

**CORFICOLOMBIANA**  
**1Q-22 RESULTS PRESENTATION**  
**NOVEMBER 21st, 2022****Diego Alexander Buitrago**

Good morning. Welcome to the presentation of results of the third quarter 2022 of Corficolombiana. The presentation, the reporting and the financial statements can be found in the web page of the corporation in the Investors section in Financial Information.

I am going to give the floor to the chairwoman of Corficolombiana, María Lorena Gutiérrez, to begin with this presentation.

**María Lorena Gutiérrez**

Good morning, everyone. Thank you very much for joining us in the presentation of the results of the third quarter. As usual, I'm accompanied by the whole team of Corficolombiana. We have Gustavo Ramírez, the Vice President for Investment; Juan Carlos Páez, Executive Vice President of the corporation; we have Adriana Navas, the Director of Communications and Marketing; María José, the Planning Director; Paula Durán, who is the Sustainability Director; Julián Valenzuela, Vice President of Treasury, and José Ignacio, who is the Executive Director for Research.

I'm going to talk about the relevant facts and then I'll give the floor to José Ignacio, who will give us the context of the macro situation and also, he is going to invite you to the forum next year. But I'm going to leave this invitation to Jose so that he can encourage you and your clients and all the people that you follow to accompany us in the forum.

As usual, Juan Carlos will present the financial results of the quarter. And Julián will talk about treasury aspects. And finally, we'll have Gustavo, who will go over investments.

Diego, our Investor Relations Director, is in charge of this meeting.

In terms of relevant facts, I would like to mention that for the fifth straight time, the stock market gave us an IR acknowledgment due to our transparency, information and general corporate government indicators.

Last November 3rd, we had the Investor Day and many of you were able to join us. Hopefully for the next one, everyone who is in this call can attend. On this occasion, we visited our investments in agro, in Pajonales, Ambalema, Tolima, and we were also in the Estelar Hotel in Ibagué. And the interesting thing is that we had the possibility to show what our investments in agro mean, especially in terms of technology, what we are doing with bio seeds, etc. Due to the messages that we received by some of you, I believe the results were positive.

As you saw in the media, Mr. Alejandro Gonzalez sued Corfivalle over some CDs amounting to COP 175 million. This was in 1999. The process went through the Supreme Court, the Constitutional Court. But when Corfivalle merged with Corficolombiana in 2006, the case went to Corficolombiana. There have been over 30 instances and Corfivalle and Corficolombiana won all of them. However, Mr. Gonzalez, since there's no other judicial instance against Corficolombiana, decided to file a lawsuit against the nation, saying that the court and all of the national instances had made a legal mistake.

Eventually, the process went to the Cundinamarca Administrative Tribunal and the magistrate made us part of the process. There was a COP 14 million fine, including a liquidation with interests. So, we did the exercise here and those CDs, even at the highest interest rate, wouldn't amount to over COP 19 million. However, last week we sent the clarification to the tribunal, but the tribunal stated that the value to pay to Mr. Gonzalez was 18,000 and something. However, we continued with this topic.

The National Agency of Legal Defense that works with the nation became part of that process as the nation was sued and they suspended the process at the Superior Council of Judicature. We are going to continue with the tribunal. But finally, what we want to do is to appeal to the Council State. So, no decisions have been made and we need to make provisions until the Council State issues are resolved. As you know, this can take between two and three years. So, that's the story about the CDs.

In terms of infrastructure, Covipacífico delivered functional unit three, which is the right lane of the Amagá tunnel. As Gustavo is going to show you, Pacífico is doing well. We've had some problems with traffic because one of the other lanes at Pacífico 2 was closed. Right?

**Gustavo Ramírez**

Yes, Pacífico 2.

**María Lorena Gutiérrez**

So, Pacífico 1 is becoming jammed and people are concerned, but we're working on that.

In terms of energy and gas, Promigas began operations in Piura in September. This is located in the north of Peru. They received the award to the best green hydrogen production project in the Americas. And two important things were done. They presented the sector report and that's historical in the country. It was presented here in Colombia and in Peru. This was last week. It's the first Latin American company to join the Stanford University's Natural Gas Initiative. Gustavo will talk about what's going on in Promigas.

In terms of tourism, you're going to see the results. We've had historical occupancy in the Estelar hotels, very well above Cotelco's statistics. I'm not going to give you any numbers

because Gustavo will present them. So, we continue to expect good results for Estelar but on top of that, we are doing some working on their restaurants. We just opened one in Medellín and in several other hotels and hopefully we'll be able to consolidate our restaurants in all of the Estelar hotels.

In agroindustry, ICA delivered a certificate to the fish farming division and its biosecure aquaculture facilities and Unipalma received the Great Place to Work recognition.

Another positive news that Paula will explain afterwards is, as you know, Standard & Poor's does some measurements of the variables that are taken by the Dow Jones Index for sustainability and we improved a lot in all of the indicators. We went up 16 positions and hopefully we are going to do very good in the Dow Jones ranking.

In terms of financial aspects, comparing the third quarter of 2021 with 2022, our assets increased 13.7%, reaching COP 50.8 million.

**Gustavo Ramírez**

Yes.

**María Lorena Gutiérrez**

This is the consolidated information. In terms of the EBITDA, it increased 46.6% compared to last year, going from COP 1.11 billion to COP 1.63 billion. And Juan Carlos will explain how this is looking like, but essentially Gustavo will talk about the different sectors, what contributes the most is the MPU.

The net income increased 1,949%. But these are just numbers because if you remember, last year we made an adjustment because of President Duque tax reform pressuring our income, which would have been 421,000 but it was a 20,000 in the third quarter. And if we compare this with 415,000, this numbers increased quite a lot. And having said this, I'm going to give the floor to José Ignacio.

**José Ignacio López**

Thank you very much. Greetings to the people who are connected. So, we would like to give you an update of our national economic forecasts. We also want to take advantage, as María Lorena said in the introduction, to invite you to our 2023 Economic Forecast that will be held on December 1<sup>st</sup>. All of you are invited to get connected and we will give broader information about our economic forecast for the rest of the year, 2023 and 2024.

As you have seen, the numbers of growth in the country are still positive. In the third quarter, GDP grew 7%, very close to our forecasts, and we continue with our 8% growth forecast for 2022. And this will turn Colombia into one of the most successful countries in terms of

growth during this year. But there are obviously some concerns about the challenges that our economy will have to face within the external context that appears to be very challenging still.

It's very well known that the IMF and other multilateral institutions have pronounced themselves and they have warned about the effects of persistent inflation on economic growth due to the war in the European continent and the increase of interest rates.

On December 1st, we're going to introduce a new instrument that's going to be shared with all the analysts. We're going to share the methodology of the Nowcast index that we have been producing for a few months now internally. You can see in the graph in the middle how Nowcast behaves in a very similar way to DANE's economic index. On December 1st we are going to publish this.

I just wanted to mention this because as you can see in October, this Nowcast indicator that we're going to roll out to the public has shown no growth in the Colombian economy, which makes us think that in the third quarter we are going to have a smaller growth and that 8% that we were anticipating reflects deacceleration of the economic activities in the third quarter and we believe that this can extend into 2023. That's why we are considering that next year we might be growing 1.5%.

In terms of inflation, we have a higher and more continuous inflation that we had forecasted initially. I would like to remind you that since the beginning of the year, we were one of the teams that estimated a higher inflation. However, we've revised those growth forecasts that are consistent to what was forecasted. And finally, with October data, which surpasses 12%, we're closing the year at levels that are above 12% in our base scenario. And for next year, we are expecting an inflation that's going to continue to be double digits for most of the year, but it will end up in a downward spiral in the second semester, closing at 7%.

And in order to close this brief analysis of the macro context and trying to link this to the presentation of the corporation's figures, this is an update of the graphs that we perform based on national accounts that show the corporation's sectorial exposure and how different sectors have been behaving in relation to the GDP and how the corporation continues to be in sectors that are recovering or leading the dynamic of the Colombian economy recovery, not only with a cyclic component, but also structural components.

In the last results, we had drawn your attention to hotels, that's still a very important sector. The agro sector has been affected in the last quarters because of the climate, but in spite of that, it still shows a growing trend and better behavior, and this happens with other sectors like road construction and financial.

In summary, the Colombian economy still shows an important growth that was confirmed by the third quarter figures, and this is in line with what we had anticipated most of the year. But we are already seeing indicators that show a deacceleration of the economic activity and probably this is what we'll be able to see during the last quarter of this year and some of the quarters next year. That's why the forecasts for 2023 are lower. But we would like to emphasize that in terms of sectors, the corporation continues to be in those sectors that are very dynamic and that have led the recovery, and this is still a very positive outcome. And having said this, that's all. And if you have any questions about this topic, by the end, we'll be glad to answer.

**María Lorena Gutiérrez**

Thank you, José. I'm going to give the floor to Paula, who will tell you about our efforts in terms of sustainability especially regarding the indicators measured by S&P.

**Paula Durán**

Good morning. As María Lorena was saying, we received very good news recently with the evaluation that we had by Standard & Poor's. This is used as baseline for determining the Dow Jones sustainability indexes. And what we found is that we improved 16 positions versus last year, which locates us as one of the most sustainable companies in the world. Currently, they are still finishing the evaluation of some companies, but in this current evaluation, 100% of the companies that are invited have already participated, meaning that if there's any change, it won't probably be within the first companies in the ranking. According to this, we are number 12 in the world in terms of sustainability in our industry and in the 98 percentile. 533 companies were assessed in our industry this year and more than 16,000 companies from all of the sectors of the world.

As you know, this is an evaluation that takes into consideration more than 1,000 data points, and 100 questions, some of them specific for us, and every year around 20% of the questions change, meaning that the bar is always set higher in terms of what we have to do and how we're closing social, environmental, economic and corporate government gaps. So, I think that this is very good news.

And these are the results of the three different criteria, and we can see how we advanced. In terms of economic and governance, we increased 50 positions, and we are also in the 98th percentile. We increased there specifically because of how we are doing the implementation of our responsible investment policies and sustainable finance. We also have risks there and we also improved our emerging risk analysis. And in terms of materiality, we also improved the report that we do on how we advance the objectives that we have outlined, and this demonstrates how we've been closing the gaps in those dimensions.

In terms of environment, we also improved 19 positions. We are located in the 85th percentile. We still have an interesting gap to continue closing. And it's important to take into consideration that in the evaluation made by Dow Jones or Standard & Poor's, the three dimensions have a different weight. In our industry, the economic and governance dimension has a weight of 49%, environmental 80%, and social 33%. But this also changes year after year. Last year, environmental aspects had a 15% weighting, this year, 18%. So, it is more demanding. Our environmental reporting improved the reports, and we already have a TCFD strategy for climate change.

And in terms of social, we've also increased 21 positions within the 98th percentile specifically because we have focused on inclusion, diversity, and human rights and also because we issued our social investment policy.

I'm going to go over the advancements in the five dimensions of our Corficolombiana sustainable strategy. If you remember, the first pillar of our strategy is the one that talks about responsible investments and how we guarantee and we promote responsible investments. We were awarded the Alas 20 award in two categories: Leading Investor in Responsible Investments and Leading Investor in Sustainable Research. These are awards that are granted in Latin America, where different organizations vote for the ten main companies from Brazil, Chile, Colombia, Spain, Mexico, and Peru, we have been nominated and we already had to report additional information and hopefully we are going to obtain a good result.

The other thing that happened in terms of responsible investment is the update of our policy for responsible environment. We also defined how we were going to work non-controlled investments, so we built a tool to measure indicators and criteria for our non-controlled investments. We are already applying this in our investments, and we already sent a letter signed by María Lorena where we give some context of what our philosophy in terms of sustainability is and what we expect from them.

In terms of environment, which is the second pillar, not only is it about how we contribute to the environment, but also to the communities where we have a presence at. An important milestone was that we relaunched our Corficolombiana Foundation and basically what we did is to redefine the strategy of the foundation so that it will be in line with the Corficolombiana strategy.

The foundation will continue with four strategic lines that are entrepreneurship and innovation, education for competitiveness, boosting sustainability, and actions for the environment. And all of this is focused on what we are doing for our sectors, trying to generate synergies between our companies and take advantage of the presence that

Corficolombiana has in 410 municipalities of the country. So, we are going to do several social projects there.

Also, we were selected by CECODES and Nexus+1 as the Colombian case of success with our climate change strategy. We were the only case in the country. Ten cases were chosen in Latin America and there's going to be a summary of those cases that are going to be published.

We also advanced in the definition of physical and climate change risk of our investments. If you remember, we had already done an exercise at the holding and sector level, but now we are defining this for each one of the companies, defining the details of what are the risks in each one of the companies, and specifically quantifying those risks. And the objective is to have, by the end of the year, a quantification about the risks that have the highest possibility of occurring and have an impact in our business.

We also developed our corporate volunteer program, where 120 employees have participated. This program is focused on activities like road construction, planting trees and we have worked with vulnerable populations, working with families in emotional issues and discipline. We're still strengthening the offering of this program.

In terms of governance, ethics, and transparency, we made progress in the evaluation of the Board of Directors. This is being done by an external supplier, Governance Consultants. Currently we have a progress report of that assessment. And what we're proposing is to obtain the best practices and standards of those assessments in order to implement them next year. It is the first time that we do an exercise like this. It's very big and ambitious because we included the Board of Director members of all of the 24 companies.

In terms of employee welfare, we are doing the Friendly Biz certification. Hopefully we'll be able to obtain it by the end of the year. We also have many other activities that are related to welfare and human talent management that are materialized in the Great Place to Work certification.

And in terms of the stakeholders' pillar, which is where we talk about how we strengthen relationships with our stakeholders, we had the first version of the Corficolombiana Sustainable award. This is an award that wants to acknowledge, within our network of 16,000 different suppliers, initiatives or projects that will help sustainability. 67 projects were postulated, and we had eight winners in three different categories. One was the category of the environment. The other one is community strengthening. The other category was sustainable management. It's the first time that we do an initiative like this one and I think that it was very successful and very important, especially in the relationship that we have with the suppliers. In fact, those participants that did not win are taking a course on

sustainability with us because the idea is to continue to strengthen that supplier network and work with them through our Creciendo Juntos program, where we are going to continue offering services and bringing them closer.

We also held the forum for Climate Change and Business. We had the participation of international speakers, like Juan Verde and Maria Mendiluce. We also had a panel for companies where we saw how the different sectors were approaching their climate change strategies and how this was being applied. We had 18,000 views of the forum and 150 people were on site.

We continue also working on the consolidation of the report based on our ASG indicators and criteria on our website and through the MERO platform, where they are updated in real time. We continue improving the type of information that's being published here. You can visit that web page and you'll find new indicators for each of our companies and sectors.

**María Lorena Gutiérrez**

Very good. As you can see, we have advanced a lot in every front. I was gladly surprised by the 120 people in the volunteer program.

**Paula Durán**

Yes.

**María Lorena Gutiérrez**

It is a high percentage that we had never had in the corporation. Mr. Páez, go ahead with the figures.

**Juan Carlos Páez**

Thank you. Greetings to all of the attendees. As usual, you have two documents apart from the one that we're presenting. In the financial statements document, you can find an annex where all these numbers that we're sharing are, and we are limiting ourselves to showing you this ladder to explain the evolution of the consolidated income this quarter compared to the same quarter last year.

Last year our income was COP 144,972 million, out of which 20,252 were controlling income and 124,720 were non-controlling interest. Let's remember, as María Lorena said, that we had an impact due to the social investment law. The impact was of COP 400,791 in controlling income and COP 26,499 non-controlling, for a total of COP 427,290. That was why our income then was COP 572,000 million.

The result of this quarter in 2022 is COP 576,000 million. And we have to say that we did not show this but it's implicit that the social investment law this trimester represented COP



49,000 million in additional taxes compared to last year. This represents COP 620,000 million, which means that our consolidated results would have grown 8% this year hadn't we that tax change.

The important thing about this number is how we reached that number of COP 567,000 million. According to what María Lorena said and what Gustavo is going to show you, infrastructure continues to represent the highest proportion of this income. That real sector gross margin goes up to COP 532,670 million. Energy and gas continue having an important participation. Hospitality, different to last year, is also showing relevant numbers of COP 46,000 million. Agroindustry is in balance and what we call the other sectors, like Tesicol y Callcenter, amount to COP 33,600 million.

Treasury, and Julián is going to show us, represents COP 19,000 million additional to what we had last year.

In terms of equity share and dividends, we have a lower number, COP 26,000 million. One year ago, we had an extraordinary distribution of shares. The next negative contribution, COP 267,000 million, has to do with the increase in interest rates. The details are in the documents that I mentioned before.

Net expenses amounted to COP 69,000 million in the consolidated versus last year. And since we had a tax adjustment this year, this allows us to show you a reduction of COP 234,000 million in taxes. That would be in terms of results.

In the next slide we show the diversification in consolidated funding and our consolidated financial statements. You can see that those COP 18.4 million of financial obligations, where we have credits, bonds and deposits, amount to 41% of the total. It has been growing at the same pace that the consolidated financial statement and amounts to COP 21.9 billion this semester. This represents 43%, very similar to last year.

It's important to say that these debt levels in infrastructure and energy and gas, which are the most important and amount to COP 5.6 million and COP 8.3 billion, in a high percentage are debts of more than three years and the term mix is coherent with the business model. In terms of the composition of consolidated funding, we don't have any relevant changes. You can see that the debt is 64% in local currency and 36% in foreign currency. Additionally, as you can see in the document, we reached COP 50.8 billion and our growth was 5.4 year over year and 13.7 quarterly. I'm going to give the floor to Julián so that he can tell us about treasury.

#### **María Lorena Gutiérrez**

As you will hear from Julián, these months have been hard and last year's results were better.

**Julián Alonso Valenzuela**

A very hard context because of the interest rates and in general of the treasury instruments. The funding in Corficolombiana shows that we have grown marginally, according to the evolution of all of the businesses.

Our funding sources this trimester reached COP 11.7 billion, where 53% are long-term funding and that 53% would be almost COP 6 billion, with a deadline of 5.6 years. The funding cost is aligned to the movement of the interest rates of Banco de la República and inflation, which increased almost 270 basis points compared to last quarter.

And finally, our double leverage indicator is 141%. That would be all in terms of funding.

**María Lorena Gutiérrez**

Thank you very much, Julián. And finally, I'm going to give the floor to Gustavo, who is going to show us the portfolio during this trimester.

**Gustavo Ramírez**

Thanks. Good morning, everyone. We're going to go over the performance of our companies in this trimester. Before beginning I would like to give you a general landscape of our business performance in these last few months. The first thing that we have to mention is that they all have good health, as you will see.

Two important aspects can be highlighted. On one side, we have continued feeling a robust demand and consumption in all the sectors. And the other important aspect is that in this third quarter there's been an increase in financial costs. Even though we have been having high inflation during the last year and also aggressive monetary policy, only until this semester these effects have been translated to the companies. This is due to the interest rate increases based on the evolution of the inflation cycle that we had since last year. First, we felt the effects on transportation, logistics and imports and now we're feeling the increase of the financial costs. Probably in the next months, we will feel the increase in costs associated to fuels and the minimum wage.

Diving into the infrastructure sector, as we have said before, it has been benefited by a higher inflation index, since the income of the concessions is associated to inflation, both in terms of toll booths and government payments in futures. Compared to last year, the consolidated EBITDA grew 62% this quarter.

It's also important to understand what's in the composition. As we had said before several times, this composition of net income and profit from the concessions depends on the evolution of the construction phase. Our Chirajara-Fundadores has pretty much ended.

Therefore, its share is going down this year. And for the rest of the year and next year, the biggest share will be represented by Villavicencio-Yopal mostly and somehow by Pacífico 1. This graph shows the infrastructure results and the MPU received by the corporation to CapEx. We are reaching the end of the investment cycle. This year, CapEx execution reduced and the trend shown is due to the inflation. Inflation has compensated the reduction of CapEx execution basically due to what I explained before.

In the lower graph, we can see information for the fourth-generation projects and for each year since they began and their CapEx execution to show exactly the curve that I mentioned. It's important to highlight that more than 90% has been executed throughout September. We've executed almost COP 6.8 billion of CapEx and we still have COP 700,000 million to execute. This represents 90% of the total investment.

As we have mentioned many times before, I would like to show you this from point of view of cash flow. CapEx has generated income in the P&L. Now we're going to receive the cash flow. This graph shows, on the one hand, the composition for each one of the projects during the entire concession lifespan, between tolls, future budgetary appropriations and guarantees. In total, two thirds come from tolls, 25% from future budgetary appropriations, and 10% in guarantees. Out of this and to date, we've only exercised 6% of this. And so, this shows that even though it's true that we've generated most of the revenue in books, we're just starting to receive the revenues in terms of cash flow and this will be stronger in the next months and years.

To dive into the projects, this is the execution and the advances of the construction. And here we can show the percentages of what we already showed in numbers. Our Bogota-Villavicencio concession already finished, with 99.9%. Pacífico has reached almost 92% of advances and Covioriente, in the Villavicencio – Yopal project, had 80%. This means that we are close to finishing the construction.

On the right side of the graph, we show the cash flow received by each of these projects. We have received COP 1.5 billion from these three projects. And as I mentioned last year, the current values is over 6% of the total forecasted income.

In terms of performance of the traffic, which is a very important variable for this project, we show the same trend that we had throughout the year. Robust traffic although it has been relatively low due to seasonality. We have had more than 130,000 cars per day. These are historically high levels and if you compare every quarter, the growth in traffic has been more than 12%. This is significant because last year by the same quarter, the situation of mobility had almost normalized. And if you compare the first nine months, the growth is higher because it includes the months with low mobility of last year.

Regarding the energy and gas sector, it has a positive behavior. The consolidated EBITDA between the different quarters has grown more than 20%. Transported volume still positive. In addition, the distribution business is also very robust.

First, let's talk about transportation. On the top left, we see that transported volumes have grown. This is based on season. And in spite of the climate problems that we have, with a lot of rainfall, which usually implies lower gas transportation, it has been robust. And this is important for large part of the Promigas business. But we're growing the most in distribution, specifically due to the growth in connections that we're having in Peru with the new Promigas concessions. That's where we're having the biggest growth in terms of users. This can also be seen in the lower part of the slide, where we can see the growth of distributed volume by month, which surpassed 1,000 million cubic meters this quarter.

In terms of tourism, there's positive news. A robust internal demand and better local tourism levels are reflected in the positive results of Estelar hotels in terms of occupation and financial results, which have been historical. The EBITDA was of almost COP 30,000 million compared to less than COP 6,000 million last year, when we're just starting to recover. This is due to occupancy. That's the lower graph. We've had three or four months with more than 70% of occupancy, which are extraordinarily high levels for our chain.

The agroindustry sector has also been benefited in this quarter. We adjust COP 25,000 million in consolidated EBITDA, growing more than 67% compared to the same quarter last year. We can highlight our results in terms of palm tree and crops in Pajonales, Tolima, which have shown an increase in prices and therefore in the margins, which explain this result. And finally, the financial business. Casa de Bolsa and Fiduciaria, the trust, have had a substantial increase that has maintained throughout the whole year.

I would like to show you two more slides with our mid-term forecast for new projects and investments in our sectors. We would like to emphasize infrastructure and gas. As you know, the size of the public initiatives by the government is a lot smaller when compared to the last two governments. So, we expect a lower number of projects for road concessions and public initiatives. We believe we're going to focus on private initiatives, especially focused on certain sectors. We believe that in our current concessions there may be additional infrastructure work for doing work that had not been foreseen initially in those projects. We're also working on private initiatives in the airports that we have. And we believe that there's an important source of projects for road infrastructure, especially associated to large cities like Bogota and the Bogota-Cundinamarca area.

In the case of energy and gas, we're seeing important movement in the gas sector, basically because of the re-accommodation of gas sources. As you know, for a few months we have mentioned that there is a trend in the fields that supply gas in Colombia. And this means that

there has to be a re-accommodation of the transportation system, which is an important part of our business. We believe that Promigas has good opportunities there, basically because part of the reservoirs are offshore in the Atlantic coast or in smaller fields in the country, in land fields close to the Promigas infrastructure.

And the other sources of growth that we're seeing have to do with the international growth of Promigas, which has been very successful in Peru so we believe that there are growth opportunities in that country and others, similar to what we have done in Colombia and also in Peru.

And the other source of growth in Promigas is associated to its approach with the clients and the energy distribution business and also other services like non-banking financing through Brilla. We believe that this is going to be an important source of growth for Promigas and for our energy business in the next years. That's all that we have prepared for you. Thank you.

**María Lorena Gutiérrez**

I think that having said this, we can end our presentation, but we want to receive your feedback, questions, or suggestions. Diego, do we have any questions?

**Diego Alexander Buitrago**

In the WebEx platform you can use the “raise your hand” tool and we'll give you the floor so you can ask your questions directly or you can also write them down in the chat in the platform. We're going to wait 30 seconds in order to receive the questions.

We have a question from Rodrigo Sánchez, from Corredores Davivienda. Let's open the floor, please, so that Rodrigo can ask the question. Good morning.

**Rodrigo Sánchez**

Thank you very much for the presentation. I have just one question. It's related to the impact expectations of the tax reform. In the Aval conference, they said that Corfi income could fall 30% by 2023. I would like to know if these numbers or estimations include the possible effects of the reform. And additional to this, if you can give us a forecast of the impact in detail, specifically focused on minimum taxing.

**María Lorena Gutiérrez**

What was mentioned by Aval and what Gustavo presented is that we are finishing the construction phase and that's why we compared cash flow versus income from roads and that's why Corfi's income is reduced for next year. We hope to find new infrastructure projects, which is one of the biggest challenges.

And finally, the impact of the tax reform. We are trying to quantify it. It's not something material, as you say, but we are going to present this to the Board of Directors on Wednesday. I'm going to give you the floor to Juan Carlos so he can tell us how this impacts us, without having any real numbers yet.

**Juan Carlos Pérez**

María Lorena, thank you very much. All of those deferred taxes based on occasional income is where we have the biggest impact. And as María Lorena said, these are lower levels compared to the numbers of the corporation, less than COP 70,000 million, and in the upcoming years these are also lower numbers.

**Diego Alexander Buitrago**

We have another question from Estefanía Mosquera, from Credicorp Capital. Good morning.

**Estefanía Mosquera**

Good morning. Thank you very much for the presentation. My question has to do with the financial sector. When would you see an inflection point in this sector, taking into account the drop in income that we're seeing this quarter? When do you think this trend will change?

**Gustavo Ramírez**

This is associated to the curve and the interest rates cycle. I think that this is relatively uncertain, as I said before. So far in this quarter, since half year, we have been feeling the effect of monetary policy and the higher interest rates. And we believe that this is going to continue for the rest of this year. We still do not know when we're going to reach the peak and when it's going to drop. This is something very uncertain. We believe that this will happen during next year, but it's very hard to be accurate and be specific when it is going to happen.

**María Lorena Gutiérrez**

I believe that, as Gustavo said, and based on what we've analyzed internally, this is going to take a few months, specifically, the first semester. And we have to develop strategies in order to have the best possible treasury management. But clearly the funding cost is what will impact us the most in 2023. And this has to do with the question asked by Rodrigo in terms of higher funding costs affecting income in Corfi in 2023, beyond the income.

**Julián Alonso Valenzuela**

I would state that the first driver for funding would be inflation. And clearly the Bank of the Republic is doing an important monetary contraction. Today, it is at 11% and we expect an increase between 100 and 150 from now to January and then we think it may start to draw back. We are seeing that inflation is starting to fall in other countries like Brazil and Chile and Mexico. And we believe that we have to move towards that. But what we expect is that in

Colombia that correction is going to be a little less strong. So that will be in terms of expectations.

>> Being consistent with the forecast early in the second quarter of 2023, we're going to have a change in the cycle and by then we'll probably see a positive change for the financial statements. Thank you.

**Estefanía Mosquera**

Perfect.

**José Ignacio López**

I would like to add that the cycle might change and financial figures will probably do the same.

**Diego Alexander Buitrago**

We have another question By Juan Camilo Dauder, from Bancolombia.

**Juan Camilo Dauder**

Good morning, everyone. Thank you very much for the presentation. I would like to ask you, based on what happened with the recent result by the Cundinamarca tribunal, you announced an appeal. I would like to know in terms of this verdict, in terms of judicial aspects, if there is something that we should pay attention to.

And also, I would like to ask about the verdict of the Cundinamarca tribunal regarding Ruta del Sol 2. Has that ended already, or is there anything that we have to revise? Thank you.

**María Lorena Gutiérrez**

I can answer that. In regard to Ruta del Sol, as you know, we appealed more than two years ago before the State Council. They are about to decide if the decision is to be made by the third section because some people have declared they cannot do so. This can take three to four years so we're still waiting. There are high possibilities that the Odebrecht issue is handled by the Council State and we are not alone in the Cundinamarca Tribunal.

In terms of the CDs, the tribunal made a correction. However, we have proof that these are fake CDs. So, we are presenting the appeal against the State Council. This is going to be done in January since the National Legal Defense Agency was part of the process and suspended it, that's why we have time until January 23rd. I think that's the date. Right, Marcela? To present the appeal. And then this will take probably two or three years.

**Marcela Acuña**

Correct. Adding to what María Lorena summarized, in the case of the CDs, since the agency was part, last week it requested to be part of the process, and this gives the prerogative to request a suspension of the process for 30 days. That's why by January 23rd and 24th, there's a deadline for us to file our appeal. It's important to take into account that the agency and also the legal branch are going to be defending the interest of the nation and we will also do that, as part of the process, to defend Corficolombiana's interests.

In regard to this decision, the questionable thing is that a natural person will be linked because what is being debated here is if there was a judicial error or not, that's why it's important to take this into account.

Now, regarding to the process of Ruta del Sol, as María Lorena mentioned, we expect to have a decision, but we do not believe that this is going to happen in the short term. But we are very positive because we consider that all of the arguments do not show us as responsible of that.

**María Lorena Gutiérrez**

Diego tells me that we have no further questions. You have more questions? Thank you very much for joining us during this year 2022. This is our last result presentation this year. See you once again in January. Hopefully I'll see you in some of the events in November, December. Otherwise, I wish you a merry Christmas and the best for 2023, that's going to be very busy. We have many things to tackle, and we'll wait for you in 2023. And happy New Year. Merry Christmas. And thank you very much.