

**CORFICOLMBIANA
PRESENTATION OF RESULTS 2Q-2022
AUGUST 22nd 2022**

Diego Buitrago: Good morning to you all. This is Corficolombiana's presentation of results for the second quarter of 2022. My name is Diego Buitrago, Partner Relationships Manager. We have a group of guests who are here with us and also online.

For online guests, remember that on the bottom left corner you can change languages whenever you want. This meeting is being recorded and you will find every file about this presentation on our online portal. The documents will be located at www.corficolombiana.com in the section called Shareholders and Investors, subsection Financial Information.

We are ready to start so I'll give the floor to María Lorena Gutiérrez, Corficolombiana's CEO.

María Lorena Gutiérrez: Thank you and welcome to Corficolombiana's presentation for the second quarter of this year. Thank you to everyone who is here at Estelar Hotel, 93rd Street. Also, over 25 people are connected through WebEx. Thank you to those who are here because Mondays are a difficult day to come and traffic in Bogota is worse and worse. We will find a better time to do this type of meetings next time.

I would like to take advantage of this meeting, given the fact that we have every single analyst and Corficolombiana follower, to welcome Diego. He took on Adriana Gonzalez's position, as she went to live to Portugal. So welcome, Diego. Many of you know him from Valores Bancolombia because he monitored our shares. I'm sure that you guys have a great relationship with Diego. Welcome.

Some relevant facts about this quarter. On the 23rd of May, we paid the dividends that we had decreed in the previous assembly, which amounted to COP 771 billion, with an increase of almost 16% when compared to 2021.

The good news is that last week BRC confirmed our long-term debt as AAA and our short-term debt as BRC +1. We had a great meeting with the rating agency. I think their report is very positive and they are optimistic about Corficolombiana's businesses.

Even though Gustavo is going to talk about some of these things when he presents the results of our investments, I would like to highlight the fact that Estelar has had an occupancy over its historical maximum numbers, 68%, way over what Cotelco reports, which is about 59% as Colombian average.

Occupancy in hotels in cities such as Cartagena, Santa Marta, Villavicencio and Paipa was over 70%. And as I mentioned before, this is above historic numbers for Estelar. This represents the activation of tourism and the economy in Colombia.

In terms of energy and gas, Promigas held an Investor Day in New York and I'm sure that many of you were involved with it. They showed their achievements and challenges for their projects and subsidiaries.

As you may remember, the first pilot hydrogen plant was made in Cartagena. There are two of them; one belongs to Promigas and the other one to Ecopetrol. The interesting part is that Promigas signed an alliance with Sumitomo, aiming to develop the hydrogen mobility market, which means car, trucks, etc. both in Colombia and Peru. We will continue working on this and of course this is going to be a great program for the country.

Concerning the agricultural industry, we had great results. Unipalma had very good results and Gustavo will talk about that. I would like to highlight the international RSPO certification for sustainable palm oil, which as you know, is necessary to be able to export, especially to the European market.

And Pajonales had some interesting developments compared to 2021, especially due to a rice seed that has been internally developed called Cálida 22.

In terms of infrastructure, Gustavo is going to show you how our concessions are doing. The good news is that we delivered all of the double-lane belonging to the second part of the Bogota-Villavicencio road. This is one of the most modern roads in Colombia, which includes

32 kilometers, 6 tunnels, 20 bridges, and 18 intersections. I encourage you to visit this amazing road. We call it “the third third”.

In the financial part, the fiduciary is doing really, it has over executed some of the budget goals but in terms of activities it is doing well, despite what has happened in the financial market. And as you will see, Casa de Bolsa had important results in terms of OPAs, with an amazing result.

Regarding general figures, the figures show the evolution of Corficolombiana: our assets are around COP 48 billion, compared to COP 42 billion in the second quarter of 2021, which represents an increase of 12.2%, and the Ebitda increased by 40% if you compare it to the same semester in 2021. We reached an Ebitda of COP 1.85 billion versus COP 1.35 billion in the second quarter of 2021. Finally, net income also had amazing results. As you can see, if we compare net income to Q2 2021, when it was COP 537 billion, it grew by 16%, reaching COP 625 billion.

I said hi to you, but I didn't say hi to the team. I want to greet Juan Carlos Páez, who is the Executive Vice President; Gustavo Ramírez, our Vice President of Investments; Jose Ignacio López, from Economic Research; Julián Valenzuela, Vice President of Treasury, and also Paula Durán, Sustainability Director.

All of us are going to present some information today. I will now give the floor to José Ignacio, to talk about the evolution of the macro situation of the country and to give us some perspective. So, José Ignacio, the floor is all yours.

Jose Ignacio Lopez: Perfect. María Lorena, thank you for this invitation. It's a pleasure to see you all.

I'm going to do a quick summary of the Colombian economy and how that diagnosis fits into the corporation's perspective.

First, regarding relevant quarterly figures, we need to talk about the growth of the economy. Colombian economy grew by 12.6% during the second quarter of this year when

compared to the same period in 2021, showing the good dynamism of the country's business.

It is worth mentioning that there is an important base effect in this figure. Let's remember that the second quarter of last year was affected by the social demonstrations so, of course, there's a statistical base component there, but also if we look at the sequential figures, which have a 1.5 growth, we see that the Colombian economy still has great dynamics.

The broken-down figures on the demand side show the same: there is a participation of the demand, in particular household consumption, which is driving the economy. This is a growth pattern that we announced in previous quarters, and it's really clear when looking at the figures. In this slide, in the graph in the middle, we see the 12.6% contribution to that growth and you can see that household consumption, which is the blue line, is largely responsible for that growth.

This growth is happening under a context of inflation. This is a pressure that comes from a combination of offer factors, but also from a household consumption pattern. So, undoubtedly, the demand is contributing to that inflation. We are close to a 10% inflation.

Last year we warned this. We saw that this was going to happen. It was a perfect storm regarding inflation and we are still seeing a lot of those factors in the dynamics of prices to consumers.

We already see some corrections in some items. For example, in food, we have probably reached the peak of inflation so we will see some correction there. But the persistence due to demand components, such as regulated products and services, is going to be present in the upcoming months.

So, for now, we expect inflation to be close to 10% and to 9.8% by yearend, starting to show correction for next year, considering that we have uncertainty in variables related to financial policies, for example, the increase of the minimum wage, which is going to determine that persistence, that inflationary shock, for the first semester of next year.

So, in this context, and to wrap things up, we're seeing that the Central Bank will probably increase interest rates. Most of the monetary policy adjustment already took place, but with the lagging of the monetary policies and interest rates, I'm sure that in the second semester of this year we will have some symptoms of deacceleration of consumption, as a result of this persistent inflation and rate increases.

Regarding the offer, we usually show this in an unusual way, but it allows us to talk about the cyclical and more trending component in the sectors where we are present and it is going to be reflected in the rest of the presentation.

I would highlight the dynamism of the hotel sector in the country and in particular our presence in the sector. This sector was the most affected by the pandemic and the quarantines but it has bounced back significantly. You can see in this graph, in yellow, how the hotel sector has bounced back even way before pre-pandemic figures, which is surprising.

Other sectors also behaved really well. The blue line you see refers to the sectors we represent, excluding the financial sector. The agricultural sector wasn't particularly affected by the pandemic and over the last quarter, it has shown amazing dynamism, although there's some lagging behind with other sectors.

And in the right-hand side graph we have broken down the data by sectors and you can see what we have talked about, the cyclical structure and also our share in sectors that have been driving the economy, for example, the infrastructure sector and the financial sector, which are part of that Colombian economy growth structure and recovery.

That was all from me and of course, we are willing to answer questions from the audience if you want elaboration in terms of forecasts from our economic research department. Thank you. María Lorena.

María Lorena Gutiérrez: Thank you, José Ignacio. And as you mentioned, at the end, we will have a space for questions.

Now, I'd like to give the floor to Paola Durán. She is the Director of Sustainability in Corficolombiana. And first of all, I would like to congratulate her because Asobancaria gave us an award and an acknowledgement because of our governance and sustainability. All of the banking system participated so we are really proud about the work led by Paula and the entire Corficolombiana team.

Our strategy is called *Corficolombiana Sostenible* or Sustainable Corficolombiana, and we would like to show you what we've done this quarter. Paula, please, go ahead.

Paula Durán: Thank you, María Lorena, and to all of you for being here today. We want to tell you how we've moved forward in those five pillars that are part of *Corficolombiana Sostenible* or Sustainable Corficolombiana. We're really proud of our achievements.

First, I would like to talk about responsible investments. As you know, this has been a commitment that we have assumed strongly. We have assisted our companies to move forward in the definition of their own sustainability models, and this quarter all of those models were approved by the corresponding Board of Directors.

The interesting part is that in order to determine this model, we led a supporting process in which the companies determined their material issues and their stakeholders and of course, the goals and objectives in terms of SDG - Sustainable Development Goals for the next few years.

So, in terms of responsible investments, we updated our investment policy, and we broadened to include ASG criteria in non-controlled investments. The policy was focused on controlled-investments, but now we have also developed a tool to measure the ASG criteria in non-controlled investments.

In terms of environmental issues, well, I think you are familiar with the progress we've made regarding climate change issues. Since the beginning of the year, we started work on defining our climate change management strategy under the TCFD framework, which basically asks us to identify the risks that we're exposed to, the opportunities that climate change generates, what could be a proper governance model to handle these issues, the

mitigation and adaptation plans we need to face climate change, and our objectives about it.

So, this strategy was materialized through a climate change policy that was approved by the Board of Directors and the next step is to provide assistance to our companies so that they can create their own climate change management strategies. What we did was a really strategic exercise at the holding level, but the impact is more for our company's operations.

So, what we're doing now is assisting them to determine their risks in much more detail, and the opportunities that climate change generates. We hope we have finished this by yearend.

Our Board of Directors also approved our social investment strategy. Basically, it focuses on the type of social investment that we want to do in Corficolombiana. And of course, it's completely in line with the actions that are developed by the Corficolombiana Foundation, as part of the strategy.

We also launched the corporate volunteer program. We signed an alliance with several foundations, and more than 35 employees of Corficolombiana became volunteers and are participating in corporate volunteering activities.

In terms of governance, ethics and transparency, as María Lorena said, we were acknowledged by Asobancaria under the framework of the Convención Bancaria for our sustainability and governance. Basically, it acknowledges the implementation of our Sustainable Corficolombiana strategy in our companies.

We also started with a process to evaluate the members of our Board of Directors and the members of the Boards of Directors in all of our companies.

In terms of employee welfare, we engaged in the Friendly Biz certification, which certifies us as a diverse and inclusive organization, and we received the Great Place to work certification. We had also received it last year, but we received it once again because we had great results.

Talking about how we've strengthened our relationships with stakeholders, we are committed to making our efforts visible and we want to work with organisms that measure sustainability. So, we reported to the Carbon Disclosure Project this year and to the Dow Jones Sustainability Index, which as you know is hard because we have to focus our efforts on closing gaps so I would like to acknowledge the effort in every area that has been working towards this goal.

We have a program with our suppliers. I think we talked about this last quarter. It's a provider or supplier academy between Corficolombiana and our member companies. We have around 16,000 suppliers. We want to work with them to strengthen them and upscale them so we can have a mutually beneficial relationship. 29 people have registered to this academy and the feedback that we have received is quite good.

Also, with our suppliers, we launched the *Corficolombiana Sostenible Award*, which aims to award our suppliers' sustainability projects. 67 projects have been registered, which I think is an important number of candidates. In late November, we will be giving this award.

Something else is that besides working on our management and sustainability report, wanting to improve Corficolombiana's reporting, we also published our dashboards with ASG indicators on the web page. We had mentioned that we've been working on a system to consolidate our environmental, social and governance information related to investments and that information is already published so you can look it up. That was all. Thank you.

María Lorena Gutiérrez: Thanks, Paula. We will have some questions at the end.

So now I would like to give the floor to Juan Carlos Páez to talk about financial results and to Julián Valenzuela, who is going to talk about our funding and treasury.

Juan Carlos Páez: Thank you, María Lorena, and greetings to everyone here and those who are online.

As you can see in this graph we have the evolution of the corporation's quarterly results, compared to the same quarter last year. As María Lorena said, our net income was COP 625 billion, which was a growth of 16% compared to the same period last year. Total income was COP 795 billion, growing 11%, which is based on the source of our income and everything else that we've mentioned.

The graph is self-explanatory in terms of who has contributed the most to this growth. And it's interesting to see these variations. Infrastructure, of course, is the biggest player. It contributes COP 459 additional billion to what we had last year. Energy and gas and in general all the sectors, as Gustavo is going to mention, had a positive performance.

Out of this COP 459 billion in infrastructure, there's an important impact on every inflation indicator, which contrasts with the column under Financial Expenditure, where we have a negative value of COP 319 billion. This demonstrates the evolution of interest rates. Interest rates have affected everyone in general and not only Colombia is suffering because of this.

Now let's see the corporation's consolidated debt. It is quite diverse, which has led to the effects we see in this column.

Each sector had positive contributions. Treasury is reflected on the financial margin and the gross margin of the financial business and it contributed COP 17,9 billion compared to the second quarter of 2021. In terms of equity method and dividends, there was also a marginal increase. We had an increase in net expenses because of investments in technology and the last important item is taxes. We had COP 154 billion in higher taxes. As you may remember, in the third quarter last year we had a tax reform, with a 5% increase in taxes that will be reflected much more in the next quarters but now, we can see a difference of COP 154 billion.

Regarding consolidated funding, it grew by 13% year on year. The holding's funding grew by 23% given the treasury strategies, which Julián will talk about later.

Other sectors, specifically infrastructure, grew globally by 13%, and the energy and gas sector, which we had talked about in the previous slide, here only grew 10% year on year.

We see in the lowest part what I mentioned before, in terms of origin, COP 20.4 billion are distributed 28% in bonds, 42% in credit operations and deposits from the public, 29%. And of course, this is because of treasury management in our organization.

In terms of interest rates, 26% is at fixed rate, 31% is indexed to inflation, 17% to the Central Bank's intervention rate, which is somehow related to the IBR, the UVR is just 6.2% and in terms of the external rate, between SOFR and LIBOR, we have an 18% of those COP 20.4 billion. And finally, regarding foreign and local currency, 66% is local currency which helped us to mitigate the effects of greater costs.

I'll now give the floor to Julián so to talk about cash management.

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Julián Valenzuela: Thank you, Juan Carlos. Regarding the corporation's funding, our sources this semester amounted to COP 10.9 billion, out of which term funding is around 54%. Out of that, 45% are CDs and 9% are bonds. That is how we got to COP 5.9 billion in CDs and bonds, growing by COP 300 billion this quarter.

Given the market conditions, as Juan Carlos mentioned, especially inflation, that increase was reflected on the cost of our holdings and also because the Central Bank increased rates by around 200 basis points. Our funding cost was increased a little less, 170 basis points, and the duration of term deposits went from 6.3 years to 5.9 years. Lastly, the double leverage indicator was stable at around 139%.

María Lorena, that was all about cash management.

María Lorena Gutiérrez: Thank you, Juan Carlos and Julián. To wrap things up, I would like to give the floor to Gustavo Ramírez. He's going to delve more into our investment portfolio.

Gustavo Ramírez: Thanks, María Lorena. Good morning to you all. Before I begin talking about each of the sectors this quarter, I wanted to highlight the most important aspects in all our businesses and companies. The first thing that I would like to say is that this quarter we still have the trend that we saw from the end of last year, which is great dynamics in

demand, and all of our companies felt that revitalization, as we're going to see in the indicators of, for example, road traffic, gas consumption and hotel occupancy, which are at all-time high numbers.

I would also like to highlight the positive effects that we've had because of inflation and the exchange rate. Obviously, we've had negative effects too, because costs have increased, which affects our margin in other businesses, but these have been more than compensated because of the positive effect on our income.

Finally, for those of you who like to compare data from one year to the other, considering seasonality, well, Holy Week was part of the second quarter entirely, while last year it was part of the first quarter. This for comparability purposes.

Let's talk about sectors. We can see in this slide the results for infrastructure. There are two important effects that we need to take into account. First, the progress in our three concessions, especially, as we will see later, the progress on the Bogotá-Villavicencio road, which is almost finished. In this sector is where we see the most positive effects of high inflation, given the fact that the income of these concessions, both in toll roads and guarantees of future traffic are all in constant pesos and because of the higher inflation, it means that we are going to receive more pesos.

Also, because of the level of progress, since most of the work and the investments have already been made, inflation has a net positive effect.

Going to the next slide, we see two important issues: first, the progress level in Coviandina, which is the company in charge of the Bogotá-Villavicencio project, almost at 100% execution. Actually, some weeks ago, the road was opened officially and they're just fixing some small aspects.

In the case of Covipacífico, and the Pacífico 1 project, by June we closed at 90% progress. This means that we're really close to finishing it. Also, in Covioriente, only 25% is pending. That final section will be built next year, but is almost finished.

On the right-hand side of the graph, which we have shown you during the last two presentations, we would like to show you how in that transition between the end of the construction stage and the start of operations, we see a transition between income accounting, which is what we have had for two years, into cash flow. So, on the right-hand side, we see for each concession how much we've received in cash flow in these projects, both from tolls and from future guarantees. As you can see, as of June, actually, for the three concessions, it's around COP 1.5 billion.

Finally, an important piece of information: now that these roads enter into operations, traffic on roads is going to become more important. So far, during the construction stage, the most important variable was work progress, but now, when they enter into operation, the most important variable will be traffic on these roads. In the top graph, we can see the daily average traffic month by month. In green, we see the first six months of this year, compared to last year. And here we see the high levels of traffic in our roads.

On the bottom part, we see the breaking down of our concessions, both fourth generation and older ones, and the increase when compared to last year is really significant: 28% when compared to the first semester of last year, taking into account that last year, especially in April and May, social demonstrations had a huge effect and traffic on these roads was reduced significantly, but even isolating this effect, traffic is at all-time high levels.

Moving to the energy and gas sectors, and focusing in Promigas, we see the growth of the consolidated Ebitda compared to the same quarter last year with over 3%. This is basically explained by the positive effect of the exchange rate and gas consumption, given the growth of users in our concessions in Peru that are just getting started and of course, greater gasification in our SPEC gas plant.

In these graphs we see the effects that I just mentioned on the transport business, even though we didn't have significant thermal generation in the coast because this is the rainy season so there was no need to resort to those plants. Transport levels were higher than last year and this is where we see the impact of the exchange rate in the gas business. In the right-hand side, we see the gas distribution figures, both in terms of sales and gas consumption. I would like to talk about the right-hand side graph, where we see the impulse

because of new users' connections in Peru. On the lower part, we see the volume of distributed gas month to month, and besides normal seasonality, the figures are at an all-time high.

Now, let's talk about the hotel sector. It's really satisfying to see the complete recovery of this business, in particular Estelar hotels. In the top graph, we see the negative figures that we had during the pandemic. We are seeing the second quarter of last year. As you know, ever since August last year, every single month we've had positive figures and in a consolidated way we see positive figures both in the first quarter and in the second quarter and very high levels in all of our operations. And at the bottom, we see occupancy levels for each month. As you may remember, normal occupancy figures in Estelar were 55% to 60%. But since October last year, occupancy every single month has been over 60%, close to 70%. We didn't include the July figure here, but it was 75%, which has been an all-time high for Estelar.

So, we see an amazing demand in this sector, as we can see in the results of the company, and we see the solid recovery after the negative effects caused by the pandemic.

To wrap things up, the agro-industrial sector also shows recovery, especially Unipalma, as palm oil is at all-time high numbers. We think they are at their highest level right now and you never know until when this is going to last. We believed we would see some decrease in the second quarter, but that wasn't the case. Still, we think this will end by yearend. But even so, we've had amazing results that are leveraged by the exchange rate and these results are shown in our consolidated Ebidta.

Finally, at the bottom we see the results of our companies in the financial sector. Casa de Bolsa had a good second quarter, better than the second quarter of 2021. If you take a look at the accumulated figures, the first quarter of this year was really exceptional, driven mainly by the great results of our retail stock broker in the first quarter, given the participation in PTOs, where it was an outstanding placement agent and this was reflected on these quarterly and half-year results.

Till here, the results of our companies.

María Lorena Gutiérrez: Thank you, Gustavo. Diego, we can start our question and answer session.

Andrea Atuesta: Thank you very much for the presentation. I just have a quick question.

María Lorena Gutiérrez: I'm going to ask everyone to introduce yourselves first.

Andrea Atuesta: Andrea Atuesta, from Bancolombia group. I have a question related to the increase of infrastructure income as a result of the TRM rate. We would like to know how often this will happen from here onwards and understand in detail what's the cause of this effect.

Gustavo Ramírez: Yes. As you know, with the advance in the 4G projects, income comes from two sources: toll rates and future guarantees. Similarly, this could be divided into two: collections at the toll booths and traffic guarantees, because according to the contracts, after a certain amount of time a comparison is made between the traffic amount that should have passed through the tolls and the difference is paid by the government.

In the case of fees, the contracts establish constant peso fees in the year when the contract is signed, which are indexed or increased annually with inflation. This means that the greater the inflation, the higher the rates will be, nominally, not only now, but for the rest of the concession, given that because it's tied to inflation, it accumulates. So, if this year the inflation was high, that rates were increased by 10%, for example, and that's the new base from now on, and even if inflation goes down, that increase will be based on higher rates, given inflation at that moment.

In the case of future guarantees, something similar happens, in our case, in two projects, Covipacífico and Covioriente, where one part of those future guarantees is denominated in dollars and another part in constant pesos. So, the inflation effect on that part in pesos is very similar to what I just mentioned about tolls because future guarantees for example in 2030 are going to be paid in current peso in that year indexed to all the inflation from the moment when the contract started till that point.

And in the case of the dollars part, also in that moment, when they pay those future guarantees, that will be done in pesos at the exchange rate of that moment, which is uncertain today, but obviously it is greater as the devaluation is higher than the initially forecasted when the contract started.

So, those are the effects of inflation and the exchange rate on the income from fourth generation projects.

Leonardo Rueda: Good morning. Thank you once again. Leonardo Rueda, also from Bancolombia. I have a couple of questions. They are related to the offer of new projects, like new concessions. There's a lot of noise in the market about new concessions being sold. Also, there is uncertainty in Mulaló and I would like you to talk about gas for the coming years. This is a very dynamic sector, so what do you think about this?

And lastly, how this high rates and inflation market could affect your internal decision-making process on when a project is good or not, thinking about future projects. Thank you.

María Lorena Gutiérrez: Well, in general, as we always say, we spend all of our time looking for projects, especially in these sectors, infrastructure and energy and gas, even though we also consider agricultural projects, hotels and new financial projects.

How do we see concessions? Well, part of the assessments is related to concessions that may be sold. New 5G projects, although most are train and river transport projects, are not part of our expertise. I hope we can get Mulaló back. that is one of our tasks.

A demonstration that we are working on that is that we applied to get the Buga-Buenaventura project. Well, this is a matter of luck and after the final draw, we didn't get it. Sacyr got it. But that shows our interest in betting on that sector.

Regarding gas, I would say: about a week ago there was uncertainty because of a declaration by the minister and on Friday, she rectified and she said that gas would be an important player in energy transition. It is important to send these messages, especially for gas exploration.

We have SPEC. We just worked in La Guajira with TGI, which is really important for supply in the country. But what's important is that in the next four or five years, we will have gas reserves. And for that, we need to make the right exploration decisions in the country.

So, we are still committed. We are also looking for ways to have diversification. Peru is moving forward really well. Tomorrow, we have an important delivery in Peru, it's in the oil pipeline in Puna. Is it tomorrow? No, it's on Thursday. Sorry. So, we are still looking for alternatives, still committed to investments in these sectors and waiting to see what infrastructure projects, especially in road projects, will be done by this new government. Gustavo, would you like to elaborate?

Gustavo Ramírez: No. I think you wanted to know what's the effect of rising inflation and interest rates in our assessment. Well, evidently, it's no secret that we are experiencing the highest interest rates, and any assessment of a project today needs to take that greater funding cost into account.

Maybe the only thing that I would mention, and we've repeated this many times, is that we have a long-term investment vision. So, every decision that we make isn't thinking about this year or the next four years, but 20 to 30 years from now. And when you look at it like that, you see that every economy and every society have political and economic cycles that we need to recognize to know how to assess and mitigate them. But clearly, as José Ignacio mentioned before, we are experiencing a cycle with some particular aspects like high costs, and we take that into account. Maybe what I would say is that, in the long term, this gives it a different perspective.

Rodrigo Sánchez: Good morning. Rodrigo Sánchez from Davivienda Brokers. I have three questions. The first question is related to concessions and your refinancing strategy. You mentioned that you refinanced Covioriente. I would like to know if you plan on doing a cash out in the remainder of the year, keeping in mind construction work progress.

Also, if you can tell us a little bit about the indebtedment strategy, especially in Promigas, understanding the changes in the functional currency that is expected to happen in

September, if I recall well, and the current composition of debt in Promigas, and also at the double leverage level, considering the flow that concession will start to generate, and this is something that will probably lead to have a lower double leverage in the corporation.

The last question relates to the Canacol pipeline. I don't know if you have any updates about it and if you're concerned about the fact that maybe you will not be awarded that project in the short term and that delivery date at the end of 2024 of that particular project is not met. Thank you.

María Lorena Gutiérrez: I'd like to answer the Canacol one and I'll give the floor to Gustavo for the other one. I don't know if Juan Carlos would like to address the double leverage question.

We've been working with Canacol. They made an offer, an open invitation. We hope we reach an agreement. But obviously, given the commitments that Canacol has with EPM, well, the more time they spend on environmental licensing issues, it will become riskier. So, we hope Canacol makes a decision soon and we hope that Promigas can be part of the decision. We believe that decision will soon be made.

Gustavo Ramírez: About the other issues that you're talking about, in the case of refinancing of the roads, something that happens once the projects are built, is we start to consider refinancing the debt incurred for the construction, and in our case, to do some cash out. That obviously has to be done taking into account market conditions and they deserve special analysis. For example, we already refinanced Covioriente but based on market conditions, we didn't do the long-term refinancing that you would normally do in these projects.

I think that one of the consequences of being in a high interest rate period is that we need to consider debt length really well to not engage in unnecessary high debt during the rest of the concession. We need to choose the right length. So, that's what we are doing. That refinancing has to be done over the next couple of years and we are going to consider market conditions to make the best decision possible.

Something important from the point of view of the business plan is that refinancing and cash outs are the upside of the business. These are not things that we are urged to do because the debts are about to expire or because we are going to have problems. That's one of the elements that we have to optimize the results of these projects, and have to do it the best way possible, taking into account the market conditions.

Regarding Promigas, rather than functional currency changes, the change that should happen over the next months in Promigas is that the transport rates, which have traditionally been in dollars, are going to switch to pesos. However, from the point of view of debt, Promigas has never had any debt in dollars because its strategy has always been covering that income and switch it to pesos. So, the debt that funds that income has been in pesos and it implies stopping that coverage, because the debt in dollars in Promigas is backed by assets in dollars abroad, basically in Peru, and this doesn't change. So, the currency change doesn't have any effect on Promigas' balance structure. It has some effects on its results, but not on debt structure.

María Lorena Gutiérrez: And double leverage?

Juan Carlos Páez: Regarding double leverage, you know it is a really important indicator. We protect it all the time. Cash out doesn't necessarily reduce it. What's going to change is the balance between the size of the investments that we finance with equity surplus and it will always be protected. Today it is around 140 and it should be under that level in the upcoming years.

María Lorena Gutiérrez: Next.

>>Good morning to you all. Thank you for this space. This is Katerin, from Davivienda Brokers. I have a couple of questions related to the current government. The first one: with the tax reform project that we know about, we would like to know if you have done an impact analysis on the different business lines and if you can give us some details, for example, if you have tax stability contracts because, for example, the hotel business may suffer an impact because of the elimination of some exemptions. So, the tax reform, taking into account the different business lines.

Also, about the agrarian reform, I would like to know if you have assessed its impact. In the past, we've seen some concerns because Corficolombiana lands have had some wasteland percentage. So, if you could please talk about that and what percentage of lands have wasteland areas. And, from the point of view of reputation, do you have any concerns that, with this political environment, this may have some impact?

María Lorena Gutiérrez: Very good questions. Let's talk about the agrarian reform first. As far as I understand, there's not going to be an agrarian reform. They're just discussing multipurpose cadastral issues and taxes.

But to answer to you directly, the existence of wastelands is false. We have all the information and evidence coming from lawyers and judges. We didn't want to go public to not increase the noise in social media, especially last week. That has been happening over the last years. Every two to three years, some people that I don't want to mention now come up with the issue of wastelands to attack Mr. Sarmiento Angulo.

But we aren't worried. Whenever we have to talk publicly... I don't think this is the right time to reply to something that has been repetitive, especially from one or two people that create noise and replicate the story. But we have no concerns about that. We have been studying this issue of land use and we are talked about it with the Board of Directors. and we are completely protected. Maybe Jose Ignacio can elaborate on the agrarian reform.

Regarding the tax reform, I'm going to join this to a question that was asked online, which is the effect on Corficolombiana if there's taxes on dividends. So, José Ignacio, if you could talk about some issues that may affect companies in relation to the tax reform, and Juan Carlos, who has been studying the issue in Corficolombiana, if you could discuss how this reform would affect us.

José Ignacio López: All right. Thank you. What I would say now is that these reforms are just being discussed. We have studied them, we know that they're evolving, and they will probably change in some aspects.

One of the purposes of the reform is to have more direct taxing and it's generating a series of taxes or changes to taxes on natural persons. So, the discussion is more relevant for natural persons and not so much for holding structures like ours.

Now, of course, we're concerned with something that we've mentioned before, and it's that we would be in an imbalance that it's atypical at a global level because we would be talking about a combination that is unusual, like a high tax rate spearheaded by legal people, with 35%, and restrictions to the number of exemptions and discounts applicable in some categories, which would cause effective rates to increase.

So, mainly taxing natural persons based on dividends and occasional gains, based on their income, is pretty common globally, but the combination of those two elements would generate very high rates.

The impact is not very important from the point of view of the corporation, but there may be an impact at a more general level, in terms of incentives for residents in Colombia investing in the country's companies, because it would also create a potential asymmetry with fees that could be lower for foreigners in the case of dividends and occasional income.

So, I would say there's no concern in terms of its effects on the corporation's structure. Juan Carlos might want to elaborate more but I would say the concern is more generalized, and I think that the Minister and the government have understood that it's important to look for alternative formulas so that we don't end up in an imbalance that may discourage savings and investments in the country. So that's what I would say about that.

María Lorena Gutiérrez: To complement what José Ignacio mentioned, because it is being discussed, we have seen on the news recently, for example, that hotels will be exempt but we don't the terms or if those legal stability contracts or long-term exemptions will be respected.

Obviously, in Promigas we have a stability contract that we hope is kept as expressed by Minister Ocampo, and in general there are no proposed changes in the reform proposal.

Juan Carlos, would you like to elaborate on the effects?

Juan Carlos Páez: Yes, we are expectant, studying the effects and all the variants that have been mentioned. The corporation's tax structure and that of its subsidiaries is complex, and everything that has to do with occasional income, which have a diverse impact in the organization, and of course we expect a very objective discussion, a simulation of the chain effects that may happen in aspects, like taxes on dividends, so that we can talk about this specifically.

But in general terms, in everything that has to do with the tax on dividends, which is really important for us, we would need to see how this increase in retentions, taxes on dividends and elimination of exemptions would be done for those shares that are in the stock market, because this can have an impact not only in the corporation's distribution, but also in its entities.

So, we are studying that, especially occasional taxes on occasional gains and deferred income. This is very important for traceability of goods in the country and of course, this is not foreign to the corporation.

Gustavo Ramírez: I have a comment about this. In the last tax reforms, there have been two effects. An accounting effect, given that the standards require us to acknowledge not only the effects of the reform, but basically everything that is long term.

As you may remember, with the tax reform last year, we had to make an impact in our financial statement for almost COP 400 billion, acknowledging that the general tax rate had increased and that, brought to today, in terms of deferred taxes had an accounting impact that is not necessarily a cash flow impact, given the increase of taxes.

So, I would just like to highlight that once we have the reform is adjusted, we need to read and see what are the accounting impacts. And of course, we shouldn't fear the cash flow effects that reflect future events even though we register them all at once.

Juan Carlos Páez: Thank you.

María Lorena Gutiérrez: Anyone else here in the room? I think there are no further questions.

>>It's Katerin again. I just have a follow-up question related to tolls. With all the social pressure from the government, do you see any risks of increasing rates? We know that many of these contracts are backed by future guarantees so we would like to understand if you think these changes will be materialized in the rates.

María Lorena Gutiérrez: The risk is there. There are four bills looking to reduce tolls and we have to keep moving. It's important to understand that this is not about contracts between the government and the concessions, not only with us, but in general, as that's part of the payment. We hope Congress makes healthy decisions and contracts are respected, both old and new. Even the previous government announced that many of the new projects, like the Meta road and the Cauca road, would have no tolls. So, we would like them to respect previous agreements and keep on looking forward. But obviously, we remain attentive.

Gustavo Ramírez: We should also note that public initiative 4G contracts foresee the possibility of tolls not being increased as established in the contracts, but they also foresee that in that case toll guarantees would absorb that lack of increase.

So, we have that contract mechanism to compensate the concession automatically for lack of toll collection through greater traffic guarantees, which has happened before, not only in our concession, but in many, in cases where tolls have not been installed for some reasons or when fees have not been increased, so that has changed those traffic guarantees paid by the government.

While that contract statement is fulfilled, there is an automatic correction in that case.

María Lorena Gutiérrez: I think there are no further questions. Diego. Estefania was...

Diego Buitrago: Maria Lorena, in the chat, people can use the Q&A tool and there were a couple of questions but not anymore.

Right now, we have questions from Estefania Mosquera, from Credicorp Capital. We can hear you, Estefania.

Estefania Mosquera: I'm sorry I wasn't able to be there with you in person.

María Lorena Gutiérrez: We missed you, Estefania.

Estefania Mosquera Yes. I'm sorry. I'm kind of sick. I have one question, Maria Lorena. Talking about tolls, I understand that DRs are a protection mechanism for projects that are not private. Do you expect any mitigation mechanism in the case of the concession Chirajara-Villavicencio?

Gustavo Ramírez: Yes. As you said, that is a private initiative and has no DRs. There are some mechanisms that prevent that situation. First, with some limits, there is the possibility of extending the term, and second, non-compliance with tariffs in that contract is foreseen as a non-compliance that would give the right to the concessionary to finish the contract and be indemnified. So, the contract itself generates its own protections.

Estefania Mosquera: I understand. Thank you. And to continue with concessions, I think that in this semester we had a one up for the anticipated delivery of Covioriente, so would it be possible to see the P&L without that anticipated delivery?

Gustavo Ramírez: Not now, but yes, it's possible.

Estefania Mosquera: All right. Thank you.

Gustavo Ramírez: Basically, it's around COP 120 billion.

Estefania Mosquera: Thank you.

María Lorena Gutiérrez: I think with that, we will wrap up. So, thank you very much, everyone. It was a really interesting set of questions. Thank you for being here with us in Corficolombiana.

What's really interesting, as I always say, is that Corficolombiana is a reflection of the country, in terms of infrastructure, agriculture, gas and energy, etc., so we are involved with everything that is going on in the country. That's what's interesting about Corficolombiana, as we support the country's growth.

Thank you very much. I just told Diego that we need to do an Investor Day in the second half of the year. As you know, we do it outside of Bogota. We're going to look for a good place so we can have a great Investor Day so can learn about our investments, maybe in late September or October.

Thank you very much and have a great day.