

CORFICOLOMBIANA
4Q - 2022 RESULTS PRESENTATION
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Good morning. Welcome to Corficolombiana's fourth quarter 2022 results presentation. Today we are presenting from Hotel Estelar Parque de la 93, and we also have online streaming. Thank you very much to those who are here in person and also to those who joined us virtually.

This presentation is being interpreted live into English. Users who wish to switch language on the platform can do so through the “language” option. At the end there will be a question and answer session. We will start by giving the floor to those who are here in person and later we will take questions received through streaming.

Related documents and supporting material are available on our website, in the Shareholders and Investors section, within Financial Information.

I will now give the floor to Maria Lorena Gutierrez, Corficolombiana’s president, who will start the presentation.

Maria Lorena Gutierrez

Good morning, everyone. Diego, thank you very much. Thanks to those who joined us today in person, and to the around 30 or 40 people who joined us virtually. We hope to see you in person next time, because it is nice to see each other.

We are going to present our results for the fourth quarter of 2022, and although we are going to address quarterly results specifically, we are going to also address the situation in general in 2022 in Corficolombiana.

I think it was a very positive year, as for many companies in the country. As Jose Ignacio will show you later, there were some macro issues in terms of positive economic growth for Colombia, and some challenges, such as funding and interest rates, but overall Corficolombiana’s results were very satisfactory, and we are very proud of them.

I would like to mention briefly some of those results. We have a methodology to measure impact, which we call generated economic value, and it was 13.1 trillion. Where can we see this economic value? Basically, in the following variables.

Last year we generated a consolidated investment of 1.4 trillion in the five sectors in which we are present. We paid 1.9 trillion pesos to the State in taxes and other contributions. We

paid our suppliers, which are 18.510, 5.5 trillion. This means that there is an impact on the economy and on the different sectors; as you know, Corficolombiana invests in those sectors that have a greater impact on Colombia's GDP. We paid 772 billion pesos in dividends. We had a separate net income of 1.8 trillion pesos. We paid our employees, who are over 25,000 direct and indirect employees, 784 billion pesos. And, finally, through the different companies and the Corficolombiana Foundation, we made social investments amounting to 63 billion pesos for the benefit of the communities where our investments are.

After this brief overview, I would like to give the floor to Jose Ignacio Lopez, our Economic Research Director, and I want to take the opportunity to congratulate him, as yesterday he received six awards for the forecasts made by the Corficolombiana and Casa de Bolsa teams. Jose Ignacio will tell us about 2022 in general and the prospects for '23.

Jose Ignacio Lopez

Iright. Thank you very much, Maria Lorena, for your kind words. It's a pleasure to be here. I would like to greet all the face-to-face and virtual attendees. My macro analysis will be very quick, but it is important to contextualize our specific figures.

Basically, 2022 was a very good year for the Colombian economy in terms of growth. Colombia grew by 7.5% in 2022, slightly lower than our early projection of 8% due to downward revisions in several quarters leading up to the last quarter, but this figure definitely shows a very important recovery in our country.

That is the context of the corporation's overall figures. Let us remember that in an analysis of emerging countries, Colombia is within the top ten economies with the greatest growth in recent years and significant recovery after the pandemic.

There was also a significant increase in inflation, so the figures of Colombian companies in general and of the corporation show that although real economy was very favorable, there were also complex situations for the financial markets that are evident to anyone who tracks Colombian assets. Year-end inflation was above 13% and according to our projections, inflation is still expected to remain relatively high in 2023.

Now, talking about this year, we are seeing significant slowdown figures. It was very difficult for the Colombian economy to continue with such a strong expansion as that of 2022, especially in a context where inflation had an adverse effect on Colombian families and motivated a monetary policy adjustment that clearly had an effect on household demand and company investments through financial costs.

In the center graph, you can see the monthly economic activity index published by DANE, which we have been replicating through a nowcast, whose variables you can find in detail in

the reports. As you can see, we are expecting an annual economic growth of less than 2% by February, given the persistent inflation, which would imply a more persistent upward interest rate trend. January and February growth figures have been revised downwards to 1% in our growth forecast for 2023, and that context is the framework of the companies' operation and, clearly, of the corporation.

Next slide, please. We like showing this slide because it represents Corficolombiana's bets on the sectors that play an important role in the economy. This graph shows us some long-term challenges, as well as specific facts in Colombian economy in recent years. As you can see, fortunately the corporation has been successful because it is present in the sectors with the greatest growth. For example, despite the adverse effects in sectors like hospitality or even in the agricultural sector, we are present in sectors that are more dynamic than Colombian economy itself, and to that extent we feel that the corporation's contribution, as Maria Lorena has already mentioned, spreads to all stakeholders and contributes to the growth of Colombia.

The right graph shows aggregate figures, where we can see peak levels in some sectors and those sectors' dynamics is much higher than the average of the Colombian economy.

That would be all from me, and I'll stay here to answer any questions you may have about our macroeconomic projections.

Maria Lorena Gutierrez

Thank you very much, Jose Ignacio. Well, I will mention some relevant facts from 2022, although the following speakers will refer to them in more detail.

Our Corficolombiana Sostenible (Sustainable Corficolombiana) strategy had good results. The ratings by agencies like Fitch Ratings and Standard & Poor's were ratified. Also, something we are very proud of is that we were included in the Dow Jones Index again. As you know, this is important for us, as it shows it is not just a matter of saying that we have a strategy to generate economic, social, and environmental value, but this means that we are analyzed by a third party that compares us with other companies in the world. We went up 19 places, and only ten Colombian companies are included in these indices. Also, for the first time, we were included in the Standard & Poor's Global Sustainability Yearbook.

In terms of infrastructure, we delivered works in the three concessions: Covioriente, Covipacifico and Coviandina. Gustavo will refer in more detail to this.

Regarding Promigas, commercial operation of natural gas started in Peru, in Piura. Gustavo will show you the figures, but growth there is becoming very important.

We received an award for the best green hydrogen production project. As you may remember, we were the first to have a pilot green hydrogen plant in Colombia and so did Ecopetrol a few days later. We are working on introducing green hydrogen into the pipelines for energy transformation and climate change. Also, Promigas was the first Latin American company to join Stanford University's Natural Gas initiative.

In terms of tourism, as you will see in the results, 2022 was an exceptional year in which occupancy levels were exceeded. Also, Estelar's gastronomic offer has been widened with restaurants opening in different hotels, as it was done in Altamira in Ibagué, and the Sky Bar of the Square Hotel, in Medellín. So, apart from the hotel business as such, we are offering new gastronomic options.

Agribusiness had good results, as you will see, but I would like to emphasize that Unipalma obtained the international certification for sustainable palm oil. As you know, this is very important to be able to export, and, above all, these certifications are required by the European economic community to access those markets. Additionally, it was recognized by Great Place to Work, as well as Corficolombiana, Fiduciaria and Casa de Bolsa, among the best places to work in Colombia.

Pajonales had very good results, as Gustavo will discuss, especially due to Calida 22, which is the rice seed that we have developed internally. Those of you who were able to go with us to Pajonales last year saw how this is done.

And, finally, Casa de Bolsa and Fiduciaria performed well despite the volatility of the financial market. Last year, as Gustavo will discuss, Fiduciaria had good results due to the OPAs, and it also received Rankia 2022 awards as the best stockbroker and national manager.

These are our general 2022 figures. Juan Carlos Paez, Julian and Gustavo will show our fourth quarter figures, as well as the consolidated figures of '22. Our assets grew 15%, going from 46.99 trillion to 54.03 trillion. As you may see, most of our assets are in infrastructure, followed by energy and gas, and the rest in other sectors. Our EBITDA grew by 30.9%, which is a very good result, going from 4.85% to 6.35%. Most of it comes from infrastructure, representing 3.79%, and gas and energy, 2.44%. Due to the effect of social investment, net profit went from 1.28 trillion to 1.73 trillion. If we included the effect of social investment, it would have been from 1.70 trillion to 1.79 trillion, due to the impact of the last reform, which mostly affected Promigas by 0.06 due to occasional earnings.

Those are our general figures, and we will delve into them later. As part of our Corficolombiana Sostenible strategy, it is important for us to have an agenda, goals, and achievements so I will now give the floor to Paula Duran, our Sustainability Director, who will tell us about the recognitions and results obtained in '22.

Paula Duran

Thank you, Maria Lorena. Good morning, everyone and thank you for joining us today. I believe we have really consolidated our Corficolombiana Sostenible strategy, which, as you know, is our corporate strategy. This slide shows the different recognitions we have received nationally and internationally for the way we have advanced in our agenda and the ESG impact we are generating.

At the beginning of the year, we made a big effort in terms of investments. We signed Sustainable Corficolombiana Agreement to ensure that our investments move forward in terms of sustainability, corporate governance, and management in general, which we believe is very important for our investments.

We were recognized by Great Place to Work. Our climate change strategy and the support we provide so that investments have their own strategy was recognized by CECODES.

Asobancaria recognized our governance model in terms of sustainability and how it has been deployed in our investments.

Maria Lorena also mentioned the Dow Jones sustainability index. The great news is that we are in the 14th position in the industry in the world. This shows that we have been working on closing the gaps in different issues and, above all, that we have learned about best practices in the world in environmental, social, and corporate governance issues.

We also won in three categories of the Sustainable Leaders Agenda. This is a recognition granted by Governart, in which different sustainability practices from Brazil, Colombia, Chile, Mexico, Peru and Spain are analyzed, and we won in three of them. One is for being the leading company in terms of sustainability, another is for our responsible investment policy, and the other one is for the research we carry out on sustainability issues.

We also received the Friendly Biz certification from the Chamber of Diversity of Colombia. This certification basically says that we are a friendly company for the LGBT community.

Additionally, by year-end we were included in the Annual Sustainability Yearbook published by S&P Global, which means that we are in the top 15% of the world in our industry because of our sustainability practices.

As you know, our strategy has five pillars, which are the ones you see on the left. We always talk about them, but I want to highlight the milestones or achievements in each of them. I will start by talking about generating and managing efficient and profitable investments, which is our responsible investment policy. We updated the policy this year, including our

non-controlled investments. That allowed us to measure ESG standards of these investments, to be able to give them feedback about what they could work on, and how we could support them in that process.

We also defined the engagement model of our investments, and there are different stages there. One, for example, is investment monitoring and follow up. As I said, there is a tool for non-controlled ones, and for our controlled investments we have a model called the MERO system, which you can see on Corficolombiana's website, where ESG indices are reported in real time.

We have also worked collaboratively to support our investments as they develop their own sustainability models with related goals and objectives, and to advance on issues such as defining their climate change management strategy and setting goals for carbon footprint mitigation, as well as actions for climate change adaptation plans.

During the year, all of our controlled companies adopted the human rights policy, based on the policy that the corporation had approved in 2021.

In terms of corporate governance and ethical and responsible decision making, we worked comprehensively to analyze our boards of directors, and we evaluated good governance standards in all of them. We evaluated 24 companies, and you can see there their average rating, which was 8.8 out of 10, but even more important than that is what came out of that analysis. This is the first time we have done something like this. We had the support of an external firm called Governance Consultants, specialized in evaluations to boards of directors. Several recommendations were made to continue to raise corporate governance standards in our companies. Those recommendations are already being implemented. Our purpose this year is to continue working with the boards to implement the actions derived from that evaluation.

We also evaluated Corficolombiana's board of directors with the same external company. We have established that we will do the same process with an external company every two years. This year the rating was 9.5 out of 10 and, again, some recommendations were made to be implemented during the year.

We strengthened the measurement of some of our risks, such as strategic and emerging ones, and we signed the business agreement I mentioned before. Let's continue.

On the pillar: how do we ensure the well-being of our employees? As I told you, we received certifications from Great Place to Work and Friendly Biz. We strengthened our employees' training processes through Corporate University, and this year we also allowed collaborators from our investments to register in programs from Corporate University. Around 170 people

have joined them, and the idea is to continue offering, as a holding, new services so that employees from our investments can also have access to them.

We created the Diversity, Equity, and Inclusion committee in the corporation. In this committee there are leaders from different areas, and it has a work plan on different initiatives that we want to implement to promote diversity, equity, and inclusion.

We also launched a platform to award recognitions to collaborators, and each area leader can do so through the platform. We have a benefit and loan system for employees, which has allowed us to strengthen our human talent management.

In terms of strengthening our relationship with stakeholders, in addition to everything I have mentioned before, we launched the Creciendo Juntos (Growing Together) program. As Maria Lorena mentioned, we have a network of more than 18,000 suppliers with whom we want to work. This program seeks to strengthen their knowledge of different management tools, especially in the case of small and medium-sized suppliers, and to boost their sustainability and see it as a source of value for their companies.

We also launched the Corficolombiana Sostenible award, where we recognize our suppliers' sustainable initiatives and projects. 67 initiatives participated. It was the first time we approached them in this way, and it was very successful.

We also have a media strategy to publicize Corficolombiana's results and strategy. I think you have seen us on the different media, events, and forums. Last year we held around 40 events and forums that were attended by over 8,000 people.

In the last pillar, which is about enhancing our environment, we include environmental issues and contribution to the communities. This summarizes what we have done, which has been a process where we have supported our companies, where the greatest impacts on the environment are generated. We have supported them in the generation of capacities so that they can measure their own carbon footprint and implement mitigation plans. We also have conservation and preservation programs. Last year we protected more than 1,000 species of fauna and flora and planted more than 200,000 trees.

We have been taking steps in leaps and bounds toward the goals we've set for reducing our carbon footprint. We had proposed a 25% reduction in terms of intensity by 2025, which is already 41%, and in absolute terms we have reduced it by 23%.

We also relaunched our Corficolombiana Foundation. It has existed for a long time and was focused on early childhood programs in Valle del Cauca. What we did was bringing the foundation to Bogota and we aligned its strategy to that of Corficolombiana Sostenible. Our

lines of action focus on education for competitiveness, business fabric strengthening, environmental actions, and promotion of sustainability in the private sector.

We invested over 63 billion pesos in different social programs in the year, including these, but also those of our investments, where they work with the communities in issues such as education, culture, productivity, and so on.

Also, we launched our Corporate Volunteering program, in which 170 volunteers have participated in different activities with vulnerable populations.

This is, in general terms, what we did during the year.

Maria Lorena Gutierrez

Thank you very much. We have provided an overview of our strategy, which has those five pillars. Now we are going to focus on our financial results, which is the first pillar of the strategy to generate economic value through our investments. I want to give the floor to Juan Carlos Paez and Julian. Julian is going to focus more on funding and Juan Carlos on our overall results.

Juan Carlos Paez

Thank you, Maria Lorena. Greetings to all attendees. The slide shows graphically what my colleagues mentioned earlier. The company focuses on generating economic value for Colombia.

Last year we had 332 billion pesos of quarterly profit, and the mix was between infrastructure, energy, gas, hospitality, agribusiness, and the other sectors in which we invest. This quarter the differences in the economic context led to a figure of 62 billion pesos.

The top part of the graph shows the contribution of the different sectors that I have just mentioned. But there is no doubt that the evolution of interest rates has affected us. The gross margin of the financial business, which is the treasury business, like what happened to most financial institutions in Colombia, led to a lower value, 142 billion pesos in the quarter, compared to previous years.

The net financial expenditure of all the entities also had an impact of 185 billion pesos. If we compare the financial expenditure of the companies from one year ago with the financial expenditure of this quarter, it grew more than twice due to the rising interest rates, which is important to mention.

When we review the annual figures, we will see that there is a similar impact on them but not as strong as the one we are showing here, because interest rates were rising

progressively. At the beginning of the year rates were very similar to those of '21, but financial expenses doubled, not only at the level of the corporation, but of all the companies of the real sector.

And the other relevant impact is in terms of taxes, which grew by 234 billion pesos last quarter compared to the previous year. In general terms, structurally we see the increase resulting from the tax reform two years ago, which generated a 5% higher level in terms of financial costs. Due to the last tax reform, in particular the occasional income tax, is included entirely in the consolidated financial statement from last quarter. Last year we saw it in the third quarter. So, here we have a change.

Maria Lorena Gutierrez

I would like to make a comment before showing you our yearly results, in which you will see some growth, but in the fourth quarter we see what Juan Carlos just mentioned. Since you follow so many companies, you should not be surprised. If you review the results of Colombian companies, in general all grew in terms of revenue and EBITDA, but not in terms of net income, mostly in the fourth quarter due to the effect of taxes and funding cost, which was much stronger.

Because of the good performance of our companies, we did well in the year, but the effect was seen in the fourth quarter. That is, if we had not done well in the first three quarters, that effect suffered by many companies would have been seen for the whole year. It hit us in the fourth quarter and affected part of what we had gained in the first quarters of the year.

Juan Carlos Paez

Thank you very much, Maria Lorena. In the accumulated figures you can see the difference between 1.8 and 2 trillion pesos. If we eliminated these specific tax change effects, the increase would have been only 4% in the total consolidated income, going from 2.2 to 2.3 trillion pesos.

Although the effect in the last quarter was proportionally lower, it can be seen in the consolidated total for the year. The highest financial expenditure was 740 billion pesos due to the progressive increase in rates, so it did not double in the accumulated, but it did increase by almost 60%. In terms of taxes, we had 277 billion pesos, for the same reasons that I explained in the previous graph.

As far as funding costs are concerned, I would say that the structure remains stable. The financing structure of the corporation and its subsidiaries, which can be seen here in the consolidated, is still intact, and it reflects an increase to 24 trillion pesos, compared to 19.2 trillion pesos from one year ago.

There is a significant increase in the energy and gas sector, as a result of a very interesting strategy in the sector of forecasting high interest rates, refinancing and accumulating liquidity, which was vital this period, and therefore the increase. But broadly speaking, the structure, both in terms of mix of foreign and local currency rates, and in terms of rate composition, remains unchanged.

I will now give the floor to Julian to talk about treasury. Thank you.

Julian Valenzuela

Thank you, Juan Carlos. Good morning, everyone. Regarding the corporation's funding separately, the rate trend, as you have seen, was upward. I will refer to that, but first I want to say that the corporation's long-term funding grew by 300 billion, going from 5.6 trillion to 5.9 trillion, which is equivalent to 54% of total funding sources. The average term also dropped slightly in the last quarter, going from 5.6 to 5.4 years.

As we said, the interest rate trend was rising. Just to mention some data, Banco de la República rose the IBR by 900 basis points, and inflation rose by around 750 basis points. A very important point is that the credit spreads of financial institutions had historical highs, especially in the last quarter, rising to 400 or 500 basis points at the end of the year. In the past weeks we have seen a significant correction, but it was very hard last quarter. Rates in general rose funding in all entities between 1,200 to 1,400 basis points throughout the year.

As we see, our costs went up, of course, following the same trend, from 6% to 13.6% on average, which is about 750 or 760 basis points so far. Of course, there is a repricing effect there, but our strategy of reducing duration while these spreads finish has helped us to have these results.

Finally, our double leverage indicator closed at 143%. That would be all, Maria Lorena.

Maria Lorena Gutierrez

Thanks, Juan Carlos and Julian.

Last, I want to give the floor to Gustavo, who will go through the results of our sectors, showing both quarterly and yearly figures. Gustavo.

Gustavo Ramirez

Thank you very much, Maria Lorena. Good morning, everyone. Thank you for joining us. In these slides we will summarize the main relevant facts in the portfolio of our companies, both in the last quarter of '22 and the whole year.

First, I would like to summarize the overall performance of our companies over the past year. Throughout the year, the main effects experienced by our companies due to the economic environment were, on the one hand, the increase in inflation and interest rates, which had both positive and negative effects, with the positive being greater than the negative. First, because much of the income is indexed to inflation, and that was the overall positive effect across all sectors. But on the other hand, inflation, especially of costs, pressured company margins throughout the year, and their evolution depended on the type of input. At the beginning of the year, they had to do with transport, logistics, and energy, and toward the end of the year, as we have stated, the main cost that increased was interest rates and financial costs. As we are going to see in the results, the effect of this was positive.

Also, in terms of economic performance and demand evolution, we saw throughout the year, especially during the first three quarters, strong dynamism in all consumption variables in all sectors, which was slower toward the fourth quarter, and continues in the first months of the year as expected.

With this in mind, let us look at each sector in detail, infrastructure first. This is where we can see the positive effect of higher inflation, given that the revenues of these projects are tied to inflation, both tolls and future revenue. These increases in inflation are recorded in our accounting books and, although the works are finishing and investment execution is lower than in previous years, this reduction in Capex execution levels was offset by higher revenues due to higher inflation.

Here we can see 4Q 2022 compared to 4Q 2021, and to the right full '21 and '22 figures. It is important to focus on the mix. Basically, our 4G concessions, three of them under construction, explain these results. As we can see, Coviandina's participation was lower because construction was finishing in '22. If we imagine the same graphic for this year, Coviandina will disappear. The one that took the lead in our results for '22 was Covioriente, in charge of the Villavicencio-Yopal project, and to a lesser extent, Pacífico 1 in Antioquia.

I want to mention something that we have discussed in the last meetings, which is the fact that the generation of cash on roads and P&L are mismatched. During these years we have had generation of income, but not generation of cash. Now that the works are finished, this situation will be reversed so we will no longer have so much generation of P&L, but we will receive cash.

That can be seen in the graph below. On the one hand, the gray line shows Capex execution year by year, and we can see a peak in '21, which then went down in '22 and will continue to fall in '23, while the associated P&L has been positive and rose in 2018, when Capex execution was very strong.

The graph below shows that, and we see for each of our 4G concessions the execution level by year-end 2022. As we have said, Coviandina reached 100% of work execution, while Covipacifico had almost 93%, and Coviorente, 81%. The graph above shows the total in pesos.

As I said, the investment peaks in these projects were in 2020 and 2021 with about 1.5 trillion pesos, in 2022 they fell to 619 billion, and in 2023 they will be around 600 billion pesos. Therefore, we closed the year with an execution of almost 6.9 trillion pesos.

Now, we are going to receive cash flow, so we are using these graphs that we also showed you last year, which are very interesting to track this, and for each 4G concession we show on the left, during the lifetime of the concession, how much revenue is going to be received by sources, which are basically tolls, future revenue, or warranties. Obviously, these are estimates, in particular of warranties, because they will depend on traffic. What is not generated by tolls will increase DRs or the other way around, but those are the numbers for the three concessions in present value. As you know, Coviandina's income is just tolls, that is why the graph is 100% gray there.

The right graph shows how much of the total revenue expected to be received during the concessions' lifetime have been received as of December 2022. You can see here that, although execution reached 100% as of December 2022, we have received 6.3% of the income for each concession.

So, as we have said, we are just starting to receive the cash of these concessions, while we have generated a large part of the accounting income.

The next one shows something similar, with a little more detail. Based on the execution of each of these projects, which we saw before, we show here how much we have received in cash per year in current value. Again, as the first one that finished works was Coviandina, it was the one to receive income in 2020, then Covipacifico in 2021, and after, Coviorente in 2022.

We are going to follow these numbers, which are the most important looking forward to seeing these concessions' business plans fulfillment.

Finally, we want to show you some economic activity figures for these concessions, and here we see the evolution of traffic. After almost three years, 2022 was finally a normal year with normal traffic seasonality and it had historically high traffic levels. Throughout the year, average traffic in our concessions reached 135,000 cars per day, which is a historical level, and has remained high in the first two months of this year. Let's continue.

Let's move on to energy and gas. This shows the results of Promigas and its participation in Corficolombiana. Here we also see the EBITDA results for 4Q and full 2022. We see a decrease in EBITDA in the last quarter, explained mainly by the hydric cycle. Almost since the second half of last year and so far, this year we have experienced an above average rainy period, which means that electricity generation is based on hydropower and, therefore, the thermal plants fed by our gas have not been generating. That explains the reduction of gas consumption and, therefore, the seasonal results of Promigas.

This cycle is normal, but it has been stronger in the last six months because the rainy season has been stronger than usual. However, when we compare 2022 to 2021, we see an increase of more than 10% in the consolidated EBITDA of our energy sector, which basically refers to Promigas.

Here we see more detail. I want to focus on the top left graph, where you can see what I just mentioned. When compared to both the previous quarter and the same quarter of last year, gas consumption is lower. The greatest reduction was in thermoelectric generation, which explains almost two thirds of that reduction due to the cycle I just mentioned. At the bottom you can see gas consumption month by month and the normal cycle in the country, which falls from November to April every year. Last year it began to fall since October and it was sharper because of the rainy season.

Finally, in the top right graph, we can see something we want to highlight, and it is the behavior of our distribution business. We can see the consolidated figures of the distribution business in Peru and Colombia, but we want to point out the significant growth in Peru both in terms of consumption and number of users.

Last year Promigas and its distribution companies connected over 450,000 new users, most of them residential, over 300,000 in Peru. In other words, the growth of Promigas' core distribution business is happening in Peru, which pleases us because it represents the fulfillment of the strategy, we have developed for several years to diversify and expand the business beyond Colombia, which is already at mature levels. I think these numbers show that the strategy has worked.

Let's move to the tourism sector, which is very pleasing for us. As you know, during the pandemic the hotel business was greatly affected and only began to recover by the last quarter of 2021. Because of that, during 2021 our EBITDA was pretty much zero. However, in the last months of 2021 and throughout 2022 we had excellent results. The graph below shows clearly our hotel occupancy month by month, which was once again at historic levels. No month was below 60%, which even before the pandemic was a very high figure. The year-round average was 69%.

Although this has been an industry-wide trend, Estelar's result exceeded the industry average. While our year-round occupancy was 69%, the industry average was 61%. That was reflected in our results. As you can see in the table on the top right, after having an EBITDA of almost zero in 2021, we reached more than 100 billion EBITDA in this business.

And finally, the other two sectors. Agribusiness reflects what I mentioned at the beginning, the macroeconomic circumstances, an increase in the price of commodities, and also an increase in costs. However, efficiencies in our marketing system paid off and, in the end, the effect was quite positive, taking our consolidated EBITDA to an over 40% growth. Our palm business stands out, as international prices have helped a lot.

And below, our financial companies, Casa de Bolsa and Fiduciaria, which also performed excellently during the quarter and throughout the year, almost doubling their EBITDA when compared to 2021.

These are the most relevant aspects about our companies.

Maria Lorena Gutierrez

I'm sure you want to know about new businesses. Obviously, our task is to continue to look for new businesses. In terms of infrastructure, last year we bet on the Buga-Buenaventura project, and although we did not get it, we continue studying public and private initiatives in 5G projects. Also, additional works that could be presented as private initiatives or through amendments before the ANI, which can be very representative. We are working on private airport initiatives which, as you know, are a priority for the national government, and also on new regional projects in Bogota and Cundinamarca that were approved by Conpes and Confis.

As for energy and gas, I will give the floor to Gustavo, who will also talk about Capex. There are some opportunities in gas pipelines, and last week bidirectionality with TGI was announced, which is very important for gas supply in Colombia. We are also considering international opportunities. Promigas is present in Peru and Colombia, but we are exploring other businesses. Also, in 2022 we created a vice presidency to work on energy services through renewable energies, and that is part of our business plan in Promigas.

Gustavo, would you like to add anything else?

Gustavo Ramirez

No, based on that, we want to show you the results of last year and also to give you an overview for this year. Perhaps the best indicator is that we continue to invest and we plan to

invest 1.4 trillion pesos this year, similar to last year, broken down as 600 billion in infrastructure once 4G concessions are over.

After several years, our most important investment line will again be energy and gas. It was infrastructure for many years, but now it is energy and gas again. As Maria Lorena said, we are focused on three lines of growth in the energy sector. One is the expansion of gas infrastructure in Colombia. In Colombia, gas generation sources are being renewed, and that means that our business, which is to provide infrastructure, has to move as gas generation moves, implying investments and opportunities for new businesses. Also, international expansion; the most important country has been Peru and it will continue to be so, but also we are evaluating opportunities in other countries. Finally, the customer-centric business, which we have called energy services, with different gas and other clean energy products, and that explains our investment levels through Promigas, which amount to over 800 billion.

In the other sectors, agribusiness and tourism, which are smaller, but not in terms of their importance for us, we believe that there are also opportunities for expansion and will also be part of our investment plan this year.

Maria Lorena Gutierrez

Well, that is our overview. My message is: we had a very good 2022, in line with national economy because these are the sectors in which we invest, although there were difficult issues like funding cost, which affected us in the fourth quarter, but thanks to the results we had in the first quarters of the year we managed to have higher profits in 2022 versus 2021.

If you are wondering what will happen now that infrastructure works are finishing, I want you to know that our investment level remains high in 2023. We will invest 1.4 trillion pesos in different sectors. We continue to invest in the sectors and in the country. We will continue to invest, and it is one of the highest investment figures.

We are working, as Gustavo mentioned, on new projects, so that is our challenge this year so we can start next year with the same investment levels. But our message for 2023 is that we will keep a high investment level, as in 2022, which demonstrates Corficolombiana's dynamism. Thank you very much. Diego, please let us know what to do next.

Diego Alexander Buitrago

We will start the question-and-answer session with Rodrigo, who has just raised his hand.

Rodrigo Sanchez

Thank you very much for the presentation. Good morning. Rodrigo Sanchez from Davivienda Corredores. I have three questions. The first one is related to Mulalo-Loboguerrero. Some media have stated that the court's ruling is expected to be ready in April. Could you share

with us your expectations about this ruling, and if you actually expect it to happen in this month, as announced?

The second question is related to the corporation's deleveraging strategy. You explained growth and cost of funding very well and, we can see that the double leverage levels are between aggressive and very aggressive, according to the rating agency's standards. Since your Capex execution plan is still intensive, how does Corficolombiana intend to mitigate this greater leverage risk?

My last question is related to the approaches you may have had with the government and the ANI about freezing tariffs, and if you expect, for the Bogotá-Villavicencio concession, any announcement, and if you are concerned that special adjustments for some toll booths cannot be made, as the works are about to finish. Thank you very much.

Maria Lorena Gutierrez

I will address the political issues and Gustavo the financial issue. Regarding Mulalo, as you know, we had an exceptional event two years ago. That road should have been ready seven years ago but there was an environmental license issue. We set up an arbitration court because we had every right to settle the contract. However, the ANI contacted us in 2021, with the intention of signing a conciliation.

We had more than 45 meetings between the ANI, the Public Prosecutor, the Comptroller's Office, a technical expert, and a financial expert. The previous administration finished, and the conciliation was not signed, and it was not sent to the court. That happens in governments, so I am not going to blame anyone.

The new government came in. We talked to the ANI again, and we could see some interest from the Minister of Finance and the Minister of Transport, but not from the ANI, and that is the actual filing entity.

Valle del Cauca is really interested in doing this and that is why it has been on the media; they have held meetings with businessmen, with Valle politicians and the governor, but if the ANI does not file the conciliation, the court will have to rule.

We are in the final arguments stage, and I think the deadline is by late April. Right, Marce? End of..

>>Around April 4th.

Maria Lorena Gutierrez

Yes. Well, we are in that stage. We think that we have all the reasons to settle the contract because the license was never given to us. We had an event that exempted us from responsibility, and we won the friendly arbitration. I feel sad for the country, because it will not have that road, the designs will have to be made again, and it will cost more, but in the end, we respect the decisions made by public officials.

So, we are waiting, and I am sure we have all the legal reasons to settle the contract. I guess that the national government thinks they will get a smaller figure than we expect, but that is what we are waiting for.

And if the ANI does file the conciliation to the court, sadly, we have zero hope, so I think...

But recently the National Planning director and the Minister of Finance went to Cali and said that this work was a priority, although I think it is going to be considered a public work... but let us see what happens. I do not know, that will become an initiative of the government.

With regard to tolls, obviously it is worrying, as with all concessions, however, this is a State debt. In other words, our financial statements are not affected. There is a decree stating that they are frozen, and that includes those additional fees for the functional units you mentioned, Rodrigo. Those are also frozen. Apart from everything that the CCI has done around tariff updates, together with Alberto Mariño, Proindesa's President, we sent a letter to the ministers. Hacienda answered saying that in fact they need a methodology to update the tariffs, but that they will recognize this year's payment through the contingency fund due to the non-increase of tolls. What I think is a public policy is that they must have a mechanism to update tariffs by December '24, because I do not believe that they will update tariffs in January '24. The decree of states that the rate must be updated so I guess it will be progressive.

The response by the Ministries of Finance and Transport was that they will hold a few round tables with the 40 concessions to see how to update those tariffs. But, in the end, in the financial statements it is a state debt recognized through a national decree, and there is absolutely nothing against that. So, it doesn't affect our financial statements, but it affects our cash. We must see how we to charge that quickly, that difference due to the non-increase. It does not mean that we are not going to be paid that tolls amount, but we are talking about the 2023 increase.

I will give the floor to Gustavo to address the double leverage question.

Gustavo Ramirez

Yes, as you know, in the last few years the corporation had an investment cycle, especially in 4G. Those investment needs exceeded our internal generation, and therefore we had negative cash flow during those years. That implied basically two things at the cash structure level: a reduction in dividend levels, and an increase in leverage levels.

As we have mentioned, and as we showed you in some graphs, that cycle ended and now it is time for getting that cash. So, we must establish how to use that money from concessions. It can be used in three things: reducing leverage, increasing dividends, or continuing to invest. So, our everyday challenge and work is to see how...

Maria Lorena Gutierrez

Or the balance.

Gustavo Ramirez

How to balance those three elements. Our priority is to invest in profitable investments because that is what increases value the most. Of course, we analyse if the return on those investments is higher than the cost of debt and the opportunity cost for shareholders, but the solution will probably be a balance between those three uses of cash within the restrictions we have, one of which is double leverage.

Of course, we understand that debt levels must be kept at a healthy level, and much of the debt was taken to make those investments, and since this is normal, the return of those investments must pay that debt off. That has been part of the corporation's balance structure management these years and the years to come.

Maria Lorena Gutierrez

That is why, Rodrigo, that graph shown by Gustavo about the concessions' cash flow is so important. We started to show it to you last year. Because in the end, once construction ends, what we receive is cash from the constructions and the cash out from those roads is the corporation's strategy for new investments, dividends, and deleverage.

Gustavo Ramirez

And obviously, we have a plan, but circumstances change. Having a 6% debt, as the one we had one year ago, or having a 13% debt, as the one we have now, changes the allocation of resources to one thing or another, according to the circumstances. That is clear for us, and we are going to move forward with that idea in mind.

Diego Alexander Buitrago

Those of you who are connected through the chat can ask questions by using the question-and-answer tool. We can see that some people have raised their hands. Once we finish the question session in the room, we will take the questions received through streaming.

Steffania Mosquera

Thank you very much for the presentation. This is Steffania Mosquera from Credicorp Capital. My first question has to do with Rodrigo's question. What milestones could we expect in terms of Decree 050 from now on? What could we expect in terms of clarity, in terms of how toll differentials will be paid from now on? I am aware of the April 15th milestone, which is when we would expect to have more clarity about this, because usually these payments are made every three months, so my question is, is that still the case or could we expect something different? That would be my first question.

Maria Lorena Gutierrez

Well, as I said, we are expecting to have some meetings with the ANI, according to the Ministry of Finance's instructions. They stated in the official letter they sent to me that those resources are in the contingency funds. The Public Credit and the General Budget Directors answered, so now each concessionaire must talk to the ANI to determine how that money is going to be paid by the fund to the concessions. And in case it doesn't, the discussion would be about the interests on that money. That is part of the round tables, so we expect to have those meetings with the ANI soon. The concessions have already been talking to the ANI's Executive Vice President on these issues, as well as the DRs.

Steffania Mosquera

Okay. Thank you very much. The next question has to do with energy and regulation. I understand that transport tariffs were updated in September last year. My question is whether you expect any additional changes. Could you provide an update on distribution fees?

Gustavo Ramirez

That's right. As we explained last year in some of our talks, transport tariffs changes were changed early that year, basically with two phases. The first phase was completed in September, which consisted of three things, like the establishment of a tariff in pesos, the reduction of WACC, and the payment for assets that complete their useful life. Some of those combined effects are positive and others are negative. They were mostly neutral for Promigas: income fell in some cases and went up in other cases, but overall, they were relatively neutral. The missing part is the second phase, consisting of updating tariff variables, which are the investments made in recent years and the new gas consumption conditions. These are the numerator and the denominator in the formula. According to our figures, rates should go up and lead to an increase in Promigas' revenues.

This second phase must take place this year, because it depends on an interaction between Promigas and the regulator, in terms of what they call the tariff FAI, to support those investment and consumption figures, and so on. That process is taking place. The dates are uncertain because the regulation does not mention when it must be done, but it is a process in which progress is made. We hope this takes place late this year or early next year.

Something similar must happen to distribution rates. The tariff methodology was published and there were no significant changes. What follows now is the application of that tariff in each company's distribution tariff FAI, which is happening now. If the deadlines are met, they should be published even before those of transport, probably in the third quarter of this year. Again, times are uncertain because in recent years the CREG has not met those deadlines.

Steffania Mosquera

Perfect, thank you very much. And the last question refers to taxes in Promigas this quarter. They had an exceptionally high effective rate of 75%.

Juan Carlos Paez

Yes, I mentioned it in my presentation. It has to do with the application of the tax change on occasional earnings tax that were accumulated in Promigas. That explains the resulting rate that you mention.

Gustavo Ramirez

The increase due to the tax reform is on the deferred tax, not on the ordinary tax. Because the rate is updated according to a future tax payment Promigas could have so that is a deferred tax item.

Juan Carlos Paez

Very important because it does not represent cash.

Diego Alexander Buitrago

We will take questions made through the platform. German Fajardo raised his hand. Mr. German, we can hear you. Your microphone is open.

German Fajardo, good morning. Your microphone is open.

German Fajardo

Hello, how are you? Good morning. My question is the following.

Maria Lorena Gutierrez

Thank you very much for the question, but we are addressing 2022 and 2023. There is a proposal like the one you mentioned, but there may be some alternative proposals in the assembly, and we will address it then. I will not refer to that because that decision has not been made. We will be happy to address that in the assembly, in one week.

Diego Alexander Buitrago

Another question from Juan Camilo Dauder from Bancolombia. Juan Camilo, your microphone is open.

Juan Camilo, open the microphone and unmute yourself. Your microphone is open.

Juan Camilo Dauder has problems with his microphone. We do not have any other questions on the platform. Is there any other question in the room?

Maria Lorena Gutierrez

Can Juan Camilo write the question?

Diego Alexander Buitrago

Yes.

Alright. Let's see.

>>...the possibility that differences in tariffs will be offset via collection difference and what would be the offset mechanism.

Maria Lorena Gutierrez

The freeze, you mean?

>>Yes.

Gustavo Ramirez

Tariff reduction is foreseen in concession contracts. The contract states that any difference in fees is charged and paid quarterly by the ANI. In fact, although this was a widespread case because fees were charged for all tolls, in the past fees had not been increased in some tolls and that quarterly payment mechanism had worked. So, contractually that mechanism already exists. But what you mention is true because in the end there is always a residual mechanism, the DR, in which, from time to time, an overall calculation is made based on what the concession has collected, including those quarterly payments, and what it should have received under the contract. So, all differences are part of the DR. But the important thing is that there is a contractual mechanism prior to the DR, which is that quarterly payment.

Maria Lorena Gutierrez

Although, as Gustavo says, that has happened and that is the purpose of the DR mechanism. There is a general decree here so I think that cannot happen, as it means there is an explicit order to pay through the contingency fund now and not with the DR in eight years. And, in addition, in '24 the rates must be updated. The Ministry of Finance did that properly. Otherwise, it would become a long-term debt.

Well, Diego, thank you for coordinating the meeting. I think it went very well. Thank you for joining us here and to those who are connected virtually. How many were they, Adriana? 60 people?

Diego Alexander Buitrago

60 people.

Maria Lorena Gutierrez

58, 60. Well, thank you very much. We hope to see you soon. Don't forget that this year we are going to hold another Investor Day. We hope you join us. Have a nice day and thank you. Bye.