

ENEL-EMGESA'S RESULTS IN THE FIRST HALF OF 2020 POSITION IT AS THE LARGEST ENERGY GENERATOR IN COLOMBIA

- *The Company has operated with all the biosecurity measures within the framework of the COVID19 pandemic, contributing to the reliability of the National Interconnected System.*

Bogota, July 27th 2020

Financial Results 1H-2020

	1H 2020	1H 2019	VARIATION %
<i>Figures in MillionCOP</i>			
REVENUES	2,137,231	1,951,869	+9.5%
EBITDA	1,271,698	1,165,193	+9.1%
EBIT	1,152,601	1,049,440	+9.8%
NET INCOME	719,221	620,503	+15.9%
NET FINANCIAL DEBT ⁽¹⁾	2,355,790	2,527,952 ⁽²⁾	-6.8%
INVESTMENTS	65,728	93,936	-30.0%

(1) Short-term financial debt + Long-term financial debt - Cash and other financial assets

(2) Figures as of 31 December 2019

Lucio Rubio Díaz, general manager of Enel in Colombia, commented: *“During the first half of the year, we have carried out operational and financial plans that position us as the first energy generator in the country in terms of installed capacity, providing 21.3% of the energy required by the National Interconnected System, contributing to the reliability and energy security of the national energy system, within the framework of the hydrological deficit conditions registered at the beginning of the winter of 2020. We will continue to be committed to operating our generation assets responsibly and managing the energy demanded by our customers; supporting the communities in our areas of influence, assuming the operational challenges and taking care of our workers under all the biosecurity measures required by the current situation with COVID19.”*

Enel-Emgesa has implemented the relevant protocols and safety measures since the beginning of the pandemic, to guarantee the health of its workers, collaborators and the surrounding communities, without affecting the operation of the 13 plants that are distributed in Cundinamarca, Huila and Bolívar, or the attention to clients at the national level and the different operations of the energy market.

In addition, the Company has contributed to the well-being of the communities in its areas of operation, through donations of biosafety elements for medical personnel and markets, at this time of isolation due to the pandemic.

- **Revenues** in the first half of 2020 recorded a YoY increase, mainly explained by:
 - The increase in energy prices on the spot market as a result of the low hydrological contributions during the beginning of the winter of 2020 accompanied by an optimization of the portfolio of power plants and the management of their reservoirs.
 - The payment received by Enel-Emgesa for the provision of the secondary frequency regulation (AGC) service to the system.

- Risk management of its contractual commitments for energy sold in the wholesale and non-regulated markets.
- **EBITDA** increased in line with the revenue trend, partially offset by:
 - Greater costs in energy purchases as a consequence of higher registered spot prices
 - Increased operating costs and expenses, mainly explained by payroll expenses, given the salary increases (indexed to the CPI), aids and benefits to employees. Additionally, EBITDA reflects the company's \$1.75 billion pesos donation to contribute to health and food initiatives during the COVID-19 pandemic.
- **EBIT** increased as a result of the positive performance in EBITDA, for the reasons explained above, in addition to a natural depreciation and amortization trend.

Finally, it is worthwhile to mention the Company's positive results despite the COVID-19 situation, showing no significant damages, maintaining collectability above 99% and presenting a stable portfolio, supported by a conservative risk management and fixed-price contractual positions.

- **Net Income** recorded a YoY increase in the first half of 2020, due to such aspects as:
 - Lower net financial expenses, explained by a decrease in the average debt balance due to maturities and amortizations of financial obligations during the period.
 - A lower effective income tax rate, in line with the 1% income tax rate reduction approved by the National Government's Economic Growth Law, and the optimization of tax benefits submitted in the income tax return of May 2020, from the investment in environmental projects, as well as in science and technology.
- **Net Financial Debt** decreased YoY, as cash flows generated by the operation have been sufficient to meet the Company's operating costs, financial obligations and investment needs.
- In the first half of 2020, **investments** amounted to 65,728 million pesos, showing a YoY decrease due to the rescheduling of the El Quimbo and Termozipa projects, which will be reflected in the last quarter of the year.

Operating Results 1H 2020

	1H 2020	1H 2019	VARIATION %
GWh(*)			
TOTAL GENERATION COLOMBIA	33,550	34,175	-1.8%
ENEL- EMGESA GENERATION	7,155	7,201	-0.6%
CONTRACT SALES	6,772	7,159	-5.4%
SPOT MARKET SALES	1,826	1,525	+19.7%
PLANT AVAILABILITY	92.2%	91,1%	+1.2%

(*) Estimated figures

- In the first half of 2020, Enel-Emgesa's energy generation decreased YoY, as a result of the low hydrology that caused low levels in the country's main reservoirs and the National Interconnected System reached record lows in generation since 2016.

However, the management of the reservoirs at the end of 2019 allowed for an increase in the reservoir at the company's generation plants, making it possible to manage the hydrological risk and contribute to meeting the country's demand in a safe and reliable manner, allowing for adequate risk management in energy production during the first half of the year. It is worth noting that reservoirs as Guavio, have a great capacity of hydrological recovery.

As of June 30, 2020, Enel-Emgesa's generation represented 21.3% of the National Interconnected System's total generation, making it the largest generator in the system in both installed capacity and generated energy.

- Enel-Emgesa's **total energy production** was divided as follows:
 - 92.0% hydroelectric: 2.6% down YoY, mainly explained by a decrease in reservoir levels during the first months of the year, in particular the Guavio and Quimbo reservoirs.
 - 8.0% thermal: 43.5% up YoY, due to the need for thermal generation, which occurred especially in Termozipa.

Dividends:

In the first half of 2020, Enel-Emgesa has paid 511,002 million pesos in dividends to its shareholders in January and May, corresponding to the last installment of the 2018 dividends and the first installment of the 2019 dividends.

	1H 2020	1H 2019
<i>Figures in million COP</i>		
Current assets	588,471	650,310
Non-current assets	8,242,400	8,160,628
Current liabilities	1,842,722	1,552,113
Non-current liabilities	2,393,905	3,121,163
Equity	4,594,244	4,137,662
Income Statement		
Revenues	2,137,231	1,951,869
Costs	(754,742)	(681,860)
Contribution margin	1,382,489	1,270,009
Earnings before interests and taxes (EBIT)	1,152,601	1,049,440
Earnings before taxes (EBT)	1,041,025	915,821
Net income	719,221	620,503

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