation and/or MADS - Ministry of Environment and Sustainable Development. The executions of the biotic environmental compensations of the project extend beyond the time in which the asset begins to operate technically, being necessary to implement the figure of the provision with the aim that said disbursements remain as a greater value of the construction in progress. The Group has committed to compensate for the loss of biodiversity, subtraction and closures from 2016 to 2019 according to the resolutions: 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. 141011206/10-16-2014 CORANTIOQUIA, Res LA. EIA1-9872 04/21/2014 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 fixed rate TES. As of December 31, 2021, the main subsidiaries that contribute to this concept are: EPM with $3,703, ESSA with $1,075 and CENS with $493.

- Environmental compensation and compulsory investment of 1%: Law 99 of 1993, established the obligation of environmental licensing for the development of any activity that may cause serious damage 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 powers in relation to environmental licensing to the National Authority for 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 of increase in the value of the liquidation base of the compulsory investment 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 accept new terms of execution subject to the approval of the ANLA.

As of December 31, 2021, for the EPM Group, obligations of this type are contemplated for an amount of $52,338 related to the use of water taken directly from natural sources, in the projects carried out in: the future Ituango hydroelectric plant, Porce III, Porce II and the Sierra. Pursuant to the law, the executed amounts of 1% are: the future Ituango hydroelectric plant for $31,764, Porce III for $13,984, which includes payments for $269, Porce II for $5,724, which includes payments for $274, and La Sierra for $866, which includes payments for $3.

Additionally, as of December 31, 2021, EPM includes a provision of $103,635 for environmental contingency, established by the specific action plan for the recovery of the parts affected by the events of the plugging of the diversion tunnel of the Cauca River that the future hydroelectric power plant had. Ituango on April 28, 2018; due to the closure of gates in 2019 that decreased the flow of the river downstream of the project; and for the events that may arise due to the technical milestones pending to be reached due to the contingency, as well as the execution of the project itself. During the year 2021, $44,954 have been recognized between provision and financial expense and payments have been made for an amount of $29,867. The balance of the provision as of December 31, 2021 amounts to $ 103,635.

The specific action plan for recovery must consider three framework programs:

a. Recovery of affected swamps
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 effects caused, as well as the discretionary actions. Social programs, economic activities, infrastructure, risk management, among others, are also included.

The different actions are contemplated to be developed between the municipalities of Valdivia to Nechí, however, if affectations are identified in the municipalities that are part of La Mojana, they will also be the object of the intervention.

28.1.2 Litigation

This provision covers probable estimated losses related to labor, administrative, civil, and fiscal litigation (administrative and governmental channels) that arise in the operation of the Group companies. The main assumptions considered in the calculation of the provision are: average CPI based on real data in previous years and projected data in future years, the discount rate calculated with reference to market yields on bonds issued by the National Government, value estimate to be paid, start date and estimated payment date, for those litigations classified as probable. To date, no future events have been evidenced that could affect the calculation of the provision.

In the Group, companies that operate in Colombia, in order to reduce the conditions of uncertainty that may arise with respect to the estimated date of payment and the estimated amount to be paid in a litigation 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 limits that it defines for the value of non-patrimonial or immaterial claims when these exceed their amount, as described below:

Average duration of processes per action

Administrative and fiscal

Action	Average years
Abbreviated	4
Compliance Action	4
Group Action	6
Popular Actions	4
Preliminary conciliation	2
Constitution of a civil party	4
Contractual	13
Delinade and amooning	5
Executive	5
Executive singular	3
Expropriation	4
Integral (criminal) reparation incident	2
Imposition of servitude	4
Invalidity of administrative acts	5
Nullity and restoration of law	10
Nullity and restoration of labor law	11
Ordinary	7
Ordinary membership	5
Criminal Prosecution (Law 906 of 2004)	4
Divisive processes	4
Protection of Consumer Law	6
Police charges	3
Vindication	7
Direct repair	12
Verbal	5

Labor processes

ACTION	Average years
Solidarity	3.5
Pension	3.5
Overtime Hours	3.5
Reintengro	4
Salary step leveling	3.5
Compensation Unfair dismissal	3.5
Re-Settlement of Social Benefits	3.5
Compensation for work accident	4
Health-Pension Contribution Refund	4

Application of case law

Typology: The values of the compensation claims for extra-patrimonial damages will be recorded, according to the following typology:

- Moral damage.
- Damage to health (physiological or biological harm), derived from bodily or psychophysical injury.
- Damage to relationship life.
- Damage to constitutional and conventional assets.

The values of other non-patrimonial claims not recognized by the jurisprudence will not be recorded, unless it can be inferred from the claim that, despite being named in another way, it corresponds to one of the types admitted. Nor will claims for non-patrimonial compensation for damage to property be registered.

Quantification: The amount of non-patrimonial claims will be recorded uniformly as follows, regardless of their type:

For direct victim	100 Minimum statutory monthly salaries in force
For indirect victim	50 Minimum statutory monthly salaries in force

- For the subsidiaries in Chile regarding the probable payment date of the lawsuits, the type of process, the 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 sense, the labor process, being oral and having only two hearings, has a maximum duration of six months, except in specific cases where there are problems in notifying the lawsuit or the hearings are suspended. In civil lawsuits, given that they are processes of long knowledge and written processing, they can last a minimum of two years, so the estimated time in the lawsuits currently processed by the subsidiary Aguas de Antofagasta SA, considering their state of progress, They should be until 2023.

Quantification: to determine the amount of the sentences, in principle, the amount of the claim by the plaintiff is considered, due to the fact that the jurisprudence in this sense cannot be applied, an amount that will vary depending on the Court and the cause to be requested. Additionally, in civil lawsuits, the amounts of compensation will depend on the court that dictates it, since in Chile there is no system of precedent. What a civil judge cannot do, much less the appeals and supreme court, is to grant higher figures to the demands.

- **For subsidiaries in Panama**: regarding the estimated payment date, each case is evaluated individually with external legal advisors, for which the average duration of similar processes is taken into consideration.

  Quantification: The estimated value to be paid in litigation is determined based on the amount of the plaintiff's claim and an analysis of the specific condition that motivates the claim in order to determine the recognition of possible damage. For this, the assessment of external legal advisors of each company is counted on 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. subsidiaries.

  Quantification: The estimated value to pay for a lawsuit is determined based on the amount of the initial claim of the lawsuit filed against the company.

The following are the recognized litigations:

Business	Third	Claim	Value
EPM	Maikol Arenales Chaves	Declare the defendants administratively responsible, as the cause of the unlawful damage by destroying the fishing resource of the Ciénagas de Montecristo complex, which is due to the construction of the PHI.	221,777
	Oscar Elias Arboleda Lopera	It includes 173 plaintiffs who worked for EADE and state that in the dissolution and liquidation of said company there was an employer substitution with EPM, which obliges it to all labor claims.	108,228
	Roger Alberto Gil Barragan	Recognize as compensation for each of the members of the "ASOBAPEBEL" group, which are one hundred and ninety-three (193) for the unlawful damage caused, the moral and material damage and the violation of fundamental rights such as a dignified life, minimum vital , decent housing, work, food security and for the destruction of their source of subsistence, the displacement of their territory and the unlawful psychological and physical transformation of their lives, with the title of imputation being the exceptional risk due to the emergency that caused the damage in the Cauca river .	15,420
	Various Administrative	29 lawsuits with an average of $527 and amounts less than $1,956	15,281
	Luis Fernando Anchico indaburo	Declare EPM administratively responsible, as the cause of the unlawful damage for having destroyed the fishing resource of the Ciénagas de Montecristo complex, which is due to the construction of the PHI (the future Ituango hydroelectric plant) and requests the recognition and payment of a salary minimum for each family nucleus from February 2019 until the sentence is issued, this is called by the plaintiffs as consolidated loss of earnings.	15,208

Business	Third	Claim	Value
	Various Labor	125 processes with an average of $110 and amount less than $1,100	13,715
	Santiago Andres Ortiz Mora	Declare EPM administratively and non-contractually responsible for the unlawful damage caused, the moral and material damage and the violation of fundamental rights, caused to the members of the "SAN ROQUE" group, due to the destruction of their source of subsistence, the displacement of their territory and the unlawful psychic and physical transformation of their lives due to the damage caused by " the future Ituango hydroelectric plant" in April 2018. The amount to be recognized as compensation for each of the 161 members of the group is set at 100 Minimum Monthly Wages Current Legal Laws (SMMLV), giving a total of fourteen thousand one hundred thirty-two million six hundred twenty-eight thousand three hundred pesos ($14,132,628,300). One thousand one hundred and forty-six million, four hundred and thirty-one thousand and thirty-four pesos ($1,146,431,034.00) are claimed for loss of earnings.	12,093
	Rodrigo Antonio Munoz Arenas	Declare the non-contractual patrimonial responsibility of the State for the deficiencies or omissions incurred by the defendants, by not measuring the danger, threat and damage, which would be caused by the indiscriminate felling of trees in the area of influence of the dam, to which, the communities attribute the changes in the behavior of the river and the landslides in the area. Condemn the defendants, that by way of consequential damage, pay the plaintiffs and the members of the affected group the sums corresponding to the vital minimum not received during the time that the emergency lasted, liquidated for the family groups on the date of filing of the group share four thousand three hundred seven million one hundred	10,451

Business	Third	Claim	Value
		three thousand two hundred pesos ($4,307,103,200.00).	
	Javier Maure Rojas	Declare EPM administratively responsible, as the cause of the unlawful damage for having destroyed the fishing resource of the Montecristo swamp complex, which is due to the construction of the PHI (the future Ituango hydroelectric plant); that a minimum wage be recognized and paid for each family nucleus from February 2019 until the sentence is handed down and the recognition of a future loss of earnings that goes from the moment of the sentence until the probable period of life of each one of the plaintiffs.	9,568
	Department of Valle del Cauca	By way of reestablishing the right, the Department of Valle del Cauca is ordered to return the sums withheld for Pro-University Public Hospitals and Pro-Universities of the Valley Stamps with the respective interest that may apply.	8,316
	Esilda Rosa Romero Aguas	They request that EPM be declared administratively responsible as a result of the damages caused to the plaintiffs and that the sum of 80 SMLMV be recognized for each of the plaintiffs: 39 in total.	6,580

Business	Third	Claim	Value
	Gustavo Jimenez Perez	Declare EPM ESP responsible for the unlawful damage caused, the moral and material damage and the violation of fundamental rights caused to the 75 members of the "ASOMIBA" group; for the destruction of their source of subsistence, the displacement of their territory and repairing the damage; It is requested to pay the members of the "ASOPEISLA" group, the immaterial and material damages caused since the beginning of the emergency originated in " the future Ituango hydroelectric plant" , compensation for each of the members of the "ASOMIBA" group, is set to One Hundred (100 SMLV).	6,256
	Municipality of Yumbo (Valley)	Industry and commerce and its complementary notices and boards and public lighting.	5,254
	John Walter Jaramillo	That the dismissal be declared null and void, with their respective salaries and increases, social benefits for as long as they remain unrelated; In the same way, the contributions to social security will be borne by the defendant until they are effectively reintegrated.	4,400
	General Fire Control Ltd.	That the nullity of the Communications signed by EPM be declared null and void, by means of which the fines imposed are updated, as of 07/04/2011 to USD 153,957.00, as of 03/09/2009 for failure to meet the delivery deadline, by US $263,368.60, based on number 5.13 Conditions of the Contracting Process No. 029158, and on the occasion of the execution of Contract No. 29990329557.	2,378
	various prosecutors	11 processes with an average of $196 and amount less than $5,253	2,156
	Temporary Union Solar Energy SA and Structures Arbi Ltda.	That it be declared that the offer submitted by the plaintiffs to the tender No. ES-2043-GI called by EPM, was legally suitable to be taken into account at the time of awarding the	2,056

Business	Third	Claim	Value
		respective contract of the tender No. ES-2043-GI.	
	Construcciones Pico y Pala Ltda.	That resolutions 95070 of 04/05/1999, issued by EPM, through which contract 1/DJ-682/15 between EPM and Consorcio Trainco SA and 113701 of 03/15/15, were null and void. 2000, also issued by EPM, through which the reversal appeal filed against resolution 95070 of 04/05/1999 was resolved negatively.	1,956
	Francisco Javier Munoz Usman	That the annulment of the conciliation act signed by vice in the consent be decreed and consequently the reestablishment of the employment contract, the reinstatement, the payment of all the wages and benefits not received be ordered, in the same way that the contributions are canceled to social security from the moment of dismissal and until when the actor is actually reinstated.	1,751
	Carlos Olympus Cardona	That the plaintiffs are reinstated to the same position or trade or another of the same or higher category that they had been holding, that as a consequence, as compensation, all salaries and legal social benefits not received must be canceled, in addition to all contributions caused in favor of the Comprehensive Social Security System.	1,365
	Loading of PPA Balances of EP Rio	EPRIO PPA Balance	1,195
	Omar Augusto Lugo Hoyos	That the annulment of the conciliation act signed by vice in the consent be decreed and consequently the reestablishment of the employment contract, the reinstatement, the payment of all the wages and benefits not received be ordered, in the same way that the contributions are canceled to social security from the moment of dismissal	1,100

Business	Third	Claim	Value
		and until when the actor is actually reinstated.	
	General Fire Control Ltd.	EPM is sentenced to return the monies withheld on the occasion of the imposition of fines for not complying with the technical specifications and guaranteed characteristics, plus default interest caused from the date of the withholding and until the date of the actual return based on numeral 5.13 DEDUCTIONS FOR NON-COMPLIANCE (FINES), of the specifications of the contracting process No. 029158, and on the occasion of the execution of contract No. 29990329557.	870
	Manual payment reclassification	CNC-526.3_2068 accounting adjustment in December 2021 _due to use of incorrect account.	(63)
	July Payments	Process with partial payment in July 2021 that is still in force	(18)
Total EPM			**467,293**
Aguas de Antofagasta S.A.	Superintendence of Sanitary Services	SISS sanctioning file - 2021	8,066
	Superintendence of Sanitary Services	SISS sanctioning file - 2020	6,248
	Maritime Governorate	12,050/272 - 12,050/201 - 12,050/73 Summary investigation for wastewater spillage on the coastline.	4,753
	LASERMED Professional Society	C-3934-2020 Lawsuit for compensation for damages, due to waterlogging in dermatological clinics.	1,416
	Morales and others	7813/21-7 Infraction complaint and demand for compensation for damages due to poor quality of AP service in the Sierra Nevada Building.	1,407
	Diaz with ADASA	C-239-2020 Lawsuit for compensation for damages, due to AS runoff.	938

Business	Third	Claim	Value
	Municipality of Sierra Gorda	C-2883-2020 Lawsuit for compensation for damages, for settlement in the mayor's building.	652
	Constructora e Inmobiliaria CRC Ltda. with Econssa Chile SA	C-4568-2016 Declaratory demand for ownership and withdrawal of infrastructure.	189
	Cabezas and Ibarra with Aguas de Antofagasta SA	T-406/440-2021 Violation of fundamental rights, wrongful dismissal and collection of benefits.	166
	Castle with ADASA	C-87-2020 Claim for compensation for damages; non-pecuniary damage for damages resulting from flooding.	141
	Ramirez / Ayprev SPA	O-183-2020 Collection of benefits.	28
	General Directorate of Water	FO-0203-299 Supervision for unauthorized work in the riverbed	25
	Caceres / Solinoc SPA	O-1112-2021 Indirect dismissal, payment of benefits and nullity of the dismissal.	21
Total Aguas de Antofagasta S.A.			**24,050**
CHEC	Norma Cecilia Osorio Montoya and others	Repair and payment of moral and material damages.	7,377
	Jairo Castaño Hoyos and others	Loss of earnings/material-moral damage.	4,671
	Camilo Donado Barcelo and others	Reimbursement to the position, reliquidation of social benefits and moratorium sanctions.	3,320
	Jose Hernando Anturi Noriega and others	Permanent travel expenses - social security contributions.	2,678
	Luis Alberto Merchan Gomez and others	Damages.	647
	Hernando de Jesus Ocampo Jimenez and others	Reality contract / Pension part fee.	534
	Alba Lucía Saldarriaga Toro and others	Salary and benefit readjustment.	487
	Gustavo Uribe Jaramillo and others	Pension settlement.	406
	Maria Noralba Florez Arias	Payment 100% pension allowance.	369
	Nestor Hernandez Morales and others	Pension substitution.	268
	Jairo Antonio Amariles Marulanda	Public excuses and compensation payment.	119
	Jose Omar Valencia Rendon and others	Conventional retirement.	95

Business	Third	Claim	Value
	German Duke Quintero and others	Recognition 100% allowance 14.	67
Total CHEC			**21,038**
CENS	Elsa Reyes De Buitrago and others	Indexation of the first pension allowance, in their condition of pensioners and/or pension substitute to all the claimants and cancellation of interest to the legal maximum contemplated in Law 100 of 1993 in its article 141.	4,258
	Other labor processes with an amount less than $250 million	Other labor processes (58) with an amount less than $150 million.	1,949
	Carlos Omar Rincon Carrillo and others	Recognition and payment of transportation assistance discounted by the contractor, expenses assumed for maintenance of work tools, social benefits, vacations and moratorium compensation for the payment of the liquidation at the end of the employment contract, in addition to the costs of the process.	1,614
	Jose Francisco Arango Bautista and others	Material damages/non-pecuniary damages/damage to life.	1,505
	Jesus Efrain Ibarra Ochoa and others	That pension compatibility be declared between the retirement pension recognized by CENS and the old-age pension recognized by the ISS pensions today Colpensiones.	1,329
	Ermelina Pérez de Rivera and others	That it is declared that CENS has the obligation to continue paying all the contributions to health and to continue paying 12% on the pension allowance; Likewise, reintegrate the contributions not paid from the date of compatibility of the pension, indexing them, plus default interest.	1,235
	William Alexis Ramirez	Stop charging for public lighting to the municipality of Cúcuta, reimbursement of balances for public lighting to the municipality, payment of contractual and non-contractual damages. Claim: $928,023,004.78 Incentive: 15% of the value recovered by the Municipality.	1,184

Business	Third	Claim	Value
	Jose Herlin Velandia Rojas and others	Recognize the conventional benefits of articles 20, 21, 26, 36 in the same way as the workers who entered the company as workers before February 1, 2004, the moratorium compensation of article 99 of Law 50 of 1990, costs , indexing and extra and ultra petita.	383
	Richard Arcenio Rodríguez Camargo and others	That it be declared that the time of service as a SENA apprentice in CENS of the plaintiffs will be taken into account for all purposes with the date on which they began as contract workers for an indefinite term in accordance with the provisions of the collective labor agreement, in addition to declare that the company has failed to fully comply with the postulates provided for in said convention and recognize and pay the plaintiffs all the corresponding labor credits.	371
Total CENS			**13,828**
National Waters	Wilber Leibin Castillo Borja / Matilde Andrade de Palacios	Declare the patrimonial responsibility of the company in the face of the death of the actor's wife, presumably caused by a traffic accident in a rainwater collection grid.	2,602
	Jesus Enrique Acevedo Ruiz	Call in guarantee: Contract reality. Payment of salaries and legal and extralegal social benefits and social security, legal compensation and moratoriums, monetary correction, extra and ultra petita sentence and payment of procedural costs.	1,326
	Alberto Guerrero Castro and others	Reliquidation of salaries, benefits and social security and moratorium compensation.	854
	Fray Noe Betancurt Taborda and others	Workers compensation and reinstatement.	243
	Natalia Lopez Montoya	Declare the existence of the employment relationship, payment of wages, social benefits, compensation, moratorium sanction of article 65 CST.	138
Total National Waters			**5,163**

Business	Third	Claim	Value
ESSA	Mary Consuelo Abaunza Salazar and others	Condemn Electrificadora de Santander SAESP to be financially liable for the payment of property and non-property damages owed due to the death of workers who lose their lives in work accidents.	1,818
	Gloria Edilse gamez and others	Declare ESSA administratively responsible for the death of individuals and order the payment of moral and material damages.	1,152
	Johana Andrea Granados Olarte and others	Payment request for moral and material damages, loss of earnings/consequential damage.	704
	Jaime Lozada Rizo	Work accident claim. ESSA SA is jointly and severally sentenced to pay the full and ordinary compensation for damages referred to in article 216 of the CST.	198
	Maria Yasmina Sanabria Mejia and others	Declare Electrificadora de Santander SA ESP and others administratively and extra-contractually responsible for the damages caused to the plaintiff, due to indiscriminate felling of trees that produced erosion on his property and invasion of private property.	455
	Gerardo Vargas Baron and others	Demand for disability pension of common origin / conventional retirement.	439
	Alejandro Galvis Rueda	Declare Electrificadora de Santander SAESP responsible for injuries suffered on August 28, 2014 when leaning against power pole number 1198882 located next to the Bucaramanga Traffic Directorate.	20
Total ESSA			**4,786**
ELEKTRA NORESTE SA	Alex Montenegro and others (Urbanization La Toscana)	Civil process - Tuscany residents.	1,175
	ASEP	Civil process for lawsuit against Res.12581.	597
	Aristides Contreras and others	Lawsuit against ENSA for solidarity for the payment of acquired rights.	597
Total ELEKTRA NORESTE SA			**2,369**
AFINIA	Javier Alfonso Osorio Cuadro and others	refund action.	1,238
	Martha Medina Couple	Salary leveling.	266

Business	Third	Claim	Value
	Julio Cesar Vergara Contreras and others	Reliquidation of benefits.	165
	Hermes Ballesteros Pupo	job relocation.	140
	Carmen Ines Yanes Ortiz	Annulment of affiliation and pension fund transfer.	125
	Sabel Humberto Puerta Padilla and others	disability payment.	89
	Jose Del Carmen Baza Barrera	Compensation for ATEP.	12
Total AFINIA			**2,035**
EMVARIAS	Veronica Milena Cardona Acosta and others	reality contract.	539
	Liz Norma Bedoya Molina and others	Salary leveling application / conventional retirement pension.	695
	Miguel Angel Bermudez Roldan and others	Labor responsibility for solidarity.	263
	Pedro Nel Rendon Morales and others	Readjustment of conventional pension/ reliquidation of pension/ readjustment of substitute pension.	101
	Jesus Antonio Murillo and others	Substitute indemnity/ readjustment indemnity.	93
	Arley Alonso Velez Toro	Labor liability / nullity and restoration of labor law.	88
	Norma Lucia Agudelo Sanchez and others	Pension substitution / pension bonus.	62
Total EMVARIAS			**1,841**
FROM THE SOUTH	SIGET	Reimbursements for compensation of technical indicators.	361
	various clients	Claim for bad rate classification.	327
	Project Trinidad Ltda. de CV and others	Claim for damaged devices.	130
	Municipal Mayor of San Salvador and others	Municipal tax claims for installation of poles.	62
Total DELSOUTH			**880**
HYDRO	TM Consulting Engineering, S.A.	Civil process for damages for lost income.	160
Total HYDROE			**160**
AGURAB	HLB FAST&ABS Auditores Ltda.	Declare the Regional of the West SAESP responsible for the patrimonial damage caused to the plaintiff by omission in the payment of the services provided until September	37

Business	Third	Claim	Value
		2010 and it is ordered to pay default interest.	
Total AGURAB			**37**
Total recognized litigation			**543,480**

Amounts stated in millions of Colombian pesos

28.1.3 Contingent consideration - Business combination

Corresponds to the contingent considerations related to the acquisition of the subsidiaries Espíritu Santo Energy S. de R.L. y Empresas Varias de Medellín S.A. E.S.P. – EMVARIAS. The balance as of December 31, 2021, amounted to $152,924 and $12,290, respectively, for a total provision in the Group of $165,214.

The main assumptions considered in the calculation of the contingent consideration related to the acquisition of Espiritu 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. applying a discount rate (Libor rate) according to the risk of the liability. To date, no future events have been evidenced that could affect the calculation of the provision.

The main hypotheses used about the future events of the contingent consideration related to the EMVARIAS acquisition are lawsuits in progress against EMVARIAS at the date of the transaction, definition of the year of materialization of each of the lawsuits, definition of the value linked to each one of the litigations, estimation of the future contingent expenses linked to the estimated litigations for each year and discount rate (fixed rate TES) to discount the flows of future contingent expenses. To date, no future events have been evidenced that could affect the calculation of the provision.

28.1.4 Guarantees

Provision balance of $201,919 for the non-compliance from November 2021 to September 2023, to the Intercolombia transporter for the months after the connection infrastructure of the future Ituango hydroelectric plant, came into operation. During the year 2021, $42,919 have been recognized between provision expense and financial expense and payments have been made for an amount of $15,318. The balance of the provision as of December 31, 2021, amounts to $201,919.

28.1.5 Other miscellaneous provisions

The subsidiaries that, in the Group, contribute to the heading 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 families, such as employer policy, multiplier points, Somos program, technical reserve, and provision for high-risk illnesses. cost and catastrophic; b) provisions referring to environmental sanctioning procedures and sanctions imposed by the competent authorities; c) provisions related to the contingency of the future Ituango hydroelectric plant; d) union contribution.

The main assumptions considered in the calculation for each type of provision are:

Employer policy: granted to EPM servers as an extralegal benefit. An aggregate deductible was contracted from July 1, 2021, to June 30, 2022, for $4,100. The main assumptions considered in the calculation for each type of provision are TES fixed-rate discount rate, estimated amount to be paid, and estimated payment date. To date, no future events have been evidenced that could affect the calculation of the provision. The balance of the provision as of December 31, 2021, amounts to $6,697, which includes payments amounting to $3,951.

Somos Program: it works under the modality of accumulating points. According to the behavior of the statistics, the points are counted with an 80% probability of redemption. The balance of the provision as of December 31, 2021, amounts to $101.

Technical reserve: associated with the Medical and Dental Service Unit of EPM and which is stipulated in article 7 of Decree 2702 of 2014, whose purpose is to maintain an adequate reserve to guarantee the payment of the provision of health services of the System. of Social Security in Health. This reserve includes both health services already known by the entity, as well as those that have occurred but are not yet known, that are part of the mandatory health plan and complementary plans, as well as incapacities due to general illness. The basis for calculating the reserve is that corresponding to all service authorizations issued and that on the cut-off date on which the reserve is to be calculated have not been charged, except those that correspond to authorizations with more than twelve months of issuance. or those that after at least 4 months of being issued, there is evidence that they have not been used. The balance of the provision as of December 31, 2021, amounts to $15,785.

High-cost and catastrophic illnesses: the basis for calculating this provision corresponds to the analysis of the entire population served by affiliates and beneficiaries of EPM's Adapted Health Entity (EAS), who suffer from any of the authorized pathologies. The balance of the provision as of December 31, 2021, amounts to $18,912, which includes payments amounting to $2,084.

For the other provisions described, the main assumptions considered in the measurement are estimated life expectancy, estimated payment date, estimated payment amount, discount rate calculated with reference to market yields on bonds issued by the National Government.

Union contribution: In 2018, a collective bargaining process was advanced between EPM and the UNIGEEP union organization, since the parties did not reach an agreement to sign a Collective Bargaining Agreement, they went to an Arbitration Court, as it is established by the Substantive Labor Code. Thus, in February 2020, this Court issued an Arbitration Award ordering EPM to pay the sum of $150 for union contribution, divided into $75 per year of validity (2020-2021). To date, this decision is being reviewed by the Supreme Court of Justice, so it has not been complied with; For this reason, since there is no certainty about the date of the ruling of this entity and given the probability that it will be notified in 2021, it is necessary to provide this item, in case the decision is unfavorable for EPM. The balance of the provision as of December 31, 2021, amounts to $150.

Environmental sanctioning procedures:

As of December 31, 2021, the Group has a balance of $760 for the sanction imposed by the ANLA, Resolution 1964 202, on EPM, for preventing flow from closing the gates at the Porce III power plant.

Contingency of the future Ituango hydroelectric plant:

- In EPM, provision for $29,042 for the Contingency of the future Ituango hydroelectric plant that caused the flooding of the Cauca River as a result of the clogging that the project had on April 28, 2018. This provision covers the care of those affected in Puerto Valdivia for compensation for emergent damage, loss of earnings, non-pecuniary damage and reparation to community infrastructure. During 2021, the provision was adjusted by $-14,624 as recovery income and $1,051 as financial expense, and payments amounting to $3,370 have been made. As of December 31, 2021, the balance of the provision amounts to $29,042.
- In EPM, provision for $699 for the care of the evacuees, the maintenance of the shelters and the payment of economic support, a situation generated by the declaration of the red alert for the evacuation of the populations located downstream of the dam and that It originated from the clogging

of the Auxiliary Deviation Gallery - GAD on April 28, 2018, which consequently caused the contingency of the future Ituango hydroelectric plant. During 2021, the provision was adjusted by $-2,758 as recovery income and $114 as financial expense, and payments amounting to $2,272 have been made. As of December 31, 2021, the balance of the provision amounts to $699.

Aguas Regionales in Medellin – Colombia: includes the provision for disputes filed by the HHA consortium of a contractual, non-judicial nature. The HHA Consortium is in charge of building the Wastewater Treatment Plant in Bello and the points under discussion are related to deadlines, design engineering, and financial issues. The main assumptions considered in the calculation for each type of provision are the same as those applied to the litigation provision. The balance of the provision as of December 31, 2021, amounts to $ 8,636.

CENS – Norte de Santander – Colombia: includes provision corresponding to expected losses from construction contracts. The balance of the provision as of December 31, 2021, amounts to $23.
ADASA in Chile: includes the provision related to the return of existing working capital at the end of the concession term of the Sanitary Concession Transfer Agreement, signed between the Company and Econssa Chile SA The balance of the provision as of December 31, 2021 amounts to the sum of $29,394.
ENSA in Panama: includes the provision related to compensation to customers for non-compliance with service quality standards, which are regulated by the National Public Services Authority of Panama (ASEP). The balance of the provision as of December 31, 2021, amounts to $46,010.
TICSA in Mexico: includes provisions related to contractual obligations, electricity expenses, and other expenses related to plant construction projects. The balance of the provision as of December 31, 2021, amounts to $3,701.

DELSUR in El Salvador: includes a provision related to customer claims for improper charges, voltage variations, damage to electrical appliances, among others. The balance of the provision as of December 31, 2021, amounts to $3,603.

28.1.6 Estimated payments

The estimate of the dates on which the Group considers that it will have to make the payments related to the provisions included in the consolidated statement of financial position at the cut-off date is as follows:

Estimated Payments	Dismantling or environmental restoration	Litigation	Business combination	Warranties	Other provisions	Total
To one year	83,223	199,951	2,433	159,259	50,824	495,690
To two years	56,304	13,482	1,135	42,659	31,793	145,373
To three years	34,362	5,652	130	-	4,253	44,397
To four or more years	60,151	440,928	161,516	-	9,628	672,223
Total	**234,040**	**660,013**	**165,214**	**201,918**	**96,498**	**1,357,683**

-Amounts stated in millions of Colombian pesos-

28.2. Insurance technical reserves

The technical reserves associated with the obligations of insurance contracts for the material damage, extra-contractual civil liability, infidelity and financial risks, directors and administrators, errors and omissions, and cyber risk programs are detailed below:

Insurance technical reserves	December 2021	December 2020
Loss reserves payable	116,235	118,748
Reserve for unreported incurred losses	149,384	71,782
Unearned Premium Reserve	60,917	50,647
Total	**326,536**	**241,177**

Amounts stated in millions of Colombian pesos -

The movement of insurance technical reserves is as follows:

December 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 -

December 2020	Initial Balance	Adjustments to reservations techniques	Final Balance
Loss reserves payable	93,613	25,135	118,748
Reserve for unreported incurred losses	68,729	3,053	71,782
Unearned Premium Reserve	39,748	10,899	50,647
Total	**202,090**	**39,087**	**241,177**

Amounts stated in millions of Colombian pesos -

28.3 Liabilities, contingent assets and others (disputes)

The composition of liabilities, contingent assets and others, which are not recognized in the financial statements, are as follows:

Contingency Type	Contingent liabilities	Contingent Assets
Litigation	1,520,476	54,878
Guarantees	268,483	-
Other-controversies	437,112	-
Total	**2,226,071**	**54,878**

Amounts stated in millions of Colombian pesos -

The Group has litigation or proceedings that are currently pending before jurisdictional, administrative and arbitration bodies.

The main lawsuits pending resolution and judicial and extrajudicial disputes in which the Group is a party at the cut-off date, as well as the controversies, are indicated below:

28.3.1 Contingent liabilities

Business	Third	Claim	Value
EPM	ISAGEN SAESP	Condemn EPM to compensate ISAGEN for the damages it suffered as a result of the fire and the consequent unavailability of the Guatapé Power Plant.	286,823
	various administrative	528 Litigations for less than $2,105 with an average of $537.	283,374
	Hidroeléctrica Ituango S.A.	Declare that between HIDROELÉCTRICA ITUANGO SAESP and EPM, there is a Contract for the financing, construction, assembly, development, start-up and operation of the Pescadero Ituango Hydroelectric Project, known as BOOMT –corresponding to the scheme of construction, financing, possession and/or appropriation, operation, maintenance and transfer, in it EPM was obliged to comply with what was agreed in milestones 7 and 9; but he did not comply within the established term or has partially breached and/or has executed late or defectively, for which he is obliged to pay US$450,000,000.	267,645

Business	Third	Claim	Value
	Barrio Villa Esperanza	Non-pecuniary damage in proportion of 100 SMLMV for each of the members of the group, that is, for one thousand two hundred ninety-six (1296) people, which in total is equivalent to One hundred thirteen thousand seven hundred sixty-three million one hundred thirty-nine thousand two hundred pesos ($113,763,139,200). Material damage as consequential damage for the destruction of each of the homes, calculated at an individual value per home of five million pesos ($5,000,000), which in total indicates 377, for a total of one thousand eight hundred and eighty-five million pesos ($1,885,000,000).	97,173
	Consorcio CCC Ituango	Declare that the Claimants built the GAD in accordance with the detailed plans and designs and the Technical Construction Specifications, and to the satisfaction of EPM, that the contingency that occurred in the Project as of April 28, 2018 is not attributable to a breach of contract, or in any other way to the Claimants and that they are not responsible for the contingency that occurred in the Project or for the detailed plans and designs required, nor for the operation of the works delivered to EPM. It requests that EPM be sentenced to pay the Consortium 70,000,000,000.	71,292
	Aura De Jesús Salazar Mazo	Collective right of approximately 113 people who each claim $1,133,400 for Consolidated loss of earnings and $78,753,854 for future loss of earnings, for destroying, interrupting, and cutting off the ancient horseshoe paths that lead from the Alto Chiri village of the municipality of Briceño to the corregimiento Toledo Valley.	32,672

Business	Third	Claim	Value
	Guzmán Bayona e Hijos S EN C	Declare the Mining-Energy Planning Unit (UPME) and the Empresas Públicas de Medellín E.S.P. extracontractually, patrimonially, and jointly and severally liable for the de facto route in which they incurred when awarding and installing electrical wiring towers on a mining concession area without previously coordinate and without mediating administrative act or judicial resolution for the affectation of the acquired rights.	24,319
	Obras Civiles e Inmobiliarias S.A. - Oceisa	That it be declared that EPM's breach of the main obligation to deliver studies and designs prevented the execution of the contract by OCEISA and that it is not contractually responsible for those portions of the work that could not be executed by third parties due to events beyond its control. the parties that prevented the normal execution of the contract.	16,075
	Unión Temporal Nueva Esperanza	Declare that EPM breached and unbalanced the contract CT-2013-000641 whose purpose was the execution of the construction and electromechanical assembly works of the 230KV transmission lines Guavio - Nueva Esperanza and associated reconfigurations paradise - Nueva Esperanza - circus and paradise-New hope - Saint Matthew.	11,033
	Various labor	176 processes under $478 with an average of $61.	10,682

Business	Third	Claim	Value
	Dayron Alberto Mejía Zapata	Material Damages: Loss of Profits: calculated at $569,000,923, an amount that must be updated in accordance with what has been proven; Moral damage: estimated at 100 smmlv .; Damage to health: estimated at 100 smmlv .; And, Damages to Constitutional Assets: estimated at 100 smmlv ., all of the above for each of the plaintiffs, or failing that, the maximum granted by the jurisprudence for similar cases, for a total to date of 4,500 smmlv. .	10,105
	Martha Cecilia Arango Usme	That it be declared that EPM occupied the property or plot of land located in the urban area of Medellín called ASOMADERA owned by the plaintiff without having exhausted any legal process or mechanism against my client; that is, by means of a de facto route, to install in this abusive way some electrical energy towers and electrical conduction lines, entailing irreversible damages and affectations that must be repaired.	8,215
	Osmalia Beatriz Atencio Chaves	That EPM and others be declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, as a consequence of the emergency caused by the future Ituango hydroelectric plant that generated the overflow of the Cauca River and even the July 26, 2019. That the defendant entities be ordered to pay, for each of the plaintiffs, $87,780,300; loss of earnings for 14,633 SMLMV, future loss of earnings until the end of the alerts; for the affectation to constitutional assets, 100 SMLV.	8,136

Business	Third	Claim	Value
		For subsidiary sentence to $5,000,000,000.	
	INMEL Ingeniería S.A.S.	Condemn EPM to repair the BGA Line Consortium for the damages suffered, in proportion to its participation in the contracting consortium (80%), after the presentation of the offer, execution, execution and improvement of the contract CT 2016 001695, where there were unforeseen situations and circumstances not attributable to the contractor that substantially varied the defined execution conditions and made compliance more onerous for the contractor and that the contracting party failed to comply with insofar as it refused to restore the financial balance of the contract.	7,324
	Radian Colombia S.A.S.	That it be declared that between EPM and Radian Colombia SAS the work document No. CT-2015-002500-A1 existed and was perfected, the purpose of which was: “Construction, replacement and maintenance of networks, connections and accessory works of the infrastructure of the EPM aqueduct networks”. That EPM failed to comply with the work act, specifically clause 1.4, PC-2015-003025, and its obligation to pay the additional administrative and locative resources required of	7,304

Business	Third	Claim	Value
		Radian Colombia SAS for the care of the northern zone that was assigned after the improvement of the work certificate.	
	Darío De Jesús Pérez Piedrahíta	That the defendant be declared 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, which led to the unlawful damage caused to the plaintiffs / by the imposition of easements in compliance with a power generation plan that has produced significant damage to the actors, both material and moral.	6,748
	VELPA Soluciones Integrales S.A.	EPM is ordered to pay the amount of damages suffered by VELPA Soluciones for having rejected its proposal within the contracting process no. 2009-0927 and having been awarded to the firms ELECTROLUMEN Ltda. and MELEC SA, as well as the amount of the sums that VELPA SOLUCIONES INTEGRALES SA will no longer receive, due to the impossibility of contracting with the State for a period of 5 years, as a result of the decision adopted by EPM.	6,540

Business	Third	Claim	Value
	Aures Bajo S.A.S. E.S.P	That the nullity of the contract CT-2015-00363, of energy supply, entered into between AURES BAJO SAS and EPM, be declared null and void, the former made an error that vitiated its consent because of having known that the circumstances of the time of entry into operation of the future Ituango hydroelectric plant would not affect the price agreed in the supply contract and its variation over time, it would not have been entered into. That the parties be ordered to be restored to the same state they were in before the celebration.	5,996
	VELPA Soluciones Integrales S.A.	That EPM's decision to reject the proposal presented by the company VELPA SOLUCIONES INTEGRALES SA., be declared null and void, within the framework of the contracting process PC-2009-0974 opened by EPM, for allegedly being disqualified from contracting with EPM and condemning it to pay the amount of the damages suffered due to the rejection of the claim in contracting process No. 2009 - 0974 and of the sums that it will stop receiving as a consequence of the impossibility of contracting with the State for a period of 5 years, as a result of the decision adopted by EPM.	5,849
	Mateo Aristizábal Tuberqui	That EPM is administratively responsible for the entire material and immaterial damages caused to the plaintiffs OSCAR AUGUSTO ARISTIZABAL VILLEGAS, ILDA MARÍA TUBERQUIA SEPÚLVEDA, MATEO ARISTIZABAL TUBERQUIA, MARISOL ARISTIZABAL, for the damage that occurred during the months of November and December of the year 2009 and which derives from the operation of the Guatapé	5,838

Business	Third	Claim	Value
		hydroelectric plant, which in turn uses the Peñol-Guatapé reservoir.	
	Unión Temporal Montecz Ltda. Conequipos Ing. Ltda. Gagas Ltda.	That in execution of contract No. 6100508 of 1997 and its corresponding modifications, entered into between EPM and La Unión Temporal CONEQUIPOS ING.Ltda.- MONTECZ Ltda. - SAGAS Ltda., a breach of contract occurred against the contracting Consortium and has not been covered or solved by EPM and that, by virtue of the economic imbalance of the Contract and its corresponding modifications, EPM owes the Temporary Union CONEQUIPOS ING. Ltda. - MONTECZ Ltda. - SAGAS Ltda., the sum of $4,002,725,512. figure settled on 12/31/1998.	5,558
	SMARTGROWTH S.A.S	Declare that EPM is responsible for the unlawful damage and the material damage caused to the plaintiffs by the actions and omissions in the constitution of the non-formalized electrical easement on the rural property called La Cascajera, of the Municipality of Madrid (Cundinamarca) and the damages materials caused to the plaintiffs by the affectation to the developed mining economic activity. That EPM be ordered to remove the electrical power wiring that runs through the property and to repair the damage caused for $1,477,586,746.	5,287

Business	Third	Claim	Value
	Martha Lucelly Arboleda Betancur	That the damages that have been caused by the death of Mr. Ramiro de Jesús Arboleda Monsalve and the injuries to Mrs. Martha Lucelly Arboleda Betancur be recognized and cancelled, in consideration of the quality in which each of the plaintiffs acts, specifying the same in moral damages, damage to health, psychological damage, for the affectation of conventional and constitutionally protected assets and material damages in the modality of loss of profits and consequential damages.	5,146
	VELPA Soluciones Integrales S.A.	That EPM be sentenced for the amount of loss of profits and consequential damages suffered, since contract CT 2009 0220 was declared suspended, and the eventual decision to have terminated the contract based on grounds such as a non-existent cause and for the sums that VELPA Soluciones Integrales SA will no longer receive, due to the impossibility of contracting with the State for a period of 5 years, and this, based on the contracts entered into exclusively with the State during the year 2009 and its projection for the next period of 5 years.	4,666
	International Bussines Group S.A.S.	The plaintiff requests the declaration of responsibility of those summoned for the damages suffered by the narrated facts and the sentence to pay the material damages, in its meaning of: consequential damages, consolidated loss of profits and future loss of profits.	4,586
	Carmen Ercilia Rúa Duque	That Empresas Públicas de Medellín be declared administratively and civilly responsible for all property and non-property damages caused by the death by electrocution of	4,295

Business	Third	Claim	Value
		Alejandra Camila Henao Rúa that occurred on September 10, 2016.	
	AXEDE S.A.	Loss of profits for having affected their right to free competition, given the actions and omissions carried out by Empresas Públicas de Medellín EPM and the company MVM Ingeniería de Software.	4,280
	Inversiones Gallego Tobón S.A.S.	Material damages derived from: construction of two synthetic fields, $408,000.00; Clearing of the courts, $30,000,000; installation of the gym $400,000,000, rental fee for 48 months, $336,000,000; labor expenses $700,000,000; advertising and marketing expenses, $400,000,000; paid utilities, $210,000,000; stationery and toiletries, $400,000,000; purchase gym equipment, $107,000,000; future loss of earnings, $1,416,371,947, moral damages, 500 SMLMV, physiological damage 500 SMLMV, loss of opportunity, for the 5 natural persons, 500 SMLMV.	4,142
	Zandor Capital S.A. Colombia	Requests the annulment 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 restoration of the right an initial claim of five thousand (5,000) million pesos.	3,735

Business	Third	Claim	Value
	Albeiro De Jesús Valencia Pérez	The plaintiff requests the payment of social benefits and the moratorium sanction, from July 9, 2010, until the total amount owed by all the plaintiffs is paid, in order to obtain payment of the sentence issued by the Eighth Court (08) Labor for Decongestion of the Medellín Circuit in the labor lawsuit filed 05001-31-05-005-2011-0135-00, in which EPM was not a party to the process.	3,690
	Depósito de Buses Coonatra Copa S.A.S.	Lost profit. Estimating from the entry into operation of the logistics center (January 1, 2019), until September 30, 2019, at an estimated $280,740,048 per month. Emerging damage, for payment of salaries and social benefits of the personnel who have provided permanent custody services of the property and its maintenance, from December 2018, until September 30, 2020, provided that, as holder of the real right domain, in any case, is responsible for the conservation and custody of the property.	3,659
	OPTIMA S.A.	That CORANTIOQUIA AND EPM are jointly and severally and administratively responsible for all the damages, patrimonial and non-patrimonial, caused to OPTIMA SA Construction and Housing and Promotora ESCODIA SA, as a consequence of the breach of the duty of care, prevention, protection, maintenance, recovery and other actions, which guaranteed the balance and sustainable development of the environment in the Cuenca de las Brujas, Loma de las Brujas and Cuenca del Ayurá in the Municipality of Envigado.	3,358

Business	Third	Claim	Value
	Humberto De Jesús Jiménez Zapata	That the process be brought forward as a group action in accordance with Law 472 of 2008, against the future Ituango hydroelectric plant and EPM Ituango SAESP, so that the living conditions of the plaintiffs, who were stable, are respected, and the values that are relative to each one of the families and people registered, declaring that the future Ituango hydroelectric power plant did not duly pay the values and compensation to each one of the families and people who were registered, in accordance with the manual of unit values .	3,084
	Diversión Center S.A.	Declare that EPM is administratively responsible for the material damages and loss of profits caused to the company Diversion Center SA, due to acts and omissions, that is, failure in the service, by having ordered in an arbitrary, unilateral and abusive manner, the disconnection of the service. public power supply that supplied the ice rink called Pard on Ice, owned by the plaintiff company Diversion Center SA, as of 07/23/2009 at 11:50 am, thus preventing it from carrying out all the activities that up to that time constituted its corporate purpose.	3,063
	Hilos Hebratex S.A.S	Claim for the use or benefit for the five months of the year 2012, $474,987,000; for the twelve months of 2013, $1,271,857,300; for the six months of the year 2014, $1,170,634,000; For the paralysis during the 25 days it took to repair the engines and the repair and delivery of the machines, $82,125,000; for the repair of the machines, $2,400,000; payroll payment during the 25 days of paralysis of	3,033

Business	Third	Claim	Value
		the company, $4,172,646; production materials that were damaged, $2,312,000; rental payment during the twenty-five days of business paralysis, $2,348,000.	
	Oscar Jaime Restrepo Molina	Due to frustrated profits, due to the decrease in the contracts that it could have had with EPM and its inability to contract with it, as a result of the presentation of the complaint that was formulated with the company, the suspension of the contracts that were they were running.	2,968
	INCIVILES S.A.	The nullity of resolutions 0041 of January 21, 2005 and 00283 of April 21, 2005 of EPM is declared, where the risk of breach of contract No. 020113590 between EPM and INCIVILES was declared.	2,918
	Carlos Augusto Jiménez Vargas	That it be declared that the defendants are jointly and severally liable for all the damages suffered by the plaintiffs due to the sewerage works of Centro Parrilla.	2,797
	María Isabel Lora López	That EPM be declared administratively responsible for all the patrimonial and non-patrimonial damages caused to the plaintiffs due to the death of the minor named Mónica Andrea Lora López and the injuries suffered and continues to be suffered by María Isabel Lora López; for the events that occurred on 02/02/2000 in the Causes de Oriente neighborhood of the municipality of Medellín.	2,758

Business	Third	Claim	Value
	Gustavo Vélez Correa	That it be declared that EPM is administratively responsible for the economic damages caused to the plaintiff in the fact that the plaintiff is the holder of a mining concession contract over the area that EPM required for the imposition of easement and expropriation, related to the Valle de San Nicolás, in the jurisdiction of the municipality of El Retiro.	2,648
	Luis Fernando Uribe Benjumea	That EPM be declared administratively responsible, for the damages caused to the plaintiff as a consequence of the omission in the full payment of the rock infrastructure, dynamite and labor in the vein in the village of La Bramadora in the municipality of Guadalupe. The defendant is ordered to recognize and pay for consequential damage, the sum of $3,000,000 for each one of the 600 meters drilled inside the sinkholes.	2,532
	José Duván Muñoz Echeverri	Declare EPM contractually liable for consequential damages and lost profits.	2,441
	Ingeniería Total Servicios Públicos S.A. E.S.P.	That it be declared that EPM failed to comply with Contract CT-2010-0499, whose purpose was the "Construction and replacement of water and sewage networks in the Moravia neighborhood of the municipality of Medellín and paving of the roads affected by these works...". That, as a consequence of said breach, the economic balance of the Contract was broken and he is responsible for reestablishing said balance.	2,371
	Consorcio Redes Cuencas	Declare that EPM was unjustly or illicitly enriched with the execution of contract CT-2014-000377-A1, not perfected, reason for which it must compensate the	2,366

Business	Third	Claim	Value
		alleged impoverishment suffered by the Redes Cuencas Consortium.	
	Germán Alcides Blanco Álvarez	It requests the recognition of 100 SMLMV on the occasion of the diagnosed and firm incapacity for work, of 17.79%, causing a decrease in his work and physical activity, a detriment to the assets that will enter Mr. Germán Blanco Álvarez due to the accident of 04/29/ 2011, where damages were caused to the plaintiffs.	2,356
	Darío Sepúlveda Hernández	The convener requests that the damages generated by the construction of the PH Porce III be covered, due to the abandonment he had to make of his ranch and his activity as a barequero at the height of the Las Brisas and Remolino sites, due to the breach of the agreements those who arrived with EPM.	2,350
	Municipio de Copacabana	That the defendant EPM be sentenced to pay the money not collected for having partially breached contract 8405949 of 10/14/1999 on tax obligations by not collecting the public lighting rate from the industrial and commercial sectors, during the periods of 2007, 2008, 2009, 2010 and part of 2011 and, for this reason, is responsible for the economic losses suffered by the municipality of Copacabana.	2,325
	Eurocerámica S.A.	It is intended that EPM recognize and pay the sum of three billion one hundred three million five hundred seventy-eight thousand nine hundred three M/L pesos ($3,103,578,903), allegedly misinvoiced by EPM.	2,276

Business	Third	Claim	Value
	Rafael Segundo Herrera Ruiz	It is declared that EPM and others are jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant .	2,262
	Wilfer De Jesús Sosa ÁLvarez	The entities are declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant.	2,180
	Ruby Susana Arrieta	The entities are declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant .	2,180
	Dennis Esther Sehuanes Angulo	Declare that the municipality of Medellín, the Government of Antioquia, Empresas Públicas de Medellín, the municipality of Ituango and the municipality of Tarazá are administratively responsible for the unlawful damages caused to the plaintiffs, on the occasion of the immediate evacuation of their properties, leaving also its commercial activities due to the overflow of the cauca river that has brought a great alteration to the constitutional and conventional rights of the plaintiffs.	2,169
	Wilfran Enrique González Castro	The entities are declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant.	2,165

Business	Third	Claim	Value
	Javier David Cort´ws Vanegas	For past due and future loss of profits and consolidated emerging damage, and for EPM to assume commitments with the community to adopt the necessary measures to improve safety conditions and selection of its contractors.	2,159
	Edwin David Yepes García	EPM and others are declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant	2,149
	Vidal Antonio Banquez Polo	The defendant entities are declared jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages caused to the plaintiffs, due to the overflow of the Cauca River that originated in the future Ituango hydroelectric plant .	2,143
	Luis Guillermo De Bedout Piedrahita	That it be declared that the real estate lot No. 2, real estate registration No. 01N-445794, belongs to the full and absolute domain of the plaintiffs, and that, by virtue of the foregoing, EPM be ordered to return that real estate to them; that EPM be sentenced to pay the civil or natural fruits obtained from the moment the possession begins, until the moment the property is handed over.	2,111

Business	Third	Claim	Value
	Katerine Miranda Miranda	Declare the CCC Ituango Consortium, EPM, the Mayor's Office of Medellín and others, jointly and severally and administratively responsible for all the patrimonial and non-patrimonial damages and losses caused to the actors, as a consequence of the emergency generated by the overflow of the Cauca River and even on July 26, 2019, the date on which elevation 435 of the future Ituango hydroelectric plant was completed and the National Disaster Risk Management System changed the status from red to orange. Moral damages 100 SMLMV; loss of earnings $12,844,891 and property damage 100 SMLMV.	2,106
	Moraine Olave De Larios	Relatives of a former Integral worker who died in the future Ituango hydroelectric power plant , demand full compensation for damages, for moral damages caused. Solidarity.	1,484
	Rubén Darío Escobar Villa	It is declared that within the labor relationship the plaintiff executed working hours in the availability modality, without these times having been paid.	1,205
	Rosa Disney Quintero Flórez	The families of deceased former employees of the contractor Consorcio Redes de Iguaná sue, made up of the companies Sanear SA and Paecia SAS Likewise, Seguros del Estado SA, Sociedad Estudios Técnico SAS and Seguros Generales Suramericana SA were sued.	1,168
	Juliana Urrea Giraldo	It is intended to declare the employer's fault of the MISPE Consortium and jointly and severally to EPM, for the payment of patrimonial and non-patrimonial damages.	825

Business	Third	Claim	Value
	Glenis Margoth Martinez Paternina	The plaintiff requests a survivor's pension of professional origin, together with default interest. Definitive social benefits. Contributions for comprehensive social security. Compensation moratorium of art. 65 of the CST. Compensation for full fault of damages of art. 216 of the CST, due to employer fault; non-pecuniary damages for non-pecuniary 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 a work-related accident and the death of your spouse.	654
	Efrain Villa Escobar	Salary leveling. Former EPM employee states that during the period from January 1, 2007 to August 31, 2014, he performed the functions of Professional B, when he was paid as Professional A, and for the period from September 1, 2014 to March 31, 2017, he performed the functions of a Professional C and was paid as a Professional B and for this reason he is entitled to said salary recognition.	580
	Ledy Xiomara Patiño Bedoya	Spouse of ROR Engineering worker requests compensation for work accident of partner who died.	557
	Luis Eduardo Henao Ospina	Former contractor worker Radian Colombia requests payment of social benefits and compensation for unfair dismissal.	500
	Jorge Alberto López Guzmán	That it be declared that the functions that the plaintiff carried out in EPM are typical of another position, such as operation and maintenance technologist and services in category and salary, consequently sentenced to reassess and/or readjust to the act the salaries, social benefits, legal and	478

Business	Third	Claim	Value
		extralegal, on remuneration for night work, overtime, Sundays and holidays, and the IBC for pensions destined for Colpensiones.	
	Ciudadela Comercial Unicentro Medellín PH	Decree the nullity of the administrative act issued by EPM with filing 20190130037817 of 2019-02-27. Order the restoration of the right to the plaintiff through the cessation of the collection of the electric energy tax contemplated by Law 142 of 1994, Law 143 of 1994 and Law 223 of 1995; and, make the return of what was paid for said concept from January 1, 2017 and until the date of judicial notification that ends the process.	279
Total EPM			**1,297,185**
Aguas Regionales	Consorcio CICE	Acknowledgment of cost overruns related to damages, due to longer stays on site due to the presence of unpredictable physical conditions, claims for higher socio-environmental and financial costs.	64,038
	Dayron Alberto Mejía Zapata and others	Acknowledgment of material and moral damages, compensation.	11,432
	Consorcio Buenos Aires y otros	Declare breach of contract(s) by Aguas Regionales EPM SAESP and liability for damages suffered by the plaintiffs, ordering them to pay consequential damages, lost profits and damages caused by non-payment of the aforementioned sum of money.	4,138
	Darly Bibiany Cabezas	Compensation for damages due to full fault of the employer in a fatal accident.	285
	José Ariel Palacio Duque	Solidarity, settlement of salaries, benefits and social security, moratorium compensation.	149
Total Aguas Regionales			**80,042**
ESSA	Tomon Ltda. and others	Declare the existence of a strategic alliance contract between ESSA and the Temporary Union of San Gil Iluminado.	14,174

Business	Third	Claim	Value
	Carlos Gerardo Hernandez Florez and others	Material and moral damages caused by service failure / loss of profit, consequential damage.	13,169
	Agustin Rangel Bermudez and others	Processes for amounts less than 500,000,000.	10,016
	Edgar Darío Gelvez López and others	Declare the existence of an employment contract with the company Electrificadora de Santander SAESP - ESSA and its responsibility for an accident at work and full and ordinary compensation for damages contemplated in Art. 216 of the CST.	3,098
	Promotora Agrotropical Colombiana SAS	Declare breach of commercial offer No. ON-013-2008, ordering ESSA to pay damages.	1,190
	José De La Cruz Carreño Acevedo	Declare the permanent occupation of the private property by Electrificadora de Santander SAESP, on 10 urban lots owned by Mr. José de la Cruz Carreño Acevedo since mid-September 2016.	841
	Hermides Pineda Silva	Declare ESSA and Illumination Yariguies SA jointly and severally liable administratively and non-contractually for the damages caused to the plaintiffs as a result of the death of Robert Andrés Pineda Balaguera.	612
	Sindicato de Trabajadores de la Electricidad de Colombia, SINTRAELECOL	Recognize and comply at present and in the future with the agreements set forth in the collective labor agreement signed between Sintraelecol Sectional Bucaramanga and Electrificadora de Santander SAESP signed on June 9, 2003, but valid for four years from November 1 from 2003.	506
Total ESSA			**43,606**
CHEC	María Marleny Montoya de García y otros	Patrimonial/material and moral damages .	16,161
	William Agudelo Valencia y otros	Conventional retirement.	12,100
	José Gustavo Morales Guarín y otros	Loss of profits and moral damages, compensation.	2,563

Business	Third	Claim	Value
	Positiva Compañía de Seguros S.A.	Return of mathematical capital reserve.	1,157
	Juan Camilo Arroyave Giraldo	Damages	553
	José Jari Granada y otros	Permanent travel expenses - social security contributions	347
	Mario Romero Londoño	Employer's fault work accident	246
	Carlos Eduardo Jerónimo Arango	Reliquidation of pension allowance.	174
	José Alcides Carvajal Taborda	Recognition 100% allowance 14.	173
Total CHEC			**33,474**
EMVARIAS	Fernando Moreno Ortiz, JAC La Cejita	Declarative.	10,569
	Maribel Silva Castrillón, María Soraida Usme Quintero and others	Reality contract.	6,321
	Gabriel Hernan Rua and others	Direct repair-	3,399
	Sorleny Correa Montiel and others	Loss of profit.	1,847
	Ligia de Jesus Usuga de Giraldo	Extra-contractual civil liability	1,374
	Jesus Gregory Valencia	Change of modality from public worker to official worker.	963
	Aleyda Patricia Chaverra Sierra and others	Failure in the service - repair of the damage caused	590
	Ligia Stella Sierra Valencia and others	Salary equalization / Nullity and reestablishment of labor law.	231
	John Jairo Mesa Isaza and others	Employer fault.	213
	Luz Marina Molina Pulgarin and others	Conventional retirement pension / Pension substitution / Penalty pension.	188
	Joel Suarez Mira	Nullity termination resolution.	55
	Fabiola Londoño Higuita and others	Labor responsibility for solidarity with Comultrevv.	53
	Beatriz Elena Restrepo Rendon and others	Solidarity with Corprodec / Asobarbosa.	48
	Gloria Luz Ospina Gutierrez	Call for invalidity guarantee and reestablishment of the right.	35
Total EMVARIAS			**25,886**
CENS	Mariana Bautista Ortiz and others	Moral damages, material damages, lost profits.	12,875
	Nubia Boada Dueñas and others	Continuity in the payment of 12% on the pension allowance, reintegrate the discounted contributions from the moment the pension is shared, duly indexed and payment of default	2,496

Business	Third	Claim	Value
		interest of art.141 of Law 100 of 1990, plus costs of the process.	
	Orlando Emiro Contreras Velasco	Declare the right to readjust the pension, taking into account the parameters indicated in article 1 of Law 71 of 1988, ordering CENS to pay retroactively the sums not paid and that are settled when applying the highest increase. That it be sentenced to recognize and pay the interest for late payment referred to in article 141 of Law 100 of 1993.	2,215
	Other administrative and labor processes	Other administrative (7) and labor (16) processes, with an amount less than $250 million.	1,640
	Paht Construcciones SAS	Order the liquidation of Contract CT-2015-000070, where CENS SA ESP, must readjust the contractual equity in favor of Paht Construcciones SAS, with the application of the theory of unpredictability, as well as the sums for supplementary payment of the act No 6 for works executed, recognized and not paid.	1,526
	Carlos Augusto Rangel Alvarez and others	Recognition of conventional benefits / compensation payment for unfair dismissal.	719
	Cable Guajira Ltda. and others	Declare CENS SA EPS and/or UNE EPM Telecomunicaciones SA, responsible for the contractual breach by not applying the rates and the formula for use, access and payment of the shared infrastructure provided for in CRC resolution No. 5283 of 2017 and incorporating them into the contracts. of infrastructure lease signed with the plaintiff companies Cable Guajira Ltda , Cable Éxito SAS and Cable Digital de Colombia SAS.	350

Business	Third	Claim	Value
	Nury Leticia Rodriguez Benitez	Declare the non-existence of the residential sewerage easement in charge of the alleged servient estates, in favor of the alleged dominant estate, called Palujan #1.	286
	Other civil processes	Other civil proceedings (3) with an amount less than $250 million.	52
	Condominio Centro Comercial La Estrella P.H.	Declaration of the non-collection of the energy tax claimant and therefore, nullity of resolutions No. 20191030011621 and 20191030015458, ordering the cessation of collection of the tax and the return of the amounts paid.	25
Total CENS			**22,184**
EDEQ	Maria Amparo Fernandez Gil and others	Direct reparation for death of relatives of the plaintiffs.	5,147
	Danielly Arcila de Gil and others	Declare the defendants administratively, non-contractually, jointly and financially liable for the injuries suffered by the plaintiffs in different events.	3,352
	Campo Elías Buriticá Herrera and others	Declare the employer's fault in the work accident suffered, having to pay the affected party and his family, material damages (future and consolidated loss of earnings) and immaterial damages (moral damages and damage to health).	789
	Nelson Forero Perez and others	Reliquidation and compensation for unfair dismissal.	67
	Clara Inés Arbelaez and others	Reliquidation of severance pay and interest, social benefits and readjustment of salaries and bonuses, interest on arrears and costs and expenses incurred as a result of the process / Declare the existence of workplace harassment and payment of the sanction and compensation for dismissal without just cause.	64
	John of God Botero	Request for restitution of the part of the " Vista Hermosa" farm that	12

Business	Third	Claim	Value
		was occupied by electrical networks.	
Total EDEQ			**9,431**
Aguas Regionales	Maria Ines Osorio Montoya	Condemn the municipality of Apartadó and Aguas Regionales EPM, to pay material damages (current and future), moral and damage to health, on the occasion of the death of the young Cesar Augusto Jiménez Osorio, determined by the injuries suffered in the events that occurred on June 1, 2016 in the city of Apartadó.	2,955
	Elsa Rubiela Henao Perez	Condemn the municipality of Apartadó and Aguas Regionales EPM to pay the material and immaterial damages caused by the failure in the service derived from the paving work on Calle 104, 106 and 107 in the Laureles neighborhood.	577
	Rosmery Velasquez Herrera	Condemn Aguas Regionales EPM SA ESP to return the property to its owners, pay the civil fruits, commission the competent police officer to enforce the order, and order payment of the costs of the process/Other administrative costs.	123
	various administrative	Various minor administrative.	2
Total Aguas Regionales			**3,657**
Aguas de Antofagasta	Soto con ADASA	C-4372-2019 Demand compensation for damages for non-contractual liability.	935
	Compañía de Seguros Generales Continental / Aguas de Antofagasta S.A.	C-422-2021 Lawsuit for compensation for damages caused on the Loa routes, which ends with a fatal accident.	279
	Robledo con Soc. MyC ingeniería	O-30-2020 Lawsuit for compensation for damages caused on the Loa routes, which ends with a fatal accident.	236
	Límari / Ezentis Chile S.A.	O-5919-2020 Lawsuit for compensation for damages, due to a fall in the camera cover on Grecia Avenue, Antofagasta.	211

Business	Third	Claim	Value
	Arzobispado de Antofagasta	Lawsuit for waterlogging of AS in chapel, for two events of AS.	140
	Inmobiliaria Bicentenario Ltda. / Aguas de Antofagasta S.A.	C-4468-2020 Compensation for damages for damage to people (faucet fall).	140
	Piñones / Aguas de Antofagasta S.A. and others	2105-2021 Guardianship for violation of fundamental rights. In subsidy, unjustified dismissal, payment of benefits and nullity of the dismissal (ADASA's responsibility is pursued in a subcontracting regime).	161
	MEZA / G4S Security Servicios	T-274-2021 MEZA / G4S Security Services Compensation for work-related accidents (the responsibility of ADASA is intended in a subcontracting regime).	70
	Pacuri con Consultora Ambiental y Servicios Varios Ltda.	T-61-2020 Unjustified dismissal, collection of benefits (ADASA's responsibility is pursued in a subcontracting regime).	48
Total Aguas de Antofagasta			**2,220**
ELEKTRA NORESTE SA	Inversiones Chugani and others	Civil lawsuit for damages from contract cancellations.	1,493
	Osman Moreno and others	Labor demand.	104
Total ELEKTRA NORESTE SA			**1,597**
Aguas de Malambo	T & A Proyectos Ltda.	Problematic additional amounts of work and greater permanence of work in the execution of contract No. 22-2012.	809
	Nelson Mercado Luna	Payment of invoice No. 0095, by virtue of supposed works carried out to attend to emergencies in Cra 22 with Calle 22 of the Municipality of Malambo.	201
	Fabian Bacca Jimenez	Recognition of employment relationship acquired in the years 2015 and 2016, and consequently, the payment of vacations, bonuses, severance pay, bonus for signing the convention and compensation for dismissal without just cause.	21

Business	Third	Claim	Value
	Emer Enrique Conrado Anguilla and others	Declare responsibility for material damages, to health, to other assets and/or rights conventionally and constitutionally protected and in general of any other type that is proven, caused as a result of the failure to provide the service.	14
Total Aguas de Malambo			**1,045**
EPM Inversiones	DIAN - Directorate of National Taxes and Customs	Pay the indexation or monetary correction on the sum of money owed since it was consolidated as a balance in favor of EPM Inversiones SA in the income tax return and complementary documents for the year 2013 and on the penalty for inaccuracy in the event of having had to make the payment. this.	149
Total EPM Investments			**149**
Total contingent liabilities			**1,520,476**

Amounts stated in millions of Colombian pesos

With respect to the uncertainty in the estimated payment date and the estimated amount to be paid, the same business rules indicated in note 28 apply to contingent liabilities. 1.2. Litigation.

In the Group, EPM also has as contingent liabilities, Environmental Penalty Procedures, 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, 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
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.
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 and 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.
National Environmental Licensing Authority "ANLA"	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). 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.	It is not possible to know the sanction to be imposed. Vital-registered decadal 35000811014798 19080 of February 18, 2019. Presentation

National Environmental Licensing Authority "ANLA"	Not having implemented the environmental management measures established in the Environmental License granted for the Development of the Project "Construction and Operation Hydroelectric Pescadero – Ituango related to the management and the proper disposal of the residual excavation material of the construction of the route Puerto Valdivia by throwing them On the slopes of the road and the water sources "Cauca River" and "Quebrada La Guamera"; and, to have formed the deposits "La Planta" and "Cacharime" less than thirty meters (30 Mts) from the water source "Cauca River". (SAN0046-2019_Auto 0523 of 2016).	It is not possible to know the sanction to be imposed. Vital-registered Descargo-based Earnings No 35000811014798 18053 of 1 June 2018. Presentation
National Environmental Licensing Authority "ANLA"	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. 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 phase. 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 Botadero Areas" disposition of plant material mixed with inert material within the deposits and lack of signaling of the material disposal zones that remain active. 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).	It is not possible to know the sanction to be imposed. Decadergo-on-the-file 2018041852-1-000, April 10, 2018 Presentation
Forest, Biodiversity and Ecosystem Services Division of the Ministry of Environment and Sustainable Development	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). Discargo duty with registered E1-2017-032747 of November 28, 2017_Probation period Auto June 273, 2018. Presentation	It is not possible to know the sanction to be imposed. Summary of allegations of conclusion on 9 June 2021. Presentation
National Environmental Licensing Authority "ANLA"	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: 1. Not to have 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. By the contingency associated with the Auxiliary Deviation System. *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)	Without any charges, counsel considers it possible. The opinion of the expert expert expert expert (Poyry) for the lifting of the preventive measure was submitted on 30 December 2021. To date, no charges have been made.
National Environmental Licensing Authority "ANLA"	*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". *No charge formulation available. (SAN0001-2019_Auto 0060 of 2019)	Without any charges, counsel considers it possible.

National Environmental Licensing Authority “ANLA”	1. Dumping on intermittent dry channel X=1157241 and Y=1281506 coordinates 2. Discharge to the rain water channel from the mixer wash system located in the industrial zone of main works THE ANLA opened a sanctioning file but it has not been formally initiated. 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.	Without any charges, counsel considers it possible.
National Aquaculture and Fisheries Authority_“AUNAP”	*Start preliminary investigation for affects to fishing activity during the closing of the machinery house gates. *No charge formulation available. (No file AUNAP_Auto 002 of February 14, 2019).	Without any charges, counsel considers it possible.
National Environmental Licensing Authority “ANLA”	Repeated non-compliance with imposed obligations. Auto 11359 of December 19, 2019. SAN0284-00-2018 _December 19, 2019_.	Situation not resolved. To date, they have not made any charges.
National Environmental Licensing Authority “ANLA”	HYDROELECTRIC ITUANGO S.A. E.S.P. – HIDROITUANGO S.A. E.S.P. Non-compliance Contingency Obligations: - 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. Auto No. 2423 of March 30, 2020, by which environmental sanction procedure is initiated. SAN0030-00-2020_ March 30, 2020_ To date no charges have been filed.	Situation not resolved. Charges were filed by Auto 9812 of 18 November 2021 and charges were filed on 13 December 2021.
National Environmental Licensing Authority “ANLA”	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 means of Auto No. 06576 of July 13, 2020 SAN1285-00-2019 _ July 13, 2020_ To date no charges have been filed.	Situation not resolved. To date, they have not made any charges.
National Environmental Licensing Authority “ANLA”	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. Initiation of the environmental sanction procedure by means of Auto No. 07774 of August 14, 2010 SAN1258-00-2019 _ August 14, 2020_ To date no charges have been filed.	Situation not resolved. To date, they have not made any charges.

Guarantee

Company	Third	Pretension	Value
ELEKTRA NORESTE S.A.	Generating companies	Guarantee of compliance to provide credit security and fulfillment of obligations under energy purchase contracts.	155,683
	National Public Services Authority	Performance bond to guarantee the fulfillment of the obligations entered into in the Concession Agreement.	59,717
	Empresa de Transmisión Eléctrica, S. A.	Bank guarantee to guarantee payment of one month of billing of the Transmission System.	38,371
	Empresa de Transmisión Eléctrica, S. A.	Letter of credit as a guarantee of payment of energy purchase costs in the occasional market.	13,337
	Operator Regulatory Entity of El	Letter of credit as a guarantee of	1,375
TOTAL ELEKTRA NORESTE S.A.			**268,483**
Total Contingent liabilities Security Warranties			**268,483**

Amounts stated in millions of Colombian pesos -

Other-Disputes

Company	Third	Pretension	Value
AGUNAL	Consorcio HHA	There is a contractual, non-legal dispute arising from the construction of the Aguas Claras plant in relation to time, engineering, design and financial issues.	437,112
Total AGUNAL			**437,112**
Total Contingent liabilities Other			**437,112**

Amounts stated in millions of Colombian pesos -

28.3.2 Contingent Assets

Business	Third	Claim	Value
EPM	The Nation Ministry of Health and Social Protection	The Ministry of Health has the legal and constitutional obligation to recognize and cancel the value of the services provided to members in relation to medications and/or procedures, interventions or elements not included in the Mandatory Health Plan (POS).	8,619

Business	Third	Claim	Value
	Constructora Monserrate de Colombia SAS	The expropriation in favor of Empresas Públicas de Medellín ESP for the Project "Expansion of Primary Distribution Capacity in the Western sector of Medellín-Cadena Occidente Tanque Calazans " building called Lot 7, located in the Altos sector de Calazans , of the Municipality of Medellin owned by the Monserrate Construction Society of Colombia SAS.	6,984
	Various Administrative	97 Litigations for less than $922 with an average of $59.	5,702
	Interconexión Eléctrica S.A. E.S.P. ISA	That it be declared that Interconexión Eléctrica SAESP, ISA is civilly liable for not recognizing to EPM, the value that corresponds to it, of the remuneration that ISA received between the years 1995 and 1999, for the line modules that correspond to assets of use of the STN in the Playas and Guatapé substations represented by it, in which there is shared ownership, value that to date has not been made, generating an unjust enrichment by increasing the assets of the defendant at the expense and to the detriment of the assets of the plaintiff.	3,865
	Poblado Club Campestre Ejecutivo S.A.	Declare Poblado Club Campestre Ejecutivo SA, Optima SA Vivienda y Construcción and the Municipality of Envigado responsible for the damage to the collector owned by EPM, which collects and transports wastewater from the sanitary basin of the Honda creek in the Municipality of Envigado, and indemnify EPM for the value of all property damages that are proven by the damage to the collector that collects and transports the wastewater from said sanitary basin.	3,634
	Fiduciaria Bogotá S.A. - Fidubogotá S.A.	Impose in favor of Empresas Públicas de Medellín ESP power conduction easement, on the lot of land or property called La Boca de Pantano, with real estate registration No. 50 C-1497258 located in the rural area of the Municipality of Madrid (Cundinamarca) for the transmission lines at 500 Kv, and for one (1) tower point (with its grounding) of the Nueva Esperanza Transmission project.	978

Business	Third	Claim	Value
	Municipality of Envigado	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; declare the inapplicability of Decree 259 of August 14, 2002 of the Municipality of Envigado (Antioquia), "By means of which urban sanctions are established", for being contrary to the Political Constitution, the Law and the Home Public Utilities Regime. Order, by way of reestablishment of the right, that $655,460,000 be returned to EPM for the sanction imposed in the administrative acts whose nullity is requested.	923
	Corantioquia - Corporación Autónoma Regional del Centro de Antioquia	That the nullity of the Fifth Article of Resolution No. 130 TH – 1302 – 9864 issued by the Territorial Director be declared Tahamíes of "Corantioquia" for the concept of fee for the use of surface water for the period 2011, from the Río Grande source, in a flow of 19.5 m3/ sec . Reimburse to Empresas Públicas de Medellín ESP, the highest value paid for the fee for the use of Surface Water Dec . 155 – 4742, Hydrological Unit: Río Magdalena - Cauca, between January 1, 2011 and December 31, made by invoice TH – 1927 of April 30, 2012. That Corantioquia be ordered to recognize and pay EPM the legal interest, the current interest and default interest that have been legally caused; to the payment of the costs and legal agencies that may arise in accordance with the provisions of article 188 of Law 1437 of 2011 and other concordant regulations.	796
	Municipality of Caloto	That the nullity be declared: -Resolution No. 035 of 2012, (Declares the exceptions proposed by EPM against the payment order not proven and orders to continue with the execution) and, - Resolution No. 039 of 2012, (Resolves appeal for Restitution).//2) That by way of reinstatement, the Municipality of Caloto reimburses EPM any sum that it has paid for ICA, by virtue of what is stated in this lawsuit, and that said sum be returned with commercial	778

Business	Third	Claim	Value
		interests.//3) That the Municipality be ordered to pay the costs.	
	Other Taxes	Process of amount less than $783.	68
Total EPM			**32,347**
CENS	Directorate of Taxes and Customs DIAN	Declare the nullity of the official liquidation of review and return of the highest value paid for income tax.	9,489
	Corporación Minuto de Dios y otros	Impose in favor of CENS SA ESP the public easement for conduction of electrical energy on the properties; build the electrical infrastructure; allow transit through the area; remove crops and other obstacles; build temporary roads and/or use existing ones; prohibit the planting of trees that may hinder the exercise of the easement and registration of the easement sentence.	2,087
	Consorcio CDE Ltda.	Obtain cancellation of the resources owed in favor of CENS.	1,005
	Other criminal, civil and labor proceedings with an amount less than $20 million.	Other criminal proceedings (108), civil (32), labor (9), with amounts less than $20 million.	561
	Undetermined People	That the criminal behaviors that motivate the complaint be investigated, and the payment of compensation be ordered for all the damages caused to CENS.	45
	Municipality of Abrego	Shares and pension titles.	21
Total CENS			**13,208**

Business	Third	Claim	Value
Aguas Regionales	Consorcio Buenos Aires, Consorcio Saneamiento 17 y Seguros Confianza S.A.	The purpose of the lawsuit is to obtain a declaration of contractual civil liability of the Buenos Aires Consortium with respect to the Works Contract and of the Saneamiento 17 Consortium with respect to the Supervision Contract, both signed with ANEPM, for having individually but concurrently failed to comply with obligations acquired in favor of the Company. Its purpose is also to collect from Seguros Confianza SA, as guarantor of compliance with the Supervision Contract, part of the damages to which Consorcio Saneamiento 17 is ordered.	3,291
	Superintendence of Residential Public Services	The nullity of the administrative acts issued by the defendant entity that contains the special contribution official liquidation is declared, by means of which the appeal filed by Aguas Regionales is resolved. As a consequence, the liquidation of the tax object of the appeal is ordered and a lower amount to be paid for the Special Tax is determined.	3
Total Aguas Regionales			**3,294**
Aguas Regionales	Municipality of Chigorodo	Please issue a payment order in favor of Aguas de Urabá SAESP and against the Municipality of Chigorodó, legally represented by Dr. Daniel Segundo Álvarez, in his capacity as mayor, or by whoever takes his place at the time of notifying the lawsuit.	1,843
	various prosecutors	various prosecutors	541
	Corpourabá - Corporación para el Desarrollo Sostenible del Urabá	That the remuneration rate corresponding to the municipality of Apartadó be declared null and void between the period January and December 2014, since it does not correspond to the reality of the loads discharged by the sewerage users of the company Aguas de Urabá SAESP.	379
Total Aguas Regionales			**2,763**
Aguas de Malambo	Municipality of Malambo	A payment order is released against the Municipality of Malambo - Atlántico and in favor of Aguas de Malambo SA ESP. for the interest on arrears of the previous capital from December 31, 2012 until the obligation is cancelled.	1,892

Business	Third	Claim	Value
	Single Notary of Malambo	That the nullity of the Administrative Act be declared, by way of capitalization registration, issued by the Single Notary Office of the Municipality of Malambo - Atlántico, and as a consequence it is reinstated to Aguas de Malambo SAESP	73
Total Aguas de Molambo			**1,965**
Emvarias	DIAN Directorate of National Taxes and Customs	That the nullity of the official letters issued by the Internal Work Group for the Control of Obligations of the Sectional Directorate of Taxes of Medellín be declared null and void, by means of which the requests for correction of the income tax declarations were denied.	1,271
	Marta Nelly Quintero R.	Mortgage Executive.	28
Total Emvarias			**1,299**
CHEC	Cesar Augusto Ocampo Arenas	Elderly retirement.	2
Total CHEC			**2**
Total contingent assets - Litigation			**54,878**

Amounts stated in millions of *Colombian* pesos

Estimated payments and collections

The estimate of the dates in which the Group considers that it will have to face the payments related to the contingent liabilities or will receive the collections for the contingent assets included in this note to the consolidated statement of financial position at the cut-off date, is as follow:

Year	Contingent liabilities	Contingent Assets
To one year	526,469	18,568
To two years	38,243	5,975
To three years	76,184	10,589
To four or more years	1,820,606	27,344
Total	**2,461,502**	**62,476**

-Amounts stated in millions of Colombian pesos-

Note 29. Other liabilities

The composition of other liabilities is as follows:

Other liabilities	2021	2020
Not current		
Collection in favor of third parties	10	10
Payments received in advance[(1)]	3,661	3,965
Government grants	633,964	866,921
Assets received from customers or third parties	26,672	28,682
Other deferred loans	20,950	21,019
Transfer of assets and financial guarantees	36,529	33,820
Total other non-current liabilities	**721,786**	**954,417**
Current		
Collection in favor of third parties	243,152	222,711
Payments received in advance[(1)]	165,488	94,422
Government grants	119,381	780
Assets received from customers or third parties	10	53
Transfer of assets and financial guarantees	11,224	12,440
Total Other Current Liabilities	**539,255**	**330,406**
Total Other Liabilities	**1,261,041**	**1,284,823**

Amounts stated in millions of Colombian pesos -

[(1)] Corresponds to the collection associated with the sale of long-term energy, reliability charge and biller compensation.

29.1 Deferred reinsurance commissions

The detail of deferred reinsurance commissions, which is included in Income received in advance, is as follows:

Deferred revenue for reinsurance comissions	2021	2020
Initial Balance	5,585	5,111
Additions	25,690	12,303
Amortization	(20,809)	(11,829)
Final Balance	**10,466**	**5,585**

Amounts stated in millions of Colombian pesos -

Corresponds to reinsurance commissions of the subsidiary Maxseguros and is included in other income received in advance (see note 29.3).

29.2 Government grants

The movement of government subsidies at the cut-off date is as follows:

Government grants	2021	2020
Initial Balance	867,701	26,453
Granted during the period	2,662	460
Recognized in the period result [1]	(119,831)	(30,782)
Business combination	-	870,894
Foreign currency conversion effect	2,915	967
Other changes	(101)	(291)
Final Balance	**753,346**	**867,701**

Non current	633,964	866,921
Current	119,381	780
Value in books as of December 31	**753,346**	**867,701**

Amounts stated in millions of Colombian pesos -

[1] Corresponds to AFINIA subsidies, received from the Government for compensatory payments for variations in the collection indicators and energy losses, in accordance with the share purchase agreement signed by AFINIA. and Public Companies of Medellín on March 30, 2020.

The Group has received grants from the Inter-American Development Bank –IDB– for the financing program for micro and small businesses; by Financiera del Desarrollo –FINDETER– as a credit at a favorable rate for the construction of water and sewage infrastructure; by the Fund for the Reconstruction of the Coffee Region –FOREC– for the reconstruction of energy networks such as a consequence of the earthquake in that region of the country.

The Group has not breached any of the conditions related to the subsidies.

29.3 Income received in advance

The detail of income received in advance at the cut-off date was:

Payments received in advance	2021	2020
Non-current		
Leases	119	209
Sales	230	196
Sale of energy service	3,278	3,560
Other income received in advance	34	-
Total non-current payments received in advance	**3,661**	**3,965**
Current		
Leases	269	297
Fees	-	895
Sales (1)	66,408	39,980
Sale of energy service	12,023	14,856
Sale of aqueduct service (3)	27,033	7,435
Sale of sewerage service (3)	27,499	34
Sale of toilet services	677	677
Sale of gas fuel service	3,563	2,483
Other income received in advance (2)	28,016	27,765
Total payments received in advance current	**165,488**	**94,422**
Total payments received in advance	**169,149**	**98,387**

Amounts stated in millions of Colombian pesos -

(1) The increase is explained by higher values received in long-term energy contracts.

(2) Includes $10,466 (2020 $5,585) for deferred reinsurance commissions from the subsidiary Maxseguros.

(3) The increase was mainly explained by the rate structure for the national subsidiaries of Aguas and corresponds to the provision of the Regulated Works and Investment Plan (POIR) in accordance with the provisions of the Commission for the Regulation of Potable Water and Basic Sanitation in resolution CRA 688 of 2014, an income received in advance of $51,696 was recognized: EPM $39,063, Aguas Regionales $10,617 and Aguas Regionales $2,016.

Note 30. Changes in liabilities due to financing activities

The reconciliation of liabilities arising from financing activities is as follows:

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	Changes to Fair Value Measurement the system		
Credits and loans (note 22)	24,587,802	(929,080)	1,448,090	-	658,980	25,765,792
Lease liabilities (note 24)	687,667	(76,052)	-	-	114,621	726,232
Penalty Bonds (see note 24)	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**

Reconciliation of liabilities arising from financing activities 2020	Initial Balance	Statement of cash flows	Changes other than cash		Other changes [1]	Total
			Foreign currency movement	Changes to Fair Value Measurement the system		
Credits and loans (see note 22)	20,656,005	3,499,751	24,286	-	407,759	24,587,802
Lease liabilities (see note 24)	682,761	(46,527)	-	-	51,433	687,667
Penalty Bonds (see note 24)	650,817	(7,711)	-	-	27,481	670,586
Hedge instruments	(46,148)	19,586	-	395,896	(12,586)	356,747
Dividends or surpluses paid	44,890	(1,592,575)	-	-	1,593,359	45,675
Capital subsidies	26,453	460	-	-	840,788	867,701
Other funding flows	-	(3,267)	-	-	3,267	-
Total liabilities for financing activities	**22,014,778**	**1,869,717**	**24,286**	**395,896**	**2,908,234**	**27,216,178**

Amounts stated in millions of Colombian pesos

(1) Includes interest paid during the year for $1,501,384 (2020: $1,310,176) , which by company policy are classified as operating activities in the statement of cash flows; accrued interest $1,644,474 (2020: $1,436,498); conversion effect $392,589 (2020 $278,538); accrual of dividends and surpluses $1,459,338 (2020 $1,593,359), business combination $- (2020 $877,041); and Other $155,630 (2020 $36,238).

Note 31. Deferred regulatory accounts

The balance of the 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 SA – ENSA, established by the National Public Services Authority of Panama (ASEP). This entity is in charge of regulating and establishing the rates that the Company bills its customers. The Company maintains its accounting records in accordance with the uniform system of accounts established by the ASEP for electricity companies.

The regulated system under which the Company operates allows any excess or deficiency between the estimated cost of energy considered in the rate and the actual cost incurred by the Company to be included as a compensatory adjustment, to be recovered from (or returned to) customers, in the next tariff revision. Any excess in the cost of energy charged to customers is accumulated as a credit balance in a deferred regulatory account in the Group's consolidated statement of financial position and entails a reduction in the next rate review to be applied to customers. In the same way, any deficit in the cost of energy charged to customers is accumulated as a debit balance in the deferred regulatory account in the Group's consolidated statement of financial position and leads to an increase in the next tariff revision to be recovered from the customers.

Regulatory deferred accounts with a debit balance represent probable future revenues associated with certain costs that are expected to be recovered from customers through the fee process. Regulatory deferred accounts with a credit balance represent probable reductions in future revenues associated with amounts that are expected to be credited to customers through the rating process.

The movement of regulatory accounts is as follows:

Deferred regulatory accounts	Asset (Liability)	
	2021	**2020**
Initial Balance	767	(25,610)
Period Result	126,824	30,534
Foreign currency conversion effect	8,691	(4,157)
Final Balance	**136,282**	**767**

Amounts stated in millions of Colombian pesos -

The balances associated with the deferred regulatory accounts in accordance with the regulation must be recovered or returned in the following two semesters.

The movement of the deferred tax associated with the regulatory accounts is as follows:

Deferred tax associated with regulatory accounts	Asset (Liability)	
	2021	**2020**
Initial Balance	(230)	7,683
Additions	(121)	
Other changes	24	
Period Result	(38,391)	(8,423)
Foreign currency conversion effect	(2,166)	510
Final Balance	**(40,884)**	**(230)**

Amounts stated in millions of Colombian pesos -

The cash flows generated by the regulatory accounts amounted to $88,434 (2020: $22,110), which, by Group policy, are classified as operating activities in the statement of cash flows.

Note 32. Income from ordinary activities

For presentation purposes, the Group disaggregates its income from the services it provides, according to the lines of business in which it participates and the way in which management analyzes them. The detail of income from ordinary activities is as follows:

Income from ordinary activities	2021	2020
Sale of goods	74,594	27,928
Rendering of services		
Power Generation Service(1)	5,517,429	5,014,157
Power transmission service	384,968	349,980
Energy distribution service(2)	17,018,435	12,675,962
Energy intersegment eliminations	(2,010,599)	(2,096,552)
Gas fuel service	1,012,643	898,095
Sanitation service	753,993	710,049
Aqueduct service(3)	1,487,880	1,312,884
Toilet service	260,307	241,385
Insurance and reinsurance services	36,346	32,073
Financing services	51,153	34,310
Computer services	1,115	562
Construction contracts	76,727	55,876
Fees	7,671	1,386
Commissions	19,228	6,206
Billing and collection services	36,537	33,358
Funding component	156,488	85,417
Other services	306,958	235,523
Returns	(468,178)	(388,729)
Total service delivery	**24,649,101**	**19,201,942**
Leases	107,952	96,741
Total	**24,831,647**	**19,326,611**

Amounts stated in millions of Colombian pesos

(1) The increase in the generation service originates in EPM parent company due to higher sales of energy to the non-regulated market, higher sales in long-term contracts and higher units sold on the stock market, due to high generation.

(2) The increase due to the distribution service is mainly due to: a) in EPM, due to the greater demand for energy trading at a higher price and due to higher revenues in the SDL and STR systems, mainly due to the behavior of macroeconomic variables ; b) for the recognition of the tariff option, CREG resolutions 102 and 058 of 2020 for a value of 736,645; that for Afinia it was $403,392, EPM $248,408, CENS $34,645, ESSA $30,408, EDEQ $13,588 and CHEC $6,204; c) the incorporation of the income of the subsidiary Afinia ; d) in the international subsidiaries, the DECA group is the one that contributes the most in the provision of this service, originating mainly from the net effect of customer growth, more units sold and an increase in the average sales price.

(3) The increase in the gas service originates in EPM due to higher consumption, customers and higher growth in the markets of the business.

(4) The increase in the aqueduct service is mainly contributed by a) the subsidiary ADASA, due to the increase in consumption in the non-regulated mining market and the increase in users and consumption; b) in parent company EPM, there was an increase due to the PAG (Gradual Application Plan) recognized in May that corresponds to the amounts not collected in 2020, due

to the COVID measures; c) in the other national subsidiaries, due to higher customers, higher consumption and the application of the tariff path as of February.

The Group recognizes all its income from the satisfaction of performance obligations and most of its contracts with customers have a duration of less than one year.

The Group recognized the following values in the period, for contracts in force at the cut-off date:

Construction contracts

The method applied to determine the degree of completion of construction contracts is the resource method.

The Group recognized the following values in the period, for the contracts in force at the cut-off date described in the previous paragraph:

December 31, 2021	The tenor of the contract asset at the beginning of the period Account Balance	The tenor of the contract asset at the end of the period Account Balance	The amount of the liability at the beginning of the period Account Balance	The post-point of the liability at the end of the period Account Balance	Revenue recognized during the period corresponding to the prior period liability Current year	Outstanding value of performance obligations that are not met Current 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	133	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 Agreement		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

December 31, 2020	The tenor of the contract asset at the beginning of the period Account Balance	The tenor of the contract asset at the end of the period Account Balance	The amount of the liability at the beginning of the period Account Balance	The post-point of the liability at the end of the period Account Balance	Revenue recognized during the period corresponding to the prior period liability Last year	Outstanding value of performance obligations that are not met Last year
Contract 1 - FAER Contract GGC-105	-	-	189	1	29	1
Contract 2 - Fundescat Agreement	-	-	31	-	-	-
Contract 3 - Ecopetrol Agreement	-	-	2,075	1,934	621	1,934
Contract 4 - Government Contract	-	-	169	156	518	156
Contract 6 - FAER Administration Fee GGC 105 and 313 - Construction contracts	-	-	4	4	-	-
Contract 7 - FAER Contracts 2019 Third Party Resources	-	96	15,069	30,417	-	30,417
Contract 8 - FAZNI Contract 2020	-	-	-	2,536	-	2,536
Contract 9 - OHL Agreement	-	-	-	-	-	-
Construction contracts - TICSA	-	-	6,448	596	-	-
Construction contracts - agreements	2,001	502	4,829	1,546	-	-
Total	**2,001**	**598**	**28,814**	**37,190**	**1,168**	**35,044**

Amounts stated in millions of Colombian pesos

Other contracts with clients

December 31, 2021	The tenor of the contract asset at the beginning of the period Account Balance	The tenor of the contract asset at the end of the period Account Balance	The amount of the liability at the beginning of the period Account Balance	The post-point of the liability at the end of the period Account Balance	Revenue 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**

Amounts stated in millions of Colombian pesos

December 31, 2020	The tenor of the contract asset at the beginning of the period Account Balance	The tenor of the contract asset at the end of the period Account Balance	The amount of the liability at the beginning of the period Account Balance	The post-point of the liability at the end of the period Account Balance	Revenue recognized during the period corresponding to the prior period liability
Uniform terms contract for regulated services(1)	797,336	1,006,896	20,459	15,496	3,190
Unregulated market -MNR or large customers(2)	160,086	219,241	10,098	13,422	3,072
XM representation contract		13,097		-	
Other contracts with customers	-	-	6,216	1,019	-
Total	**957,422**	**1,239,234**	**36,773**	**29,937**	**6,262**

Amounts stated in millions of Colombian pesos

(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 current rates and according to the use that is given to the service by users, subscribers

or owners of real estate, hereinafter the user, who by benefiting from the services provided by the companies, accepts and accepts all the provisions defined herein.

The increase in assets in uniform conditions contracts was explained in the energy distribution segment by the recognition of the rate option for a value of $736,645 in EPM and in the national energy subsidiaries.

The increase in liabilities in the uniform conditions contracts for the Water Supply and Solid Waste Management service corresponds mainly to the provision of the Regulated Works and Investment Plan (POIR) in accordance with the provisions of the Commission for the Regulation of Potable Water and Basic Sanitation in resolution CRA 688 of 2014, for which an income received in advance of $51,696 contributed by the subsidiaries of EPM $39,063, Aguas Regionales $10,617 and Aguas Regionales $2,016 was recognized.

(2) Resolution 131 of December 23, 1998, of the Commission for the Regulation of Energy and Gas (CREG) establishes the conditions of supply of energy and power for large consumers and indicates in article 2 the limits of power or energy so that a user can contract the supply of energy in the competitive market; The aforementioned resolution allows the conclusion of contracts with large consumers to establish the prices of energy and power supply by common agreement; The purpose of the contract is to supply energy and electrical power to the consumer, as an unregulated user, to meet their own demand.

Another important contract is the XM representation contract, which manages the Colombian Wholesale Energy Market, attending to the commercial transactions of the market agents, which is not disclosed considering that it does not have balances in assets and liabilities.

Note 33. Other income

The detail of other income is as follows:

Other income	2021	2020
Recoveries[(1)]	181,218	253,266
Government subsidies[(2)]	119,831	30,782
Lost reversal per Depreciation owned, site, and equipment value unit [(3)] [(8)]	47,949	-
Other regular income[(4)]	31,378	60,120
Leverage [(5)] [(7)]	19,107	7,149
Valuation of investment properties [(9)]	15,001	6,876
Leftovers [(7)]	4,367	9,605
Sell signatures [(7)]	2,578	1,081
Indemnities[(6)] [(7)] [(10)]	1,999	102,256
Intangible assets impairment reversal [(8)]	20	-
Photocopies	2	2
Inventories impairment reversal[(11)]	-	657
Total	**423,450**	**471,794**

Amounts stated in millions of Colombian pesos

(1) In 2021, the most significant recoveries occurred in EPM due to: i) provision for administrative litigation $33,454: due to a ruling in second instance in favor of EPM, with a claim in pesos and dollars; ii) wealth tax $32,094: which originated from the refund request, for the payment of what was not due for the years 2016 and 2017, supported by the legal stability contract; iii) contingency provision for the future Ituango hydroelectric plant: $17,382; iv) provision for contingent consideration for Espiritu Santo: $12,534 and v) contingency care for the future Ituango hydroelectric plant: $7,483.

In 2020 it includes: i) recovery of $89,527: for the return judgment in favor of EPM of the judicial process, advanced by the company against the Municipality of Bello, based on a lawsuit filed against the administrative act that determined the participation and liquidation of the capital gain generated by the change in land use in the area where some properties owned by the company are located; ii) $73,832 for the start-up of the assets of the Jepírachi Wind Farm permitted by CREG resolution 136 of 2020; iii) compensation for emergent damage $14,630: for the loss that occurred in 2017 at the Playas Hydroelectric Power Plant; iv) recovery provisions for administrative litigation $8,597 and provision for high-cost illnesses $8,011.

The value of the effective recoveries amounts to $82,737 (2020: $142,058) and the ineffective ones $98,481 (2020: $111,208), disclosed in the statement of cash flows.

(2) The increase is explained in the subsidiary Afinia de la Costa SASESP, the subsidy corresponds to Compensatory Payments for variations in the collection indicators and energy losses, in accordance with the share purchase agreement signed by AFINIA and Empresas Públicas de Medellín on March 30, 2020. The value recognized as of December 31 is $119,831

(3) The increase corresponds to the application of the impairment test of the subsidiary CHEC-Generador, giving as a result that the value in use (estimate of future cash flows) that the company expects to obtain on the assets is higher with respect to its value. book value, at a value of $61,310, which compared to the impairment recorded in 2020 for a value of $48,550, allows 100% of the original record to be reversed.

(4) The variation was explained by the combined effect in i) decrease in EPM, since a value of $42,206 was recorded from the processing of the judicial process carried out by EPM against the Municipality of Bello, due to the indexation since December 29, 2009, date in that the payment of the tax was made and until the execution of the judgment on December 10, 2020; ii) an increase of $13,573 generated in the calculation of the actuarial gain for seniority premium, as a result of updating the assumptions based on experience and financial assumptions; iii) increase contributed by the subsidiary TICSA in the amount of $7,364.

(5) The increase was explained by: i) subsidiary ESSA for a value of $5,576 due to the sale of the plants of Termobarranca and Termopalenque , whose assets had already been written off, these plants were sold as scrap and in ii) EPM Parent company for $5,277 corresponding to sales of scrap from the Utilization Warehouse.

(6) The decrease was due to the fact that, in the previous year, EPM Parent Company received: i) compensation for lost profits for the low hydrology policy $65,848 (USD 17.6 million); ii) loss of profits due to the loss that occurred in 2017 at the Playas Hydroelectric Power Plant for $9,241; iii) non-contractual civil liability of the future Ituango hydroelectric plant for $8,000 and iv) loss of profits from the Jepírachi Wind Farm for $4,107 and v) in 2020 compensation was received in the subsidiary CHEC for $9,638 from the loss in the Curacao tunnel.

(7) Values referenced as effective income.

(8) It is disclosed as part of the item reversal of impairment loss of property, plant and equipment and intangibles in the statement of cash flows.

(9) It is disclosed as part of the item result from the valuation of investment properties in the statement of cash flows.

(10) Includes $159 for compensation for damage to assets that is disclosed as part of the caption result of compensation for activities associated with investment flows in the statement of cash flows.

(11) It is disclosed in the caption write-down of net inventory value, of the statement of cash flows.

Note 34. Income from sale of assets

The detail of the profit on the sale of assets is as follows:

Asset Sale Earnings	2021	2020
Earnings for sale of properties, plant and equipment[1] [2]	1,343	233
Earnings Derecognition rights in-time utility [3]	486	152
Earnings for sale of intangibles	-	14
Earnings for sale of investment properties [2]	3	108
Total	**1,832**	**507**

-Amounts stated in millions of Colombian pesos-

(1) The increase was explained in EPM Parent and corresponds to the sale of a strip of land of the Oriente Substation located in the Municipality of Rionegro for $298 and the sale of vehicles for $417.

(2) The profit on the sale of property, plant and equipment for $1,343 (2020: $233) and the profit on the sale of investment properties for $3 (2020: $108) are non-effective and are disclosed as part of the income from disposal of property, plant and equipment item. equipment, rights of use, intangibles and investment property in the statement of cash flows.

(3) The profit on derecognition of rights of use for $486 (2020: $152) is non-effective and is disclosed as part of the income from retirement of property, plant and equipment, right-of-use assets, intangible assets and investment properties in the statement of income. cash flows.

Note 35. Costs for provision of services

The detail of the costs for provision of services is as follows:

Costs for the provision of services	2021	2020
Bulk and/or long-term purchases[(1)]	4,960,462	3,421,373
Stock and/or short-term purchases [(2)]	3,687,937	3,419,027
Use of lines, networks and pipelines[(3)]	2,087,481	1,573,973
Personal services[(4)]	1,067,137	920,281
Depreciations[(5)]	941,451	894,929
Orders and contracts for other services [(6)]	840,131	658,533
Maintenance and repair orders and contracts[(7)]	602,645	392,858
Cost of distribution and/or marketing of natural gas	600,585	540,410
Commercial and financial management of the service[(8)]	249,694	76,427
Licenses, contributions and royalties	247,146	283,757
Materials and other operating costs	209,676	156,077
Amortizations[(5)]	191,547	181,738
General	157,304	123,241
Fees	150,145	91,764
Consumption of direct inputs	140,539	151,564
Insurance	124,227	113,389
Taxes and fees	95,576	88,619
Others	86,506	46,614
Cost per connection	80,272	24,536
Right-of-use assets Amortization[(5)]	60,297	41,878
Marketed goods	43,355	20,498
Public services	32,965	30,272
Leases	26,352	17,905
Costs associated with Class of Transactions the wholesaler market	13,748	13,541
Exhaustion[(5)]	13,205	10,190
Liquefied natural gas	11,342	7,478
Property Value, Plant and Equipment Depreciation [(10) (12)]	9,953	187,114
Cost of losses in the provision of the aqueduct service	5,050	37
Inventory Value Markdown [(5) (13)]	2,837	1,193
Value of intangible assets Depreciation [(9) (12)]	50	9,194
Gas compression	46	-
Impairment of right-of-use assets[(11) (12)]	-	3,959
For insurance and reinsurance	-	6,259
Total costs per service provision	**16,739,661**	**13,508,628**

Amounts stated in millions of Colombian pesos

(1) Increase explained by: i) the incorporation of the costs of the subsidiary Afinia for $1,282,032; ii) in the national energy subsidiaries, higher long-term block purchases of energy, due to the high demand in the residential and non-residential sectors, as a result of a recovery of the economy after the pandemic.

(2) Variation explained by the combined effect between the increase in costs for purchases in the stock market of: Afinia subsidiaries for $140,565; ESSA for $20,716, CENS for $10,106 and DECA for $292,498

and offset by lower purchases in the stock market, in the subsidiaries of: EPM for $158,422, CHEC $15,606.

(3) Increase explained by: i) the incorporation of the costs of the subsidiary Afinia for $379,899; ii) in the national energy subsidiaries, it is due to higher network costs, mainly in the STN due to the accumulated behavior of the IPP, in the external SDL due to greater demand and in the external STR due to the application of CREG resolution 015 of 2018.

(4) Increase explained by: i) the incorporation of the costs of the subsidiary Afinia for $ 59,536; ii) in EPM Matrix $64,377 for the hiring of personnel for the execution of new projects.

(5) Corresponds to ineffective costs.

(6) Increase explained by: i) the incorporation of the costs of the subsidiary Afinia for $102,251; ii) in EPM, due to the higher costs of installation, uninstallation and reading services, amounting to $32,005; iii) Emvarias contributes $9,763 for missionary support contracts for the sanitation service; iv) TICSA contributes $14,608 in this item.

(7) The increase was due to higher costs in repair and maintenance contracts for: i) constructions and buildings and ii) lines, networks and pipelines. The increase was due to higher costs in repair and maintenance contracts for: i) EPM for $65,895 in constructions and buildings, lines, networks and pipelines; ii) Afinia $119,819; iii) ESSA $5,364; IV) DECA Group $10,549.

(8) Increase explained by the incorporation of the costs of the subsidiary Afinia in the amount of $167,816

(9) Decrease explained by the subsidiaries of: i) Ecoler $8,821; ii) Hydro $345; iii) CHEC $20 and iv) increase in the subsidiary Aguas de Malambo for $42.

(10)Decrease explained by the subsidiaries of: i) Afinia $80,215; ii) Hidroe $58,369; iii) CHEC $48,530 and iv) increase in the subsidiary Aguas de Malambo for $9,953.

(11)Decrease explained by the subsidiary Afinia $3,959

(12)It is disclosed as part of the item impairment of property, plant and equipment, right-of-use and intangible assets, of the statement of cash flows.

(13)It is disclosed in the caption write-down of net inventory value, of the statement of cash flows.

Note 36. Administrative expenses

The detail of administrative expenses is as follows:

Administration costs	2021	2020
Staff costs		
Wages and salaries [1]	543,014	489,976
Social security expenditure	153,018	113,202
Pension expenses [2] [3]	48,039	47,338
Employee interest rate benefits	9,572	8,609
Other long-term benefits	6,650	9,717
Other post-employment benefit plans other than pensions [2] [3]	5,100	5,144
Termination benefits [2]	3,032	2,907
Total employee benefits costs	**768,425**	**676,893**
General Expenses		
Provision for contingencies[2] [3] [4]	338,031	86,926
Taxes, contributions and fees[5]	270,905	191,573
Commissions, fees and services	152,231	136,350
Intangible [6]	82,137	61,011
Maintenance	78,246	75,783
Depreciation[3]	76,109	73,708
General insurance	53,475	46,340
Provision Dismantling, withdrawal and rehabilitation [2] [3] [7]	51,023	56,161
Intangibles Amortization[3]	46,804	41,513
Provision of guarantees [2] [3] [8]	39,230	60,100
Surveillance and security	30,898	23,835
Other general expenses	27,618	26,149
Advertising and propaganda	25,471	15,443
Right-of-use assets Amortization[3]	24,274	21,667
Christmas lighting	16,249	12,719
Public services	12,752	11,606
Provision insurance and reinsurance [3] [9]	12,156	4,214
Guest toilet, coffee shop, restaurant and laundry	10,741	11,897
Licenses and voiseways	10,379	10,998
Promotion and dissemination	10,322	9,973
Other Miscellaneous Provisions[2] [3] [10]	10,113	44,022
Communication and transport	8,274	9,464
Legal expenses	7,411	9,361
Studies and projects	6,790	9,024
Print, publications, subscriptions and affiliations	6,168	5,798
Leases	5,680	5,549
Learning contracts	5,207	4,722
Materials and supplies	4,992	4,420
EAS technical reserve[2] [3]	4,843	3,431
Management contracts	4,213	2,048
Information processing	3,791	3,513
Fuels and lubricants	3,663	2,115
Organization of events	1,875	1,324
Photocopies	1,762	2,820
Travel expenses and viatics	1,564	1,080
Industrial safety	1,419	1,887
Cultural events	1,373	599
Repairs	1,070	1,016
Provision of expensive contracts[2] [3]	-	5,945
Total Overhead	**1,449,259**	**1,096,104**
Total	**2,217,684**	**1,772,997**

Amounts stated in millions of Colombian pesos

(1) Increase explained in: i) EPM Parent Company $19,263 due to hiring personnel for the execution of new projects and due to the salary increase; ii) Afinia $9,172 for the incorporation of the expenses of the subsidiary in the Group; iii) ADASA $7,285 higher payment of salaries and for the payment of the bonus for termination of labor conflict; iv) DE LSUR $3,475 due to increase in the collective agreement and v) EEGSA $2,221.

(2) It is disclosed under provisions, post-employment and long-term defined benefit plans in the statement of cash flows.

(3) Corresponds to non-cash expenses.

(4) The variation in EPM was explained by the combined effect of: i) an increase in administrative litigation for $282,510, mainly due to seven group actions against EPM and Hidroeléctrica Ituango SA ESP and ii) a decrease in the provision for the care of those affected by the future hydroelectric center. Ituango for $33,509, the previous year represented an expense; iii) decrease in the valuation of litigation of the subsidiary Aguas Regionales for $3,971 and v) increase in the valuation of Adasa litigation for $6,575.

(5) The increase was explained in: i) Afinia $52,289 due to the incorporation of the expenses of the subsidiary in the Group; ii) EPM Parent Company $20,279, mainly in the valuation contribution to the Government of Antioquia, industry and commerce tax and levy on financial movements and ii) ESSA $5,360 for the increase in other taxes.

(6) The increase was explained mainly in EPM Headquarters and is due to the acquisition of licenses for the hiring of personnel and for the updates made to the software licenses.

(7) The decrease in EPM Parent Company was explained by the combined effect of i) the updating of the environmental and social provision of the future Ituango hydroelectric plant, compared to 2020, decreased by $12,807; ii) increased mandatory provision for the future Ituango hydroelectric plant for $4,546 and iii) increased provision for dismantling or environmental restoration for $1,250.

(8) Intercolombia transporter for the months after the start-up of the connection infrastructure of the future Ituango hydroelectric plant.

(9) Tax obligations, insurance, and reinsurance, and financial updating of the statement of cash flows are disclosed under provisions. The increase corresponds to the unearned premium of the various reinsurance programs subscribed by the subsidiary Maxseguros.

(10) The decrease was explained by: i) EPM Parent Company for $26,392 corresponding to the updates of the provisions contingent consideration for Espiritu Santo and provision for the attention of the contingency of the future Ituango hydroelectric plant, which in the previous year represented an expense, as of December 2021 both provisions presented a recovery; ii) national energy subsidiaries $4,550 for the payment of a penalty to the Superintendence of Residential Public Services and iii) ADASA $2,838.

Note 37. Other expenses

The detail of other expenses is as follows:

Other expenses	2021	2020
Effective interest financing services [1]	96,284	5,220
Loss in removal of property, plant and equipment[2] [3] [4]	30,601	14,908
Other regular expenses	25,624	24,892
Loss due to changes in fair value of investment properties [7]	15,143	25,126
Contributions in non-societarian entities	15,055	15,870
Arbitral awards and extrajudicial reconciliations	2,263	3,300
Loss in sale of property, plant and equipment[3] [5]	513	409
Donations	417	710
Statements	155	1,428
Intangible withdrawal loss[3] [4]	130	22
Loss in inventory retirement[3] [6]	81	312
Loss of Derecognition of right-of-use assets[3] [4] [8]	6	(10)
Total	**186,272**	**92,187**

Amounts stated in millions of Colombian pesos

[1] The increase is explained in: i) Afinia for a value of $88,997 and ii) EPM for a value of $1,951

[2] The increase is explained by the withdrawals of property, plant and equipment in: i) EPM for $9,382; ii) Ensa for $543; iii) EEGSA for $2,712.

[3] Corresponds to non-cash expenses.

[4] It is disclosed in the item income from retirement of property, plant and equipment, right-of-use assets, intangible assets and investment properties of the statement of cash flows.

[5] They are disclosed in the income from disposal of property, plant and equipment, rights of use, intangibles and investment properties caption in the statement of cash flows.

[6] It is disclosed in the item write-down of net inventory value of the statement of cash flows.

[7] It is disclosed in the caption result from valuation of investment properties.

[8] It is disclosed in the caption write-down of net inventory value, of the statement of cash flows.

Note 38. Financial income and expenses

38.1 Financial income

The detail of financial income is as follows:

Financial income	2021	2020
Interest Income:		
Debtors and delinquency [(1)] [(2)]	55,472	26,274
Bank deposits[(2)]	39,395	35,043
Income in trust rights [(3)] [(4)]	15,447	37,254
Income by valuation of financial instruments at fair value[(3)] [(4)]	15,444	41,793
Other financial income [(2)]	14,972	9,570
Financial assets at amortized cost [(2)]	10,886	2,042
Restricted use of funds [(2)]	1,408	2,309
Resources received in administration [(2)]	96	2,314
Valuation profit of financial instruments at amortized cost [(3)] [(4)]	63	427
Monetary readjustment yield [(2)]	3	10
Utility by valuation of hedge derivative instruments at fair value [(3)] [(4)]	-	237
Total financial income	**153,186**	**157,273**

Amounts stated in millions of Colombian pesos

(1) The increase was explained in EPM, by higher amortized cost and interest associated with accounts receivable from other debtors and default interest on other items.

(2) It is disclosed in the income from interest and yields line item of the statement of cash flows.

(3) The decrease in the valuation of financial instruments and in the profit on rights in trust was explained by the behavior of the market that has presented significant devaluations and is thus reflected in the temporary investments of the portfolio.

(4) They are included in the item of results from the valuation of financial instruments and hedge accounting of the statement of cash flows.

38.2 Financial expenses

The detail of financial expenses is as follows:

Financial expenses	2021	2020
Interest on tenancy obligations[1]	59,044	59,222
Other interest expenses[1]	31,051	33,196
Total Interest	**90,095**	**92,418**
Long-term external public credit operations[1]	-	8,108
Short-term internal financing operations[1]	50,209	59,953
Long-term internal financing operations[1]	245,582	249,521
Short-term external financing operations[1]	17,012	19,517
Long-term external financing operations[1] [2]	695,467	634,940
Financial hedge instruments[1] [2]	90,316	42,865
Total interest expense of financial liabilities not measured at fair value through profit or loss [1]	708	1,643
Other financial costs:		
Fees other than the amounts included when determining the effective interest rate[1]	9,655	10,058
Interest on financial liabilities and losses in valuation of investments and other assets[3] [4]	231,801	148,609
Total financial expenses	**1,430,845**	**1,267,632**

Amounts stated in millions of Colombian pesos

(1) It is disclosed under interest and commission expense in the statement of cash flows.

(2) Increase in EPM explained by higher indebtedness and number of financial hedges contracted.

(3) The increase is explained in: i) ADASA for $60,285 corresponding to interest recognized by actuarial calculation (Conventional IAS and Seniority Bond) and interest for annual canon for operation of the concession; ii) EPM for $15,762, mainly due to the loss from the valuation of trust rights due to market behavior.

(4) For purposes of presentation in the statement of cash flows: $209,590 (2020 $123,738) are disclosed in the caption of results from valuation of financial instruments and hedge accounting and $22,211 (2020 $24,871) are disclosed in the caption of provisions tax obligations, insurance and reinsurance and financial update.

Note 39. Exchange difference, net

The effect on foreign currency transactions is as follows:

Exchange difference, net	2021	2020
Revenue by exchange difference		
Own position		
For goods and services and others	12,221	33,042
For liquidity	379,137	73,496
Accounts receivable	210,610	117,072
Provisions	353	-
Other adjustments by difference in change	228	1,873
Financing operation		
Gross income	84,877	358,393
Debt Coverage [(1)]	925,577	-
Total revenue by exchange difference	**1,613,003**	**583,876**
Expenses by exchange difference		
Own position		
For goods and services and others	(50,500)	(5,975)
For liquidity	(113,036)	(224,400)
Accounts receivable	(112,806)	(1,595)
Provisions	(21,920)	-
Other adjustments by difference in change	20,098	(33,739)
Financing operation		
Gross expense	(1,355,761)	(382,679)
Debt Coverage	-	(309,748)
Total expenses by exchange difference	**(1,633,925)**	**(958,136)**
Exchange difference, net	**(20,922)**	**(374,260)**

Amounts stated in millions of Colombian pesos -

The accumulated net expense for exchange difference amounts to $20,922, the main expense corresponds to the restatement of the debt in dollars for $1,350,019 and the income from the coverage of the debt for $925,577, associated with the accumulated devaluation of the Colombian peso, which was 15.98% (2020: 4.74%) and at the closing rate of $3,981.16 (2020: $3,432.50).

[1)] Within the market risk management plan, the group completed the closing of hedging operations for US$475 million in 2021, of the authorizations obtained in 2020 before the Ministry of Finance and Public Credit for the issuance of bonuses for the year 2019 and 2020.

The rates used for currency conversion in the consolidated financial statements are:

Currency	Currency Code	Direct conversion to USD		Closing exchange rate		Average exchange rate	
		2021	2020	2021	2020	2021	2020
United States Dollar	USD	-	-	3,981.16	3,432.50	3,963.13	3,466.13
Quetzal	GTQ	7.72	7.79	515.75	440.41	512.94	444.31
Mexican Peso	MXP	20.46	19.93	194.54	172.27	189.58	173.69
Chilean Peso	CLP	852.00	710.50	4.67	4.83	4.67	4.75

Note 40. Effect of participation in equity investments

The effect of participation in equity investments is as follows:

Participation in equity investments	2021	2020
Dividends and participations [1]	134,089	72,984
Result per Business combination TAND - See note 10	(10,039)	1,592,003
Result in sale of equity investments, net	-	(192)
Total effect by participation in equity investments	**124,050**	**1,664,795**

Amounts stated in millions of Colombian pesos -

(1) Includes dividends from investments classified in financial instruments (see note 14. Other financial assets).

Note 41. Income tax

41.1 Tax 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.

41.2 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 supplementary taxes	2021	%	2020	%
Result before tax	4,267,840		4,217,836	
Nominal income rate		31%		32%
Income tax Nominal rate	1,323,030		1,349,707	
Effects from changes in tax rates	211,173	5%	-	0%
Elimination in consolidated results	(27,484)	-1%	(363,671)	-9%
Tax effect of tax rates by subsidiaries abroad	(110,894)	-3%	(55,790)	-1%
Effect of permanent tax differences:	**(147,547)**	**-3%**	**(265,183)**	**-3%**
Dividend income	193,777	5%	113,576	3%
Tax-only revenue	1,013,945	24%	120,446	3%
Special deduction reinstated	1,028	0%	37,307	1%
Non-deductible provisions	124,580	3%	52,290	1%
Leverage investments in controlled Depreciation	-	0%	281,300	
Profit on advantageous purchases	-	0%	(433,025)	
Dividends not taxed	(111,528)	-3%	(142,479)	-3%
Compensation for consequential damage	(993,124)	-23%	(127,247)	-3%
Exempt income	(133,673)	-3%	(16,644)	0%
Special deduction of real productive fixed assets	(262,130)	-6%	(184,580)	-4%
Net result Other permanent differences	(95,468)	-2%	26,296	1%
Rate Difference Adjustment (Cust/Deferred Tax)	115,045	3%	7,576	0%
Tax discounts	45,529	1%	67,710	2%
Occasional gains	57	0%	2,738	0%
Prior Years Income Adjustments	(53,032)	-1%	(101,064)	-2%
Tax offsets	75,148	2%		
Income tax at effective rate	**1,074,627**	**25%**	**499,028**	**15%**
Detail of current and deferred expenditure				
Current Tax	915,551	21%	736,268	17%
Deferred tax	159,076	4%	(237,239)	-6%
Income tax	**1,074,627**	**25%**	**499,028**	**12%**

Amounts stated in millions of Colombian pesos -

Among the most important items in the reconciliation of the effective rate that contribute to its being 6 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 contract of legal stability. Another important point in this purification is the treatment of exempt income that is granted to the dividends received by EPM parent company from foreign subsidiaries, an exemption allowed under the Colombian Holding Company Regime (CHC).

As a relevant fact during the year 2021, we have the recognition of the compensation under the All-Risk Construction and Assembly policy for the contingency that occurred in the future Ituango hydroelectric plant, the treatment of income not constituting income or occasional profit given to the compensation for the emerging damage, is supported by the reinvestment of resources in the Project as provided by article 45 of the Tax Statute. It is also important to mention as a relevant item that affects the rate variation from one year to another, that which corresponds to the gain on purchase under advantageous conditions, such as an operation extraordinary in the year 2020 that significantly affected the effective rate of that year, a fact that does not occur in taxable year 2021.

Another aspect to consider and that impacts the income tax for the reporting period is the effect on the deferred tax due to the change in the income rate that Law 2155 of 2021 incorporated, going from 30% to 35% as of taxable year 2022, in national subsidiaries. This adjustment meant for the Group, a higher expense of $211,173.

41.3 Income tax recognized in profit or loss

The most significant components of income tax expense at the cut-off date are:

Income tax	2021	2020
Current income tax		
Current income tax expenditure	968,583	837,332
Adjustments recognized in the current period related to prior period current income tax	(53,032)	(101,064)
Total current income tax	**915,551**	**736,268**
Deferred tax		
Net expense per deferred tax related to the source and reversal of temporary differences	(52,097)	(232,119)
Net deferred tax expense (income) related to changes in tax rates or laws	211,173	(5,120)
Total deferred tax	**159,076**	**(237,239)**
Income tax	**1,074,627**	**499,028**

Amounts stated in millions of Colombian pesos -

The rates used to determine the deferred tax are:

35% for the year 2022 and subsequent periods (Energy Generation Segment a rate of 33%), which varied with respect to the rate used the previous year of 30% (average rate), in application of the new rates incorporated by Law 2155 of 2021.

In the case of assets whose utility is expected to be realized by way of occasional gain, a rate of 10% 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.

Current income tax expense is impacted for 2021 mainly by higher special deductions such as investment in real productive fixed assets, higher exempt income, mainly in the parent company, due to the application of the Colombian Holding Companies Regime. It is also important to mention as a relevant item that affects the rate variation from one year to another, that corresponding to the gain on purchase in advantageous conditions, such as an extraordinary operation in the year 2020 that significantly affected the effective rate of that year, a fact that is not presented in the taxable year 2021.

The deferred tax expense (income) related to changes in tax rates originated from the new rates incorporated by Law 2155 of 2021, going from 30% to 35% as of the taxable year 2022, with adjustments made in the subsidiaries. The rate used to determine the deferred tax is 35% for 2021 (33% Power Generation business), which varied with respect to that used the previous year, standing at 30%.

In this regard, it is important to indicate that the national companies of the Group recorded the effect of the rate change in the result for the period, thus applying the provisions of paragraph 58 of IAS 12; In this way, the voluntary exception established in Decree 1311 of October 20, 2021, was not accepted, which allows this update to be recognized within the entity's equity in the accumulated results of previous years.

The rates used to determine the deferred tax for the subsidiaries in Colombia are:

Year	2021	2022	2023
Rent	31%	35%	35%
Total fare	**31%**	**35%**	**35%**

EPM's Power Generation segment has an income and complementary 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 OTHER YES EJ- June 01, 2010. This rate is only used in cases where, by law, the rental rate in Colombia is increased above 33%.

41.4 Temporary differences that do not affect deferred tax

Deductible temporary differences and unused tax losses and credits, for which the Group has not recognized deferred tax assets, are detailed below:

Concept	2021	2020
More than a year and up to five years	28,050	34,443
More than five years	2,561	3,330
No time limit	3,402	5,342
Unused tax losses	**34,013**	**43,114**
No time limit	290,256	202,465
Unused tax credits	**290,256**	**202,465**
More than a year and up to five years		64
More than five years	2,348	2,698
Presumptive excess income over ordinary liquid income	**2,348**	**2,761**
Total	**326,617**	**248,340**

Amounts stated in millions of Colombian pesos -

The deductible temporary differences and unused losses, tax credits and excesses of presumptive income over ordinary net income correspond to unused tax losses by Aguas de Malambo SAESP of $4,589 million (2020 $5,784), EPM Inversiones SA of $1,373 (2020 $1,373), Hidroecológica del Teribe SA for $28,050 (2020 $34,443), unused tax credits by Empresas Públicas de Medellín ESP for $271,701 million (2020 $202,331), Aguas de Malambo SAESP for $59 million (2020 $59) and excess presumptive income over ordinary net income not used by EPM Inversiones SA of $2,348 million (2020 $2,348).

The value of the current income tax asset or liability is as follows:

	2021	2020
Current income tax asset or liability		
Total liabilities for non-current income tax		
Income tax [1]	(33,351)	(33,701)
Total income tax liability	**(33,351)**	**(33,701)**
Total current income tax liability		
Income tax	(159,025)	(197,380)
Total income tax assets	**575,023**	**416,267**
Please market for rent Account Balances	575,023	416,267
Total assets (or liabilities) income tax	**382,647**	**185,186**

Amounts stated in millions of Colombian pesos -

[1] Corresponds to EPM and EDEQ's works tax liability, which represents the possibility for companies to partially pay income and complementary taxes through the financing and execution of public works of social importance 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 added mainly through Laws 1955 and 2010 of 2019 and was regulated by Decrees 1915 of 2017 and 1147 of 2020.

This liability is supported by a commercial trust agreement which is executed as the works framed in this program are built.

41.5 Income tax recognized in other comprehensive income

The detail of the tax effect corresponding to each component of "other comprehensive income" of the consolidated statement of comprehensive income is as follows:

Other accumulative comprehensive income	2021			2020		
	Gross	Tax Effect	Net	Gross	Tax Effect	Net
Property, plant, and equipment reclassifications to investment properties	13,578	(1,107)	12,471	13,439	(1,184)	12,255
New defined benefit plan measurements	(19,652)	10,928	(8,724)	(163,586)	53,081	(110,505)
Equity investments measured at fair value through equity	3,070,031	(5,994)	3,064,037	3,392,529	(3,925)	3,388,604
Participation in other comprehensive income of associates and joint ventures	16,788	-	16,788	(3,868)	-	(3,868)
Cash-flow hedges	(533,003)	190,413	(342,590)	(19,037)	(18,862)	(37,899)
Hedges of net investment in a foreign operation	(61,509)	-	(61,509)	-	-	-
Conversion of foreign business financial statements	1,117,985	-	1,117,985	831,289	-	831,289
Total	**3,604,218**	**194,240**	**3,798,458**	**4,050,766**	**29,110**	**4,079,876**

Amounts stated in millions of Colombian pesos -

41.6 Deferred tax

The detail of the deferred tax is as follows:

Deferred tax	2021	2020
Deferred tax asset	906,746	726,806
Deferred tax liability	(2,171,022)	(1,978,080)
Total net deferred tax	**(1,264,276)**	**(1,251,274)**

Amounts stated in millions of Colombian pesos -

41.6.1 Deferred tax assets

Deferred tax asset	Initial Balance	Changes included in the ORI	Net changes included in the result	Effect by conversion adjustments	Others	Foreign currency conversion effect	Final Balance
Assets	**1,983,263**	**(1,053)**	**347,901**	**22**	**131,124**	**2,710**	**2,463,967**
Properties, Plant and Equipment	979,008	-	135,705	22	9,726	111	1,124,572
Intangible	8,664	-	8,581	-	-	1,393	18,638
Investments and derivative instruments	86,736	(4)	(70,021)	-	113,455	1,379	131,545
Accounts receivable	277,654	-	151,662	-	5,720	(601)	434,435
Cash and cash equivalents	1,231	-	(1,231)	-	-	-	-
Inventories	8,031	-	(402)	-	1,039	6	8,674
Other assets	468,758	(1,048)	55,194	-	1,306	422	524,632
Right-of-use - Deferred Tax Asset	153,181	-	68,413	-	(122)	-	221,472
Liabilities	**(1,256,459)**	**221,684**	**(386,582)**	**-**	**(132,854)**	**(3,010)**	**(1,557,221)**
Credits and loans	155,318	21,106	345,312	-	5,843	(1,343)	526,236
Accounts payable	27,459	-	(22,232)	-	-	111	5,338
Employee Benefits	252,987	(27,250)	23,078	-	26,562	142	275,519
Derivatives	127,746	219,255	(287,795)	-	(2,611)	22	56,617
Provisions	246,384	-	18,780	-	(1,782)	(205)	263,177
Other liabilities	50,619	-	41,438	-	33,003	543	125,603
Write-off asset effect	(2,116,972)	8,573	(505,163)	-	(193,869)	(2,280)	(2,809,711)
Total deferred tax asset	**726,804**	**220,631**	**(38,681)**	**22**	**(1,730)**	**(300)**	**906,746**

Amounts stated in millions of Colombian pesos -

41.6.2 Deferred tax liability

Deferred tax liability	Initial Balance	Changes included in the ORI	Net changes included in the result	Effect by conversion adjustments	Others	Foreign currency conversion effect	Final Balance
Assets	**3,906,339**	**30,310**	**635,797**	**-**	**127,341**	**20,320**	**4,720,107**
Properties, Plant and Equipment	3,405,239	-	573,098	-	11,178	11,534	4,001,049
Intangible	271,515	-	4,982	-	-	(5,721)	270,776
Investment properties	15,009	-	(27)	-	-	-	14,982
Investments and derivative instruments	(64,323)	30,160	(18,122)	-	110,800	37	58,552
Accounts receivable	135,986	-	(47,312)	-	4,279	14,021	106,974
Cash and cash equivalents	-	-	1,651	-	-	-	1,651
Inventories	12,808	-	1,034	-	1,039	(350)	14,531
Other assets	6,052	150	23,569	-	738	802	31,311
Rights of use	124,053	-	96,924	-	(693)	(3)	220,281
Liabilities	**(1,928,259)**	**29,280**	**(515,403)**	**60**	**(126,352)**	**(8,411)**	**(2,549,085)**
Credits and loans	51,084	-	(26,050)	60	5,842	233	31,169
Accounts payable	8,817	-	(4,476)	-	-	(66)	4,275
Employee Benefits	123,031	20,325	16,162	-	27,217	(1,651)	185,084
Derivatives	(73)	382	(2)	-	-	8	315
Provisions	26,272	-	4,943	-	(678)	(144)	30,393
Other liabilities	(20,418)	-	(818)	-	35,136	(4,511)	9,389
Write-off liability effect	(2,116,972)	8,573	(505,162)	-	(193,869)	(2,280)	(2,809,710)
Total deferred tax liability	**1,978,080**	**59,590**	**120,394**	**60**	**989**	**11,909**	**2,171,022**

Amounts stated in millions of Colombian pesos -

41.6.3 Temporary differences

The most significant concepts on which temporary differences were presented are the following:

In assets, the greatest impact arises from temporary differences in property, plant, and equipment by virtue of asset purchase operations between companies of the EPM Group, which implies the recognition of unrealized accounting profits in the Group, on which the companies individually considered should be taxed, and by the valuation at amortized cost of long-term accounts receivable. In commercial portfolio accounts receivable, it corresponds to the portfolio impairment due to the difference in the purification of the portfolio impairment under the tax standard and the portfolio impairment under the accounting standard under the expected loss method, additionally, there are temporary differences due to the effect of the valuation at amortized cost of short-term loans between economically related parties.

With regard to liabilities, the items that impact the calculation of the deferred tax are, for the most part, the liquidation of the provision corresponding to installments, parts of pension bonds, the actuarial calculation in pensions and in the EADE pension commutation, the amortization of actuarial calculation in pensions of Emvarias and, the credits and loans for the valuation at amortized cost of bonds, securities issued, credits and short-term loans, also includes the one generated by the temporary differences in the valuation at amortized cost of the credits and long-term loans between related parties. On the other hand, the temporary differences of the liabilities for long-term employee benefits such as retirement pensions, installments, pension bonuses, and actuarial calculation of retroactive severance payments and interest on severance payments and the unrealized exchange difference of accounts payable.

In the items that do not have future tax consequences, as is the case of tax liabilities and financial returns generated in the assets of the plan, EPM, CHEC, and Emvarias for being exempt income in accordance with the provisions of numeral 7 of the Article 235-2 of the Tax Statute, no deferred tax were generated.

Additionally, in the operation contract of the Aguas Claras wastewater treatment plant, the valuation of the account receivable registered by Aguas Regionales compared to the valuation made by EPM to the financial lease under accounting standards is asymmetric to the extent that they use different financial assumptions and different accounting bases.

The temporary differences on which deferred tax was not 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 tax liabilities and plan assets, of EPM, CHEC and Emvarias, since they correspond to items not subject to income tax.

The approval of dividends in the EPM Group after the presentation date and before the financial statements were authorized for publication, does not generate income tax consequences since it has as a policy for the national subsidiaries that only profits are distributed and unencumbered reserves. The tax effects that dividends decreed by foreign subsidiaries could generate in the income tax are eliminated with the entry into force of article 77 of Law 2010 of 2019 since these distributions are considered exempt income from capital in the application of the Colombian Holding Companies (CHC) regime.

Finally, the devaluation effect that the Colombian currency has experienced during the last taxable period close to 16%, generates a substantial increase in the book value of liabilities and accounts payable in foreign currency, while its tax base remains stable and its effects are only evidenced at the time of liquidation or partial payment of the obligations, based on the difference in exchange actually made, according to the provisions of articles 269 and 288 of the Tax Statute. This implies a decrease in the net deferred tax.

New regulations for subsidiaries in Colombia

On September 14, 2021, in the official gazette, No. 51,797, Law 2155 of 2021 was published, as the Social Investment Law and other provisions, through which the national government sought to establish a series of measures aimed at continuing and strengthening the social programs that were created to attend to the state of emergency derived from the pandemic. Among others, the purpose of this law is to contribute to economic reactivation, job creation, and fiscal stability.

Among the most relevant measures is the increase in the income rate for companies that are taxed under the ordinary regime, which from the taxable period 2022 is set at 35%, this modification has a significant impact on the current tax from that period and, a greater and immediate effect in the calculation of the deferred tax, in accordance with the provisions of Concept 0657 of December 16, 2021, issued by the Technical Council of Public Accounting.

In the case of the discount on income for payment of the Industry and Commerce Tax, which was planned to be used 100% from the 2022 taxable period, as a result of the issuance of Law 2155, paragraph 1 of article 115 of the Statute is repealed. Tributary -ET-, with which this discount remains at 50% of the amount of the industry and commerce tax paid, for the following taxable periods.

A relevant aspect of the operations carried out by the national companies of the EPM Group is that related to stamps, which have been proliferating in recent years to the point that there are energy sale operations on the stock market and long-term contracts, in which the tax burden for stamps is greater than 5%. In this sense, Article 32 of Law 2155 of 2021 modified article 14 of Law 2052 of 2020, indicating that for a maximum of two years from January 1, 2022, the national government must promote modifications before the Congress of the Republic. in terms of stamps in such a way that limits are imposed on the demand for this tax.

On the other hand, the Social Investment Law, as its predecessor Law 2010 of 2019 had already done, incorporates in article 689-3 ET the benefit of auditing with some changes compared to the previous version. This new version of the normative text allows that the income declarations of those taxpayers who increase the net income tax by 35% in relation to this same item of the immediately previous period, become firm within a term of six (6) months, and for those who increase it by 25%, they remain firm in twelve (12) months.

In terms of procedure, the law incorporated some benefits in relation to the reduction of penalties and default interest for obligations with the tax authority whose validity ended on December 31, 2021; contentious-administrative conciliation procedures, as well as the figure of termination by mutual agreement whose request may be made up to March 31, 2022, and the application of the principle of favorability in the collection stage.

Regarding electronic invoicing, the tax authority made important progress during 2021, the first of which was the implementation of the electronic payroll system, which is in operation in the national companies of the EPM Group; Regarding the supporting document in acquisitions made to subjects not obliged to issue a sales invoice or equivalent document that is currently issued physically in compliance with current regulations, work is currently being done on its implementation electronically. , in order to comply with the maximum date for its generation and transmission electronically, which would be May 2, 2022, in accordance with the provisions of article 6 of DIAN Resolution 000167 of December 30, 2021.

Another issue that has been addressed by the tax authority in recent years is related to the definition of the beneficial owner, which was developed by DIAN Resolution 000164 of December 27, 2021, in which numeral 1 of article 5, provides that entities decentralized companies in which the capital is 100% public, as is the case of EPM, are not obliged to identify, obtain, preserve, supply and update the information referred to in the aforementioned resolution in the Single Registry of Final Beneficiaries -RUB. The paragraph of the aforementioned article clarifies that the exception does not extend to mixed economy companies, so it will be necessary for each of the subsidiaries of Grupo EPM to carry out the analysis in order to comply with these new obligations.

In relation to the jurisprudence and the doctrine with impacts on the determination of the tax burden of the company, it is important to highlight the ruling of the Council of State of October 21, 2021, rapporteur magistrate Stella Jeannette Carvajal Basto, file 24435 in which the nullity of the DIAN Concept 001054 of October 12, 2014, with which 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, in which there are delays in payment by users. Although the ruling is aimed at the public aqueduct service, it is applicable to energy and gas services.

Another aspect that is well worth highlighting is tied to the use of the income discount for the VAT paid on investments related to real productive fixed assets; According to the doctrine issued by the tax authority, this benefit can be used in the period in which the investment is made or in the following periods, however, it clarifies that the discount cannot be used in installments, that is, taking a part in a taxable period and taking advantage of the remainder in another period. This position is enshrined in Official Letter DIAN 100208221-1130, filed 907362 of July 26, 2021.

Regarding regulations that had an impact on the determination of the company's tax burden for the taxable period 2020 and subsequent years, we found the following:

During 2020 and 2021, due to the situations derived from the declaration by the National Government of the economic, social, and ecological emergency, added to the declaration and extension of the health emergency decreed by the Ministry of Health and Social Protection, which is in force until February 28, 2022, in accordance with Resolution 1913 of 2021; Various regulations with a tax scope were issued that generate effects in the recognition of economic facts by the company and in the determination of its tax burden.

One aspect in favor was the decrease in the value-added tax from 19% to 5% valid until December 31, 2021, for passenger air transport, a situation that occurred through the issuance of Decree 575 on April 15 of 2020. This decrease favors the execution of costs and expenses of the entity in the use of air transport by officials. The validity of this measure was extended until December 31, 2022 by Law 2068 of 2020.

Through Decree 789 of June 4, 2020, the exclusion of the value added tax was determined for all hotel and tourism services in the country until December 31, 2020, this situation also generates benefits in the execution of costs. and expenses in cases where officials make use of the lodging service. The validity of this rule was extended by Law 2068 of 2020 until December 31, 2021, and later by article 65 of Law 2155 of 2021 with effect until December 31, 2022.

By means of Legislative Decree 799 of 2020, the temporary suspension was ordered, until December 31, 2020, in the payment of the surcharge or special contribution in the electricity sector referred to in paragraph 2. of Article 211 of the Tax Statute -ET- for providers of tourist services with active and current registration in the National Registry of Tourism and that develop as a main economic activity one of those described by the norm. Although this decision constitutes a relief in the costs of the hotel sector, it can generate an imbalance in the conciliation of subsidies and contributions for home public service companies, to the extent that they are contributions that are not collected. The validity of this rule was extended until December 31, 2021 according to Law 2068 of 2020.

On the other hand, a circumstance that favors the growth and widespread use of non-conventional renewable energy sources, a highly important business for the company, is the incorporation as exempt goods in article 477 of the Tax Statute by Law 2069 of 2020, of components for electricity generation through solar panels.

Through Law 2069 of 2020, donations made in favor of iNNpulsa Colombia by taxpayers are incorporated as a tax deduction and discount, in articles 158-1 and 256 of the Tax Statute.

Finally, Law 2070 of 2020 adds a subsection to article 392 of the Tax Statute in order to establish a 4% withholding rate at the source for cultural and creative activities.

Finally, it is also important to refer to the enactment of Law 2099 of 2021, which modifies, among others, Law 1715 of 2014 and under this regulation allows investments in equipment, machinery, and civil works necessary for pre-investment , investment, and operation of generation projects with non-conventional energy sources (FNCE), as well as for the measurement and evaluation of potential resources and actions or measures for efficient energy management, including smart metering equipment, may be depreciated in a period of up to 3 years and thus accelerate depreciation.

In the same way and under this same provision, VAT exclusion may also be requested for national or imported equipment, elements, machinery and services that are intended for pre-investment and investment, for the production and use of energy from non-conventional sources, as well as for the measurement and evaluation of potential resources, and to advance actions and measures for efficient energy management, including smart metering equipment.

Similarly, regarding the exclusion of tariffs, the new provision provides that this benefit may be chosen, in the importation of goods for energy efficiency and smart metering.

Thus, among the main modifications, we can highlight:

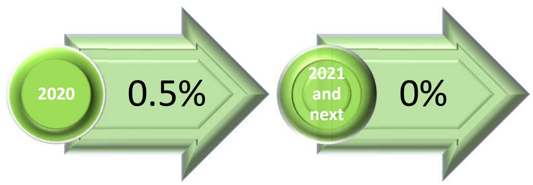
- General rate of income tax and complementary

The income and complementary tax rate is modified, as follows:

2021: Thirty-one percent (31%)
2022 onwards: Thirty-five percent (35%)

Pursuant to the legal stability contract, EPM's power generation business is taxed as of 2022 at the rate of thirty-three percent (33%) and will remain so as long as the rate established by the tax law is higher. at this percentage.

Presumptive income



The exemption in the determination of the presumptive income for residential public utility companies is maintained.

Tax on the sales

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 the components and spare parts of the vehicle gas 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 contracting party will be that corresponding to the date of the resolution or act of award, or subscription of the respective contract, the rate increases once they are added.

Other aspects

- In accordance with the provisions of article 258-1 ET., VAT paid on the acquisition, importation, construction and formation of real productive fixed assets, including the services necessary for put the asset in conditions of use, and the assets acquired through leasing. It is important to note that the Constitutional Court, through Ruling C-379/20 of September 2, 2020, declared this article conditionally enforceable under the understanding that the benefit is also applicable to taxpayers not responsible for sales tax.
- The possibility of taking 50% of the industry and commerce tax paid as a tax discount is preserved. It is established by the economic growth law that from the year 2022 this discount is 100%.
- The tax on dividends received by national companies remains in force at the general rate of 7.5% as withholding at the source on income, which will be transferable and attributable to the natural person resident or investor resident abroad.

- The sale of electrical energy generated based on wind energy, biomass or agricultural, solar, geothermal or sea residues carried out solely by generating companies will continue to be considered exempt income for a term of 15 years as of 2017, according to definitions of Law 1715 of 2014 and Decree 2755 of 2003.

- The Colombian Holding Company (CHC) regime is ratified as an instrument to promote foreign investment in the country.

- Through Decree 1157 of 2020, the requirements to access the tax benefits of the Mega-Investment mechanism were regulated with the possibility of accessing a tax stability regime.

- The modifications made by Law 1943 of 2018 to the undercapitalization 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. .

- Article 117 of Law 2010 of 2019 modified the finality term for income tax returns in which tax losses are settled or offset, or that are subject to the transfer pricing regime, leaving said term at 5 years.

It should be clarified that this term of firmness contained in article 714 of the tax statute was modified by law 1819 of 2016, remaining in 6 years. For this reason, the income tax returns filed by the national companies of the EPM Group as of the year 2017 will be covered by the aforementioned provision, but the one for the year 2019 that will be filed in the year 2020, will be subject to the change established in the law. 2010.

Note 42. Information to be disclosed about related parties

EPM, parent company of the EPM Group, is an industrial and commercial company of the State, decentralized from the municipal order, whose sole owner is the Municipality of Medellín. Its capital is not divided into shares.

Related parties of the Group are considered to be 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.

The balances and transactions between the EPM Group companies have been eliminated in the consolidation process and are not disclosed in this note. The total value 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	Income[(1)]	Costs/ Expenses[(2)]	Amounts receivable[(3)]	Amounts payable[(4)]	Guarantees and collateral received[(5)]
Associates:					
2021	64,770	54,383	6,383	8,329	-
2020	77,116	40,773	2,264	7,898	-
Key management personnel of the company or its controlling company:					
2021	5	26,292	930	3,630	1,006
2020	5	20,416	1,237	3,310	1,532
Other related parties:					
2021	150,123	133,532	58,777	6,430	-
2020	108,275	112,870	24,972	11,311	-

Amounts stated in millions of Colombian pesos -

(1) Income generated from transactions with associates corresponds to the sale of services related to information and communication technologies, information services and related and/or related complementary activities. The income generated with other related parties corresponds mainly to the sale of energy, provision of public and financial services. The detail of the income obtained by the Group from its related parties is as follows:

	Income	2021	2020
Associates	Sale of goods and services	54,705	51,416
	Interests	6	-
	Others	10,059	25,700
Key management personnel of the company or its controlling company	Sale of goods and services	5	5
Other related parties	Sale of goods and services	138,394	87,372
	Interests	134	1,525
	Fees	8,819	10,186
	Others	2,775	9,191
Total income from related parties		**214,897**	**185,396**

Amounts stated in millions of Colombian pesos -

(2) Corresponds to costs and expenses arising from transactions with 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	2021	2020
Associates	Procurement of goods and services	51,791	38,338
	Fees	2,563	2,393
	Others	29	42
Key personnel of the management of the company or its controller	Procurement of goods and services	14,419	13,997
	Fees	3,190	1,715
	Others	8,683	4,704
Other related parties	Procurement of goods and services	77,340	51,191
	Interests	-	4
	Fees	5,246	14,209
	Others	50,947	47,465
Total costs and expenses incurred with related parties		**214,207**	**174,058**

Amounts stated in millions of Colombian pesos -

(3) The Group maintains accounts receivable with its related parties derived from the sale of energy, provision of public services, sale of services associated with information and communication technologies, information services, among others. The EPM Group performs the portfolio rating under criteria that allow prioritizing the management of its recovery through the dependencies in charge of it or collection entities. The collection applies according to the billing cycle with respect to home public services.

(4) The payment policy, for the most part, is 30 days from the invoice filing date.

(5) The guarantees and endorsements 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 that exist 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 $1,396,953 (2020: $1,488,319), $761,974 (2020: $811,810) ordinary and $634,979 (2020: $676,509) extraordinary.

Remuneration of the Board of Directors and key personnel of the Group:

The remuneration of the members of the Board of Directors and the key personnel of the Group's management is as follows:

Concept	2021	2020
Wages and other benefits to short-term employees	45,025	32,949
Pensions and other post-employment benefits	1,053	532
Other benefits to long-term employees	1,343	906
Remuneration to key management staff	**47,419**	**34,387**

Amounts stated in millions of Colombian pesos -

The amounts disclosed are those recognized as a cost or expense during the reporting period for compensation of key management personnel.

Note 43. 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	2021	2020
Bonds and loans		
Commercial banking loans	7,353,772	6,006,780
Multilateral banking loans	1,326,950	2,962,186
Bank loans for development	1,869,922	1,589,648
Bonds and securities issued	1,512,514	13,691,688
Other loans	90,000	337,500
Total Debt	**25,765,791**	**24,587,802**
Total Capital	**25,765,791**	**24,587,802**

Amounts stated in millions of Colombian pesos -

Note 44. 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 Grupo EPM.

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	**EURIBOR**	**TIBOR**
Non-derivative financial liabilities	2,717,919	-	-

Amounts stated 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 have been identified:

risk code	Risk scenario	Relevant impact object	Probability	Consequence	Initial risk level
R1	Ineffectiveness in the coverage relationship	Reputation	Very Derecognition well-in	Minimum	Acceptable
R2	Difficulty in making credit assessment	Quality	Very Derecognition well-in	Minor	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, for which it is managing the updating of the clauses of the contracts, the internal documentation and the changes required in the systems to perform valuations.

45.1Market risk

45.1.1 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.

Exposed Value	Daily COP VaR
1,593,506	502
Amounts stated in millions of Colombian pesos	

45.1.2 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-Credits and loans
- 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 Grupo EPM would be affected by changes in variable interest rates as follows:

	Increase/decrease in basis points	Exposed value	Financial impact	
			On the result before taxes	In equity
2021				
Financial assets measured at fair value through profit or loss				
Investments at fair value through profit or loss	100	1,593,506	(6,575)	5,260
	(100)		6,575	(5,260)
Financial liabilities measured at amortized cost				
Credits and loans	100	8,727,525	(87,277)	(69,821)
	(100)		87,277	69,821
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	*711,284*	*(62,322)*	*(49,858)*
	(100)		*62,322*	*49,858*
2020				
Financial assets measured at fair value through profit or loss				
Investments at fair value through profit or loss	100	2,109,882	(5,473)	(4,378)
	(100)		5,473	4,378
Financial liabilities measured at amortized cost				
Credits and loans	100	7,946,304	(79,464)	(63,571)
	(100)	7,946,304	79,464	63,571
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	*213,715*	*(46,666)*	*(37,333)*
	(100)	*213,715*	*46,666*	*37,333*

Amounts stated in millions of Colombian pesos -

The Group considers that the sensitivity analysis is representative of the interest rate risk exposure.

45.3. 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-Credits and loans
- Financial liabilities measured at fair value with changes in other comprehensive income-Derivative instruments

During the current year, the Group has designated certain contracts on foreign currency as coverage, to cover up to 50% of the account receivable that EPM has the right to receive for the compensation that the insurer Mapfre will pay effectively on January 31, 2022, for a value of USD633,829,733, corresponding to consequential damages and lost profits.

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 374 million.

Sensitivity analysis to exchange rates

The following table indicates the sensitivity to a possible reasonable change in exchange rates of $100 pesos in the currency against the US dollar without considering the effect of hedge accounting. The impact originates from the change in monetary and non-monetary assets. Keeping the other variables constant, the profit/loss before taxes and the Group's equity would be affected by changes in exchange rates as follows:

	Increase/decrease in weights	Exposed value	Financial impact	
			On the result before taxes	In Equity
2021				
Financial assets measured at fair value through profit or loss				
Investments at fair value through profit or loss	100	871,315	31,917	25,534
	(100)		(31,917)	(25,534)
Financial liabilities measured at amortized cost				
Credits and loans	100	14,605,189	(366,858)	(293,486)
	(100)		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)		*(160,318)*	*(128,255)*
2020				
Financial assets measured at fair value through profit or loss	100	2,132,948	151,441	121,153
	(100)		(151,441)	(121,153)
Financial liabilities measured at amortized cost				
Credits and loans	100	14,019,211	(408,426)	(326,741)
	(100)	14,019,211	408,426	326,741
Financial liabilities measured at fair value through other comprehensive income				
Derivative instruments	*100*	*4,827,351*	*140,637*	*112,509*
	(100)	*4,827,351*	*(140,637)*	*(112,509)*

Amounts stated in millions of Colombian pesos-

The Group considers that the sensitivity analysis is representative of the exchange rate risk exposure.

45.4 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 Grupo EPM 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.

Accounts receivable measured at amortized cost and other accounts receivable:

Grupo EPM 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:

- Failure of customers to pay
- 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 Grupo EPM 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 considers that the value that best represents its exposure to credit risk at the end of the period, without considering any collateral is taken or other credit enhancements, is:

Concept	2021	2020
Cash and cash equivalents	4,090,062	4,097,964
Investments in debt instruments	871,895	2,468,330
Accounts receivable *	2,089,476	2,128,768
Other Accounts receivable*	376,676	277,487
Maximum exposure to credit risk	**7,428,109**	**8,972,549**

Amounts stated in millions of Colombian pesos-

* Corresponds to the value of the portfolio provision.

45.5. 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:

	Average effective interest rate	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2021							
Non-derivative financial assets	5.37%	930,528	20,463	11,000			961,991
Variable interest rate debt financial instruments	5.59%	2,323,398	1,368,523	832,767	573,438	4,579,613	9,677,738
Fixed-interest debt financial instruments	5.69%	469,741	963,103	1,306,436	338,982	12,775,864	15,854,128
2020							
Non-derivative financial assets	2.90%	2,137,000	166,627	-	11,000		2,314,627
Variable interest rate debt financial instruments	4.32%	1,823,191	1,345,794	2,363,507	910,858	4,227,936	10,671,287
Fixed-interest debt financial instruments	6.22%	738,795	216,709	750,255	1,174,508	11,255,003	14,135,269

Amounts stated in millions of Colombian pesos-

The values included in the above tables for non-derivative financial assets and liabilities may change due to changes in the variable interest rate in relation to the estimated interest rate at the end of the reporting period. The Group considers that the cash flows cannot occur earlier than previously indicated.

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	From 3 to 4 years	More than 4 years	Total contractual obligation
2021						
Swap Contracts	103,480	169,464	170,578	169,764	260,196	873,483
Total	103,480	169,464	170,578	169,764	260,196	**873,483**
2020						
Swap Contracts	157,138	61,100	90,966	91,581	766,656	1,167,440
Total	157,138	61,100	90,966	91,581	766,656	**1,167,440**

Amounts stated in millions of Colombian pesos

The main method for measuring and monitoring liquidity is the forecast of cash flow, which is carried out in the Group companies and is consolidated in the cash budget. Derived from this, a daily follow-up of its cash position is carried out and projections of it are continuously made, in order to:

- Monitor liquidity needs related to operating and investment activities associated with the acquisition and disposal of long-term assets.
- Pay, prepay, refinance, or obtain new loans, in accordance with 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, and in addition to managing investments and forecasting cash flow as part of the prudent liquidity risk management strategy, to control the current and working capital ratio, Grupo EPM seeks to guarantee adequate liquidity through the availability of long-term financing with credit alternatives.

45.6. Insurance risk

The EPM Group has established a captive reinsurance company, domiciled in Bermuda, registered in REACOEX Colombia, and rated by AM Best with A-, and it is through the company that the reinsurance risk is transferred from the insurance company in Colombia (in currently Sura) to the reinsurance market, for the following policies: Material Damage + Loss of Profits, Sabotage and Terrorism, Directors and

Administrators, Infidelity and Financial Risks (“ Crime ”), Errors and Omissions, Civil Liability and Coverage for cyber risks.

As mentioned, said risk management is done through Maxseguros EPM Ltd., which consolidates the risks assumed and assigns them through reinsurance operations.

In reference to the selection, assignment, and reinsurance management policies, these are carried out based on a strategy established jointly by the EPM Comprehensive Risk Management Department 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, the solid support is sought and a minimum rating of A- or equivalent is required.

The reinsurance companies with which operations were carried out in 2021 were the following:

Reinsurer	Risk Rating
Liberty Mutual USA	S&P A
Insurance Chubb (Federal Insurance)	S&P AA
AIG (National Union Fire 78%)	AM Best A
Partner Re	S&P A+
ARK	S&P A+
Swiss Re Corporate Solutions	AM Best A+
Maxinsurances EPM Ltd.	AM Best A-
Hannover Re	S&P AA-

The main claims assumed by the Group are:

Claim Type	Value of claim settled	The value of the reservation	Value EPM Group	Value reinsurer
Cascade Plant (ESSA)	-	318	318	318
Jepirachi Generator AG7	-	315	315	315
Actual Mine S/E (ESSA)	-	517	517	517
Thermosaw (EPM)	-	69,670	69,670	69,670
Palmas Hydroelectric Power Station (ESSA)	-	1,712	1,712	1,712
S/E Bucaramanga transformer	-	921	921	921
Guacaica (CHEC) - Turbine	-	438	438	438
WWTP San Fernando	-	1,444	1,444	1,444
Ancon Sur - Transformer	-	1,541	1,541	1,541
S/E Bucaramanga transformer	-	2,349	2,349	2,349
D&O - Ituango	7,962	-	-	7,962
Total	**7,962**	**79,224**	**79,224**	**87,186**

Amounts stated in millions of Colombian pesos -

The value of the insured assets is as follows:

Subsidiary	2021	2020
EPM	27,077,344	28,541,551
CHEC	2,380,998	2,575,560
DELSUR	319,952	303,155
ESSA	780,030	757,591
HET	759,545	773,495
AGUAS NACIONALES	1,181,589	-
AFINIA	900,315	-
BODEGAS ITUANGO	1,096,759	1,275,329
Total	**34,496,532**	**34,226,681**

Amounts stated in millions of Colombian pesos -

Note 45. 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 2021 and 2020 in the Group, no transfers have been made between the levels of the fair value hierarchy, both for the entry and exit transfers of the levels, when.

Valuation techniques and variables used by the Group to measure fair value for recognition and disclosure:

Cash and cash equivalents: includes 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 results 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.

Accounts receivable: 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 measurement on a recurring basis 2021	Total book value	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalent	1,014,391	1,014,391	-	-	1,014,391
Total negotiable or deisgnated to fair value measurement	**1,014,391**	**1,014,391**	**-**	**-**	**1,014,391**
Fixed income securities	508,968	508,968	-	-	508,968
Variables securities at fair value	97,768	97,768	-	-	97,768
Investments pledged or delivered in guarantees	30,310	30,310	-	-	30,310
Total other Investments measured at fair value(See note 12)	**637,046**	**637,046**	**-**	**-**	**637,046**
Variable securities and other equity investments	2,236,758	2,228,715	-	8,043	2,236,758
Total Other Investments (See note 12)	**2,236,758**	**2,228,715**	**-**	**8,043**	**2,236,758**
Noodle in administration	401,504	401,504	-	-	401,504
Total Trust Rights (See note 12)	**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 (See note 12)	**238,517**	**-**	**136,307**	**102,210**	**238,517**
Other Accounts receivables	23,187	-	-	23,187	23,187
Total debtors (See note 11)	**23,187**	**-**	**-**	**23,187**	**23,187**
Investment properties Urban and rural land	136,211	-	-	136,211	136,211
Investment properties Buildings and houses	31,119	-	-	31,119	31,119
Total investment properties	**167,329**	**-**	**-**	**167,329**	**167,329**
Liabilities					
Provision - Business Combination	165,214	-	-	155,378	155,378
Total Contingent compensation (See note 15)	**165,214**	**-**	**-**	**155,378**	**155,378**
Other Accounts payable	91,317	-	-	91,317	91,317
Total Accounts payable	**91,317**	**-**	**-**	**91,317**	**91,317**
Derivative swaps liabilities	164,277	-	164,277	-	419,132
Total Derivatives Liabilities	**164,277**	**-**	**164,277**	**-**	**419,132**
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 -

Fair value measurement on a recurring basis 2020	Total book value	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalent	624,500	624,500	-	-	624,500
Total negotiable or deisgnated to fair value measurement	**624,500**	**624,500**	**-**	**-**	**624,500**
Fixed income securities	2,245,812	2,245,812	-	-	2,245,812
Variables securities at fair value	79,928	79,928	-	-	79,928
Investments pledged or delivered in guarantees	35,148	35,148	-	-	35,148
Total other Investments measured at fair value(See note 12)	**2,360,888**	**2,360,888**	**-**	**-**	**2,360,888**
Variable securities and other equity investments	2,559,131	2,551,207	-	7,924	2,559,131
Total Other Investments (See note 12)	**2,559,131**	**2,551,207**	**-**	**7,924**	**2,559,131**
Noodle in administration	449,679	449,679	-	-	449,679
Total Trust Rights (See note 12)	**449,679**	**449,679**	**-**	**-**	**449,679**
Put Options	128,204	-	-	128,204	128,204
Derivative swaps	62,385	-	62,385	-	62,385
Total Derivatives (See note 12)	**190,589**	**-**	**62,385**	**128,204**	**190,589**
Other Accounts receivable s.	23,237	-	-	23,237	23,237
Total debtors (See note 11)	**23,237**	**-**	**-**	**23,237**	**23,237**
Investment properties Urban and rural land	129,172	-	-	129,172	129,172
Investment properties Buildings and houses	35,947	-	-	35,947	35,947
Total investment properties	**165,119**	**-**	**-**	**165,119**	**165,119**
Liabilities					
Provision - Business Combination	155,378	-	-	155,378	155,378
Total Contingent compensation (See note 15)	**155,378**	**-**	**-**	**155,378**	**155,378**
Other Accounts payable	120,429	-	-	120,429	120,429
Total Accounts payable	**120,429**	**-**	**-**	**120,429**	**120,429**
Derivative swaps liabilities	419,132	-	419,132	-	419,132
Total Derivatives Liabilities	**419,132**	**-**	**419,132**	**-**	**419,132**
Total fair value on a recurring basis	**5,678,204**	**5,986,274**	**(356,747)**	**48,677**	**5,678,204**

Amounts stated in millions of Colombian pesos -

During 2021, no transfers between levels were made.

The following tables present a reconciliation of the Group's assets and liabilities measured at fair value on a recurring basis using unobservable variables (classified in level 3 of the fair value hierarchy) as of December 31, 2021, and 2020:

Changes to level 3 of fair value hierarchy 2021	Initial Balance	Recognized changes in results	Recognized changes to the other end result	Shopping	Sales and transfers	Settlements	Final Balance
Assets							
Equity securities Other equity investments	7,924	-	119	-	-	-	8,043
Total Other 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 s.	23,237	(50)	-	-	-	-	23,187
Total debtors	**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)**	-	**167,330**
Liabilities							
Provision - Business Combination	155,378	9,836	-	-	-	-	165,214
Total Contingent compensation (See note 15)	**155,378**	**9,836**	**-**	-	**-**	-	**165,214**
Other Accounts payables	120,429	13,543	-	-	-	(42,655)	91,317
Total Td Accounts payable	**120,429**	**13,543**	**-**	-	-	**(42,655)**	**91,317**

Amounts stated in millions of Colombian pesos -

Changes to level 3 of fair value hierarchy 2020	Initial Balance	Recognized changes in results	Recognized changes to the other end result	Shopping	Sales and transfers	Settlements	Final Balance
Assets							
Equity securities Other equity investments	7,947	-	(23)	-	-	-	7,924
Total Other Investments (See note 12)	**7,947**	-	**(23)**	**-**	-	-	**7,924**
Options	**-**	(14,028)	**-**	142,232	-	-	128,204
Total Derivatives	**-**	**(14,028)**	**-**	**142,232**	-	-	**128,204**
Other Accounts receivable s.	51,638	(28,401)	-	-	-	-	23,237
Total debtors	**51,638**	**(28,401)**	-	**-**	-	-	**23,237**
Investment properties Urban and rural land	107,398	-	(7,123)	-	28,897	-	129,172
Investment properties Buildings and houses	32,956	-	(10,297)	-	13,288	-	35,947
Total investment properties (See Note 6)	**140,354**	-	**(17,420)**	**-**	**42,185**		**165,119**
Liabilities							
Provision - Business Combination	134,841	20,537	-	-	-	-	155,378
Total Contingent compensation (See note 28)	**134,841**	**20,537**	**-**	**-**	**-**	**-**	**155,378**
Other Accounts payables	-	**(21,803)**	**-**	**142,232**	**-**	**-**	120,429
Total Td Accounts payable	**-**	**(21,803)**	**-**	**142,232**	**-**	**-**	**120,429**

Amounts stated in millions of Colombian pesos -

The book value and estimated fair value 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, 2021 and 2020 is as follows :

2021	Book value	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 receivables	3,957,082	3,945,141	3,945,141
Total Assets	**9,160,462**	**9,158,470**	**9,158,470**
Liabilities			
Bank loans for development	1,869,922	1,869,922	1,869,922
Multilateral banking loans	1,326,950	1,326,950	1,326,950
Commercial banking loans	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	**(16,605,329)**	**(15,905,416)**	**(15,905,416)**

Amounts stated in millions of Colombian pesos -

2020	Book value	Level 2	Total
Assets			
Public services	3,581,997	3,488,421	3,488,421
Employees	168,434	170,538	170,538
Construction contracts	598	482	482
Other Accounts receivables	1,699,415	1,499,545	1,499,545
Total Assets	**5,450,444**	**5,158,986**	**5,158,986**
Liabilities			
Bank loans for development	1,589,648	1,583,496	1,583,496
Multilateral banking loans	2,962,186	2,962,186	2,962,186
Commercial banking loans	6,006,780	6,539,779	6,539,779
Bonds and securities issued	13,691,688	14,392,309	14,392,309
Other liabilities	337,500	354,071	354,071
Total liabilities	**24,587,802**	**25,831,841**	**25,831,841**
Total	**(19,137,358)**	**(20,672,855)**	**(20,672,855)**

Amounts stated in millions of Colombian pesos -

As of December 31, 2021, and 2020, there were no concepts in levels 1 and 3.

Note 46. Service concession agreements

As of the cut-off date, the Group manages various concessions as operator that contain provisions for the construction, operation and maintenance of facilities, as well as the provision of public services such as water supply, collection and treatment of wastewater, in accordance with the regulations of application.

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 Itagui/1/DJ/-6199/10 - 2/DJ/-1190/33 - 1/DJ/-2079/58 - 2801799.	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 Ditaires Park. Construction of the collector parallel to the cover of the La Munoz gorge. Transfer of Hydraulic Structures to provide the service of Sewer in the municipality and provide the sanitation to the Medellin River.	Colombia	30 years (extendable)	26 years
Empresas Públicas de Medellín - Municipality of Girardota/1/JD-591/2	Provision of aqueduct and sewerage service.	Colombia	20 years (extendable)	11 years
Empresas Públicas de Medellín - Municipality of Copacabana/1/DJ-9994/9	Execution of works for the supply of drinking water, sewerage and the provision of such services.	Colombia	20 years (extendable)	9 years
Empresas Públicas de Medellín - Municipality of Barbosa/1401287	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 Envigado/1/DJ/-5991/30 - 1/DJ/-7982/5.	Provision of the aqueduct and sewerage service and construction of works for the provision of the Aqueduct and Sewer service.	Colombia	10 years (extendable)	6 years
Empresas Públicas de Medellín - Municipality of La Estrella/1/DJ/-7835/17	Execution of works and provision of potable water and sewerage services.	Colombia	10 years (extendable)	3 years
Empresas Públicas de Medellín - municipality of Sabaneta/1/DJ/-7885/19	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)	3 years
Empresas Públicas de Medellín - Municipality of Bello/1/DJ/-6208/11	Execution of works and provision of the aqueduct and sewerage service.	Colombia	10 years (extendable)	2 years
Municipality of Apartado / EPM Regional Waters.	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	15
Municipality of Carepa/ EPM Regional Waters.	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	15
Olaya Municipality / EPM Regional Waters.	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	15

Company/Agreement	Activity	Country	Grant Period	Initial Remaining Period
Municipality of San Jeronimo / EPM Regional Waters.	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	15
Municipality of Santa Fe / EPM Regional Waters.	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	15
Municipality of Sopetran / EPM Regional Waters.	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	15
Municipality of Chigorodo / EPM Regional Waters.	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	15
Municipality of Mutata / EPM Regional Waters	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	15
Turbo Municipality / EPM Regional Waters.	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	15
Oriente Waters - Municipality El Retiro	Operate and maintain networks and other infrastructure received during the concept of adequate service delivery.	Colombia	No explicit duration period	
ADASA - Econssa Chile S.A.	Operation of public services for the production and distribution of drinking water, collection and disposal of wastewater and other facilities related to such activities.	Antofagasta region	30	12
Colima wastewater treatment plant.	Municipal wastewater sanitation	Mexico	34 years	22 years
Atapaneo and Itzicuaros wastewater treatment plants in Morelia.	Municipal wastewater sanitation	Mexico	27/14 years	16/9 years
New processes contracted for the PEMEX project in Ciudad Madero Tamaulipas.	Municipal wastewater sanitation	Mexico	24 years	21 years
Sewage treatment plants in Morelos and Tierra Negra, Tamaulipas.	Municipal wastewater sanitation	Mexico	24 years	21 years
Wastewater treatment plant in Torreon, Coahuila.	Municipal wastewater sanitation	Mexico	20 years	2 years 7 months
Tuxtla and Paso El Limon wastewater treatment plants in Tuxtla Gutierrez.	Municipal wastewater sanitation	Mexico	18 years	13 years
Celaya wastewater treatment plant, Guanajuato.	Municipal wastewater sanitation	Mexico	18 years	10 years 5 months

Service concession agreements for the provision of aqueduct and sewage services

In Colombia:

The concession agreements between companies of the Group domiciled in Colombia with the municipalities establish the conditions under which the aqueduct and sewage networks are managed, operated and maintained for the provision of drinking water and wastewater treatment services to its inhabitants, in the terms, conditions and rates established by the Commission for the Regulation of Potable Water and Basic Sanitation – CRA –. The agreements indicate the following rights and obligations for the companies of the Group as operator in the service concession agreement:

- Right to receive from the municipality all of the aqueduct and sewage 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 agreements 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 agreements do not establish the obligation to build elements of property, plant and equipment.

At the end of the concession, the companies of the Group must return the aqueduct and sewage networks without any compensation to the municipalities. There have been no changes in the terms of the concession agreements during the period.

In Aguas de Oriente: Provide aqueduct and sewage services in the municipality of El Retiro, complying with Law 142 of 1994 and the Resolutions issued by the Commission for the Regulation of Potable Water and Basic Sanitation.

Obligations of the Municipality: Deliver to Aguas del Oriente as loan the aqueduct and sewage distribution networks.

Obligations of the agreement: The expansion of the networks will be carried out in accordance with the regulations on the matter and will be the responsibility of the parties, who may do so directly or through the municipality in projects with greater coverage.

In Chile:

Aguas de Antofagasta **S.A.** signed with Empresa de Servicios Sanitarios de Antofagasta SA (current Empresa Concesionaria de Servicios Sanitarios SA – Econssa SA) the " Contract for the Transfer of the Right to Exploit Sanitary Concessions ", for a total term of 30 years from the date of its subscription.

As part of the contract that granted the Concession to the Company, it received real estate, furniture, installations, water use rights and easements, which are used in the exploitation 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 it is found, ensuring its proper functioning in all moment.

In Mexico:

For Ticsa, as of December 31, 2021 and 2020, the Company manages various concessions as operator that contain provisions for the treatment of wastewater, during the concession period.

Note 47. Operating segments

47.1 Segment information

For management purposes, the Group is organized into segments based on their products and services, and has the following eight operating segments on which information is presented:

- Electricity Generation Segment, whose activity consists of the production of energy and the commercialization of large blocks of electrical energy, 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, which operate at voltages less than 220 KV, the sale 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 the transport of energy in the National Transmission System -STN-, made up of the set of lines, with their corresponding connection equipment, that operate at voltages equal to or greater than 220 KV. The National Transmitter (TN) is the legal entity that operates and transports electricity in the STN or has established a company whose purpose is the development of said activity.
- Natural Gas Distribution and Marketing Segment, whose activity consists of transporting gas from the city gate to the end user, through medium and low-pressure pipes. It includes the sale of gas through different systems, including network distribution, vehicular natural gas, compressed natural gas and service stations.
- Water Supply Segment, whose activity consists of conceptualizing, structuring, developing and operating systems to provide water. It includes carrying out the commercial management of the portfolio of services related to the supply of water for different uses, in addition to the use of the productive 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 make up 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 non-regulated end users. Therefore, the Group includes its financial information in the corresponding segments that contain this activity.

Management supervises 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 based on profit or loss from operations before taxes and from discontinued operations and is measured consistently with profit or loss from operations in the consolidated financial statements.

The transfer prices between the operating segments are agreed as between independent parties in a manner similar to that agreed with third parties.

2021	Generation	Transmission	Distribution	Gas	Water supply	Waste water management	Solid waste management	Other segments	Total Segments	Intersegment elimination	Consolidated
External customer revenue	3,984,547	284,419	17,090,683	1,052,820	1,494,765	876,855	263,658	209,182	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 Income	**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)**
Depreciations, amortizations, provisions and Depreciation capital of PP&E and intangible	(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 accounts receivable	(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 income and income	39,897	936	74,795	2,759	14,435	46,105	1,488	2,323	182,738	(70,917)	**111,821**
Financial income (other than interest and income)	4,348	815	22,846	1,652	719	5,930	1,552	3,511	41,373	(8)	**41,365**
Total financial 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)**
Financial 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 financial expenses	(323,509)	(47,618)	(339,741)	(52,119)	(240,853)	(152,490)	(9,762)	(343,760)	(1,509,852)	79,007	**(1,430,845)**
Difference in net change	(19,635)	9,069	(50,355)	7,672	27,249	6,173	(2)	(955)	(20,784)	(138)	**(20,922)**
Equity method in associates and joint ventures results	-	-	-	-	-	-	-	(269,896)	(269,896)	-	**(269,896)**
Effect on participation in equity investments	-	-	1,869	-	-	-	-	124,058	125,927	(1,877)	**124,050**
Result of the period before taxes	**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 of regulatory accounts related to the period result	-	-	88,433	-	-	-	-	-	88,433	-	**88,433**
Net result of 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 with no investments in associates and joint ventures, of deferred regulatory accounts debit balances	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 according to the equity method	-	-	-	-	-	-	-	1,417,969	1,417,969	-	**1,417,969**
Deferred assets related to regulatory accounts balances	-	-	136,282	-	-	-	-	-	136,282	-	**136,282**
Total assets and deferred regulatory accounts balances	**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 accounts balances	-	-	40,884	-	-	-	-	-	40,884	-	**40,884**
Total liabilities and of deferred regulatory accounts credit balances	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 of 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**

Amounts stated in millions of Colombian pesos

2020	Generation	Transmission	Distribution	Gas	Water supply	Management wastewater	Solid waste management	Other segments	Total segments	Intersegment elimination	Consolidated
External customer revenue	3,420,762	245,548	12,551,721	926,653	1,321,895	930,067	247,864	154,402	19,798,912	-	**19,798,912**
Inter-segment revenue	1,596,162	108,711	490,680	252,990	32,524	20,584	1,514	92,494	2,595,659	(2,595,659)	-
Total Net Income	**5,016,924**	**354,259**	**13,042,401**	**1,179,643**	**1,354,419**	**950,651**	**249,378**	**246,896**	**22,394,571**	**(2,595,659)**	**19,798,912**
Costs and expenses without depreciations, amortizations, provisions and Depreciation stock of PP&E and intangibles	(3,015,989)	(84,830)	(10,416,048)	(1,047,372)	(688,451)	(396,126)	(181,471)	(249,882)	(16,080,169)	2,526,436	**(13,553,733)**
Depreciations, amortizations, provisions and Depreciation capital of PP&E and intangible	(543,146)	(52,907)	(740,765)	(21,369)	(222,046)	(119,742)	(39,304)	(23,527)	(1,762,806)	34,914	**(1,727,892)**
Impairment of accounts receivable	150	388	(257,476)	18	(10,489)	(8,614)	(1,974)	(23,652)	(301,649)	6,178	**(295,471)**
Financial income (other than interest and income)	13,302	407	13,560	4,655	(12,871)	(5,938)	(106)	(23,137)	(93,834)	1,647	**(92,187)**
Interest income and income	23,011	784	84,431	2,349	17,488	57,738	3,319	32,001	221,121	(117,916)	**103,205**
Financial income (other than interest and income)	13,302	407	13,560	4,655	2,452	8,171	4,290	7,208	54,045	23	**54,068**
Total financial income	36,313	1,191	97,991	7,004	19,940	65,909	7,609	39,209	275,166	(117,893)	**157,273**
Interest expenses	(230,332)	(42,443)	(344,291)	(44,263)	(115,168)	(136,886)	(4,035)	(317,507)	(1,234,925)	125,960	**(1,108,965)**
Financial expenses (other than interest)	(73,313)	(483)	(24,668)	(3,023)	(42,073)	(8,055)	(4,966)	(3,447)	(160,028)	1,361	**(158,667)**
Total financial expenses	(303,645)	(42,926)	(368,959)	(47,286)	(157,241)	(144,941)	(9,001)	(320,954)	(1,394,953)	127,321	**(1,267,632)**
Difference in net change	(288,061)	(36,629)	(63,162)	(10,088)	(8,783)	(25,058)	2	57,278	(374,501)	241	**(374,260)**
Equity method in associates and joint ventures results	-	-	-	-	-	-	-	(91,970)	(91,970)	-	**(91,970)**
Effect on participation in equity investments	-	-	2,657	-	-	4	-	1,662,149	1,664,810	(15)	**1,664,795**
Result of the period before taxes	**885,513**	**137,601**	**1,263,619**	**59,766**	**274,478**	**316,145**	**25,133**	**1,272,410**	**4,234,665**	**(16,830)**	**4,217,835**
Income tax	(50,589)	(28,657)	(376,030)	(18,419)	(9,571)	(21,849)	(4,525)	(186)	(509,826)	10,798	**(499,028)**
Net movement of regulatory accounts related to the period result	-	-	22,111	-	-	-	-	-	22,111	-	**22,111**
Net result of the period	834,924	108,944	909,700	41,347	264,907	294,296	20,608	1,272,224	3,746,950	(6,032)	3,740,918
Total assets with no investments in associates and joint ventures, of deferred regulatory accounts debit balances	22,588,907	2,098,540	19,844,621	1,398,421	7,356,873	5,726,492	360,276	14,390,309	73,764,439	(11,661,919)	**62,102,520**
Investments in associates and joint ventures accounted for according to the equity method	-	-	-	-	-	-	-	1,675,500	1,675,500	-	**1,675,500**
Deferred assets related to regulatory accounts balances	-	-	767	-	-	-	-	-	767	-	**767**
Total assets and deferred regulatory accounts balances	**22,588,907**	**2,098,540**	**19,845,388**	**1,398,421**	**7,356,873**	**5,726,492**	**360,276**	**16,065,809**	**75,440,706**	**(11,661,919)**	**63,778,787**
Total Liability	13,299,839	1,200,295	11,525,504	924,461	3,866,868	2,391,988	300,677	5,197,020	38,706,652	(2,055,288)	**36,651,364**
Deferred liabilities related to regulatory accounts balances	-	-	230	-	-	-	-	-	230	-	**230**
Total liabilities and of deferred regulatory accounts credit balances	13,299,839	1,200,295	11,525,734	924,461	3,866,868	2,391,988	300,677	5,197,020	38,706,882	(2,055,288)	**36,651,594**
Additions of non-current assets	1,578,138	122,021	1,092,752	14,468	604,313	299,871	22,883	92,615	3,827,061	-	**3,827,061**

Amounts stated in millions of Colombian pesos -

47.2 Information by geographic area

Income from external customers

Country	2021	2020
Colombia (EPM Home Country)	18,247,372	13,330,791
Guatemala	2,844,284	2,591,468
Panama	2,099,470	2,117,722
El Salvador	1,127,026	922,197
Chile	734,016	639,210
Mexico	169,005	159,325
Ecuador	5,929	10,095
Bermuda	36,346	32,073
International intersegment deletions	(6,519)	(3,969)
Total countries other than Colombia	**7,009,557**	**6,468,121**
Total Consolidated Revenue	**25,256,929**	**19,798,912**

Amounts stated in millions of Colombian pesos -

Income information is based on customer location.

In the Group there is no customer that generates more than 10% of its ordinary income.

Non-current assets

Country	2021	2020
Colombia (EPM Home Country)	35,460,720	34,737,721
Chile	3,530,519	3,573,899
Panama	2,861,449	2,419,912
Guatemala	3,030,659	2,531,817
El Salvador	429,786	359,724
Mexico	1,600	1,621
Total countries other than Colombia	**9,854,013**	**8,886,973**
Total non-current assets	**45,314,732**	**43,624,694**

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 from the acquisition of subsidiaries and goodwill.

Note 48. Events after the reporting period

Mapfre insurance payment for contingency coverage of the future Ituango hydroelectric plant:

On January 25, 2022, the company Mapfre Seguros Generales de Colombia, the insurer of the future Ituango hydroelectric plant, made a final, total, and definitive payment of USD 633.8 million for the contingency initiated in the project in April 2018, within of 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 in the second instance ruling of the Comptroller General of the Republic, notified on November 26, 2021. Said This fact does not represent an adjustment to the figures of the separate financial statements as of December 31, 2021, because it was recognized for the same amount as a lower value in the property, plant, and equipment category with the current exchange rate. that the transaction contract was signed, equivalent to $2,471,853.

After receiving the payment, on that same date EPM withdrew the arbitration claim before the conciliation, arbitration, and amicable composition center of the Medellin Chamber of Commerce for Antioquia.

After the date of presentation of the consolidated financial statements and before the date of authorization of their publication, there were no other relevant events that imply adjustments to the figures.