PwC TLS

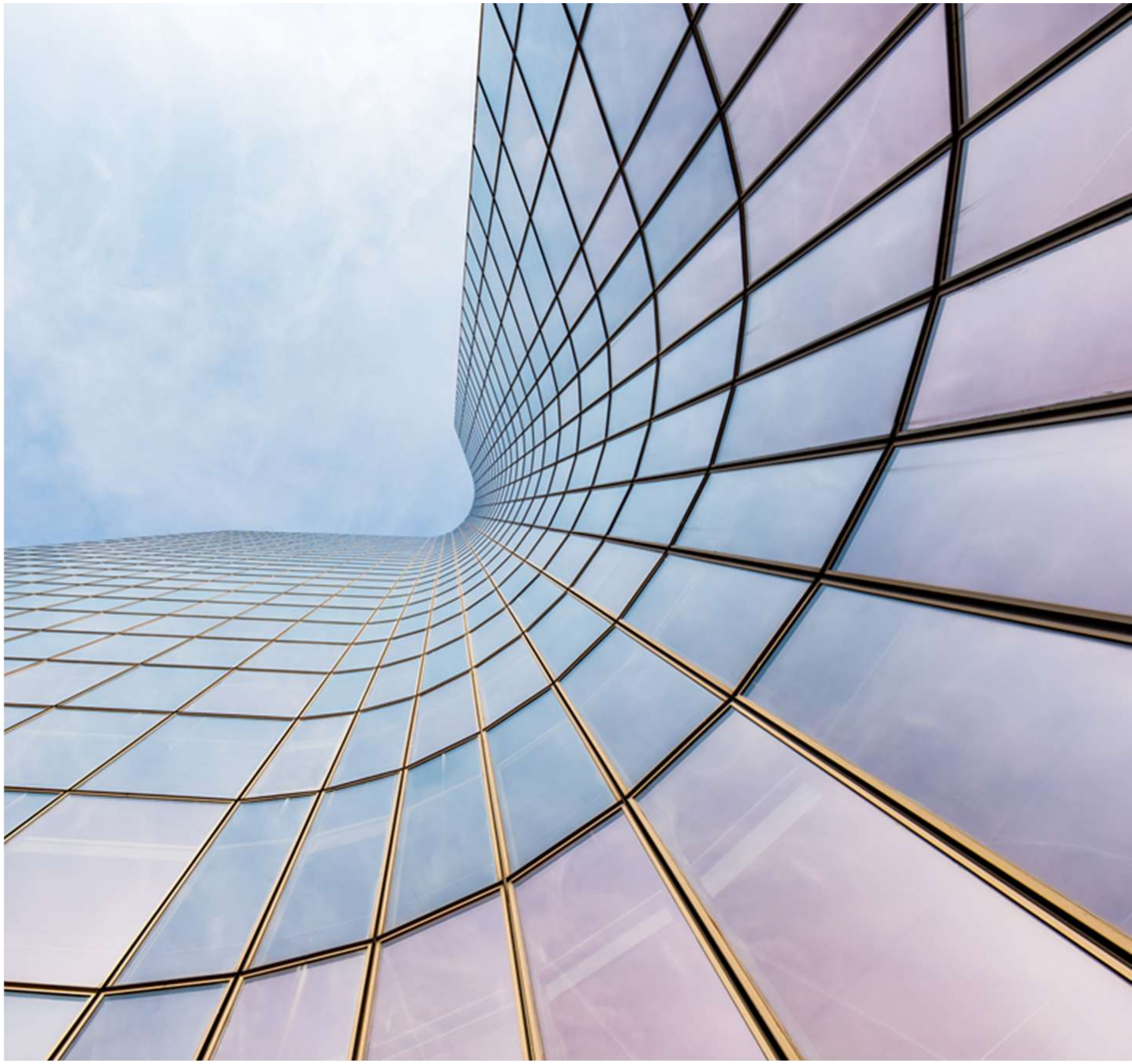
Total Tax Contribution 2023

Enel Group in Colombia

Noviembre, 2024

Contents

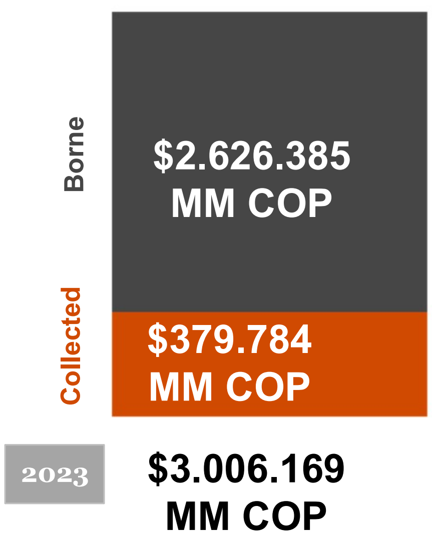
1. Executive Summary

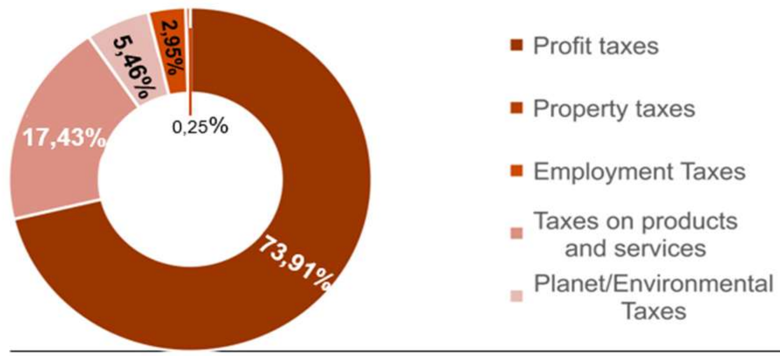


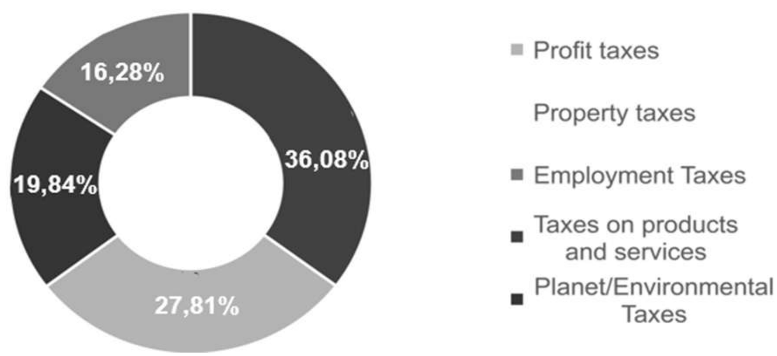
Executive Summary

Total Tax Contribution 2023

Group Enel in Colombia (hereinafter "Enel" or the “Company") total tax contribution in Colombia for 2023 amounted to **$3.006.169 million COP**, with an increase of **42.7%** compared to 2022, in which Enel had a total tax contribution of **$2.107.251 million COP**. In 2023, **87.4%** of the total tax contribution corresponds to taxes borne and the remaining **12.6%** to taxes collected.







Tax Borne in 2023

Taxes borne by Enel in 2023 amounted to **$2.626.385 MM COP**. A major part of this total corresponds to profit taxes, which represent **73.91%** of the taxes borne.

Profit taxes borne by Enel corresponds to taxes paid on corporate income tax obtained by the entities (“*Impuesto sobre la Renta y Complementarios*” and “*Impuesto de Industria y Comercio*”).

Taxes Collected in 2023

Taxes collected by Enel in 2023 amounted to **$379.784 MM COP** with an increase of **21,1%** compared to 2022.

A major part of this total corresponds to profit taxes (taxes paid on corporate income) and taxes on products and services - (VAT and its withholding tax), which jointly account for **63,89%** of taxes collected.

Executive Summary

Total Tax Contribution of Enel with respect to turnover in 2023

19,5%
TTC in relation to turnover

17,1%
Borne

2,5%
Collected

In 2023, taxes paid to public authorities accounted for **19.5%** of total revenue generated. For every $100 Colombian pesos of revenue generated, **17.1**% was used to pay taxes.

Trend of TTC 2022-2023

2022	**$2.107.251 MM COP**
2023	**$3.006.169 MM COP**

In 2023, Enel's tax contribution in Colombia has increased by **42.7%** compared to 2022.

This trend is attributable to two main factors: (1) an increase in the amount of taxes borne, especially taxes on profits, and (2) an increase in taxes collected, especially taxes on profits and products and services.

Wages and Taxes per employee in 2023 vs 2022

COP $170 MM
Wages per employee

COP $61 MM
Taxes per employee

In 2023, annual wages per employee and taxes per employee amounted **$170** MM COP and **$61** MM COP respectively.

Compared to 2022, annual salaries per employee increased by 27%.

2. Background and the purpose of this report

Purpose of this report and methodology

“

The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with the values of honesty and integrity.

”

Purpose and scope of the report

The purpose of this report is to obtain and analyze the data relating to the Total Tax Contribution of the Enel Group Companies in Colombia for fiscal year 2023.

The data for 2023, as well as the analysis of contribution profiles and certain indicators have been compared with the equivalent data for 2022, analyzing the resulting trend.

The contribution made by major sectors of activity to the public purse in the jurisdictions in which they are present, and the way in which their tax contribution is distributed, are currently central topics of socio-economic debate.

In this context, and as shown in the Group tax strategy document currently in force, compliance with the tax legislation in force at each given moment forms part of the principles on which Enel’s corporate responsibility commitment is based, and the taxes it pays are one of the ways in which it contributes to the economic and social development of the society in which it operates.

Fully aware of the fact that the tax revenue is one of the main contributors of the economic and social development in the regions in which the Group operates, Enel gives great importance to tax reporting and transparency.

Enel has decided to publish this Total Tax Contribution Report to show the importance the Company attaches to tax matters and the extent of its commitment to its main stakeholders. Information available in this report renders it possible to identify measure and communicate the business asset, which is Enel’s tax contribution, so that it can have a significant impact on its reputational value.

The purpose of this report is to enlarge the concept of Corporate Social Responsibility and to reveal the value of the social function deriving from Enel’s tax contribution.

The way in which the fiscal information provided in this report is presented is intended to make it more versatile and facilitate its integration so that it can be presented according to the different parameters required by different stakeholders.

Background and the purpose of this report

The data compiled by PwC includes information received from Enel Colombia, obtained from its own IT system and its internal working procedures. PwC has analyzed the information supplied by Enel and has verified the consistency of the trends and figures reflected. Their origin has neither been verified nor audited.

In relation to the above, this report is based on the tax contribution figures provided on 02 February 2024 and subsequently clarified between 05 February and 22 March 2024. Significant events may occur after the latter date, which would not be reflected in this report.

TTC Methodology

Total Tax Framework provides information on all the taxes companies pay. The framework is straightforward in concept, not tax technical and therefore relatively easy for those who have limited knowledge of tax complexities to understand.

TTC is a universal framework that aims to provide a concise and immediate overview of the taxes paid by the company in the jurisdictions where it operates, and it is pursued through the preparation of reports which contain indicators and benchmarks explaining the overall and significant tax contributions of the company.

The Framework is built around two essential criteria: the definition of a tax and the distinction between taxes that are the Enel's cost (taxes borne) and taxes that the Company collects on behalf of the government (taxes collected). The framework can also extend to cover "other payments" to government.

The key points to be borne in mind in relation to this methodology are:

1. The definition of tax makes a distinction between taxes borne by Enel and taxes collected by it

Taxes borne are those that Enel has paid to the Administrations of the different Jurisdictions in which it operates. These taxes are those that have entailed an effective cost for Enel, such as profit taxes.

Background and the purpose of this report

Taxes collected are the taxes that have been paid as a result of economic activities of Enel, they are not the own costs of Enel. Here the company is collecting taxes from others, on behalf of government, i.e. income taxes collected from employees under a payroll system.

Nevertheless, these taxes should be taken into consideration during the calculation of total tax contribution of Enel, considering these amounts result from the activities of the company.

Some taxes appear both as taxes borne and taxes collected either from their nature (i.e. irrecoverable VAT is considered as a tax borne and net VAT, which accounts for taxes incurred on products/services supplied by Enel in Colombia, is considered as a tax collected) or from their incidence (i.e. social security contributions that belong to Enel is a tax borne, while social security contributions withheld from employees is a tax collected).

In this respect, PwC's TTC methodology adheres to the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability") and as "collectors" of taxes on behalf of the others ("Legal Remittance Responsibility"), as reflected in working paper no.32. "Legal tax liability, remission responsibility and tax incidence".

2. TTC Framework classifies taxes under 5 categories for clarification purposes:

The total tax contribution has been used by companies in different jurisdictions. As taxes have different names in different countries, PwC has identified five tax bases under which taxes borne and collected can be categorized: "the five Ps".

(i) Profit taxes: This includes taxes borne on the income obtained by companies, such as corporate income tax, Industry and trade tax and taxes collected in the form of withholdings on payments in relationship with the mentioned taxes.

(ii) Property taxes: These are taxes levied on the ownership, sale, transfer or tenancy of property.

(iii) People (or Employment) Taxes: These generally include taxes on employment (including income tax and social security payments). Taxes levied on the employer are considered taxes borne (e.g. social security contributions and payroll tax), and taxes levied on the employee are considered as taxes collected (personal income tax or social security contributions levied on the employees which are normally withheld by the employer).

Background and the purpose of this report

(iv) Products and Services Taxes: Indirect taxes and duties levied on the production, sale or use of goods and services, including taxes and duties levied on international trade and transactions. It includes taxes and duties, which are borne by companies in relation to their own consumption of goods and services, notwithstanding that these may be paid to the supplier of the goods or services, rather than directly to Government. This section includes taxes borne (e.g. VAT and consumption tax; excise duties; custom duties; import duties; unrecoverable VAT , etc.) and taxes collected (VAT; goods & services tax, etc.).

(v) Planet (Environmental) Taxes: Planet taxes include taxes and duties levied on the supply, production, use or consumption of goods or services which are potentially harmful to the environment, including:

- Taxes and duties which are borne by companies in relation to their own consumption of goods and services, notwithstanding that these may be paid to the supplier of the goods or services, rather than directly to government;

- Taxes and duties charged on and collected by the companies supplying these goods and services to their customers.

The Planet (Environmental) Taxes include the vehicle tax, the national carbon tax or the national plastic bag consumption tax.

The classification of taxes as environmental is based on the definition agreed for the purposes of the harmonised statistics framework developed jointly in 1997 by Eurostat, the European Commission, the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA), according to which environmental taxes "are taxes whose base is a physical unit (or a proxy for a physical unit) of something that has a proven, specific, negative impact on the environment". All energy and transport taxes are included and all value-added type taxes are excluded".

3. It includes all tax payments made to Public Administrations.

When considering the figures reflected in this report, it should be borne in mind that they include tax payments made to Public Administrations in respect of items which, given their characteristics, are in fact taxes even though, for historic or circumstantial reasons, they are not classed as such.

In line with the philosophy adopted by the OECD in relation to the analysis of a country's tax burden, "social security contributions" made to different Administrations have also been taken into account in the above-mentioned data, since such contributions are obligatory in nature and generally make up an important part of a State's revenues. In Colombia, the design of such payments means that they are charges rather than contributions and they are therefore clearly a form of taxation.

The aforementioned also includes the social security contributions made to both public and private entities.

Background and the purpose of this report

This is indeed the conclusion reached in the Mirrlees Report, which recommends the integration of taxes levied on earned income and social security charges when the latter are a form of taxation rather than being contributory in nature.

4. Adapts to the specific circumstances of the organization

In relation to the composition of Enel and the calculation of its TTC, it should be borne in mind that:

This report takes into account 100% of the tax contribution made by companies constituted in fiscal year 2023, based in the information sent by Enel.

For the purposes of this report in Colombia, the taxes borne and collected by Enel in Colombia have been reviewed in order to review the final tax burden of the aforementioned group in the country. The group companies considered are the following: (i) Atlántico Photovoltaic S.A.S. ESP, (ii) Bogotá ZE SAS, (iii) Colombia ZE S.A.S., (iv) EGP Fotovoltaic S.A.S. ESP, (v) Bogotá ZE SAS, (vi) Colombia ZE S.A.S., (vii) Colombia ZE S.A.S., (iv) EGP Fotovoltaica La Loma SAS en Liquidación, (v) Enel X Way Colombia SAS, (vi) Enel Colombia SA ESP, (vii) Enel X Colombia SAS ESP, (viii) Fontibón ZE SAS, (ix) Guayepo Solar SAS, (x) LatamSolar Energías Renovables S.A.S., (xi) LatamSolar Fotovoltaica Fundación SAS, (xii) LatamSolar Fotovoltaica Sahagun SAS, (xiii) Sociedad Portuaria Central Cartagena, and (xiv) Usme ZE SAS.

The companies included in the CTT report are those in accordance with the Group's country-by-country reporting. However, it should be noted that “EGP Fotovoltaica La Loma S.A.S.” is in the process of liquidation and “LatamSolar Fotovoltaica”, “Guayepo Solar S.A.S” and “Atlántico Photovoltaic S.A.S” were incorporated in 2022.

In relation to the overall amount of payments to the Administration taken into consideration for the purposes of this study, a list of all Colombian taxes covered by this analysis is attached hereto for illustration purposes in the form of an appendix..

5.The special characteristics of Value Added Tax and equivalent taxes are taken into account.

Value Added Tax (and equivalent taxes) is classified as a tax on products and services collected, and its amount reflects the net payments made by Enel to the tax authorities in the relevant period.

In terms of the way VAT works, the figure presented in this report includes the positive amount paid to the relevant budget, less the VAT received from the budget.

On the other hand, VAT amounts that are not recoverable (i.e. VAT paid to suppliers that cannot be credited against VAT due from customers), are considered an input tax (in the category Taxes on products and services), as they represent a cost to the company.

6. Main Assumptions made during the preparation of this report

(i) Perimeter: This report takes into account 100% of the tax contribution of the companies whose accounts are consolidated with those of one of the three main Enel companies in Colombia (Enel Colombia, Enel X, UZME).

(ii) Currency: This report considers the Colombian peso (COP) as the reference currency.

Background and the purpose of this report

(iii) Certain Economic Indicators

1) Revenues: Considering that three of the Colombian Companies consolidate financial statements, the respective amount is reported as the sum of revenue has been determined at the level of these companies.

2) Wages and salaries: As with revenues wages and salaries are determined at the level of the three consolidating companies.

3) Profit before Taxes: Report considers data on profit before taxes which is provided as "EBT/ earnings before tax" in the local reporting. Profit before taxes have been calculated at the level of the three consolidating companies.

The amount of profit before taxes excludes intercompany dividends to avoid double taxation of the same income from several entities, if such income was distributed as dividends to Colombian entities. This calculation allows reflecting the target amount of profit before taxes at the country level, and calculating the objective effective tax rate, as dividends are usually subject to beneficial tax treatment compared to other types of income.

4) Number of employees: The number of employees is recovered from the Human Resources Department at the central level and should be calculated as "Average number of employees". The number of employees indicated in the CTT Report should be aligned with the country-by-country report - CbCR.

5) Total value distributed: The total (economic) value distributed to the company is made up of the following:

5.1) Net interest, which is calculated as the net value of interest expense and interest income according to the information published in Enel's annual accounts.

This amount represents the value distributed to the creditors of the entities included in the CTT perimeter.

5.2) Profit after tax, which is the net income of the company. Income after tax has been calculated at the level of all consolidating entities (similar to Profit before tax, this amount excludes dividends, where relevant).

5.3) Wages and salaries, has been calculated as mentioned in the relevant section above.

5.4) Taxes borne and collected, as per the Total Tax Contribution Report.

6) Methodology changes For the year 2020, new methodologies have been incorporated for the preparation of the report. These changes are as follows:

6.1) The definition of taxes does not include payments for interest, fines or penalties.

6.2) Intercompany withholding taxes will not be reported as taxes collected. Instead, the entity withheld shall recognize the amount withheld as an assumed tax.

6.3) If taxes on profits show a negative balance (credit balance), this balance shall be recognized as a negative amount, instead of recognizing it as zero (0).

Background and the purpose of this report

7. Particularities over some tax issues in Colombia

Valued Added Tax ("VAT"): VAT is a national tax that is structured as a value-added tax, which means that, in order to determine the tax, the taxpayers may credit the amount of the VAT paid (Input VAT) on the goods and services that they buy to generate the revenue of VAT taxable transactions against the VAT payable (Output VAT).

The VAT on the acquisition or import of tangible property and services is a creditable VAT. For these purposes, VAT responsible taxpayers must keep in mind that the only actually creditable VAT is the one paid on the acquisitions of products and services and in the importations that are considered as a deductible cost or expense for income tax purposes and provided that it is related with a VAT taxable transaction.

The tax is determined by the difference between the tax accruing on taxable transactions and the credits authorized by law. In cases such as when the VAT paid is directly related with products and services that are not subject to VAT (excluded or exempt), the input VAT will be considered as a cost and, consequently, a tax borne.

Exemption of the public energy services: De acuerdo con el numeral 11 del artículo 476 del Código Tributario de Colombia ("CTC"), los servicios públicos de energía y la energía, como producto, no están sujetos al IVA.

In addition, the provision of the energy generation services, as a complementary activity to the energy public service, is also exempt of VAT, as it is part of the definition of energy public service as stated in Law 143 of 1994 (DIAN, Ruling 39409 of 2006).

Industry and Trade Tax ("ITT"): ITT is a municipal profit tax levied upon the gross revenues obtained by individuals, entities or unincorporated associations for their industrial, commercial and service activities, directly or indirectly, in a given municipality within the national territory.

Law 56 of 1981 is applicable to the energy generation sector. This law states that the energy generation sector is taxed with ITT for each kilowatt installed.

The tax basis and rate of this tax for energy activities is determined by the kilowatts installed at the generation plant. The measurement used is limited to "$5 Colombian Pesos per year for every kilowatt installed in the generation plant"; this value is updated yearly with the inflation certified by the National Administrative Department of Statistics- DANE.

Background and the purpose of this report

7. Particularities over some tax issues in Colombia

Execution of a special contributions in favor of the Energy and Gas Regulatory Commission (CREG), and the Superintendence of Residential Public Utilities (SSPD), and contribution for the strengthening of the entrepreneurial fund:

Section 85 of Law 142 of 1994 was amended by section 18 of Law 1955 of 2019, "By which the National Development Plan 2018 - 2022 "Pact for Colombia, Pact for Equity" is issued, in order to specify some elements of the special contribution in favour of the Energy and Gas Regulatory Commission (CREG), the Drinking Water and Basic Sanitation Regulatory Commission (CRA) and the SSPD, and thereby contribute to the modernisation and institutional strengthening of these Entities.

For its part, section 314 created an additional special contribution, of a temporary nature, to be charged to all persons supervised by the SSPD and in favour of the Business Fund administered by said supervisory body. In this way, the aforementioned section establishes that from 1 January 2020 until 31 December 2022, the SSPD will charge its supervised entities a special contribution, in addition to that provided for in section 18, which will be destined for the SSPD's Business Fund.

The two contributions (CREG-SSPD) established in sections 18 and 314 of Law 1955 of 2019 were declared unconstitutional by the Constitutional Court in Ruling C-464 of 2020, a conclusion reiterated in Rulings C-484 of 2020 and C-147 of 2021, since they did not comply with the principles of legality, certainty of taxation and unity of matter, insofar as the Legislator did not comply with the purpose set out in section 338 of the Constitution. The effects of the unconstitutionality of these taxes is effective as of 1 January 2023, that is, at the end of the government's term in Colombia, since the income obtained from these contributions is already included in the budget of the beneficiary entities of the Government.

Having said all this, and due to the unenforceability of these contributions, they were no longer applicable in 2023. Please note that the unenforceability of the contribution provided for in section 18 of Law 1955 of 2019 (amendment to section 85 of Law 142 of 1995) and the additional contribution in favour of the SSPD does not render the original regulatory content provided for in the original section 85 of Law 142 of 1994 inapplicable, as these special contributions to the SSPD and CREG remain in force for the year 2023.

Each taxable year, the contribution is settled by the regulatory entities (CREG-SSPD), and the maximum rate of each contribution may not exceed one percent (1%) of the value of the operating expenses, associated with the service subject to regulation, of the contributing entity in the year prior to that in which the charge is made, according to the financial statements made available to the Superintendency and the Commissions. That said, contributors shall pay such contributions at the latest within the month following the issuance of the official statement in charge of the regulatory entities.

In the specific case, some Enel group companies made the corresponding payments to the CREG and SSPD contributions in fiscal year 2023.

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3. TTC of Enel Colombia in 2023

TTC of Enel Colombia in 2023

Economic data in Local GAAP (for Local Report purposes)	Comments	2023 L/C	2023 EUR
Revenues	*Mandatory*	15.381.627.280.712	3.289.706.800
Wages and salaries	*Mandatory*	387.330.404.000	82.839.315
Profit before income tax	*Mandatory*	3.511.435.922.322	750.999.515
Profit before tax borne	*Mandatory*	4.306.019.495.061	920.939.076
Income after tax	*Mandatory*	1.817.912.776.119	388.801.517
Tangible Assets	*Optional*	22.718.272.811.000	4.858.813.387
Stated capital	*Optional*	783.514.129.000	167.572.111
Accumulated earnings	*Optional*	0	0

Other data	Comments	2023
Number of entities	Please include the information provided by Enel Holding	14
Number of employees	Please include the information provided by Enel Holding	2.281

TTC Data	2022 L/C	2022 EUR	2023 L/C	2023 EUR
Total taxes borne	1.793.696.278.059	400.894.185	2.626.384.747.426	561.711.424
Total taxes collected	313.554.981.026	70.079.745	379.783.757.304	169.136.193
Total Tax Contribution	2.107.251.259.085	470.973.930	3.006.168.504.730	730.847.617

Do not fill in this section- data automatically computed

Taxes borne	2022 L/C	2022 EUR	2023 L/C	2023 EUR
Profit taxes	**1.277.243.111.900**	**285.466.561**	**1.941.181.581.295**	**415.165.322**
Property Taxes	**7.302.388.023**	**1.632.089**	**6.652.659.885**	**1.422.821**
Employment Taxes	**61.592.316.863**	**13.765.923**	**77.379.170.047**	**16.549.275**
Taxes on products and services	**345.213.572.707**	**77.155.461**	**457.809.383.074**	**97.912.829**
Planet/Environmental Taxes	**102.344.888.566**	**22.874.150**	**143.361.953.125**	**30.661.177**
TOTAL	**1.793.696.278.059**	**400.894.185**	**2.626.384.747.426**	**561.711.424**

Do not fill in this section- data automatically computed

Taxes collected	2022 L/C	2022 EUR	2023 L/C	2023 EUR
Profit taxes	**92.272.092.525**	**20.622.874**	**105.624.115.296**	**22.590.092**
Property Taxes	-	-	-	**1.422.821**
Employment Taxes	**48.781.002.337**	**10.902.586**	**61.810.419.953**	**16.549.275**
Taxes on products and services	**110.499.388.747**	**24.696.686**	**137.013.488.306**	**97.912.829**
Planet/Environmental Taxes	**62.002.497.417**	**13.857.599**	**75.335.733.749**	**30.661.177**
TOTAL	**313.554.981.026**	**70.079.745**	**379.783.757.304**	**169.136.193**

List of taxes	Tax category	Tax Borne or Collected	2022 L/C	2022 EUR	2023 L/C	2023 EUR
Corporate income tax	Profit taxes	Taxes Borne	1.175.834.169.134	262.801.596	1.831.801.174.687	391.771.863
Industry and Trade Tax	Profit taxes	Taxes Borne	101.408.942.766	22.664.966	109.380.406.608	23.393.459
Withholdings on payments to Income Tax	Profit taxes	Taxes Collected	76.876.302.652	17.181.904	91.334.715.939	19.533.982
Withholdings on payments for Industry and Trade Tax	Profit taxes	Taxes Collected	15.395.789.873	3.440.969	14.289.399.357	3.056.109
				-		-
Real Estate Tax	Property Taxes	Taxes Borne	7.302.388.023	1.632.089	6.652.659.885	1.422.821
Equity Tax	Property Taxes	Taxes Borne		-		-
Revenues from property investments	Property Taxes	Taxes Borne		-		-
				-		-
Employer's social security contribution	Employment Taxes	Taxes Borne	61.592.316.863	13.765.923	77.379.170.047	16.549.275
Withholdings on earned income	Employment Taxes	Taxes Collected	25.703.793.000	5.744.815	34.447.205.000	7.367.309
Employee social security contributions	Employment Taxes	Taxes Collected	23.077.209.337	5.157.772	27.363.214.953	5.852.239
				-		-
Non-deductible VAT/IGIC	Taxes on products and services	Taxes Borne	229.378.758.119	51.266.304	312.334.997.270	66.799.861
Tax on Financial Transactions	Taxes on products and services	Taxes Borne	45.303.876.352	10.125.446	58.584.563.657	12.529.626
Customs Duty	Taxes on products and services	Taxes Borne	4.340.136.000	970.023	-	-
Excise duty	Taxes on products and services	Taxes Borne	274.272.519	61.300	267.932.876	57.303
Other Charges	Taxes on products and services	Taxes Borne	65.916.529.717	14.732.388	86.621.889.271	18.526.038
VAT (Net position)	Taxes on products and services	Taxes Collected	110.499.388.747	24.696.686	137.013.488.306	29.303.415
				-		-
Taxes on electricity	Planet/Environmental Taxes	Taxes Borne	140.870.400	31.485	107.131.200	22.912
Other taxes	Planet/Environmental Taxes	Taxes Borne	102.085.281.566	22.816.128	143.118.346.925	30.609.076
Taxes on electricity TC	Planet/Environmental Taxes	Taxes Collected	62.002.497.417	13.857.599	75.335.733.749	16.112.240
Vehicle Tax	Planet/Environmental Taxes	Taxes Borne	118.736.600	26.538	136.475.000	29.188
TOTAL			**2.107.251.259.085**	**470.973.930**	**3.006.168.504.730**	**642.936.719**

TTC of Enel Colombia in 2023

Analysis of the Total Tax Contribution in 2023

Trend of TTC

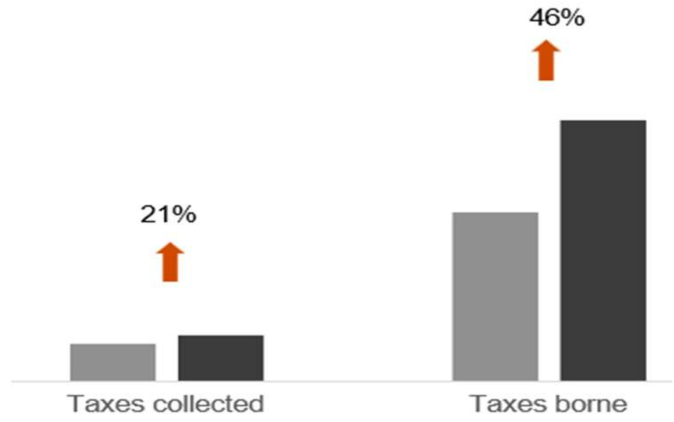


Chart 1. Evolution of Enel's Total Tax Contribution
(In million colombian pesos)

Enel's total tax contribution in Colombia amounted to **COP $3.006.169 MM COP in 2023.**

With respect to this, 87% corresponds to taxes borne that represent a cost for the group, and the remaining 13% relates to taxes collected by the group for carrying out its economic activity.

For the purposes of analyzing the trend of the Total Tax Contribution in 2023, the magnitudes relating to taxes borne and collected in Colombia by the Enel Group are taken into account.

In absolute terms, we observe an increase of **$898,980 million Colombian pesos between the 2023 CTT and the 2022 CTT**.

This variation is mainly due to the increase in taxes borne, as a consequence of the significant increase in income taxes. In the event of profit taxes borne, the increase is a consequence of higher profits, which serves as taxable base.

On the other hand, input taxes on products and services increased due to higher purchases from third parties. The taxes collected by Enel in 2023 increased compared to 2022, especially with regard to taxes on products and services and taxes on employment.

TTC of Enel Colombia in 2023

Analysis of taxes borne in 2023

Profile of Taxes borne

According to the above, **the taxes borne** by Enel during the financial year 2023 correspond to **COP 2.626.385 million COP.**

Profit taxes, amounting to **$1.941.182 million COP**, represent **73.91% of the total taxes borne.**

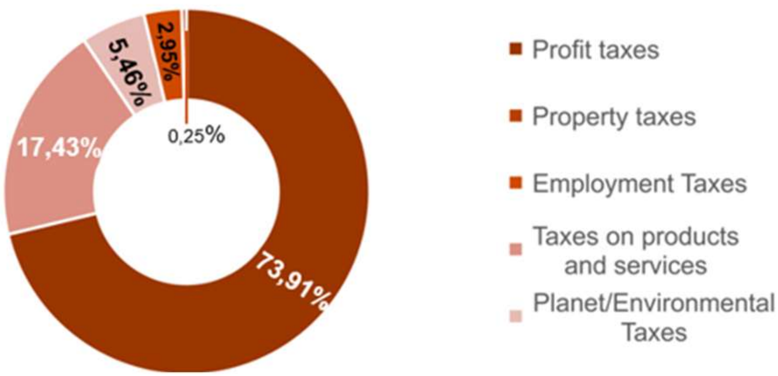


Chart 2: Types of taxes borne by Enel in 2023

The main income tax is the **Corporate Income Tax**, the cost of which amounted to **$1.831.801 million COP in 2023.**

On the other hand, **taxes on products and services**, which represent **17.43%** of the total taxes payable by Enel, amounted to **$457.809 million COP** in 2023. The main tax on products and services is **VAT.**

Environmental Taxes account for **5.46%** of Enel's total tax contribution, this **amount includes** contributions amounting to $**143,362 million COP.**

Employment taxes represent **2.95%** of Enel's total tax contribution in terms of taxes borne during the year. This item covers contributions in the amount of **$77.379 million COP** paid in Social Security contributions and Payroll taxes.

On the other hand, **property taxes**, which mainly include the Property Tax, represent less than **0.25%** of the total tax payments made by Enel corresponding to taxes borne and amounted to **$6.653 million COP.**

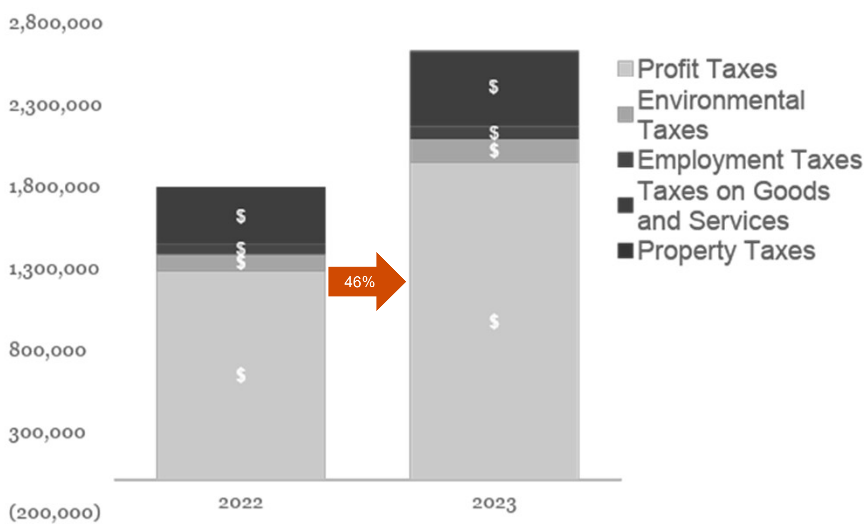
TTC of Enel Colombia in 2023

Analysis of taxes borne in 2023

Trend in Taxes borne

Taxes borne reflect an upward trend over the last year, having increased by approximately **$832,688 MM COP**, which represents an increase in relative terms of **46.42%** in 2023 compared to 2022.

Chart 3 and 4: Evolution of taxes borne by Enel



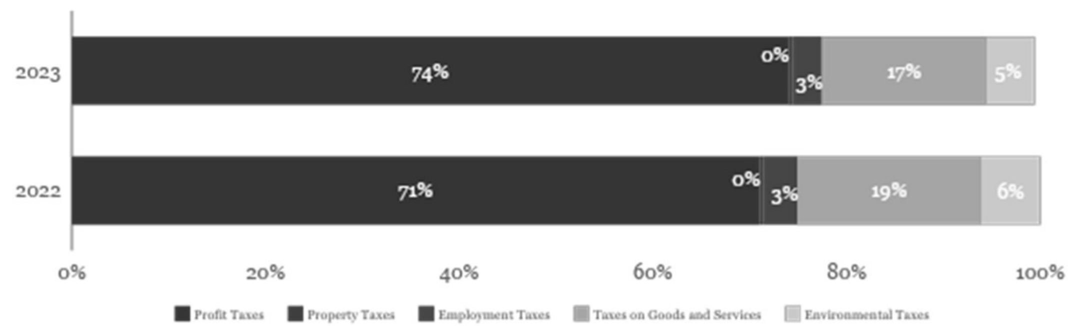
The main factor that gave way to the increase in contribution was the profit taxes, which matches with the increase of the income an profit before taxes, which increased in **$ 663.938 million COP**, **52%** in relation to 2022.

Environmental taxes increased by **40.08%**, equivalent to **$41,017 million COP.**

Employment taxes increased by **25.63%,** equivalent to **$15,787 million COP**.

Taxes on products and services have increased by **32.62%,** equivalent to **$112,596 million COP.**

Finally, **property taxes decreased by 8.90%,** equivalent to **$650 million COP**.



TTC of Enel Colombia in 2023

Analysis of taxes collected in 2023

Profile of Taxes collected

Taxes collected during the year amounted to a total of **379,784 million Colombian pesos.**

Enel Colombia paid **$137.013 million Colombian pesos** in VAT to the Public Administrations in Colombia, representing **36.08% of total taxes collected.**

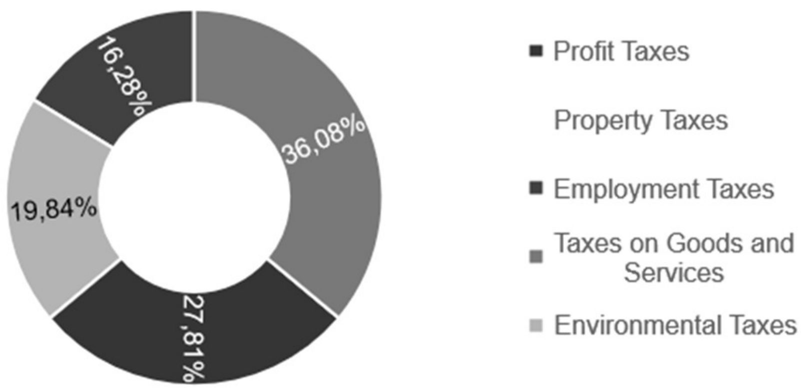


Chart 5: Types of Taxes Collected by Enel in 2023

As can be seen in the table above, one of the most important taxes collected by the group during 2023 are **taxes on products and services**, which represent **36.08%** of the total taxes collected, amounting to **COP $137.013 million.**

Profit taxes account for **27.81%** of total taxes collected.

Environmental taxes also feature prominently, accounting for **19.84%** of total taxes collected in 2023.

On the other hand, it should be noted that **employment taxes** account for **16.28%** of total taxes collected and mainly correspond to withholding taxes on labour income payments to employees and payments made to social security authorities on behalf of employees.

In this regard, with our comparative analysis of the years 2022 and 2023, we can observe the **21.12% increase in taxes collected**.

TTC of Enel Colombia in 2023

Analysis of taxes collected in 2023

Trend in taxes collected

Taxes collected during the year 2023 have **increased in absolute terms** by approximately **COP $66.229 million pesos**. This represents an increase of **21.12%, compared to 2022.**

Chart 6: Evolution of the profile of taxes collected by Enel

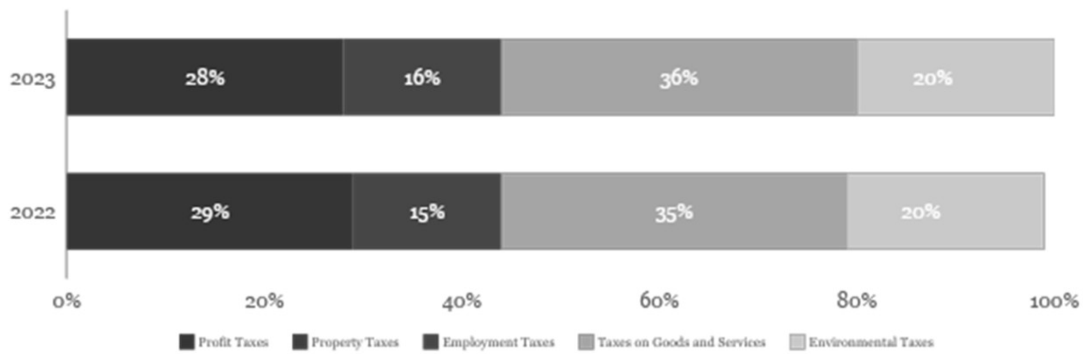
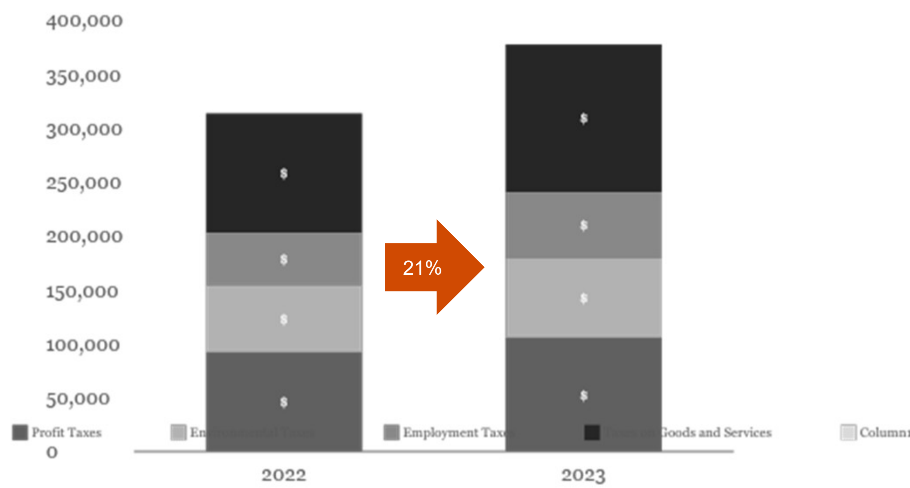


Chart 7: Evolution of taxes collected by Enel



As can be seen in the table above**, income taxes in 2023** have a higher payment by **14.47%.** This increase amounted to **COP13,352 million compared to 2022**.

Likewise, **taxes on products and services increased** compared to what was collected in the previous year, specifically by **23.99%.** This increase amounted to COP **26,514 million**.

On the other hand, **labour taxes increased** compared to the previous year's collections by **26.71%**, amounting to **COP 13,029 million**.

And **environmental** taxes increased by **21.50%** compared to **2022**. This increase amounted to **COP 13,333 million.**

TTC of Enel Colombia in 2023

TTC Indicators

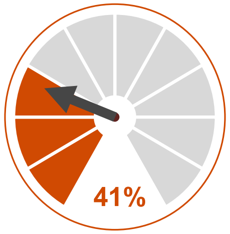
TTC Ratio

Year	TTCR for Enel Colombia
2022	41%
2023	61%

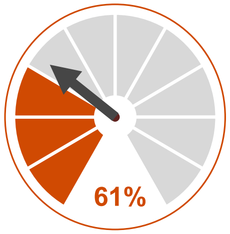
For 2023 purposes, Enel Colombia's TTCR was 61%, which is higher than the 2022 TTCR by 20%. This derives mainly from the increase in taxes borne and collected on profits, as discussed in the qualitative analysis.

It is important to note that the increase in profits, and the increase in income tax, specifically income tax, play an important role in the variation of the Ratio, as follows:

1. In 2023, borne taxes increased by 46%.
2. However, the profit before taxes decreased between 2022 and 2023 by $718.482 million COP, equivalent to 14.3%.
3. Therefore, while the profit before taxes decreased, the taxes paid and collected during the taxable year 2023 increased, which justifies the increase in the TTC for 2023.



TTCR of Enel Colombia in 2022



TTCR of Enel Colombia in 2023

> "In 2023, taxes borne which represent a direct cost to Enel account 61% of the profit before all taxes borne."

TTC of Enel Colombia in 2023

TTC Indicators

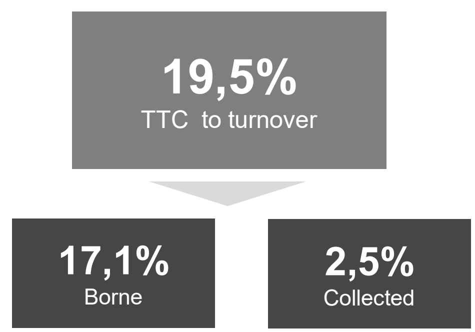
TTC with respect to turnover

> Enel pays $19,5 Colombian Pesos in taxes for every $100 Colombian Pesos of net revenues, of which $17,1 Colombian Pesos represent a direct cost for the group

TTC with respect to turnover is an indicator that reflects the extent of the contribution made by the Company in relation to the size of its business.

For Enel, the average Total Tax Contribution rate in relation to net revenues averages at 19,5% for 2023. In other words, for every $100 Colombian Pesos of the Company's turnover, $19 Colombian Pesos are used to pay taxes, of which $17,1 Colombian Pesos are taxes borne and $2,5 Colombian Pesos are taxes collected.

Comparisson between taxes collected and borne in respect to the turnover



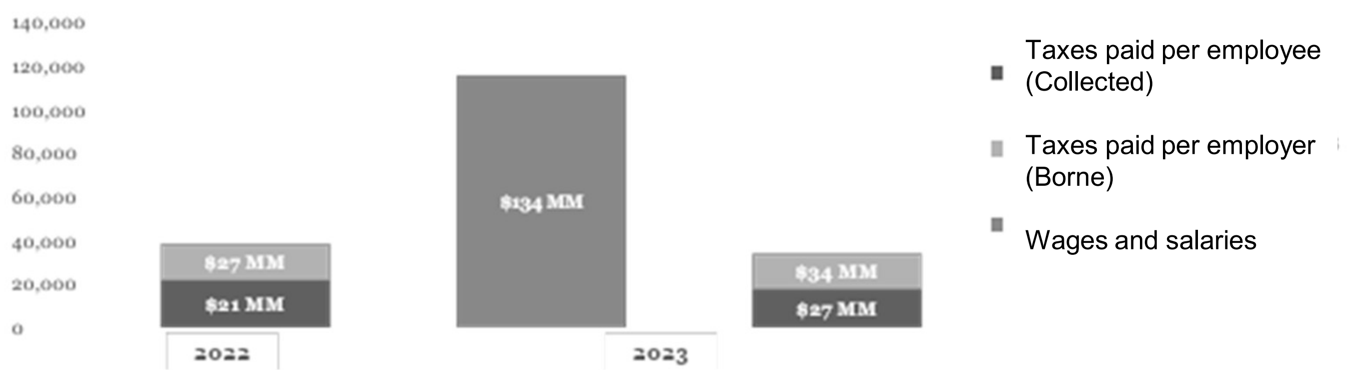
TTC of Enel Colombia in 2023

TTC Indicators

Taxes paid in respect of wages and salaries per employee

Taxes paid in respect of **annual wages and salaries per employee** is an indicator that relates the level of employment to associated taxes. This indicator is calculated by dividing total taxes linked to employment (borne and collected) by the average number of employees for the year.

Chart 9: Trend in average salary and average taxes linked to employment in Enel



In 2023, Enel paid in employment taxes totaling **$61 million COP** per employee. Of this figure for employment taxes, **$34 million COP** correspond to taxes collected on payments to employees and **COP $27 million** to taxes borne by Enel.

In relation to the average salary paid by Enel in Colombia, which amounted to **COP $170 million** in 2023, **employment taxes** borne and collected represented **36%.**

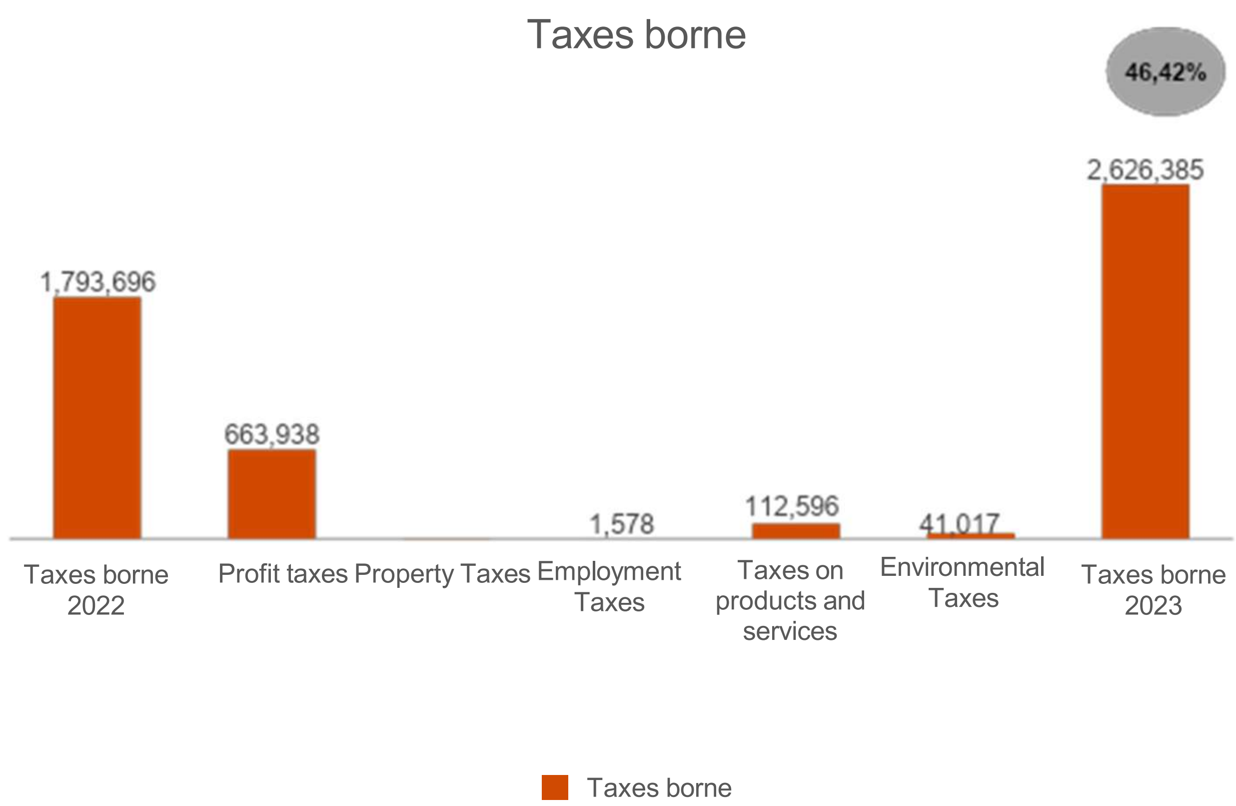
"

Employment taxes per employee paid and collected have increased over the period by 29%.

Wages and salaries per employee have increased by approximately 27% in 2023.

TTC of Enel Colombia in 2023

Qualitative Analysis



For the year 2023, there was an increase of 46.42% in input taxes, due to the following:

- **Income tax borne:** Enel entities in Colombia had an increase in their income tax borne during 2023 compared to 2022 of around 51.98%. This variation is mainly due to the increase in profit before tax and income during the 2023 tax year compared to 2022 (2022 income tax is paid in the 2023 tax year).
- **Taxes on products and services:** Enel entities in Colombia had an increase in their taxes on products and services during 2023 compared to 2022 of around 32.62%. This variation is due to the fact that the companies made more payments to their suppliers.

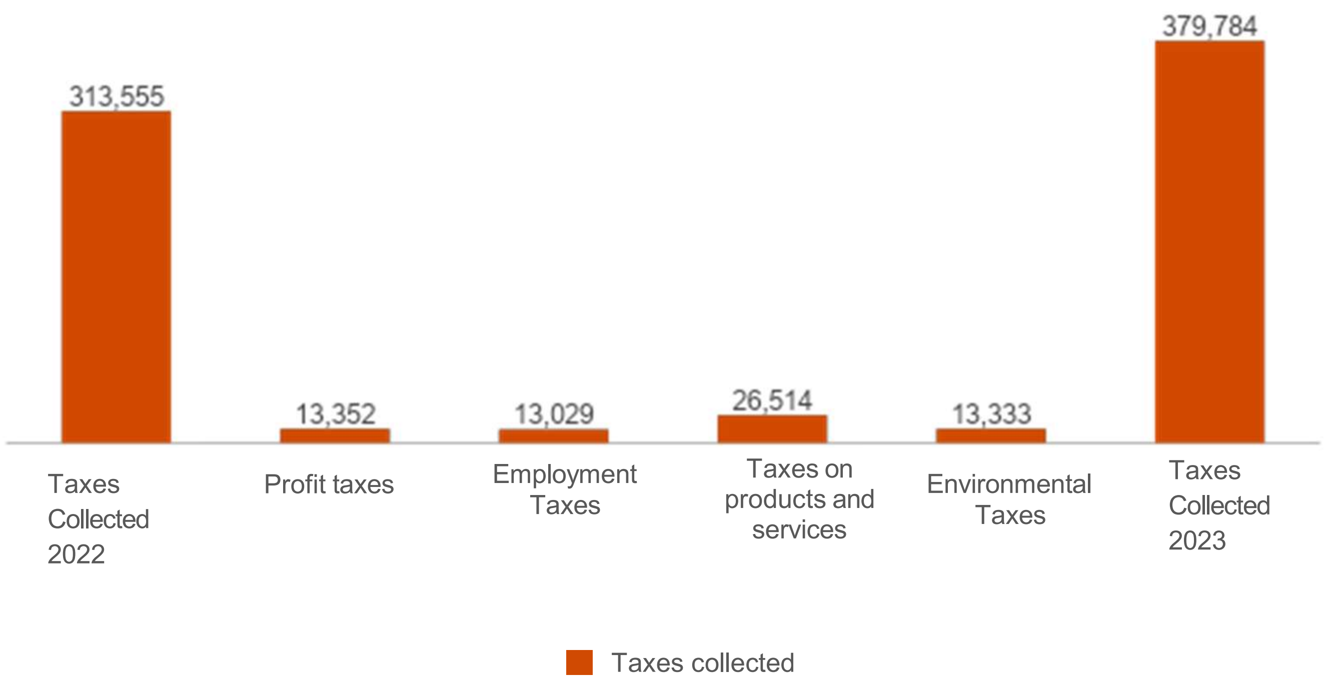
Finally, since 2021 the entities supervised by the "Superintendencia de Servicios Públicos Domiciliarios" have paid an additional contribution to the Business Fund; these contributions correspond to 1% of operating expenses.

The CREG and SSPD contribution, and the additional contribution authorized by Sections 18 and 314 of Law 1955 of 2019 were declared unenforceable by the Constitutional Court, with deferred effect. Thus, as of January 1, 2023, these contributions cannot be collected.

On the other hand, the special contributions to the SSPD and the CREG, provided for in the original section 85 of Law 142 of 1994, remain in force.

TTC of Enel Colombia in 2023

Qualitative Analysis



For the year 2023, there was an increase of 21.12% in taxes collected, due to the following:

- **Taxes on products and services:** Enel's entities in Colombia had an increase in taxes on products and services of $26.000 Million COP for the year 2023, compared to the year 2022. This is mainly due to the withholding of income tax and VAT practiced by the group according to its tax qualities and, additionally, to the increase in payments made to suppliers.

- **Payroll taxes collected:** The increase corresponds to an increase in salaries paid to the group's employees and to the changes introduced in the applicable tax regulations on the withholding at source procedure for labor income.

4. Comparative Indicators

Comparative Indicators

Corporate Income Tax Effective Rate

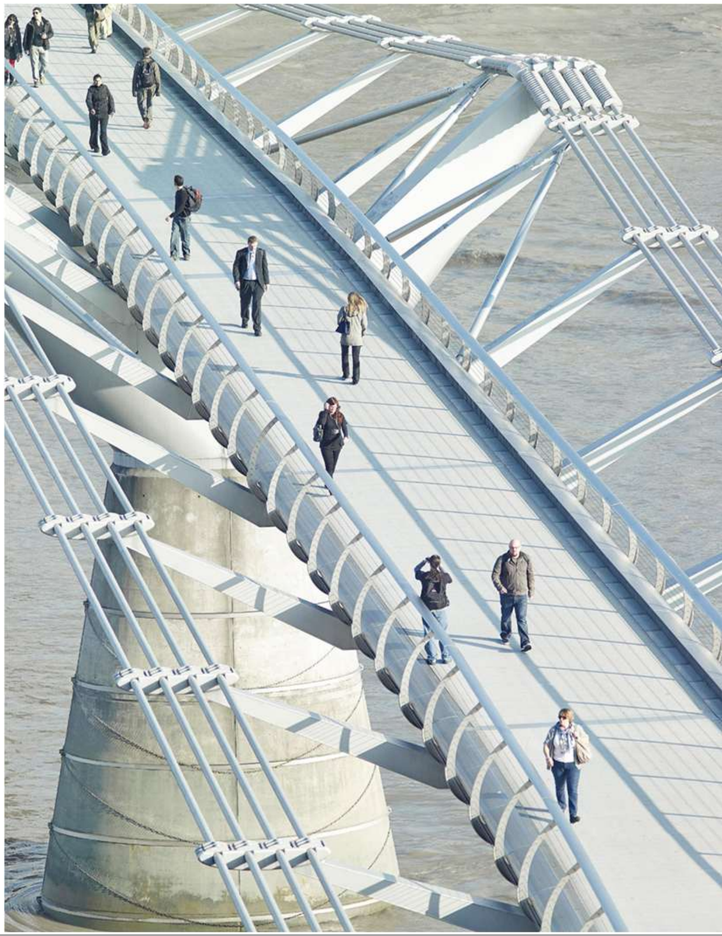
In the following pages, the effective tax rate (ETR) is analysed, as well as the factors effecting the difference between this rate and the nominal rate.

Effective Tax Rate (ETR) shall be calculated as the ratio of **Corporate Income Tax as per P&L statements** (and hence, calculated under accrual and not cash method) to **Profit before taxes. Be advised that, unlike the TTCR, the tax borne and the profit before taxes are those of the same taxable year (i.e. although the FY 2022 income tax is paid in 2023, the ETR is computed against the P&L of 2022).**

For the purpose of this document, the **Profit before taxes** and the **Corporate Income Tax as per P&L statements** are calculated by aggregating the data of P&L statements of each entity included in the scope of the TTC Report. Intercompany dividends have been excluded from this amount in order to avoid the double counting of income distributed as dividends and to make the figure more comparable.

For Colombian purposes, the ETR for the year 2023 was 32.17%, which was 2.83% lower than the nominal rate for such year (35%), as follows (Amounts expressed in million COP):

Concept	Group	
Profit before taxes	$	4.406.631
Corporate Income Tax	$	1.417.701
Profit after taxes	$	2.988.931
ETR	32,17%	



Comparative Indicators

Comparison of Enel Colombia’s ETR with comparable entities in the electric energy sector (1/2)

> In 2022, Enel Colombia’s ETR was slightly higher compared to the average effective tax rate of the Colombian energy market for the same period.

The benchmarking of the effective tax rate was performed on the basis of data of main competitors of Enel on the Italian market. The full list of such competitors is published by the Colombian regulatory authority for electricity and gas “*Comisión de Regulación de Energía y Gas* (CREG)”. The list of main players in the electric energy market is updated annually, and companies are classified, depending on their activity in the energy market (generation, transmission, distribution, commercialization).

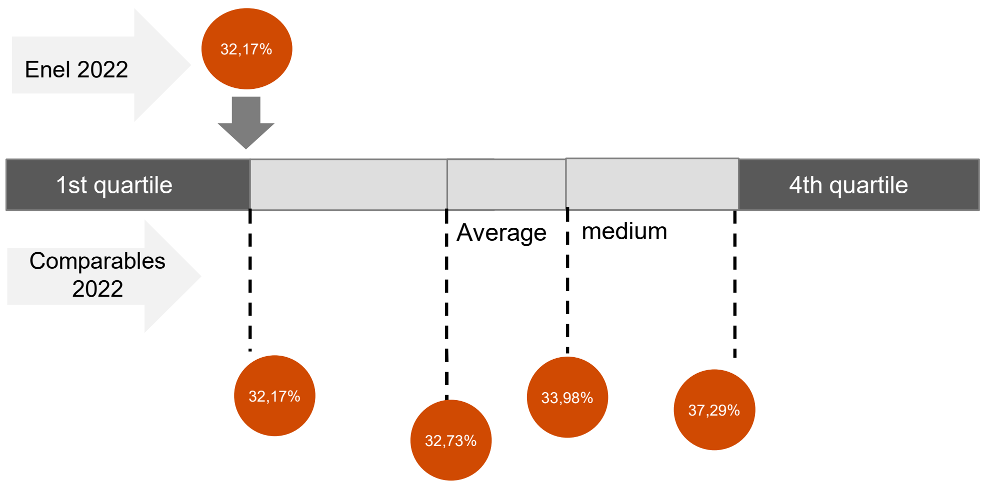
All the competitors that have a significant market share on the Colombia electric energy market have been considered while performing the benchmarking study, provided that respective financial data have been available in public sources. Following page reveals the results of the benchmarking study.

The information about Profit before Tax and Income Taxes was retrieved from the financial statements of the respective entities / groups published on their websites. Considering that information for 2023 is not yet available at the date of preparation of this report, information for the year 2022 has been analyzed.

For the sake of consistency, the ETR of Enel Colombia for 2022 has been compared with the ETR of main competitors for the same period.

Comparative Indicators

Comparison of Enel Colombia’s ETR with comparable entities in the electric energy sector (2/2)



As can be seen, Enel Colombia’s ETR for the year 2022 is in the first quartile of the industry. Likewise, the effective tax rate, which was 32.17% for the year 2022, was below the average effective tax rate of the industry. Nevertheless, the above shows that Enel Colombia's income tax contribution is in line with the market.

The information related to income before taxes was obtained from the Financial Statements of the respective entities, published in their corresponding web pages. Considering that the information for the year 2023 is not yet available at the date of preparation of this report, the information for the year 2022 has been analyzed.

In addition, in order to exclude extreme deviations in the ETR of similar companies, none of the competitors that have had losses, nor those in which the tax represented income, were taken into account (as these scenarios generate a negative ETR).

The list of competitors included in this analysis are the following:

Transelca S.A. E.S.P., AES Chivor & Cia S.C.A. E.S.P., Empresa de Energía del Quindío S.A. E.S.P., Central Hidroeléctrica de Caldas S.A. E.S.P., Electrificadora de Santander S.A. E.S.P, XM, Interconexión Electrica S.A E.S.P, Isagen S.A E.S.P y Electrificadora del Meta S.A. E.S.P.

5. Other payments made to Public Administrations

Other payments made to Public Administrations

Within the Total Tax Contribution, it should be noted that Enel makes contributions to the public administration related to the supply of domiciliary public services and natural resources in Colombia, which were included within "other taxes" paid classified as environmental taxes and taxes on products and services.

Law 99 of 1993: By virtue of the provisions of the aforementioned Law, for the use of natural resources, rates and contributions set by the national government will be established, which must be covered by taxpayers who develop their economic activity through the mentioned resources. During fiscal year 2023, payments for this concept amounted to $143,118 MM COP.

6. Appendix

Appendix

Appendix I:Global Summary for Enel Colombia for the years 2023 and 2022

Total payment made to the Administration in 2023 by Enel - Summary Value in million COP	
Colombia	COP
Taxes borne	$2.626.385
Taxes collected	$379.785
Total Tax Contribution - TTC	**$3.006.169**
TOTAL PAYMENTS MADE TO PUBLIC ADMINISTRATIONS	**$3.006.169**

Total payment made to the Administration in 2022 by Enel - Summary Value in million COP	
Colombia	COP
Taxes borne	$1.793.696
Taxes collected	$313.555
Total Tax Contribution - CTT	**$2.107.251**
TOTAL PAYMENTS MADE TO PUBLIC ADMINISTRATIONS	**$2.107.251**

Thank you!