

## ENEL- CODENSA INVESTED MORE THAN 1 TRILLION PESOS AND IMPROVED THE SERVICE QUALITY IN 2020

- *Network automation, higher availability of remote-controlled equipment, infrastructure modernization and the continuous improvement of administrative and operations management were part of the Company's solid investment plan.*
- *Enel-Codensa recorded in 2020 its largest YoY decrease in both frequency of service interruptions per customer (SAIFI), 25%, and interruption duration (SAIDI), 32%.*

**Bogota, February 24, 2021**

### Financial Results FY 2020

	FY 2020	FY 2019	YoY %
<i>Millions of Pesos (COP)</i>			
REVENUE	5,713,741	5,464,557	+4.6%
EBITDA	1,881,583	1,838,293	+2.4%
EBIT	1,392,017	1,424,339	-2.3%
NET INCOME	842,530	822,757	+2.4%
NET FINANCIAL DEBT <sup>(1)</sup>	2,452,633	1,829,140	+34.1%
INVESTMENTS	1,018,407	923,466	+10.3%

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

Lucio Rubio Díaz, general manager of Enel in Colombia, declared: *“2020 was a year of great challenges for the continuity of the operation of the electrical infrastructure and the provision of the essential electrical energy service. Despite the Covid-19 pandemic, we managed to implement a solid investment plan that led to better service quality indicators, with all-time records in YoY decrease for interruption duration (SAIDI), 32%, and service interruption frequency (SAIFI), 25%. There’s no doubt that digitization, network modernization, safety and flexibility in the operation were key factors for investment efficiency and achieving the results that today allow us to continue improving and providing quality service to our customers in Bogota and Cundinamarca”.*

Despite an atypical year due to the Covid-19 pandemic, **Revenue** evidenced a YoY growth of 4.6%, leveraged by the approval of distribution charges and a better margin of other businesses.

The main variations are detailed below:

- The approval of the new compensation charge for the distribution activity, which involved an increase in the regulatory asset base, the retroactive adjustment of charges from 2019, the recognition of incentives in service quality, and Operations, Administration and Maintenance costs from managing energy losses.
- The impact of a higher Producer Price Index (PPI), to which the distribution compensation component is indexed.

- The good performance of value-added products and services, derived from the new credit card business model with Scotiabank Colpatría, as well as the incorporation of the cleaning bill and better performance in the insurance segment.

The increase in revenue was offset by:

- 4.7% drop in energy demand in the Company's area of influence (Bogotá and Cundinamarca), especially in the Commercial and Industrial sectors, due to the complete and partial lockdowns declared during the pandemic by the local and national authorities.
- 10% discount granted to customers in Bogotá, from social strata 1 and 2, who paid their bills on time, as a result of the financial relief policies promoted by the National Government.
- Higher costs due to the recognition of the Special Contribution of the Superintendence of Residential Public Services for the strengthening of the Business Fund, approved as a temporary measure in the National Development Plan.

In addition, fixed costs, represented by personnel, operation and maintenance costs, increased by 19%, mainly due to:

- Higher Consumer Price Index (CPI).
  - Increase in maintenance operations in Bogotá and Cundinamarca, as a result of the Service Quality Improvement Plan.
  - Recognition of the current digital transformation provisioning, due to changes in market trends and strategic priorities outlined in the industrial plan for the coming years.
  - Costs associated with the pandemic for donations and personal protective elements delivered to employees, to ensure personal and collective care.
- As a result, **EBITDA** increased by 2.4% YoY.
  - **EBIT** reflects the increase in expenses due to depreciations from the growth of the depreciable fixed asset base, as a result of the execution of the Company's solid investment plan and a higher provision derived from the increase in the commercial portfolio as a result of the impairment in the customers' payment capacity caused by the pandemic.
  - **Net Income** increased by 2.4% YoY, due to:
    - Debt acquisition optimization as a result of an assertive financing strategy, which led to a decrease in the average cost of debt, from 6.9% in 2019 to 6.1% in 2020, despite the increase in the debt balance.
    - The closing of credit operations under development lines and the placement of bonds in the local market.
    - Lower effective income tax rate, in line with the 1% reduction in the nominal income rate approved by the National Government's Economic Growth Law, also positively affected by the results of the tax benefits optimization strategy, with the implementation of energy efficiency initiatives such as public lighting modernization and the pilot plan for the implementation of Smart Metering.
  - **Net Financial Debt** increased substantially as a result of the execution of the Company's solid investment plan, which involved the acquisition of debt throughout the year.
  - **During 2020 Enel-Codensa made investments of more than 1 trillion pesos**, focused mainly on the execution of the plan to improve and strengthen the electricity infrastructure. The implementation of operational strategies in critical areas that allowed optimizing and improving the quality of service in the municipalities of Cundinamarca and at the same time complying in advance with the commitments

assumed in the **Quality Improvement Agreement** signed with the Superintendence of Public Utilities, scheduled for the year 2022. On the other hand, the Compartir Substation and the Portugal Substation were put into operation, which is the first 100% digital substation in the country.

- Also, through **Enel X, Enel-Codensa's business line, several investments were made to promote electric mobility projects**. In addition to modernizing the Unicentro electric station, progress was made in the adaptation and provisioning of the charging yards for the electric buses of the Integrated Public Transportation System (SITP), which allowed us to contribute to sustainable mobility for public transportation. At the end of 2020, the Fontibón I-Refugio yard was delivered with 56 double chargers installed for the 120 e-buses that will operate from there.

## Operating Results FY 2020

	FY 2020	FY 2019	YoY %
DOMESTIC ENERGY DEMAND (GW/h)	70,420	71,866	-2.0%
ENEL-CODENSA ENERGY DEMAND <sup>(1)</sup> (GW/h)	14,521	15,200	-4.5%
ENEL-CODENSA MARKET SHARE	20.6%	21.2%	-0.6%
AVERAGE ENERGY LOSS RATE	7.62%	7.67%	-0.05%
TOTAL ENEL-CODENSA CUSTOMERS	3,609,950	3,526,776	+2.4%
SAIDI <sup>(2)</sup>	556'	813'	-31.6 %
SAIFI <sup>(3)</sup>	8.9	11.8	-24.6 %

(1) Energy demand within the Codensa network, does not include losses from the National Interconnected System

(2) System Average Interruption Duration Index

(3) System Average Interruption Frequency Index

- The decrease in **national energy demand**, as in Enel-Codensa's area of influence, mainly in the commercial and industrial segments, is explained by the containment measures ordered by the National Government to mitigate the effects of COVID-19, which began in March and lasted throughout the year. However, the gradual reopening allowed for a gradual recovery in energy demand in recent months.
- Enel-Codensa's **average energy loss index** improvement thanks to the technical inspection plan that ensured the correct operation of the metering equipment, in addition to the standardization of users with direct connection to the grid.
- The total number of Enel-Codensa customers increased due to new connections, in line with the company's organic growth, especially in the residential segment.
- The excellent results of the **supply quality indicators** were achieved thanks to the execution of the **Company's Investment Plan and Maintenance Plan**, which highlight projects such as network automation, higher availability of remote-controlled equipment, infrastructure modernization and the continuous improvement of administrative and operations management. As a result, at the end of the year, the Company **recorded its largest YoY decrease** in both frequency of service interruptions per customer (SAIFI), 25%, and interruption duration (SAIDI), 32%.

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## **Dividends:**

In 2020, Enel-Codensa paid a total of \$ 543,695 million pesos in dividends to shareholders.

	FY 2020	FY 2019
<i>Millions of Pesos (COP)</i>		
Current assets	1,710,863	1,269,194
Non-current assets	6,753,930	5,979,738
Current liabilities	2,218,618	1,820,882
Non-current liabilities	2,848,766	2,285,777
Equity	3,397,409	3,142,273
Revenue	5,713,741	5,464,557
Costs	3,273,023	3,156,173
Contribution margin	2,440,719	2,308,385
Earnings before interests and taxes (EBIT)	1,392,017	1,424,339
Earnings before taxes (EBT)	1,204,056	1,223,304
Net income	842,530	822,757

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