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# **Annual Report Codensa 2021**

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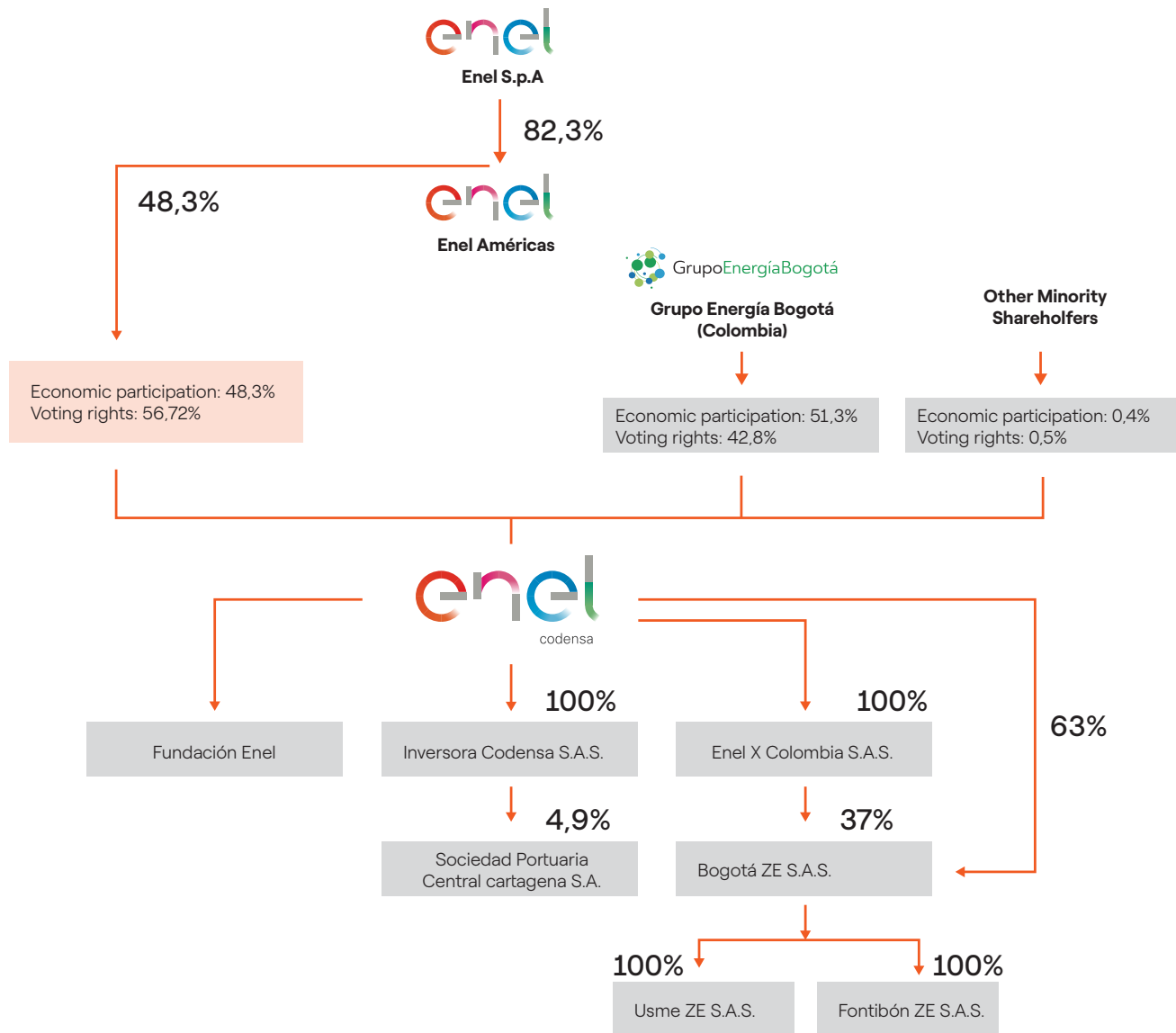
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# **1.** **The Company, its Context and Key Results**

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# OWNERSHIP STRUCTURE



# SHAREHOLDER COMPOSITION

Shareholders	Voting common shares		Non-voting preferred shares		Total shareholder composition	
	(%) Interest	Number of shares	(%) Interest	Number of shares	(%) Total Interest	Total number of shares
Grupo Energía Bogotá S.A. ESP.	42,8411%	49.209.331	100%	20.010.799	51,3215%	69.220.130
Enel Américas S.A.	56,7175%	65.148.360	–%	–	48,3026%	65.148.360
Other minorities shareholders	0,4414%	506.960	–%	–	0,3759%	506.960
	<b>100%</b>	<b>114.864.651</b>	<b>100%</b>	<b>20.010.799</b>	<b>100%</b>	<b>134.875.450</b>

## CORPORATE PURPOSE

The company's main purpose is the distribution and traditional and/or digital sale of electrical energy, as well as the execution of all activities related, connected, complementary and similar to the distribution and sale of energy. In addition, the company may manage and operate other Public Utilities Companies, enter into and execute special management contracts with other Public Utilities Companies and sell or provide goods or services to other economic agents inside and outside the country related to public utilities. In addition to the above, the company may develop the following lines of business such as: integrated management of the public lighting service; Energy efficiency, which includes special lighting, development of smart and sustainable cities and buildings, home automation, technology replacement; Provision of advisory services, auditing, consulting, studies, information analysis, data processing of any kind, sale of all kinds of own and/or third party products, such as, but not limited to insurance, subscriptions, maintenance services of facilities and equipment; comprehensive assistance services such as medical, funeral, home and pet services. In the development of all these lines of business, the company may finance, provide, manage, operate, implement and supervise projects, execute works, deliver goods and services, commercialize, maintain and in general develop any activity that is involved in the production chain of such goods or services, for the benefit of its customers and third parties, inside or outside the country. In the development of the aforementioned

purpose, the company may promote and establish establishments or agencies in Colombia or abroad; acquire any kind of real or personal property, lease them, dispose of them, encumber them and give them in guarantee; use trademarks, trade names, patents, inventions or any other incorporeal property; draw, accept, endorse, collect and pay all kinds of securities, negotiable instruments, shares, executive titles and others; participate in public and private bids; give to or receive from its shareholders, parent companies, subsidiaries and third parties money in mutual funds; enter into insurance contracts, transportation, joint venture accounts, contracts of any kind with banking and/or financial entities, and in general enter into all civil or mercantile acts and contracts necessary for the fulfillment of the corporate purpose. It may additionally participate with financial entities as banking and insurance correspondent, perform support activities for Postal Service Operators duly authorized and registered by the Ministry of Information Technology and Communications, for the benefit of its customers and third parties. The development of any of the activities foreseen in this corporate purpose, the Company may perform it directly or as a partner or shareholder in other commercial companies, especially, but not limited to, financial entities that provide traditional and/or digital banking services, other public service companies or through any type of business collaboration contract, inside or outside the country. Additionally, it may participate as a partner or shareholder in other commercial companies with any corporate purpose, with the prior authorization of the Board of Directors, regardless of the amount of the investment.

## Changes to internal rules and regulations

During 2021, the following change to the internal rules and regulations was approved by the General Shareholders' Meeting of Codensa:

- By means of Minutes No. 77 of the extraordinary General Shareholders' Meeting of Codensa S.A. ESP held on July 27, 2021, the merger commitment between the companies Emgesa S.A. ESP (absorbing company), Codensa S.A. ESP, Enel Green Power Colombia S.A.S. ESP. and ESSA 2 SpA (absorbed companies).

# CORPORATE GOVERNANCE

Considering the health emergency caused by COVID-19, the sessions of the different governing bodies for 2021 were held by videoconference via Microsoft Teams, respecting the terms of Article 19 of Act 222 of 1995, as amended by Article 148 of Decree Law 019 of 2012 and Article 1 of Decree 398 of March 13, 2020. In December they were held in a hybrid format (face-to-face and non-face-to-face).

## Board of Directors

- **Chairman of the Board of Directors:** José Antonio Vargas Lleras.
- **General Manager:** Francesco Bertoli.
- **First Alternate General Manager:** Carlos Mario Restrepo Molina.
- **Second Alternate General Manager:** Leonardo López Vergara.

The Company has a Board of Directors composed of seven (7) principal members, each of them with a personal alternate, elected by the General Shareholders' Meeting by means of the electoral quotient system. In accordance with the Company's bylaws and as long as the Company is an issuer of securities, 25% of the members of the Board of Directors must be independent in accordance with the law. The appointment of members of the Board of Directors is made for periods of two (2) years, in accordance with Article 58 of the Company's bylaws, and its members may be re-elected indefinitely, and without prejudice to the power of the Shareholders' Meeting to freely remove them at any time. The duties of the Board of Directors are described in Article 62 of the Company's bylaws.

In ordinary session No. 76 of the General Shareholders' Meeting held on March 24, 2021, the election and ratification of the following members of the Board of Directors was approved:

SEAT	PRINCIPAL	ALTERNATE
FIRST	ANDRÉS CALDAS RICO	CARLOS MARIO RESTREPO MOLINA
SECOND	JOSÉ ANTONIO VARGAS LLERAS	LEONARDO LÓPEZ VERGARA
THIRD	LUCIO RUBIO DÍAZ	MICHELE DI MURRO
FOURTH (Independent)	ANDRÉS LÓPEZ VALDERRAMA	MARIO ANTONIO CAJIAO PEDRAZA
QUINTO	ADRIANA CÓRDOBA ALVARADO	ANDRÉS BARACALDO SARMIENTO
SEXTO	JUAN RICARDO ORTEGA LÓPEZ	JORGE TABARES ÁNGEL
SEVENTH (Independent)	LUIS JAVIER CASTRO LACHNER	MÓNICA CHENG ARANGO



## Board meeting attendance

In 2021, the Board of Directors met in twelve (12) ordinary sessions and two (2) extraordinary sessions, one (1) of which was a written vote meeting, for a total of fourteen (14) sessions. Board members participated in said ordinary sessions as follows:

SEAT	No. of sessions attended by principal member	No. of sessions attended by alternate member*
FIRST	13	1
SECOND	14	1
THIRD	14	0
FOURTH (Independent)	14	0
FIFTH	14	0
SIXTH	14	0
SEVENTH (Independent)	13	1

\*Alternate members with zero attendance did not have to replace the principal member, since the latter had no absolute or temporary absences.

All meetings had a quorum to meet and decide validly.

## Audit Committee

In accordance with the provisions of the Company's bylaws, the Company's Corporate Governance Code and Act 964 of 2005, the Company has an Audit Committee, composed of four (4) members of the Board of Directors, of which two (2) are independent members. The Chairman of the Committee is an independent member elected from among its members. This Committee has a Secretary, who may or may not be a member of the Committee. The Independent Auditor attends the meetings of the Committee with the right to speak but not to vote.

The Board of Directors, in meeting No. 311 of April 22, 2021, approved the composition of the Audit Committee, which was formed as follows:

PRINCIPAL	ALTERNATE
JOSÉ ANTONIO VARGAS LLERAS	LEONARDO LÓPEZ VERGARA
ANDRÉS LÓPEZ VALDERRAMA	MARIO ANTONIO CAJIAO PEDRAZA
JUAN RICARDO ORTEGA	JORGE TABARES ÁNGEL
LUIS JAVIER CASTRO LACHNER	MÓNICA CHENG ARANGO

The duties of the Audit Committee are described in Article 96 of the Company's bylaws, of which the following stand out: (i) Supervise compliance with the internal audit program, which must consider the business risks and comprehensively evaluate all areas of the Company. (ii) Ensure that the preparation, presentation and disclosure of financial information complies with the provisions of the Law. (iii) Review the year-end financial statements before they are submitted to the consideration of the Board of Directors and the General Shareholders' Meeting. (iv) Establish the policies and practices to be used by the Company in the construction, disclosure and dissemination of its financial information. (v) Define the mechanisms to be used by the Company to consolidate the information of the governing bodies for its presentation to the Board of Directors. (vi) Issue a written report regarding related-party transactions, ensuring that they were carried out under market conditions and that they do not violate the equality of treatment among shareholders; and (vii) Any others assigned by the Board of Directors.

In view of the foregoing and in compliance with its main duty of supporting the Board of Directors in the supervision of the Company's financial accounting management, the Audit Committee submits to the General Shareholders' Meeting a report corresponding to the previous fiscal year's fulfillment of the duties described above.



## Audit Committee attendance

The Company's Audit Committee met five (5) times in 2021, of which four (4) were ordinary meetings and one (1) was an extraordinary meeting. The members of the Committee participated in these sessions as indicated below:

SEAT	Sessions attended by principal member	Sessions attended by alternate member*
FIRST	5	0
SECOND	5	0
THIRD	5	0
FIRTH	5	0

\*Alternate members with zero attendance did not have to replace the principal member, since the latter had no absolute or temporary absences.

All meetings had a quorum to meet and decide validly.

## Activities of the Audit Committee

The following activities of the Committee during 2021 stand out, which are framed within its responsibilities of overseeing the internal control and compliance programs:

- Approval and monitoring of the Audit Plan 2021.
- Monitoring of Action Plans 2021
- Monitoring of the Compliance Road Map
- Approval of the Audit Committee Annual Report 2020
- Analysis of the separate and consolidated Financial Statements as of December 31, 2020, and the respective Independent Auditor's report. The Audit Committee agreed to recommend to the Board of Directors that the consolidated financial statements as of December 31, 2020, be submitted to the General Shareholders' Meeting for approval.
- Analysis of summary of ethical complaints made.
- Review of the Company's risk identification and assessment policy, monitoring the main risks presented in the risk map.
- Follow-up of the Independent Auditor's quarterly report.
- Related-party transactions quarterly report
- Events reported quarterly to the Integrated Information System of the Securities Market (SIMEV).

## Corporate Governance and Evaluation Committee

In accordance with the provisions of the Company's bylaws and the Company's Corporate Governance Code, the Company has a Corporate Governance and Evaluation Committee, composed of three (3) members of the Board

of Directors. The Chairman of the Committee is elected from among its members. This Committee has a Secretary, who may or may not be a member of the Committee.

The Board of Directors, in meeting No. 311 of April 21, 2022, approved the composition of the Corporate Governance Committee, which was formed as follows:

PRINCIPAL	ALTERNATE
JOSÉ ANTONIO VARGAS LLERAS	LEONARDO LÓPEZ VERGARA
LUCIO RUBIO DÍAZ	MICHELE DI MURRO
ADRIANA CÓRDOBA ALVARADO	ANDRÉS BARACALDO SARMIENTO

The duties of the Corporate Governance and Evaluation Committee are described in Article 98 of the Company's bylaws, of which the following stand out: (i) Monitor that shareholders, investors, other stakeholders and the market in general, have complete, true and timely access to the Company's relevant information. (ii) Review and evaluate the way in which the Board of Directors complied with its duties during the period. The evaluation shall contemplate, among others, the following: the attendance of the members to the meetings, their active participation in the decisions and their follow-up on the main issues of the Company. (iii) Monitor the negotiations made by the members of the Board of Directors with shares issued by the Company or by other companies of the same group. (iv) Supervise compliance with the remuneration policy for the members of the Board of Directors. (v) Be aware of the complaints raised by investors, shareholders and other stakeholders regarding compliance with this code and transmitted in a timely manner by the person in charge of the Virtual Office for Shareholders and Investors.

In view of the foregoing and in compliance with its main duties of supporting the Board of Directors in overseeing compliance with the provisions of corporate governance set forth in the Law, the Bylaws, the Corporate Governance Code and the Internal Rules and Regulations of the Board of Directors, the Corporate Governance and Evaluation Committee submits to the General Shareholders' Meeting a report corresponding to the previous fiscal year's fulfillment of the duties described above.

## Corporate Governance and Evaluation Committee attendance

In 2021, the Company's Corporate Governance and Evaluation Committee met four (4) times. The members of the Committee participated in these meetings as indicated below:

SEAT	Sessions attended by principal member	Sessions attended by alternate member*
FIRST	4	0
SECOND	4	0
THIRD	4	0

\*Alternate members with zero attendance did not have to replace the principal member, since the latter had no absolute or temporary absences.

All meetings had a quorum to meet and decide validly.

## Activities of the Corporate Governance and Evaluation Committee

The following activities stand out, in compliance with its main duty of supporting the Board of Directors in overseeing compliance with the provisions of Corporate Governance contemplated in the Law, the bylaws, the Corporate Governance Code and the Internal Rules and Regulations of the Board of Directors.

- Consideration of the report on compliance with the Company's Corporate Governance Code at the January-December 2020 fiscal year-end.
- Consideration of modifying the procedure for transactions with Politically Exposed Persons (PEPs) and Related Persons (RCAs).
- Consideration of the self-evaluation report of the Board of Directors
- Consideration of the work plan of the Corporate Governance and Evaluation Committee.
- Consideration of the work plan for the self-evaluation of the Board of Directors.



## Participation of Board members in governing bodies of other organizations

### Principal Board Members:

#### Andrés Caldas Rico

- Emgesa S.A. ESP.
- Legis S.A.
- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### José Antonio Vargas Lleras

- Emgesa S.A. ESP.
- Enel Américas S.A. ESP.
- Fundación Enel Colombia

#### Lucio Rubio Díaz

- Emgesa S.A. ESP.
- Mapfre Colombia S.A.
- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### Andrés López Valderrama

- Concesiones 4G: Sacyr
- Codensa S.A. ESP.
- Universidad del Rosario
- *Invest in Bogotá*
- Colsubsidio.

#### Adriana Córdoba Alvarado

She is currently not part of any other Board of Directors.

#### Juan Ricardo Ortega

- Emgesa S.A. ESP.
- Transportadora de Gas Internacional (TGI)

#### Luis Javier Castro Lachner

- Emgesa S.A. ESP.
- Mesoamérica Andino Colombia
- PNS de Colombia S.A.
- Restcafe S.A.S.
- Frayco S.A.S.
- Grupo Energía Bogotá S.A. ESP.

### Alternate Board Members:

#### Carlos Mario Restrepo

- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### Leonardo López Vergara

He is currently not part of any other Board of Directors.

#### Michele Di Murro

- Emgesa S.A. ESP.
- Enel X Colombia S.A.S.
- Fundación Enel Colombia

#### Mario Antonio Cajiao Pedraza

He is currently not part of any other Board of Directors.

#### Andrés Baracaldo Sarmiento

- Calidda (Perú)
- Contugas (Perú)
- Vanti, TGI (Colombia – suplente)
- Argo Energia (Brasil)
- ElectroDunas (Perú)

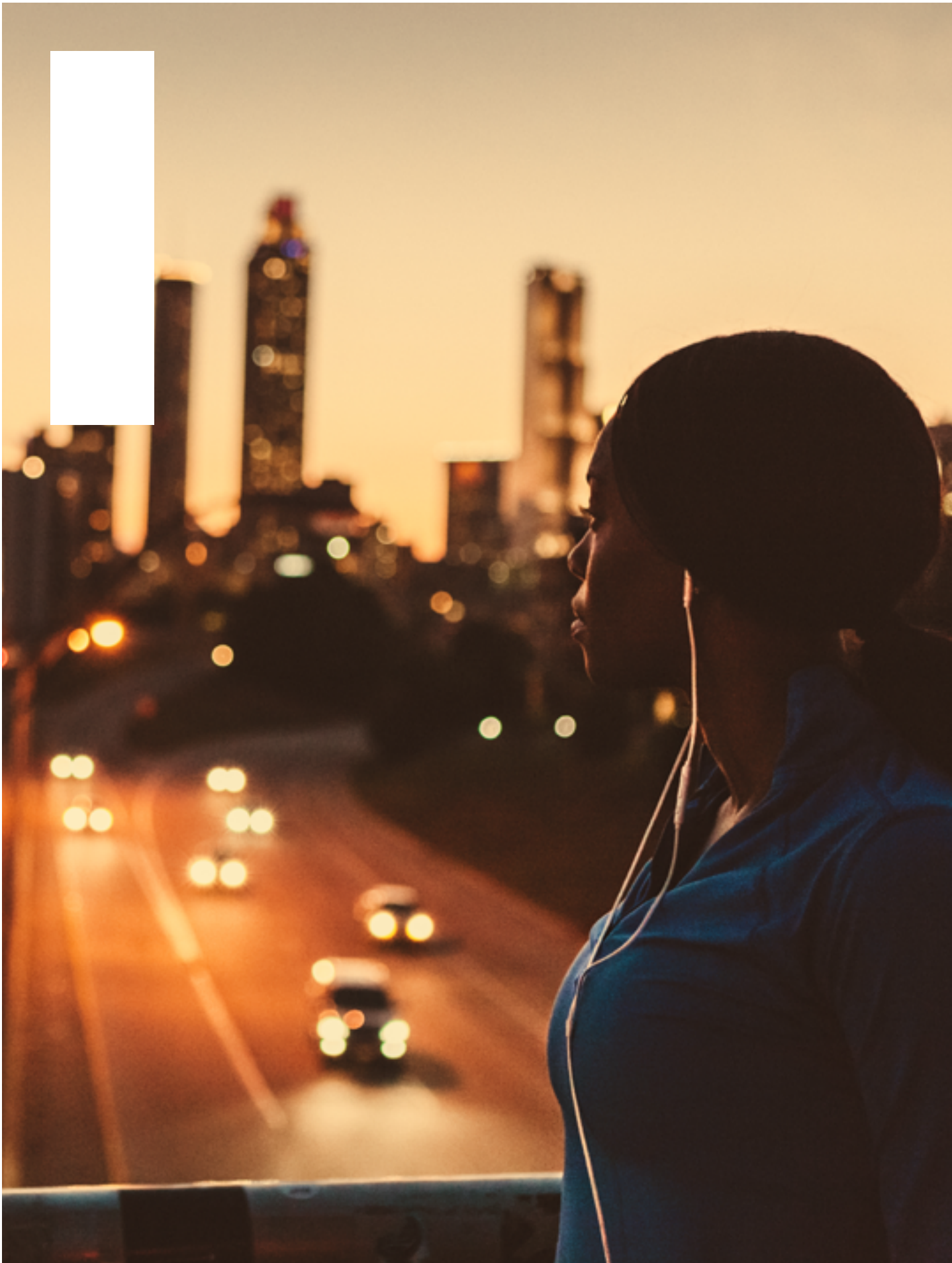
#### Jorge Tabares Ángel

- Energy Re
- Calidda (Perú)
- Electro Dunas (Perú)
- Argo Energia (Brasil)
- Optima S.A.

#### Mónica Cheng Arango

- Termoyopal
- Transportadora de Gas Internacional S.A. ESP.





# Letter to Shareholders



**José Antonio Vargas**  
Chairman of the Board of Directors



**Francesco Bertolli**  
General Manager

## Dear Shareholders:

We are pleased to share the results achieved by Codensa S.A. ESP for the year 2021, which was defined by the recovery of the global and regional economy thanks to the efforts made to mitigate the impacts generated by the pandemic, which prevails however to a lesser extent even until the beginning of 2022.

The global economy recovered in 2021 achieving 5.5% growth, the highest rate in nearly five decades, following a 4.3% contraction in 2020, driven by high consumer spending and a slight rebound in investment and trade in goods that surpassed even pre-pandemic levels.

However, by the end of the year, growth slowed, especially in China, the United States and the European Union, mainly due to the end of the economic stimulus packages, as well as disruption in supply chains.

Growth in the Latin American and Caribbean region recovered to an estimated 6.2% in 2021 (compared to the same value of contraction in 2020) with Colombia's performance standing out, which will grow 9.8% in 2021 (-6.8% in the previous year), according to estimates by the Colombian Central Bank.

The recovery of economic activity led to the recovery of electricity demand, registering a YoY increase of 4.99%, with an equally positive impact on our area of influence whose growth (as a network operator) at the end of 2021 was 6.65%. In addition, Colombia ends 2021 with some indicators that reflect a path of economic recovery:

- An unemployment rate of 13.7%, which represented a decrease of 2.2 percentage points compared to 2020 (15.9%).
- Estimated GDP growth of 9.8%.
- Inflation of 5.62%.
- PPI domestic production of 18.71%.

In this challenging scenario, in which we could not lower our guard in the face of the health situation and at the same time we had to act to accompany the economic reactivation, Codensa's performance in 2021 was highly satisfactory as it managed to maintain its operational and financial excellence, achieving outstanding technical, operational and economic results.

In addition, Enel Codensa was confirmed as the first energy distributor in the country, with a 20.8% share in the sector, supplying electricity to more than 3.7 million customers in Bogota and in more than 110 municipalities, mainly in Cundinamarca.

## 2021: Our support for a year of economic and social recovery.

Looking back to 2021, by the end of the first quarter, more than a year had passed since the first case of COVID-19 was detected in Colombia.

The spread of the virus both in the country and in Bogota and Cundinamarca, has meant not only a challenge for communities, families, health systems that have been disrupted the development of their social and economic





life, but also a challenge for utilities in terms of operation, processes, people and our customers, in order to continue providing optimal quality service in times of social distancing and containment measures of spread, which also of course have strongly altered the patterns of energy consumption in both households and commercial operations in general.

In response to this challenge, Enel Codensa during 2021 accelerated the digital transformation to enable its resources, operational and commercial processes with our customer always at the center, to adapt to a new normal and take advantage of the recovery from the pandemic to strengthen the economy, and address some obstacles that remain present for the adoption of digital technologies both in its networks and in its interaction with the customer and of course the reduction of digital divides in our area of influence.

In this regard, in 2021 we executed an ambitious investment plan in our network, so as to boost sustained and equitable economic growth in our area of influence, under plans and initiatives for the development and expansion of networks, technological transformation and operational excellence, with which we have achieved not only to continue enabling the digital transformation of the region, but also optimal results in terms of demand service capacity in full recovery, quality of service, loss management, sus-

tainable mobility, grid resilience, modernization of efficient public lighting as a safety lever, expanding our portfolio of products and services for the home, implementing new business models in line with the needs of today's citizens and in general to advance in coherent energy distribution and sales strategies, sustainable in the long term and at the forefront of the national and regional productive development agenda.

Now summarizing our major achievements in 2021, in addition to our economic growth as a Company detailed at the beginning of this letter, we can comment the following:

### **Occupational safety: 2021 a year of historic results in prevention and occurrence of occupational accidents.**

In 2021, our Safety strategy focused on 3 aspects: Improving the labor competencies of Electrical Technicians, Recognizing companies that do it well and permanent on-site accompaniment ensuring compliance with the best safety standards.

In addition to contributing to continuous preventive improvement, our strategy allows us to join forces to continue to pursue our goal: to have 0 occupational accidents. This will be achieved with the involvement and participation of all people, and what will drive us to achieve it is a team that believes in it and is clear that the fewer risks there are and the more occupational risk prevention is respected, the more possibilities there will be to achieve an optimal working environment.

We closed the year with a frequency index of 0.13 (the best result ever, with only 2 computable events in a year in which a workforce of more than 9,500 employees of contractor companies worked with us), which means that Enel-Codensa continues to be one of the benchmark companies in Safety in the country: in the last 5 years we have managed to reduce occupational accidents by 64%.

We also highlight the continuity and reinforcement of third party safety initiatives in our network, designing and implementing strategies to sensitize, raise awareness and educate the general population on electrical safety to prevent accidents related to electrical infrastructure, among them the playful booklet with emphasis on safety distances and the cartoons on third party accident prevention.





## **Service quality and reliability: our ongoing commitment to our customers**

During 2021 we ratified our commitment to provide a reliable and continuous service, achieving highly competitive standards, through the management and improvement of international supply quality indicators in duration (SAIDI) and frequency (SAIFI), achieving a 12% improvement in SAIDI (reaching 487 minutes in the regulatory indicator) and 8% in SAIFI (reaching 8.12 times in the regulatory indicator), with respect to the regulatory results of 2020, and providing our customers with the best service quality without precedent, in such a difficult moment as the current one.

On the other hand, we are pleased to announce that, as a result of the investments for growth and maintenance of service quality, within the framework of the agreement signed in January 2020 between Enel Codensa and the Superintendence of Residential Public Utilities for the improvement of the electrical energy service in some areas of Bogota and 20 municipalities of Cundinamarca, we are pleased to announce that, by 2021, not only will we be able to improve the quality of service, but we will also be able to offer our customers a better quality of service in some areas of Bogota and 20 municipalities of Cundinamarca, by 2021, not only was it possible to improve the quality of service in all the municipalities covered by the Agreement, but the goals proposed for 2022 were exceeded ahead of schedule, with an improvement of 49% in SAIDI and 33% in SAIFI in the area.

We also advanced in the technological transformation of the business through the implementation of technology in our networks and the digitalization of processes and operations, with a defined strategy that allowed us to improve network automation, reduce the failure rate and develop new infrastructure to improve reliability.

By the end of 2021, we have installed a total of 7,996 telecontrol devices, which allows us to operate the distribution network in an efficient manner in the event of power service failures, to know more precisely the location where the failure occurs and to reduce the number of customers affected.

## **Development of our networks: We enable the development of the City Region.**

For 2021, we highlight the construction of more than 548 km of new distribution networks and significant progress in fundamental works for the development of the city-region: we built the essential infrastructure to enable electric mobility in the capital, we made progress in the transfer of networks necessary to make way for the first Metro

line in Bogota, and we made progress in the construction of new high and medium voltage substations within the framework of the Bogota-Region 2030 project.

Also, as part of the investment plan, we conducted the modernization of the San José electrical substation and its associated medium voltage networks, which will meet the growing energy demand in the central-eastern area of Bogota, due to urban renewal, specifically in the district of Los Martires. This substation was energized and integrated to the operation in December 2021.

## **Grid operation: Focused on operational excellence based on applied technological transformation and innovation at the service of our customers.**

Under principles of customer satisfaction, care for people, process safety and regulatory compliance during 2021 we continued on the path of operational excellence in the execution of the distribution network maintenance plan with greater assertiveness in scheduled activities in accordance with international best practices.

During 2021, the Company continued on the path of reducing energy losses in its distribution system in a market still affected by critical conditions caused by the pandemic, and through an energy recovery plan we were able to ensure the correct operation of metering equipment and normalize non-customer users connected directly to the network, closing with a loss rate of 7.53%, the lowest ever.

In addition to the above, by 2021, in line with the gradual manner the country's economic reactivation, the number of new customers connected to the electricity system increased by 11% YoY, reaching 96,949 new customers (+4% compared to 2019). Within these connections, average times for 2021 reached 12 days for connections that do not require grid interventions and 90 days for projects that require grid interventions, simplifying connection procedures for our customers.

## **Human talent: One of our key competitive advantages**

Under the guidelines and encouragement of gentle leadership, we continue on the path of digital transformation not only of our processes and operations, but also of our human resources, reinforcing our vocation to act under an applied digital mentality, making the people of our Organization the fundamental engine of the transformation.

We highlight the consolidation of the following programs during 2021:

- **Wellness Programs:** A program aimed at caring for people, where respect for the balance between personal, family and work life is encouraged, promoting work spaces with equal opportunities.
- **Training Programs:** To give continuity to the development routes of our human talent, with activities and content to meet their training needs, especially oriented to digitalization, in favor of their professional and personal growth.
- **Recognition and value:** Evaluating the performance of workers with a new methodology based on 4 values: Proactivity, Responsibility, Trust and Innovation, to focus on actions to improve and boost their competencies.
- **Equality:** During 2021 we were ratified as an Equipares company, being recertified with the Gold Seal, making progress in effectively closing gender gaps throughout the value chain. As relevant data, 37% of the workforce are women, occupying 36.5% of the leadership positions.

## Energy market and value offer to customers

As we have previously mentioned, in 2021 there was growth in demand compared to 2020 as a result of the economic reactivation mainly in the commercial and industrial segments; from Enel Codensa we continued the Comparto mi Energía program, aimed at supporting the most vulnerable families through voluntary contributions made by residential customers of strata 4, 5 and 6, as well as commercial and industrial segments. A total of \$308 million pesos were paid to 8,915 customers through this campaign. In addition, the market's payment habits returned to pre-pandemic levels and we continued to develop digital solutions throughout the value chain, resulting in improved service quality, agility and simplicity for our customers.

Similarly, in 2021, we continue to develop projects and initiatives focused on our customers, seeking to improve their satisfaction and quality of life through our products and services. Our first priority is to have a more satisfied and digital customer, which is why we implemented a program to control, follow up and reduce customer complaints. Additionally, we continued the digital transformation project and developed digital platforms such as X-Customer, a system that allows us to improve data quality, standardize and optimize processes.

We also highlight that 2021 was a crucial year for the transformation of urban mobility towards a more sustainable one, in which we highlight the growth of the network of private charging stations, the inauguration of the largest electric charging station in the country in the Unicentro shopping center and the official delivery of the electric bus charging terminals in Aeropuerto, Suba and Usme, which

with their 223 chargers in Bogota allow the daily charging of 477 electric buses that already circulate in the city.

In addition, through the participation in a new investment vehicle, at the beginning of 2021 the construction of 2 new electro-terminals began, in the localities of Fontibon and Usme, which will supply energy to a new fleet of 401 electric buses for the Integrated Public Transportation System (SITP) of Bogota with 189 smart chargers. In 2022 the 6 electro-terminals will supply the charge to 878 electric buses for the capital of Colombia.

Continuing with the strategic priority of making Bogota the best-lit city in the country, during 2021 more than 22,000 luminaires were installed in the districts of Ciudad Bolívar, Engativa and San Cristóbal. Of the total number of luminaires, more than 7,140 luminaires were also modernized in main avenues such as Autopista Norte, NQS, Circunvalar, Calle 13, Carrera 15, Carrera 19 and Avenida Comuneros, among others. These localities and avenues now have a new public lighting system with LED technology, transforming them into better illuminated spaces that offer visual comfort, road safety for citizens and renovation of these arteries of the city. We highlight the excellent coordination we have developed with the Mayor's Office of Bogota for the successful execution of these projects.

On the other hand, we structured an integrated commercial offer for our customers, which allows us to have a better competitive position in the country in the Voluntary Disconnectable Demand (VDD) and photovoltaic (PV) segments, participating in important projects such as Quico I and II, which add an installed capacity of 37.4 MWp.

Finally, we highlight that 2021 was a year of renewal of the service portfolio for households, presenting a new assistance model where the service is provided from beginning to end by Enel Codensa, seeking greater customer satisfaction.

## Financial results: We ratify our sustainable growth and robustness.

We are very pleased to share the financial results achieved in 2021.

Our revenue amounted to \$6.4 billion, a YoY growth of 11.8%. This was mainly due to the price effect in the tariff, higher demand, investments in electricity assets, as well as better performance in value-added products and services. Cost of sales amounted to \$3.8 billion, an increase of 15.7% over the previous year.



Accumulated EBITDA through December grew 11.0% over the previous year, reaching \$2.1 billion; net income for the year was \$1.0 billion, 18.8% higher than the previous year.

With these results, we obtained a return of 11% on total assets and 31% on total equity. During 2021, investments of \$1 trillion were executed, and the financial debt as of December 31 was \$4.21 trillion, mainly represented in long-term loans.

## Corporate Governance

Regarding Corporate Governance, at the beginning of 2021 between the shareholders Enel Américas S.A. and Grupo Energía Bogotá S.A. ESP a new AMI Investment Framework Agreement was subscribed foreseeing a merger process by absorption in which Emgesa S.A. ESP will absorb Codensa S.A. ESP, Enel Green Power SAS. ESP, Enel Green Power SAS ESP and the Chilean company Essa 2 SpA, to create the company Enel Colombia S.A. ESP which will carry out the activities of generation, sale, distribution and storage of energy, as well as all other commercial activities foreseen in the corporate objects of the companies involved in the merger.

The respective merger commitment by the corporate bodies of the intervening companies was approved by the General Shareholders' Meetings in July 2021 and by the Bondholders' Meetings of Emgesa S.A. ESP and Codensa S.A. ESP in September 2021. This allowed that in October 2021 the request for authorization of the merger was submitted to the Superintendence of Companies, which is currently being processed.

This merger operation will allow the consolidation of synergies, the increase of the benefits of the intervening companies through the combination of their assets, the convergence to a single business model that will allow the coordinated distribution of the products and services of the intervening companies, offering a unified value proposition to the Colombian consumer, among others.

On the other hand, it is important to highlight that the Company has a robust compliance system composed of different elements such as the Criminal Risk Prevention Model, the Code of Ethics and the Zero Tolerance to Corruption Plan, among others, which allows us to have the ISO 37001 certification on the Anti-Bribery Management System (SGAS), making us, together with Emgesa, the first companies in the country to have this certification.

In order to comply with article 47 of Act 222 of 1995, in relation to the operations carried out with shareholders and administrators, we inform that they were adjusted to the applicable legal provisions and are duly reflected in the financial statements.

We reiterate that Codensa complies with the regulations on intellectual property and copyrights and declare that all software available for the management of the Company has the corresponding licenses and therefore complies with the regulations on intellectual property and copyrights in force in Colombia. Also in compliance with the provisions of Article 87 of Act 1676 of 2013, we inform that the Company has evolved the processes in order to ensure the free circulation of invoices issued by vendors or suppliers.

Furthermore, in accordance with the provisions of Act 142 and 143 of 1994, the Company has an Internal Control System and an external auditor of management and results; additionally, during the reporting period the Company, as a securities issuer, has controlled and disclosed financial information in accordance with the applicable regulation.

In compliance with Codensa's bylaws, the following reports are presented to the shareholders:

- Management Report corresponding to the period January to December 2021, accepted by the Board of Directors.
- Certified and audited Financial Statements for the end of the fiscal year.
- Report pursuant to Article 446 of the Code of Commerce
- Special Report of the Business Group in compliance with Article 29 of Act 222 of 1995.
- Corporate Governance Reports

Finally, we thank our shareholders for the vote of confidence they give us by maintaining their investment in the Company, which motivates us every day to generate value and good results, and thus, contribute to the country's development.

Sincerely,



**José Antonio Vargas**  
Chairman of the Board of Directors



**Francesco Bertoli**  
General Manager





## **2.** **Our Value Chain**

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# E-SOLUTIONS MARKET MANAGEMENT

In 2021, Codensa developed projects and initiatives focused on customers, seeking to improve their satisfaction and quality of life through its products and services. Below are the highlights of the value offering for its customers.

In order to improve customer satisfaction and digital culture, we implemented a program to control, monitor and reduce complaints. We also continued the digital transformation project and developed platforms such as X-Customer, a system that improves data quality, standardizes and optimizes processes.

2021 was a crucial year for the transformation to a more sustainable urban mobility, with the growth of the network of private charging stations; the inauguration of the country's largest electric charging station in the Unicentro shopping center; and the official delivery of the electric bus charging terminals in Aeropuerto, Suba and Usme, which with their 223 chargers in Bogota allow the daily charging of 477 electric buses already circulating in the city.



In addition, an integrated commercial offer was structured for Business to Business (B2B) customers, which consolidated Codensa as the leader in the country in the Voluntary Disconnectable Demand (VDD) and photovoltaic (PV) segments, participating in the largest projects in the country, such as COSENIT. From the Business to Consumer (B2C) segment, the Company integrated the complete provision of the portfolio of home assistance services (E-Home), in order to achieve greater customer satisfaction.

The year closed with the satisfaction of meeting the goals and objectives, and especially with greater customer proximity and satisfaction.

## COMMERCIAL AND RESIDENTIAL CUSTOMERS (B2C)

### BUSINESS TO CONSUMER (MASS CUSTOMER SEGMENT)

Two key fronts were worked on in this segment: strengthening the portfolio of products and value-added services for residential customers in Bogota and Cundinamarca (Enel X), and the provision of all the services to residential customers in Bogota and Cundinamarca related to the sale of energy (Retail Colombia). These fronts were framed within the Digital Customer Experience and Digital Transformation program to improve customer experience.

### ENEL X

The Company offers a portfolio of value-added products and services to residential customers, in addition to energy supply, taking advantage of the bill as a means of collection and timely payment. The products for Enel X B2C are framed in the following groups:

- Financial services: Crédito Fácil Codensa
- Microinsurance: sale of microinsurance
- Maintenance & repair: sale of electrical works and assistance.
- Small applications: Enel X Store (e-commerce platform)
- Third-party invoicing: collection orders for cleaning and other products

### FINANCIAL SERVICES

**Financial services:** Crédito Fácil continued its strengthening process through the incorporation of a commercial financing company together with Scotiabank Colpatria.

During the year the steps were taken before the Colombian Financial Superintendence that led to obtaining the incorporation license for this establishment. The business currently has a portfolio of more than \$1.6 billion.

After the pandemic crisis, the customers of Crédito Fácil Codensa's maintained a very good payment culture, which facilitated a faster recovery than other segments of the financial system.

## HOME SERVICES (eHome)

### Microinsurance

The consolidation of microinsurance continued as an alternative for customers and energy users, allowing them to have access to products that offer them economic support in the event of unexpected events such as accidents, illnesses, deaths in the family and natural disasters, for a monthly payment through the energy bill. However, the sale of these products was suspended as of June 23, 2021, in order to start the sale of new products with Enel X as the end-to-end service provider.

### Assistance

A new business model was established for assistance products, with a direct relationship between the customer and Enel X and 100% control of the value chain for pre-sales, sales and after-sales processes. Highlights:

- Launch of two new assistance products: Funeral 360 and Doctor 360, each with three plans (Basic, Light and Premium), increasing the assistance portfolio to be offered to customers in Bogota and Cundinamarca.
- Launch of the payment agreements and assistance strategy Protección Luz 360.

### Electrical works

During the situation caused by the pandemic, reliable solutions were provided to maintain customers' electrical installations in good condition, with a high level of quality and offering the facility of financing the total value of the project through the energy bill, in up to 36 months and providing a guarantee for materials of up to six months. In addition, the availability of customer service was improved through the hiring of two new contractors in Bogota and Cundinamarca.

### Enel X Store

This channel is responsible for boosting digital retail sales, subscriptions and assistance of flagship products, as well as the development of categories aligned with the core business through digital strategies, customer knowledge and user experience, in order to be competitive and relevant.

2021 highlights:

- Changes in Olimpia's payment gateway to Mercado Pago.
- Digital initiatives to improve efficiency and reduce the cost of the operation's service.
- Commercial alliance with Scotiabank Colpatría and the Crédito Fácil Codensa card, to achieve customer retention and generate new cardholders.
- Participation in the VAT-free days decreed by the National Government to encourage economic recovery, achieving excellent sales results.
- Communication campaign (360°) to position the channel, raise awareness of the store and conversion to digital channels.

## BILLING THIRD PARTIES

### Cleaning

Nearly 690 thousand new collections were integrated, as a result of the materialization of the operators Ciudad Limpia (Bogota), Urbaser Soacha and Urbaser Facatativa, which allowed closing 2021 with more than 1.7 million monthly collections, and represents a 47% YoY growth in the number of monthly collections.

The above with a level of claims below 1%. The entry of new operators did not have any negative impact on the operation. Also, high collection rates were maintained as a result of the post-pandemic portfolio management plan developed by Codensa.

Agreements were signed with the Municipality of La Palma and Habitat Limpio (Mosquera) Cundinamarca, for the joint billing of 55,000 additional customers.

### Collection orders

This service allows Codensa's customers to pay subscriptions for products and services through the energy bill. These services correspond to commercial alliances with companies such as Casa Editorial El Tiempo, McAfee, Todos Emprendimientos and Unicef. Also, the Discount Coupon Box was maintained, which consists of the insertion of advertising by means of discount coupons in Codensa's bill.

During the year, segmented digital campaigns were designed through Business Intelligence profiling. For 2021, negotiations were reached with important customers, with whom we agreed to send more than one million advertising inserts through the invoice.

## BUSINESS-TO-BUSINESS (B2B) CUSTOMERS.

### MARKETING:

2021 represented a reinvention of the entire marketing strategy and actions for B2B, which were marked by digitalization and virtuality. Thanks to the strategies developed, the 2021 goal in terms of MQL (marketing qualified lead) generation for the B2B segment was overachieved, achieving a result of 150%. On the other hand, the website traffic had an increase of 102% in the number of users, due to the content published. Lead generation, data updating, communications and positioning campaigns were developed virtually, as well as specific actions for the different products in the portfolio.

In view of the reduction in participation in face-to-face events, we implemented a high-relationship strategy, seeking to create a space that allowed us to share good practices at the management level with customers of the B2B portfolio such as Corona, Central Cervecera, Eternit, Hotel las Américas, among others.

Special products were developed to retain and recover customers, and in 2021 agreements were closed with companies such as Permoda, Alkosto, Lamyflex and Rioplast, in addition to starting with a bet that seeks to take the customer from a Diagnosis of Savings Potential, to the accompaniment in achieving them. We also structured the Monitoring & Verification for the Paratebueno minigrid generation unit, with which we expect to establish the first Show Room for this photovoltaic solution.

The product of solar photovoltaic projects was resumed with a new value proposition and innovative business models; this, together with the award to Enel X of the installation of 13 photovoltaic systems in the headquarters of eight Colombian companies, thus reaching 11% of the market share, with 39.3 MW. On the other hand, Enel X participated as a speaker at Exposolar 2021, with the talk: The future of distributed generation in Colombia. Finally, the PV solutions savings simulator was implemented for customers, in order to provide tools that facilitate the projection of possible impacts in solar solutions.

Demand Response had a significant growth in energy aggregation with respect to 2020; customers such as Gran Tierra Energy, Cencosud, Siderúrgica Reyna, among others, joined the program.





The Electrical Works and Projects product continued to lead sales in the business segment and increased its participation in the different zones, thanks to the sale of mega-projects, among which the following stand out: Ufinet, Civilco, Corpacero, Dromos Pavimentos, Constructora Orquídea and Carenza. This product maintained the largest share of sales in the Enel X portfolio for the B2B segment, accounting for 85%. In 2021, lead generation and qualification strategies were implemented that allowed for this cluster to deliver more than 2,100 MQL (marketing qualified leads), tripling the lead generation capacity and strengthening a long-term strategy.

On the other hand, throughout 2021, the Energy Partners training program was structured and carried out, which consists of 3 modules (awareness, business energy, Enel X portfolio) for all personnel participating in the business segment projects.

## **SALES MANAGEMENT IN THE B2B SEGMENT:**

It focused on the following megaprojects: Cosenit, Ufinet, Construcciones Civiles, Corpacero, Dromos, Constructora Orquídea, Carenza, PV, Energy Infrastructure.

### **Cosenit:**

This project will have an installed power of 374 MW in 13 photovoltaic systems that will be located at the headquarters of eight companies nationwide, leading the use of photovoltaic (PV) in Colombia, with 82,700 solar panels, capable of supplying the needs of more than 40,700 households with an average consumption of 100 KWh per month.

### **Ufinet:**

Enel X will be responsible for providing ongoing advice on technical, HSEQ, quality, community management and support to the network operator for the 1.2 million Home Passed (HP) project in the city of Bogotá and surrounding municipalities, which will bring a single platform to homes so that each home can choose its voice, data and television operator without requiring new wiring.

### **Voluntary Disconnectable Demand (VDD):**

The VDD product managed to culminate the year with a total aggregated power of 87.5 MW, which represented a 473% growth over the aggregated power in 2020 (18.5 MW). In 2021, 100% of the target for new sales was achieved, for a capacity of 79.9 MW, including 80.3 MW in customers such as Siderúrgica Reyna, Cencosud, Gran Tierra Energy, among others. As for renewals, compliance was 100%, maintaining the 18.5 MW with which 2021 began, meeting an aggregation of renewals and sales of 98 MW.

## **B2B ENGINEERING AND WORKS**

Among the main projects executed in 2021 are:

### **UFINET Project:**

The project called UFINET PROTEUS was started, with which it is expected to reach the installation of 1.2 million Home Pass (HP) during the following 2 years of execution. Codensa provides support services in the HSEQ area and property management for access to buildings in the project's area of influence. It is estimated to have a little more than 5,200 buildings under property management, totaling about 420,000 HP, which should be ready in the third quarter of 2023. This is one of the most important projects in the segment due to its size and revenue contribution.

### **VANTI Project:**

The installation of three Shelter Type S/E for customer VANTI was carried out, this project is the continuation of VANTI's expansion plan for the installation of natural gas refueling stations for the SITP and Transmilenio fleet.

### **CORPACERO Project:**

In 2021, continued this mega-project with one of the largest customers in the north of the country, which consists of moving the production plant to its new facilities, during three phases. Phase 1 was completed, and Phase 2 is 60% complete. The project is scheduled for completion in 2022.

### **EL DORAL – CIVILCO Project:**

In 2021, taking advantage of the growth of projects in the northern zone, the El Doral project began, for the construction of the low voltage (LV) and medium voltage (MV) networks and telematic networks for the El Doral condominium, which is under construction by CIVILCO S.A. The project will be completed in 2022.

### **Voluntary Disconnectable Demand (VDD):**

Codensa managed to increase its borders with metering installation from two borders with emergency plant metering in 2020 to four borders with emergency plant metering in 2021.

### **Photovoltaic (PV):**

With the entry into operation of the 13 photovoltaic systems of the Cosenit project, not only is it estimated to avoid the emission of 18,600 tons of CO<sub>2</sub> per year, equivalent to the planting of more than 1,320,000 trees; organizations are also expected to reduce their energy consumption on the grid by up to 20%, which translates into an approximate economic savings of 15%.

With an investment of more than \$120.7 billion and an initial 12-year contract, the works to be delivered from 2022 contribute to the achievement of the goals established in the Paris Agreement and contribute to three Sustainable Development Goals of the United Nations 2030 Agenda: Affordable and Clean Energy (SDG 7), Sustainable Cities and Communities (SDG 11) and Climate Action (SDG 13). At the same time, they allow the Colombian electricity sector to continue advancing in two major goals it has set itself: to achieve a reduction of 11.2 million tons of CO<sub>2</sub> by 2030 and to reach carbon neutrality by 2050.

The bidding process for this project began in December 2019, the year in which Codensa designed the photovoltaic systems, allowing it to offer competitive rates and energy savings, in addition to complying with the financial and technical requirements based on previous experience in this type of project.

In this regard, it is important to note that the Company has installed 16 photovoltaic systems and 5,892 solar panels in other companies in the national territory. With an installed power of 910 kWp between them, it is estimated an energy production of 2,295 MWh/year and the annual reduction of 872 tons of CO<sub>2</sub>, equivalent to the planting of more than 62,200 trees.

## GOVERNMENT SEGMENT CUSTOMERS (B2G)

### Electric buses Bogota

During the first quarter of 2021, Transmilenio S.A. officially handed over to Transmilenio S.A. the electro terminals of Aeropuerto, Suba and Usme in the city of Bogota, thus completing the first phase of the project that included the construction and commissioning of four electro terminals for Bogota, which supply energy to 477 electric buses with 223 smart chargers.

Construction also began on two new electro-terminals in the districts of Fontibon and Usme, which will supply energy to a new fleet of 401 electric buses for the Integrated Public Transportation System (SITP) of Bogota with 189 smart chargers. by 2022, the six electro-terminals will supply power to 878 electric buses.

### Public lighting management Bogota and Cundinamarca

During 2021, the relationship with the UAESP was maintained and different working groups were held to negotiate



the closing of tariffs for the years 2018 to 2021 through the conciliation of the parameters defined between the parties, with the support of the GEB and the Mayor of Bogotá. This way, the Company will continue to manage the largest public lighting system in the country. The points established at the negotiation tables were documented and a conciliation agreement was signed, as well as an Addendum to the public lighting agreement, which will be in force until June 2022.

### **Public lighting modernization in Bogotá**

As part of the project to modernize the Bogotá Mayor's Office's public lighting with LED technology, which Codensa is executing in coordination with the Special Administrative Unit of Public Services (UAESP), more than 22,000 luminaires will be installed during 2021 in the districts of Ciudad Bolívar, Engativa and San Cristóbal. The total includes more than 7,140 luminaires in main avenues such as Autopista Norte, NQS, Circunvalar, Calle 13, Carrera 15, Carrera 19 and Avenida Comuneros, among others. These localities and avenues have better illuminated spaces that offer visual comfort and road safety for citizens.

### **Expansions of public lighting in Bogotá and Cundinamarca**

During the year, more than 2,200 expansions were carried out in the 20 localities of Bogotá. More than 11 municipalities in Cundinamarca were intervened, with the installation of more than 630 luminaires in municipalities such as Cucunuba, Tenjo, El Rosal, Simijaca, and La Mesa.

### **Electrical Infrastructure**

Con un total de 89 proyectos de infraestructura eléctrica se atendieron las necesidades de clientes como Secretaría de Educación, Secretaría de Integración Social, Universidad Nacional, Alcaldía de Bogotá y algunos municipios de Cundinamarca.

## **Architectural Lighting**

### **Christmas Route 2021 - Bogotá is improving at Christmastime**

During 2021, a team of close to 400 Enel X workers carried out from the designs to the assembly and execution of the entire Christmas lighting, which included approximately 10,500 LED technology elements.

The project included more than 18,000 m<sup>2</sup> of lighting in 26 areas of Bogotá, including Timiza Park, Parque de los Novios, Parque El Tunal, Plaza de Usaquén, Carrera Séptima in the pedestrian sector located in the city center, as well as many other high-impact places. Additionally, the entire adaptation and assembly for 12 Christmas fairs that took place in different sectors of the city was carried out.

During 2021, the Christmas Route included a special stop at the Botanical Garden of Bogotá, where the labor and supply of lighting material was provided to set the scene for "Pacifcanto", a lighting and music experience inspired by marine species with large-scale light figures that created a feeling of diving into the ocean.

## **Other Christmas lighting projects**

We designed and executed Christmas lighting for the Presidency of the Republic, the headquarters of Compensar and Colsubsidio in Bogotá and the Carnaval Shopping Center in the city of Barranquilla.

### **New products for the Smart City**

Different approaches were made to entities in Bogotá, Villavicencio and other municipalities in the country that allowed us to corroborate the interest of customers in solutions for the smart development of the city, especially in video analytics, electrification of public transportation and planning and management of public services for the city. Thus, the following communication resources were managed for opportunities generated during 2022:

#### **City analytics:**

An email marketing campaign was generated focused on the benefits of the tool for the tourism sector after the post-covid reactivation.

The mobility flow analysis pilot was launched in Bogotá for the months of July to December, so that the planning and mobility entities of Bogotá and other cities can learn first-hand the scope and benefits of the tool in the planning of public services.

#### **Video analytics:**

A proof of concept was structured to locate cameras at five points in the city of Bogotá and the images captured will be processed in the cloud using traffic control and license plate recognition (LPR) algorithms. The goal is to obtain the technical know-how of the solution, and a support resource for the qualification and closing of opportunities related to the product in the Colombian market.

### **Public lighting service management reports:**

In 2021, the monthly report for the municipalities with which we have public lighting agreements was strengthened, in order to keep the municipal mayors' offices informed of the management carried out on a daily basis, including details of maintenance work, expansions, billing, routes and inventories.



### Email marketing campaigns:

Different campaigns were developed to provide information on the different products offered to the government sector. The campaigns generated to encourage the modernization of public lighting in municipalities and the implementation of remote management systems in lighting for those municipalities that already have a modernized infrastructure.

## ELECTRIC MOBILITY CUSTOMERS

### Bogota Electric Taxi Pilot

The electric cab pilot continued, in which 37 electric cabs are charged through 34 43Kw charging equipment in four charging stations distributed throughout the city. After more than eight years of operation, more than 16 million kilometers have been traveled, avoiding the emission of 4,500 tons of CO<sub>2</sub>.

### Supply and installation of charging equipment

During 2021, 168 chargers were sold and 233 were installed nationwide, it is expected to continue offering JuiceBox, JuicePole and JuicePump charging products In ad-

dition, agreements were made with local distributors of brands such as Volvo, Porsche, Jaguar, Land Rover, Nissan for the supply and installation of charging equipment.

### Charging as a Service

The Charging as a Service product was introduced in Colombia, which seeks to raise barriers and offer charging solutions to companies. Enel X assumes the investments of the electric charging infrastructure and provides the charging service. The first pilot was carried out for a fleet of 25 electric trucks and currently the service is offered to companies such as Renting Colombia, AB Inveb, Pinturas Tito Pabón, OPL, among others.

### Colombia's largest electric vehicle charging station

In August 2021, Colombia's largest electric vehicle charging station was launched at Unicentro shopping mall in Bogota. The service station has eight JuiceBox digital and intelligent chargers and a 50 kW and a 150 kW charging point, allowing citizens to charge their electric vehicles quickly and efficiently.





## INNOVATION PRODUCT LAB Enel X & MARKET 2021

### Projects developed and implemented 2021

#### Click Enel

In line with the digital transformation and platformization objectives, Click Enel brings together digital subscriptions of various categories and gives users the possibility to pay for them through their energy bill.

During 2021, a contract was signed with an international partner at the ECOS level. Since the beginning of August, the French music website Deezer became part of the subscription portfolio, bringing with it the highest number of sales in its first month of launch, a total of 540 sales.

To make this alliance possible, an integration mechanism was developed with the partner that automates the purchase, upload and cancellation processes of subscriptions. This makes it the first 100% digital ECOS process. For the customer, subscription activation went from an average of two business days to immediate activation.

This project is a precursor in the implementation of automatic models for the other partners, which added to the advantage of the energy bill as a means of payment, allowed reaching new audiences.



#### Flexipagos

The Flexipagos web application was launched in October 2021, with a number of 677 sessions and more than 60 transactions in the first month.

With the support of more than 20 company employees who voluntarily tested and carried out testing activities, the correct functioning of the platform was guaranteed prior to its launch. Also, the correction of cybersecurity vulnerabilities identified in the Ethical Hacking process carried out in 2020 was successfully completed.

In terms of commercial relations, an agreement was signed with Scotiabank Colpatria to extend the scope of the Flexipagos money transfer service to Crédito Fácil Codensa cardholders, with an advance quota, and a shared communications strategy was created with the bank to publicize the benefits. Since March, the fixed and mobile telephony operator Claro joined the network of 4-72 partners (official postal operator of the Flexipagos project), which means that users who issue money orders through the application will be able to claim them in cash at Claro's authorized points of sale.

Finally, during 2021 a direct access channel to Flexipagos was enabled from the Codensa application in the products and services section. By 2022, it is expected that money orders will also be available at the Enel X Store.



¡Porque en Enel X nos adaptamos a tus necesidades!



## COMMERCIAL COMMUNICATIONS ENEL X AND MARKET

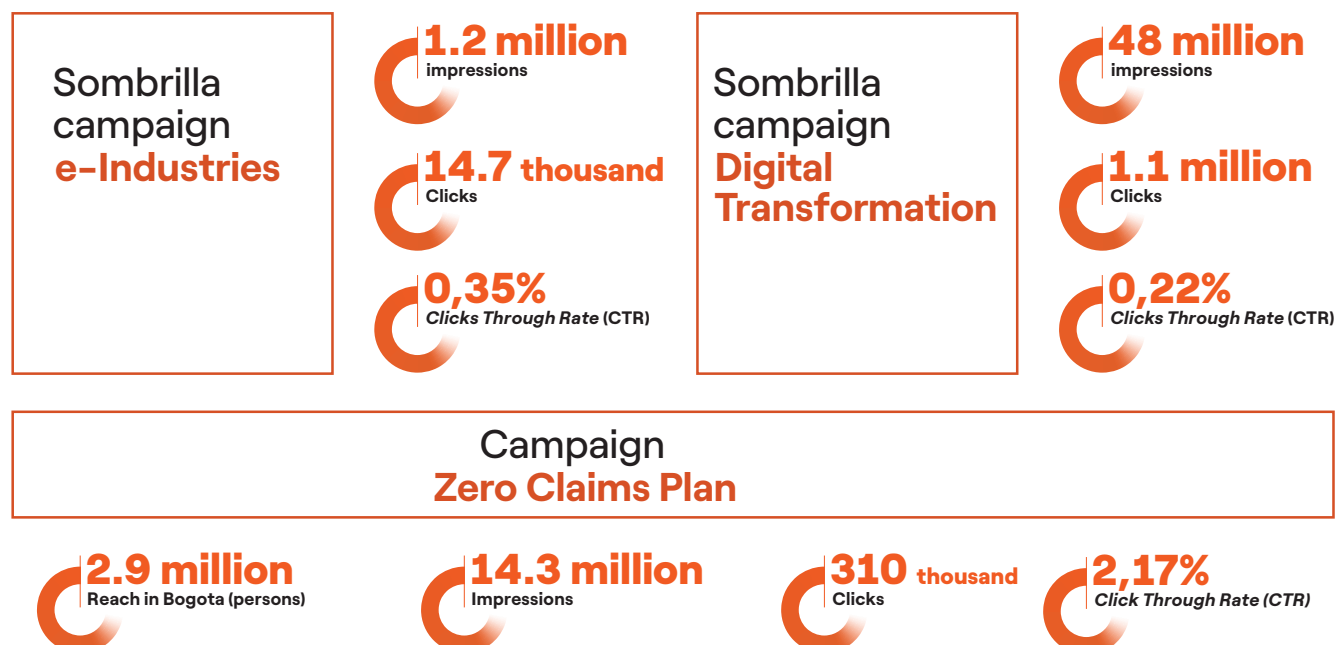
### Advertising

Advertising management and actions in 2021 were focused on digital formats and channels, to improve reach and optimize resources. Advertising investment was distributed 74% in digital media and 26% Above The Line (ATL), which included the strategic and creative development of 57 campaigns; 33 of them under the Enel X brand and 24 under the Codensa brand, plus 54 media plans that supported their amplification.

Among the campaigns carried out, the following stand out: the umbrella campaign for e-Industries that presented the products distributed energy, energy, demand response, photovoltaic and Customer Insights; the Enel digital transformation umbrella campaign, which included topics such as the use of different channels and digital formats that sought to demonstrate to customers the multiple options they have to approach Enel; and the Claims Plan or Zero Claims campaign, which sought to provide a quick, simple and alternative response, to all customer pains and comments, with the concept "We tell you what you need to know."



### General metrics for key campaigns



At the same time, 100% of the Enel X Editorial Plan was executed, reaching 130,000 impressions, 0.35% in CTR, 8.30 Target Rating Point (TRP's), 760,000 circulation and a reach of 4.7%, in e-City/B2G, e-Industries/B2B and e-Mobility.

One of the most important milestones was the Enel X positioning study, involving external and internal audiences, in order to have a baseline that allows us to direct communication actions to increase familiarity and knowledge of the business line.

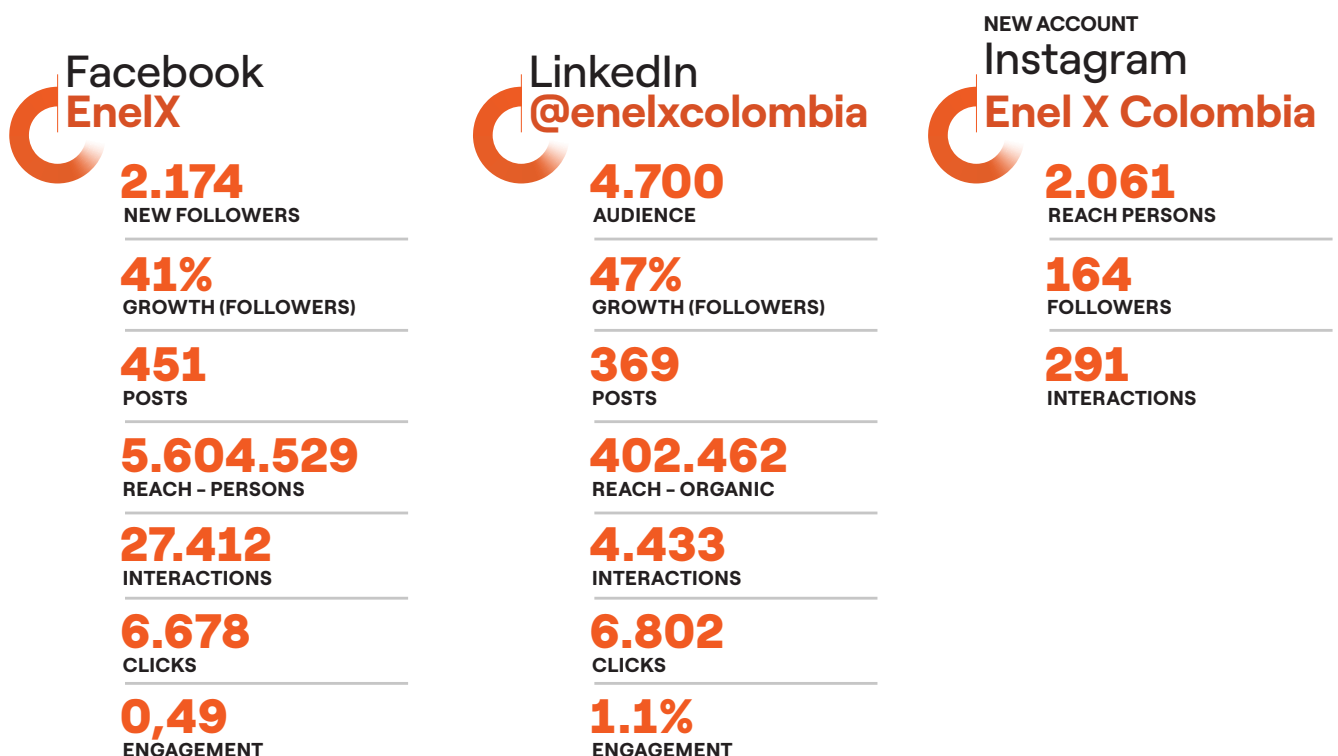
## Digital

2021 was a year of constant growth in digital indicators, in which the opening of the new account on Instagram and the re-design of the digital ecosystem also stand out, thus addressing new audiences, providing them with a better experience and better content.

As for the website, until October, (before its redesign), it had more than 176 thousand sessions and 154 thousand users, the overall average duration record was 57 seconds, thus far exceeding the number of sessions and users (320% and 207% respectively). The redesign of the Enel X web ecosystem integrated user-centric navigation, with a greater commercial focus and narrative coherence with other countries globally. Since its implementation in November and until December 31, the average time spent on the site has significantly improved to 2 minutes 24 seconds.

Social networks also recorded significant growth and during the last quarter of the year, the Enel X Colombia account was created on Instagram:

### Enel X social networks metrics.



In addition to this, an editorial and SEO plan was created with content aimed at all segments. A total of 27 articles were produced (3 on e-City; 6 on e-Industries; 13 on eHome; 4 on e-Mobility and 1 on Innovability). The most read articles were related to Christmas lighting services for companies, Charging as a Service and Enel X's alliance with Deezer.

## Brand management, events, sponsorships and internal communication.

During 2021, we worked on the development of the relationship plan that allowed us to generate different spaces of approach with Enel X and Market customers, with the realization of 20 events to position the commercial offer with its different options by customer segment, in the Central, Caribbean Coast and Valle del Cauca regions. Three (3) internal events on strategic projects were also held.

On the other hand, the company was present in 16 public scenarios promoted by private institutions and sector associations, in which topics related to electric mobility, renewable energies – photovoltaic systems, vehicle and bus charging, among others, were addressed. Enel X was highly recognized as a strategic actor, mainly in the area of electric mobility and the development of sustainable cities.

In terms of sponsorships, Enel X participated in 11 initiatives, among which the following stand out: Colombia Genera, Colfecar, Talent U and LATAM Mobility Summit, Exposolar, among others, with which Enel X managed to reach different strategic audiences, publicize its portfolio of products and services, and reiterate its leadership as a strategic partner in the development of initiatives for the

B2B, B2G and e-Mobility segments. It is worth mentioning the special participation as main sponsor (Powered by) of Game Changers Fest, a festival dedicated to innovation, culture and entrepreneurship, which had the participation of great entrepreneurs of the world and its content responded to the attributes promoted by Enel X in favor of the development of cities and their population.

In 2021, the “Enel Home Conversations” version was strengthened and evolved, a dynamic format that seeks to attract the attention of customers, explaining the Company’s internal processes in a simpler and clearer way. It had 3 chapters that reached more than 105,000 views through YouTube and the Company’s own social networks.

In terms of internal communication, the Enel X internal positioning strategy was launched, aimed at all Enel employees in Colombia, which included an ABC of brand awareness (5 videos, 1 podcast), weekly publication programming on Enel X and Market products, branding of the daily newsletter on Fridays with the colors of Enel X, and more than 80 publications in corporate channels, with the aim of strengthening the internal knowledge of this line of business.





# Energy Sales Business (Market)

## COMMERCIAL TRANSACTIONS

### WER PURCHASE

In 2021, 10,506 GWh were purchased for an amount exceeding \$2.56 trillion:

Concepts	GWh	Mill COP\$
<b>REGULATED MARKET</b>	10,323,24	\$2,520.702
<b>Contracts</b>	8,847,81	\$2,256.032
ENDG - EMGESA S.A. ESP.	4,993	1,346.007
AES CHIVOR S.A. ESP.	1,370	308.656
EPM ESP.	2,191	526.328
ISAGEN S.A. ESP.	284	72.632
IAEC S.A. ESP.	9	2,408
Energy market purchases	1,493	266.328
Energy market sales	18	1,657
<b>DEREGULATED MARKET</b>	183,03	\$40.631
<b>Purchase Contracts</b>	143,81	\$34.940
Public Lighting	143,81	\$34.940
ENDG - EMGESA S.A. ESP.	82	20,009
ISGG - ISAGEN S.A. ESP.	62	14,931
Energy market purchases	39	5,691
Energy market sales	-	-
<b>Total Energy Sales</b>	<b>17,8</b>	<b>1,656,8</b>
Total Energy Purchases	10,524,11	2,562,990,02
<b>Net</b>	<b>10,506</b>	<b>2,561,333,2</b>

### Management in wholesale market transactions

In 2021, the average purchase price in contracts for the regulated market was \$254.98/kWh. On the other hand, the average price of purchases for the deregulated market was \$242.96/kWh. The average price of purchases on the Exchange was \$ 177.50 \$/kWh, with a decrease of 39.74% with respect to the average price for 2020.

### Relevant transaction milestones

In 2021 there was growth in demand, which led to fewer sales in the Energy Market compared to 2020. Therefore, in 2020 sales were 108.1 GWh/year, while in 2021, sales were 18 GWh/year.

## Procurement management – energy purchases

In 2021, coverage for the regulated market stood at 86% and coverage of the public lighting market reached 79%.

The energy price in the Exchange presented a relatively low performance compared to market expectations, mainly due to the fact that at the beginning of 2021, high hydro contributions were reported, keeping Exchange prices low during the winter season. High volumes were also reported at the end of the year compared to historical quantities. Additionally, the last month of the year saw an increase in the price due to the uncertainty generated by the Hidroituango emergency and the delays in the entry into operation of the planned solar and wind power plants.

During 2021, three bidding processes for the purchase of energy for the regulated market were carried out. In the first call for bids, three contracts were closed with two market agents for a total of 6,575 GWh for the period between 2022 and 2036, and in the second call for bids a contract was closed with one market agent for a total of 882 MWh for 2022. The last call for 2021 had a closing date of March 2, 2022, focused on increasing the coverage of the short term, which has presented energy shortages due to the uncertainty in the market.

In the last quarter of 2021, the Energy and Gas Regulatory Commission (CREG) published for consultation CREG Res. 144 of 2021, which seeks to define the conditions for the transfer of contract prices resulting from the mechanism promoted by Derivex, all this based on the conditions of CREG Res. 114 of 2018 to have new procurement mechanisms. Codensa held several meetings with the promoter, with the CREG and with external agents linked to the operation, and at the end of the year the impacts that the proposal defined by the CREG would bring for the Company were mapped and the corresponding comments were sent, the market is awaiting a final resolution.

## Evolution of demand

Codensa's Grid Operator energy demand in 2021 was 15,426 GWh, 899 GWh more than in 2020, which represents a real growth of 6.48%. On the other hand, the National demand reached 73,732 GWh in 2021, registering a real growth of 4.99% YoY, mainly due to the behavior of the commercial and industrial segments, which had total openings this year, generating an important economic re-activation with growths much higher than those evidenced before the arrival of the pandemic.

This behavior has consolidated a scenario of TAM growth in OR Demand that not only recovered the drop observed in 2020 (of 4.73%) but also the growth expectations prior to the pandemic, completely eliminating its effects on demand in the short term.

## BILLING

During 2021, the Company's revenues were secured through the billing of the different businesses, billing an annual revenue, before adjustments, of \$8.6 trillion, with a monthly average of 3.6 million accounts billed. Energy including tolls and public lighting billed \$5.5 trillion, other complementary energy services, \$0.6 trillion, and other non-energy businesses and third-party billing, \$2.5 trillion.

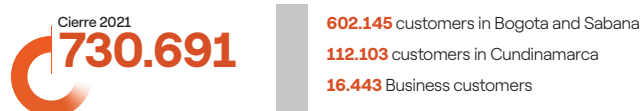
As of December 31, 2021, **3,651,425** accounts were billed in Bogota and Cundinamarca.

## COVID-19 health emergency

Considering the different decrees associated with the health emergency issued by the National Government and the Ministry of Mines and Energy, during 2021 we continued the Sharing my Energy campaign, aimed at supporting the most vulnerable families through voluntary contributions made by residential customers of strata 4, 5 and 6, as well as commercial and industrial segments. A total of \$308 million was paid to 8,915 customers through this campaign.

## Virtual billing

During 2021, we continued with the digital customer education processes through various campaigns that boosted the enrollment to the virtual invoice service. An additional 177,409 customers were enrolled in the program, reaching 19.7% of the total customer base.



Starting in November, Smart Invoice was implemented in the virtual bill, which allows customers to access a website and explore their invoice information digitally.

## Joint energy – ASEO billing

During 2021, we continued with the joint billing of sanitation with the operators ÁREA LIMPIA, PROMOAMBIENTAL, SER AMBIENTAL – CENTRAL COLOMBIA, TRASH GLOBAL and URBASER (Soacha). In 2021, CIUDAD LIMPIA and URBASER (Facatativa) were incorporated, which represented a total of 1,711,609 customers billed for cleaning services by the end of 2021.

Of the total number of customers billed for cleaning services, 80% correspond to customers located in Bogota and 20% in 11 municipalities in Cundinamarca.

## Claims reduction project

During 2021, initiatives were implemented focused on:

**Customer pedagogy:** updating information on the website, participation in Enel Hogar conversations, ABC design of re-settlements, design of material on how to read the bill for the two billing schemes, accompaniment to communications in advertising campaigns.

**Changes in the bill:** inclusion of the number of days billed, daily consumption in kWh, value in pesos for the daily consumption of the kWh billed, change in the presentation of the average consumption in the consumption graph, inclusion of the value of service reconnection and consumption alerts through traffic lights.

**Communications attached to the bill:** update of the text of the letters attached to the bill for customers with average anomalies (first time and repetitive).

**Proactive notifications:** sending of text messages (SMS) to customers with a variation in billed consumption of 30% with respect to the previous month's consumption and to customers with three or more billed days with respect to the days of the previous period.

**Eye Tracking Study:** diagnosis of Codensa's bill, to evaluate it against customer expectations, in terms of information, design, comprehension and usefulness.

**Analytics Model:** support in the construction of the analytics model through which customers at risk of claims are identified.

## Electronic invoicing

**Regulated market:** working groups were held with companies in the sector to understand and raise points and concerns regarding the electronic invoicing model defined in Resolution No. 042 of 2020 of the DIAN. As a result, sessions were held with the DIAN technical team, which provided

an example of the XML file; based on the file received and considering the resolution, a first functional document was prepared in which the casuistry and lines of business were identified, the concepts with VAT, the identification of fields and a first outline of the model flow.

**Other markets:** the changes to the Zuora, E4E and Genesis systems requested by Resolution No. 012 of 2021 of the DIAN on electronic invoicing "Whereby some articles are modified and added to Resolution 000042 of May 05, 2020 and other provisions are established" were successfully implemented, for these systems the new definitions of the DIAN were incorporated, as well as a new version of the technical annex and additional fields.

## Zuora Invoicing

Considering the objectives of the X-Customer project, the invoicing of the Asistencias 360 product was started through the Zuora system, generating in 2021 more than 127 thousand invoice documents for \$1.7 billion; these invoices, were sent and approved by the DIAN and the collection was made to customers through the energy bill.

## Bamboo Project

The pilot of this initiative was carried out, through which customers were offered the option of choosing the date of payment of their energy bill. Customers enrolled had to meet criteria, such as having an AMI smart meter and being up to date with their service payments. We sought to test the entire digital process of the revenue cycle, from AMI reading, delivery with virtual bill, digital payments, payment tracking on the agreed dates and remote AMI suspension. At the end of 2021, 1,007 accounts were enrolled.

## Prepaid billing

We supported and participated in the development of the prepaid energy pilot for 18 customers who only had active energy products and were located in Molinos Sur. A promotional charge of \$30,000 was made for each customer as part of the program to link them to the project. This pilot is valid for five months and after this date customers will return to their traditional monthly billing cycle.

## Stratification

Three stratification decrees were applied (Tocancipa, San Cayetano, Cota) delivered by each of the Municipal Planning Secretariats.

For the municipality of La Calera, the urban stratification was revised according to decree 097 of September 21, 2020, but at the request of the municipal administration, it will be applied once the corrections requested by DANE are made.

In accordance with the provisions of Acts 142 of 1994, 505 of 1999, 682 of 2001 and 732 of 2002, we attended and actively participated in 206 sessions of Permanent Stratification Committees (CPE) in 45 municipalities that have this consulting and oversight body. Also, and in accordance with the provisions of Decree 007 of 2010, we proceeded with the payment of the economic contest for a total of \$384 million to 14 municipalities in the Company's area of influence that complied with the requirements demanded by law to process the payment.

Bogotá	Cabuyaro
Cajicá	Fómeque
Tocancipá	Gama
Gutiérrez	La Calera
Madrid	Ricaurte
Ubaque	Tabio
Ubaté	Zipacquirá

## Update of cadastral certificate

In compliance with resolution 20192200020155 of June 25, 2019 and resolution 20192000034975 of September 10, 2019 of the Superintendence of Public Utilities, the cadastral certificate was uploaded to the Epica commercial system for 53% of the total number of customers, and the DANE code and location for 100% of customers. Coordinates were uploaded to 98% of the base, for compliance with reports to the SUI single information system, which for the second delivery in December required 50% of the information uploaded on the total of the Company's customers.

## Zoning – changes in the billing scheme for customers in Cundinamarca

A zoning study was carried out in Cundinamarca, which consisted of evaluating the change of billing scheme for urban accounts in 29 municipalities. A total of 112,000 customers were identified as candidates for the change of scheme (from on-site billing (FIS) to traditional), and the impact on the operation and its possible implementation for the change of contracts in the area of Cundinamarca was measured.

## New delivery contracts for the Cundinamarca area (On-Site Billing)

On November 8, the new contractors that provide reading, delivery and on-site billing services for the municipalities of Cundinamarca started operations. The collaborating companies began operations without special novelties and complying with all biosafety, quality and timeliness standards. As a novelty, motorcycles were required to have Anti-lock braking systems (ABS).

## CREG 015 of 2018 compensation, public lighting

In July 2021, the concept of Public Lighting Compensations was passed to production, as established in CREG Resolution 015 of 2018, in which the calculation of compensation for each transformer linked to each municipality account was requested. This calculation was made for 175 accounts with around 25 thousand transformers associated to approximately 500 thousand luminaries, for which the necessary functionalities were developed that determined the value to be compensated, credits that are presented in the invoice through the concepts COMPENSAC QUALIDAD SERVICIO CREG 015/18 and COMPENSACION CREG 015/18 – RETROACTIVO, as appropriate.

## Withdrawal of surcharge Act 1955 Bulletin 179

In January 2021, the withdrawal of the surcharge took place, as it was declared unconstitutional by the Supreme Court of Justice. This surcharge of \$4 per kWh was applied to approximately 950,000 customers, the payment made by customers was transferred to the Business Fund of the Superintendence of Residential Public Utilities.

## Improved bill quality

Cross-checks were applied to guarantee the quality of the bill issued. Improvement actions were identified and implemented in the billing process for suspensions, outages and reconnections, additional controls in the technological migration for on-site billing and the implementation of new processes for billing self-generators.



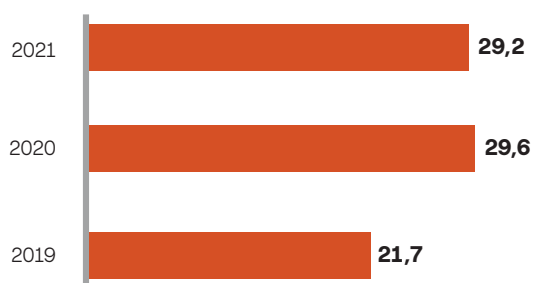
## Revenue assurance

The information of the processes corresponding to Reading Errors, Supply Points, Billing of VAPS (Cleaning Charges) and Suspension, Cut-off and Reconnection was analyzed. Risks were identified and corrective actions were defined for mitigation to be implemented in each of the processes in 2022.

## PORTFOLIO MANAGEMENT

Portfolio management in 2021 focused on seeking to normalize the impacts generated by the effect of the pandemic, strengthening the different strategies that make up the collection cycle. Below are the main indicators and results for the year:

### Days of debt

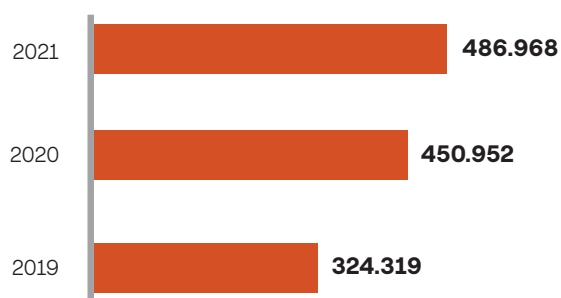


**(Days of debt:** (Total debt / TAM n-1 turnover) x 360

The indicator closed the year at 29.2 days with an improvement of 0.4 days compared to 2020 year-end.

This behavior is mainly attributed to the decrease in debt days of the "current" portfolio.

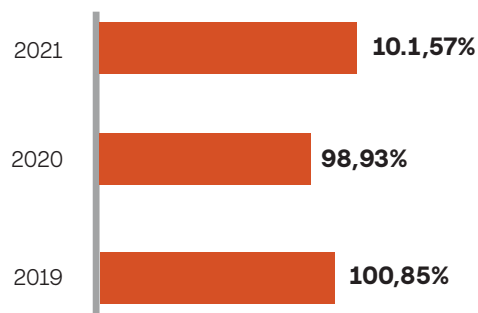
### Total debt



**Total debt** = Current and past due unpaid amounts of the electricity business and VAPS

Ends 2021 at \$486,968 million.

## Collectability Index



**The collectability indicator TAM n-1** \$Accumulated collection/ \$Accumulated billing n-1)

This indicator closed at 101.57%.

Additionally, collection was accompanied by important payments, as a result of negotiations with customers in the corporate and public lighting segments.

New collection management strategies were implemented, new digital channels to make payment agreements, as well as the negotiation with customers of representative debts of the different segments.

The following is a summary of the main actions carried out:

### Negotiation with high-impact customers

In the corporate segment, thanks to the generation of spaces for rapprochement, successful conciliations were achieved with customers. In addition, as part of the special management of municipalities with the highest volume of debt and that invoice charges associated with public lighting, actions were generated such as field visits, maintenance of good relations, support to interdisciplinary working groups, among others, which resulted in extraordinary payments.

### High-impact customer plan for the recovery of readings:

A plan was designed based on establishing a good relationship with the customer, and avoiding the minimum loss due to anomalies presented in late readings, as a result, the recovery of more than \$3.2 billion was obtained.

### Special payment agreement plan Libérate

As a measure to protect the situation of some of the customers in arrears due to the health emergency, the "Libérate" plan was launched, which consisted in granting special financing conditions, so that they could normalize their debts and continue enjoying the electric service in their homes, commerce and industry; as a result of this strategy, payment agreements were reached for more than 26,500 customers, for more than \$29.6 billion, with a collection of more than \$4.7 billion.

### Strengthening of the suspension strategy:

Changes were established in the scheduling of operations and operational efficiencies in the field, managing to improve the recovery of delinquent portfolio. The average before April 2021 was \$13,027 million and increased to \$17,252 million as of December 2021, obtaining in some months recoveries in excess of \$19 billion.

As a complementary measure, we strengthened the commercial crews that carry out field presence, whose purpose is to take advantage of the approach with the customers

so that through a friendly solution the normalization of the debt is achieved; this strategy has been of great help in this health emergency, since it allowed normalizing the portfolio for more than \$27 billion.

### Agreements through digital channels

The digital agreements strategy made it possible to offer various channels to normalize customer debts. More than 21,000 agreements were established for more than \$4,750 million.

Channel	Facebook	WhatsApp	Chat Web	Bot de Convenios	APP	WEB
Start-up date	25 Nov 2021	25 Nov 2021	25 Nov 2021	01 Sep 2020	28 Nov 2020	21 Nov 2020
Agreements made	8	176	105	19.729	678	377
Debt \$	\$763.127	\$29 Mill	\$25 Mill	\$3.779 MM	\$98 Mill	\$56 Mill
Agreements in good standing \$	8 agreements for \$503.661	174 8 agreements for \$20 Mill	100 cagreements for \$13 Mill	14.709 agreements for \$2.561 MM	654 agreements for \$22 Mill	357 agreements for \$26 Mill
Agreements in default \$	0	1 agreement \$196.815	4 agreement \$4 Mill	2.020 agreement \$198 Mill	12 agreement \$309.831	7 agreement \$1 Mill



# CUSTOMER EXPERIENCE AND DIGITAL TRANSFORMATION

## B2C segment

The Company seeks to stay connected with its customers through simple and agile experiences, for this the strategy continued to focus on promoting omnichannel, and driving end-to-end automated processes to improve their experience and loyalty.



## Permanent communication with customers

To provide a comprehensive service experience in order to respond to customers' questions and needs immediately, new transactions and self-management opportunities were created in 100% assisted channels, among other initiatives. This allows us to recover the customer experience and improve the promise of value; and the NPS (Net Promoter Score) indicator.

### Customer experience management

We worked on the design of the customer experience in order to deliver a value offer adapted to their needs and preferences in each Customer Journey, for the processes of Emergencies, Scheduled Jobs, Special New Connections (NNCC), Customer Ombudsman, New To Be Virtual Invoice, X-Customer Assistance, Simple New Connections (NNCC).

Furthermore, we identified areas for improvement and prioritized actions and opportunities for customer impact, taking as a reference the analysis of different sources of information to learn about the customer's experience. Design brainstorming sessions were carried out based on the insights identified, as follows:

Close The Loop: this matrix was built to manage the one-to-one experience of detractor customers based on the feedback captured in the experience survey. Training was provided to the channels, templates were designed to manage detractors, and typifications were defined with a follow-up and detractor management report.

Close The Loop Compensations: the model was defined and the compensation strategy was implemented to sym-

bolically compensate customers affected by non-compliance with the promise of value.

### Data Governance

Implementation of a new data processing authorization migration process, from processes that are not currently integrated with Salesforce, such as: Appointments, Connecta, Data Update Campaign, among others. Thanks to this process, 48,690 authorizations were migrated.

Management of the authorization for the processing of personal data for customers and/or contacts, with creation date prior to the issuance of Decree 1377 of 2013. In total there are 718,592 authorizations, which are executed in three massive uploads: 180,000 were carried out in 2021, and the rest will be carried out in 2022 (260,000 in January and 278,592 in March).

Identification in the B2C segment of 76 moments for which data processing authorizations are captured. The latest status of the process is as follows:

- Unambiguous (71 Completed - 5 In progress).
- Express (73 Completed - 3 In progress)

### Digital transformation

Codensa focuses its digital transformation strategy on being a company always connected with its customers through simple and agile experiences. In this regard, it has launched and progressively renewed since 2018 digital solutions such as the mobile app, chatBot Elena on What-

sApp channel, electronic means of payment and virtual invoice that improve the customer experience, facilitating immediate interaction. As an effect of the above, the share of digital customer service channels increased from 59% in 2018 to 82% in 2021. 2021 represented significant progress in the different work focuses of the project:

#### **Digitalization of the Commercial Cycle process**

- Initiatives were implemented to improve the flexibility of payment alternatives, such as bill date change (Bamboo project), a fixed fee payment model (A la Fija project) and a prepaid service model for accounts with smart meter (Prepago AMI).
- Increase of customers with virtual billing and digital payments, as evidenced in the billing chapter.
- Implementation of Smart Invoice, a website where customers can independently explore in detail the items on their bill and compare it with other periods.
- Proactive notification processes, sending automated SMS on events such as the issuance of the bill, receipt of payment and notification of deviations in consumption.

#### **Digitalization of the New Connections process**

- Standardization with the global architecture of the systems that support the new special (e.g. construction customers) and simple (e.g. residential customers) connections, improving service times thanks to the Eco-Beats and Salesforce Contracting platform systems.
- Virtual visits to validate conditions for new connections.
- Online tracking functionality so that the customer can check the status of new connections.

#### **Digitalization of the Emergency Response process (power failures).**

- Proactive notification processes to inform the customer about the onset and resolution of faults.
- Improved online tracking of fault status by the customer. Now the customer can consult the progress not only through the mobile app, but also on the Web, Chat, Facebook and WhatsApp. These queries are automated, eliminating waiting times for the customer.





## Data Governance

- Creation of the Data Governance Office and Center of Excellence in Analytics (CEAN). More than 90 people were trained in Business Intelligence and Business Analytics, addressing topics ranging from basic analytics and introduction to SQL databases to Python programming and ETLs.
- Implementation of automated rules, controls and reports for customer database quality management in Salesforce.

## Digital channels

- Since 2019, Enel Codensa has been developing a digital transformation project that includes among its focuses the evolution of channels such as App, Web, Chat, Whatsapp and Facebook Messenger, seeking the incorporation of the main transactions that customers perform in service centers and call centers. In particular, during 2021, 23 developments concentrated on the Web, Chat and Facebook were implemented, thanks to which the customer now has at its disposal transactions such as reporting and monitoring of faults in the supply and public lighting, bill duplicates, generation of payment agreements and filing of PQRs, among others. The maturity achieved in digital channels between 2019 and 2021 has allowed the company to go from 8.2 to 18.3 million annual customer transactions through these channels. Offering customers these self-service functionalities has allowed them to avoid travel and waiting times, which are inherent to traditional channels, while perceiving a company with which it is easy to interact in a simple and agile way.

## EBS Program: Energy Business Support

The EBS training model continued as a repository of product and process information for initial training activities in the service channels and weekly information replication through EBS News.

The use of digital tools was incorporated as training facilitators, such as podcasts, virtual reality videos and gamification. Online consultation files and aids for the generation of cases were also made available through the channel manual.

- Production of 25 podcasts to socialize informative and reinforcement content in customer service management.
- Design and implementation of Gran Mundo EBS, a gamification-based training tool with 10 games available for service channels.

- Two new virtual reality videos in customer service scenarios, socialized to the phone service and face-to-face and digital service channels.
- 1,150 news items with relevant information for the business and customer service, socialized weekly to the telephone service, written management, face-to-face and digital service channels.

## Analytics

This process seeks to provide valuable information to answer business questions and make strategic decisions. It is carried out from the management of data from the people domain that make up the master customer knowledge bases, for quality control and monitoring of product indicators. The product offerings of both agreements and own products are profiled, developing customer archetypes and maintaining customer value models and payment culture. Highlights in 2021:

- A complaints risk model was developed and implemented, which provides daily segments of customers at risk, together with the identification of the causes of a potential complaint.
- To improve the NPS, we contributed with the development of a dashboard to monitor the Customer Journey of the channels and with text mining (in the form of word clouds and semantic networks), which makes it possible to know the main words used by customers to refer to the customer service channels, and why a customer qualifies with a low NPS (detractor).
- On the data front, we contributed with the development of the CECO algorithm (allows to create, provide accuracy, complete and improve the timeliness of customer contact data), enriching Salesforce with contact data from external sources.
- Developed and implemented an ARIMA model that allows 24/7 delivery of the promise (in hours) of fault resolution from estimates of ticket demand by hour and day, by week and subzone.

## Conecta loyalty program

Seeks to get to know customers, strengthen the relationship with them, make them profitable, build customer loyalty and increase their satisfaction with the brand's different products and services. In 2021, the following stands out:

- Increase in annual program registrations by 64%, from 98,583 to 161,665.
- Integration with the two data update campaigns carried out. More than 35,000 customers registered in the program.
- Start of pilot tests with the CFC product, in order to position Conecta as the loyalty program for cardholders.

- Launch of points transfer functionality among registered customers.
- Design of the redemption catalog, with more user-friendly visuals and a recommended products section.

## CLAIMS MANAGEMENT

The Enel Group set an ambitious goal for 2021 to reduce the volume of claims. For Colombia, it set a target of no more than 627 complaints per 10,000 customers. To this end, Codensa implemented a project that integrated work teams, organized in work fronts by the different taxonomies of claims. The most significant initiatives in this regard were the consumption analysis bot, communications, global dashboard, voltage quality, prioritized intervention plan, predictive model, list of customers prone to complain, proactive notification, change of viewers and PRISMA – Tele Gestión team.

## DIGITAL CHANNELS + ANALOG CHANNELS

### Interactive Customer Care:

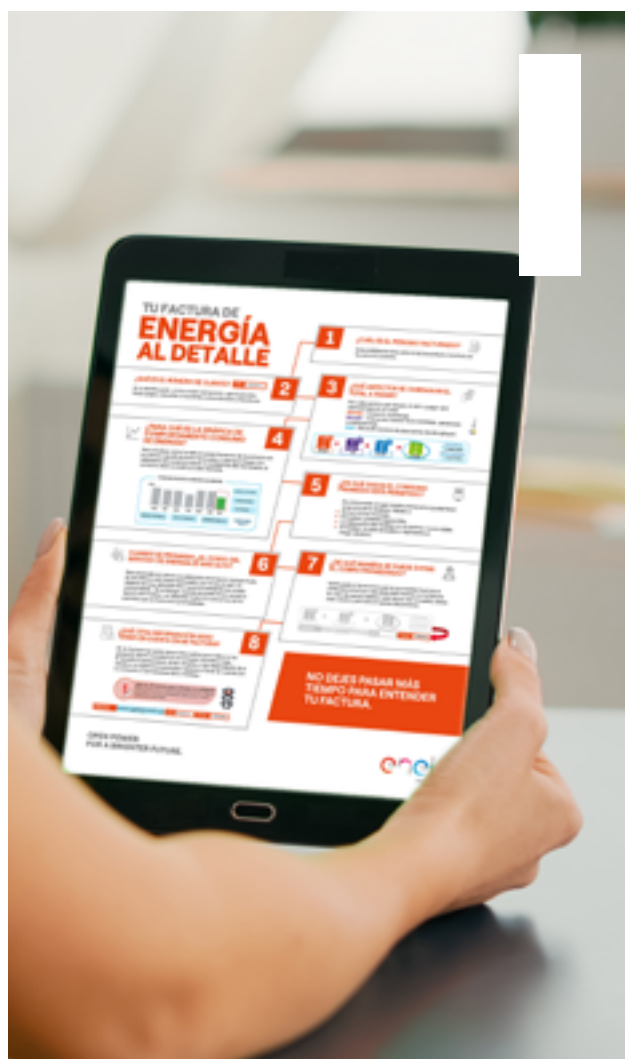
The strategy continued to focus on reinforcing omnichannel with two major fronts: digitalization and self-management. The digitalization front was reinforced with immediate strategies and action plans, given the need to achieve greater customer coverage and agile and timely attention to the community during the pandemic. The customer service operation presents a mixed service model covering virtual and face-to-face service. As for the self-management front, it is based on the use of equipment and technological platforms through which the customer can manage a series of procedures, according to their needs, independently and autonomously.

### Management of digital channels

- In order to facilitate access to the Codensa app, biometric authentication was implemented, allowing users to log in through fingerprint or easy recognition, depending on the technology of the mobile device.
- In the course of 2021, the use of bots and robotized transactions (copy of invoice, supply failure report and

public lighting failure report) were implemented for customer self-management, in Facebook Messenger channels and the website's own chat.

- Watson/IBM technology was migrated to the Salesforce Einstein bot, in order to streamline the process of implementing and integrating new transactions in the WhatsApp channel.
- New transactions were made available to users for different customer segments such as the following:
  - Payment Deadline. Available in app and web
  - Supply failure report. Available on the web
  - Filing complaints and grievances. Available on web
  - Proof of payment (open invoice). Available on web
  - Generation of payment agreements. Available in WhatsApp – Facebook Messenger – Own chat
  - Comink2: energy service restoration steps. Available on WhatsApp – Facebook Messenger – Own chat
- Positioning of the virtual service center through the activation of SEM (Search Engine Marketing) strategies, which increased the number of visits to the landing page by 87%.



## **ANALOG CHANNELS**

### **Face-to-face**

Initially, 21 branches were reopened in Bogota, including the Venecia, Soacha and Av. Suba service centers. For Cundinamarca, the reopening took place at the Chia, Facatativa, Fusagasuga Centro, Girardot, Madrid, Mesitas, Puerto Salgar, Ubate, Villeta and Zipaquirá branches, with new service hours from Monday to Friday from 9:00 a.m. to 4:00 p.m. and some of the branches from 2:00 pm to 4:00 pm. Additionally, both in Bogota and Cundinamarca, an average of visits to 35 municipalities per month and about 20 days in Bogota, serving more than 400 customers per month, so that five points of integral mobile attention were reopened. All of the offices have strict biosafety protocols. Simultaneously, schedules were enabled for face-to-face service in the service centers through mobile app, phone service and website, controlling the capacity and guaranteeing the provision of the service.

### **Contact Center**

The generation of payment vouchers for issues associated with Crédito Fácil Codensa was enabled from the Contact Center, with an approximate scope of 18,000 vouchers per month. This improved the first contact solution and the customer experience.

The implementation of the e-mail to case model in the Contact Center allowed customer requests by e-mail that include documents to be answered in less time (approximately 2 working days).

An outbound call model was implemented for customers with averaged accounts, in order to avoid complaints and improve the customer experience proactively.

For customers with value-added products and services, we worked in the retention process to improve the experience for customers requiring disenrollment or cancellation by third parties. A dedicated channel was implemented to transfer customers, and a protocol for repeat customers was designed.

### **Written response and rebilling**

For the Written Response channel, 98% of the personnel continued to work at home, maintaining the quality monitoring process, training, incorporation of new personnel and connectivity.

At the communications management level during 2021, 141,351 complaints and grievances were received, equivalent to a 25% reduction (compared to 189,170 in 2020), mainly due to: decrease in complaints related to the billing complaints and grievances process, from 62,814 in 2020 to 43,454 in 2021 (-31%); decrease in the resolution process from 16,833 in 2020 to 6,832 in 2021 (-59%) and decrease in claims related to portfolio management processes, from 21,366 in 2020 to 12,286 in 2021 (-42%).

In the case of re-invoicing, 106,532 requests were received and 95,205 invoice adjustments were processed, which is equivalent to a YoY decrease of 10.9% and 6.7%, respectively.

In 2021, four RPAs (Robot Process Automation) were implemented for the reasons for customer requests related to excess consumption, reconnection charges, inspection charges and re-settlement of consumption. These typologies accounted for 26% of the cases handled through the written channel. At a technological level, these RPAs are integrated with OCR (Optical Character Recognition) and Apian tools, technologies that jointly read communications, following business rules and issuing a response to the customer. Response times were reduced to four days; additionally, the time used to manage complaints and grievances was reduced and human errors in transcribing customer data were reduced by 100%.

### **Salesforce written process**

During 2021, the development process of the Salesforce written functionality was carried out, which will allow migrating to a CRM (Customer Relationship Management) with access to all channels, achieving the following:

- Ensuring end-to-end solutions to improve customer experience.
- Omnichannel through a single tool
- Connecting systems for better customer service support
- Traceability in the system of the different requirements and claims.
- Centralization of information on files and collections associated with energy recovery and commercial issues.
- Greater knowledge of the customer at all levels
- Promotion of technological change with the application of robotics.

### **Web-based filing process**

A feature was created on the website for the customer to submit their complaints and grievances in a simple and intuitive form. In this first technological sprint, the functionality was connected to Salesforce, which allows traceability of the case through all customer service channels.

## Consolidation of the strategy for customer service and response to customer communications via e-mail.

We continued with the strategy of positioning the filing and response of complaints and grievances through e-mail, which allows quick and agile access through the technological implementation of a bot that automatically sends letters, reducing the use of paper.

## New virtual channel of the Superintendence of Residential Public Utilities

The Superintendence of Residential Public Utilities developed a virtual channel for receiving customer complaints, which has represented for the Company a 315% growth in complaints through this channel, in relation to what was received in 2020. Therefore, the customer service strategy was redefined, allowing 100% of the communications to be addressed within the legal term.

## Business to Business (B2B) segment

### Communication and relationship

#### Communication and dissemination through digital channels:

Educational pieces were generated to promote digital services for the B2B segment. Among the campaigns with the greatest impact were:

- Promotion and dissemination of virtual means of payment for the business segment, achieving 84.20% of companies paying through a digital means.
- Offering of WhatsApp Elena, for the business and small commerce segment.

Promotion of virtual invoices through promotional campaigns, for example, invoice credit for small businesses. In addition, a cross-service was carried out, taking advantage of interactions with the telephone channel. During the last six months, 790 customers in the segment were converted to virtual billing. These two actions resulted in the enrollment of more than 30,000 customers in virtual invoicing.

On the other hand, and with the objective of generating personalized service to business customers, during 2021 we managed specialized relations such as market defense, new connections, quality of supply and energy. Open communication has been maintained with customers on different fronts, creating a bond of rapprochement and trust, thus achieving more than 400 meetings with customers by 2021.

## Traditional channels

28% of business customers were served through the call center in a similar way. More than 130,000 calls were received, with a 25% YoY decrease. This was generated by automations in the IVR, which allowed customers to self-manage issues related to the creation of emergency cases, generation of duplicate invoices, status of dates and values to be paid and account status, as well as the enhancement of the web chat.

On the other hand, within the digital channels, an average of 74% of customer requests were covered during the year, the most representative of which were the written channel, proactive communications on scheduled maintenance, transactions on the website, WhatsApp Business services and self-service in the IVR, among others, which resulted in a volume of more than 370,000 transactions.

## Customer experience model

In 2021, the B2B customer experience model was consolidated. The highlights of these activities are:

- Within the experience governance model, which allows us to have an end-to-end vision and thus ensure the operation of customer-to-customer and mass customer management, we redesigned the experience for customer journeys in the billing, portfolio, customer recovery and retention and commercial offer processes.
- The first customer experience committees were structured and carried out with the technical areas in order to create synergies and mobilize the implementation of actions.
- Three internal training sessions were held to raise awareness of the customer-centric culture; in addition, a training plan was developed for collaborating companies, for which the training contents were standardized and virtualized.
- The experience recovery model was consolidated in the two main written customer service and call center channels. This model was used to manage the experience of more than 840 customers who had some inconvenience in their interaction and thus provide a definitive solution to their requirements.



This way, and together with channel management, the following was achieved in 2021:

- The NPS (Net Promoter Score) of the call center closed at 53 points, improving one point with respect to 2020.
- Improvement in the NPS of the written channel by 6 percentage points with respect to 2020.

### Digitalization of customer service channels

Digital channels for the business segment were improved. One of the main focuses of action was the website for the B2B segment, with which the following was achieved:

- New self-management functionalities were created in cases associated with the reporting and follow-up of emergency cases, taking self-reading.
- For small businesses, the option of generating invoice refinancing was expanded.
- Steps were taken to facilitate the management of the change of supplier to Codensa and thus enhance the customer recovery processes.



## Business to Government (B2G) Segment

### Service strategy aimed at the B2G segment:

During 2021, significant progress was made in consolidating the operations of the service channels. This way, the phonoservice contracts supported customer service through the phonoservice channels, VIP line for mayors, WhatsApp for mayors' offices and customer service line for official customers, under the guidance of timeliness, friendliness and solution of customer requirements. In addition, the operations for giving response to written requests were improved.

### B2G digital trends:

2021 was a baseline year for the diagnosis of the digital preferences of the Government customer. Therefore, we worked on the input of the digital tools study and planned the Customer Engagement campaign for the B2G segment, to obtain customer feedback regarding the channels: Web, WhatsApp and mobile app.

### Special B2G projects:

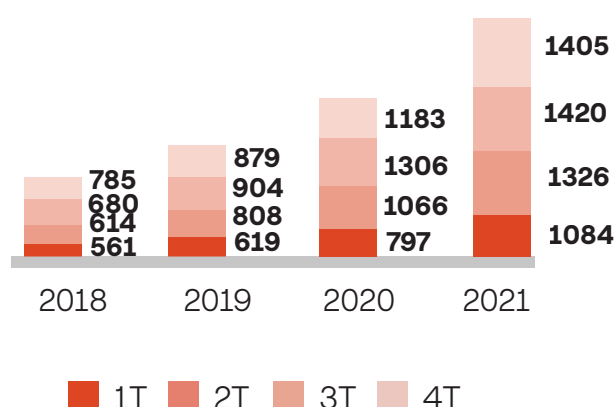
Special projects were developed aimed at improving Government customer satisfaction, under different aspects:

- Relationship model with municipalities in Cundinamarca.
- Experience models for scheduled maintenance and emergency services for official customers and public lighting.
- 4U project for interaction with the government customer, providing timely information on scheduled maintenance and investments, mainly.
- B2G strategic customer service model.

## INTERACTION WITH CONTROL AGENCIES

During 2021, the control entities made 5,235 requirements to the Company, as a result of the claims that customers brought to their attention; it is noteworthy that 99.98% of these requests were met within the terms of law granted. The evolution of these claims over the last six years is shown below:

### HISTORY OF REQUIREMENTS 2016-2021



In 2021 the total number of claims had an increase of 17% compared to the previous year, due to adverse weather conditions that occurred during the second half of the year and affected the continuity of service in some areas of Cundinamarca.

Of the total requirements received in 2021, 60% corresponded to requests related to the Infrastructure and Networks process; 32% to energy sales processes; in turn, claims associated with Enel X processes had a share of 8% within the total.

The largest reason for complaints in 2021 corresponds to requests for maintenance on the electricity infrastructure, with a share of 21% of the total number of complaints, followed by complaints about billed consumption with a share of 18%, and finally complaints associated with the continuity of service with 10%.



## CUSTOMER OMBUDSMAN'S OFFICE

The Customer Ombudsman's Office's mission is to preserve and improve relations between Codensa and its customers, through the peaceful management of contractual conflicts, for which it acts independently as a mediator between customers and the Company.

By 2021, the Customer Ombudsman Office improved customer service through the web and digital media. It was possible to move from a personal Customer Service Office to a Virtual Customer Service Office, preserving the proximity to the customer, in a virtual model with personalized SERVICE.

### Results 2021

With respect to the cases handled at the Customer Ombudsman's Office in second instance, 869 cases were admitted and 856 requirements were finalized.

In the Ombudsman Express service, 494 requests were addressed and resolved in first contact.

At the end of 2021, 80.67% of customer requests were resolved in favor of the customer, 10.67% were modified, 1% were conciliated or the response of the first instance was clarified, and 7.6% were rejected or declined by the customer.

In other words, nine out of ten customers obtained an improvement compared to the initial situation, which ratifies the preventive law vocation of the Customer Ombudsman, its independence and the Company's respect for its decisions and recommendations.

Regarding the complaints received for incorrect behavior or behavioral issues, 3,196 were received and 3,146 were finalized; 39 complaints were related to customer-facing processes and 464 complaints were rejected, because they were not related to the business, but to strategic partners.

A total of 4,481 requests were redirected to other channels because they were first contact, without approaching traditional channels; 154 requests were returned to customers due to lack of information to carry out the management.

In 2021, due to the negative impact on the economy and income of the most vulnerable households due to COVID-19, there were increases in the delinquency rates of some customers, for which the Customer Ombudsman's Office joined efforts with the portfolio area to offer flexible payment agreements according to the particular situations of customers, in an exercise of social work. Ninety-eight payment agreements were reached that maintain the protection of the account for the vital right of access to energy service, for individuals and families in vulnerable conditions.

## INFRASTRUCTURE & NETWORK MANAGEMENT

2021 was a challenging year for infrastructure and network management, as we had to live with the pandemic without lowering our guard and at the same time act to ensure continuity in the provision of service and promote economic recovery. In this sense, it was essential to evolve the way of working and adopt a new operating model, as fundamental aspects for redesigning the network of the future, aimed at accelerating the energy transition.

Codensa personnel and collaborating companies intensified efforts to continue bringing energy to life, ensuring the execution of works and interventions in the network to improve the quality of service in Bogota and Cundinamarca, as well as those that constitute a lever for the electrification of consumption, digitalization and flexibility of the network.

Progress was made in important works: the construction of the Terminal substation began, the anticipated transfer of energy networks progressed as part of the works being carried out for the First Line of the Bogota Metro, several modernization projects were completed and the essential electrical infrastructure to enable electric mobility in Bogota was developed.



Also, during 2021 Codensa was the first network operator in the country to achieve the Asset Management System certification under the international standard ISO 55001:2014 and promoting with other utilities the "Alliance for the Legality of Public Services", for the development of technical and legal strategies and exchange of information to counteract fluid fraud in the city of Bogota and its surroundings.

## Framework for Action

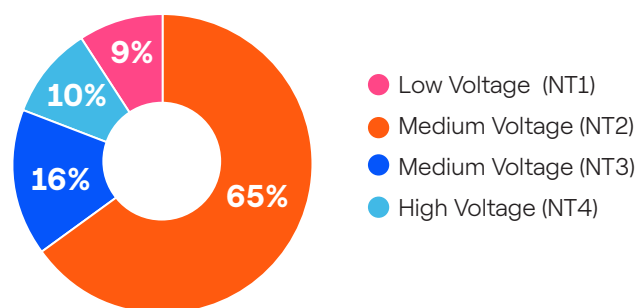
### Management and regulatory context

#### CREG Resolution 068 of 2021

In July 2021 the CREG issued Resolution 068 of 2021, which modified Codensa's 2019 - 2025 investment plan, previously approved under CREG Resolution 189 of 2019 and the associated variables for calculating revenues and distribution charges.

The implementation of the resolution adjustments started in August; which approved an investment distributed by voltage level for the year 2021, as shown below:

## INVA 2021 (Investment Plan expressed in Construction Units approved by the CREG to Codensa) 2021 distributed by voltage level.



The investments presented and approved by the CREG guarantee the attention of the demand under the standards of reliability, safety and quality dictated by the regulation in force and the necessary infrastructure for the expected growth in the city region and enables the integration of renewable generation sources and the massification of electric mobility within the framework of the energy transition.

The first plan was approved by CREG Res. 122/20 and the regulation states that it must be updated every two years. The plan approved in 2021 covers the 2020–2025 horizon and recognizes 1.93 trillion, which represented 97% of the value requested after the process before the Commission.

## Energy Transformation Mission (MTE)

This year culminated the development of the MTE led by the national government and with the permanent support and contributions of the Enel Group. This effort resulted in the publication of the Energy Transformation Mission Booklet by the Ministry, which presented the policy guidelines on five fronts: i) wholesale market, ii) modernization of the network, iii) natural gas market, iv) energy coverage and subsidies, and v) institutional and regulatory framework.

In addition, Act 2099 of 2021 on Energy Transition was issued with provisions for the energy transition, the dynamization of the energy market and the economic reactivation of the country, mainly.

From the results of the MTE for Codensa, positive aspects are identified regarding the course defined for operational flexibility and demand response services, the signals for the evolution of the traditional distributor towards the Distribution System Operator (DSO) and the reference to the need to digitalize the sector. This will involve carrying out detailed regulatory work to consolidate the transition framework to build and realize the new business opportunities that the Enel Group has envisioned for the local market and the country.

## Other regulatory developments

**Advanced Metering (AMI).** The MTE guided on aspects of AMI (Advanced Metering) and Codensa submitted proposals to the regulator, which have not been published by the Commission for the time being. By 2022, the economic model must be developed at the national level to meet the established goals and boost investments in line with the provisions of Act 2099 of 2021 on Energy Transition.

**Connection and integration of NCRES.** The issuance of a group of regulatory standards regarding the connection and integration of NCRES to the distribution systems (CREG Res. 075, 135, 148, 174, of 2021) is noteworthy. These standards generate challenges of adaptation of the distribution processes and mark the path to integrate more energy resources to the distribution systems, which will boost the Enel Group's electricity and business activity.

In December 2021 the regulatory rate of return was updated to 12.09% (CREG Res. 215 of 2021) due to the tax reform "Social Investment Act" – Act 2155 of 2021. Said WACC will start to be applied as from April 2022.

Resolution MME 40172 was issued, through which the Ministry of Mines approved the general rule of the maximum tariff, according to which distributors may remunerate projects to expand coverage with an adjustment of no more than 1% of the distribution charge.



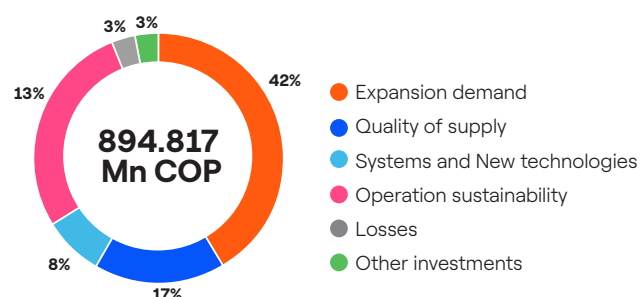


## Physical data of the system

Substations	66 power substations
	113 MV/MV substations
	89,097 distribution centers
Power Transformers	HV: 255 units – 10,717 MVA
	MV: 204 units – 902 MVA
	LV/MV: 1 unit – 0,045 MVA
Distribution transformers	92.251 units – 11,224 MVA
MV feeders	Urban 1037 / 18,503 km
	Rural 285 / 11,777
MV network	Overhead 25,874 km
	Underground 4,407 km
LV network	Overhead 40,022 km
	Underground 3,159 km
Lighting	416,754 units
	41.7 MW
	MV/LV: 570,763
Posts	PL: 120,315
Cameras	296,053 units

## We continue developing the network of the future

The Investment Plan for Infrastructure and Networks 2021 presented initiatives and projects defined and executed to enable the development of distribution networks to enable the growth and social and economic development of the city region in a sustainable manner.



## CapEx 2021 investment plan: context and execution figures

During 2021, investments of \$894,817 million were executed in infrastructure and networks to meet the growth in demand and connection requests from new users, improve the quality of service in terms of reducing the frequency and duration of supply interruptions, replace assets that are reaching their useful life, improve technical systems and implementation of new technologies, and reduce energy losses. The following graph shows the distribution of CapEx in the above categories.

## CapEx 2021 investment plan: key focuses and achievements

As part of the plan to meet new demand, three new MV – MV substations were built during 2021:

- Salamina: one 5 MVA transformer and three outgoing circuits for 13.2 kV.
- Boqueron: two 5 MVA transformers, six 13.2 kV output circuits, two 34.5 KV circuits.
- Panagua: two 10 MVA transformers.

In addition, the infrastructure for the connection of electric yards was expanded to contribute to the expansion of electric mobility:

- Fontibon Expansion: 40 MVA 115/34.5 KV transformer, MV switchgear train, associated civil works and MV networks.
- Compartir Expansion: 40 MVA 115/34.5 KV transformer, MV switchgear, associated civil works and MV networks.
- Usme Expansion: 40 MVA 115/34.5 KV transformer, MV switchgear train, associated civil works and MV networks.
- Victoria Expansion: 40 MVA 115/34.5 KV transformer, MV switchgear train, associated civil works and MV networks.

During 2021, relevant capacity expansion works were executed in existing substations to meet the demand. With the energization of these assets, the operability of the circuits and the installed capacity of the area was improved, to respond to residential, commercial and industrial customers:

- **Chia Expansion:** 2 transformers of 40 MVA (34.5KV; 11.4KV).
- **Sauces Expansion:** Installation of 4 new 115 kV connection bays (2 hybrid and 2 for 4 HV modules); installation of a new 40 MVA 115/34.5 kV transformer and a new 34.5 kV cell train, civil works for the equipment base and gantry, modernization of the control and protection system.

Given the increase in both available resources and execution capacity, the investment projects comprise an exhaustive follow-up and compliance model. The execution schemes for network expansion projects have been adjusted to detailed criteria in terms of scope, time and budget. Thus, during 2021, the following were achieved:

- 481 km of new MV networks
- 124 new customers connected in MV
- 380 new homes with energy service thanks to the 100% Cundinamarca initiative.
- 199 new producers
- 123,850 new customers

In terms of investments in quality of supply, we made progress in the digital transformation plan of the network, on the road to building true smart cities, achieving the following in 2021:

- 70 new tele-controlled units installed, reaching a total of 7,996 cumulative installed units that contribute to improving the quality of service.

- 147 automated circuits in 2021, for a cumulative total of 244, with the aim of reducing the number of users affected in the event of a failure.
- Installation of 1,354 km of fiber optics for the interconnection of MV/MV substations.

During 2021, projects were developed to validate the incorporation of new technologies to optimize internal and customer processes, in addition to improving worker safety:

- Installation of 1,028 smart meters in 2021, for a cumulative total of 73,406.
- 36 new lateral protections to clear faults in the MV network branches.
- Progress of the TO GO Lidar project aimed at building the digital twin of the network.

Codensa's Investment Plan guaranteed the connection to the system of the SITP electric bus charging yards (more than 1,700 buses); additionally, we started the relocation of the Calle Primera substation, which interferes with the route of the first line of the Bogota Metro and the designs for the substations required to feed the Regiotram de Occidente.

## Substation expansion plan and high-voltage projects Bogota-Region 2030

Bogota-Region 2030 is Codensa's expansion plan for high voltage projects, through which the Company seeks to strengthen its electrical infrastructure in Bogota and Cundinamarca, through the construction of more than 40 new substations and their associated transmission lines and medium voltage networks, strategically located, according to development plans, and as part of the population, economic and industrial growth, and the massification of electric mobility in the center of the country, and in compliance with the regulatory requirements of quality of service.

During 2021, six projects made significant progress: Terminal Substation (Fontibon), San José Substation (Los Martires), Barzalosa Substation (Girardot), Río Substation (Soacha), Calle Primera Substation (Los Martires), and the anticipated transfer of networks for the construction of the first line of the Bogota Metro.



### San José Substation Project

The modernization of the San José electrical substation and its associated medium voltage networks was completed, which will meet the growing energy demand in the central-eastern area of Bogotá, due to urban renewal, specifically in the district of Los Martires. This substation was energized and integrated to the operation in December.

The project had an investment of close to \$25 billion and consisted of the dismantling of the previous infrastructure and the commissioning of a new substation and its transmission lines.

With the San José Project, the substation was repowered, the 57.5kV ring was eliminated and it was modernized as a digital substation, in addition to doubling its capacity to 80 MVA and applying technology for its automation, which included the teleprotection and remote control scheme.

### Terminal Substation Project

Codensa started in November 2021 the construction of the Terminal Substation and its associated medium voltage networks, which aims to meet the growing demand for residential, commercial and industrial energy in the west-central area of Bogotá, especially in the towns of Fontibon and Kennedy. The project also seeks to guarantee the operation of the parking lots for the SITP electric buses built in the district of Fontibon.

This substation is located on Avenida Centenario (Calle 17) between Carreras 78 and 79, and will have an initial installed power of 80 MVA, energy equivalent to that consumed by a municipality such as Zipaquirá. Throughout 2021, spaces for socialization of the Environmental License and current status of the project were developed with authorities and the community.

### Barzalosa Substation Project

At the end of 2020, Codensa filed the Environmental Impact Assessment (EIA) with the Cundinamarca Regional Autonomous Corporation (CAR), for the construction of the Barzalosa Substation Project, strategically located according to the development plans, 15 km from the municipal capital of Girardot.

The works did not start in 2021, due to the delay in the granting of the Environmental License, since the EIA is under study by the Environmental Authority. On the other hand, the EPC (Engineering, Procurement & Construction) contract began in 2021.

This project will benefit more than 265,000 inhabitants and visitors of the municipalities of Girardot, Ricaurte, Flandes, Tocaima and Agua de Dios, and will be the first substation at regional level to connect photovoltaic energy generation sources (solar energy). The substation will have a capacity of 80 MVA in the first phase, with the possibility of expansion up to 160 MVA.



## Rio Project

Its main objective is to meet the electricity demand associated with the operation of the Canoas Wastewater Treatment Plant and the Lifting Plant, a project of great environmental and health importance for Cundinamarca. It will benefit more than 144 municipalities in the department, from Soacha to Girardot, including the Capital District.

The substation will be located in the municipality of Soacha - El Charquito, Canoas. Codensa advanced in 2021 all the stages of the EIA, according to the terms of reference delivered by the Regional Autonomous Corporation (CAR), involving local authorities and the community of the area of influence in the process.

On October 1, 2021, the CAR granted an Environmental License for the project through Resolution DGEN No. 20217000468, which will begin construction in 2022, through the contract awarded under the EPC modality.

## Calle Primera Substation Project

The District Environmental Secretary granted the Environmental License in December 2020, and in April 2021 the Planning Secretary issued the resolution adopting the Implementation Plan for the project to relocate the current infrastructure of the Calle Primera electrical substation, whose objective is to ensure the safety distances required for the construction of the First Line of the Bogota Metro.

This project consists of the dismantling of the current infrastructure and the construction and commissioning of a new substation and its associated medium voltage networks, with a capacity of 80 MVA, as well as its associated transmission lines, which will be underground, to guarantee energy service for more than 206,000 inhabitants of downtown Bogota.

Also, during 2021, the EPC contracts were signed to carry out the works for this substation.

## Grid management for efficient, sustainable and competitive performance.

Through the articulation of maintenance planning and the implementation of an innovative culture, the challenges were consolidated in relation to the protection of life and the environment, regulatory requirements and compliance with current standards, which in turn allow the provision of a reliable and continuous service, with highly competitive standards, through the management and improvement of international supply quality indicators SAIDI and SAIFI.

In 2021, Codensa not only met the established regulatory goals, but also managed to improve 12% in SAIDI and 8% in SAIFI, with respect to the 2020 results:

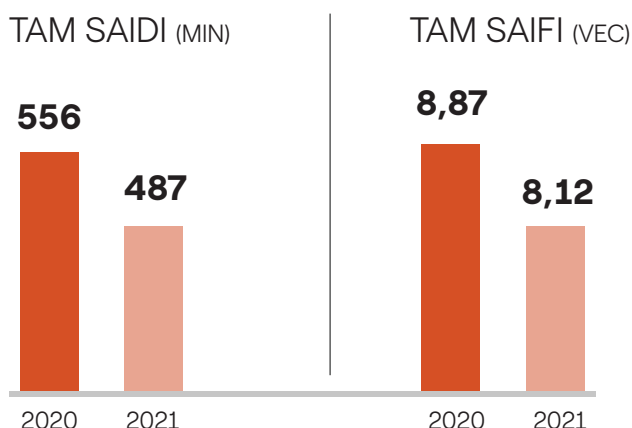




## SAIDI-SAIFI Results 2021

Codensa Indicator	Unit	Value achieved	YoY
TAM SAIDI	Minutos	487	-12%
TAM SAIFI	Veces	8,12	-8%

## Regulatory Indicator SAIDI-SAIFI Results 2021



Additionally, the Customer Average Interruption Duration Index (CAIDI), which measures the average service restoration times per customer who has had an unannounced incident, improved by 3% with respect to 2020.

## CAIDI Results 2021

Codensa indicator	Unit	Value achieved	YoY
CAIDI 2021 <sup>(1)</sup>	Minutos	60,22	-3%

## Network maintenance for operational excellence

Driven by its commitment to customer satisfaction, people care, process safety and regulatory compliance, Codensa executed the distribution network maintenance plan with greater assertiveness in the programmed activities, in accordance with international best practices and the established lines of action:

- Diagnosis of HV/MV/LV networks in HV/MV substations / HV lines / MV feeders.
- Visual and thermographic inspection of HV networks and HV/MV substations.
- Predictive diagnostics in power transformers by means of electrical tests and dielectric oil analysis. Construction of the SAMS platform for oil diagnosis in power transformers.

- Electrical testing of circuit breakers and application of the circuit breaker movement policy.
- Visual, thermographic and ultrasonic inspection in MV and HV networks.
- Inspection with Mobile LIDAR technology in HV and MV networks
- Helicopter inspection of HV and MV networks
- Measurements of grounding grids in HV towers and power SSEE's.
- Improvements in the flow of the PQR attention process, which meant greater control of the commitments delivered to customers and compliance with the six-month value promise.
- Structured plans for service supply reliability during wind, kite and rain seasons.

## Focus on high voltage infrastructure

### Measurement of the grounding system in HV substations:

in 2021, the execution of additional tests to measure the grounding resistance in towers and power substations continued to guarantee the safety of people and equipment.

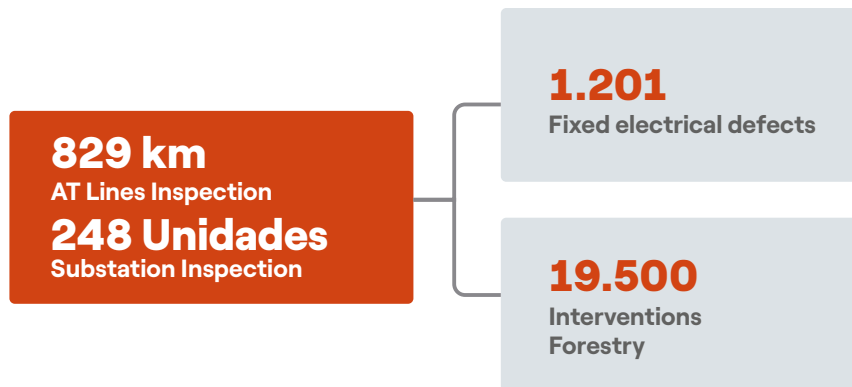
On-Condition Actions: in 2021 a forestry overhaul was carried out in the area of the Bogota River (Sibate) and Aguas Claras (Cerros Orientales Bogota), which benefited high-voltage corridors with high impact and criticality, such as Muña - Sauces, Salto 1 and Salto 2, among others.

Regarding the results of the maintenance plan, it was possible to solve 224 defects in HV lines and 1,185 defects in substations. For the maintenance of the easement strip of the HV lines, approximately 417,453 m<sup>2</sup> of spraying were carried out.



(1) Enel approved indicator

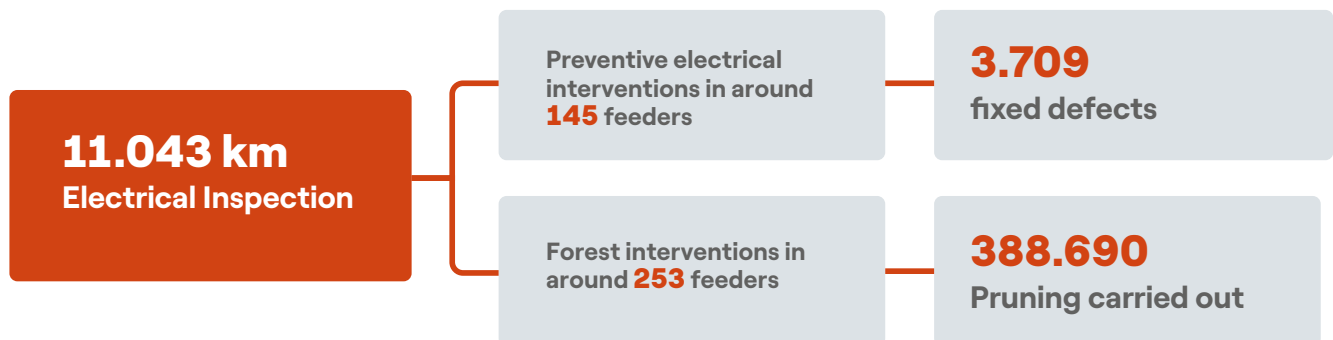
## Inspection of HV lines and substations



## Focus on rural medium voltage infrastructure

11,043 km of overhead and underground network were inspected, in about 145 feeders, which generated the solution of 3,709 electrical defects, 388,690 foresters.

### Rural electrical inspection and interventions



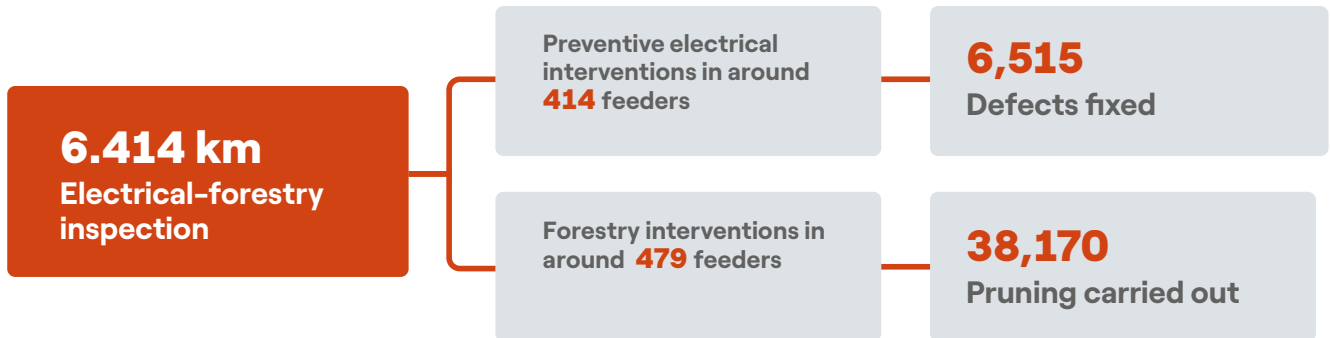
## Focus on metropolitan medium voltage infrastructure

A total of 6,414 km of overhead and underground network were inspected in about 414 feeders, which made it possible to resolve 6,515 electrical defects and 38,170 forestry interventions.





## Metropolitan electrical inspection and interventions



## Improvement agreement with SSPD

As part of the agreement signed in January 2020 between Codensa and the Superintendence of Residential Public Utilities for the improvement of the electric power service in some areas of Bogotá and 20 municipalities of Cundinamarca, the Company intensified its efforts and fulfilled the commitments assumed for the average and result indicators, in addition to the maintenance and investment plans.

The agreement expected that the duration of power outages would have a decrease by December 2022 between 20% and 10%, depending on the quality level of each municipality with respect to the indicators achieved in 2018, and that the number of times service was interrupted would have a 10% improvement for each municipality by the end of 2022. As of the fourth quarter of 2021, not only was the quality of service improved in all the municipalities covered by the agreement, but the proposed goals for 2022 were exceeded ahead of schedule, for an improvement of 49% in SAIDI and 33% in SAIFI in the area.

These results are the result of the investments for growth and maintenance of service quality, the maintenance performed on critical circuits associated with the municipalities, the follow-up of the causes of failures and the adequate scheduling of maintenance works in HV and MV in Cundinamarca. Additionally, thanks to the monitoring of Bogotá's localities with the largest number of compensated customers (mainly Engativa, Puente Aranda Martires and Fontibon).

## Commercial operations management: operational excellence focused on our customers.

### Non-technical loss reduction management program

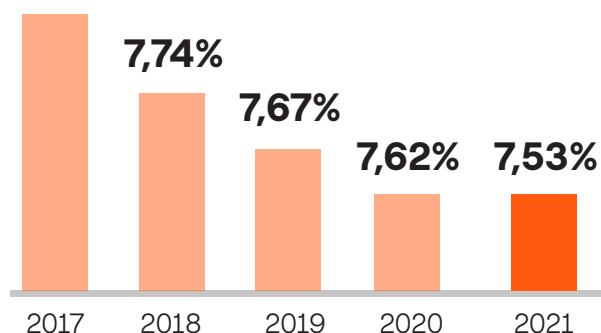
During 2021 the Company managed to reduce energy losses in its distribution system in a market still affected by critical conditions caused by the pandemic. Through an energy recovery plan, the Company was able to ensure the correct operation of metering equipment and normalize non-customer users connected directly to the network.

The inspection plan for 2021 reinforced actions aimed at improving the targeting and detection of anomalies associated with metering, thus achieving a recovery of unregistered consumption of 59.5 GWh, which reduced the loss rate by 0.09 percentage points and confirmed Codensa as one of the best companies in the sector.

The graph shows that the loss index has maintained a downward trend in recent years, reaching a historical minimum value of 7.53% in 2021.

## Annual energy loss index

7,84%

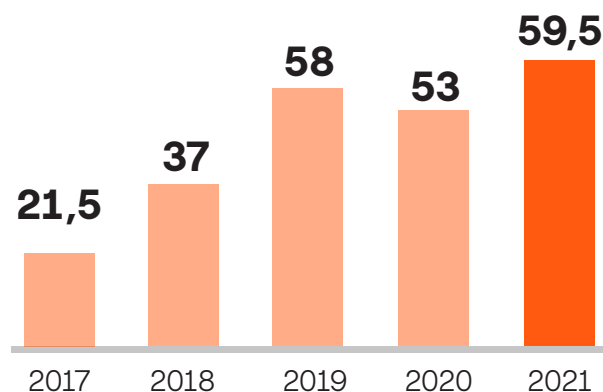


TAM energy losses as of December 2021 were 1,189 GWh-yr, of which 845 GWh are associated with technical system losses and only 345 GWh with non-technical losses.

## Energy recovery management

The adequate management of the loss control process allowed energy recovery for non-recorded consumption of 59.5 GWh/year, in 20,844 productive operations, on which an energy recovery file was configured. The graph shows the energy associated with unregistered consumption achieved in recent years:

### Energy recovery from unregistered consumption in GWh-yr.



Among the actions that allowed us to maintain an excellent level of energy recovery we highlight the following:

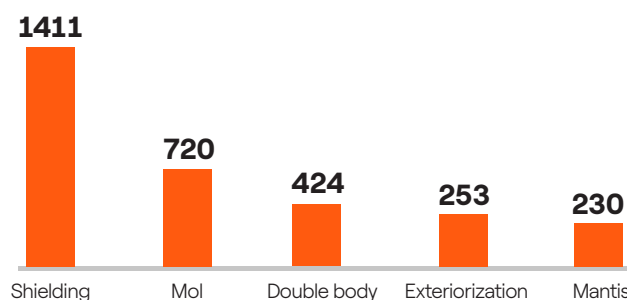
## Multivariable mathematical models for targeting

A multivariable model was developed based on internal technical variables to identify the probability of finding an anomaly at the customer level. This model allowed loss targeting approaches that allowed improvements in the efficiency of energy recovery associated with sending operations corresponding to large customers, tolls, global data mining, black list, seasonalities, massive, economic activity, among others. This generated a significant improvement in energy recovery efficiency in 2021.

## Metering assurance

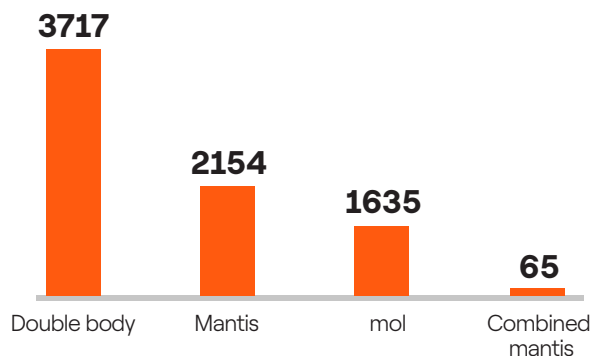
In the event of situations of proven theft of electrical energy, the execution of technical metering focuses on identifying cases and establishing different mechanisms to ensure that the energy is correctly recorded. This way, 2,318 technical metering activities and 720 Mol units were installed according to the needs of each particular case, distributed as shown in Figure 10.

### Implementation of technical metering 2021



Additionally, during 2021, maintenance was performed on 7,571 technical metering equipment that presented failures, the discrimination by type of maintenance is described below:

### Maintenance of technical metering 2021





The CNR associated with inspections with measure assurance was 12 GWh and the billing increases were 1.2 GWh. On the other hand, the billing increases associated with maintenance of the measure were 16 GWh and the CNR was 419 MWh.

## LV macro metering - Dynamo

Under the strategy of targeting and ensuring balances in MV/LV transformers with high probability of losses, during 2021, 1,361 points were selected for field visits, in order to validate the feasibility and implementation of the Dynamo technology corresponding to macro metering with Smart metering equipment. For this purpose, an automated selection algorithm was applied with identification of potential loss in 1,360 transformers with an estimated loss of 4.2GWh.

Among the points selected as viable, 750 points were implemented and installed in the field with Dinamo technology to take advantage of and focus on the detection of anomalies on the measurement units from the associated balances; already contributing in 2021 a recovery of 701 MWh.

## Clandestine users

During 2021, 1,932 clandestine users were incorporated, which included 120 complex connections that included MV and LV network constructions, as well as 1,812 simple connections with a distribution by coverage area distributed as follows:

### Clandestine user contracts

Contract	Percentage of incorporations
Bogota South West	46%
Bogota North	4%
Bogota South East	42%
Cundinamarca South East	8%
<b>Total</b>	<b>1.932</b>

In addition, 1,196 suspensions were made in users associated with neighborhoods not authorized by local authorities or that do not meet the technical requirements or must undergo a feasibility process for their connection. In addition, 1,673 non-customer users were incorporated, which allowed recovering a CNR energy of 1.07 GWh.

## Partnership for the Legality of Public Services

Motivated by the interest in reducing the time taken to file criminal complaints with the Attorney General's Office for the crime of fluid fraud, Codensa, together with Vanti (public gas service), and Empresa de Acueducto y Alcantarillado de Bogota (EAAB) (public water service), sponsored and led the training course "Technical and legal concepts that support the prosecution of public service fraud".

The event was attended by a group of 45 prosecutors, 16 expert speakers on fluid fraud and an expert professor in criminal matters from the Javeriana University, for a total of 85 attendees. As a result, the Partnership for the Legality of Public Services was created, with four lines of work: operational, judicial actions, prevention and administrative management before the Superintendence of Residential Public Utilities (SSPD).

The Alliance seeks to create awareness of the legal use of public water, energy and gas services, with the implementation of operational, legal, preventive and administrative actions to improve the quality and efficiency of the provision of services and extend the message of legality with comprehensive action against those who persist in illegal use.

## Connection of new customers

In 2021, with the country's economic reactivation gradually resuming, the number of customers connected to the electricity system increased by 11% compared to 2020 (4% compared to 2019), as shown in the table below.

### Customers connected in 2021 vs. 2020

Customers connected	2020	2021
Constructors	39.683	49.771
Corporate	415	1942
Mass	47.380	45.236
<b>Total</b>	<b>87.478</b>	<b>96.949</b>

At the end of the year, the goal of timeliness in connecting customers was met, considering that connections that do not require interventions in the network are carried out in 12 days and for projects that require interventions in the network, they are carried out in 90 days.

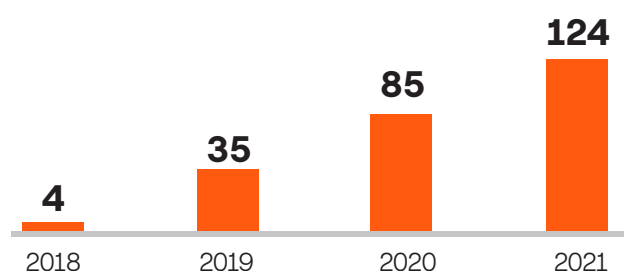
During the second half of 2021, a plan was initiated to streamline the connection processes within the Company, which allowed that by the end of 2021 there were no projects outside the established deadline for connection.

Finally, during the previous year, the CREG issued new guidelines for the connection of customers and self-generators, for which Codensa began updating its processes and procedures as established mainly in CREG resolutions 075 of 2021 and 174 of 2021.

## Connection of generation projects

In 2021, 124 solar photovoltaic generation projects were connected, representing a 31% increase compared to 2020.

### Self-generators connected by 2021



As of February 2022, the new connection methodology for small and large-scale self-generators and distributed generators of less than 5 MW will begin, in accordance with CREG Resolution 174 of 2021.

The total number of generators connected during 2021 was 186.

## Suspension, cut-off and reconnection

2,703,151 operations were carried out during 2021, which means an increase of 31% with respect to the number of operations executed the previous year, with an effectiveness of electricity cut-off of 42.90% corresponding to an improvement of 5.20% compared to 2020, which allowed a portfolio recovery 26% higher than that obtained in the previous year.

## Improvements in the customer engagement process

### Implementation of the ECO system

The new ECO system was implemented in Phase 1, which made it possible to integrate the end-to-end process of connecting business customers and builders into a single system. With these new functionalities, it is possible to

have complete and timely information on the connection status of customers, which facilitates monitoring, data analysis and control of the operation. At the end of 2021, this new system had processed 4,228 feasibility requests, 563 design review requests and 97 work receipt requests.

### Stabilization of the Salesforce Contract system

The Salesforce Contract system was stabilized in 2021, which registers the connection requests made by customers, and has reduced to one day the time between the execution of a new connection and the updating of information in the Company's systems. In 2021, 218,000 requests for new connections and modifications were processed.

### Submission of connection projects

As part of the strategies for improving the customer connection chain, the project submission process was simplified. With this new methodology, 1,089 projects were received and 99.97% of the cases complied with the regulatory times governing the process.

### Virtual Visit

The Virtual Visit implementation plan was launched, an initiative that consists of providing remote assistance using a mobile device prior to the on-site connection, to ensure in advance the technical conditions for the connection through an online interaction between an analyst and the customer.

The aim is to reduce non-effective visits, as well as to reduce public and biological risk, in addition to contributing to sustainability by reducing CO<sub>2</sub> emissions and the use of paper.

## Complaints

Through data analytics, the standard causes of complaints from the Company's commercial and technical processes were identified on a daily basis. This allowed immediate decisions to correct and improve processes.

The management of commercial claims focused, among others, on claims for amount billed, errors in reading, energy recovery, cut-off and reconnection operations and average billing. The plans included raising awareness among customers through Enel Hogar video conversations, training field staff on the information provided to the customer and the importance of taking real readings, self-reading campaigns and installing or changing viewers.

Regarding the management of technical claims, work was done to improve the voltage levels in 36 circuits, investment in preventive maintenance of exclusive public lighting transformers with the highest failures in 2020, assurance of the quality of information and field operation to the correct connection of the customer in the systems and the issuance of the first invoice correctly, among others.

Thanks to the management of these action plans, the year closed with 476 claims for every 10,000 customers.

## We transform to improve our operation for the benefit of our customers: Grid Blue Sky

We started implementing a platform operating model, designed to address the energy transition, digital transformation, maintain global leadership and maximize business opportunities.



### Asset Owner

Maximize the value of network assets.



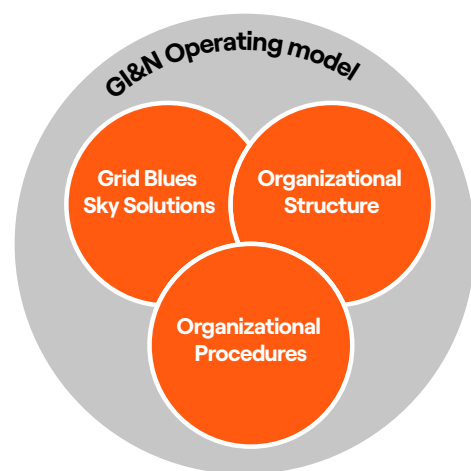
### Asset Operator

Optimization of all field activities.



### Customer Commitment

Maximize business quality driven by customer satisfaction and revenue protection.



For the implementation of this new operating model, the following activities were carried out in 2021:

- As part of change management, to incorporate the new operating model, a digital community called WeGrid was created in a digital environment where all I&N people can maintain effective communication and interaction, perform knowledge sharing and have access to updated information on Grid Blue Sky initiatives.
- In terms of organization, a new organizational structure was implemented to achieve an effective way of working

using simple and agile work systems with new roles and responsibilities.

- In terms of processes, the value chain was redesigned, consisting of six stages, 17 macro processes and 42 processes, in line with the new operating model.
- In terms of solutions, the design of data-driven solutions began, through working groups using the Agile methodology. During 2021, 19 MVPs (Minimum Viable Product) came into operation, which seek to maximize the value of network assets, optimize field activities and maximize business quality.

The implementation of the Grid Blue Sky program will continue in 2022, as a strategic pillar to maintain leadership in the sector.

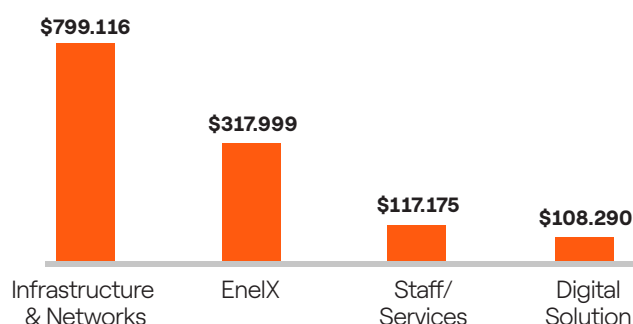
# PURCHASING AND PROCUREMENT MANAGEMENT

The procurement function manages the supply chain from the activities that begin when the Company has a need for a material, work and/or service, to the formalization of the legal relationship through the signing of a contract, or the signing of a purchase order on the occasion of the acceptance of a commercial offer.

## Key indicators

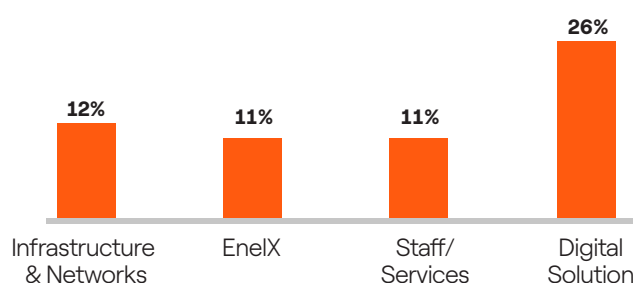
During 2021, contracts were awarded for a value of \$1,342,580 million, including infrastructure and networks, marketing goods and services, general services and purchases associated with technology and information technology.

### Award volume by area



These purchases resulted in savings of 13%. This result was obtained from negotiations with suppliers, obtaining better market prices for the Company. The savings achieved are distributed by purchase portfolios as indicated below:

### Savings management



## Key achievements in 2021

- The Baseline methodology was implemented to define the base price of a service or supply, using a unique model that measures the efficiency and effectiveness of purchasing management.
- The Supplier Development Program was launched, which seeks to link companies in the strategic interest market groups where there are few qualified suppliers, and to support the growth of local suppliers as a means of economic reactivation and market inclusion.
- During 2021, as a result of the Talent Swap in Enel Colombia with a large supermarket company, the need was identified to create a CAP (Supplier Service Center) in order to improve the experience in the relationship with these partners. After analyzing the 47 points of pain expressed by 17 suppliers in a local qualitative market study, four working groups were formed in which 127 professionals from all areas of the Company participated. We were able to create a model with different lines of attention: self-management with a frequently asked questions portal, instructional videos for each process, a Chatbot and finally a mobile application. Progress was made in the integration of frequently asked questions and answers for the supplier, and in the Chatbot with 24/7 availability to answer supplier queries. Thanks to the model and the prototypes now in place, the project team was invited to participate in the Make It Happen global event and was the winner at the Pitch Day.
- 138 suppliers participated in the Suppliers Journey, Sustainable Supplier Day, an event aimed at collaborating companies to publicize and raise awareness of the importance of sustainability in the supply chain and supplier development, as well as to encourage participation in purchasing processes through the implementation of sustainability practices in their offers.
- A training program was carried out under the Aproximate scheme, which consists of a space for internal relations with the business units to inform them of the latest developments in the purchasing area. The activity was carried out in three sessions dedicated to each business line, with the participation of 214 people.

## Purchasing management

### Procurement of works and I&N services

The following were some of the relevant processes contracted during 2021:

- Technical and commercial operations service for zone IX South West of Cundinamarca and zone I South East



of Bogota, awarded for a total value of \$105,639 million, which are aimed at providing the service of electrical and civil works, maintenance, emergency attention, operations in medium voltage and low voltage networks and technical management of infrastructure rental and commercial operations: service connection and suspension, cut-off and reconnection.

- Loss control service for mass market customers, business customers, customers of other marketers, border measurement control, macro measurement system control, execution of technical metering, measurement standardizations, surveys and definition, reading assurance and on-site telemetering system control, in Codensa's coverage area, awarded for \$85,391 million.
- Engineering, procurement, construction, testing and commissioning services for the new substations Calle Primera under EPC and Río Substation under EPC and the digital automation service for control, protection and communications Balsillas and Noroeste, awarded for \$72,618 million.

## Purchases of materials and equipment

Continuing with the Enel Group's strategy of making purchases in volume, bids were made for electrical materials and equipment, consolidating the needs of the electricity distributors where the Company has a presence. Some relevant processes awarded during 2021 were:

- The supply of distribution transformers, which was awarded for a value of \$32,930 million, with this material we seek to increase the reliability of the circuits and reduce the level of failures.
- The supply of disconnecting switches, which was awarded for \$6,747 million. The purpose of this material purchase is to contribute to the service quality projects.

## Purchases of services and staff

Some relevant processes awarded during 2021 were:

- the operational transportation service for personnel for a total value of \$48,640 million, to provide services for three years.
- Maintenance and cleaning services for headquarters for a value of \$16,024 million and a period of three years.

## Purchases for information systems and technologies

Implementation, support and maintenance of the Energy Purchasing System.

- The purpose of the Energy Purchasing project for Codensa is to automate the following processes: input data (Inputs), general information processing criteria (Process) and required outputs (Outputs). This new energy purchasing system was awarded for \$2.1 billion and a savings of 17.36% was obtained.

## Enel X Purchases

Electroterminals eMobility Construction Award / ENEL X Colombia

The service of electrical and civil works necessary for the construction and adaptation of the yards awarded by Transmilenio in the city of Bogota (Usme and Fontibon) was contracted for \$109,475 million, obtaining a saving of 11.7% with respect to the reference value projected by the AFC area. This saving represents an improvement in the IRR profitability (with respect to the initially estimated) of 0.81% for the Fontibon yard and 2.37% for the Usme yard.



# 3.

## How We Project Ourselves Onto The Environment

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# SUSTAINABILITY MANAGEMENT

Driven by the leadership of the Enel Group and by its strong public commitment to the global sustainable development agenda embodied in the 17 Sustainable Development Goals (SDGs), the Company understands sustainability as an umbrella that permeates the organization and contributes to the development of a sustainable business model that generates value in the long term, through the substantial alignment between the priorities and needs of stakeholders and the priorities in the Company's strategy.

With this approach, the Sustainability Plan 2021-2023 was updated; its objective is the generation of sustainable value in the long term, for which it takes as a starting point the contributions generated by the business to development and joins the global trends of decarbonization and electrification as structural pillars of the strategy.

## Environmental Management - Infrastructure & Networks

Environmental management in the distribution business focused on improving the Environmental Management System (EMS), strengthening the environmental culture of employees and contractors, protecting biodiversity, promoting circular economy initiatives, following up on compliance with environmental legal requirements and monitoring environmental regulations.

The Environmental Management System is aligned with the ISO 14001 technical standard and responds to the guidelines of the Integrated Management System policy. Within the 2021 environmental management, the following strategic lines of action are highlighted:

- Strengthening emergency preparedness and response.
- Risk analysis in electrical infrastructure
- Installation of MV/LV transformers layered with vegetable oil.
- PCB management

In these strategic lines, we highlight the comprehensive management of PCBs that Codensa develops as part of the environmental legal compliance established by Resolution 222 of 2011, partially modified by Resolution 1741 of 2016 of the Ministry of Environment and Sustainable Development.

In 2021, 64% progress was recorded in the PCB identification process in equipment in use, disuse and waste, it is expected to reach 100% by 2024. Fifteen PCB-contaminated equipment in service were identified and have been progressively removed from the network.

On the other hand, during the year, 3,018 transformers and equipment with oil content were removed due to obsolescence, of which 74 were contaminated with concentrations of more than 50 ppm of PCB.

In addition, 20 tons of casings generated during 2020 and 2021 were decontaminated using the ultrasound technique, and 16.5 tons of dechlorinated oil were decontaminated. The disposal costs of these wastes were reduced by up to 52%.

## Environmental sustainability - Market

Codensa constantly evaluates the risks that its activities generate in the environment. Among the positive and negative impacts are the identification and rescue of archaeological findings in new projects, electric mobility and energy efficiency projects, the reduction of paper in digital processes, and the generation of hazardous waste, among others.





## Environmental Management System

To effectively manage the impacts identified, Codensa has an Integrated Management System certified under the ISO 14001, ISO 45001, and ISO 9001 technical standards, as well as environmental, safety, occupational health, and quality policies.

The Environmental Management System is also aligned with the Environmental Improvement Program in five lines of work: evaluation of contractors, prevention of forest fires, management of PCBs (polychlorinated biphenyls), management of dielectric oils, and identification of asbestos in facilities.

## Environmental management of projects

Codensa carried out activities to comply in all its projects with the requirements defined in the environmental licenses.

- Electric bus terminals: compliance with environmental standards was guaranteed during the construction of the Usme and Suba Las Mercedes bus yards. In accordance with the technical report prepared by the Regional Autonomous Corporation (CAR), 40 trees were planted to compensate for the activities carried out in the Usme yard.
- The campaigns carried out for proper waste management included the delivery of recyclable waste to the Sanar Foundation, while the electrical and electronic waste (WEEE) generated was exchanged through the Green Points Program of the Lito Foundation, which allowed Codensa to bring markets to 85 families located in the El Codito sector during the health emergency.

The Enel X and Market business lines managed the delivery of 4,457 kg of WEEE through the "LITO Green Points" program, and participated in the campaign for the collection of electronic and electronic devices directly from employees' homes, which aims to recover this type of waste and support social and environmental actions.

## Environmental Regulation

In the area of Environmental Regulation Management, we actively participated in the different environmental and related public consultations published by national, regional and local entities. This participation allows the construction of a regulation balanced with the reality of the sector so that, in practice, it can be applicable.

Regulations were identified that are relevant to the business in terms of deforestation and flora management, air quality, environmental administrative processes, dumping, archeology and waste management.

At the trade union level, we maintained an active and coordinated participation in the management of issues that are relevant to the sector from an environmental point of view. In this sense, different actions were developed on issues such as management of PCB equipment, forestry related to public services infrastructure, preventive archeology and fortuitous findings, articulation and implementation of the National Circular Economy Strategy and improvement of environmental administrative processes and procedures.

The company also consolidated its relationship with environmental authorities in the area of influence, achieving joint work and construction spaces with entities such as the Cundinamarca Regional Autonomous Corporation (CAR), District Secretary of Environment (SDA) and the Instituto Colombiano de Antropología e Historia (ICANH).

Codensa is a key player in the development of initiatives and actions related to energy transition and the development of actions to mitigate the impact of emissions and improve air quality. In this sense, it signed the Pacto por el Aire in the city of Bogota, an initiative developed by the Capital District, through which the different actors commit to concrete actions to help improve air quality. Furthermore, the company worked on gaining an ally to update the RTE for 2020, a study conducted by Enel, which allows understanding emission reduction scenarios that aim at carbon neutrality and whose results are necessary recommendations for the country to achieve the objectives of the Paris agreement.

Colombia updated its NDC2020 and was officially adopted in March 2021, expanding its goals with a 51% reduction of its emissions by 2030. The contribution includes around 200 measures and actions, divided into mitigation, adaptation and means of implementation. In this sense, the Climate Action Act was issued, whose purpose is to regulate the NDC goals and some other aspects such as greenhouse gas inventories of the country's industrial sector.

Enel Colombia launched the first comprehensive climate change management plan, a document whose purpose is to identify, evaluate, prioritize, define and update adaptation and mitigation goals, measures and actions to reduce vulnerability to climate change and promote low-carbon development. It also seeks to measure and document performance in the area of climate change in order to respond qualitatively and quantitatively to the goals set in this area.

The District Secretary of the Environment (SDA) issued the environmental licenses for the following projects: (i) the Río 115Kv Substation Project, through Resolution No. 20217000468 of October 1, 2021 .

Regarding the environmental licensing projects that are in process before the Cundinamarca Regional Autonomous Corporation (CAR), in July 2021, the Environmental Impact Assessment (EIA) was filed for the construction of the Occidente Substation Project, located at Carrera 9 con Calle 9, Serrezuelita neighborhood, municipality of Funza, department of Cundinamarca.

A request was made to the Guavio Regional Autonomous Corporation CORPOGUAVIO to modify the Environmental Management Plan of the project for the normalization and AT/MT expansion of the Mámbita substation.

Regarding the Small Hydropower Plant Rio Negro (SHP), in the agreement of its sale signed in 2019, it was achieved that through Resolution 1406 of August 24, 2020, the National Authority of Environmental Licenses ANLA authorized the total assignment of the Environmental Management Plan of the project "Micro Hydropower Plant of Rio Negro", in favor of the company Generadora Rio Negro S.A.S., -current owner-. In addition, the CAR through Resolutions DJUR No. 50207101218 of September 15, 2020 and 50207101296 of September 18, 2020, authorized the assignment of the riverbed occupation permits granted for the SHP, in favor of the new owner.

## Management of social impacts and risks – Market

The Social Management and Co-responsibility Plan seeks to generate favorable social environments for the development of the Company's operations; build positive experiences and generate bonds of trust and closeness with stakeholders; increase social equity, and promote a culture of intelligent and productive use of products and services.

Three strategic lines were created for the development of this program:

**STRATEGIC RELATIONS:** We developed a social mapping, a relationship plan, an information and communication plan, attention and management of concerns and requirements, and social recognition by leaders. This management promoted 3,699 contacts (3,124 in Cundinamarca and 575 in Bogota); of these 1,104 were with authorities (846 in Cundinamarca and 258 in Bogota). A total of 848 commitments were established (738 with Cundinamarca and 110 with Bogota).

**SOCIAL FEASIBILITY:** Through a complete methodology, 114 projects were made viable and are currently being executed. These include Bogota 2030, Quality Plan, Neighborhoods for Adhesion, Digitalization, Sewage Billing, and Construction of electro-terminals.

**CUSTOMER CULTURE:** 1,530 "A tu lado" workshops were held, with direct contact with 105,304 customers, and Energy Watchers with the participation of 89 schools, which certified 19,666 children. Twenty-six energy efficiency talks were given to 527 customers, and 80,279 customers were linked to the digitalization program.



## SHARED VALUE ECOSYSTEM

### Evolution of the Creating Shared Value (CSV) framework: We adapt to the peculiarities of business needs – the shared value ecosystem.

In 2021, the Enel 211 Group's Creating Shared Value (CVC) policy was updated and the new Innovability RACI, with which sustainability is integrated into the businesses. The main opportunities arising from the update are:

- Facilitate Enel's purpose through Shared Value following the pillars established by the Group Strategic Plan and the related Group Sustainability Plan.
- To build a common, simplified framework that takes into consideration the peculiarities of the business lines and countries
- Responding to the new needs of the environment and the problem posed by the pandemic
- Promoting just transition, human rights and equity in communities
- Enhance social innovation and inclusive business solutions across the Open Innovability® ecosystem.
- Driving Inclusive Business for vulnerable customers and stakeholders
- Find a "non-financial" evaluation model complementary to the economic impact assessment.
- Improve sharing of practices and scale solutions
- Take advantage of digitalization opportunities for efficiency, data intelligence and integration with internal business platforms
- Encourage "proactive" and storytelling communication.

Under the Creating Shared Value (CSV) policy and as part of stakeholder relationship management, the following are the main initiatives and actions that contribute to the fulfillment of the SDGs and therefore to the improvement of the quality of life of the communities where the Company operates:



## SDG 3: Good health and well-being.

Through the Enel Colombia Foundation, the Company donated to the International Organization for Migration (IOM) photovoltaic systems for the operation of five mobile humanitarian assistance offices, which operate in Pamplona, Bucaramanga, Cundinamarca, Popayan and Ipiales. These electrical systems provide sufficient autonomy for the operation of medical equipment and offices, and facilitate the provision of services to migrants, refugees and Colombian returnees in rural areas and on highways.



## SDG 4: Quality Education

### Educating with Energy

The Educating with Energy program is an initiative of the Enel Colombia Foundation, in partnership with the Organization of Ibero-American States for education, science and culture OEI, whose purpose is to strengthen socioemotional skills (HSE) and vocational and professional orientation processes (OVP) of young people from Public Educational Institutions, through various strategies that include:

- Development of methodological routes in public schools in Bogota and Cundinamarca. More than 2,500 students and teachers from the Guillermo Quevedo Zornoza school in the municipality of Zipaquirá, and the Francisco de Paula Santander and Delia Zapata schools in the city of Bogota benefited.
- Development of the diploma course in Strategies for strengthening socioemotional skills, orientation and life plans, with a duration of 140 hours, taught and certified by the Politécnico Gran Colombiano. In 2021, 129 temporary and permanent teachers, linked to 103 schools in Bogota and Cundinamarca, completed the program.

- Methodological transfer to secretariats: support was provided to the education or social and economic development secretariats of seven municipalities in Cundinamarca (Gachancipa, Caqueza, Choachi, Flandes, Fomeque, Zipaquirá and Girardot). This strategy benefited 121 officials from secretariats.

## Good Energy for your School

The objective of the program is to contribute to the improvement of the quality of education by reducing the electrical risk in the infrastructure of public educational institutions, as well as their general improvement. In 2021, with a budget of more than \$600 million, the Enel Colombia Foundation carried out interventions in 20 institutions that benefited about 3,500,752 children and adolescents in schools in Bogotá, Cundinamarca and Tolima, to improve the conditions for their return to their on-site classes. Some of the municipalities involved in this activity are shown in the following table:

Municipalities	Children beneficiaries	Municipalities	Children beneficiaries
Ubalá	26	Yacopí	22
Tocancipá	1.300	Ubaté	18
Gachalá	100	Guachetá	160
Gachalá	25	Madrid	400
Tausa	20	Granada	60
La Vega	30	Guayabetal	10
San Antonio de Tequendama	75	Mesitas del Colegio	69
Soacha	440	Chipaqué	50

Additionally, in 2021, intervention processes were carried out with the municipalities of Girardot and Zipaquirá, with which more than 1,000 children will benefit during 2022.



## Endowment of Child Development Centers (CDI)

For the first time Codensa, under the Works for Taxes mechanism, was awarded the project to equip five Child Development Centers of the Colombian Institute for Family Welfare (ICBF) in the municipalities of La Palma, Viota, Puli, Cabrera and Medina. The endowment of these centers will benefit 264 children at a cost of approximately \$1,460,000,000 million.

## School kits

In 2020, 1,600 biosafe school kits were delivered in Cartagena, Cali, Barranquilla and Bogotá. These kits were part of the solidarity gift strategy that benefited 1,600 minors; additionally, 160 electronic tablets were delivered to schools to support their teaching tasks.

## Energy Incubators

In 2021, 11 vulnerable adolescents from the municipalities of Ubalá, Gachala, Gama, Soacha, Sibate, San Antonio del Tequendama and El Colegio, continued with their higher education studies at Universidad Minuto de Dios, in professional careers such as Public Accounting, Systems Engineering, Social Communication, Social Work, Psychology, Business Administration and Agroecological Engineering.

The young beneficiaries are sponsored 70% of the total cost of their university studies, in addition to a semester's economic support and psychosocial accompaniment during their studies and professional practices.

## Donation of computers

During 2021 Codensa carried out a donation process of 414 used computers, within the framework of the technology renewal program to 37 beneficiary entities in Cundinamarca and Tolima, among which are Municipal Mayors' Offices, Community Action Boards, NGOs, etc., in the municipalities of La Vega, La Vega, La Vega and Tolima, from the municipalities of La Vega, Madrid, Soacha, Girardot, Suesca, Zipaquirá, Guatavita, Carmen de Carupa, Cogua, Chipaque, Guayabetal, La Peña, Sutatausa, Anapoima, Ubaque, Une, San Francisco, Guacheta, Chaguani, Tabio, Tausa, El Colegio, Sibate, San Antonio, Gachala, Ubalá, Gama, Coello and Bogotá.





### Center of Excellence for Rural Education - CEER Sibate

In 2021 Codensa was involved in the co-financing of the project to strengthen capacities in science, technology and innovation (CTEI) for the school - rural context relationship in the municipality of Sibate, department of Cundinamarca. It will be located in the village of Romeral and will benefit the educational population of the municipality with the provision, installation, assembly and improvement of educational environments in science and technology, approximately 10,334 beneficiaries, students and families of the municipality. The Company's contribution is aimed at the provision, assembly and installation of the educational environments required for training in the transformation of dairy and fruit products and the photovoltaic modules needed to illuminate these spaces.



## SDG 7: Affordable and clean energy

### Lighting of community spaces

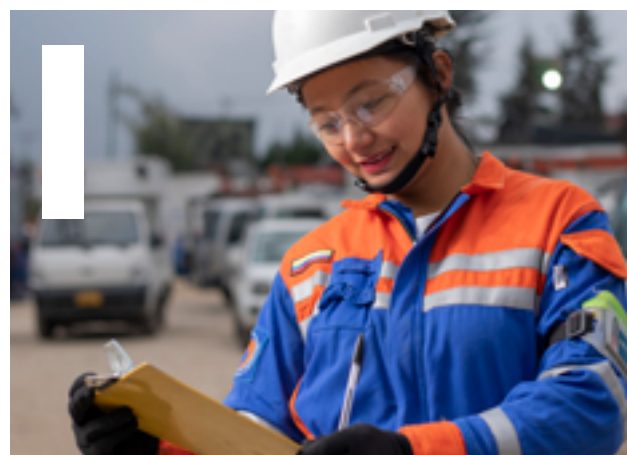
The Enel Colombia Foundation in alliance with the Un Litro de Luz Foundation, continued in 2021 to monitor and install new lighting fixtures, this year 15 poles were installed with their solar luminaires in the municipality of Soacha and El Colegio, in sports fields, parks and rural trails, these

new luminaires installed pass to the total inventory of 185 poles installed since 2018. Progress was made in the identification and prospecting of new points for the following year.

### Seed Plan

Plan Semilla is a shared value initiative that seeks to generate growth and development opportunities for youngsters belonging to vulnerable populations, increasing their employability skills through comprehensive training for the electricity sector and internships in the same business segment.

In 2021, together with the National Learning Service SENA, the first virtual training group was opened in the technical program in construction and maintenance of electric power distribution networks, with the participation of 25 youngsters from the municipalities of Caqueza, Chipaque, Facatativa, Caparrapi, Villeta, Sibate, Fusagasuga, Suesca, Macheta, Ubate, Ubalá, and Gacheta.





## SDG No. 8: Decent Work and Economic Growth

### Improvement of Ubala roads

Company machinery was provided for road maintenance in zone B of the municipality of Ubala, in more than 70 supports that benefited more than 1,500 people. This way, we contributed to the circulation of people and goods during the winter season.

### Coffee Production Chain

During 2021, the implementation of the agreement to strengthen the associative businesses of the organizations Asocafega, Ascamecol, Asopalmares and Asofincas continued, with criteria of sustainability, female empowerment, associativity, management skills and profitability. This project involves 119 coffee-growing families associated with the four organizations and users of the mills. The focus was on the entry into operation of the business unit of the community cherry coffee micro-processing plants and the standardization of their processes for obtaining quality dry parchment coffee.

An inter-institutional agreement was signed with the National Federation of Coffee Growers of Colombia and the municipality of Gachala to strengthen coffee plantations in the villages of the municipality of Gachala, install a drying silo in the area of Diamante and increase the number of coffee growers and shady areas in the area neighboring the Murca microcentral, for its entry into operation in 2022. Fifty coffee growing families from the municipality of Gachala are involved in this process, which correspond to 85% of the coffee growers in this municipality.

### Sustainable Production Systems in Ubala, Cundinamarca

The implementation of the sustainable production systems project began, together with the local partner Asogamu. This project benefits 43 families in the areas bordering the Guavio reservoir and near the Chivor river micro-basin. It allowed defining the most appropriate sustainable production system for the geography, infrastructure and needs of each family, among the following:

- Biodigesters – Production of natural fertilizer and biogas (10 families).
- Composters – Disposal of excreta and plant material for natural fertilizer (10 families)
- Home gardens – Food security (8 families)
- Water harvesting – Water supply (10 families)
- Silvopastoral systems – Cattle feed (4 hectares)



Families were supported with six theoretical-practical sessions and technical assistance visits.

### **Pomona Integral Community Center in Mambita, Cundinamarca.**

An inter-institutional agreement was signed with the Municipal Mayor's Office of Ubala, for the donation of the land and infrastructure known as Pomona in the inspection of Mambita and the contribution of \$300 million for its improvement and operation of offices or premises, an event hall and a theater. More than 1,500 people will benefit from the cultural and economic development of these communities.

### **Strengthening beekeeping in the Tequendama region**

Together with the Santacruz Zoo Foundation, in the municipality of San Antonio del Tequendama, an agreement was signed to conserve and raise awareness about the protection of bees. In 2021, an apiary was established with five hives for demonstration and production activities and 10 local producers interested in learning about the activity were identified. Zoo personnel were also trained in technical beekeeping topics and collected information to systematize indicators, in order to offer training to producers in the region on these aspects.

### **Organizational and Community Strengthening in Barrios by Adhesion**

This project was carried out in partnership with the Diversidad Rural Foundation in the El Limonar sector of Soacha. Its purpose was to strengthen the community and organizational capacities of the Community Action Boards, social and productive organizations, youth groups and youngsters, among others. More than 170 people were involved, through the Community Training and Virtual Classroom channels, created by WhatsApp, with ChatBot technology, in four training modules on digital skills, citizenship building, safe and efficient use of energy and project formulation.

### **Fruit production chain**

An agreement was signed with the Asociación Frutícola Comercializadora de Cabrera (ASOFRUCOC), to support the economic and social strengthening of 35 families that are part of the peasant reserve in the municipality of Cabrera, Cundinamarca, through the implementation of the



tutoring phase of the cultivation of 17,500 tree tomato seedlings. This project seeks to install a production capacity of 50 baskets (25 kilos) per hectare per month, in order to improve their income and quality of life.

### **Job announcements**

The different job offers were announced to hire local unskilled labor in the areas of influence of the new electrical substation projects under construction, for example: Terminal Electric Substation, San José Electric Substation, and Calle Primera Electric Substation and the Río Electric Substation. For the dissemination of the call for proposals, coordination was carried out with the different Local Mayors' Offices, the Public Employment Agency, the District Institute for the Protection of Children and Youth - IDI-PRON, the District Secretary of Social Integration and the different Community Action Boards of the neighborhoods in the area of influence. Additionally, flyers and posters were distributed.

### **Together for the Boards**

Together for the Boards, a training space for JAC, Social and Productive Organizations of the municipalities of Ubala, Gama, Gachala, Soacha, San Antonio del Tequendama, Sibate, El Colegio and La Vega in Cundinamarca, in towns with similar characteristics in terms of their precarious socioeconomic conditions and their difficult access to education, health, justice, information, formal employment, formal economies and free internet.



These training processes for adolescents and adults were carried out through WhatsApp and Telegram for 16 groups of leaders and 8 groups of adolescents. Similarly, 515 of the participants received training through chatbots or WhatsApp groups, on issues of gender, diversity, human rights, political culture and strengthening of community and organizational capacities, computer, emotional and affective tools, common goods and community resources, and project formulation.



**450 mujeres y 355 hombres participantes**



## SDG No. 11: Sustainable Communities and Cities

### VITAL (Life, Innovation, Technology, Clean Water)

In partnership with the Siemens Colombia Foundation, and with the support of Empresas Públicas de Cundinamarca, two water purification filters were installed, benefiting more than 600 students at the El Vino Rural Educational Institution in La Vega, Cundinamarca, and 250 inhabitants of the Las Alegrías aqueduct in the municipality of La Cailera, Cundinamarca.

In addition, as part of this program, three healthy hydration points and a filter were installed at the Santacruz Zoo Foundation, so that visitors can refill their water bottles and for the zoo's own activities, such as the use of water for animals that are in the clinical phase and require drinking water for their handling.

The filters installed in the educational institutions and aqueducts will eliminate 99.9% of viruses and bacteria, which is expected to improve the quality of life of the student community in the areas of influence.





## Training in energy and electrical safety

In partnership with the Universidad de Los Andes, a course on energy and electrical safety was given to officials of entities related to urban planning, control and safety. It was given by professors from the electrical and electronic engineering department, in a synchronous virtual manner, with an eight-hour intensity. The 175 participants in this course were able to improve their understanding of the electrical system and the responsibilities shared by various institutional actors and sectors.

## Construction materials bank - Guayabetal

In the municipality of Guayabetal, Cundinamarca, heavy rainfall occurred in August, which caused landslides in several villages and neighborhoods. Hundreds of inhabitants lost their homes and others suffered partial damage. As a result, the Enel Colombia Foundation signed a cooperation agreement with the municipality to create a bank of construction materials to be distributed to 116 affected families.



## SDG No. 13 Climate Action

### Renace Forest (Codensa-Emgesa Nature Reserve)

The forest was created as a sustainability initiative for the conservation and protection of 690 hectares of high Andean forest. It is located in the municipality of Soacha, and contributes to the recovery and connectivity of the ecosystems located in the middle and lower basins of the Bogota River. Since 2012, about 52,700 trees have been planted in compensation for the activities of the Companies, and about 5,000 individuals of epiphytes have been moved, which play a very important role in the dynamics of biodiversity, offering a variety of niches and resources that are used by various groups of animals. With the support of entities specialized in conservation and biodiversity, more than 200 species of fauna and flora have been identified in the Renace Forest, including species classified internationally as vulnerable or critically endangered.

In 2021, Codensa was involved in the voluntary planting of 7,640 new native individuals.

The companies of the Enel Group in Colombia planted 50 trees in the Renace Forest as a tribute to the workers, their families and relatives who were victims of COVID-19. This activity is framed within the strategy led by the Ministry of Environment that will establish the "La Esperanza Forest, a tribute to those killed by the pandemic" and joins the national strategy that will plant 180 million trees by 2022.

On #GlobalBigDay2021, bird watching days were held for various birds such as owls, sparrows, hummingbirds, hummingbirds, hummingbirds, cockatoos, woodpeckers, swallows and blackbirds. The goal is to collect information and share it for the dissemination of science, conservation and education.

In the second half of the year, after the approval of the respective biosafety protocols, the program of visits to the forest was resumed, with 107 visitors.



## Transformation of solid waste

The objective of this project is to take advantage of the largest amount of solid waste generated during the construction phase of the electrical substations, and transform it, together with the communities in the area of influence, into elements that can provide a benefit. During 2021, the program was implemented in the area of influence of the San José electrical substation, where thanks to the participation of the educational community, street dwellers in the process of resignification of their life projects and recyclers in the area, it has been possible to transform more than 3,457 kg of solid waste. The project is currently in the diagnostic phase to be implemented in the area of influence of the Terminal Electrical Substation and Associated 115 kV Line project.



## Beautification of the surroundings:

In order to harmonize the construction of the new electrical substations with the surroundings and minimize the landscape impact of the new infrastructure, during 2021, together with the community, the concepts to be used in the artistic interventions on the exterior walls were identified. It is expected to capture representative aspects of the areas of operation. Once the proposals have been defined, the exterior walls will be painted with photocatalytic paint to adsorb pollutants in the air.

## Other sustainability projects

### Corporate volunteering

In 2021, we carried out training activities, recreational activities and adopt an angel, an initiative in which employees share a Christmas gift with children and adolescents in vul-

nerable conditions. A total of 614 employees participated, benefiting 1274 people, through the following actions:

**Excel training:** 46 volunteers trained students from the Arborizadora Alta school in basic and intermediate Excel.

**Vocational experiences Educating with Energy:** a space for the exchange of vocational experiences was held with 175 adolescents from the Delia Zapata school in Bogota. This action was articulated with the program Educating with Energy, of the Enel Colombia Foundation and the Organization of Ibero-American States OEI.

**Adopt an Angel:** in partnership with El Minuto de Dios Corporation, 752 Christmas gifts were delivered to vulnerable adolescents in Bogota and Madrid Cundinamarca, benefiting 212 children, adolescents and senior citizens in Ubaté, Mambita, El Colegio and in the departments of Cesar and Huila.

## Value for Disability

With the purpose of reducing accessibility barriers in communications and strengthening the levels of attention for people with disabilities, in alliance with the Corona Foundation's Pact for Productivity, various diagnostic actions were carried out, defining guidelines and training for the generation of capacities and competencies of our own personnel and contractors in accessible communications and inclusive service. Training sessions were held for more than 300 employees and contractors, improving their understanding of disability, generating competencies for the incorporation of universal design criteria and strengthening competencies for an increasingly inclusive service. At the same time, several actions were carried out, such as the donation of 23 computers for groups and adolescents in inclusion programs, and the improvement of infrastructure to reduce accessibility barriers in two of the rural educational institutions Boca de Monte and Baldomero Sanín Cano in the municipality of Gachala.

## Bogota-Region 2030 Sustainability Plan

Under the Bogota-Region 2030 projects, during 2021 we worked on structuring the sustainability plans for the San José, Terminal, Barzalosa and Calle Primera projects. To achieve this, the relationship with each of the project stakeholders was strengthened, identifying their needs and interests. In 2021, several actions were carried out, focused on:

- Job announcements / Transformation of solid waste / Beautification of the surroundings.
- Good Energy for Your School: an agreement was signed between the Enel Foundation, Codensa and the Girardot Municipal Mayor's Office, for the construction of the student restaurant at the Luis Duque Peña IE (Barzalosa). More than 800 children will have access to the School Meals Program of the Ministry of Education.
- Sustainable Construction Site: guidelines for the implementation of the sustainable construction site model were included in the bidding processes for the Occidente Electrical Substation, Tren Occidente, Montevideo and Nueva Esperanza projects.

In November, construction began on the Terminal Electric Substation project, located in the district of Fontibon. During the year, spaces were developed for socialization of the Environmental License and the status of the project with local authorities, the District and the community in the area of influence. However, there was resistance to the construction of the project from a sector of the community headed by a local leader.

## Sustainability in the supply chain

In order to promote sustainability and the Creating Shared Value approach, in 2021 the implementation of the K Sustainability criterion, designed to be evaluated in tenders for the purchase of products and services, continued.

The K Sustainability allows to identify in the bids, the candidates to suppliers with greater development and commitment to sustainability issues. This criterion is applied according to the characteristics of each process: type of service, economic value and impacts, and evaluates five pillars: 1) Corporate policy; 2) Development and inclusion for employees, 3) Community management, 4) Certifications and 5) Circular economy.

In 2021, the application of K Sustainability in bidding processes was strengthened. This process has deepened in generating proposals to promote the circular economy, the linkage of local labor, the purchase of goods and services in the communities of the area of influence, the development of social projects in communities in areas of influence and strengthening of corporate policy, associated with sustainability, in suppliers.





This is reflected in the 124 contracts in which sustainability criteria were included for the selection of bidders, of which 13 had at least one criterion of circular economy, 111 had included a criterion of community management and an additional one of development and inclusion for employees.

## Sustainability Report 2020

The 17th Sustainability Report was published, thus completing more than a decade of transparent and responsible exercises of accountability. The report was prepared under the parameters of the Global Reporting Initiative (GRI) – New Standards, and the specific sector supplement for the electricity sector. The document was verified by the auditing firm KPMG, and achieved the “Advanced CG” in the Communication on Progress of the Global Compact, complying with the ten principles to which the Company has adhered since 2004.

## Human Rights

In 2013, the Enel Group formally stated, for the first time, its commitments and responsibilities regarding human rights, and in particular those applicable to its business activities and corporate operations. This was achieved through the adoption of a policy developed on the basis of the approach indicated by the United Nations in its “Guiding Principles on Business and Human Rights”. The previous document was updated in 2021 to include:

- The evolution of the regulatory framework, considering, among others, the European Union taxonomy which aims to classify which economic activities and investments can be considered sustainable.
- The evolution of the financial market, also in light of the increased attention of analysts / ESG indices to risks related to how companies manage human rights both in terms of public engagement and implementation of due diligence processes.
- The evolving operational, organizational and management context of the Enel Group.

The activity was carried out through a consultation process involving international experts, non-governmental organizations and other companies and was conducted by a cross-functional working group within the Group. The policy identifies 12 principles classified into two macro-themes: labor practices, and community relations and society. It also establishes how environmental degradation and cli-

mate change are intertwined with human rights, since the implementation of measures to mitigate their effects will only occur if their social impact is taken into account.

## Global Compact Network Colombia

Coordination and synergy meetings were held with the Global Compact communications team and the Company participated in the annual congress: SDGs from Climate Change and education to meet the 2030 sustainability agenda, with the conference “Enel Group Strategy in Colombia for Climate Action” by Paolo Daguer, Sustainability Manager.

## Biodiversity – Enel Biodiversa

In 2021, the Company integrated into the Enel Biodiversa initiative, the biodiversity actions it has been developing for 14 years on issues of: protection of the environment and natural resources, the fight against climate change and the contribution to sustainable economic development. Enel Biodiversa is a long-term, cross-cutting strategy based on four strategic pillars: conservation, restoration and protection; creation of shared value; communication and visibility; and knowledge management.

In the process, 80 initiatives and projects were identified that respond to the strategic pillars, working with more than 20 strategic partners. In addition, close to 1,000 species of fauna and flora have been identified and protected.

## Comprehensive Climate Change Management Plan



As part of the Enel Group’s Strategic Plan for Decarbonization, and in order to measure and document performance, evaluate compliance with its own goals (global and local) and respond qualitatively and quantitatively to stakeholders, in 2021 the Company created the Comprehensive Climate Change Management Plan (PIGCC), whose main objective is to identify, evaluate, prioritize, define and update adaptation and mitigation goals, measures and actions to reduce vulnerability to climate change and promote low-carbon development in the Enel Group’s companies



in Colombia. The plan has four strategic pillars: mitigation, adaptation, climate partnerships and governance.

## Circular economy

Codensa understands the importance of a sustainable economic model as an enabler of the country's development, for this reason it decided to redesign its development model to orient it towards a circular economy approach. The vision and application of the circular economy in the Company implies rethinking production and consumption models to drastically reduce both the consumption of raw materials (virgin) and the generation of waste, using renewable energy sources and materials, extending the useful life of each product, creating platforms for sharing, reusing and regenerating, as well as rethinking products as services.

To materialize this circular economy vision, Codensa has decided to implement the Grid Mining and Grid Futurability projects, focused on building resilient, participatory and sustainable power grids. In turn, the Enel X brand implemented a workshop strategy to identify those products and services that will be included in the scoring and boosting programs to increase their circularity.

Additionally, specific projects have been developed that are committed to the circular economy, among which the following stand out:

- Circular inputs (renewables, reuse, recycling):
  - Digital transformation: 14 tons of paper saved in invoicing and 37% digital payments per year.
  - Manufacture of poles and joists with recycled aggregates: 2,358 tons/year of recycled concrete from end-of-life poles, which was used as aggregate in the manufacture of new poles and joists.
- Product life extension (life extension through design, maintenance and repair):
  - Re-manufacturing and reuse of transformers: 784 pieces of equipment remanufactured and 155 tons of material recovered and reused per year.
- Shared use (increased utilization rate through shared use/access/ownership):
  - Digitization of distribution infrastructure: avoided field inspections for 20,521 km of network per year.

- New life cycles (maintaining value through remanufacturing, reuse and recycling):
  - Utilization of residual elements of public lighting: 977 tons/year of residual materials recovered and sold.
  - Decontamination of PCB transformers: 28 tons/year of decontaminated equipment.

The document "Enel Colombia's Vision and Position in Circular Economy" expands on this information and the perspectives proposed to increase circularity in the following years.

## RELATIONS AND COMMUNICATION

### Institutional Relations

The Institutional Stakeholder Relationship Policy was updated in 2021 and its deployment led to the Model of Trust and Value with Institutions - PL 1118. This policy establishes guidelines for the development of the relationship with institutions through commitment, transparency and legality, always seeking to maintain the good name and positioning of the Company.

The actions were aimed to the management of the strategic issues established in the Institutional Agenda 2021, through interaction with institutional stakeholders. The following relevant events are highlighted:

**Legislative front:** The exploration and follow-up of more than 40 legislative initiatives of high impact for the Company was carried out with the support of the trade associations. We also followed up, monitored and analyzed Bills of Law and Draft Agreements, as well as relevant regulations.

**Bogota Region 2030 Project:** Actions were carried out to disseminate and educate on Codensa's expansion plan and projects. A contingency plan was built to prepare in advance, in order to mitigate possible social crises of the different projects.

**Service Quality Plan:** A communications strategy was implemented with stakeholders, and a strategy of articulation with institutional actors and customer satisfaction analysis was developed.

**District Institutional Agenda:** The institutional agenda for the Capital District of Bogota was implemented in the areas of public lighting, electric mobility, smart cities and the Land Use Plan.

**Land Management Planning:** We had direct coordination with official institutions, such as District Planning Secretary and District Habitat Secretary, and with spokespersons or stakeholders to promote the Company's issues of interest.

**Department Government of Cundinamarca:** We worked on the generation of added value in the relationship with the Government, thanks to the rapprochement and articulation of other topics of interest and on which it is necessary to strengthen communication with the municipalities.

**Advanced Metering Project (AMI):** The stakeholders that will be impacted by this technology were identified and characterized; a communication and awareness strategy was designed, messages about this technology and its benefits were consolidated in order to educate about it when a definitive Regulatory Model is available, and the company actively participated in trade union scenarios.

**Electrification of 100% of Cundinamarca:** Key stakeholders were identified for the execution of agreements and the application of public resources to boost investments in coverage for users who are furthest away from the network, together with the periodic review of the information in the database of 100% of Cundinamarca, to update new users.

**Public lighting:** Communications with the Council of Bogotá were facilitated to meet requirements and develop pedagogy about Enel as the best partner, monitoring of UAESP's positions regarding the renewal of the Agreement with Codensa was carried out and actions were articulated with the Government of Cundinamarca to address municipalities.

**Electric mobility:** Promoted with stakeholders such as the Council of Bogotá, unions and institutions, the Congress of the Republic and the National Government. The discourse in defense of electric mobility on sustainable mobility was strengthened and monitoring and advocacy in legislative and regulatory initiatives was carried out.

**High voltage projects:** We strengthened the management of high voltage projects with institutional stakeholders.

**Works for Taxes:** Support was provided in the implementation of projects under the Works for Taxes mechanism.

**Circular economy:** Actions were developed to coordinate with public institutions at different levels to promote the circular economy.

**Biodiversity:** Stakeholders were defined, articulated and prioritized nationwide and in Bogotá, for dissemination and positioning through institutional management.



## Internal communication

In this second year of pandemic, the internal communication channels were consolidated as the main tools for information and alignment of Codensa's corporate measures to promote the health and safety of workers, as well as the continuity of the energy service.

The channels remained in 100% digital formats; therefore, efforts were focused on continuing to provide immediate information and generating attractive content that kept workers connected with the corporate strategy and culture from their work mode (from home, the office and the operation).

Differential campaigns and dissemination plans were also developed. Enel Days, spaces for strategic socialization with employees, migrated to a digital experience, resulting in more than 3,500 visits with an average duration of 43 minutes to the digital event in Colombia.

Among the campaigns that stood out the most in 2021 is the Ethics Week, in which through a live show type virtual event and three pedagogical capsules, workers identified the importance of the Zero Tolerance Policy with Corruption, apply it and act ethically and transparently in different corporate and everyday situations; obtaining 600 connections, 400 interactions, 77 likes and more than 1,500 views to the contents.

Another of the campaigns highlighted was #YoMeVacuno, which had three objectives: to ensure understanding of the pros and cons of vaccines, their advantages in the face of the health crisis and promote vaccination through the health system; to promote the updating of vaccination and health status of personnel; and to mobilize workers, family members and contractors to have their vaccination schedule completed. The campaign supported the partnership achieved with ANDI #EmpresasPorLaVacunación.

The campaign Lo Mejor de Enel es lo Mejor de ti was also developed, which seeks to raise awareness, educate and inform employees about the importance of building reputation. Also, the R Community was created, a team of 34 people from the different business lines who, through their relationship and knowledge of the projects, identified actions that contribute to building reputation in the different stakeholders of Codensa.

The Digital Experience Week was also held, in a 100% virtual format, focused on the energy transition strategy, where more than 1,300 workers with their Avatar met in a Convention Center to tour five spaces that recreated the projects that contribute to the electrification, urbanization, decarbonization, people and digitalization pillars.

It is also worth mentioning the Innovability Week, an initiative in which more than 700 people from Enel in Colombia, Chile and Peru were connected to a virtual environment for a week in which they learned about the importance of innovation in processes and how the Circular Economy can be merged with these to create new possibilities.

Finally, another highlight was the 2021 Leaders Meeting, an event that made the Company's leaders aware of what the gentle leadership proposed by Enel means and the importance of evolving to this model.

The new formats had a positive impact on the receptivity of internal communication channels: firstly, the webinar It's time to connect was highlighted, with seven editions and more than 1,700 attendees on average. Secondly, the Entérate daily newsletter, in which an average of 4 to 5 news items were issued daily. In third place, the corporate email of Internal Communications Colombia, which was activated at times of high interest, for the dissemination of campaigns and immediate updates. And fourthly, the Intranet, which maintained its readership at 86%.

## Media

In 2021, one of the most important announcements for the Company was made: the transforming partnership with Grupo Energía de Bogotá (GEB), which in 2022 will mark a new milestone with the birth of Enel Colombia. Nearly 450 news items were published on this topic. Of these, 94% were positive and 63% were published in the country's main media. Thanks to this, Enel companies in Colombia strengthened their reputational positioning in the leadership dimension.

During the year, 112 Codensa press releases were sent, 25 of them highlighting the main topics of the Enel X and Market business line. As a result, more than 970 publications were generated in the media, which translates into approximately \$8.3 billion in free press. El Tiempo, El Espectador, La República and Caracol Radio were some of the main media that covered the Company's news.

Innovations in the electric substations were one of the main topics covered. For example, the inauguration of the Portugal substation – the first digital substation in the country – was the most popular announcement (67 publications). This was followed by the obtaining of the environmental license for the relocation of the Calle Primera substation due to the construction of the Bogota Metro (57 publications) and the start of construction of the Terminal substation (19 publications).

The recommendations to avoid electrical accidents, the opening of vacancies for trainees, and the investments and modernization works in the infrastructure also had a great media coverage. As well as sustainability issues related to the protection of biodiversity, strategic alliances and education programs in Cundinamarca.

The most relevant press releases from Enel X and Market were related to the news on the energy bill, the inauguration of the second electric-power station in Unicentro Bogota and the announcement of the creation of a new financing company with Scotiabank Colpatría. These announcements generated 51, 45 and 36 publications, respectively. It is also worth noting the award to the Company for the installation and operation of 13 photovoltaic systems in eight Colombian companies, the incursion into the money order market with Flexipagos and the start of "La Ruta de la Navidad" (The Christmas Route).

## Digital media

The digital media strategy focused on strengthening the Company's reputation by increasing own-source content, according to the dimensions of the reputation model on which the Company has been working. It also focused on seeking innovation in new communication formats for the Internet environment. Emphasis was maintained on content on service quality to keep customers informed and, at the same time, make investments, network improvements and operational challenges visible under the concept #AquíEstamos (HereWeAre).

From this perspective, the Company's first documentary web series was launched with the same title: Aquí Estamos (Here We Are). This series has four chapters in which the challenges and challenges of Codensa's operation are evidenced through the stories of the workers. During the promotion of the first chapter, more than 120 thousand views were obtained on YouTube.

On the other hand, the following campaigns were highlighted: Enel Biodiversa, in which 96 contents were published on the Company's initiatives regarding biodiversity protection; the call *Emprende con Enel*, with a total of 165,875 users; and *Coach de Talentos*, to socialize professional internship opportunities in Enel, impacting 5,800 users.

The content published on social networks during 2021 reached a total of 13,365,754 users in all spaces; in addition, 45,319 interactions were recorded on Facebook, 24,663 on Twitter, 26,194 on LinkedIn and 12,413 on Instagram.

Additionally, more than 49 million views were obtained on the website. This represented an increase of 12% compared to 2020. The most visited pages were the Payment Button (PSE), Express Invoice, home page, Customer Service Channels and Virtual Invoice. One of the pages that increased the most (14%) was the access to the private area, thanks to the increase in the number of registered customers.

It is important to note that 70.5% of users were new users, while 29.5% were repeat users. The average time of each visit to the website was 03:44, an important time considering that most visits are for transactional and informational purposes. The percentage of visits via mobile devices increased by 12% over the previous year.





## Brand management and content strategy

In 2021, the Company's reputation indicator was 66.4 points (RepTrak® PULSE), up two percentage points from the previous year, and 3.17 points from 2019, indicating a sustained improvement both individually and in its competitive position vis-à-vis the energy sector. An overall increase of more than two percentage points was achieved in each of its component dimensions: performance, leadership, supply, citizenship, innovation, integrity and labor.

This result is due to the definition of a communication strategy that demonstrated a clear purpose, with a cross-cutting focus on sustainability, which prioritized the dissemination of projects aimed at: 1) improving the quality and reliability of service, 2) supporting the communities in which the Company operates to foster their development, 3) modernizing and enabling the electric infrastructure to make viable and develop electric mobility projects such as charging yards and electric buses for the Bogota public transportation system, as well as the construction of 30 new substations to prepare for the growing demand for energy and stability of the system, 4) protecting and preserving the country's ecosystems through Enel Biodiversa, among other projects and initiatives. Furthermore, the announcement of the signing of a new investment framework agreement with Grupo Energía de Bogotá had a positive influence on the result.

The Company remained in the MERCO ranking among the 100 companies with the best reputation in Colombia, ranking #74, climbing eight positions with respect to the previous year, and showing a clear rebound in its corporate leadership; it also obtained the #35 position in the Merco Talento monitor, which recognizes it as one of the best companies to work for in the country. Employers for Youth Colombia 2021 ranked it #33 among the best companies for young professionals, and #2 among energy companies.

In social responsibility, Codensa received a special recognition from the Ministry of Energy and Mines, which seeks to highlight the most significant experiences in the sector, for the project Cundinamarca al 100. This same project was recognized by RSE Camacol in the category of "Relationship with Communities".

In Innovation, the ANDI ranked it #11 out of 340 participating companies, in recognition of its efforts to increase its capabilities in science and technology. The 100 Open Startups ranking recognized Enel as #1 in the sector and #5 in the country out of 100 companies selected for its leadership in open innovation and work with startups. In the CIER Innovation Awards, it received a place in the national phase with the Open Innovability platform in the "innovative platform" category.

In terms of diversity and inclusion, the Company received the Equipares Gold Seal recertification, which is the highest level of recognition in the process of certification of the Gender Equality Management System by the Ministry of Labor.

In terms of integrity and transparency, it received the IR 2021 recognition, a partnership between CESA and the Colombian Stock Exchange to promote best practices in information disclosure and investor relations, with a score of 90.9% out of 100%.

## Events, sponsorships and public presentations

To continue positioning the Company as the best reference in energy distribution and sale, throughout the year we sought to participate in the most relevant scenarios of the sector and in those aimed at promoting the discussion and presentation of topics of interest to the Group, such as innovation, energy transition, electric mobility, gender equality, circular economy and sustainability.

Participation in public events and sponsorships contributed to the positioning of Codensa as a company that creates energy solutions and is committed to face the challenges of today and tomorrow to positively transform people's lives through the development of their communities, companies and cities. The communication actions were aimed at reflecting a Company that is more human, closer, open to people and with a clear purpose of contributing to the sustainable progress of cities, the country and its communities.

Between sponsorships and presentations at public events, the Company was present in 67 scenarios.

In addition, 16 internal and external events were held to support the dissemination and relationship needs of the different areas with their different stakeholders, and nine additional cross-cutting events were held to help position the Group's strategic issues.

## Advertising

In 2021, advertising campaigns were carried out for different initiatives. One of these was the communication campaign aimed at preventing electrical accidents caused by the contact people may have with the electrical grid.

During July and August, the Days of Flight campaign was carried out, which in 2021 was focused on inviting people not to fly kites from terraces and balconies, inviting them to do so in large spaces, outdoors and away from electrical grids. This way, we contributed to reduce service failures by 90% compared to 2019 (year without restrictions) and by 10% compared to 2020, for this cause.

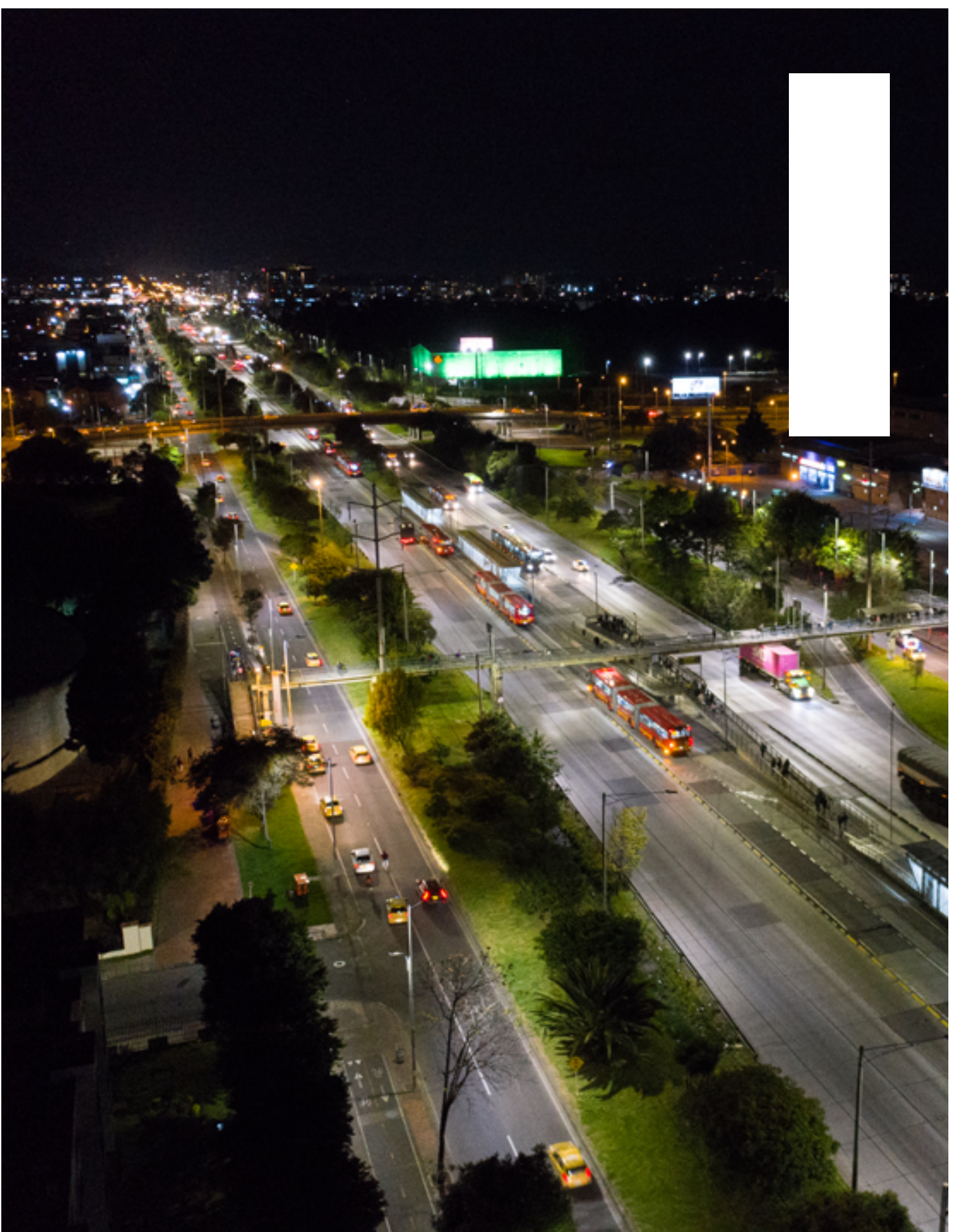
We continued the dissemination of the programmed works of modernization, maintenance, change and expansion of the electric infrastructure in Bogota and Cundinamarca.

Additionally, communication plans were implemented to prevent energy theft with a focus on 8 localities in Bogota and 10 municipalities in Cundinamarca. This campaign contributed to the generation of more than 4,729 anonymous reports and the recovery of 1.5GWh of energy.

## Real-time communications

During 2021, real-time communication focused primarily on addressing, integrating and monitoring the situation of the health emergency caused by COVID-19, and supporting prevention and response actions in response to this situation.

In turn, adverse situations were addressed in accordance with the Company's Critical Event Management policy in Colombia. The company also actively participated in the crisis simulation exercise developed for Infrastructure and Networks, and a case study of a crisis faced by an external company was conducted to analyze the processes and experience and adopt best practices.



## **4. Internal Management that Yields Results**

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# PERSONNEL MANAGEMENT

## Our people and their value

Codensa seeks to foster a coherent and purposeful work environment, in which the attraction, retention and development of talent are reflected in the well-being of workers and teams, as well as in the Company's results. Thus, it deploys a model based on four pillars: people, organization and processes, spaces and technology, which promotes autonomy, self-management and the empowerment of people through gentle leadership.

The transformation to a liquid structure seeks to embark on a path of projects and innovations that will change the way of working, always putting people and service skills at the center, valuing proactivity and individual responsibility, in order to leave hierarchy aside, making way for a space where all talents can manifest themselves without fear and dignifying the role of women.

### People and Organization Model



Twenty (20) projects are derived from these four pillars, providing a single strategic direction and pipeline at Group level. They are interrelated with a focus on Open Power culture and values, digitalization, process simplification, a more fluid organization, emphasis on data management and hybrid platforms and work models.

Based on this new model, the focus is on attracting, retaining and developing the best talent, seeking to incorporate people who identify with the Open Power values (innovation, trust, responsibility and proactivity).

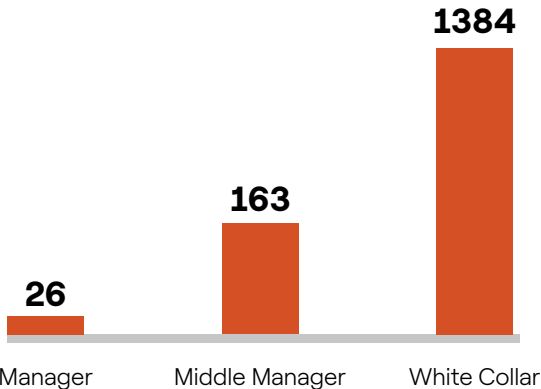
The selection policy focuses on ethical principles, equal opportunities for all, accessibility to offers, opportunities for internal candidates and technical rigor.

In addition, job satisfaction is promoted, which contributes to improving the work environment and enhances experiences of happiness. Opportunities are generated for reconciliation between personal, family and work life, development and learning, contribution of work to social development and compensation, within the framework of Total Rewarding, generating memorable experiences in their corporate journey, with commitment and sense of belonging to the Company.

## Our figures

Codensa closed the year with a workforce of 1,573 workers, 2.5% higher than the previous year, mainly due to the hiring of new personnel associated with investment projects, of which 88% had indefinite term contracts and 12% had fixed term contracts. The classification according to position category is detailed below:

### Direct personnel headcount as of 12.31.2021 by position category.



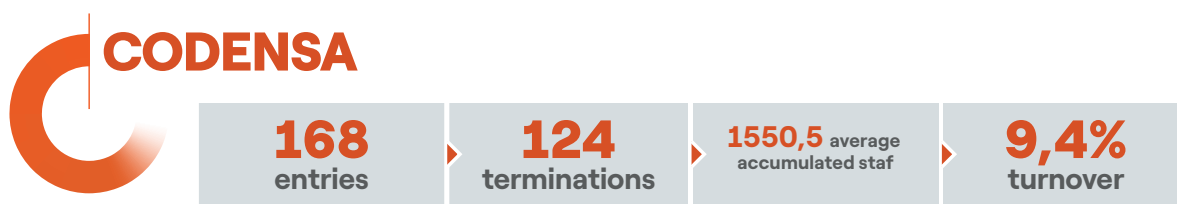
In addition, Codensa closed 2021 with a total of 67 apprentices (regulated by SENA quota) and 55 university interns (agreements with universities).

On the other hand, in accordance with the equality and equity strategy, the total number of women in the Company at the end of the year was 579 workers, 4.5% higher than at the end of the previous year.



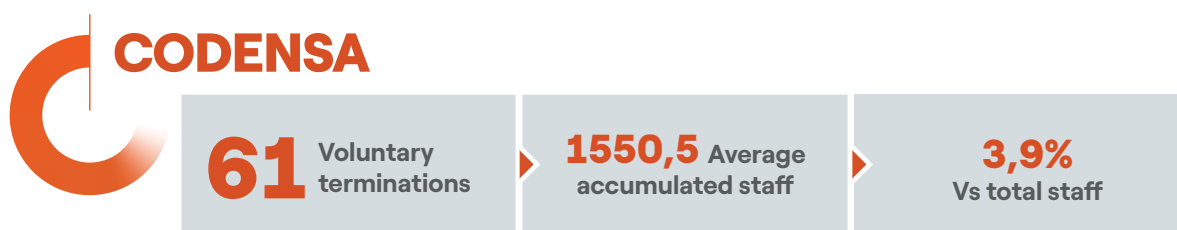
## Turnover

In 2021, the employee turnover rate was 9.4%, 2.5% higher than the previous year. This was mainly due to a 39% increase in new hires and a 41% increase in retirements. Thirty percent of the retirements corresponded to the Transition Fund project, a voluntary retirement plan that seeks to support the digitalization and process automation strategy.



## Voluntary termination rate

Voluntary terminations<sup>(2)</sup> increased in 2021, having a rate of 3.9% compared to 2.6% in 2020.



## Internal mobility

The internal mobility indicator indicator refers to the role changes that an employee can make or choose within each of the Companies, especially when moving from one organizational area to another one, or changes in position level that require the execution of different activities.

In this regard, in 2021 the Company's internal mobility indicator was 13.4%, considering the following:



(2) Number of voluntary terminations / Average accumulated staff of the Organization



## Osmosis

Consists of promoting cross-turnover between business lines by identifying and developing profiles with a flexible and open-minded approach. The People Blooming program is expected to increase this indicator and support mobility and professional growth. In 2021, 19 people had a cross-turnover.

## Compensation

In order to maintain competitive salaries, internal equality, reduce the gender gap, promote the development and retention of talent, and recognize superior performance levels, the Monetary Rewarding action was applied as follows: 279 salary adjustments were made during the year, 189 for unionized personnel and 90 for non-unionized personnel; in addition, 212 non-wage bonuses were awarded, 117 to unionized personnel and 95 to non-unionized personnel.

## Salary gaps<sup>(3)</sup>

The Company monitors salary gaps according to gender and job category. Compared to the previous year, in Codensa there was a decrease in the gap of 1%, going from a rate in favor of men of 0.6% to a rate in favor of women of 0.4%.

Tipo de cargo	Manager	Middle Manager	White Collar	TOTAL
Codensa	91,5%	97%	101,3%	100,4%

## Talent without labels: Diversity and inclusion

The culture of diversity for the Enel Group companies in Colombia is a differential feature with respect to the management of its talent. It seeks to encourage respect for conciliation and differences as a fundamental value. In 2021, the diversity school continued with topics related to age, gender, sexual orientation, disability and nationality.

## Diversity School



## Strategic Diversity Committee

The committee consists of the Country Manager and a peer committee of 5 leaders from different staff and business areas, which met quarterly. For 2021, impact actions were identified for the different businesses that seek to contribute to the strengthening of the diversity strategy within the company, following up on the indicators and their results.

## Gender equality

The initiatives to manage gender equality address different fronts:



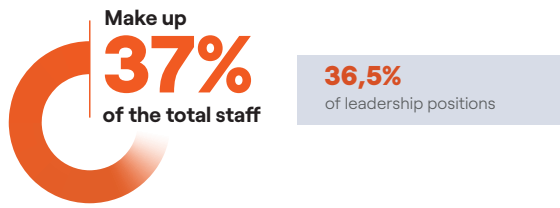
## Equipares Gold Seal Recertification

Codensa has been an Equipares company since 2015. This initiative of the Ministry of Labor with the support of the Presidential Council for Women's Equity and the technical support of UNDP, seeks to implement a Gender Equality Management System (SGIG-Equipares) in Colombian companies.

In 2020, the recognition was ratified by being re-certified with the Equipares Gold Seal, with a result of 98.7%. In 2021, through quarterly monitoring of more than 15 indicators with a gender focus, opportunities for improvement were identified, and various actions were developed.

(3) For the wage gap indicator, when it is =1, it is balanced between men and women. If: >1 it is in favor of women, and if <1 it is in favor of men.

## Women in CODENSA S.A. ESP occupied:



Additionally, during 2021, the following actions were developed:

- Panel of women leaders in STEM areas (science, technology, engineering and mathematics) of the Company, to share their experience, trajectory, achievements and opportunities with girls between 14 and 20 years of age.
- Space for raising awareness among the 13 most representative contractor companies about the importance of gender equality. The Country Director shared the details of this commitment and Equilátera developed a workshop on unconscious bias.
- Internal commemoration of International Women's Rights Day, through the play Hembrujas, which highlights

and demystifies gender stereotypes.

- Participation in the Gender Parity Initiative in Colombia, a nationwide public-private partnership that brings together companies with significant progress in this area.
- Female Leadership Workshop in the Diversity School, to strengthen leadership skills of women who are expected to assume roles of greater responsibility in the Company.
- Three days of Enel Women's Day, focused on strengthening the personal brand and performance in an Assessment Center. Approximately 336 women were reached, 184 of them were engineers interested in working in technical areas.
- Live "Diversity and Development: keys to generate labor inclusion in masculinized sectors", in charge of the Assistant Manager of Change & Transformation together with the Manager of [empleo.com](https://empleo.com).

Creation of the Training Program for Women in Core Areas, which provides development opportunities for women in the Company interested in being part of the core areas of the I&N business, through training and a talent pool. 85 women participated in 31 training courses and 58 tutors.

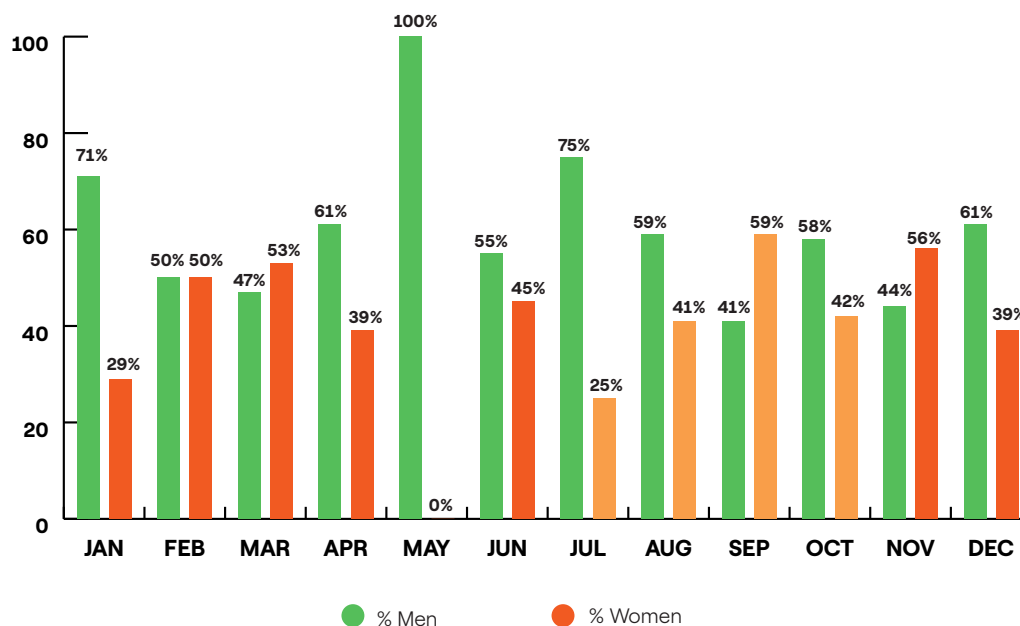
## Structure of the training program for women in core areas



- Participation of 50.5% of women candidates in external selection shortlist. Messages were published in internal and external social networks promoting the role of women in the selection processes and internal notes publicizing the entry of women in technical positions.
- In 2021, female talent accounted for 41% of the external entries, contributing to the increase of women in the workforce to reach the target of 36%.



## Selection of women month by month/2021



## Sexual diversity

In order to generate spaces free of discrimination against sexually diverse people, in 2021 we continued with the Friendly Biz Corporate seal in partnership with the LGBT Chamber of Commerce.

The International Day against Homophobia, Biphobia and Transphobia was commemorated internally through the format Diversitalks Breaking Prejudices and Stereotypes for the inclusion of the LGBTI+ Community in Enel, a session that through case studies managed to highlight unconscious biases around sexual diversity.

## Age

In 2021, the diversity school held the following courses:

- Personal branding workshop for trainees and apprentices on a semester basis.
- Building my future workshop, for personal, family, health, financial and social planning with a view to retirement, with 38 participants and 342 hours of training.
- Leadership and multigenerational talent management workshop.
- Knowledge management workshop, with tools for trainers over 50 and under 30 years of age.

- Starting my career at Enel, aimed at trainees on topics such as assertive communication, use of time, productivity, monitoring and control of activities, prioritization and pressure management.

## Nationality

A one-hour workshop was created on the e-Education platform with the objective of recognizing multicultural differences in the Company, using tools to interact assertively with people of different nationalities, cultures and customs. There were six participants.

## Disability: Value Disability

Codensa at a global level has committed to the Valuable 500 initiative, which aims to bring together 500 private companies to unlock the social and economic value of people living with disabilities around the world. This commitment has been adopted locally in two perspectives: customers with disabilities and staff with disabilities.

For this reason, during 2021, the model of inclusion of people with disabilities was developed with the support of Productivity Pact, experts in disability issues, based on knowledge transfer and implementation of good practices. During 2021, four areas were monitored and advised. In addition, nine workshops were held with the participation of 171 people, and 97 hours of training.

## In 2021, two direct employees and one apprentice with a disability joined the company.

### A culture with people at the center

Codensa delivers value to people and businesses, empowering and developing the best talent, understanding digitalization as an enabler of opportunities and contributing to well-being by making personal and family life more compatible and balanced with work and professional life, within a framework of sustainability and competitiveness.

### Happiness Pulse Index

In 2020 the measurement of the Happiness Culture Index was carried out, with the results of that survey, in 2021 a pulse was applied to monitor the performance of categories that had yielded low results such as: consistency at work, own tools, relationship at work, well-being environment. The participation rate was 74%.

In general terms, most managers improved in aspects such as team cooperation and perception of job stability. Some aspects such as workload, work stress and learning from mistakes had negative variations, results that possibly show the current reality in different companies, where working at home has had an impact on work-life balance and the difficulty of disconnection.

The results will be disclosed in 2022, due to the fact that in 2021 we worked on cross-cutting action plans for psychological and emotional self-care, disconnection tools and a hybrid work culture aimed at a happiness at work strategy.

### Global Wellbeing Program

Under the people care pillar, we encourage cultural transformation to become a benchmark place to work, based on respect for conciliation and differences.

### Benefits on Demand

In Codensa since 2019, the benefits available to people are notified and delivered through Benefits on Demand, a technological platform that allows redeeming benefits in real time according to the needs, interests or time of life. During 2021, Benefits on Demand continued to have four main categories:

**Smart Working:** benefits for working differently within the workday, such as: flextime, compressed workday on Fridays, compressed workday at Christmas, work at home for extraordinary situations and flexible remote work. The policies and structure of this group of benefits were essential to face the pandemic and the different preventive isolations that continued during 2021. At the end of this year, 1,112 Codensa employees worked from home.

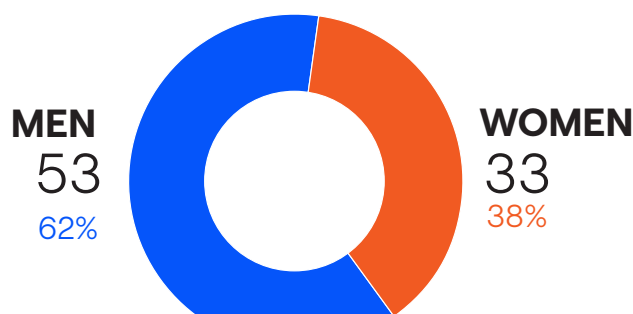
**My Time:** benefits associated with paid time to balance family, personal and work life. In 2021, 2,239 redemptions were made under this category.

**My Experiences:** Recreational, cultural, sports and corporate activities, in addition to digital vouchers to use for entertainment, food options and streaming options. During 2021 corporate activities and events were all developed virtually, with 13 virtual events to strengthen physical, mental and emotional health.

**Complementary:** Benefits associated with complementing people's quality of life. According to people's needs in 2021, the most relevant benefits were:

86 people received psychological counseling, a benefit that was carried out 100% virtually and was extended from 4 to 8 sessions, as well as family members.

### Use of psychological support by gender



- Two people received the excellence scholarship for their children, a financial aid that covers the cost of the university semester.
- 2,284 people and their beneficiaries took out the corporate health plans.
- 512 people took out the collective vehicle policy.
- 100% of the people took out life insurance.
- Nine people participated in the parenting program.



- Five conferences were held on emotional intelligence and life purpose. 907 employees participated, with a total of 1.314 hours of training. In addition, five group bereavement talks were held with the participation of 86 employees, for a total of 129 hours

In 2021 we continued offering the following benefits:

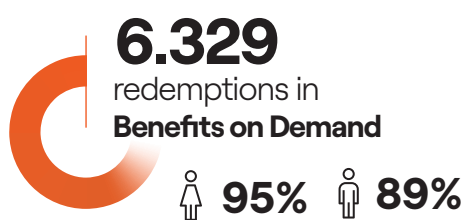
- For Your Connectivity, a benefit that grants an aid of \$30,000 to people who work from home for the payment of their internet service provider. In 2021, 736 people benefited from this aid.
- Insurance policy in case of COVID-19 infection, for all countries where the business operates. This is a financial benefit of 1,500 euros given to people hospitalized for more than two days in a normal bed or 3,000 euros if they are in ICU for more than two days. 23 people received the benefit in 2021.

### Significant figures in the use of benefits in 2021

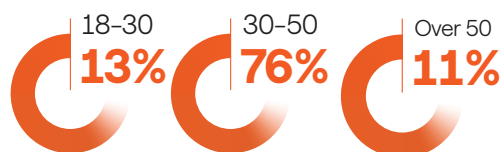
In 2021, 91% of Codensa's employees used at least one benefit offered in the Benefits on Demand platform:



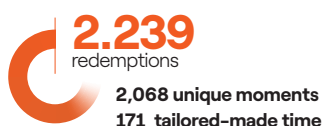
#### CODENSA



#### Benefit redemption according to age range



### 1 My time



### 2 My Experiences



### 3 Complementary

Psychological support: 86 people  
Connectivity assistance: 736 people

## Work climate and safety survey

In December 2020, a survey was conducted to measure the work climate, which was called Open listening future way of working. It became necessary to work on the psychological and physical well-being of employees, as well as to develop skills in leaders such as: empathy, care of relationships, management of emotions and change management. Cross-cutting action plans were defined, aimed mainly at leaders:

**Psychological First Aid Workshop:** Tools to manage situations of anxiety and stress, to take care of one's own and the team's wellbeing. Fifty-three leaders participated in this initiative and the workshop lasted six hours.

**The World Changes, Leaders Transform Program:** Tools to manage changes as opportunities for growth, productivity and transformation. Eighty-six leaders participated in this 15-hour workshop.

**Growing with coaching:** Training methodology to disseminate the use of coaching as a powerful tool for managing teams.

## School Academy

### Development routes

The development routes continued this year with activities and content to meet the training needs of different groups of employees, promote personal and professional growth, and improve employees' perception of access to activities.

**Growing leaders:** Mentoring in gentle leadership (15 leaders) and training in team management (12 new leaders).

**New Enel talents:** Support for 61 workers who joined the organization through e-Ducation, corporate university, e-Profile and OFE.

**Growing promoters:** Follow-up on workers who were not selected in an internal contest or direct selection or reclassification. Twenty-four people participated in the management skills workshop.

**Pipeline Successors:** Definition of action plans for 58 employees who were selected in the manager succession plan as pipeline successors. Activities included: mentoring, job shadowing coaching, management communication workshop and management skills workshop in digital environments.

**Women leaders:** Designed a training program for women in core areas.

**Students in progress:** Workshop "Starting my career at Enel", with the participation of 71 trainees and an average workshop score of 4.68.

**Potential futures:** Route for Young Talents, with a CRM test and definition of an Individual Development Plan (PDI) that included a management competencies workshop in which six young workers participated with an average workshop rating of 4.69.

### Professionalization Program

The professionalization program promotes higher education for employees through academic benefits that help to cover university expenses and facilitate access to undergraduate studies. This year, three employees participated in the industrial engineering program.

### Loan and sponsorship program

In 2021, loans and sponsorships were granted to 28 professional employees in different universities, with sponsorship approvals between 20% and 60%, 20 employees with national universities and eight with international universities.

### Individual Development Plan

For 2021, each employee registered his or her Individual Development Plan (PDI), based on five types of actions. A total of 5,872 actions were registered by 1,466 workers, as follows:

Number of PDI actions

ACTIVITIES	CANTIDAD
Self-management	126
Experience in other areas	11
Training	5.663
Technical mentoring	13
Participation in projects as team leader	22
Participation in projects as team member	37
<b>TOTALS</b>	<b>5.872</b>

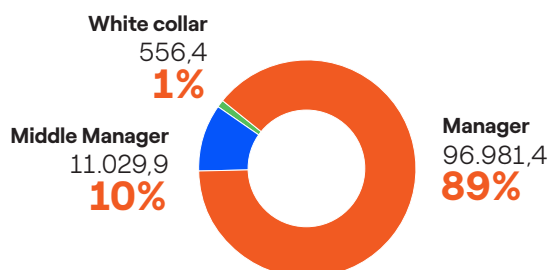
## Corporate University

For 2021, the Corporate University was relaunched through an updated website, with better visualization options, and 238 courses distributed among the six different faculties: Open Power, digital transformation, technical training, leadership, diversity and innovation. Programs such as engineering plan, green finance, sales school, business intelligence, project monitoring and control, among others, stand out.

## Training by category, age and gender

108,567.7 hours of training were executed, with an average rating of 4.5 out of 5 and with the following distribution by category, age and gender:

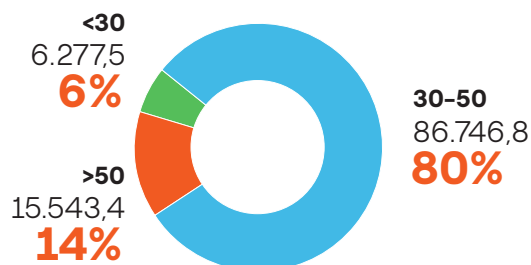
### Training hours by Category



### Training hours by gender and age



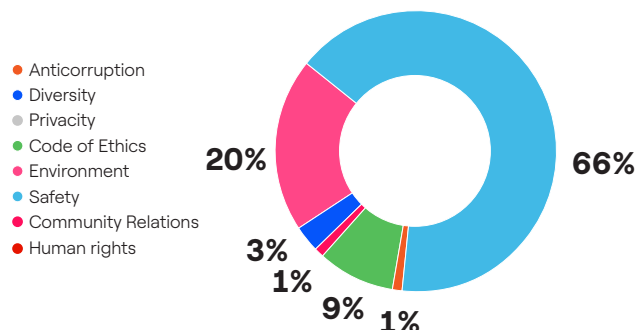
### Horas de formación por edad



## Sustainability focus training

Training was conducted on safety, environmental and anti-corruption issues for a total of 38,888.33 hours.

### Training hours in sustainability focus



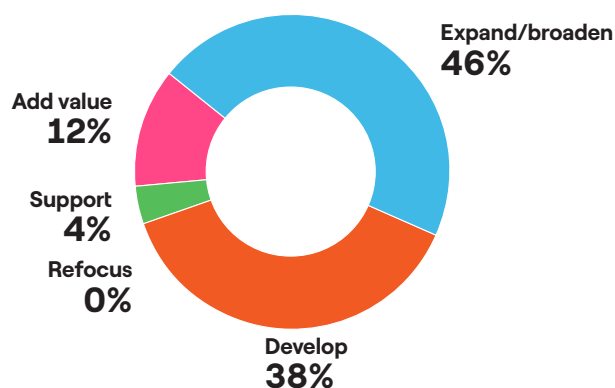
## Open Feedback

During 2021, the performance of employees for the 2020 period was evaluated, continuing with the evaluation methodology of the four Open Power values. As a result of the evaluations, feedback interviews were conducted, and the PDIs were built for their execution in 2021.

At the same time, development conversations were held among the leaders, who reflected on the future of the workers, how to build development plans adjusted to their needs and how to promote the potential of each worker in particular.

A total of 1,448 employees were evaluated in the process, with an average score of 3.9 in the evaluation of their values.

### Distribution by Quadrant



## New Open Feedback Evaluation model

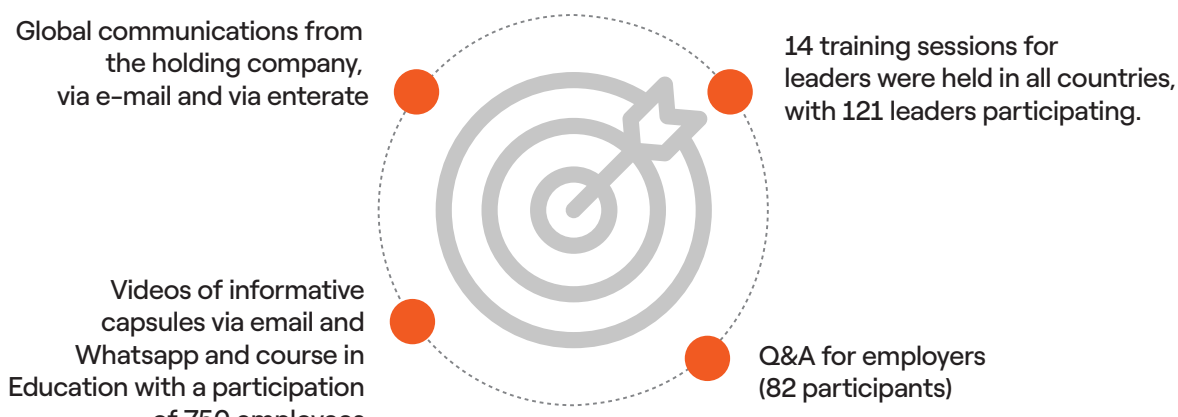
For the third quarter of 2021, a new evaluation method was implemented, which went from a bidirectional model to a multi-dimensional one, with the participation of more people. This model also contemplates the four Open Power values together with the 15 Enel competencies and is divided into three dimensions, which are:

**Talent:** employees can choose the three Enel competencies with which they feel most identified. For this dimension, participation was 92%.

**Generosity:** people can interact with their network by requesting and sending feedback on the competencies they consider their colleagues have. A total of 22,566 feedbacks were shared.

**Action:** the direct manager defines between one and three actions related to the employee's duties. Each of them must have a specific deadline, and must subsequently be rated by the manager. 98.5% of the managers participated, assigning and rating the activities of 1,400 employees.

The following initiatives were carried out to disseminate the new Open Feedback Evaluation model:



## Succession plan

A new succession plan was designed for positions in the manager category. We defined ready successors, who are ready to take on the role, and pipeline successors, who should be prepared for the medium or long term. For 25 positions, 133 successors were identified.

### DISTRIBUTION BY TYPE OF SUCCESSOR



### DISTRIBUTION BY GENDER





The following actions were carried out with the defined successors:

Action	Description	Hours of training	No. of participants
<b>Management skills in digital environments workshop</b>	Skills such as: communication, leadership, emotion management, team management, all framed in a digital reality, were enhanced.	30	12
<b>Management communication workshop</b>	Skills and aspects to improve were identified in order to impact and influence with their ideas in different scenarios in which a manager is exposed to.	6	9
<b>Mentoring</b>	The mentor and mentee shared experiences, facilitating a circular relationship of mutual exchange.	20	9
<b>Coaching</b>	The coach supports the coachee, helps him/her to see what he/she can be, not only what he/she is, and helps him/her to implement actions to achieve his/her goals.	12	4
<b>Job Shadowing</b>	A host welcomes a guest and together they build activities, objectives and goals of the process. The host involves the guest in his or her work activities, relationships with the team and with key stakeholders.	30	16
<b>Other initiatives</b>	Other trainings, participation in projects, postgraduate studies, expatriations or external exposure, among others.	N.A	8

## New leadership

For 2021, the Gentle Leader Manifesto was published, which seeks that leaders manage their teams based on the following premises:

- 1 Gentle leadership is not formal courtesy or weakness, it is active listening, inclusion and guidance to obtain results in a team.
- 2 A gentle leader seeks to empower and give autonomy, knowing, trusting and valuing the diversity of each team member.
- 3 The leader understands that empathy, assertive communication and feedback promote the well-being of his/her collaborators inside and outside the company.
- 4 A gentle leader learns to release and accept his/her own and his/her team's emotions in order to create courageous and constructive conversations.

Meetings were held with leaders to disseminate and share the manifesto. Additionally, the initiative called Growing with coaching provided them with information to manage relationships with their team and develop in the role of leader. A total of 323 people participated in this initiative, which lasted two hours.

## Leadership School

The trainings that took place for the leadership school were:

**e-Leadership:** Management from Complexity and Ambiguity: Webinar designed to strengthen skills to face and adapt to a VUCA (Volatile, Uncertain, Ambiguous and Complex) environment. It lasted 2 hours and was attended by 116 leaders.

**Management from innovation and continuous learning:** Workshop to learn how to transform an innovative idea into a concrete project, assuming risk and enduring uncertainty. It lasted four hours with the participation of 20 leaders.

**Digital intelligence for decision making:** Sought to develop the ability to choose several alternatives, through the analysis and synthesis of data and information, even under conditions of uncertainty and complexity. It lasted four hours with the participation of 30 leaders.

**Collective intelligence and management of conflict situations:** This training shared criteria and knowledge to identify and resolve conflicts, as well as to turn them into opportunities. It lasted 10 hours with the participation of 15 leaders.

**Adaptive leadership based on empowerment:** It addressed leadership as the ability to adapt, and to show change as a continuous process that allows learning from experiences and mistakes. It lasted four hours with the participation of 34 leaders.

**Strategic and business vision:** Workshop for leaders of leaders, which provided tools to have a strategic vision of this type of leadership.

## Development methodologies

### Coaching

Seeks to strengthen Open Power behaviors in workers, to establish more accurate goals, objectively assess resources and take actions using strengths as leverage to improve their aspects to be developed. In 2021, 27 individual coaching processes were carried out.

### Mentoring

This methodology is mainly aimed at leaders and seeks that through a mentor or guide new leaders strengthen leadership and team management skills. A total of 22 leadership mentoring processes were carried out for Codensa.

## Other actions

### Indoor Home

The way in which the outdoor and team support processes were carried out was modified. For 2021 it was provided to teams with specific needs such as: Customer Engagement, with the participation of 141 employees.

### MEWE Program

Provides a learning and empowerment experience for people & business partners. The program was developed in the company of other Enel Latam countries, with modules in which topics such as the mindset based on curiosity and courage, strategic mindset, people care mindset and strategic mindset were worked on. Ten people & business partners from Colombia participated from the different business lines.

### Management of Health Plans and Life Insurance Bidding Process

In 2021 the following beneficiaries in the health plans, on which the Company covers from 50% to 100% of the cost.

**1.274** prepaid medicine users

**582** complementary plan users

Additionally, a bidding process was carried out for life insurance, a benefit that covers 100% of the life insurance. This process included a massive update of beneficiaries.

## The best talent to face great challenges

Under the principles of attraction and recruitment, the selection process promoted diversity and inclusion.

This 2021 a more digital process was strengthened, in which 2,939 candidates participated, of which 1,662 reached the final phase of interviews and 167 external candidates were selected. The effectiveness rate was 95%.

A total of 554 vacancies were filled, corresponding to 207 direct vacancies (including internal competitions), 218 vacancies for interns, university students and SENA apprentices; and finally, 129 temporary personnel processes were carried out.

## Internal competitions and external selection

40 vacancies were filled through internal competitions. This was possible thanks to the strategies to enhance the e-Profile. At the end of each competition, feedback was given to 100% of the employees regarding the results of their process.

## Employer Branding

During 2021 Codensa implemented strategies associated with the attraction of internal and external talent, in a closer and clearer way about the processes. Among these mechanisms are:

**Job for You:** 40 closed internal contests with a participation of employees from different managements, interested in internal vacancies through graphic pieces and accurate information.

**Employer for youth:** The EFY organization conducted a survey to recognize the best companies for young professionals in Colombia, the Enel Group ranked 31st.

**Live with P&O Manager:** P&O Manager, Davide Procopio, shared with two young talents the experiences they had in their internship process and the projects they proposed to be directly linked to the Company. 78 viewers actively participated, 36 reactions to the content and a reach of 7,036 viewers.

**Talent Coach:** Social media campaign to prepare students for their first job interview. Reaches were: Codensa Facebook 142,545, Codensa LinkedIn 41,731, Instagram 12,019. 870 interns applied thanks to the campaign.

## Fairs with digital focus



The selection team held different university fairs nationwide in order to inform students about the business objective, learning opportunities and growth within the Companies.

## Young Talent



This project has been recognized by different countries as an excellent practice at a global level, in 2021 it was achieved:



By leaders



started a training plan (soft skills, mentoring, business approach and feedback).



## Back to School

Challenge E sought to strengthen the diversity and inclusion strategy. In 2021, youngsters were informed of the advantages and importance of studying careers associated with STEM areas and how challenging and interesting Enel Companies are. A space was held in which stories of workers who inspire for their professionalism, human quality, leadership and resilience were highlighted. The students participated in different activities in which they demonstrated what they had learned during the day.

## Upskilling / Reskilling / External skilling program

**Programa Reskilling:** Training needs were updated in the process sheets, according to the changes due to the impacts of the energy transition and digital transformation. A training plan was defined for 2023 in upskilling (updating skills) or reskilling (learning new skills). In 2021, training in digisilent, python for digisilent, logistics focused on materials, legaltech, machine learning, qlik sense, among others, were highlighted.

For the smart metering project, three groups of the technical program in construction and assembly of electrical installations were opened, in agreement with SENA, and with the participation of 85 workers in cutting, reading and reconnection.

**Enel Lecture:** This university elective is focused on attracting and bringing the best talent from selected universities to Enel's value proposition, training them in key contents for business within the framework of the energy transition. In 2021 about 50 students took the elective at two universities in Bogota and proposed four projects.

## New routine training for the hybrid work

Different actions were developed seeking to increase digital skills in people:

**Digital transformation school:** The corporate university has a digital transformation school, which offers training by levels from basic to advanced, such as: agile, data driven, customer centricity, lean and kanban, scrum, service model in digital transformation 5G networks, circular cities, among others, with a total of 5,076 hours and a participation of 552 workers.

**Digital Experience Week:** Aimed to mobilize the culture of digital transformation applied in the energy transition matrix. In five pavilions, 29 projects were exhibited, with the participation of 680 workers virtually, in addition to eleven

webinars and a workshop for the children of workers, in which they learned about renewable energy and home automation, with the participation of 67 children.

**Digital Olympics:** With the objective of strengthening the learning of technological tools such as Teams, Planner, One Drive, Power BI, among others. 122 people participated in 45 teams.

**Digital transformation project:** The culture methodology was implemented, with the measurement of indicators in eight attributes: strategy, leadership, human talent practices, cultural practices, organizational architecture, workspaces, processes and technology.

**Coursera4colombia Program:** The 100 Coursera licenses were maintained, with a focus on training in digital transformation and some technical topics. A total of 1,024 hours of training were provided.

**Power BI Course:** A basic and intermediate Power BI course was held with the participation of 80 employees in 7 groups and a total of 1,920 hours of training.

**CEAN:** The Business Analytics Center was consolidated, with the participation of experts in data analytics from the different business lines, with the aim of sharing best practices and their knowledge and experience.

## Agile Colombia

**The first group of 14 employees was certified as Scrum Master.** In addition, as a strategy to mobilize the agile culture, a toolkit with the agile manifesto and the playbook was sent to all new employees and the importance of agility was highlighted in the corporate induction sessions. Thirty-two agile agents were selected for I&N, and different sessions and accompaniment in the methodology were carried out.

## Transformation, culture and change

In 2021, we continued to support organizational projects with the transformation, culture and change methodology, which consists of six steps and four dimensions, applicable to each of the projects. Additionally, there is participation in a network of Change and Universities.

The following projects were supported, some coming from 2020 and others new for 2021: Digital Transformation, X-Customer, Salesforce-Written Care Module, Convergences, Smart Metering, Saman, Data governance, Agile Room P&O, New way of working physical spaces and Newco.



### Changes in work organization

In order to meet the Company's transformation and goals, some organizational structures were updated to assign specific strategic responsibilities among employees. The most representative changes were made in Infrastructure and Networks, Enel X / Market and HSEQ.

### Process simplification

The project to simplify processes and reduce the body of documents was started. Meetings were held to socialize the project guidelines. A 2021-2022 work plan was defined for the transformation of processes and documents. In addition, working groups were held to analyze more than 20 processes, with the use of flow charts and brainstorming sessions. The results of the Grid Blue Sky project focused on digitalization and automation were also taken into account.



### Organizational redesign

In some functions, the management of the organizational structure started during the second half of 2021 a new adaptive and flexible model that facilitates the exchange of skills and knowledge, promoting the autonomy of people, individual responsibility and simplification of the organization. In this sense, the significant changes include the transformation of People & Organization and the Media function towards a liquid structure.

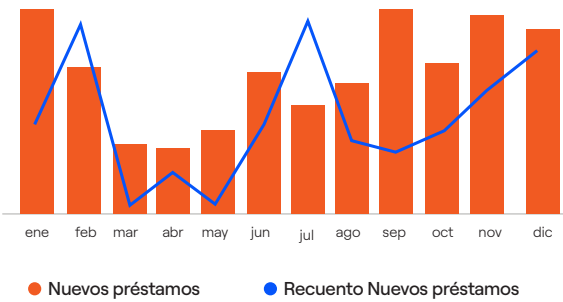
### People administration

#### Loans to employees

In 2021 Codensa provided economic resources for loans for a total amount of \$19,608,824,389, which were granted to 295 workers, in the following credit lines. The most requested were: housing, free investment and higher education.

Clase préstamo	Catidad préstamos
Vivienda convencionales	98
Préstamos estudio superior	30
Préstamo capacitación	73
Préstamo libre inversión	34
Préstamo vehículo	32
Vivienda integral	21
Préstamo odontológico	5
Préstamo universidad garantizada	4
Movilidad sostenible EnelX	2
Préstamo por Calamidad	1
<b>Total</b>	<b>356</b>

Préstamos Girados por mes



**295**  
trabajadores

## Projects to simplify processes

The following projects were implemented to automate processes and enhance tools:

**Employee absence management:** A new vacation report was structured to enable work plans with the corresponding areas, together with the follow-up of business partners.

**Your data connects us:** A campaign was carried out to massively update employee data.

**Enhancement of SAP PAGO tools:** Processes were enhanced and automated with the Hanna project, electronic payroll and improvements in the SAP tool.

**RHO culture:** Improvements were made to the online RHO tool to enhance the user experience.

**My documents:** The tool was implemented as a digital repository of employee resumes.

## Labor relations and social dialogue

### Campaigns and outreach

The conflict of interest platform was launched and 100% of the personnel were asked to report it. This platform enhances the simplification of processes, reducing validation times and improving the customer experience compared to past platforms. Its development was shared with leaders in other countries.

The Te lo mereces (You deserve it) campaign was carried out in order to guarantee effective rest for people and meet the goal of vacation days taken.

A campaign was carried out to highlight the importance of internal rules and regulations, collective bargaining agreements and other internal rules.

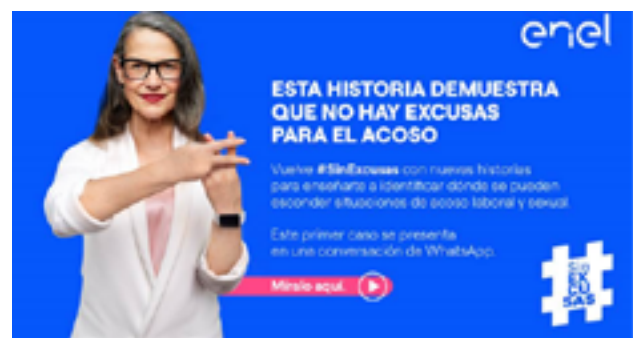
Four talks were given to keep the work teams up to date on new legal and jurisprudential developments, two of which were addressed to the People and Organization Management and two of which were addressed to all leaders.

## Workplace and/or sexual harassment

The modification of the harassment prevention policy was furthered, and a third version was published. A new campaign was generated, with the hashtag “SinExcusas” and new methodologies were used to communicate the information.

On the other hand, the Coexistence Committees were invited to have an increasingly active participation, generating brainstorming sessions with them.

Finally, we developed two best practice benchmarks, one with the members of a group made up of several companies with a presence in Colombia, and the other at Company level with the labor relations areas of other countries.



## Union management

### Trade Union Association of Engineers at the Service of Energy Companies (ASIEB):

The mandatory Arbitration Tribunal was installed and opened, which resolved the conflict that arose in 2019, this issuing arbitration award dated July 21, 2021. Against it, both the Company and the union filed the corresponding appeal for annulment, which was granted by the Court and was already filed, distributed, admitted by the Supreme Court of Justice - Labor Cassation Chamber and is pending to be transferred to the parties to present opposition to the appeals for annulment, and thus continue with the process that will culminate with the final judgment.

### Energy and Utilities Employees Network Union (REDES):

The union organization REDES submitted since 2013 a list of demands to the Company with a view to obtaining a collective agreement regulating relations with its affiliates. The process was not advanced based on concepts issued by the Ministry of Labor on the bargaining unit. However, after some working groups, negotiations were initiated,

which ended without agreement between the parties.

Subsequently, and in view of the request to convene the respective Arbitration Court to put an end to the conflict, a new debate was initiated before the Ministry of Labor. This entity ordered the constitution of the Arbitration Court, which issued an arbitration award. The union filed an appeal for annulment against the award, which was granted, and the file was sent to the Supreme Court of Justice – Labor Cassation Chamber, where it was filed, distributed, admitted and transferred to the Company for the corresponding opposition, a document that was presented in due time. To date, the decision of the High Court is awaited.

## CESLA

Thanks to Enel's participation as a member of the Primary Committee of the Center for Social and Labor Studies since 2018, there was direct participation in the issuance of the report on absenteeism, work at home, collective bargaining and strike published in 2021. This way, scientific evidence is offered that has an impact on the transformation of public labor policies related to the promotion of employment and social development in the country, which boosts the strategic vertex.

## INNOVATION AND DIGITAL TRANSFORMATION

Innovation is a strategic pillar and a corporate value that drives the Company to redesign and rewrite the energy future in the world. Thus, the Company mobilizes the culture of innovation from different fronts ranging from training in key tools and methodologies through the Innovation Academy, to the pragmatic development of solutions to address day-to-day challenges with co-creation sessions.

## FINANCIAL RETURN

### Tax Benefits

In 2021, Codensa received investment approval resolutions for 20 innovation projects submitted to previous calls for proposals, which represent an investment of \$28,115 million, or \$7,029 million in tax benefits deductible in income for 2021 (32% more than in 2020).



## Efficiencies and savings

Thanks to the training of innovation ambassadors in different creative methodologies, 34 brainstorming sessions were facilitated, totaling 134 hours of co-creation, which would have cost \$374 million with an external provider. Nine Innovation Academy courses were also given for a total of 72 hours at a cost of \$49 million with an external facilitator.

## Financing of projects with the Royalties Fund

The first innovation project was approved for financing from the Royalties Fund with the RENOBAT project, which will be developed thanks to an alliance with the Government of Cundinamarca, the Universidad Nacional de Colombia and the Universidad de Cundinamarca. The project will have access to \$3,622 million, of which \$700 million will be executed by Enel.

## PROJECTS

With the dedication of 170 Enel employees, and the support of universities, suppliers and research/innovation centers, more than 50 innovation projects were executed in 2021 to generate savings through efficiencies, among which the following stand out:

**Digital Comex:** a new foreign trade logistics model for a single supplier to integrate all associated operations. This project is a benchmark for the Enel Group.

**Bamboo:** two billing cycles were created for customers to choose the date of payment, seeking to improve their experience, the timeliness of their payment and enrollment in virtual invoicing. In 2021, 843 customers were enrolled.

## PATENTES

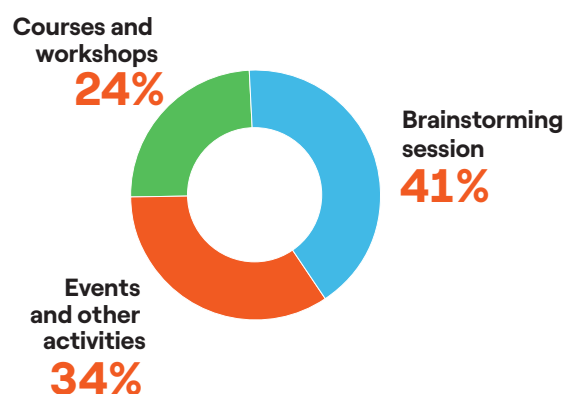
In 2021, Codensa obtained a new patent for the device "System for measuring, processing and communication of voltages, frequency and phase sequences upstream and downstream of the reclosers in the medium voltage network (Synchrophasor)" developed by the TA Observatory - I&N and the National University of Colombia, bringing Codensa's total to 15 patents granted (11 in force + 4 expired).

In addition, three additional inventions were processed and filed, which meet the criteria of novelty, inventive level and industrial use.

## INNOVATION CULTURE

### Results

The approach seeks to develop the capacity to innovate in employees, with training, inspirational activities, promotion and project management, thus, in 2021, 687 people were impacted, representing 40% of Codensa's workforce.



Ideation Session	Innovation Academy	Events	Other courses
365	207	320	57

Note: number of people impacted (not duplicated) by activity

## INNOVATION ACADEMY

Innovation Academy focuses on training employees in creative methodologies to enhance the value of innovation, based on the formula  $\text{Innovation} = \text{Creativity} \times \text{Execution} \times \text{Attraction} = \text{Value}$ .

Seventeen courses were held, with the participation of 207 people, who acquired knowledge in tools such as design thinking, lean startup, storytelling, CPS, and emotional intelligence, among others. In addition, 34 spaces were developed, such as webinars, talks, workshops and events, which impacted 377 people.

## CREATIVE SESSIONS

The co-creation spaces offer sessions developed under innovation methodologies to face challenges. They have been conducted virtually, which has increased participation and has involved colleagues from other countries.



## 37 brainstorming sessions

Some of the challenges addressed in these sessions were:

What should the new relationship model with municipalities be like?

How to take advantage of copper waste in circular economy projects?

How to generate market opportunities from synergies between Diselectros and Market B2B to enhance Diesel's power plant portfolio?

What is I&N's vision on grid flexibility?

### Distribution of sessions by management



### Idea management

We followed up on the development and implementation of the proposals derived from the brainstorming sessions, which complied with the filtering and feasibility process for each challenge.



## EVENTS AND OTHER ACTIVITIES

In order to provide Enel's people with inspirational talks about trending topics, this year two webinars were held with some external collaborators.

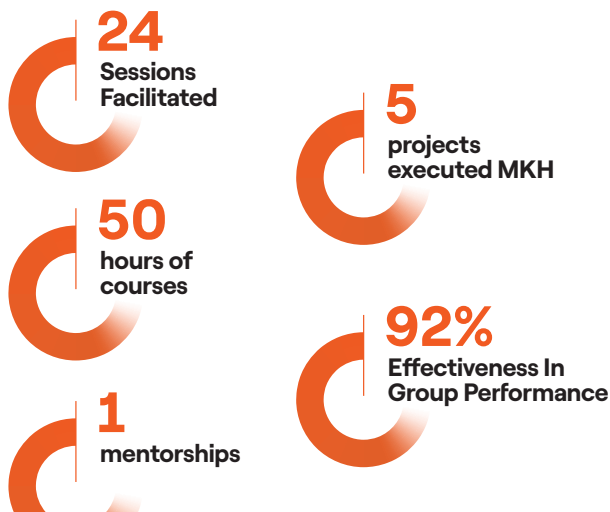
**Benefits of registering in CvLac:** in view of the recognition as a Highly Innovative Company by Minciencias, Eduin García from Cidet explained the process to register in the platform and its benefits for people who participate in innovation projects.

**Quantum Computing:** Jean Bernier, expert in AI solutions and quantum computing at AnniQ, explained how this disruptive technology works and how to apply it to solve needs or find opportunities with new business models.

## INNOVATION AMBASSADORS

The ambassadors form a network of people who make it possible to disseminate the culture of innovation. In 2021 they developed their virtual work skills and designed motivation and creativity strategies through exclusive global and local events on digital platforms. Codensa had 18 ambassadors from different areas.

It is important to highlight their results and impact on culture:



## INTERNATIONAL COACHES

Idea Hub Colombia, together with the Innovation Ambassadors, facilitated courses in Facilitation Techniques and Design Thinking for Central America and storytelling for Spain. 91 collaborators from other countries were trained in three courses.

Some of the countries of the holding with which we interacted were Italy, Spain, Guatemala, Panama, Costa Rica, Chile, Peru and Argentina; virtuality has allowed us to strengthen work teams and discover global opportunities, in addition to being able to share good practices and meet collaborators from different cultures.

## INTRAPRENEURSHIP MAKE IT HAPPEN

This is the global corporate intrapreneurship program, which provides the opportunity to propose, share and develop innovative ideas. It has two paths for entrepreneurship, Green Journey (New business models) and Blue Journey (Ideas for improvement in activities/processes).

Colombia stood out in the Group with a total of 59 applications, ranking third after Brazil (152) and Italy (60). It was also the host country for the tenth pitch day held in December.

The following indicators were obtained in 2021:

### 11 IDEAS REGISTERED IN THE PROGRAM

### 9 IDEAS FROM THE BLUE JOURNEY LINE

### 2 IDEAS FROM THE GREEN JOURNEY LINE

### 28 PEOPLE IMPACTED

In addition, two cross-cutting ideas of impact for the Enel Group in Colombia were presented and won by Colombia:

**Raw material transformation based on grid mining:** A proposal that seeks to build a circularity model with residual materials from the operation.

**Supplier Service Center (CAP):** A digital service model that seeks to centralize the tools available to suppliers in order to generate a friendly and intuitive experience that addresses the information needs in a single contact.

## Innovability Week

The third edition of Innovability Week was held, organized by Chile, Colombia and Peru, with Central America as a special guest. Conferences, workshops, contests and awards provided learning and inspiration.

Approximately 1,350 people participated and had the opportunity to test their skills and abilities to solve different challenges through creativity and teamwork. In addition, recognition was given to the Company's projects and people who, through innovation and creativity, seek to generate change in the country.

## COMMUNICATIONS

A digital news program on innovation entitled: INNOVA, was broadcast to make visible and recognize the work groups in the area of innovation. In addition, more than 100 publications were disseminated in internal and external media, on activities and news on innovation in the Company.

## INNOVATION COMMITTEES

During 2021, Idea Hub led the organization and execution of two innovation and circular economy committees and 10 innovation focal point committees. These committees presented topics related to: Enel's positioning strategy as an innovative brand, launching of the Emprende con Enel program, as well as the results and achievements of the innovation projects of the business lines.

## OPEN INNOVATION

As part of the positioning of innovation in the Open Innovation model, several events were held with the participation of customers, entrepreneurs and/or colleagues from other countries.

## Co-creation sessions

Sessions were held with four B2B Codensa customers to identify opportunities for improvement in the commercial process.

## Emprende con Enel Colombia

This program was launched to provide support and resources to entrepreneurs to overcome the crisis generated by the pandemic in the country, in Enel's areas of interest: circular economy, electric mobility, new technologies and digital solutions for inclusion.

40 entrepreneurs from 14 municipalities in Enel's areas of influence registered and more than 5,500 interactions were achieved with the challenge on the Open Innovability platform.



### Invitation

**40 registered:**

- 18 Circular economy**
- 12 New technologies**
- 5 Electric mobility**
- 5 Digital solutions for inclusion**

### Filter 1

**16 registered:**

- 5 Circular Economy**
- 6 New Technologies**
- 3 Electric Mobility**
- 2 Sustainable Tourism**

### Filter 2

**10 registered:**

- 3 Circular Economy**
- 3 New Technologies**
- 3 Electric Mobility**
- 1 Sustainable Tourism**

The ventures received coaching sessions in preparation for phase three, in which those selected will receive mentoring, seed capital and advertising support for their businesses. They also participated in the event Sigamos adelante: Emprende con Enel to share initiatives that strengthen entrepreneurship in Colombia.

## Startups

During 2021, 31 startups were contacted through meetings at the Open Innovation Summit event. Some of them are: Dokmee, Viewy, Valopes, Deepsea, Finled, I-Optia.

In addition, we participated in the Startups 4.0 Network for the energy transition, with the participation of the Electrical Energy cluster of the Bogota Chamber of Commerce, of which Enel Colombia is a member. In this event, six companies whose corporate purpose is focused on energy were contacted.

Codensa was present as an anchor company in the sustainable mobility call organized by Connect Bogota Region. We attended the pitch days, in which 31 potential solvers were presented.

Enel X approached startups for the development of a data analysis and artificial intelligence project, one of which will be selected in 2022, according to its proposal. Infrastructure and networks, continued the project for the analysis of power transformer oils through multi-parameter sensor, in line with the support and use of the patent of the startup Nuxtu.

## Academic Partners

As part of the tools available to carry out and mobilize the development of research projects through academia, during 2021 the Framework Agreements with Universidad Nacional de Colombia and Universidad de los Andes were renewed, which made it possible to keep the 12 agreements with academic partners active.

### Agreements in force



Thanks to these agreements, during 2021 it was possible to develop more than three research and innovation projects, with the participation of the Julio Garavito School of Engineering and the Universidad de los Andes in the presentation of projects for tax benefits in the call opened by MinCiencias #904 of 2021; as well as developing two initiatives with CIDET.

## Recognition as key players in the country's innovation

In 2021, Codensa proposed to be recognized in Colombia as a Highly Innovative Company, driven by its open innovation model - Innovability. Emgesa was recognized as a Leader in Open Innovation in the Energy Sector in the ranking conducted by 100 Open Startups - Connect Bogota Region, and ranked 11th in the Business Innovation 2021 list conducted by ANDI - Dinero Magazine and third in the of Business Innovation Bogota 2021 list, after being recognized in the Innovation Committee of ANDI Section Bogota, Cundinamarca.

Additionally, the Company was a finalist in the CIER Innovation Awards with the Open Innovation platform - Open Innovability, representing Colombia in the International phase, competing with 12 companies in Latin America. It was also a finalist in the FISE Innovation Awards 2021 with the Demineralized Water Project.

## DIGITAL TRANSFORMATION

The Company has applied digital capabilities to its processes, products and assets to improve efficiency and customer value, manage risk and generate economic and operational benefits. The main initiatives developed during the year are presented below:

## ASSETS PERSPECTIVE

The development of energy distribution infrastructure used digitization to create accessible, flexible and inclusive networks that play a crucial role for society and stakeholders, with intelligent management that increases efficiency and with an additional benefit for the environment. In this area of network digitization, the following projects were developed.



**Reading System – StarBeat:** was incorporated to the family of remote reading acquisition tools, to strengthen the control and monitoring of measurements and facilitate integration with others.

**Enel Commercial Operations (ECO):** Phase I of this project was implemented, with which some requests for new connections will be managed, with benefits of integration, efficiency, traceability and access. In addition, functionalities were integrated to improve customer response.

**MetroLAN Connectivity Plan – High Availability:** continued the execution of this project aimed at strengthening the fiber optic network installed over the High Voltage electrical network.

**Electronic Network Renewal:** supporting the Smart Working modality, designs were made and equipment for wired and WIFI connectivity was acquired.

**Renewal of IP Operation Telephony:** an IP telephone exchange was implemented to ensure the availability and reliability of the operation communications of Codensa's Control Center, required to deal with incidents and actions on the assets of the Low, Medium and High Voltage electric network



## CUSTOMER PERSPECTIVE

Codensa's digital transformation has allowed us to keep pace with the emerging requirements of our customers, in an environment of technological and competitive vanguard to generate a quality experience. The main projects developed in this work front are the following:

**Robotic Automation of RPA (Robotic Process Automation) processes:** there are six RPA's for different collection, billing and collection management, and a robot was developed for downloading documents associated with the Voluntary Disconnectable Demand service.

**Business Intelligence and Analytics:** development of the Operational Risk model to optimize the collection flow in the persuasive stage.

**Online Collection Project:** there is a new online collection system through different payment channels, with information on debts in real time. The new PSE payment button was added and the pilot of the MI prepayment project was integrated to reflect charges in smart meters.

**Virtual Assistants:** the customer service channels Facebook and Chat WEB were enabled for consultation and management of the copy of your bill, generation and follow-up of emergencies and generation of payment agreements.

**Migration from WhatsApp to Salesforce:** WhatsApp was migrated to the Salesforce platform to unify customer information.

**Written Attention:** progress was made in this project to provide customers with better traceability and control of their PQRs through automation technologies.

**Improvements to the Net Promoter Score (NPS) indicator:** more than 15 initiatives were developed to improve this indicator of customer satisfaction with the channels, and improvements were achieved in the web (24%) and mobile app (44%) indicators.

**Biometric Registration:** the Biometric Registration mode was implemented in order to improve customer access to the mobile app.

**Filings on the web:** an application was implemented on the web to facilitate the process of filing documents and attached files by customers virtually.

**Extension of time for bill payment:** a process was implemented on the web and the mobile app so that customers can request an extension of the payment period for their bill.

**Bamboo Project:** a web application was implemented so that customers can request a change in their billing schedules, according to two date options.

**X- Customer for Business-to-consumer (B2C) / Business-to-Business (B2B) / Business-to-Government (B2G) / Business-to-Machine (B2M):** the X- Customer platform was implemented to manage the business processes from start to finish, from Pre-Sale, Sale, Activation, Operation and Maintenance and Post-Sale of Enel X's business lines.

**Cloud Contact Center (CCC):** completed the implementation of the hardware and software infrastructure required for customer management through the telephone channel, by means of an improved and optimized IVR.

**Optimization of the customer database:** this project was developed to automate the cleaning, organization and segmentation of customer data.

**Measurement of customer experience:** the sending of perception surveys when customer service is provided was automated.

## PEOPLE PERSPECTIVE

The automation and digitalization of internal processes being developed in Codensa is part of the digital transformation strategy that has been established to increase productivity and gain efficiency, in addition to leveraging the new way of working that has been established in the last two years. Within this pillar, the following projects have been developed:

### E4user Project – People Pillar:

Provides a standard infrastructure of roles and profiles to ensure that there are no conflicts segregation of duties (SoD) to users using the Company's financial systems.

### Electronic Payroll

The electronic payroll was implemented in order to comply with resolutions 0013 of February 2021 and 0037 of May 2021 of the National Tax and Customs Directorate (DIAN), and to improve the traceability and efficiency of the process.

### Migration of payroll system to new platform

The technological platform of the payroll system was migrated to the SAP HANA platform, which allows for better encryption of information, improvements in data storage, and greater speed in information processing that facilitates predictive and Big Data analysis.

### Gestor.com – Registration of contracts with the DIAN (Tax Authority)

The contract registration solution was implemented before the DIAN on the Gestor.com application, which allows to keep track of contracts that are made with suppliers abroad and that are related to technology services, identifying the contracts to be registered with the DIAN and generating alerts if the registration process has not been performed according to the legal deadlines.

### Migration to Cloud

The migration to the Amazon cloud of all historical information stored in local repositories began. As this migration is completed, the areas will be able to consult it at any time, place and different types of devices, securely in read-only mode.

### VDI-VDA Transformation

We migrated virtualized systems on obsolete platforms (virtual PCs) to a centralized application infrastructure in Amazon, in order to update the platform to more modern and secure versions. The project allowed for a debugging and optimization of resources, reducing the previous infrastructure requirements by more than 60%.

### TUP (Technological Upgrade Project) Upgrade of obsolete server software.

The obsolete software of Codensa's servers was upgraded, with benefits in security, technical support, standardization of products and services, infrastructure consumption, monitoring and scalability.

### **Expansion of state-of-the-art services at Cloud level – Containers.**

The use of containers allows applications to take advantage of the depth and breadth of the Amazon Web Services (AWS) cloud in terms of networking, security and monitoring, obtaining fast, reliable and consistent deployments.

### **Monitoring**

Dynatrace ONE monitoring tool was deployed to monitor applications, in aspects such as user experience based on response time and number of errors, performance and service hours availability.

### **Magnetic Media Project**

The project was initiated to digitalize the 22 magnetic media formats that must be submitted annually to the DIAN, in order to respond to regulatory requirements in an agile, accurate and timely manner.

### **Predictive Infrastructure and Networks Project**

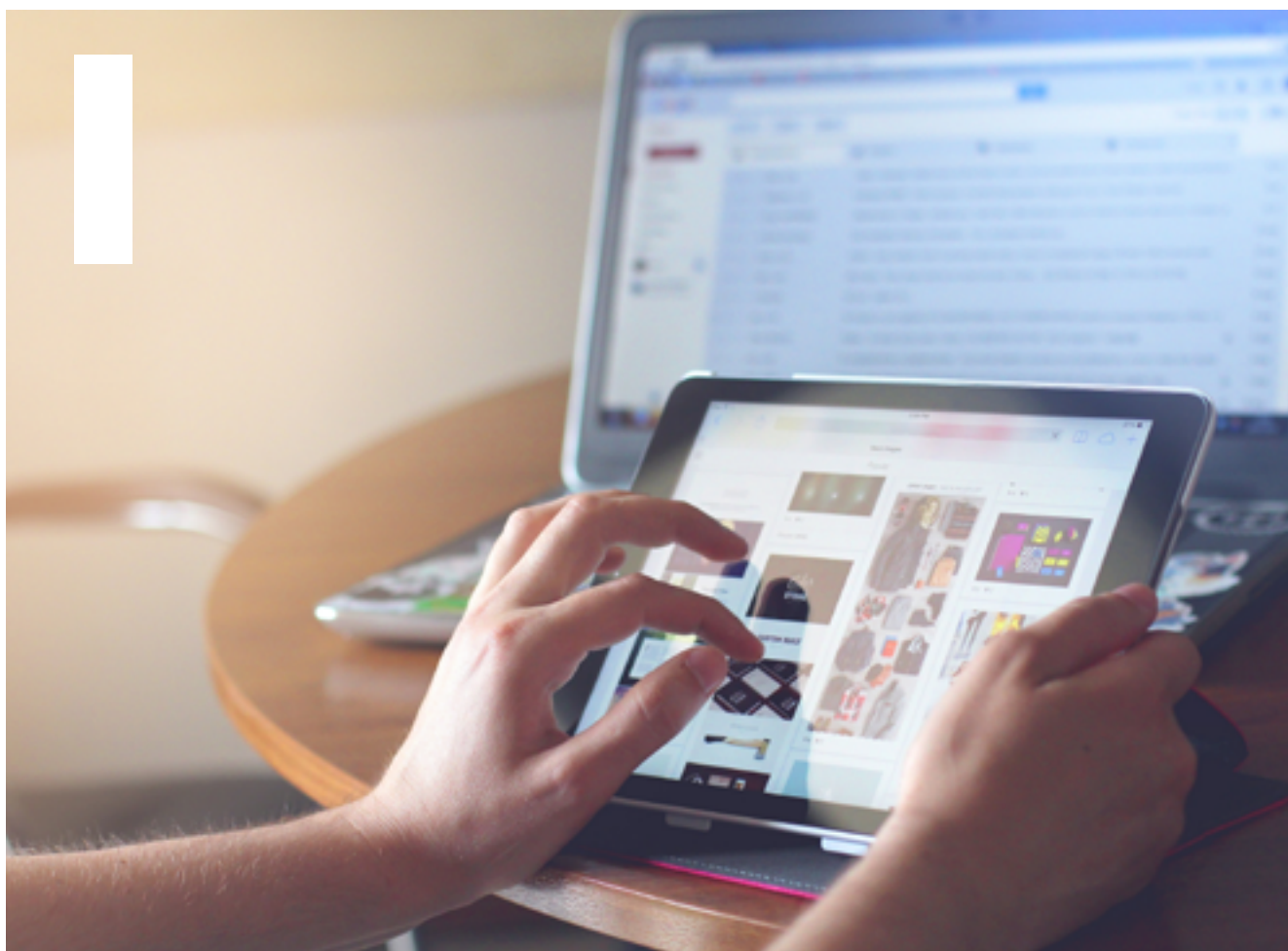
Predictive models were developed for each component of EBITDA for the Infrastructure and Networks line, through the use of machine learning techniques, to improve financial planning, management closing processes, and decision making.

### **KPI Retail Project**

The KPIS of the retail area were digitized in the Administration, Finance and Control Data Lake, in order to support global and local reporting processes.

### **DRAPE Project**

Initiated the integration of the management functionality for the registration of invoices to the WE-BUY supplier portal, which has improved the experience of suppliers. In 2021 it was used by 93% of collaborating companies and creditors.



## Support Document Project for Non-Responsible Parties

This project seeks to address the DIAN's request for information on invoice payments to companies not responsible for submitting electronic invoices. The first phase of data identification was developed and the report will be consolidated in the second phase.

## TAX CLICK Project

A strategy was developed to collect information on all business processes that have a direct impact on tax management, especially on municipal tax returns (ICA, RETEICA), and functionalities were developed to process the large volume of information on tax assessments for each municipality and their payment process.

## Implementation of Changes by Resolution 0012 of the of National Taxes and Customs Authority (DIAN)

Resolution 00012 of February 2021 incorporated technological and process changes for the issuance of electronic invoices, which were carried out within the defined times, complying with the new technical conditions required in the Technical Annex document.

## Codensa Actual Cash Flow Project

The rules for automatic extraction of information from the financial system were implemented to contrast with the information reported by the different areas in the projected cash flow and determine deviations or adjustments to the Company's cash management.

## Project Payments to Suppliers in SWIFT MT101 Format - Assets Pillar:

Seeks to homologate all payment file formats with financial entities in a single standard format denominated by SWIFT (standard format for business identification codes) as MT101, with great operational and security benefits.

## Cybersecurity

- Completed the deployment of the two-factor authentication tool for both internal and external users.
- Improved monitoring and alerting processes.

- Completed deployment of the Next Generation Antivirus (NGAV) solution and expanded its scope with seven additional components.

## Activation of additional anti-spam features

Implemented DMARC protocol to improve protection against incoming mail and bulk mail delivery rates to customers.

## Implementation of BITLOCKER tool

We began to deploy the solution for encrypting the hard disks of users' computers, a measure that helps to reduce the risk of theft and loss of information in the event that the computers are lost or misplaced.



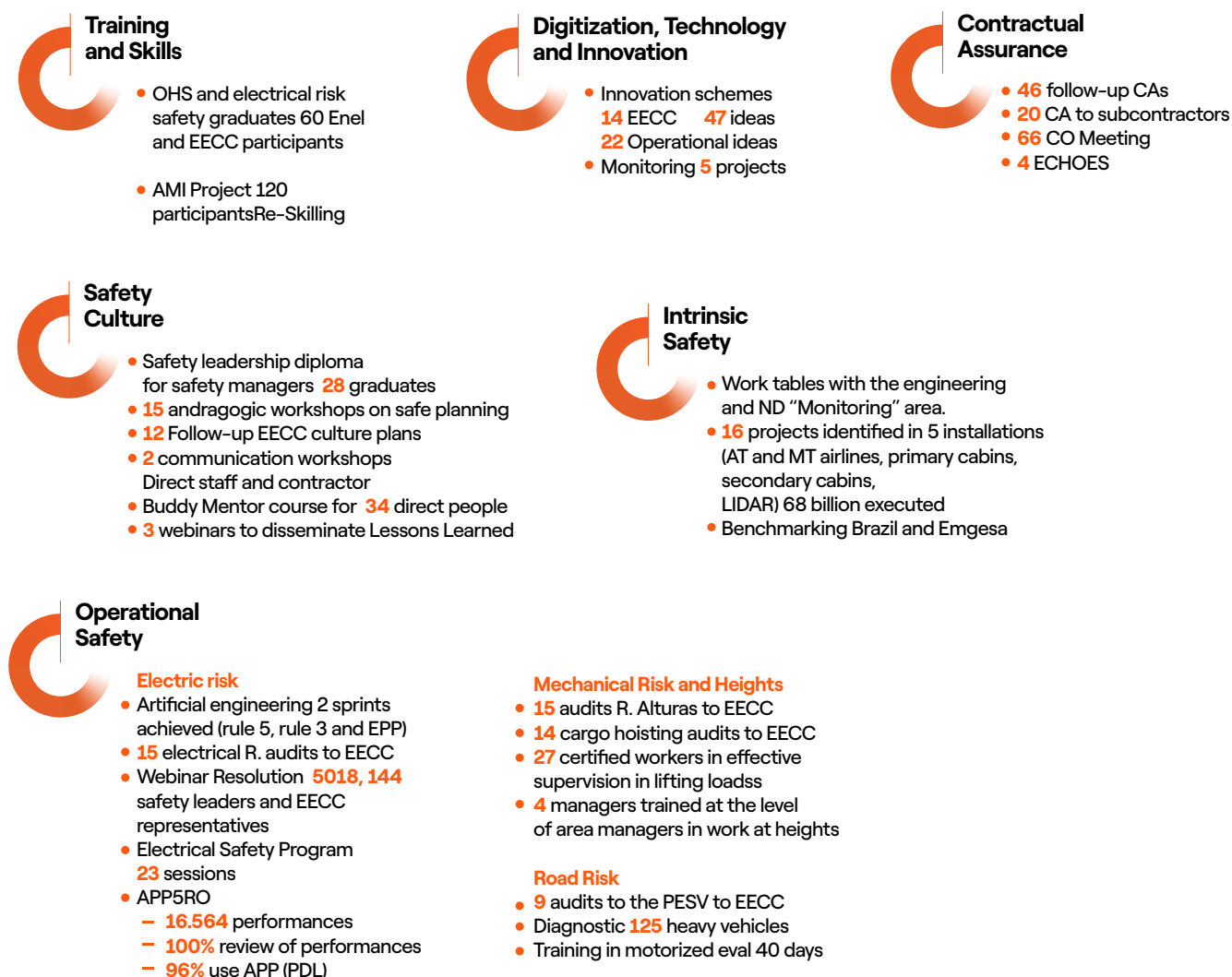


# OHS, Security and Administrative Services

## Caring for our people, process management and environmental management.

In 2021, the safety strategy was focused on improving the labor competencies of the electrical technicians, recognizing the collaborating companies that perform good management and permanently accompanying them in the field to ensure compliance with safety standards.

Additionally, the work on occupational health and safety focused on the following:



The results were the best achieved in the last five years, managing to reduce occupational accidents by 64% with respect to 2020. With a workforce of 9,500 contractor workers exposed to all types of risks, there were only two occupational accidents in the entire year.

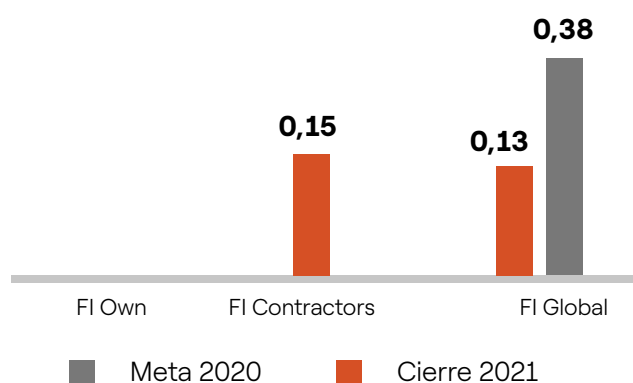
## Occupational health and safety

For the sixth consecutive year, the company achieved zero occupational accidents among its own employees and contractors, reaffirming its commitment and efforts to protect people's health and lives.

### Frequency Index (FI)

The year closed with a frequency index of 0.13, the best ever. Thus, Codensa continued to be one of the leading companies in this area in the country.

#### Frequency index



Note: Where the FI discriminated by gender is: FI Men: 0.24 FI Women: 0.00

### Occupational health and safety committee

El COPASST de Condensa tuvo una representación del 100% de los trabajadores y durante la vigencia 2021 realizó 12 reuniones en diferentes sedes para evaluar el avance de los programas, las condiciones de trabajo del personal propio.

### Safety innovation as a driver of electrical productivity

Innovation in safety is one of the cornerstones of the Company's strategy to achieve the goal of zero accidents: its evolution has been marked by important milestones through the development of several projects with the sole objective of preventing the occurrence of occupational accidents in the activities in the business.

The transformative projects implemented during 2021 are:

**GroundBox:** grounding low voltage networks without installing SPTT and without ascending poles. In prototyping and testing.

**MonoFas:** warning in case of a risky ground. In the process of prototype development with supplier.

**SafeLid:** facilitates the lifting of concrete covers of underground electrical network inspection boxes.

**BlockBelt:** facilitates the mechanical blocking of devices in energized networks.



Additionally, the Innovation Scheme for Collaborating Companies was implemented, which seeks to include them in the generation of ideas for innovation in Safety.

### Third-party accident management

During 2021, the Company focused on five areas to prevent the occurrence of this type of events:

#### Technical Management

Intervention in several circuits

Implementation of new technologies

#### Inspection Management

IO 2297 was implemented, unifying the format and type of communications to be sent to the Superintendence of Residential Public Utilities, in order to speed up the time it takes to prepare communications with this control entity.

#### Optimization of the process of preparing of communications to the customer and local authorities.

#### Lidar surveys

- 153 circuits surveyed / 89 circuits with distance affectation
- 73 circuits in Bogota in 6 localities
- 16 circuits in 2 municipalities of Cundinamarca
- More than 9,000 points identified (trees/façades)

#### Documents and brochures

- Standard letters for customer (impact due to approach/ forest impact)
- Standard letters to control agencies (local mayor's offices, superintendence, botanical garden)
- Construction/forestry guide booklets

### Third-party training management

We shared content to educate the population about electrical safety and accident prevention related to electrical infrastructure, including the playful booklet with emphasis on safety distances and cartoons on accident prevention for third parties.

During 2021, 2,946 construction workers were trained in alliance with Home Center, Asociación Colombiana de Constructores (ACOL), ARL Sura and the Fire Department.

We began the second phase of the training strategy for children, called En el Cuento Seguro, with a proposed coverage of 2,000 children in the areas of influence.

### Caring for people

In 2021, the preventive and health surveillance programs for workers framed in the COVID-19 health emergency continued, guaranteeing the continuity of the operation. The main activities were:

- Raising awareness on daily self-assessment of health status.
- Promotion of self-care culture
- Conduction of COVID-19 detection tests for permanent population screening.
- Strict and permanent medical control and follow-up of positive, suspicious, potentially suspicious and post-infection cases.
- Dissemination and sensitization on vaccination.
- Work at home for vulnerable employees, with periodic medical follow-up.
- Recertification of biosafe operations-ICONTEC.

The Enel vaccination plan was carried out for workers, contractors and family members of the company's own personnel of legal age of first degree of consanguinity and second degree of affinity. This activity was publicized through internal media under the hashtag #Empresarios-PorLaVacunación and #YoMeVacuné; at the end of 2021, 95% of I&N personnel were vaccinated with at least one dose.

### Process quality

In 2021, the following components of the Integrated Management System (IMS) issued by the ICONTEC firm were recertified:

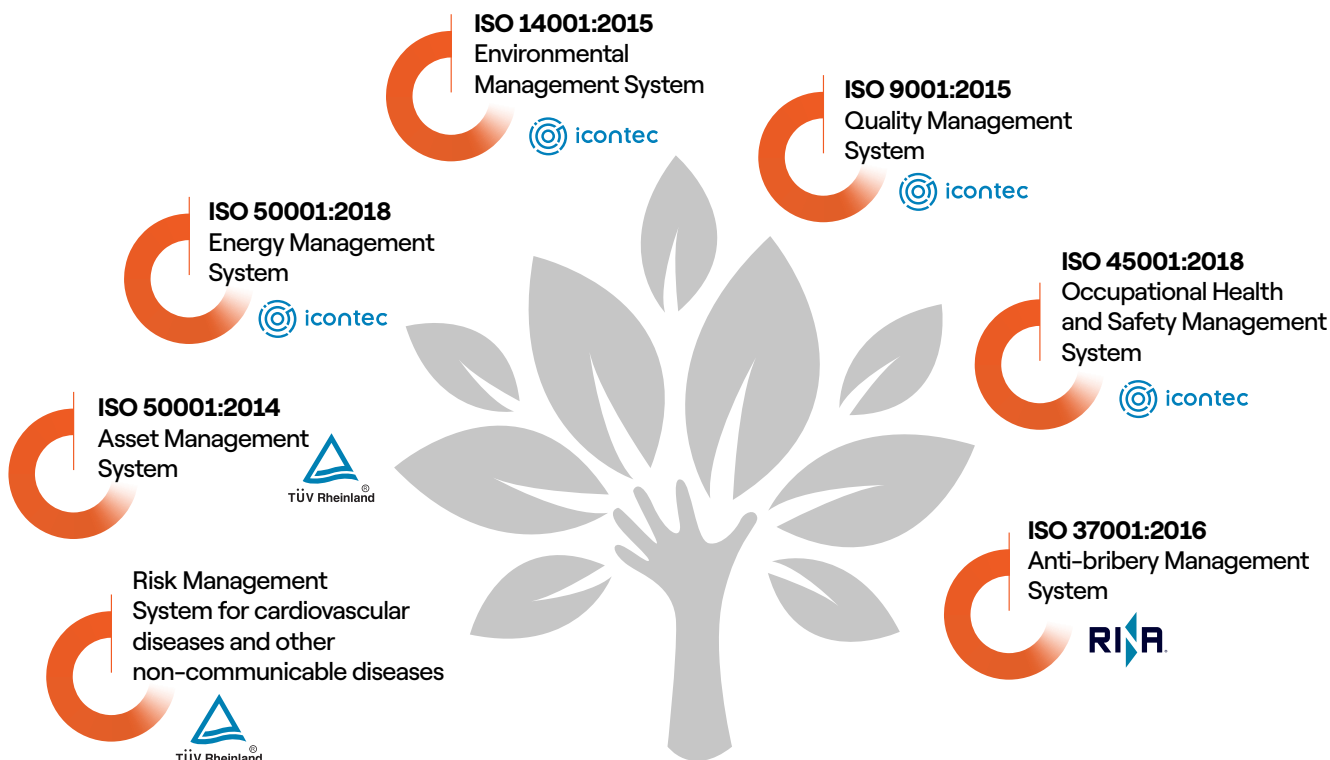
- Occupational Health and Safety Management (ISO45000:2018).
- Quality Management (ISO9001:2015)
- Environmental Management (ISO14001:2015)
- Energy Management (ISO50001:2011).

Additionally, the Asset Management System component was incorporated to the IMS, which was certified by the German firm TÜV Rheinland, issuing the certification of Cordensa's Asset Management System under the international standard ISO 55001:2014, with scope to the Planning, design, development, supervision of construction, operation and maintenance of electrical networks and telecontrol in HV and MV, for the following portfolio of assets:

- High Voltage transmission lines (57.5kV / 115kV).

- Electrical substations associated with the National Transmission System (STN), Regional Transmission System (STR) and Local Distribution System (SDL).
- Codensa Control Center
- Medium Voltage Transmission Lines (34.5kV, 13.2kV, 11.4kV)

Codensa became the first network operator in the country to obtain this certification, confirming the commitment to the effective control and management of assets and complying with the regulatory requirement of CREG 015/2018 resolution.



## Internal customer service

In 2021, 24,958 service requests were handled through the Administrative Services Attention Channel (CASA), with a level of timeliness of attention of 96.51%, perceived quality in the attention process of 96.14% and customer satisfaction index in the field of 99.38%.

## Technological map

Solutions planned in the technological roadmap for 2021 were implemented to advance in the digital transformation for the attention of the Company's employees' requirements:

- App for the sale of decommissioned furniture to employees.
- Business Intelligence for the work and safety travel process.
- ME-Travel: Web-based application for business travel.
- Gestor.com: evolutionary for the control of the registration of contracts before the DIAN and change of the server to shield the system against external attacks.
- Archibus: mobile applications to perform inspections (App Inspection) and manage corrective requests in the field (App Facility).
- Portal Security - Counterparty Analysis
- Me Office for booking rooms and workstations
- SUMATE: complete cycle of verification of identity and authenticity of activities carried out in the field by



contractors

- Integrated Real Estate Information System (SIIGI): evolutionary for the process of buying and selling real estate, property tax liquidation and updating for the automatic description of boundaries.
- Filing and Correspondence System (SRC): updating of platforms and new optimization functionalities.

## New Works

The reuse of materials left over from other projects was implemented, in line with the pillars of the circular economy. 90% of the furniture for the Santa Librada commercial building was reused from other buildings, and 30% of the furniture and part of the floor were reused for the Tenjo warehouse.

The civil works for the adaptation of the Calle 93 administrative headquarters began, reaching a progress of 30% by the end of 2021, with an investment of \$5,966 million.

## General services and facilities management

- A number of works and actions were carried out in offices, substations and commercial headquarters, focusing on energy efficiency, safety, seismic resistance, health and comfort, with a total investment of \$4,029 million.
- We migrated to a full-cost transportation contracting system, generating administrative benefits and budgetary efficiencies of \$2,643 million.

- The central archive was moved to its own headquarters, designed and built in compliance with the regulations of the General Archive of the Nation, generating efficiencies of 40% in service costs.
- Social responsibility and circular economy initiatives were promoted, such as the incorporation of 29 hybrid vehicles, the hiring of female heads of household in different contracts, the hiring of unskilled labor from the areas of influence, and training programs to develop technical or administrative skills for operating personnel in order to broaden their professional development.
- Improvements were implemented in terms of energy efficiency at different Company headquarters.

## Security

### Security risk management

In 2021, we supported the materialization of contracts with third parties for the implementation of the Security Conditions, by addressing 252 requests for contracts that are part of the Company's core activities, thus ensuring the application of standardized guidelines for the management of crime, fraud and corruption management processes, people security, information security and physical and facility security, in operating and service contracts.



## Counterparty risk management

1,540 counterparty analyses were carried out, activities that are essential for the detection and timely treatment of reputational or legal risks that may arise from relations with suppliers, business partners and in general with any stakeholder with which the Company establishes economic relations or contracts. The level of coverage was increased by 48%, from 1,038 analyses in 2020 to 1,540 analyses in 2021.

## Protection of local infrastructure and operations

The protection of the Company's strategic assets is one of the fundamental pillars of security, therefore, in addition to the control and management of operational, physical and environmental risks of the facilities, in 2021 investments were made to insure assets for \$5,145 million.

## Information security

During 2021, the implementation of the Information Security Management System continued in different processes of Codensa's business lines.

## Personal data security

In 2021, the personal data assurance initiative was strengthened, in order to ensure compliance with Act 1581 of 2012, as well as internal policies on information security and data protection of employees and customers.

## Contractor control

42 labor inspections were carried out on the main contracts to validate compliance with legal labor aspects. In response to the findings, the contractors adopted corrective actions, 71% of which have been implemented as of the end of the year.

51 new contracts were materialized and 11 final contract settlements were reached to validate compliance with legal-labor obligations.

During 2021 Codensa indirectly hired an average of 10,428 people, through the execution of 233 supply and service contracts with suppliers and contractors for the development of activities mainly linked to the following processes:

- Works and maintenance of medium and low voltage networks.
- Construction and buildings
- Environmental management and waste disposal
- Engineering services and project studies
- Computer and information technology
- Personalized and written customer service
- Works and maintenance of Public Lighting
- Inspection and loss control
- Customer service in call center

## INTERNAL AUDIT MANAGEMENT

In 2021, the internal audit and compliance management focused on strengthening and monitoring the operability of the compliance program and the internal control system, to continuously ensure quality, transparency, service and competence in the performance of the Company's operations.

The activities carried out during the year included the following:

## Corporate ethical culture

During 2021, relevant documents were updated, such as the Code of Ethics, the Criminal Risk Prevention Model (MPRP) and the Protocol of Trust and Courage with Institutions, and the Conflict of Interest Management Policy was revised.

The Criminal Risk Prevention Model Matrix was also updated (through control testing) and the DIGICOM project began to be executed, with the purpose of digitalizing and automating the Criminal Risk Prevention Model (MPRP) matrix, guaranteeing the control of information and online access to risk assessment by process owners.

We also continued with the execution of activities aimed at maintaining the certification of the Anti-Bribery Management System (SGAS) under the international standard ISO37001, which allows us to prevent, detect and respond to the risk of bribery, strengthening the Company's anti-bribery organizational culture.

In January 2021, an external evaluation was conducted in order to verify the conformity of the implemented system. The result of the evaluation was the general conformity of the Anti-Bribery System-SGAS, ratifying that it is a mature and consolidated system, which has been in operation for several years and has evolved with the dynamics of the

organization, integrating processes that demonstrate alignment with the requirements of the ISO37001 standard.

Additionally, the Compliance Function was successfully implemented, formalized in 2020, and through which the support of the Anti-Bribery Management System is guaranteed by the Legal and Corporate Affairs, HSEQ and Internal Audit units.

In 2021, the Company's Internal Compliance Committee was actively in session, in charge of monitoring the implementation and adequacy of compliance programs framed in tools, protocols and control systems, to ensure transparent, honest, fair and ethical actions in the performance of the Company's activities.

The Training Plan focused on strengthening the culture of ethics and integrity was fulfilled, providing training to employees, top management and members of the Board of Directors, on topics associated with the policies and protocols of the Compliance Program, virtual courses on the Code of Ethics, the Criminal Risk Prevention Model and conflicts of interest.



Induction sessions were held for more than 170 employees who joined the company in 2021 and training for more than 540 employees in the virtual course of the Code of Ethics updated during 2021. The virtual course Confía Enel was also deployed, with an innovative format that allowed online and interactive training to more than 680 workers to strengthen their knowledge on Compliance and the Anti-Bribery Management System. With the above initiatives we closed 2021 with more than 1,100 workers trained in matters of business integrity and compliance.

Regarding communications plan on compliance issues, a total of 24 campaigns were launched (totaling 42 pieces of communication) through internal media and social networks.

In the month of September 2021, the Company celebrated the Ethics Week through a 100% digital format, with a closer communication model of ethics and integrity issues that allowed to significantly increase the level of interactivity and response from employees.

During the second half of 2021, the first survey (Barometer) was implemented with the support of the Fundación General Empresarial (FGE) to measure the perception of the ethical culture and its compliance in the Organization. This survey made it possible to identify the elements of the corporate culture that are part of the organization's ethical behavior. The results show a good level of awareness of the tools to promote ethical conduct and corporate values, as well as a high level of identification of the company's commitment and actions to prevent corruption and to behave ethically on a daily basis.

The Company continued to actively participate in the Collective Action for Ethics and Transparency in the Electricity Sector. The Company also officially joined the Transparency and Anticorruption Institutional Network (RITA) of the Secretary of Transparency, which seeks to coordinate efforts to increase ethical standards in the country's most important economic sectors.

The Compliance Officer disseminated good practices in compliance and anti-bribery management in different spaces, including participation in the Global Compact Leaders Summit and in the Regional Integrity Week in Latin America led by the Alliance for Integrity.

In addition, the Company participated in the 9th Ethics Forum of the Electricity Sector of the Ethics and Transparency Collective Action in which it reaffirmed its interest in developing and maintaining a collaborative process to strengthen ethical leadership, declaring to the general public commitments to prevent the risks of corruption and improper or uncompetitive business practices.

Furthermore, we monitored and managed the complaints registered in the communication channels provided (ethical channel, e-mails, calls, among others), performing an adequate analysis and closure of the reported facts, protecting the complainants against retaliation or discriminatory behavior and ensuring the confidentiality of their identity. The deployment of different communication and training campaigns in the Company to promote the use of the Ethics Channel is also highlighted.

## Audit and risk assurance function

Throughout 2021, work continued on an audit function aligned with best practices, according to the external evaluation that has certified the function with a result of general conformity with respect to the international standards for the professional practice of Internal Auditing issued by the Institute of Internal Auditors, and had as a tool the information system (Team Mate) that supports the management of the audit and compliance function. In addition, the Agile methodology was implemented for the development of all the audit work contemplated in the 2021 Plan, in order to improve the effectiveness of the results.

The annual audit plan was satisfactorily completed and included 12 audits, which reviewed the following processes: New Customer Connections, Corrective Network Maintenance, Customer Care (B2C,B2B,B2G), Claims Management, Commercial Credit Management, Corporate Device Security, Critical Infrastructure Cybersecurity, Analysis of Light and Full/Mega Tender Purchases, LCA Litigation Management, Tax Litigation Management, Corporate Asset Protection and Contract Management in Services.

In addition, nine follow-up auditing activities were carried out on sensitive processes of the Company (Continuous Auditing), associated with donations, sustainability initiatives, institutional and regulatory matters, personnel selection, sponsorships, health and safety, critical event management, red flags procurement and consulting and professional services.

As in previous periods, the result of the audit work did not reveal any weaknesses that could compromise the fulfillment of the Company's objectives, according to the defined assessment methodology.

The risk assessment of the Company's processes and fraud scenarios was updated, considering the new work and operational contexts. We also monitored the progress and compliance with the action plans resulting from

previous audits, with the aim of solving weaknesses and improving the Company's internal processes. As of December 31, 2021, the action plans that were more than six months old were closed.

A dashboard was implemented with data analytics tools with the main indicators of the function, in order to facilitate online and continuous monitoring of the progress of the Audit Plan and other relevant activities.

Finally, due to the restrictions related to the COVID-19 contingency, the use of Smart Glasses technology was initiated in order to carry out virtual inspections of different industrial facilities for some auditing activities.

## Legal management

Legal management focuses on the early detection of legal risks and opportunities for risk prevention and the correct direction and advice for decision making within the Organization.

## Corporate management

The following special projects in corporate matters are highlighted:

### MERGER PROJECT:

At the beginning of 2021, negotiations were concluded with Grupo Energía Bogotá S.A. ESP. (GEB), which resulted in the subscription of a new AMI Investment Framework Agreement, as well as in the conciliation of GEB's claim against Enel Américas S.A., Codensa S.A. ESP and Emgesa S.A. ESP. The aforementioned negotiations also provided for the merger by absorption in which Emgesa S.A. ESP will absorb Codensa S.A. ESP, Enel Green Power SAS ESP and the Chilean company Essa 2 SpA, to create the company Enel Colombia S.A. ESP, which will carry out the activities of generation, sale, distribution and storage of energy, as well as all other commercial activities provided for in the corporate objects of the companies involved in the merger.



Several steps were taken to conclude the merger:

- Preparation of the financial, accounting and legal information as of April 30, 2021.
- Approval of the merger commitment by the corporate bodies of the companies involved in the merger, i.e. by the Boards of Directors and the Shareholders' Meetings. The latter corporate bodies approved the transaction on July 27, 2021.
- Approval of the merger by the Bondholders' Meetings of Emgesa S.A. ESP. and Codensa S.A. ESP.
- Notification to the creditors so that they could exercise their right of opposition in accordance with the grounds set forth in the law, without any opposition being filed within the legal term.

Thanks to the above the request for authorization of the merger was submitted to the Superintendence of Companies on October 1, 2021, and is currently being processed. Additionally, during the last quarter of the year, we have approached the Ministry of Labor for the substitution of the pension liabilities currently held by Codensa S.A. ESP.

Authorizations from both the Superintendence of Corporations and the Ministry of Labor are expected to be obtained in 2022.



## DPO PROJECT

Work was carried out on the implementation of the Enel Group's Data Protection Compliance Program, which is built under ten strategic pillars aimed at strengthening security in the handling of information and the protection of personal data managed by the Company.

## Regulatory Management:

During 2021, we actively participated in the analysis of regulatory initiatives, among which the following stand out:

- Regulatory proposals for the implementation of smart metering in Colombia.
- New sectoral regulations within the framework of the energy transition, particularly in terms of quality of service and connection process.
- Measures to strengthen the process of collection of unregistered consumption, with the aim of reducing unfavorable rulings by the Superintendence of Residential Public Utilities, as well as the structuring of legal actions in cases of unfavorable rulings against the company.

## Business Management:

Highlights of the business management:

- The contractual management related to the Quico I and Quico II project, awarded to Codensa and led by Corporación Soluciones Energéticas Integrales S.A. (COSENIT), which operates the project. (COSENIT), which operates as an intermediary between the 13 companies with which the contracts were signed under the power purchase agreement (PPA) modality for both projects.
- The steps for the incorporation of the Financing Company called "Crédito Fácil Codensa S.A. Compañía de Financiamiento", authorized on January 26, 2021 by the Financial Superintendence of Colombia, with Resolution No. 0054. The new company is engaged in the sale of financial products and services, mainly to individuals belonging to strata 1, 2, 3 and 4 of residential customers of the public energy service, as well as the financing of commercial portfolio to micro-entrepreneurs, small businesses and insurance directly related to credit products, in the territory where Codensa operates. The process of negotiation and updating of Agreement 766 of 1997 entered into between the Capital District (Mayor's Office and Secretary of Finance) and Empresa de Energía de Bogotá S.A. ESP. (EEB S.A. ESP.), assigned to Codensa

on October 23, 1997; regarding the incorporation of the regulatory and normative provisions in force regarding public lighting.

- Legal advice on the supply concession contracts executed by the companies Fontibon ZE and Usme ZE of the Enel Group.
- Support to the Bogota Metro and Regiotram projects.

We also worked in the resolution of the following controversies:

## HELIOS ROAD CONSORTIUM

With this consortium there was a controversy that lasted more than two years associated with the construction of the definitive 115 kv high voltage line called Dorada - Guaduro, affected by the road project it was in charge of. After many work tables, it was agreed between the parties that HELIOS would pay Codensa the amount of \$7,000 billion, which was embodied in a transaction contract and has already been paid by Helios Consortium.

## CLARO CONTROVERSY

Under the infrastructure rental contract: due to differences in the interpretation of the remuneration methodology of the new Resolution 5890 of 2020 for the access of telecommunications companies to the electric networks, and in the way in which the reported information is applied, Claro stopped meeting its payment obligations, acquiring a debt with Codensa that exceeded \$30 billion and which is estimated to continue increasing if an agreement is not reached. After months of work between the parties, through a transaction contract, agreements were reached to clarify the way in which the information is reported, verify the use that Claro gives to Codensa's networks, among others. Once the contract was signed, Claro made the payment of the negotiated amount, and thus became up to date with its obligations.

## Litigations:

Regarding litigation management, 90.91% of exoneration of condemnation was reached in the final sentences that were proffered during 2021 in the different processes against Codensa.

With respect to claims of constitutional rights for issues of infrastructure, supplies, petition rights, among others, 916 claims of constitutional rights were addressed with a percentage of favorable rulings of 85.61%, highlighting that the Company does not incur in violation of the fundamental rights of service users.

Regarding corporate litigations, we were able to close the working groups in which the shareholders were seeking spaces of rapprochement to resolve their differences, which allowed the termination of the arbitration litigation initiated by the local partner Grupo Energía Bogotá S.A. ESP. In July 2021 these litigations were terminated and now the Company has excellent relations among its shareholders and important growth possibilities.

In terms of fluid fraud, in coordination with judicial and police authorities, favorable results were obtained that substantially reduce energy theft in some sectors of the city, as well as industrial and mining, generating an important market culture.

With respect to the portfolio for public lighting consumption that has been occurring in some municipalities of Cundinamarca, agreements were reached with the Municipal Mayors before the Attorney General's Office, which significantly reduced the amount owed for this concept. However, there are still arrears with respect to the use of infrastructure due to the position assumed in these municipalities of not recognizing these payments.



## **5.** Financial Results

FINANCIAL MANAGEMENT 130





# Financial Management

The most relevant figures and indicators are presented below:

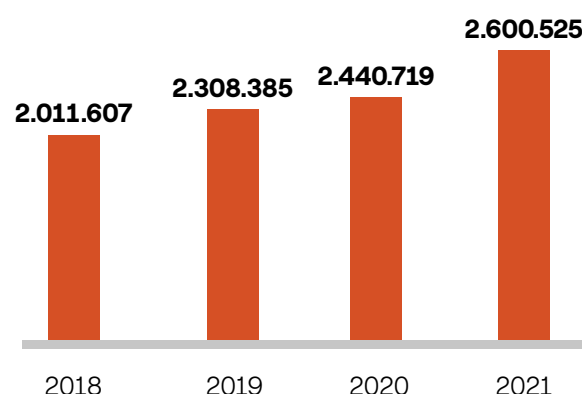
Million COP\$	2020	2021	Variación
<b>Operating income</b>	5.713.741	6.389.002	11,8%
<b>Operational costs and expenses</b>	3.273.023	3.788.476	15,7%
<b>Contribution margin</b>	2.440.719	2.600.525	6,5%
<b>Administration expenses</b>	559.135	512.747	-8,3%
<b>EBITDA</b>	1.881.583	2.087.778	11,0%
<b>Profit before taxes</b>	1.204.056	1.383.991	14,9%
<b>Income tax provision</b>	361.526	401.604	11,1%
<b>Net profit</b>	842.530	982.387	16,6%

As of 2021 year-end, the company achieved positive results, a consequence of the factors explained below:

The contribution margin amounted to \$2,600,525 million, showing a YoY increase of 6.5%, as a result of:

- Higher income from remuneration of the distribution activity, as a result of the incorporation of new assets to the regulatory base, product of the investment plan, focused on the modernization of the network for the improvement of the quality of service.
- Recovery of energy demand in the company's area of influence, presenting an annual variation of 6.4%, exceeding national demand and pre-pandemic levels, in line with the country's economic reactivation.
- Positive impact due to the annual variation of the Producer Price Index (PPI) to which the distribution remuneration component is indexed.
- Higher margin of value-added products, as a result of the invoicing of the sanitation service due to the entry of new operators and the start-up of the four charging yards for the electric buses of the Integrated Public Transportation System (SITP).

## Contribution Margin (COP \$ Mill)



Fixed costs, represented by personnel and operation and maintenance costs, decreased by 8.3% YoY, mainly due to the recognition in 2020 of the extraordinary provision for the digital transformation plan. It is important to highlight that without this effect, the Opex remains at the same level as the previous year, as a result of the implementation of the efficiency program and the execution of the investment plan, which has focused on the modernization of the network; leveraging the improvement of the quality of service by reducing failures and interruptions.

Thus, the Company generated at the end of 2021 an EBITDA of \$ 2,087,778 million, a YoY growth of 11% and an EBITDA margin over revenue of 32.7%.

EBIT reached \$ 1,578,750 million, representing an increase of 13.4%, as a result of the positive EBITDA performance and favored by the improved performance in the recovery of customer portfolios in the residential, commercial and industrial segments that were affected by the pandemic. EBIT also reflects the effect of the increase in depreciation expense, associated with the growth of the depreciable fixed asset base, as a result of the robust investment plan that the company has been executing.

On the other hand, the Company's net financial expense reached \$206,132 million pesos, registering a 15.6% growth compared to the \$178,363 million pesos reported in 2020, as a result of a higher average debt balance at the end of 2021, as a result of the higher financing needs to execute the investment plan that the company has established.

It is worth noting that during the last quarter of 2021, the company recorded \$20,747 million, due to the recognition of the equity method associated with the investments in the companies formed to provide the fleet and the construction of the charging yards for Transmilenio in Fontibon and USME.

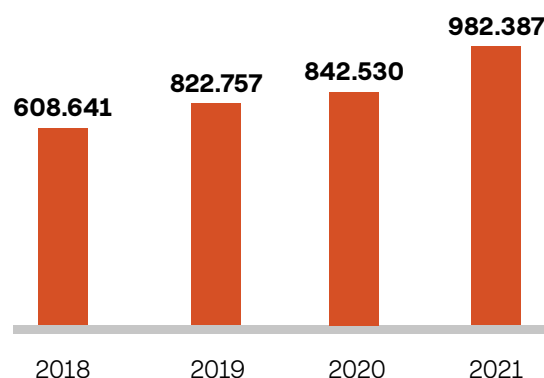
In 2021 the following amortizations were made: in April the loan with MUFG Bank for \$397.5 billion was cancelled and in September the third tranche of the Program and Issuance and Placement of Bonds and Commercial Papers for \$185 billion pesos was amortized.

During the course of the year, the following loans for \$1,670,536 million were taken out:

1. Between January and February the Company acquired loans with Banco Itaú through Findeter's rediscount line with compensated rate: for \$45,536 million pesos with maturities of two and three years. This rediscount line was enabled by the National Government for companies providing public electrical energy services that implemented measures to defer payment of the cost of invoicing to residential users.
2. On April 5, 2021, it contracted a loan with Bancolombia for \$450 billion with maturity on April 5, 2022.
3. On May 14, 2021, it closed a credit operation with Scotiabank Colpatría for \$400 billion with maturity on May 14, 2026.
4. On July 15, 2021, took out a loan with Bancolombia for \$300 billion maturing on July 15, 2026.
5. On November 2, 2021, closed a credit operation with BBVA Colombia for \$215 billion pesos maturing on November 2, 2026.
6. And on November 30, 2021, it entered into a loan agreement with Bancolombia for \$260 billion pesos maturing on November 30, 2026.

Net income for 2021 was \$982,387 million pesos, presenting an increase of 16.6% over the previous year, in line with the positive EBIT performance, despite the growth in financial expenses (+15.6%) derived from the increase in the debt balance already mentioned, and the recording of higher tax expense (+11.1%) mainly due to a higher provision in deferred tax, originated in the increase of the nominal income tax rate to 35%, included in the Social Investment Act.

### Net Profit (Mill COP\$)



As of December 31, 2021, the Company's total assets amounted to \$9,103,243 million, of which property, plant and equipment represented 73.8% amounting to \$6,717,254 million, accounts receivable represented 11.2%, totaling \$1,021,060 million and intangibles contributed 4.5% closing at \$409,316 million.

Total assets presented an increase of 7.5% with respect to the closing of December 31, 2020, mainly explained by an increase in property, plant and equipment of 8.9% (\$547,711 million pesos), as a result of the execution of the investment plan, focused on maintenance and new developments; also, commercial accounts evidenced a growth of 11.8%, going from \$913,019 million pesos to \$1,021,060 million pesos from 2020 to 2021, mainly as a result of the continuity in the application of the tariff option. This regulatory mechanism allows moderating tariff increases to make it easier for users to pay their bills, mitigating the impacts generated by COVID-19. On the other hand, there was a decrease in the balance of cash and cash equivalents, as a result of the payment of ordinary and extraordinary dividends, taxes and CapEx.

Millones COP\$	2020	2021	Variación
Current assets	1.710.862	1.711.059	0,01%
Non-current assets	6.753.931	7.392.184	9,5%
<b>Total assets</b>	<b>8.464.793</b>	<b>9.103.243</b>	<b>7,5%</b>

Cifras en millones de pesos

Total liabilities as of December 31, 2021, totaled \$5,852,008 million, with a YoY increase of 15.5%, a behavior that mainly responds to the increase in net debt (+48.4%) from \$2,452,633 million to \$3,640,286 million from 2020 to 2021, with the objective of financing the ambitious investment plan that the Company has established.

Millones COP\$	2020	2021	Variación
Current liabilities	2.218.618	2.266.088	2,1%
Non-current liabilities	2.848.766	3.585.920	25,9%
<b>Total liabilities</b>	<b>5.067.384</b>	<b>5.852.008</b>	<b>15,5%</b>
Total equity	3.397.409	3.251.235	-4,3%
<b>Total liabilities and equity</b>	<b>8.464.793</b>	<b>9.103.243</b>	<b>7,5%</b>

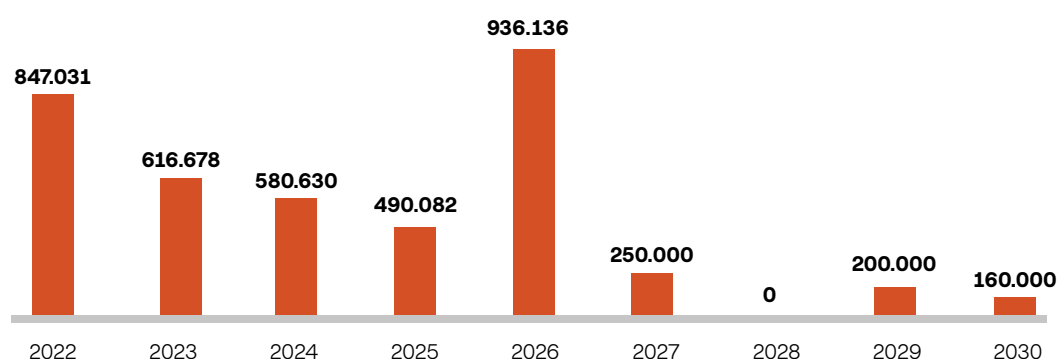
Cifras en millones de pesos

The Company maintained during 2021 its policy of minimizing the exposure of the income statement to exchange rate variations, so that at the end of the year, 100% of its debt was concentrated in pesos, 54% in bonds in the local market and 46% with domestic banks. Additionally, 24.5% of the debt interest was indexed to the CPI, 40.6% to IBR and 34.9% was at a fixed rate.

On the other hand, at the end of 2021, 69% of the financial debt was long-term (maturity of more than one year).

Below is the scheduled maturity profile as of December 31, 2021:

### Maturity profile (Mill COP\$)



In turn, the Company's equity as of December 31, 2021 amounted to \$3,251,235 million, evidencing a YoY decrease of 4.3%, as a result of the decrease in retained earnings, resulting from the decree of distribution of 50% of retained earnings between the years 2016 and 2020.



## Dividends

In 2021 Codensa paid a total of \$1,320,817 million in dividends to its shareholders, and which refer to the payment of the last installment of dividends pending for fiscal year 2019 for \$142,564 million, to the distribution of dividends associated with the profit for 2020 for \$765. 918 million pesos, where the change of policy on the dividend payout ratio from 70% to 90% and the payment of 50% of retained earnings from 2016 to 2020 (\$412,334 million pesos), within the framework of the agreement reached with Grupo Energía Bogotá, stand out.

## Current ratings

On June 30, 2021 Fitch Ratings Colombia affirmed at “AAA (col)” and “F1+ (col)” the national long and short-term rating of Enel-Codensa and maintained the stable outlook. The rating agency also ratified in “AAA (col)” and “F1+ (col)” the rating of all of Codensa’s current bond issues, as well as its Ordinary Bonds and Commercial Papers Issuance and Placement Program.

According to the agency’s report, Codensa’s rating reflects the Company’s low business risk profile, which derives from the regulated nature of its revenues and its limited exposure to demand risk. Additionally, they incorporate the solid credit profile, which results from robust operating indicators, predictable operating cash flow generation, and conservative levels of leverage and liquidity.

In addition, Fitch Ratings Colombia highlighted the importance of its ambitious capital investment program and its moderate impact on its prospective credit metrics. The ratings also consider Enel-Codensa’s strategic importance to its controlling shareholder and moderate exposure to regulatory risk.

## Investor Relations (IR) Recognition

For the ninth consecutive year, Enel in Colombia has received the IR (Investor Relations) recognition for its commitment, transparency and high standards in terms of information disclosure and investor relations.

This recognition requires that companies have a representative who is available to answer investors’ queries in Spanish and English, that they disclose additional information to that which is ordinarily requested through the website, which is constantly updated, and also that they periodically publish financial and corporate information.

In addition, the Colombian Stock Exchange, in order to continue promoting best disclosure practices and investor relations, incorporated in the 2021 evaluation new standards of minimum disclosure content in ESG aspects, which encourages issuers to continue implementing best practices globally and regionally.

Thus, receiving this merit for compliance with all established standards is a reflection of the Company’s high standards and good practices, and thanks to this we have been able to strengthen more effective relations with our investors, maintaining the management of information in a responsible, ethical and transparent manner.

## TAXES

The program to follow up and take advantage of the tax benefits for energy efficiency before the competent environmental and mining-energy authorities continued, as well as the management of benefits associated with electric mobility schemes.

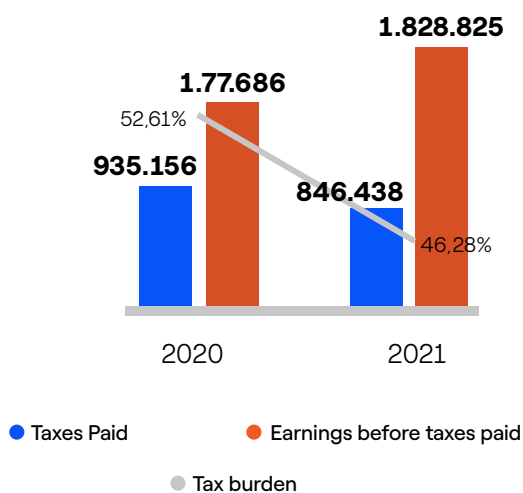
During the year, we acquired real productive fixed assets that allow us to take an income tax discount for the VAT paid. This discount will be imputed in the income tax returns of the taxable year in which the corresponding tax conditions are met.

The attention to tax litigation was focused on (i) the attention to controversies related to territorial taxes (especially in Girardot and Agua de Dios, with successful final results), (ii) the discussion of contributions determined by the Regional Autonomous Corporation, the Superintendence of Public Utilities – SSPD and the CREG, and (iii) the surveillance of litigation against the official liquidations of the DIAN.

The Company is disputing the amounts liquidated for contributions (special and additional) in favor of the SSPD and the CREG for 2020 and 2021. The Company has insisted before these authorities on the illegality of the actions carried out based on sections of Act 1955 that were declared unconstitutional. In case of being favorable, these lawsuits could represent an income of \$10,059 million.

Finally, since 2018, the disclosure of the Total Tax Contribution (TTC) has been carried out, with which the clear way in which the companies of the Enel Group act in their tax responsibilities is evidenced.

Codensa’s tax burden, including all national and local taxes (collected and supported), for the last two years is as follows:



## Internal Control

As part of the Internal Control System, Codensa has an internal control model based on the international reference framework COSO (Committee of Sponsoring Organizations of the Treadway Commission) to provide financial reporting assurance in compliance with the United States Sarbanes-Oxley Act (SOX) of 2002 and Italian Act 262 of 2005.

Management and other controllers completed the self-assessment and certification process of the internal control model.

The firm Deloitte&Touche monitored the Internal Control Model, without identifying significant issues, thus concluding that the Internal Control Model of the Financial Report operates effectively.

Additionally, the firm KPMG as Independent Auditor and External Auditor during 2021 audited the relevant processes and controls and its results were communicated to the Company's Audit Committee without identifying significant design and operational deficiencies regarding the internal control model of the Financial Report.

For the issues identified in the self-assessment process and in the audits, action plans were designed to mitigate the observations received and promote continuous improvement of the internal control model.

## Access policies

In 2021 and in compliance with the Enel Group's internal control policies, the certification of access to relevant information systems was carried out as a monitoring and assurance activity regarding adequate and authorized access to the systems under the scope.





**OPEN POWER  
FOR A BRIGHTER FUTURE.**  
WE EMPOWER SUSTAINABLE PROGRESS.





## **SEPARATE FINANCIAL STATEMENTS**

**Codensa S.A. E.S.P.**

**AI and for the year ended 31 December 2021**

**(With comparative figures to and for the year ended December 31, 2020)**

**Con the Tax Office report.**

## REPORT OF THE TAX AUDITOR

Shareholders

Codensa S.A. E.S.P.:

### Report on the audit of the financial statements Opinion

I have audited the separate financial statements of Codensa S.A. E.S.P. (the Company), which comprise the separate statement of financial position as of December 31, 2021 and the separate statements of income, other comprehensive income, changes in equity and cash flows for the year ended in that date, and their respective notes, which include significant accounting policies and other explanatory information.

In my opinion, the aforementioned separate financial statements, prepared on the basis of information taken fairly from the books and attached to this report, fairly present, in all material respects, the separate financial position of the Company, as of December 31, 2021, the separate results of its operations and its separate cash flows for the year ending on that date, in accordance with Accounting and Financial Information Standards accepted in Colombia, applied uniformly with the year previous.

### Basis for opinion

I carried out my audit in accordance with the International Auditing Standards accepted in Colombia (NIAs). My responsibilities under those standards are described in the "Responsibilities of the Statutory Auditor for the Audit of Separate Financial Statements" section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia together with the ethical requirements that are relevant to my audit of the separate financial statements established in Colombia, and I have complied with my other ethical responsibilities in accordance with these requirements and the aforementioned IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those that, in my professional judgment, were of most significance in my audit of the current period separate financial statements. These matters were addressed in the context of my audit of the separate financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**Estimate of income from the sale of energy delivered and not billed**  
**(See Note 2.4 to the separate financial statements)**

Key Audit Matter	How it was addressed in the audit
<p>The Company has established a procedure for the recognition of estimated income at the end of each month, associated with the sale of energy delivered and not billed in the regulated market, whose billing is carried out in the following month according to the established billing cycles. At the close of December 31, 2021, the recognized estimated unbilled revenue amounts to \$351,429 million.</p> <p>I considered the estimation of the income from the sale of energy delivered and not billed as a key audit matter, due to the significance of the variables incorporated in the determination of this income, especially with respect to: a) the amount of energy estimated based on the reading of the cycles of the previous month, the seasonal factor and the days pending billing, and b) the prices established according to the level of tension and socioeconomic stratum.</p>	<p>My audit procedures to evaluate the estimate of the income from the sale of energy delivered and not billed included, among others, the following:</p> <ol style="list-style-type: none"> <li>1. Involvement of professionals with experience and knowledge in the evaluation of information technology, who assisted me in the evaluation of the design, implementation and operational effectiveness of automatic internal controls established by the Company to determine the estimate of unbilled income at the end of the month. This included the evaluation of certain controls associated with the historical amounts and prices of energy consumed, such as: 1) review, approval and inclusion of the billing schedule in the commercial system; 2) independent recalculations of the tariffs and their inclusion in the commercial system, in accordance with the prices established by the CREG by voltage levels and socioeconomic stratum; 3) interfaces between the systems that capture the meter readings (TPL) to the commercial system; 4) calculation and revision of the seasonal factor; 5) preparation, review, recording, and comparison of estimated versus actual income; and 6) access to make changes to the trading system.</li> <li>2. Comparison of the accuracy of the estimated income recognized at the end of the year versus the actual billing issued in the month of January of the following year and follow-up to the explanation by the Company of possible deviations.</li> <li>3. Month-to-month comparison of the rates by socioeconomic stratum to determine possible significant variations, and follow-up on the Company's explanation of possible deviations.</li> <li>4. For a selection of invoices issued during the year, I carried out a verification of the invoiced prices, the actual consumption and the related collection.</li> </ol>

## Other issues

The separate financial statements as of and for the year ended December 31, 2020 are presented exclusively for comparison purposes, they were audited by another public accountant, a member of KPMG S.A.S., who in his report dated February 25, 2021 expressed an opinion without qualifications about them.

Responsibility of the Company's management and those charged with governance in relation to the separate financial statements.

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Accounting and Financial Information Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining such internal control as management deems necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error; select and apply the appropriate accounting policies, as well as establish reasonable accounting estimates in the circumstances.

In preparing the separate financial statements, management is responsible for evaluating the Company's ability to continue as a going concern; to disclose, as applicable, matters related to its continuity; and to use the going concern basis of accounting unless management intends to liquidate the Company or cease its operations, or there is no more realistic alternative than to proceed in one of these ways.

Those charged with governance are responsible for supervising the Company's financial information reporting process.

## Responsibilities of the Statutory Auditor in Relation to the Audit of Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the separate financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance means a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when one exists. Misstatements may arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these separate financial statements.

As part of an audit conducted in accordance with ISAs, I exercise my professional judgment and maintain professional skepticism during the audit. Also:

- I identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to support my opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that resulting from error, because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override or override of internal control.
- I obtain an understanding of internal control relevant to the audit with the objective of designing audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the adequacy of management's use of the going concern assumption and, based on the audit evidence obtained, on whether or not a material uncertainty exists related to events or conditions that may indicate significant doubt about the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I must draw attention in my report to the disclosure that describes this situation in the separate financial statements or, if this disclosure is inadequate, I must modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Company to cease to operate as a going concern.



- I evaluate the general presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events to achieve a fair presentation.
- I obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

I communicate with those charged with governance of the Company, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with confirmation that I have complied with the relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that may reasonably be considered to influence my independence and, where applicable, related safeguards.


From the matters communicated with those charged with governance, I determine the matters that were of most significance in the audit of the separate financial statements of the current period and, therefore, are the key audit matters. I describe these matters in my statutory auditor's report unless public disclosure about the matter is prevented by law or regulation or when, in extremely rare circumstances, I determine that a matter should not be disclosed in my report because the adverse consequences of doing so would reasonably be greater than the benefits to the public interest of such communication.

Report on other legal and regulatory requirements

Based on the result of my tests, in my concept, during 2021:

- a) The Company's accounting has been kept in accordance with legal regulations and accounting technique.
- b) The operations recorded in the books conform to the bylaws and the decisions of the Shareholders' Meeting.
- c) The correspondence, the vouchers of the accounts and the books of minutes and registry of shares are duly kept and preserved.
- d) There is agreement between the accompanying financial statements and the management report prepared by the administrators, which includes the record by the administration of the free circulation of invoices issued by vendors or suppliers.
- e) The information contained in the declarations of self-assessment of contributions to the comprehensive social security system, particularly that related to affiliates and their contribution base income, has been taken from the records and accounting supports. The Company is not in arrears for contributions to the comprehensive social security system.

To comply with what is required in articles 1.2.1.2. and 1.2.1.5. of the Sole Regulatory Decree 2420 of 2015, in development of the responsibilities of the Statutory Auditor contained in numerals 1º) and 3º) of article 209 of the Commercial Code, related to the evaluation of whether the acts of the administrators of the Company comply to the bylaws and to the orders or instructions of the Shareholders' Meeting and if there are and are appropriate internal control measures, conservation and custody of the assets of the Company or of third parties that are in its possession, I issued a separate report dated February 24, 2022.

  
**Sandra Marcela Barragán Cellamén**  
Statutory Auditor of Codensa S.A. E.S.P.  
T.P. 177728-T  
Member of KPMG S.A.S.

February 24, 2022

**Codensa S.A. E.S.P.**  
**Separate Statements of Financial Position**  
**(Comparative figures as at 31 December 2020)**

(In thousands of pesos)

	Note	As of December 31, 2021	As of December 31, 2020
Current assets:			
Cash and cash equivalents, net	4	\$ 375.890.228	\$ 484.967.662
Other financial assets, net	5	8.201.048	3.620.989
Other non-financial assets, net	6	23.282.012	33.366.830
Business accounts and other accounts receivable, net	7	1.020.995.963	913.032.969
Accounts receivable to related entities, net	8	63.720.445	26.355.793
Inventories, net	9	216.851.553	249.518.386
Assets held for sale	10	2.117.940	-
<b>Total current assets</b>		<b>1.711.059.189</b>	<b>1.710.862.629</b>
Non-current assets:			
Other financial assets, net	5	26.856.558	6.318
Other non-financial assets, net	6	80.328.974	84.435.316
Business accounts and other accounts receivable, net	7	66.144.683	101.090.676
Investments in subsidiaries	11	76.660.923	5.513.661
Intangible assets other than capital gain, net	12	409.315.646	355.015.545
Properties, plant and equipment, net	13	6.717.253.917	6.169.542.679
Deferred tax assets	14	15.622.964	38.326.064
<b>Total non-current assets</b>		<b>7.392.183.665</b>	<b>6.753.930.259</b>
<b>Total assets</b>		<b>\$ 9.103.242.854</b>	<b>\$ 8.464.792.888</b>
<b>Liabilities and equity</b>			
Current liabilities:			
Financial partners	15	910.337.089	663.606.761
Business accounts and other accounts payable	16	1.016.115.389	1.032.751.711
Accounts payable to related entities	8	63.499.211	185.011.975
Provisions	17	43.611.716	37.914.085
Taxes payable	18	65.500.962	137.653.666
Provisions for employee benefits	19	67.395.167	70.266.164
Other non-financial liabilities	20	99.628.835	91.414.121
<b>Total current liabilities</b>		<b>2.266.088.369</b>	<b>2.218.618.483</b>
Non-current liabilities:			
Financial partners	15	3.296.926.685	2.476.606.801
Provisions	17	38.172.418	56.589.585
Provisions for employee benefits	19	250.820.507	305.919.692
Other non-financial liabilities	20	-	9.649.479
<b>Total non-current liabilities</b>		<b>3.585.919.610</b>	<b>\$ 2.848.765.557</b>
<b>Total liabilities</b>		<b>\$ 5.852.007.979</b>	<b>\$ 5.067.384.040</b>

**Codensa S.A. E.S.P.**  
**Separate Statements of Financial Position**  
**(Comparative figures as at 31 December 2020)**

(In thousands of pesos)

	Note	As of December 31, 2021	As of December 31, 2020
<b>Heritage</b>			
Issued capital	21	\$ 13.487.545	\$ 13.487.545
Issue premiums		190.553.196	190.553.196
Reservas		216.405.347	224.060.846
Another comprehensive result		(49.937.953)	(99.651.745)
<i>Utility of the period</i>		982.387.086	842.530.417
<i>Retained profits</i>		412.341.977	740.430.912
<i>Retained losses</i>		(37859.236)	(37859.236)
<i>Retained earnings due to transition effect to NCIF</i>		1.787.707.664	1.787.707.664
<i>Patrimonial effect business combination</i>		(263.850.751)	(263.850.751)
Accumulated profits		2.880.726.740	3.068.959.006
<b>Total patrimony</b>		<b>3.251.234.875</b>	<b>3.397.408.848</b>
<b>Total liabilities and equity</b>		<b>\$ 9.103.242.854</b>	<b>\$ 8.464.792.888</b>

*The notes are an integral part of the separate financial statements.*

The undersigned Legal Representative and Accountant certify that we have previously verified the statements contained in these separate financial statements and that they have been faithfully taken from the accounting books of the Company.



**Francesco Bertoli**  
Legal Representative



**Luz Dary Sarmiento Quintero**  
Public Accountant  
Professional Card 65450-T



**Sandra Marcela Barragán Cellamén**  
Tax Reviewer  
Professional Card 17772 8-T  
Member of KPMG S.A.S.  
(See my report of 24 February 2022)

**Codensa S.A. E.S.P.**  
**Income Statement, by Nature, Separate**  
**(With comparative figures for the year ended 31 December 2020)**  
(In thousands of pesos, except earnings per share)

	Note	Por the year ended 31 December 2021	Por the year ended December 31, 2020
Income from ordinary activities	22	\$ 6.335.629.292	\$ 5.658.705.537
Other operating income	22	53.372.223	55.035.546
<b>Total income from ordinary activities and other income per operation</b>		<b>6.389.001.515</b>	<b>5.713.741.083</b>
<b>Provisions and services</b>	<b>23</b>	<b>(3.788.476.333)</b>	<b>(3.273.022.505)</b>
<b>Contribution margin</b>		<b>2.600.525.182</b>	<b>2.440.718.578</b>
Other work carried out by the entity and capitalized		107.624.073	97.651.801
Staff costs	24	(251.686.653)	(285.270.918)
<b>Other fixed costs, by nature</b>	25	<b>(368.684.462)</b>	<b>(371.516.079)</b>
<b>Gross operating result</b>		<b>2.087.778.140</b>	<b>1.881.583.382</b>
Depreciation and amortization	26	(462.856.429)	(426.750.902)
Impairment losses	26	(46.171.864)	(62.814.991)
<b>Operating result</b>		<b>1.578.749.847</b>	<b>1.392.017.489</b>
Financial income		41.400.419	33.754.016
Financial expenses		(239.287.105)	(206.512.904)
Differences instead, net		(8.245.429)	(5.604.499)
<b>Financial result, net</b>	<b>27</b>	<b>(206.132.115)</b>	<b>(178.363.387)</b>
Results of companies accounted for by the equity method	28	20.747.357	53.264
Results in sale and disposition of assets	29	(9.373.865)	(9.651.366)
<b>Results before taxes</b>		<b>1.383.991.224</b>	<b>1.204.056.000</b>
Income tax expense	30	(401.604.138)	(361.525.583)
<b>Usefulness of the exercise</b>		<b>\$ 982.387.086</b>	<b>\$ 842.530.417</b>
<b>Basic utility per share</b>			
Basic utility per share	31	\$ 7.224,59	\$ 6.195,80
Number of outstanding common shares		<b>134.875.450</b>	<b>134.875.450</b>

The notes are an integral part of the separate financial statements.

The undersigned Legal Representative and Accountant certify that we have previously verified the statements contained in these separate financial statements and that they have been faithfully taken from the accounting books of the Company.

**Codensa S.A. E.S.P.**



**Francesco Bertoli**  
Legal Representative



**Luz Dary Sarmiento Quintero**  
Public Accountant  
Professional Card 65450-T



**Sandra Marcela Barragán Cellamén**  
Tax Reviewer  
Professional Card 177728-T  
Member of KPMG S.A.S.  
(See my report of 24 February 2022)



## Separate Integral Result Statement (With comparative figures for the year ended 31 December 2020)

(In thousands of pesos)

	Note	Por the year ended 31 December 2021	Por the year ended December 31, 2020
Usefulness of the exercise		\$ 982.387.086	\$ 842.530.417
<b>Components of another comprehensive result that will not be reclassified to the profit or loss for the year, before tax</b>			
Gains (Losses) from new measurements of defined benefit plans		53.068.971	(6.933.428)
Gains on new measurements of financial instruments measured at fair value with changes in the ORI		3.766.712	-
Another comprehensive result that will not be reclassified to the result of the year, before taxes		<b>56.835.683</b>	<b>(6.933.428)</b>
<b>Components of another comprehensive result to be reclassified to the profit or loss for the year, before tax</b>			
Earnings from cash flow hedges		19.011.239	54.503
Another comprehensive result that will be reclassified to the result of the year, before taxes		<b>19.011.239</b>	<b>54.503</b>
<b>Taxes on profits relating to components of another comprehensive result that will not be reclassified to the profit or loss for the year</b>			
Effect of taxes for new measurements of defined benefit plans		(18.160.847)	124.050
Total income taxes on components of other comprehensive income that will not be reclassified to the profit or loss for the year		<b>(18.160.847)</b>	<b>124.050</b>
<b>Taxes on profits relating to components of another comprehensive result to be reclassified to the profit or loss for the year</b>			
Effect of taxes on cash flow hedges	21	(7.972.283)	(17.441)
Total taxes on profits relating to components of another comprehensive income shall be reclassified to the profit or loss for the year		<b>(7.972.283)</b>	<b>(17.441)</b>
Total another comprehensive result	32	<b>49.713.792</b>	<b>(6.772.316)</b>
<b>Total comprehensive result</b>		<b>\$ 1.032.100.878</b>	<b>\$ 835.758.101</b>

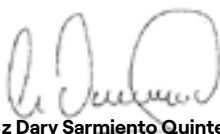
The notes are an integral part of the separate financial statements.

The undersigned Legal Representative and Accountant certify that we have previously verified the statements contained in these separate financial statements and that they have been faithfully taken from the accounting books of the Company.

**Codensa S.A. E.S.P.**



**Francesco Bertoli**  
Legal Representative



**Luz Dary Sarmiento Quintero**  
Public Accountant  
Professional Card 65450-T



**Sandra Marcela Barragán Cellamén**  
Tax Reviewer  
Professional Card 17772 8-T  
Member of KPMG S.A.S.  
(See my report of 24 February 2022)

## Status of Changes in Separate Equity (Comparative figures for the year ended 31 December 2020)

(In thousands of pesos)

	Reserves					Another Integral Result					
	Issued capital	Issue premium	Legal reserve	Occasional booking	Total Reservations	Cash flow hedges	Gains and losses on new measurements of financial instruments	Gains and losses on defined benefit plans	Total Other Integral Result	Accumulated profits	Total equity
<b>Initial Patrimony as of 01-01-2020</b>	<b>\$ 13.487.545</b>	<b>\$ 190.553.196</b>	<b>\$ 26.454.481</b>	<b>\$ 202.298.711</b>	<b>\$ 228.753.192</b>	<b>\$ (37.062)</b>	<b>\$ (28.741)</b>	<b>\$ (92.813.626)</b>	<b>\$ (92.879.429)</b>	<b>\$ 2.802.358.619</b>	<b>\$ 3.142.273.123</b>
<b>Changes in equity</b>											
Comprehensive result	-	-	-	-	-	-	-	-	-	-	-
Utility of the period	-	-	-	-	-	-	-	-	-	842.530.417	<b>842.530.417</b>
Another comprehensive result (Note 32)	-	-	-	-	-	37.062	-	(6.809.378)	(6.772.316)	-	<b>(6.772.316)</b>
Comprehensive result	-	-	-	-	-	<b>37.062</b>	-	<b>(6.809.378)</b>	<b>(6.772.316)</b>	<b>842.530.417</b>	<b>835.758.101</b>
Dividends decreed	-	-	-	-	-	-	-	-	-	(580.622.376)	<b>(580.622.376)</b>
Increases (decreases) due to other changes, equity (Note 21)	-	-	-	(4.692.346)	(4.692.346)	-	-	-	-	4.692.346	-
<b>Total increase (decrease) in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.692.346)</b>	<b>(4.692.346)</b>	<b>37.062</b>	<b>-</b>	<b>(6.809.378)</b>	<b>(6.772.316)</b>	<b>266.600.387</b>	<b>255.135.725</b>
<b>Final Heritage as of 31-12-2020</b>	<b>\$ 13.487.545</b>	<b>\$ 190.553.196</b>	<b>\$ 26.454.481</b>	<b>\$ 197.606.365</b>	<b>\$ 224.060.846</b>	<b>-</b>	<b>(28.741)</b>	<b>(99.623.004)</b>	<b>(99.651.745)</b>	<b>\$ 3.068.959.006</b>	<b>3.397.408.848</b>
<b>Changes in equity</b>											
Comprehensive result	-	-	-	-	-	-	-	-	-	-	-
Utility of the period	-	-	-	-	-	-	-	-	-	982.387.086	<b>982.387.086</b>
Another comprehensive result (Note 32)	-	-	-	-	-	14.805.668	-	34.908.124	49.713.792	-	<b>49.713.792</b>
Comprehensive result	-	-	-	-	-	14.805.668	-	34.908.124	49.713.792	982.387.086	<b>1.032.100.878</b>
Dividends decreed	-	-	-	-	-	-	-	-	-	(1.178.274.851)	<b>(1.178.274.851)</b>
Increases (decreases) due to other changes, equity (Note 21)	-	-	-	(7.655.499)	(7.655.499)	-	-	-	-	7.655.499	-
<b>Total increase (decrease) in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.655.499)</b>	<b>(7.655.499)</b>	<b>14.805.668</b>	<b>-</b>	<b>34.908.124</b>	<b>49.713.792</b>	<b>(188.232.266)</b>	<b>(146.173.973)</b>
<b>Final Heritage as of 31-12-2021</b>	<b>\$ 13.487.545</b>	<b>\$ 190.553.196</b>	<b>\$ 26.454.481</b>	<b>\$ 189.950.866</b>	<b>\$ 216.405.347</b>	<b>\$ 14.805.668</b>	<b>\$ (28.741)</b>	<b>\$ (64.714.880)</b>	<b>\$ (49.937.953)</b>	<b>\$ 2.880.726.740</b>	<b>\$ 3.251.234.875</b>

Notes are an integral part of separate financial states.

The undersigned Legal Representative and Accountant certify that we have previously verified the statements contained in these separate financial statements and that they have been faithfully taken from the accounting books of the Company

**Codensa S.A. E.S.P.**

## Statement of Cash Flows, Separate, Direct Method (Comparative figures for the year ended 31 December 2020)



Francesco Bertoli  
Legal Representative



Luz Dary Sarmiento Quintero  
Public Accountant  
Professional Card 65450-T



Sandra Marcela Barragán Cellamén  
Tax Reviewer  
Professional Card 17772 8-T  
Member of KPMG S.A.S.  
(See my report of 24 February 2022)

(In thousands of pesos)

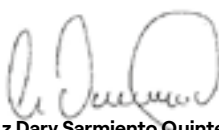
	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Cash flows from operating activities:</b>		
Types of charges for operating activities:		
Charges from sales of goods and provision of services	\$ 6.136.637.126	\$ 5.369.301.617
Collections from royalties, fees, commissions and other income from ordinary activities	99.634.714	112.316.607
Collections from premiums and benefits, annuities and other benefits of subscribed policies	-	3.725.354
Other charges for operating activities	2.249.604.485	1.770.867.680
Types of cash payments from operational activities:		
Payments to suppliers for the supply of goods and services	(4.221.957.033)	(3.709.150.503)
Operating lease payments	(528.948)	(560.597)
Payments to and on behalf of employees	(182.718.688)	(161.741.175)
Payments for premiums and benefits, annuities and other consequential obligations of subscribed policies	(9.195.034)	(5.101.188)
Other payments for operating activities	(1.979.117.325)	(1.439.138.325)
Taxes on earnings paid	(427.314.798)	(402.217.236)
Other cash outflows	(82.354.874)	(81.496.255)
<b>Net cash flows from operating activities</b>	<b>\$ 1.582.689.625</b>	<b>\$ 1.456.805.979</b>
<b>Cash flows used in investment activities:</b>		
Cash flows used to gain control of subsidiaries or other businesses	(58.239.001)	-
Other charges for the sale of assets or debt instruments of other entities	20.000.000	-
Other payments to acquire equity or debt instruments of other entities	(20.000.000)	-
Loans to related entities	(45.000.000)	-
Purchases of property, plant and equipment	(1.155.362.715)	(1.394.882.302)
Payments arising from futures, forward, options and swap contracts	(5.744.063)	-
Collections from futures, forward, options and swap contracts	-	79.728
Collections to related entities	45.000.000	-
Interest received	6.199.625	9.865.583
<b>Net cash flows used in investment activities</b>	<b>\$ (1.213.146.154)</b>	<b>\$ (1.384.936.991)</b>
<b>Cash flows used in financing activities:</b>		
Amounts from Bond Issuance	-	500.000.000
Amounts from long-term loans	1.220.536.000	214.818.000
Amounts from short-term loans	450.000.000	397.500.110
Loans from related entities	-	80.000.000
Dividends paid	(1.320.816.733)	(543.695.547)
Bank Interest Paid	(38.520.819)	(14.477.814)
Interest paid Bonds	(146.978.908)	(132.799.125)
Interest paid on operating leases (IFRS 16)	(4.634.564)	(5.014.669)
Interest paid to related entities	-	(1.678.656)
Bank loan payments	(436.275.631)	(124.601.081)
Loan Payments Bonds	(185.000.000)	(90.000.000)
Payments of liabilities for financial leases	(626.721)	(3.812.854)
Lease liability payments (IFRS 16)	(16.303.529)	(11.150.444)
Loan payments to related entities	-	(172.658.471)
<b>Net cash flows (used in) provided by financing activities</b>	<b>\$ (478.620.905)</b>	<b>\$ 92.429.449</b>
<b>Net cash exchange and cash equivalents</b>	<b>(109.077.434)</b>	<b>164.298.437</b>
Cash and cash equivalents at the beginning of the period	484.967.662	320.669.225
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 375.890.228</b>	<b>\$ 484.967.662</b>

The notes are an integral part of the separate financial statements.

The undersigned Legal Representative and Accountant certify that we have previously verified the statements contained in these separate financial statements and that they have been faithfully taken from the accounting books of the Company.



**Francesco Bertoli**  
Legal Representative



**Luz Dary Sarmiento Quintero**  
Public Accountant  
Professional Card 65450-T



**Sandra Marcela Barragán Cellamén**  
Tax Reviewer  
Professional Card 17772 8-T  
Member of KPMG S.A.S.  
(See my report of 24 February 2022)

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## **1. Overview**

### **1.1. Economic entity**

Codensa S.A. E.S.P., (hereinafter "the Company") is a public limited company of residential public services in accordance with the provisions of Law 142 and 143 of 1994. The Company has an indefinite term.

The Company was incorporated by public deed No. 4610 of the Notary 36 of Bogotá D.C on October 23, 1997 and registered with the Chamber of Commerce on the same date, through No. 00607668, with contributions from the distribution and marketing assets of Grupo Energía Bogotá S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.) with 51.32% of the shares and cash contributions of the other investors with 48.48% of the shares. (See Note 21)

The Company is of Colombian origin, has its domicile and main offices in Carrera 11 No 82-76 Piso 4, in the city of Bogotá D.C.

The Company is a subsidiary of Enel Américas S.A., an entity controlled by Enel S.P.A. (hereinafter referred to as Enel).

The situation of Grupo Empresarial registered in the commercial registry of the Chamber of Commerce of Bogotá was updated by registration No. 02702440 of book IX, of May 5, 2021, in the sense of indicating that the foreign company Enel SPA (parent) communicates that it exercises direct control over the company Enel Américas S.A. (subordinate) and through it exercises indirect control over the companies Emgesa S.A. E. S. P, Codensa S.A. ESP, Enel Green Power Colombia S.A.S. E. S. Q. and over the foreign companies Energía y Servicios South America SPA and ESSA 2 SPA (subordinates); in turn, Enel SPA exercises indirect control over the Enel Colombia Foundation through Emgesa S.A. E. S. Q. and Codensa S.A. E. S. P, for its part, Enel SPA exercises indirect control over the company EGP Fotovoltaica La Loma S.A.S. (in Liquidation), Guayepo Solar S.A.S; Atlántico Photovoltaic S.A.S. and Latamsolar Fotovoltaica Fundación S.A.S through Enel Green Power Colombia S.A.S.; in turn, Enel SPA exercises indirect control over Inversora Codensa S.A.S. through Codensa S.A. ESP; for its part, Enel SPA exercises indirect control over the companies Usme ZE S.A.S. and Fontibón ZE S.A.S. through the company Bogotá ZE S.A.S. where it in turn is controlled by Codensa S.A. E.S. Q. The update of the registration of the Business Group is in progress at the Chamber of Commerce of Bogotá.

Corporate Purpose – The Company's main corporate purpose is the distribution and traditional and/or digital commercialization of electrical energy, as well as the execution of all related, related, complementary and related activities related to the distribution and commercialization of energy, likewise the company may manage and operate other Public Service Companies, enter into and execute special management contracts with other Public Service Companies and sell or lend goods or services to other economic agents inside and outside the country related to public services.

In addition to the above, the Company may develop the following lines of business such as, Integral management of the public lighting service; Energy efficiencies, including, special lighting, development of smart and sustainable cities and buildings, home automation, technology substitution; Massive electric mobility, public or private; Provision of advisory services, auditing, consulting, studies, information analysis, data processing of any kind; Commercialization of all kinds of own products and / or third parties, such as but not limited to insurance, subscriptions, maintenance services of facilities and equipment; Comprehensive assistance services such as, medical, funeral, home and pet.

In the development of all these lines of business, the Company may finance, provide, manage, operate, implement and supervise projects, execute works, deliver goods and services in any capacity, market, maintain and in general develop any activity that is involved in the production chain of such goods or services, the foregoing for the benefit of its customers and third parties, inside or outside the country.

In development of the aforementioned object, the company may promote and found establishments or agencies in Colombia or abroad; acquire in any capacity all kinds of movable or immovable property, lease it, dispose of it, encumber it and give it as collateral; exploit trademarks, trade names, patents, inventions or any other intangible property; drawing, accepting, endorsing, collecting and paying all kinds of securities, negotiable instruments, shares, enforceable securities and others; participate in public and private tenders; give to, or receive from, its shareholders, parents, subsidiaries, and third parties mutual money; conclude insurance contracts, transport, joint accounts, contracts of any kind with banking and / or financial entities, and in general celebrate all civil or commercial acts and contracts necessary for the fulfillment of its corporate purpose.

It may additionally participate with financial institutions as a banking and insurance correspondent; carry out activities to support Postal Service Operators duly authorized and registered by the Ministry of Information and Communications Technologies, for the benefit of their customers and third parties.

The development of any of the activities provided for in this corporate purpose, the Company may be carried out directly or as a partner or shareholder in other commercial companies, in particular, but not limited to, financial institutions that provide traditional and / or digital banking services, other public service companies, or through any type of business collaboration contract, inside or outside the country. Additionally, you may participate as a partner or shareholder in other commercial companies with any corporate purpose, with the prior authorization of the Board of Directors regardless of the amount of the investment.

Additionally, in the exercise of its corporate purpose, among others, the Company offers financing services for goods and services to customers, including the "Codensa Easy Credit" line, subscriptions and insurance, part of which were transferred to Banco Colpatría Red Multibanca Colpatría S.A. as of November 27, 2009.

The General Meeting of Shareholders of the Company, in its extraordinary session No. 72 held on September 17, 2019, approved the entry by the Company into a new line of business consisting of the constitution of a commercial financing entity to continue jointly exploiting with Scotiabank Colpatría the product "Crédito Fácil Codensa". At the same meeting, the modification of the Company's corporate purpose was approved in order to satisfactorily advance its participation in the new Commercial Financing Company and; in turn to develop complementary activities; one of them related to e-commerce businesses to advance business with customers through different digital platforms and strengthen the Company's positioning in terms of marketing and mass placement of insurance policies as an insurance correspondent.

The Company, in its capacity as issuer of securities, submitted the aforementioned reform of the corporate purpose to the approval of the Assembly of bondholders of each of the current issues, which was carried out on March 4, 2020 and in which the aforementioned statutory reform was approved.

On May 13, 2020, the statutory reform was raised to a public deed, consisting of the modification of the Company's corporate purpose, and on August 25, 2020, the public deed No. 1005 of May 13, 2020 of the Notary Eleven (11) of Bogotá was registered in the Chamber of Commerce of Bogotá, through which the reform of article 5 (Corporate purpose) of the bylaws was protocolized.

The General Meeting of Shareholders of the Company, in its extraordinary session No. 74 held on July 29, 2020, approved the entry of a new line of business referred to financing Public Electric Mobility Projects.

The General Meeting of Shareholders of the Company, in its extraordinary session No. 75 held on October 1, 2020, approved the entry by the Company into new lines of business. In the same session, the modification of the corporate purpose (1) of the Company was approved in order to describe the Business Lines currently developed by the Company and the Lines that were approved in the same session.

The Company, in its capacity as issuer of securities, had to submit for approval also to the Assembly of bondholders said modification of the corporate purpose, which was approved as follows:

- On February 16, 2021, the second call for the Meeting of Bondholders was held, in which the modification of the Company's corporate purpose was approved by the 7 issues present and represented at said meeting.
- On March 2, 2021, the third convocation of the Assembly of Bondholders was held, in which it was approved by the eleventh issue present and represented at said meeting.

Therefore, the modification of the corporate purpose has been perfected by the favorable vote of the eight issues in force under the Program of Issuance and Placement of Ordinary Bonds and Commercial Papers of Codensa S.A. E.S.P. (the current corporate purpose is above).

On May 14, 2021, the statutory reform was raised to a public deed, consisting of the modification of the Company's corporate purpose, and on May 28, 2021, the public deed No. 1637 of May 14, 2021 of the Notary Eleven (11) of Bogotá was registered in the Chamber of Commerce of Bogotá, through which the reform of article 5 (Corporate purpose) of the bylaws was protocolized.

The General Shareholders' Meeting of the Company, at its extraordinary session No. 77 held on July 27, 2021, approved the merger commitment between the companies Emgesa S.A. ESP (absorbent), Codensa S.A. ESP, Enel Green Power Colombia S.A.S. ESP and ESSA2 SpA (absorbed).

The Company, in its capacity as issuer of securities, was also required to submit for approval by the Assembly of Bondholders such approval of the merger commitment, which was approved as follows:

On September 7, 2021, the first call for the Meeting of Bondholders was held, in which the merger commitment between the companies Emgesa S.A. ESP (absorbent), Codensa S.A. ESP, Enel Green Power Colombia S.A.S. ESP and ESSA2 SpA (absorbed) was approved unanimously by the Bondholders present.

For the above and for the improvement of the merger between the companies Emgesa S.A. ESP (absorbent), Codensa S.A. ESP, Enel Green Power Colombia S.A.S. ESP and ESSA2 SpA (absorbed) it is necessary to have the authorization of the Superintendency of Companies which is in process.

## **1.2. Business Collaboration Agreements**

The Company and Scotiabank Colpatria S.A. have entered into an Open Book business collaboration agreement in order to provide financial products and services to users of the public energy service in the residential and commercial categories, which is in force since November 1, 2019 and the date of termination of the agreement, which will be when all the procedures for the constitution of a financing company "NewCo" are completed and the portfolio is transferred to the new company; as set out in the Investment Framework Agreement signed on 31 October 2019 between the aforementioned parties.

On February 12, 2021, Resolution 0054 of January 26, 2021 of the Financial Superintendence of Colombia has been signed, through which it authorized in partnership with Scotiabank Colpatria S.A. and other shareholders, the constitution of Crédito Fácil Codensa S.A. Compañía de Financiamiento, the company was registered with the Chamber of Commerce of Bogotá on March 31, 2021, this procedure has been notified to the Financial Superintendence of Colombia.

On December 10, 2021, the first capitalization corresponding to 50% of the total capital contribution agreed between the Parties was made. Additionally, the provisional certificates of the Shares and the registration in the NewCo share registration book have been delivered, and the initial Capital Contribution has been accredited. In this way, the first closing established in "Section 3.03 First Closing" of the Investment Framework Agreement is consummated.

## **1.3. Mapfre Seguros Contract**

On June 22, 2021, the contract with Mapfre Colombia Vida Seguros S.A, Mapfre Seguros Generales de Colombia S.A and Mapfre Servicios Exequiales S.A.S. ended, the Company will continue with the billing and collection activities only with respect to the products that are in force, in the terms of the commercial offer.

## **1.4. Legal and regulatory framework**

For the establishment of the new framework mandated by the Constitution, the Law on Public Household Services (Law 142 of 1994) and the Electricity Law (Law 143 of 1994) were issued, which define the general criteria and policies that should govern the provision of public services at home in the country and the procedures and mechanisms for their regulation, control and surveillance.

The Electricity Law makes the constitutional approach viable, regulates the activities of generation, transmission, distribution, and commercialization of electricity, creates an environment of market and competition, strengthens the sector and delimits the intervention of the State. Taking into account the characteristics of each of the activities or businesses, it was established as a general guideline for the development of the regulatory framework, the creation and implementation of rules that would allow free competition in the businesses of generation and commercialization of electricity, while the guideline for transmission and distribution businesses was oriented to the treatment of such activities as monopolies, looking in any case for conditions of competition where this was possible.

The main institution of the electricity sector is the Ministry of Mines and Energy, which, through the Mining and Energy Planning Unit (UPME), prepares the National Energy Plan and the Generation-Transmission Reference Expansion Plan. The Energy and Gas Regulation Commission (CREG) and the Superintendency of Public Household Services (SSPD) are responsible, respectively, for regulating and supervising companies in the sector, additionally the Superintendence of Industry and Commerce is the national authority for competition protection issues.



The electricity sector is based on the fact that marketing companies and large consumers can trade energy through bilateral contracts and/or Long-Term Contracting Auction – PRGF. Additionally, agents in the sector can trade energy through a short-term market called the energy exchange, which operates freely according to the conditions of supply and demand.

In January 2017, the Energy and Gas Regulation Commission – CREG approved the unification of markets of the Company and the Energy Company of Cundinamarca – EEC, for which a single regulated tariff is applied from that date for users of the entire market today served by Codensa.

In accordance with the above, the rates of the Company's integrated market plus the EEC were calculated and published on January 20, 2017, by the regulations in force at the time the application of this new rate on the invoice began on February 7, 2017.

The Energy and Gas Regulatory Commission – CREG defines the remuneration methodology for the electricity distribution activity. Distribution charges are reviewed every five years and updated monthly according to the Producer Price Index (PPI).

The distribution charges of CREG Resolution 097 of 2008 that were published by the CREG in October 2009 were in force for the company until June 2020.

The current methodology of the regulated income and distribution charges of Resolution CREG 015 of 2018 began in 2013 with the publication of the bases of the remuneration methodology proposed by the CREG in Resolution 043 of 2013. These bases were complemented with the development of the Purposes and Guidelines for the Remuneration of the Distribution Activity for the period 2015-2019 contained in Resolution CREG 079 of 2014.

The Regulatory Commission issued Resolution CREG 095 of 2015 which defines the methodology for the calculation of the regulated remuneration rate (WACC) for electricity distribution and transmission activities, as well as for the distribution and transmission of natural gas, which will be in force for the distribution activity until the end of the regulatory period of Resolution CREG 015 of 2018. Subsequently, the published methodology of Resolution CREG 004 of 2021 will be applied.

In February 2018, the Regulatory Committee published Resolution CREG 015 of 2018 that definitively decides the Remuneration Methodology of the Distribution activity for the new tariff period (2018-2023), which determines the remuneration of the existing asset base, the presentation of investment plans, the remuneration of operating and maintenance expenses and defines paths for the improvement of losses and quality of service.

Subsequently, as a result of the comments sent by the agents to resolution CREG 015 of 2018, resolutions CREG 085 of 2018, 151 of 2018 and 036 of 2019 have been issued, through which some provisions of this resolution are clarified and corrected, including the retroactive adjustment factor, the review of the investment plan and the application of the quality scheme.

Resolution 036 of April 15, 2019, mentions that an adjustment factor will be applied that remunerates (or subtracts) the difference in income between the current distribution rate and the new approved rate is calculated from April of the first year until the date of approval of the new charges.

In May 2019, the Ministry of Mines and Energy published Resolution 40459 of 2019, this new resolution of the Ministry reviews the public policy guidelines on Advanced Metering Infrastructures (AMI).

In July 2019, the National Government issued Law 1964 of 2019, which aims to generate schemes to promote the use of electric and zero-emission vehicles, in order to contribute to sustainable mobility and the reduction of polluting emissions and greenhouse gases.

In July 2019, the Commission issued Resolution CREG 079 of 2019, which seeks not to modify the level of contracting between vertically integrated companies and / or in a situation of control, until the CREG approves the final path of maximum own contracting.

In August 2019, the CREG issued Resolution CREG 098 of 2019, which establishes the mechanisms to incorporate storage systems with the purpose of mitigating inconveniences presented by the lack or insufficiency of energy transmission networks in the National Interconnected System.

In September 2019, the Superintendency of Household Public Services issued Resolution 20191000035615 that regulates the collection of the surcharge of \$4/kWh to the energy service to residential users of strata 4, 5 and 6; commercial, industrial and non-regulated users. The resources will be allocated to the Business Fund of the Superintendence to support the intervention processes of companies.

In October 2019, the Commission publishes Resolution CREG 129 of 2019, which establishes the transfer formula in the component of energy purchases to the regulated user of the prices of the contracting mechanism that sign contracts resulting from the auction referred to in Resolution 40590 of 2019 of the Ministry of Mines and Energy.

In October 2019, the Commission published Resolution CREG 130 of 2019, which defines the principles, behaviours and procedures to be complied with by retail marketers in the conclusion of energy contracts for the regulated market.

In October 2019, the CREG issued Resolution CREG 142 of 2019, which establishes the transfer formula in the component of energy purchases to the regulated user of the prices of the contracts of the complementary mechanism.

In December 2019, the Commission published draft Resolution CREG 155 of 2019, which contains the conceptual bases for the remuneration of the activity of commercialization of electrical energy.

In December 2019, the Commission published Resolution CREG 198 of 2019, by which it extends the application of subsidies to users of stratum 1 and 2.

In December 2019, the CREG published Resolution CREG 199 of 2019, by means of which it modifies some provisions of Resolution CREG 015 of 2018 on the new methodology of remuneration of the distribution activity.

On December 20, 2019, the CREG approved Resolution CREG 189 of 2019 being notified by the Company on January 8, 2020, by which it approved the necessary variables to calculate the income and charges associated with the activity of distribution of electrical energy for the commercialization market served by the Company. On January 15, 2020, the Company filed an appeal for reversal of the resolution with the CREG.

On March 17, 2020, the National Government issued Decree 417 of 2020 where it declares the state of economic, social and ecological emergency throughout the national territory for the term of thirty (30) days, in order to avert the serious public calamity that affects the country due to the new coronavirus COVID-19.

On March 22, 2020, Decree 457 of 2020 ordered the mandatory preventive isolation of the inhabitants of the Republic of Colombia from zero hours (00:00 hours) of March 25, 2020 until zero hours (00:00 hours) of April 13, 2020.

The CREG issued Resolutions CREG 050/2020 and 052/2020 by which it suspends the procedural terms of the administrative actions of the Energy and Gas Regulation Commission - CREG. Resolution 052/20 modified the time provided for in Resolution 050/20, leaving this suspension definitively from March 24, 2020 and until April 12, 2020 inclusive.

In particular, it is noteworthy that this resolution suspends until April 12 the action of the CREG in responding to the appeal for replacement filed by the Company to Resolution CREG 189/19 regarding the charges and income of the distribution activity.

Regulations issued in the second quarter of 2020 due to COVID-19:

- New Regulations for the Declaration of the State of Economic Emergency and the adoption of new measures: Decree 417, Decree 637, Decree 798, Resolutions 131 and 132.
- Mandatory preventive isolation, Decree 457, 531, 593, 636 and 749.
- Resolution MME 517. Deferred payments Stratum 1 and 2; Business line of credit; voluntary contributions and unreconciled subsidy drafts.
- Resolution CREG 058, 108, and 104: Adopt transitional measures for the payment of wholesale market invoices.
- Resolution CREG 056 and 061, Cir. CREG 036 and Resolution CREG 107: Financing options in the wholesale market
- Resolution CREG 043: Transitional rules on the limitation of supply and withdrawal from the market.
- Decree 581, New Line of Credit - Findeter
- Decree D.C 123 and Resolution 157: Mayor's Office assumes a benefit of 10% of energy consumption to strata 1, 2, 3 and 4.
- Resolution. MME 40130, Voluntary contribution mechanism of users strata 4, 5 and 6, and commercial and industrial users.

On June 24, 2020, the Commission issued Resolution CREG 122 of 2020, which approves the distribution charges definitively for the Company. In its approval, the Commission resolves the appeal for reinstatement filed by the Company to Resolution CREG 189 of 2019.

In short, the Commission in its final approval makes the correction of the asset base, the incorporation of additional events in the calculation of quality indicators and the retroactive application of incentives for quality of service. The application in the rate began from the month of July 2020.

Regulations issued in the third quarter of 2020 due to COVID-19:

- Decree 1168 of 2020 of the National Government that terminates the Mandatory Isolation by Selective Isolation, promoting the reactivation of economic and social life. From the first of September 2020.
- Decree 1076 of 2020 of the National Government. Mandatory isolation, conditions, mobility and opening of economic sectors in municipalities. Valid until August 31, 2020.
- Resolution 152 grace period for the collection of the first payment of each invoice is made 4 months later. Tariff option until November, growth of less than 0.6% until January 2021.
- Given that the extension of the emergency until November 30 has been established, the rate applicable to subsistence consumption for strata 1 and 2, must continue to consider the smallest variation between the CPI and Cu.

On August 20, 2020, the Superintendency of Public Services issued Resolution 20201000033335 - Special Contribution Rate and Additional Contribution Business Fund, the value was paid in September and will be transferred to rate in the month of October, the value to be recognized is what corresponds to the marketing activity and is transferred in twelfth parts until the end of the year.

Regulations issued in the fourth quarter of 2020 due to COVID-19:

- Resolution SSPD 20201000057265 Cash flow information report and technical report on a weekly basis and added a financial information report on a monthly basis.
- Findeter issued External Circular No. 14 of 2020, through which it announces the conditions of the rediscount credits with compensated rate provided for in Decree 798 of 2020 intended to finance the deferred that the utilities -ESPs offered to residential users of strata 3 and 4, and to users of strata 1 and 2, the latter for the values in their energy billing that exceeded subsistence consumption.

The Constitutional Court declared unenforceable article 313 of Law 1955 of 2019, by means of judgment C-504, which indicates that the agents collecting the surcharge must refrain from invoicing, collecting and collecting the surcharge in those billing periods immediately following December 3, 2020. The portfolio cannot be canceled and the collection procedures must be advanced to be turned over to the business fund.

The Constitutional Court declared unenforceable article 18 of Law 1955 of 2019, by means of judgment C-484, which implies that, as of 2021, the contribution for both the CREG and the SSPD will be liquidated again as they were done before, that is, this implies a decrease in both contributions.

On January 14, the Commission published Resolution CREG 003 of 2021, by which it extends the application of subsidies to users of stratum 1 and 2.

The Ministry of Mines issued Resolution 32005, which distributes resources for the payment of lower rates corresponding to the deficit of the year 2020. This payment was made in January 2021.

On December 29, the CREG published Resolution CREG 235 of 2020 that sets the special contribution rate for the year 2020 (Codensa filed an appeal against the settlement of this contribution, to date it has not been resolved therefore it has not been paid) and established an advance of the year 2021 in 60% of the liquidated value of the year 2020, this payment was made at the end of January 2021.

According to the Res SSPD 20201000062385 established the payment of the advance of the contribution corresponding to 60% of the liquidated value of the year 2019, this payment was made at the end of January 2021.

On January 8, 2021, the Commission published Resolution CREG 240 of 2020, modified the methodology for calculating transactional equity considering the financial information that is prepared under the current regulatory technical frameworks.

In May 2021, the CREG published Resolution CREG 069 of 2021 that resolved in favor of the CREG the appeal against the settlement of the special contribution for the year 2020, a period of one month was established to pay and in the month of

June this payment was made.

In May 2021, the Commission issued Draft Resolution CREG 037 of 2021, which contains the proposal for the new remuneration methodology for the Public Lighting service.

In June 2021, through Resolution CREG 068 of 2021, the CREG approved the modification of the Company's Investment Plan.

On June 3, 2021, the Ministry of Mines issued Resolution 40172, establishing the maximum tariff increase for remuneration of projects for expansion of coverage, which will not be greater than 1% of the distribution charge.

On 16 June 2021, the Commission published resolution CREG 075 of 2021. The resolution dictates provisions and procedures for the allocation of transport capacity to the SIN in accordance with the request of the MME in the public policy guidelines for the connection established in resolution MME 40311 of 2021.

On July 10, 2021, Law 2099 was issued, dictates provisions for the energy transition, the revitalization of the energy market, the economic reactivation of the country and other provisions are dictated. Addresses issues related to tax benefits for investment in the field of energy production with unconventional energy sources and efficient energy management, promotion of green and blue hydrogen, rationalization of procedures in the execution of infrastructure projects for the provision of public electricity service, electric mobility and smart and institutional metering.

On August 8, 2021, the Superintendence of Public Household Services issued the Resolution establishing the amount of the rate of the special contribution for the year 2021, to which the providers of domestic public services and / or those who develop the complementary activities to said services, defined in laws 142 and 143 of 1994, are subject. On this Resolution, an appeal for reinstatement and an appeal subsidy was placed.

In November 2021, the Superintendence of Public Household Services through Resolution 20215000666545 resolved the appeal of the appeal filed to the special contribution 2021 confirming the value to be paid by Condesa issued in August 2021.

In September 2021, the Ministry of Mines and Energy published the Booklet with the actions of the energy transformation mission route.

On 4 November 2021, the Commission issued Resolution CREG 148 of 2021 which established the connection and operation of solar photovoltaic and wind power plants in the SDL with net effective capacity or declared maximum power equal to or greater than 5 MW.

On November 22, 2021, the Commission published Resolution CREG 174 of 2021 by means of which it regulated the operational and commercial aspects to allow the integration of small-scale self-generation and distributed generation into the National Interconnected System (SIN). Aspects of the connection procedure of large-scale self-generators with a maximum declared power of less than 5 MW are also regulated and totally repealed Resolution CREG 030 of 2018 that regulated the matter.

On December 21, 2021, the Energy and Gas Regulation Commission issued resolution CREG 215 of 2021, which modifies the rate of return for the activity of electricity distribution, approved in Resolution CREG 016 of 2018, which will be 12.09% from 2022.

On December 29, 2021, the Mining and Energy Planning Unit – UPME published resolution 528 of 2021 by means of which it established the procedure for the processing of requests for connection to the National Interconnected System – SIN and the provisions on the allocation of transport capacity to class 1 projects and how to define the general parameters of the Single Window.

On December 29, 2021, through this resolution 647 of 2021, the National Spectrum Agency – ANE updated the National Table of Allocation of Frequency Bands where the frequency band of 169 MHz is added for the implementation of telemetry communications, wireless telecontrol and the implementation of advanced measurement infrastructure networks.

On December 27, 2021, the CREG, through Resolution 213 of 2021, published the percentage of the special contribution (1% on the Commission's expenses) that must be paid by the providers of the electric energy, natural gas and liquefied petroleum gas (LPG) service.

On December 14, 2021, the Superintendency of Public Household Services published Resolution 20211000811175, which establishes the collection of a first payment for the Special Contribution for the 2022 term.



During the year 2021, the Ministry of Mines and Energy has published Resolutions No. 00012, 00146, 0354, 00587 and 410296 2021 ordering the payment of subsidies to the Company.

## **2. Presentation Bases**

The Company presents its separate general-purpose financial statements in Colombian pesos and the values have been rounded up to the nearest unit of thousands of pesos (COP\$000), except where otherwise indicated.

The separate financial statements include comparative information for the prior period.

The accounting principles applied in its preparation are those detailed below:

### **2.1. Accounting principles**

The Company's General Purpose Separate Financial Statements as of December 31, 2021, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by single Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020 and 938 of 2021. The NCIF applicable in 2021 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2020.

The Company applies to these separate financial statements the following exception contemplated in Title 4 Special Regimes of Chapter 1 of Decree 2420 of 2015:

The determination of post-employment benefits for future retirement or disability pensions will be made in accordance with the requirements of IAS 19, however, it requires the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016, articles 1.2.1.18.46 and following and, in the case of partial pension commutations in accordance with the provisions of paragraph 5 of article 2.2.8.8.31 of the Decree 1833 of 2016, informing the variables used and the differences with the calculation made in the terms of the technical framework under NCIF.

The Company belongs to Group 1 according to the definitions of Decrees 2784 of December 28, 2012 and 3024 of December 27, 2013, as required the Company issued the first comparative financial statements under the NCIF as of December 31, 2015.

These separate general-purpose financial statements have been prepared on the basis of the going concern by applying the cost method, with the exception, according to NCIF, of assets and liabilities that are recorded at fair value.

The preparation of separate financial statements in accordance with the NCIF requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of enforcing accounting policies.

For legal purposes in Colombia, the separate financial statements are the main financial statements

### **2.2. Causation accounting basis**

The Company prepares its separate financial statements, using the causation accounting basis, except for cash flow information.

### **2.3. New Accounting and Financial Reporting Standards Accepted in Colombia whose effective application is after January 1, 2023**

Decree 938 of 2021 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia, mainly incorporating amendments to the standards that had already been compiled by Decrees 2270 of 2019 and 1432 of 2020, which considered the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2019.

#### **Amendment to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current**

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The ranking is not affected by the entity's expectations or events after

the date of the report. The changes also clarify what the "settlement" of a liability refers to in terms of the rule. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendment to IAS 16 Properties, Plant and Equipment – Amounts obtained prior to intended use**

The amendment published in May 2020 prohibits the deduction of the cost of an element of property, plant and equipment from any amount from the sale of items produced while that asset is taken to the place and conditions necessary for it to operate in the manner envisaged by management. Instead, an entity would recognize the amounts of those sales in the result of the period. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework**

The amendment published in May 2020 addressed 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of contingent liabilities and liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Levies; and confirm that contingent assets should not be recognized on the date of acquisition. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Cost of performing a contract**

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes when determining the "performance cost" of a contract for the purpose of assessing whether a contract is onerous; clarifies that the direct costs of performing a contract include both the incremental costs of performing a contract and an allocation of other costs that relate directly to the performance of the contract. Before recognizing a separate provision for a onerous contract, for a onerous contract, the entity must recognize impairment losses on the assets used to perform the contract. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Reform of the reference interest rate**

After the financial crisis, reforming and replacing benchmark interest rates such as GBP LIBOR and other interbank rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the timing and precise nature of these changes. In order to transition existing contracts and agreements that refer to LIBOR, adjustments to term differences and credit differences may be necessary to allow the two reference rates to be economically equivalent in the transition.

The amendments made to IFRS 9 Financial instruments, IAS 39 Financial instruments: recognition and measurement and IFRS 7 Financial instruments: disclosures provide certain alternatives to the reform of the reference interest rate. Alternatives relate to hedge accounting and have the effect that reforms generally should not cause hedge accounting to end. However, any coverage ineffectiveness must continue to be recorded in the income statement. Given the pervasive nature of hedges involving interbank rate (IBOR)-based contracts, alternatives will affect businesses across industries.

Accounting policies related to hedge accounting should be updated to reflect alternatives. Fair value disclosures may also be affected due to transfers between levels of fair value hierarchy as markets become more or less liquid.

The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Annual improvements to IFRS Standards cycle 2019–2021**

The following improvements were completed in May 2021:

- IFRS 9 Financial instruments: clarifies which fees should be included in the 10% test for write-off financial liabilities accounts.
- IFRS 16 Leases: modifies illustrative example 13 of the standard to remove the illustration of landlord payments related to improvements to goods taken on lease, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 Adoption for the first time of International Financial Reporting Standards: allows entities that have measured their assets and liabilities by the carrying value recorded in the accounts of their parent company, also measure the accumulated conversion differences using the amounts reported by the parent. This amendment will also apply to associates and joint

ventures with some conditions.

- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

### **Conceptual Framework**

The IASB has issued a revised Conceptual Framework that will be used in decisions to establish standards with immediate effect. Key changes include:

- Increase the importance of management in the objective of financial reporting;
- Restore prudence as a component of neutrality;
- Define a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Remove the probability threshold for recognition and add guidelines on decomplication;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled when this improves the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework to determine their accounting policies for transactions, events or conditions not otherwise covered by the accounting standards will be required to apply the revised Framework as of January 1, 2021. These entities should consider whether their accounting policies remain appropriate under the revised Framework.

## **2.4. Estimates and relevant accounting criteria**

In the preparation of the financial statements, certain estimates made by the Company's Management, business lines and support areas have been used to quantify some of the assets, liabilities, income, expenses and commitments recorded therein.

The estimates basically refer to:

- The assumptions used in the actuarial calculation of liabilities and obligations to employees, such as discount rates, mortality tables, salary increases, among others. (See Note 3.1.13)
- The useful life of intangible assets and properties, plant and equipment. (See Notes 3.1.7 and 3.1.8)
- The assumptions used for the calculation of the fair value of financial instruments. (See Notes 3.1.1.2 and 3.1.1.3).
- The expected credit loss of commercial receivables and other financial assets (See note 3.1.9 (b))
- The income from energy delivered and not invoiced at the end of the year derived from the provision of the energy service when the reading of the consumption in each of the billing cycles is pending, which are estimated by applying elements of judgment for its determination.
- The income derived from construction contracts is recognized according to the advance of the costs incurred, applying the resource method.
- Variations in revenue from tariff changes, in accordance with regulatory updates.
- Certain magnitudes of the electricity system, including those corresponding to other companies, such as production, billing to customers, energy consumed, etc., which allow estimating the global liquidation of the electricity system that must materialize in the corresponding final settlements, pending invoice on the date of issuance of the separate financial statements and that could affect the balances of assets, liabilities, income and costs, recorded therein.
- The probability of occurrence and the amount of uncertain or contingent liabilities. (See Note 3.1.11)

- Future disbursements for restorations and dismantling, as well as discount rates to be used. (See note 3.1.8).
- The tax results, which will be declared to the respective tax authorities in the future, which have served as the basis for the recording of the different balances related to income taxes in these financial statements. (See Notes 3.1.12).

Judgments and estimates have been made based on the best information available at the date of issuance of these separate financial statements, it is possible that future events may force them to be modified upwards or downwards in future periods, which would be done prospectively, recognizing the effects of the change of judgment or estimate in the corresponding future financial statements.

### **3. Accounting Policies**

#### **3.1. Applicable Accounting Policies for Separate General Purpose Financial Statements**

The main accounting policies applied in the preparation of the attached separate general purpose financial statements have been the following:

##### **3.1.1. Financial instruments**

###### **3.1.1.1. Cash and other equivalent means of liquidity**

Under this heading of the statement of financial position, cash in cash, balances in banks, term deposits and other short-term investments, (equal to or less than 90 days from the date of investment), of high liquidity that are quickly realizable in cash and that have a low risk of changes in their value.

###### **3.1.1.2. Financial assets**

The Company classifies its financial assets into the following measurement categories: those measured at fair value and those measured at amortized cost. This classification depends on whether the financial asset is a debt or equity instrument.

###### **3.1.1.2.1 Debt instrument**

Financial assets are classified at amortized cost and fair value.

###### **(a) Financial assets at amortized cost**

A financial asset is classified as measured at "amortized cost" only if the following criteria are met: the objective of the Company's business model is to hold the asset to obtain the contractual cash flows, and the contractual terms give rise on specified dates to receiving cash flows that are solely payments of principal and interest on outstanding principal.

The nature of the derivatives implicit in a debt investment is considered to determine whether the cash flows of the investment are solely principal and interest payments on the outstanding principal, and in that case are not accounted for separately.

###### **(b) Financial assets at fair value with changes in other comprehensive income**

Financial assets that are held for the collection of contractual cash flows and to sell the assets, where the cash flows of the assets represent only principal and interest payments, and which are not designated at fair value with changes in results, are measured at fair value with changes in other comprehensive income. Movements in the carrying amount are taken through another comprehensive result, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses on the amortized cost of the instrument that are recognized in the income statement. When the financial asset is written off, the accumulated gain or loss previously recognized in another comprehensive result is reclassified from equity to the income statement. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

###### **(c) Financial assets at Fair Value with changes in results**

Assets that do not meet the requirements for amortized cost or fair value with changes in other comprehensive income are measured at fair value with changes in results. A loss or gain on a debt instrument that is subsequently measured at fair value



with changes in results and is not part of a hedge relationship is recognized in the income statement for the period in which it arises, unless it arises from debt instruments that were designated at fair value or are not held for trading. Interest income from these financial assets is included in "interest income" using the effective interest rate method

### **3.1.1.2.2 Heritage instrument**

All equity instruments are measured by their fair value. Equity instruments held for trading are valued at fair value with changes in results. For all other equity instruments, the Company may make an irrevocable choice at the initial recognition to recognize changes in fair value against the other comprehensive results in equity.

### **3.1.1.2.3 Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date the contract is concluded and are permanently measured at their fair value.

If derivative financial instruments do not qualify to be recognized through hedge accounting treatment, they are recorded at fair value through the income statement. Any change in the fair value of these derivatives is immediately recognized in the income statement as "other gains/losses, net". Whether they are designated for hedging the method of recognizing the gain or loss resulting from changes in the fair values of derivatives depends on the nature of the risk and item being hedged.

The Company designates certain derivatives as:

- a) Fair value hedges of recognized assets or liabilities (fair value coverage)
- b) Hedging of a particular risk associated with a recognised asset or liability or of a highly likely anticipated transaction (cash flow hedging) or
- c) Net investment hedges in a foreign transaction (net investment coverage).

The Company documents, at the outset of hedging, the relationship between hedging instruments and hedged items, as well as its objectives and risk management strategy that support its hedging transactions. The Company further documents its assessment, both at the beginning of hedging and periodically, of whether derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The total fair value of derivatives used as hedge is classified as non-current assets or liabilities when the maturity of the remainder of the hedged item is greater than 12 months, and is classified as current assets or liabilities when the maturity of the remainder of the hedged item is less than 12 months. Derivatives that are not used for hedging or that are held for trading are classified as current assets or liabilities.

#### **(a) Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, and the gain or loss of the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the results for the period.

The gain or loss related to the actual portion of the derivatives is recognized in the income statement as "financial expenses", as is the ineffective portion that is also recognized in the income statement, but as "other gains/(losses), net".

If the hedge no longer meets the criteria to be recognized through hedge accounting treatment, the adjustment in the carrying value of the covered item is amortized in the results using the effective interest method, in the period remaining until maturity.

As of the date of these financial statements, the Company has no fair value hedges.

#### **(b) Cash flow hedges**

The actual portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive results. The gain or loss relative to the ineffective portion is immediately recognized in the income statement as "other gains/losses, net".

Amounts accumulated in equity are recorded in the income statement in the periods in which the covered item affects

them (for example, when the projected covered sale occurs). However, where the intended covered transaction results in the recognition of a non-financial asset, previously recognized gains or losses on the equity are transferred from the equity and included as part of the initial cost of the asset. Capitalized amounts are ultimately recognized in the cost of sales when products are sold, if it is inventory, or in depreciation, if it is property, plant and equipment.

When a hedging instrument expires or is sold, or when it ceases to meet the criteria to be recognized through hedge accounting treatment, any gains or losses accrued in equity at that date remain in equity and are recognized when the projected transaction affects the income statement. When it is expected that a projected transaction will no longer occur, the gain or loss accumulated in equity is immediately transferred to the income statement as "other gains/(losses), net".

### **(c) Net investment hedges abroad**

Net investment hedges from overseas operations are accounted for in a similar manner to cash flow hedges. Any gains or losses of the hedging instrument related to the effective portion of the hedge are recognized in other comprehensive results. Gain or loss related to the ineffective portion of hedging is immediately recognized in results as "other gains/losses, net."

The gains and losses accumulated in the equity are transferred to the income statement when the foreign transaction is sold or partially decommissioned.

As of the date of these financial statements, the Company has no net foreign investment hedges

### **3.1.1.3. Financial Liabilities**

Financial liabilities are classified as measured after amortized cost, except for financial liabilities at fair value with changes in results; this classification applies to derivatives constituted to cover obligations that reflect the Company's strategy to hedge market risks associated with the interest rate or exchange rate.

#### **3.1.1.3.1 Debts (Financial obligations and bonds).**

Debts are initially recognized at fair value, net of the costs incurred in the transaction. Debts are subsequently recorded at their amortized cost; any difference between the funds received (net of transaction costs) and the redemption value is recognized in the income statement during the loan period using the effective interest method.

The costs incurred in obtaining the debts are recognized as transaction costs to the extent that it is likely that some or all of the debt will be received. In this case the fees are deferred until the loan is received. To the extent that there is no evidence that some or all of the debt is likely to be received, the fees are capitalized as expenses paid in advance for services to obtain liquidity and are amortized in the period of the loan to which they relate. If the costs incurred are immaterial, they may be carried forward at the time of issuance of the securities.

Loans are classified as current liabilities unless the Company has the unconditional right to defer payment of the obligation for at least 12 months from the balance sheet date.

General and specific debt costs directly attributable to the acquisition, construction or production of eligible assets, which are those that require a substantial period of time to be prepared for their intended use or sale, are added to the cost of such assets, until such time as the assets are substantially prepared for use or sale. Investment income from the temporary investment of resources obtained from specific debts that have not yet been invested in qualifying assets is deducted from capitalization interest costs. All other debt costs are recognized in the income statement in the period in which they are incurred.

#### **3.1.1.4. Financial assets and financial liabilities with related parties**

Credits and debts to related parties are initially recognized at fair value plus directly attributable transaction costs. After the initial recognition, these credits and debts are measured by their amortized cost, using the effective interest rate method. The amortization of the interest rate is recognized in the income statement as financial income or costs or as other operating income or expenses, depending on the nature of the asset or liability that originates it.

#### **3.1.1.5. Commercial accounts payable**

Commercial accounts payable are payment obligations for goods or services that have been acquired from suppliers in the

ordinary course of business. Accounts payable are classified as current liabilities, if payment is to be made within a period of one year or less. If the payment must be made in a period longer than one year, they are presented as non-current liabilities.

Commercial accounts payable are initially recognized at fair value and subsequent measurement is at their amortized cost using the effective interest method.

#### **3.1.1.6. Recognition and measurement**

Conventional purchases and sales of financial assets are recognized on the trading date, which is the date on which the Company undertakes to acquire or sell the asset. Financial assets are written off when the rights to receive cash flows have matured or have been transferred and the Company has substantially transferred all risks and benefits inherent in the property.

At the initial recognition, the Company values the financial assets at their fair value; however, in the case of a financial asset that is not measured at fair value with changes in results, transaction costs that are directly attributable to the acquisition of the financial asset will affect the value of the asset. Transaction costs of financial assets that are measured at fair value with changes in results are accounted for directly in the income statement.

Gains or losses on a debt instrument that is subsequently valued at fair value and is not part of a hedging ratio are recognized in the results and are presented on the income statement within "other gains/(losses)-net" in the period in which they occur.

Gains or losses on a debt instrument that is subsequently valued at its amortized cost and is not part of a hedging relationship are recognized in the results of the period when the financial asset is written off or deteriorated and through the amortization process using the effective interest method.

The Company subsequently measures all equity instruments at fair value. Where Management has chosen to present unrealised and realized fair value gains or losses and losses on equity instruments in other comprehensive results, fair value gains and losses cannot be recorded against the results for the year. Dividends from equity instruments are recognized in the results, as long as they represent a return on investment.

The Company must reclassify all affected debt instruments when, and only when its business model for the management of financial assets changes.

#### **3.1.1.7. Clearing of financial instruments**

Financial assets and liabilities are offset and their net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and Management intends to liquidate the net amount or to realize the asset and cancel the liability simultaneously.

#### **3.1.1.8. Fair investment values**

The fair values of listed investments are based on their current listing price. If the market for a financial instrument is not active or the instrument is not listed on the stock exchange, the Company establishes its fair value using valuation techniques appropriate to the circumstances.

These techniques include the use of the values observed in recent transactions carried out under the terms of free competition, the reference to other instruments that are substantially similar, analysis of discounted cash flows and option models making maximum use of market information and placing the highest possible degree of confidence in internal information specific to the entity.

#### **3.1.2. Inventories**

Inventory stocks include goods for sale or internal consumption, on which the typical risks and benefits of the property have been acquired, in this classification are materials, such as those managed in the warehouses of the Company's logistics operator.

Inventories are shown in current assets in the financial statements, even if they are made after 12 months, to the extent that they are considered to belong to the ordinary operating cycle.

The cost of inventories is composed of the cost of purchase, and all costs directly or indirectly attributable to inventory, for example: transport, customs duties, insurance, non-recoverable indirect taxes, etc. and net of discounts, bonuses and premiums of a commercial nature.

Cost is measured according to the "weighted average" method, which considers the units of an item purchased on different dates and costs as belonging to a set in which individual purchases are no longer identifiable, but are all equally available.

The weighted average cost should include additional charges, for example: costs for sea freight, customs charges, insurance, etc. attributable and acquired during the period.

The cost of inventories may not be recoverable if inventories are damaged, if they are partially or totally obsolete, or in some cases due to low turnover.

Obsolete materials are understood as those that are not expected to be sold or used in the Company's ordinary operating cycle, such as, for example, scrap and technologically out-of-date materials. Surplus materials are considered as slow-moving at a stock level that can be considered reasonable, according to the normal use expected in the ordinary operating cycle. Obsolete and slow-moving inventories have the possibility of use or realization, which in some cases represent their value as a sale of scrap.

Inventory items that are consumed in maintenance affect the Company's results.

### **3.1.3. Non-current assets held for sale and discontinued activities**

The Company classifies as non-current assets held for sale property, plant and equipment, intangibles, investments in associates, joint ventures and groups subject to dispossession (group of assets to be disposed of together with their associated liabilities), for which at the closing date of the statement of financial position active steps have been initiated for their sale and it is estimated that it is highly probable.

These assets or groups subject to being inappropriate are carried at a disadvantage between the carrying amount and fair value minus costs until sale, and cease to be amortized or depreciated from the moment they are classified as non-current assets held for sale.

Non-current assets held for sale and components of groups subject to dispossession classified as held for sale are presented in the statement of financial position as follows: Assets in a single line called "Non-current assets or groups of assets for disposal classified as held for sale" and liabilities also in a single line called "Liabilities included in groups of assets for their disposal" and liabilities also in a single line called "Liabilities included in groups of assets for their disposition classified as kept for sale."

In turn, the Company considers discontinued activities to significant and separable business lines that have been sold or otherwise disposed of or that meet the conditions to be classified as held for sale, including, where appropriate, other assets that together with the business line are part of the same sale plan. Likewise, those entities acquired exclusively for the purpose of reselling them are considered discontinued activities.

Results after tax from discontinued activities are presented in a single line of the comprehensive income statement called "Profit (loss) from discontinued operations".

### **3.1.4. Investments in subsidiaries**

A subsidiary is an entity controlled by the Company, control exists when it has the power to direct the relevant activities of the subsidiary, which are generally the activities of operation and financing for the purpose of obtaining benefits from its activities and is exposed, or entitled, to the variable returns of the latter.

Investments in subsidiaries are initially recorded at cost and subsequently the method of participation in the Company's separate financial statements is applied as established in Decree 2420 of 2015 added by Decree 2496 of 2015 and modified



by Decrees 2131 of 2016 and 2170 of 2017.

The dividends received from these companies are recorded by reducing the value of the investment and the results obtained by them, which correspond to the Company according to its participation, are recorded under the heading "Result of companies accounted for by the participation method". The measurement of the participation method is evaluated according to the materiality of the figures and taking into account the participation in each subsidiary.

### **3.1.5. Investments in partners and joint ventures**

An associate is an entity over which the Company has significant influence over financial policy and operating decisions, without having joint control or control.

Joint agreements are those entities in which the Company exercises control thanks to the agreement with third parties and jointly with them, that is, when decisions on their relevant activities require the unanimous consent of the parties that share control. Joint agreements are classified into:

Joint venture: is an entity that the Company controls jointly with other participants, where they maintain a contractual agreement that establishes joint control over the relevant activities of the entity. At the date of acquisition, the excess of the acquisition cost over the net fair value share of the identifiable assets, liabilities and contingent liabilities assumed by the associate or joint venture is recognized as a goodwill. The commercial credit is included in the carrying value of the investment, is not amortized and is individually subjected to impairment tests.

Joint Transaction: agreement whereby the parties exercising joint control are entitled to the assets and obligations with respect to the liabilities related to the agreement.

Joint control: is the distribution of contractually decided control of an agreement, which exists only when decisions on the relevant activities require the unanimous consent of the parties sharing control.

A joint operator shall recognize in connection with its participation in a joint transaction: (a) its assets, including its participation in the assets held jointly; (b) your liabilities, including your share of liabilities incurred jointly; (c) its income from ordinary activities from the sale of its interest in the proceeds arising from the joint venture; (d) its share of the income from ordinary activities from the sale of the product that carries out the joint operation; and (e) your expenses, including your sharing of expenses incurred jointly.

As of the date of these financial statements, the Company has no investments in associates or joint ventures.

### **3.1.6. Business Combination**

The Company in a business combination records at fair value the acquired assets and assumed liabilities of the subsidiary company, on the date of takeover, except for certain assets and liabilities that are recorded following the valuation principles set out in other NCIFs. If the fair value of the transferred consideration plus the fair value of any non-controlling interest exceeds the fair value of the net assets acquired from the subsidiary, this difference is recorded as a capital gain. In the case of a low-priced purchase, the resulting profit is recorded on credit to results, after reassessing whether all acquired assets and assumed liabilities have been correctly identified and reviewing the procedures used to measure the fair value of these amounts.

For each business combination, the Company chooses whether to value the non-controlling interests of the acquired at fair value or by the proportionate share of the identifiable net assets of the acquired. If it is not possible to determine the fair value of all assets acquired and liabilities assumed on the date of acquisition, the company shall report the provisional values recorded. During the measurement period, which shall not exceed one year from the date of acquisition, the recognized provisional values shall be retrospectively adjusted and additional assets or liabilities shall also be recognized, to reflect new information obtained on facts and circumstances that existed on the date of acquisition, but were not known to management at that time. In the case of business combinations carried out in stages, on the date of acquisition, the previously held

stake in the assets of the acquired company is measured at fair value and the resulting gain or loss, if any, is recognized in the result of the year.

Acquisition costs incurred are charged to expenses and are presented within the administrative expenses in the income statement.

As of the date of these financial statements, the Company has no business combinations.

### 3.1.7. Intangible assets

Intangible assets are initially recognized by their cost of acquisition or production and are subsequently valued at the net cost of their corresponding accumulated depreciation and impairment losses, if any, incurred.

Intangible assets are amortized linearly over their useful life, from the moment they are in conditions of use. The Company evaluates in the initial recognition whether the useful life of the intangible assets is defined or indefinite and the amortization period, which is reviewed at the end of each year.

The criteria for the recognition of impairment losses on these assets and, where appropriate, recoveries of impairment losses recorded in previous years are explained in the impairment policy.

(a) Research and development expenses.

The Company follows the policy of recording as intangible assets in the statement of financial position the costs of projects in the development phase, provided that their technical viability and economic profitability are reasonably assured.

Research expenses are directly recognized in the results of the period.

(b) Other intangible assets

These assets correspond mainly to software, rights and easements of passage. Their accounting recognition is initially made for their acquisition or production cost and, subsequently, they are valued at their net cost of their corresponding accumulated amortization and of the impairment losses that, where appropriate, have been incurred.

The remaining average useful lives used for amortization are:

Concept	Estimated service life years	
	As of December 2021	As of December 2020
Development costs	8	7
Licences	3	3
Easements	41	33
Software	5	4

The loss or gain on the downturn of an intangible asset is determined as the difference between the net amount obtained by its disposition, and the carrying amount of the asset and are recognized as other gains (losses) in the income statement.

### 3.1.8. Properties, plant and equipment

Properties, plant and equipment are initially recognized by their acquisition cost and are subsequently valued at the net cost of their corresponding accumulated depreciation and impairment losses incurred.

In addition to the price paid for the acquisition of each element, the cost also includes, where appropriate, the following concepts:

Adicionalmente al precio pagado por la adquisición de cada elemento, el costo también incluye, en su caso, los siguientes conceptos:

- General and specific interest costs that are directly attributable to the acquisition, construction or production of eligible assets, which are those that necessarily require a substantial period of time before being prepared for the intended use or sale,

are added to the cost of those assets, until the time comes when the assets are substantially prepared for the intended use or sale. The Company defines substantial period as one exceeding twelve months. The interest rate used is that corresponding to the specific financing or, if it does not exist, the average financing rate of the company that makes the investment.

- Personnel costs directly related to ongoing constructions.
- Future disbursements that the Company will have to face in connection with the closure of its facilities are incorporated into the value of the asset for the updated value, recognizing the corresponding provision for dismantling or restoration. The Company annually revises its estimate of such future disbursements, increasing or decreasing the value of the asset based on the results of such estimate. (See Note 17).
- Future disbursements for environmental commitments for new projects, as well as discount rates to be used.
- They are components of property, plant and equipment spare parts when they meet the characteristics of recognition of the assets, these parts are not part of the inventory of materials.

Ongoing constructions are transferred to assets in operation after the end of the trial period; that is, when they are available for use, from which moment their depreciation begins.

The costs of expansion, modernization or improvement that represent an increase in productivity, capacity, efficiency or an extension of the useful life of the goods are capitalized as a higher cost of the corresponding assets.

Replacements or renewals of complete elements that increase the useful life of the good, or its economic capacity, are recorded as the greater value of the respective goods, removing the replaced or renewed elements.

Periodic disbursements of maintenance, maintenance and repair are recorded directly in the income statement as the cost of the period in which they are incurred.

The Company, based on the result of the impairment tests, considers that the book value of the assets does not exceed the recoverable value of the assets.

The property, plant and equipment, net in its case of the residual value of the same, depreciates by distributing linearly the cost of the different elements that compose it between the years of estimated useful life, which constitute the period in which the Company expects to use them. The estimated service life and residual values are reviewed periodically and, if appropriate, adjusted prospectively. The Company does not consider the residual value of its fixed assets to be significant.

Land is not depreciated for having an indefinite useful life, except that it relates to a right-of-use asset, in which case it depreciates during the lease term.

The remaining average useful lives used for depreciation are:

<b>Property Classes, Plants and Equipment</b>	<b>Estimated lifespan range 2021</b>	<b>Interval of years of life estimated useful 2020</b>
Buildings	33	40
Distribution plants and equipment		
<i>Substations</i>	29	29
<i>High voltage network</i>	28	30
<i>Low and medium voltage network</i>	27	26
<i>Measuring and remote control equipment</i>	13	20
<i>Financial Leases</i>		
<i>Fixed and Other Installations (Vehicles)</i>	-	2
Assets for IFRS 16 use (*)		
<i>Fixed and other installations</i>	20	18
<i>Vehicles</i>	4	4
<i>Furniture</i>	7	7
Fixed installations and accessories	8	8
Information technology equipment	6	5

In 2014, electrical assets such as substations, lines and networks were opened in the accounting system and the average

remaining useful lives were modified, which were applied as of January 1, 2015.

The change in useful lives corresponds to the average of each category, which can vary from year to year due to the effect of fully depreciated assets.

Land is not depreciated for having an indefinite useful life, except that it relates to a right-of-use asset, in which case it depreciates during the lease term.

The excess of the tax depreciation over the accounting one generates a tax effect that is recorded as a passive deferred tax.

Gains or losses arising from sales or withdrawals of property, plant and equipment are recognized as other gains (losses) in the income statement and are calculated by deducting from the amount received by the sale, the net book value of the asset and the corresponding selling expenses.

### **3.1.9. Impairment of assets**

#### **(a) Non-financial assets (except inventories and deferred tax assets)**

Throughout the year and mainly on the closing date of the same, it is evaluated if there are indicators that any asset could have suffered a loss due to impairment. In case there is any indication, an estimate of the recoverable amount of said asset is made to determine, where appropriate, the amount of the impairment. In the case of identifiable assets that do not generate cash flows independently, the recoverability of the Cash Generating Unit (UGE) to which the asset belongs is estimated, understanding as such the smallest identifiable group of assets that generates independent cash inflows.

In the Company, all assets operate on a comprehensive basis and cannot be considered as separate component cash flows; therefore, the Company as a whole is taken as the UGE Cash Generating Unit.

The recoverable amount is the largest between the fair value minus the cost necessary for its sale and the value in use, meaning the present value of the estimated future cash flows. For the calculation of the recovery value of the property, plant and equipment, the capital gain, and the intangible asset, the value in use is the criterion used by the Company in practically all cases.

To estimate value in use, the Company prepares projections of future pre-tax cash flows from the most recent budgets available. These budgets incorporate management's best estimates of Cash Generating Units' revenues and costs using sector projections, past experience, and future expectations.

These projections cover, in general, the estimation of flows for the following years applying reasonable growth rates. These flows are discounted to calculate their current value at a pre-tax rate that collects the cost of capital of the business. For its calculation, the current cost of money and the risk premiums used in a general way among analysts for the business are taken into account.

In the event that the recoverable amount of the UGE is less than the net carrying value of the asset, the corresponding provision for impairment loss for the difference is recorded, charged to the item "Impairment losses" of the income statement. This provision is assigned, first, to the value of the capital gain of the UGE, if it exists, and then to the other assets that compose it, prorated according to the book value of each of them, with the limit of its fair value less the costs of sale, or its use value, and without being able to turn out to be a negative value.

Impairment losses recognized in an asset in previous years are reversed when there is a change in the estimates of its recoverable amount, increasing the value of the asset with payment to results with the limit of the carrying value that the asset would have had if the accounting adjustment had not been made. In the case of capital gains, the accounting adjustments that would have been made are not reversible.

#### **(b) Financial assets**

The Company determines the expected credit loss on all of its debt securities, loans and commercial receivables, whether for 12 months or for the lifetime of the assets, recognizing the impairment in advance from day one and not waiting for any event to occur that indicates the impairment of the financial asset.

The expected credit loss will be determined periodically by applying the models defined by the group as follows:

### **Collective simplified model**

It applies in general for the Company's trading portfolio considering the following categories:

- Residential
- Commercial
- Industrial
- Official
- Public Lighting and
- Other Businesses (PSVA's)

The model takes as a basis the statistical information of three years, from which it determines the percentages of expected credit loss for each maturity range, multiplying the probability of Default (in English PD Probability of Default) by the Loss Given Default (LGD Loss Given Default), these percentages are applied to the balances of the invoiced and estimated commercial portfolio.

### **Individual simplified model**

This model is applied to the commercial portfolio for clients who, due to their characteristics, require individual analysis; additionally, this model considers the category of tolls that conforms to this methodology due to the low number of customers that make it up.

The expected credit loss is calculated on the portfolio balance invoiced and estimated for each counterparty, multiplying it by the following variables:

Probability of Default (PD): May be provided by a third-party vendor if available, or by evaluating the counterparty's financial statements; in case of not having a specific PD by the aforementioned mechanisms, according to the group guidelines, the country qualification minus three categories (notches) will be used. If there are signs of deterioration, they will be reflected in this variable, reaching one hundred percent in cases that merit it.

Loss given the Default (LGD): It is the percentage of loss that would be generated if the breach materializes, it is calculated by difference with the estimated recovery rate, in case of not having a specific LGD, according to the group guidelines the Basel II model will be used

### **General collective model**

Under this model, all financial assets other than commercial receivables, which are within the scope of IFRS 9, are evaluated. This model groups counterparts into four categories defined by the group:

- Public administrations
- Institutional counterparts
- Loans to employees and
- Other assets

The expected credit loss is calculated on the balance of each category by multiplying it by the following variables:

Probability of Non-compliance (PD): It is determined according to the group guidelines for each category that consider the rating of the Company, the financial institution and the country, in some cases deducting from the last three categories (notches). If there are signs of deterioration, they will be reflected in this variable, reaching one hundred percent in cases that merit it.

Loss given the Default (LGD): It is the percentage of loss that would be generated if the breach materializes, it is calculated by difference with the estimated recovery rate, in case of not having a specific LGD, according to the group guidelines the Basel II model will be used.

### **3.1.10. Lease**

IFRS 16 - leases establishes specific criteria for the landlord and the lessee.



## **Tenant**

La IFRS16 establishes principles for measuring, recognizing, presenting and disclosing leases and requires tenants to evaluate the following parameters under a single leasing model.

A contract contains a lease if it transfers the right to control the identified asset, in exchange for consideration. Therefore, the following parameters establish the transfer of control:

- There must be an asset identified in the lease.
- The lessee must have the right to obtain substantially the economic benefits from the use of the asset throughout the period of use.
- The lessee has the right to direct how and for what purpose the asset should be used throughout the period of use. This is determined if:
  - The lessee operates the asset throughout the period of use, without the supplier having the right to change the operating instructions or,
  - The lessee designed the asset in such a way as to predetermine the purpose of use of the asset throughout the period of use.

If the parameters mentioned above are not met, the contracts shall not constitute a lease under the parameters set out in IFRS 16.

If a financial lease is set up, the lessee must recognize at the beginning of the contract the assets for rights of use and liabilities for financial lease.

The rule includes two exemptions from recognition for tenants:

- Leases of "low value" assets and
- Short-term leases (i.e., leases with a term of 12 months or less).

In this case they are recognized in the income statement, and there is no place for assets for use, nor liabilities for lease.

The lease liability is measured at the present value of non-cancellable payments, during the term agreed in the contract; discounted using the interest rate implied in the lease, or the incremental interest rate on the start date. Subsequently, lessees are required to remeasure lease liabilities when certain events occur (e.g., a change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments). The amount of the new lease liability measurement will be recognized as an adjustment to the right-of-use asset.

Right-of-use assets are measured at the initial time at cost, comprising: (i) Lease liability which is the present value of non-cancellable lease payments, discounted using the interest rate implied in the lease, or the incremental interest rate on the start date, (ii) lease payments made before or from the commencement date, less the lease incentives received, (iii) the initial direct costs incurred by the lessee and (iv) an estimate of the costs to be incurred by the lessee for dismantling or restoring the asset.

Right-of-use assets depreciate linearly over the shortest period between the term of the lease and the estimated useful life of the assets.

Interest expense, lease liability and depreciation expense, should be recognized separately from the right-of-use asset. Tenants are also required to remeasure lease liabilities when certain events occur (e.g., a change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments). The amount of the new measurement of the lease liability will be recognized as an adjustment to the right-of-use asset, except for considerations that can be recognized directly to results.

## **Lessor**

A landlord classifies leases as operational or financial. A lease is classified as financial, when the risks and benefits inherent in ownership of the underlying asset are substantially transferred. In the event that the risks and advantages associated with the underlying asset are not transferred, the lease will be considered as operational.

#### Financial Leases

At the beginning of the contract, the lessor recognizes the assets it has on lease and presents them as an account receivable for a value equal to the net investment of the lease.

When a lessor is a manufacturer or distributor, it recognizes income from ordinary activities at the fair value of the underlying assets delivered on lease discounted at a market interest rate. It also recognizes the cost of sales by cost or carrying value if it is different from the underlying asset.

#### *Operating Leases*

The lessor recognizes the income on a linear basis for the payments received corresponding to the lease of the underlying assets.

The underlying assets subject to being leased are reflected in the statement of financial position according to the nature of the underlying assets.

### **3.1.11. Provisions, contingent liabilities and contingent assets**

Obligations existing at the date of the financial statements, arising as a result of past events from which material damages of probable materialization may arise for the Company, the amount and timing of cancellation of which are uncertain, are recorded in the statement of financial position as provisions for the present value of the most likely amount that it is estimated that the Company will have to disburse to cancel the obligation.

Provisions are quantified taking into account the best information available at the date of issuance of the financial statements, on the consequences of the event in which they are caused and are reestimated at each subsequent accounting closing.

As part of the provisions, the Company includes the best estimate of the risks of civil labor and tax litigation so it is not expected that additional liabilities to those registered will be derived from them; given the characteristics of the risks covered by these provisions, it is not possible to determine a certain date of cancellation of the estimated obligation. When assessing the likelihood of loss, the available evidence, case law and legal assessment should be considered.

The risks from civil, labor and tax litigation that are considered eventual are disclosed in the notes to the financial statements. (See Note 17)

A contingent asset is given by the occurrence, or non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the entity. It is revealed when the entry of benefits is likely; if the realization of the income is practically certain, it is recognized in the financial statements.

Contingent liabilities are obligations arising from past events, the existence of which is subject to the occurrence or otherwise of future events that are not entirely under the control of the Company, or present obligations arising from past events of which the amount of the obligation cannot be reliably estimated, or an outflow of resources for cancellation is not likely to take place. Contingent liabilities are not disclosed in the financial statements, but are disclosed in notes to the financial statements, except for those individually included in the purchase price report, made in a business combination, the fair value of which can be reliably determined.

The Company shall refrain from recognizing any contingent assets

### **3.1.12. Taxation**

It includes the value of the mandatory general taxes in favor of the State and in charge of the Company, for the concept of the private settlements that are determined on the tax bases of the fiscal period, in accordance with the tax rules of the national and territorial order that govern in the places where the Company operates.

#### **3.1.12.1. Income and supplementary tax and deferred tax**

The income tax expense for the period comprises income tax and deferred tax; which results from the application of the tax rate on the taxable base of the period, once the deductions that are taxable for taxation have been applied, plus the variation of the assets and liabilities for deferred taxes and tax credits. The differences between the book value of the assets and

liabilities and their tax base generate the balances of deferred taxes of assets or liabilities, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized, considering for this purpose the rates that at the end of the reporting period have been approved or for which the process of approval.

The provision for income tax is calculated at the rate in force at the end of the year, by the causation method and is determined based on the commercial profit purified according to the current tax regulations in order to properly relate the income of the period with its corresponding costs and expenses, and is recorded by the amount of the estimated liability.

Deferred tax assets are recognized because of all deductible temporary differences, losses and unused tax credits, to the extent that there are likely to be sufficient future tax gains to recover deductions for temporary differences and make the tax credits effective, except that the deferred tax asset relating to the deductible temporary difference, arises from the initial recognition of an asset or liability in a transaction that:

(a) It is not a business combination and;

(b) at the time it was realized it did not affect either the accounting gain or the tax gain (loss).

With respect to deductible temporary differences, relating to investments in subsidiaries, associates and joint agreements, deferred tax assets are recognized only to the extent that the temporary differences are likely to reverse for the foreseeable future and that tax gains are available against which the temporary differences can be used.

Deferred tax liabilities are recognized for all temporary differences, except those derived from the initial recognition of capital gains and those whose origin is given by the valuation of investments in subsidiaries, associates and joint ventures, in which the Company can control the reversal of the same and it is likely that they will not be reversed in the foreseeable future.

Current tax and changes in deferred taxes on assets or liabilities are recorded in results or in items of total equity in the statement of financial position, depending on where the gains or losses that have originated it have been recorded.

The rebates that can be applied to the amount determined as a liability for current tax, are imputed in results as a payment to the item "Expense for taxes on profits", unless there are doubts about their tax realization, in which case they are not recognized until their effective materialization, or correspond to specific tax incentives, registering in this case as subsidies.

At each accounting close, the deferred taxes recorded, both assets and liabilities, are reviewed in order to verify that they remain in force, making the appropriate corrections to them in accordance with the result of the aforementioned analysis.

Income tax is presented net, after deducting the advances paid and withholdings at source in favor.

Deferred tax assets and deferred tax liabilities are presented in net form in the statement of financial position, if you have the legally enforceable right to offset current tax assets against current tax liabilities, and only if these deferred taxes relate to income taxes of the same tax authority.

### **3.1.12.2. Industry and commerce tax**

E In application of article 86 of Law 2010 of 2019, the Company recognized as an expense of the year the entire industry and commerce tax caused in the year, the value that can be imputed as a tax discount is treated as a non-deductible expense in the determination of income tax in the year, the tax discount applied decreases the value of the current income tax expense of the period; on the balances that could be applied as a tax discount for the following year, an asset was recognized for deferred tax.

### **Employee Benefits**

#### **(a) Pension**

The Company has pension commitments, both defined benefit and defined contribution, which are basically instrumented through pension plans. For defined benefit plans, the company records the expenditure corresponding to these commitments following the criterion of accrual during the working life of the employees, at the date of the financial statements, there are actuarial studies calculated applying the method of the projected credit unit; the costs for past services that correspond to variations in benefits, are immediately recognized, commitments for defined benefit plans represent the present value of accrued obligations. The Company does not possess assets related to these plans.

#### **(b) Other post-employment obligations**

The Company grants its retired employees pension benefits, educational assistance benefits, energy relief and health aid. Entitlement to the above benefits generally depends on whether the employee has worked until retirement age. The expected costs of these benefits accrue during the period of employment using a methodology similar to that of defined benefit plans. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to other comprehensive results in the period in which they arise. These obligations are valued annually or when the parent company requires it, by qualified independent actuaries.

The retroactivity of the severances, considered as post-employment benefits, is liquidated to those workers belonging to the labor regime prior to Law 50 of 1990 and who did not take advantage of the change of regime, this social benefit is liquidated for all the time worked based on the last salary earned. In the latter case only a small number of workers and actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or paid to the other comprehensive result.

The Company implements voluntary retirement plans that within its benefits contemplate temporary income for employees who take advantage of them and who lack the time stipulated in the plan to be entitled to the old-age pension. The benefit consists of the payment of a temporary rent for the time established in the minutes according to plan guidelines, the value of the rent will be paid on the average salary of each worker at the date of retirement. These payments will be made through the resources placed by the Company in a private fund account and allocated to each employee who joined the plan; you are given the treatment of a post-employment benefit since it is the responsibility of the Company to provide the additional resources that are required to the fund to cover this obligation or to receive the reimbursement in case of surpluses.

The defined benefit obligation is calculated by independent actuaries using the projected unit of credit method.

#### **(c) Long-term benefits**

The Company recognizes its active employees as benefits associated with their time of service, such as the five-year period. The expected costs of these benefits accrue during the period of employment, using a methodology similar to that used for defined benefit plans.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to the outcome of the period in which they arise. These obligations are valued annually or when the parent company requires it, by qualified independent actuaries

#### **(d) Employee Credit Benefits**

The Company grants its employees credits at rates lower than those of the market, which is why the present value of the same is calculated by discounting future flows at the market rate, recognizing as profit paid in advance the differential between the market rate and the rate awarded, charged to the accounts receivable. The benefit is amortized over the life of the loan as a higher value of personnel expenses and the accounts receivable are updated at cost amortizing reflecting their financial effect on the income statement.

#### **3.1.13. Fair value estimation**

The fair value of an asset or liability is defined as the price that would be received for selling an asset or paid for transferring a liability, in an orderly transaction between market participants on the measurement date.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the main market, i.e. the market with the highest volume and level of activity for the asset or liability. In the absence of a main market, it is assumed that the transaction takes place in the most advantageous market to which the entity has access, that is, the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.

For the determination of fair value, the Company uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data to perform the measurement, maximizing the use of relevant observable input data and minimizing the use of non-observable input data.

In consideration of the hierarchy of input data used in valuation techniques, assets and liabilities measured at fair value can be classified into the following levels:

**Tier 1:** quoted (unadjusted) price on an active market for identical assets and liabilities;

**Level 2:** input data other than the quoted prices that are included in level 1 and that are observable for assets or liabilities, either directly (i.e. as a price) or indirectly (i.e. derived from a price). The methods and assumptions used to determine Tier 2 fair values, by financial asset class or financial liabilities, take into account the estimation of future cash flows, discounted by the zero interest rate coupon curves of each currency. All ratings described are made through external tools, such as "Bloomberg"; and

**Level 3:** input data for assets or liabilities that are not based on observable market information (unobservable inputs).

When measuring fair value, the Company takes into account the characteristics of the asset or liability, in particular:

- For non-financial assets, a fair value measure takes into account the market participant's ability to generate economic benefits by using the asset to its maximum and best use, or by selling it to another market participant that would use the asset in its maximum and best use;
- For liabilities and equity instruments, fair value assumes that the liability will not be liquidated and the equity instrument will not be cancelled, nor will it otherwise be extinguished on the measurement date. The fair value of the liability reflects the effect of default risk, i.e. the risk that an institution will fail to meet an obligation, which includes, but is not limited to, the Company's own credit risk;
- In the case of financial assets and financial liabilities with offset positions in market risk or credit risk of the counterparty, it is permissible to measure fair value on a net basis, consistent with how market participants would price the net risk exposure on the measurement date.

#### **3.1.14. Functional currency and presentation currency**

The items included in the financial statements are expressed using the currency of the main economic environment in which the entity operates (Colombian pesos).

The financial statements are presented in "Colombian pesos" which are both the functional currency and the presentation currency of the Company. Its figures are expressed in thousands of Colombian pesos, except net income per share, the representative market rate that are expressed in Colombian pesos, and currencies (for example, dollars, euros, pounds sterling, etc.) that are expressed in units.

#### **3.1.15. Foreign currency transactions and balances**

Transactions carried out by the Company in a currency other than its functional currency are recorded at the exchange rates in force at the time of the transaction. During the year, the differences that occur between the exchange rate accounted for and the one in force at the date of collection or payment are recorded as differences of change in the income statement.

#### **3.1.16. Classification of balances into current and non-current**

The Company presents in its Statement of Financial Position the assets and liabilities classified into current and non-current, excluding the assets available for sale as well as the liabilities available for sale. Assets are classified as current when intended to be made, sold or consumed during the normal cycle of the Company's operations or within 12 months after the reporting period, all other assets are classified as non-current. Current liabilities are those that the Company expects to settle within the normal operating cycle or within 12 months after the reporting period, all other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, in all cases.



### **3.1.17. Revenue recognition**

The Company applies a model of recognition of income from ordinary activities from contracts with clients based on 5 stages that are:

Step 1: Identify the contract or contracts with customers.

Stage 2: Identify performance obligations in the contract.

Stage 3: Determine the transaction price.

Stage 4: Assign the transaction price between the contract performance obligations.

Stage 5: Recognize the income from ordinary activities when (or as) the entity satisfies a performance obligation.

The model of recognition of income from ordinary activities from contracts with customers, contemplates the following:

#### **(a) Portfolio approach:**

In order to identify the goods and / or services promised in contracts with customers, the Company applies the practical solution that allows them to be grouped into "Categories or Cluster" when they have similar characteristics in the contractual terms and conditions.

These categories are determined using the following typifications: (a) type of goods or services offered; b) type of market; or c) type of customer.

#### **(b) Contracts with multiple goods and/or services:**

A contract with multiple goods and services is configured, when the Company identifies several performance obligations in the transfer of goods and / or services offered to customers, and these are satisfied independently.

#### **(c) Satisfaction of performance obligations:**

The satisfaction of performance obligations according to the pattern of transfer of control of the goods and / or services committed to customers, is carried out:

- Over time or
- at a point in time

Performance obligations over time are met when:

- The client simultaneously consumes the benefits provided by the performance of the entity as the Company realizes them.
- The Company's performance creates or enhances an asset that the client controls as it is created or improved.
- The Performance of the Company creates or enhances an asset with an alternative use for it. The Company has the enforceable right to payment of the performance it has completed to date.
- Income is recognized according to the measure of satisfaction of performance obligations.
- Measuring the satisfaction of performance obligations over time is done by two types of methods:
- Product Methods: they are made based on direct measurements of the goods and / or services committed to customers.
- Resource Methods: are performed in relation to the expected total resources.

#### **(d) Variable considerations:**

If the consideration promised in a contract includes a variable amount, the Company will estimate the amount of the consideration to which it will be entitled in exchange for the transfer of goods and/or services committed to customers. In cases where the value of the consideration shall be presented net of the compensation to customers.

**(e) Contracts with modifications:**

These are configured when there are changes in scope or price approved by the parties, which create new rights and obligations enforceable in the contract in exchange for the goods and or services offered to customers

**(f) Consideration as Principal or Agent:**

Where a third party is involved in providing goods and/or services to a client, the Company shall determine whether the commitment to comply with performance obligations is at its expense or at the expense of a third party. In the event that the Company controls the goods and/or services committed to the clients and satisfies the performance obligations by itself, it acts as principal. Otherwise it acts as an agent. When the Company controls and satisfies performance obligations to clients, it acts as principal and recognizes as income the gross amount of consideration to which it expects to be entitled in exchange for the goods and/or services transferred.

When the control and satisfaction of performance obligations are in charge of a third party; the Company acts as an agent and recognizes the income in the net amount of consideration it is entitled to.

**Contract costs:**

An asset may be recognized for the costs of obtaining or performing a contract.

**Contractual Assets and Liabilities:**

The Company will recognize a contractual asset and a contractual liability, to the extent that the following circumstances arise in the supply of goods and services:

- Contractual Asset: It is presented as the right that the Company has to a consideration in exchange for the supply of goods and / or services transferred to customers, when that right is conditioned by something other than the passage of time.
- Contract liabilities: Corresponds to the Company's obligation to transfer goods and/or services to clients, for which the Company has received consideration from clients.

**3.1.18. Income and financial costs**

Interest income (expense) is accounted for considering the effective interest rate applicable to the principal outstanding during the corresponding accrual period

**3.1.19. Recognition of costs and expenses**

The Company acknowledges its costs and expenses to the extent that economic events occur in such a way that they are systematically recorded in the corresponding accounting period, independent of the flow of monetary or financial resources. Expenses are made up of expenditures that do not qualify to be recorded as cost or investment.

Costs include energy purchases, personnel or third party costs directly related to the sale or provision of services, maintenance of assets, transmission system costs, depreciation, amortization, among others.

Expenses include taxes, utilities, among others. All of them incurred by the processes responsible for the sale or provision of services.

Included as an investment are those costs directly related to the formation or acquisition of an asset that requires a substantial period of time to put it in conditions of use and sale.

Personnel costs directly related to the construction of projects, interest costs on debt intended to finance projects, and higher maintenance costs that increase the useful life of existing assets, among others, are capitalized as ongoing constructions.

**3.1.20. Share capital**

Common shares with or without a preferential dividend are classified in equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in the estate as a deduction from the amount received net of taxes.

### **3.1.21. Reservas**

Appropriations authorized by the General Shareholders' Meeting are recorded as reserves, charged to the results of the year for compliance with legal provisions or to cover expansion plans or financing needs.

The legal provision that contemplates the constitution of reserves applicable to the Company is the following:

- The Commercial Code requires the Company to appropriate 10% of its annual net profits determined under local accounting rules as a legal reserve until the balance of this reserve is equivalent to 50% of the subscribed capital. The mandatory legal reserve is not distributable prior to the liquidation of the Company, but may be used to absorb or reduce annual net losses. Reserve balances in excess of 50% of the subscribed capital are freely available to shareholders
- Until 2016, Article 130 of the tax statute contemplated the appropriation of net profits equivalent to 70% of the highest value of the tax depreciation on the accounting depreciation, calculated under local accounting standards. This article was repealed by law 1819 of 2016 in article 376; therefore, as of 2017, this reserve is not appropriated, but the reserves of previous years are maintained.

### **3.1.22. Utility per share**

. Basic income per share is calculated as the ratio of net profit for the period attributable to the Company's shareholders to the weighted average number of ordinary shares outstanding during that period, after the appropriation of the preferred dividends corresponding to the number of shares at the end of the year.

### **3.1.23. Dividend distribution**

The commercial laws of Colombia establish that, once the appropriations for the legal reserve, statutory reserve or other reserves and the payment of taxes have been made, the remainder will be distributed among the shareholders, in accordance with the project of distribution of shares presented by the management of the Company and approved by the General Assembly. The payment of the dividend will be made in cash, in the periods agreed by the General Assembly when decreeing it and to whoever has the quality of shareholder at the time each payment becomes due.

When it is appropriate to absorb losses, these will be covered with the reserves that have been specially destined for that purpose and, failing that, with the legal reserve. Reserves intended to absorb certain losses may not be used to cover other losses, unless the General Assembly so decides.

At the end of the year, the amount of the obligation to shareholders is determined, net of the provisional dividends that have been approved in the course of the year, and is recorded in the accounts under the heading "commercial accounts payable and other accounts payable" and under the heading "accounts payable to related entities", as appropriate, charged to the total patrimony. Provisional and definitive dividends are recorded as the lowest value of the "total equity" at the time of their approval by the competent body, which in the first instance is normally the Board of Directors of the Company, while in the second instance the responsibility falls on the Ordinary General Meeting of Shareholders.

### **3.1.24. Operating segments**

An operation segment is a component of an entity:

- (a) that carries out business activities from which it may derive income from ordinary activities and incur expenses (including income from ordinary activities and expenses for transactions with other components of the same entity).
- (b) whose operating results are regularly reviewed by the highest operating decision-making authority of the entity, to decide on the resources to be allocated to the segment and to evaluate its performance;
- (c) and on which differentiated financial information is available.

The Company for all its purposes, according to the guidelines of IFRS 8, has a single operating segment associated with the energy business.

#### 4. Cash and cash equivalents, net

	As of December 31, 2021	As of December 31, 2020
Bank balances	\$ 352.486.576	\$ 359.693.352
Other cash and cash equivalents, net (1)	23.403.632	65.273.855
Short-term deposits	-	60.000.000
Cash in cash	20	455
	<b>\$ 375.890.228</b>	<b>\$ 484.967.662</b>

The detail of the cash and equivalent in pesos by type of currency presented at the top is as follows:

	As of December 31, 2021	As of December 31, 2020
Colombian pesos	\$ 372.170.445	\$ 481.180.855
U.S. Dollars	3.719.783	3.786.807
	<b>\$ 375.890.228</b>	<b>\$ 484.967.662</b>

Balances denominated in foreign currency are expressed in Colombian pesos at the representative exchange rates as of December 31, 2021 and December 31, 2020 of \$3,981.16 and \$3,432.50 per US \$1 respectively.

- (1) It corresponds to collective portfolios within the framework of the usual treasury operations with these entities, in order to channel the resources from the collection and dispose of them for the management of the Short-term liquidity of the Company.

Entity	As of December 31 Feb 2021	EA Rate	As of December 31 Feb 2020	EA Rate
Credicorp Capital	\$ 12.975.183	2,55%	\$ 17.388.278	2,26%
BBVA Fiduciary	8.957.190	3,57%	130.330	1,97%
Fiduciary West	463.071	3,98%	7.302.226	1,75%
Trust Alliance	312.004	2,92%	21.575.291	1,88%
Associate Brokers	381.485	2,36%	18.870.055	1,32%
Bancolombia Values	329.051	3,34%	20.801	1,09%
Fiduciaria Corficolombiana	1.295	3,15%	1.289	1,25%
Fiduciary Bogota 248	-	0,20%	3.233	0,20%
	<b>\$ 23.419.279</b>		<b>\$ 65.291.503</b>	

As of December 31, 2021 and December 31, 2020, there are no restrictions or limitations on the cash reflected in the separate financial statements.

Cash and cash equivalents are held with banks and financial institutions, which are rated between the AA+ and AAA range, according to the rating agencies.

Impairment of cash and cash equivalent has been measured on a 12-month expected loss basis and reflects the short-term maturities of exposures, the Company considers its cash and cash equivalents to have low credit risk based on counterparties' external credit ratings.

As of December 31, 2021 and 2020, the amount of the impairment provision for cash and cash equivalents is \$15,647 and \$17,648, respectively.

The following table details changes in liabilities arising from financing activities,

including those changes that represent cash flows and changes that do not represent cash flows as of December 31, 2021:

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	Balance as of January 1, 2021	Cash flow		Non-cash changes		Balance as of December 31, 2021
		Amounts from loans	Payment of loans and interest	Interest caused	Lease agreements	
Bonuses	\$ 2.412.455.529	\$ -	\$ (331.978.908)	\$ 151.847.625	\$ -	\$ 2.232.324.246
Loans and bank obligations	665.897.264	1.670.536.000	(474.796.450)	35.592.984	-	1.897.229.798
Lease liabilities	61.860.769	-	(21.564.814)	-	36.381.709	76.677.664
Derivative instruments	-	-	-	1.032.066	-	1.032.066
Total liabilities for financing activities	<b>\$ 3.140.213.562</b>	<b>\$ 1.670.536.000</b>	<b>\$ (828.340.172)</b>	<b>\$ 188.472.675</b>	<b>\$ 36.381.709</b>	<b>\$ 4.207.263.774</b>

As of December 31, 2020, the movements are as follows:

	Balance as of January 1, 2020	Cash flow		Non-cash changes		Balance as of December 31, 2020
		Loan amounts	Payment of loans and interest	Interest caused	Lease agreements	
Bonuses	\$ 2.003.417.478	\$ 500.000.000	\$ (222.799.125)	\$ 131.837.176	\$ -	\$ 2.412.455.529
Loans and bank obligations	160.250.289	612.318.110	(139.078.895)	32.407.760	-	665.897.264
Lease liabilities	28.498.057	-	(19.977.967)	-	53.340.679	61.860.769
Total liabilities for financing activities	<b>\$ 2.192.165.824</b>	<b>\$ 1.112.318.110</b>	<b>\$ (381.855.987)</b>	<b>\$ 164.244.936</b>	<b>\$ 53.340.679</b>	<b>\$ 3.140.213.562</b>

## 5. Other financial assets, net

	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
Hedging derivative instruments (1)	\$ 3.766.712	\$ 19.011.240	\$ -	\$ -
Trusts (2)	2.910.461	-	760.992	-
Judicial Attachments (3)	1.534.828	-	2.872.886	-
Impairment of other assets	(10.953)	-	(12.889)	-
Financial investments - unlisted companies or that have little liquidity (4)	-	7.845.318	-	6.318
	<b>\$ 8.201.048</b>	<b>\$ 26.856.558</b>	<b>\$ 3.620.989</b>	<b>\$ 6.318</b>

(1) As of December 31, 2021, the Company has entered into ten and nine (19) forward contracts covering the exchange rate effects for the COSENIT project in stages I and II. This project refers in its first stage to the construction of 9 photovoltaic plants nationwide of 25MW for conventional energy replacement, and in the second stage, the construction of 4 more photovoltaic plants is contemplated under the same reference. These contracts were signed with Banco Itaú S.A. (6), Scotiabank Colpatría S.A. (3) and Banco de Bogotá S.A. (10).

On May 14, 2021, a SWAP agreement was established on the loan acquired with Scotiabank Colpatría S.A. for \$400,000,000 with a maturity of 5 years, IBR 3M interest rate + 0.75%, quarterly interest payment and bullet amortization.

Derivative type	Underlying	Risk factor	Bench	Expiration date	Active notional	Coin	Fixed rate	Stream	No Current
Forward	Capex	Exchange rate	Scotiabank Colpatría S.A.	21/02/2022	3.554.110	USD	3.709,46	1.085.344	-
Forward	Capex	Exchange rate	Scotiabank Colpatría S.A.	4/03/2022	2.750.277	USD	3.712,63	845.571	-
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	19/05/2022	356.957	USD	3.742,52	106.657	-
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	19/04/2022	774.361	USD	3.732,44	227.903	-
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	19/01/2022	422.191	USD	3.705,89	119.013	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	4/01/2022	51.846	USD	3.788,32	9.970	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	23/02/2022	300.946	USD	3.802,18	60.353	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	4/03/2022	1.929.346	USD	3.804,80	391.261	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	13/04/2022	85.685	USD	3.817,63	17.912	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	18/05/2022	532.877	USD	3.829,77	113.062	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	10/06/2022	1.199.590	USD	3.838,72	259.226	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	15/07/2022	203.931	USD	3.853,46	44.752	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	22/08/2022	54.315	USD	3.869,48	12.074	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	20/09/2022	67.977	USD	3.884,00	15.184	-



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Derivative type	Underlying	Risk factor	Bench	Expiration date	Active notional	Coin	Fixed rate	Stream	No Current
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	19/03/2022	417,357	USD	3,733.99	116,982	-
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	19/03/2022	139,731	USD	3,733.93	39,174	-
Forward	Capex	Exchange rate	Scotiabank Colpatria S.A.	19/03/2022	55,325	USD	3,725.53	16,670	-
Forward	Capex	Exchange rate	Itaú CorpBanca Colombia S.A.	4/03/2022	973,977	USD	3,736.03	264,287	-
Forward	Capex	Exchange rate	Banco de Bogotá S.A.	4/03/2022	117,690	USD	3,826.70	21,317	-
Swap	Interest Rate Coverage	Interest	Scotiabank Colpatria S.A.	14/05/2026	400,000,000	COP	IBR 3M + 0.75%	-	19,011,240
<b>Total, valuation</b>								<b>3,766,712</b>	<b>19,011,240</b>

- (1) As of December 31, 2021, corresponds to the FAER project trust for the construction of electricity networks in rural areas of the national interconnected system for \$1,480,714 and ZOMAC investment trust for income tax payment for \$1,429,747.
- (2) As of December 31, 2021, the balance corresponds primarily to foreclosures executed on the Company's bank accounts for a labor process for \$957,877 and civil proceedings for \$576,951. Judicial liens are part of the Company's restricted cash.
- (3) On December 10, 2021, the first capitalization corresponding to 50% of the capital contribution to Crédito Fácil Codensa S.A. Compañía de Financiamiento for \$7,839,000 was made.

## 6. Other non-financial assets, net

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Advances on the purchase of goods and services (1)	\$ 16,995,337	\$ -	\$ 9,684,784	\$ -
Expenses paid in advance (2)	5,406,688	-	22,670,964	-
Employee Benefit for Loans (3)	864,028	17,694,321	998,907	16,554,081
Other assets	15,959	130,379	10,734	138,332
Impairment of other assets	-	(567)	-	(357)
Travel advances	-	-	1,441	-
TAX DISCOUNT VAT AFRP (4)	-	62,504,841	-	67,743,260
<b>\$</b>	<b>23,282,012</b>	<b>\$ 80,328,974</b>	<b>\$ 33,366,830</b>	<b>\$ 84,435,316</b>

- (1) As of December 31, 2021 and 2020, the composition of this item corresponds to advances for stock exchange transactions and international energy transactions to XM for \$11,360,972 and \$6,316,523, purchase of goods and services from creditors for \$5,634,365 and \$3,368,261, respectively.
- (2) As of December 31, 2021 and 2020 corresponds to the balance of the payment of the special contribution to the Superintendency of Public Services, the variation corresponds to the modification of the calculation bases of the additional contribution or national development plan for each year.
- (3) Corresponds to the recognition of the benefit paid in advance of the credits to employees agreed at zero rate or lower than market rates, which is why the Company deducts future flows at the market rate, recognizing as profit paid in advance the differential between the market rate and the rate awarded, amortizing them during the life of the loan. The benefit for the employee materializes over time because it is conditioned to the permanence of the employee in the Company, if the employment relationship with the Company ceases, the credit must be paid at market rates.
- (4) It corresponds to the tax discount on the VAT paid on the acquisition, construction or formation and import of real productive fixed assets including the associated services to put them in conditions of use in accordance with article 83 of Law 1943 of 2018.

## 7. Business accounts and other accounts receivable, net

	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
Trading accounts, gross, (1)	\$ 1.135.036.704	\$ 146.661.744	\$ 995.989.411	\$ 169.652.961
Other accounts receivable, gross, (2)	24.307.190	33.335.656	25.812.302	31.167.844
<b>Total business and other accounts receivable, gross</b>	<b>1.159.343.894</b>	<b>179.997.400</b>	<b>1.021.801.713</b>	<b>200.820.805</b>
Impairment provision of business accounts (3)	(137.701.972)	(113.665.879)	(108.030.561)	(99.239.016)
Impairment provision other accounts receivable (3)	(645.959)	(186.838)	(738.183)	(491.113)
<b>Total business and other accounts receivable, net</b>	<b>\$ 1.020.995.963</b>	<b>\$ 66.144.683</b>	<b>\$ 913.032.969</b>	<b>\$ 101.090.676</b>

(1) As of December 31, 2021, the composition of trading accounts is as follows:

	Overdue Portfolio				Current Portfolio	Non-current wallet (c)
	Current Portfolio	1-180	181-360	>360		
<b>Energy portfolio (a)</b>						
<b>Non-Agreed Portfolio (a)</b>	<b>\$ 725.318.680</b>	<b>\$ 100.273.481</b>	<b>\$ 18.297.401</b>	<b>\$ 122.522.795</b>	<b>\$ 966.412.357</b>	<b>\$ 111.611.015</b>
Massive Customers	362.692.008	10.533.666	3.230.786	30.461.527	406.917.987	5.334.779
Large Clients	297.644.781	19.508.986	13.361.271	51.165.828	381.680.866	-
Institutional Clients (b)	64.981.891	70.230.829	1.705.344	40.895.440	177.813.504	106.276.236
<b>Agreed Portfolio (c)</b>	<b>37.979.021</b>	<b>2.571.806</b>	<b>97.655</b>	<b>20.436</b>	<b>40.668.918</b>	<b>17.940.371</b>
Massive Customers	15.393.905	1.348.003	21.918	11.977	16.775.803	10.708.679
Large Clients	16.858.088	1.218.972	75.737	8.459	18.161.256	3.643.804
Institutional Clients	5.727.028	4.831	-	-	5.731.859	3.587.888
<b>Energy portfolio, gross</b>	<b>763.297.701</b>	<b>102.845.287</b>	<b>18.395.056</b>	<b>122.543.231</b>	<b>1.007.081.275</b>	<b>129.551.386</b>
Deterioration energy portfolio	(6.588.250)	(9.934.625)	(12.920.000)	(97.318.400)	(126.761.275)	(109.914.893)
<b>Energy portfolio, net</b>	<b>\$ 756.709.451</b>	<b>\$ 92.910.662</b>	<b>\$ 5.475.056</b>	<b>\$ 25.224.831</b>	<b>\$ 880.320.000</b>	<b>\$ 19.636.493</b>

	Overdue Portfolio				Current Portfolio	Non-current wallet (c)
	Current Portfolio	1-180	181-360	>360		
<b>Complementary Business Portfolio and Others (d)</b>						
Massive Customers	38.221.578	169.412	2.630.368	598.411	41.619.769	6.272.699
Large Clients	72.171.714	2.341.404	2.438.786	3.141.546	80.093.450	10.837.659
Institutional Clients	6.111.268	129.433	-	1.509	6.242.210	-
<b>Complementary Business Portfolio, Gross</b>	<b>116.504.560</b>	<b>2.640.249</b>	<b>5.069.154</b>	<b>3.741.466</b>	<b>127.955.429</b>	<b>17.110.358</b>
Impairment Of Complementary Business Portfolio	(7.690.241)	(210.675)	(665.039)	(2.374.742)	(10.940.697)	(3.750.986)
<b>Complementary Business Portfolio, Net</b>	<b>108.814.319</b>	<b>2.429.574</b>	<b>4.404.115</b>	<b>1.366.724</b>	<b>117.014.732</b>	<b>13.359.372</b>
<b>Total Business Accounts, Gross</b>	<b>879.802.261</b>	<b>105.485.536</b>	<b>23.464.210</b>	<b>126.284.697</b>	<b>1.135.036.704</b>	<b>146.661.744</b>
<b>Impairment of Business Accounts</b>	<b>(14.278.491)</b>	<b>(10.145.300)</b>	<b>(13.585.039)</b>	<b>(99.693.142)</b>	<b>(137.701.972)</b>	<b>(113.665.879)</b>
<b>Total Business Accounts, Net</b>	<b>\$ 865.523.770</b>	<b>\$ 95.340.236</b>	<b>\$ 9.879.171</b>	<b>\$ 26.591.555</b>	<b>\$ 997.334.732</b>	<b>\$ 32.995.865</b>

As of December 31, 2020, the composition of trading accounts is as follows:

	Overdue Portfolio				Total Current Portfolio	Non-current wallet (c)
	Current Portfolio	1-180	181-360	>360		
<b>Energy portfolio (a)</b>						
<b>Non-Agreed Portfolio (a)</b>	<b>\$ 599.370.759</b>	<b>\$ 77.981.187</b>	<b>\$ 27.430.135</b>	<b>\$ 77.142.706</b>	<b>\$ 781.924.787</b>	<b>\$ 112.286.799</b>
Massive Customers	273.540.885	14.330.013	7.380.214	21.266.084	316.517.196	20.776.116
Large Clients	169.773.276	20.847.798	13.181.976	35.136.331	238.939.381	-
Institutional Clients (b)	156.056.598	42.803.376	6.867.945	20.740.291	226.468.210	91.510.683
<b>Agreed Portfolio (c)</b>	<b>34.981.679</b>	<b>2.254.258</b>	<b>751.598</b>	<b>1.060.492</b>	<b>39.048.027</b>	<b>38.126.871</b>
Massive Customers	21.946.796	1.132.166	147.892	124.961	23.351.815	26.282.842
Large Clients	10.850.846	1.122.092	603.706	935.531	13.512.175	8.780.956
Institutional Clients	2.184.037	-	-	-	2.184.037	3.063.073
<b>Energy portfolio, gross</b>	<b>634.352.438</b>	<b>80.235.445</b>	<b>28.181.733</b>	<b>78.203.198</b>	<b>820.972.814</b>	<b>150.413.670</b>

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	Overdue Portfolio				Total Current Portfolio	Non-current wallet (c)
	Current Portfolio	1-180	181-360	>360		
Deterioration energy portfolio	(9,588,008)	(6,741,076)	(22,904,479)	(57,316,758)	(96,550,321)	(98,758,849)
<b>Energy portfolio, net</b>	<b>\$ 624,764,430</b>	<b>\$ 73,494,369</b>	<b>\$ 5,277,254</b>	<b>\$ 20,886,440</b>	<b>\$ 724,422,493</b>	<b>\$ 51,654,821</b>

	Overdue Portfolio				Total Current Portfolio	Non-current wallet (c)
	Massive Customers	1-180	181-360	>360		
Complementary and Other Business Portfolio (d)						
Large Clients	\$ 43,061,739	\$ 4,594,846	\$ 897,255	\$ 2,462,844	\$ 51,016,684	\$ 8,300,788
Institutional Clients	116,579,918	180,475	352,268	487,717	117,600,378	10,938,503
Complementary Business Portfolio, Gross	6,399,535	-	-	-	6,399,535	-
<b>Impairment Of Complementary Business Portfolio</b>	<b>166,041,192</b>	<b>4,775,321</b>	<b>1,249,523</b>	<b>2,950,561</b>	<b>175,016,597</b>	<b>19,239,291</b>
Complementary Business Portfolio, Net	(8,564,435)	(833,686)	(488,187)	(1,593,932)	(11,480,240)	(480,167)
<b>Total Business Accounts, Gross</b>	<b>157,476,757</b>	<b>3,941,635</b>	<b>761,336</b>	<b>1,356,629</b>	<b>163,536,357</b>	<b>18,759,124</b>
<b>Impairment Of Business Accounts</b>	<b>800,393,630</b>	<b>85,010,766</b>	<b>29,431,256</b>	<b>81,153,759</b>	<b>995,989,411</b>	<b>169,652,961</b>
<b>Total Business Accounts, Net</b>	<b>(18,152,443)</b>	<b>(7,574,762)</b>	<b>(23,392,666)</b>	<b>(58,910,690)</b>	<b>(108,030,561)</b>	<b>(99,239,016)</b>
<b>Total Cuentas Comerciales, Neto</b>	<b>\$ 782,241,187</b>	<b>\$ 77,436,004</b>	<b>\$ 6,038,590</b>	<b>\$ 22,243,069</b>	<b>\$ 887,958,850</b>	<b>\$ 70,413,945</b>

(a) As of December 31, 2021 and 2020, the change in accounts receivable corresponds mainly to:

Increase in the client portfolio of the regulated market by \$926,277,136 and \$659,738,278, public lighting by \$37,079,474 and \$13,764,380, infrastructure \$4,899,844 and \$2,524,318, and decrease in jobs to individuals \$61,600,191 and \$83,808,943 and portfolio of regulatory schemes \$21,968,155 and 114,960,754, respectively.

During 2020, the Company chose to apply the regulatory mechanism of tariff option in accordance with Resolution CREG 122 of June 18, 2020, which resolves the appeal for replacement filed by the Company against resolution CREG 189 of 2019 in which the necessary variables were approved to calculate the income and charges associated with the activity of distribution of electrical energy for the market of marketing. Given the retroactive adjustment of Resolution CREG036/19 and the retroactive adjustment associated with the quality of service incentives, an increase in the distribution charge is presented during the months following the approval of charges. As of December 31, 2021, the bill receivable per rate option is \$351,852,036.

In accordance with the social and ecological health emergency caused by the Covid-19 outbreak, as of December 31, 2021, the residential energy portfolio of strata 1 to 4 was subject to the provisions of articles 1 and 2 of Decree 517 of April 4, 2020 and Articles 2 and 3 of Resolution 058 of April 14, 2020 of the CREG, by which transitional measures were adopted for the payment of the bills of the electric energy service all the marketers must offer their residential users of stratum 1 to 4 options of deferred payment of the value of the invoice for the domiciliary public service of electrical energy, for the other regulated users, before carrying out the suspension of the service for non-payment, the marketer must offer options for deferred payment of the value of the invoice for the domestic public service of electrical energy, applying the rates established in the resolution.

As of December 31, 2021, the deferred residential energy portfolio of strata 1 to 4 is \$20,573,660, the current portion corresponds to \$15,238,881 and non-current \$5,334,779.

(b) The Company's main institutional client is UAESP. As of December 31, 2021 and 2020, the main concepts in the process of being claimed by the UAESP are described below: VAT portfolio of public lighting infrastructure

On November 14, 2013, the Company submitted a consultation to the DIAN on the applicability of Article 19 of Decree 570 of 1984, for the determination of the special taxable base in the lease of movable property; the DIAN issued a response without resolving the request made by the Company. Subsequently, on November 4, 2014, the DIAN issued a new concept that did not define the Company's consultation, which is why on December 16, 2014, a new statement requesting clarification of the concept was filed.

In parallel, in order to clarify whether the lease of the public lighting infrastructure causes VAT, on December 5, 2014 the Company submitted a consultation to the DIAN.

On June 6, 2015, the Company submitted the request for conciliation with the UAESP to the Attorney General's Office, which was initially rejected on the grounds that it was not appropriate, however, the pertinent appeal was filed which was resolved favorably on July 1, 2015, setting a conciliation hearing on August 5, 2015. The conciliation hearing was held on the date indicated, but the parties decided not to conciliate.

Simultaneously, on June 17, 2015, the lawsuit was filed against the UAESP in order to prevent the Entity from arguing the expiration of the term to sue if it was filed after the conciliation hearing. On October 2, 2015, the Company requested an injunction aimed at the UAESP paying in advance the balance owed, which was denied by the third section of the Administrative Court of Cundinamarca considering that this was resolved in the judgment.

The DIAN, through concept No. 100202208-0808 of September 1, 2015, ruled on the treatment of VAT in the lease of infrastructure for the public lighting service, clarifying that the Public Lighting service is not a domestic public service and that for this reason VAT is caused on this service; opinion that supported the collection that the Company has made to the UAESP.

In compliance with the concept in question and the communications issued by the Company to the UAESP, in November 2015 it began invoicing the current and default interest calculated on the balance owed by this entity. As of December 31, 2019 and 2018, current interest amounts to \$5,059,734 and default interest amounts to \$1,148,266. Interest has not been increased since February 2016 considering that the Company froze interest billing as a result of the working tables established jointly with the UAESP.

On October 6, 2016, the Company was notified of the first instance ruling issued on September 28, 2016 by the Administrative Court of Cundinamarca, which denies the claims of the lawsuit filed by the Company regarding the obligation to pay VAT for the lease of the infrastructure for the provision of the public lighting service, by the UAESP. The judgment states primarily that: (i) The Company is a provider of the public lighting service in the District of Bogotá and in its capacity as a service provider is responsible for the tax; (ii) In Annex No. 1 of the agreement of January 25, 2002, VAT was not included within the components of liquidation (a) energy supply (b) infrastructure leasing (c) administration, operation and maintenance, for which it is understood that VAT is included in the cost of providing the service, and (iii) distorts the lease contract taking into account that Agreement No. 766 of 1997, does not meet the requirements of the same.

On October 21, 2016, the Company filed before the Court of Cundinamarca, the appeal against the sentence issued by said judicial corporation. Subsequently, a request for priority of judgment was filed with the Council of State, to expedite the appeal, taking into account the importance and impact of the process.

On March 17, 2017, the Company was notified by the Third Section of the Council of State expressing the acceptance of the appeal against the judgment issued by the Administrative Court of Cundinamarca. In that order and in order to expedite the pronouncement of this instance against the judgment issued, the Company filed a memorial requesting the priority of the ruling, which was entered into the office on April 7, 2017.

On September 4, 2017, the DIAN by concept No. 100202208-0881 addressed to the UAESP confirms the doctrine contained in Letter No. 025652 of September 3, 2015, which concludes that the public lighting service is not within the exclusion framework indicated in Article 476 of the tax statute, in other words, that the public lighting service is not a domestic public service and that for that reason VAT is caused on this service.

On September 29, 2017, the firm notified to abstain on the priority of judgment in the procedural stage in which the process is located and notifies the party to present the closing arguments. On October 11, 2017, the Company presented the closing arguments and on October 13, 2017, allegations were presented by the UAESP.

On October 23, 2017, a memorial was filed providing the concept of mention as part of the evidence of the process, as well as, the priority of judgment was requested again.

To the period reported, the UAESP has not made the payment for vat of the lease service corresponding to 2015 and earlier, except, November and December 2015 that were canceled in March 2016 for \$ 1,987,355. Likewise, the UAESP canceled the period between January and July 2016 for \$ 7,104,425, however, as a result of the issuance of the ruling in question the UAESP withdrew payments from the billing of the service of August 2016.

The non-current balances as of December 31, 2021 and December 31, 2020 mainly include the account receivable in arrears of the Special Administrative Unit of Public Services (UAESP) for the VAT on the lease of public lighting infrastructure, invoiced not collected since July 2013. This amount corresponds to \$103,861,583 and \$91,510,683, respectively.

Based on the concept of the Company's external lawyers and in line with the provisions of IFRS 9, the Company considered that regardless of the percentage of loss established there are variables that may lead to the existence of a high risk of loss and therefore the decision is made to provision 100% of the portfolio.

- (c) The agreed portfolio corresponds to agreements between the Company and the clients, to cancel a certain sum of money with a term and a pre-established interest rate; these agreements apply to customers who request financing for energy consumption in arrears or at risk of non-payment. As of December 31, 2021 and 2020, the short-term portfolio amounts to \$40,668,918 and \$39,048,027, the detail by maturity terms of the non-current portfolio is as follows:

Year	As of December 31, 2021	As of December 31, 2020
Between one and two years	\$ 11.893.113	\$ 24.680.282
Between two and three years	2.029.384	8.045.459
Older than three years	4.017.874	5.401.130
	<b>\$ 17.940.371</b>	<b>\$ 38.126.871</b>

- (d) As of December 31, 2021 and 2020, \$61,600,191 and \$83,802,942 correspond mainly to works to individuals, electrical works \$19,596,695 and \$22,309,947, infrastructure \$4,899,884 and \$2,524,318, Codensa Services \$17,166,454 and \$22,195,632, respectively.

The portfolio of complementary businesses corresponds to agreements between the Company and the clients, to cancel a certain sum of money with a term and a pre-established interest rate; that request financing for installations, adaptations, fines for losses and other services provided by the Company. The breakdown by maturity periods of the non-current portfolio is as follows:

Year	As of December 31, 2021	Al 31 de diciembre de 2020
Between one and two years	2021	As of December 31,
Between two and three years	2020	5.860.714
Older than three years	695.104	1.716.906
	<b>\$ 17.110.358</b>	<b>\$ 19.239.291</b>

- (2) As of December 31, 2021 and 2020, it corresponds mainly to accounts receivable to employees for a present value of \$42,479,610 and \$40,751,644 respectively, accounts receivable from retired personnel for a present value of \$3,587,888 and \$3,063,073 for housing loans, appliances, education among others, respectively. Loans granted to employees are awarded with rates between 0% and 4.75% and for retired personnel between 0% and 7%, which is why the Company discounts future flows at the market rate, recognizing as profit paid in advance the differential between the market rate and the rate awarded, and amortizing them during the life of the loan.



(3) As of January 1, 2018 with the entry into force of IFRS 9, the expected credit loss is calculated by recognizing the deterioration in advance from the first day and not waiting for any event that indicates the deterioration of the financial asset.

In the implementation, three models defined by the group were adopted:

- Collective simplified model
- Individual simplified model
- General collective model

The evolution of the portfolio impairment is as follows:

Concept	As of December 31, 2021	As of December 31, 2020
<b>Impairment provision of trading accounts</b>		
Collective Simplified Model (a)	\$ 101.380.572	\$ 75.582.239
Individual Simplified Model (b)	149.922.409	131.509.536
<b>Total Impairment provision for trading accounts</b>	<b>\$ 251.302.981</b>	<b>\$ 207.091.775</b>
<b>Impairment provision for other accounts receivable</b>		
General Collective Model	897.667	1.407.098
<b>Total Provision impairment other accounts receivable</b>	<b>897.667</b>	<b>1.407.098</b>
<b>Total</b>	<b>\$ 252.200.648</b>	<b>\$ 208.498.873</b>

In the period from January 1 to December 31, 2021, the following variations in deterioration are presented:

**(a) Collective Simplified Model:**

Increase provision \$25,798,333 mainly due to the update of the PD of the public lighting category for portfolio ages over 180 days

**(b) Modelo Simplificado Individual:**

The variation corresponds mainly to:

- Increase in the VAT portfolio of Public Lighting due to an increase in the portfolio of the year by \$12,350,900 provision 100%.
- Increased provision portfolio of municipalities, mainly El Colegio \$471,290; Municipality of Sopo \$906,750; Municipality of Ubaté \$410,242; Santa Ana Cla y SA \$418,023. Decrease Fabio Mussolini \$(429,452); Alix Fabiola Bernal \$(308,699); Municipality of Agua de Dios \$(209,131).
- Increase in the provision of portfolio of other businesses mainly, Grupo Andino Marín Valencia \$343,362, Uniaguas SA ESP \$566,817 and Aguas del Sinú SA ESP \$317,659.
- Increase provision of customers with prescription (portfolio older than 5 years that is not in legal litigation) \$ 4,020,639.

The movements of the impairment provision of trading accounts and other accounts receivable are as follows:

	As of December 31, 2021	Al 31 de diciembre de 2020
<b>Opening Balance 1 January</b>	<b>\$ 208,498,873</b>	<b>\$ 155,741,122</b>
Endowments	2020	59.601.854
Uses	(4.227.256)	(6.850.688)
<b>Final balance as at 31 December</b>	<b>\$ 252.200.648</b>	<b>\$ 208.498.873</b>

## Guarantees granted by debtors:

For customers who sign payment agreements, as well as for the financing of products other than energy, the Company backs these debts with blank promissory notes. Likewise, for the debts of employees, personal guarantees (promissory notes and letters of instruction) and real guarantees (mortgages and pledges) are constituted.

## 8. Balances and transactions with related parties

### Accounts receivable to related entities, net:

Company	Link type	Country of Origin	Type of transaction	As of December 31, 2021	As of December 31, 2020
Emgesa S.A. ESP	Other (*)	Colombia	Sale of Energy (1)	\$ 17837662	\$ 17208.261
	Other (*)	Colombia	Other services	-	1.592.240
Fontibón ZE S.A.S	Other (*)	Colombia	Other services (2)	23.036.045	-
Usme ZE S.A.S.	Other (*)	Colombia	Other services (3)	19.214.352	-
Enel Global Infr. And Networks S.R.L.	Other (*)	Italy	Expatriates	1.229.694	992.210
Enel SPA	Controller	Italy	Expatriates	494.074	985.501
	Controller	Italy	Other services	80.654	-
Grupo De Energía Bogotá	(**)	Colombia	Christmas Lighting	992.172	4.142.520
	(**)	Colombia	Other services	22.681	55.258
Empresa Distribuidora Sur S.A. - Edesur	Other (*)	Argentina	Expatriates	182.647	182.647
Endesa Energía S.A.	Other (*)	Spain	Call Center Services	120.614	156.945
Celg Distribuição S.A.	Other (*)	Brazil	Expatriates	114.548	21.892
Enel Trading Argentina S.R.L.	Other (*)	Argentina	Expatriates	108.063	68.503
Endesa Operaciones Y Servicios SL	Other (*)	Spain	Call Center Services	88.117	295.437
Enel Chile S.A.	Other (*)	Chile	Expatriates	82.671	184.768
Companhia Energetica Do Ceara	Other (*)	Brazil	Expatriates	62.933	111.944
Enel Brasil S.A.	Other (*)	Brazil	Expatriates	30.071	-
Enel Distribución Perú S.A.A.	Other (*)	Peru	Expatriates	23.447	31.750
Enel Distribuzione SPA	Other (*)	Italy	Expatriates	-	55.465
Enel Colombia Foundation	Other (*)	Colombia	Electrical Works	-	270.452
				<b>\$ 63.720.445</b>	<b>\$ 26.355.793</b>

(\*) Companies over which Enel SPA has significant influence or control.

(\*\*) Grupo Energía Bogotá S.A. E.S.P is a shareholder of the Company (See Note 21).

Related accounts receivable are impaired under IFRS 9 for \$226,227.

- As of December 31, 2021 and 2020, the balance includes toll estimates and the efficient cost of the efficient loss reduction program - CPROG, regional transmission system (STR) and billing by distribution areas (ADD's) for \$17,310,063 and \$16,735,374; use of lines and networks for \$453,781 and \$353,789, energy billing for \$73,818 and \$119,098, respectively.
- Account receivable corresponding to the payment of Suppliers of Fontibón ZE according to the mandate contract signed between the parties.
- Corresponds to the account receivable for the construction contract of the civil and electrical works required for the adaptation of the Functional Unit of Operation - UFO 13 Usme II; as well as the supply of e-bus chargers derived from the construction contract of the yard located in the town of Usme in the city of Bogotá D.C

### Accounts payable to related entities

Company	Link type	Country of Origin	Transaction type	As of December 31, 2021	As of December 31, 2020
Enel Global Infr. And Networks S.R.L.	Other (*)	Italy	COMPUTER Services (1)	\$ 21.830.443	\$ 12.580.867
		Italy	Expatriates	776.696	1.004.871
Enel Global Services S.R.L.	Other (*)	Italy	COMPUTER Services (1)	19.489.127	8.722.542
Enel X S.R.L.	Other (*)	Italy	COMPUTER Services (1)	12.149.744	10.089.619
Enel Spa	Controller	Italy	COMPUTER Services (1)	6.811.348	5.308.488
		Italy	Expatriates	887.391	717.503
		Italy	Other services	73.429	-
Enel Chile S.A.	Other (*)	Chile	IT Services	1.230.940	1.373.218
Enel Distribucion Chile S.A.	Other (*)	Chile	Expatriates	217.174	381.078

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Company	Link type	Country of Origin	Transaction type	As of December 31, 2021	As of December 31, 2020
Emgesa S.A. E.S.P.	Other (*)	Colombia	Other services	21.803	28.831
E-Distribuzione Spa	Other (*)	Italy	Other services	10.716	69.100
Bogota Energy Group	Other (*)	Colombia	Pension contributions or parts	400	-
		Colombia	Dividends (2)	-	73.442.139
Enel Americas S.A.	Controller	Chile	Dividends (2)	-	69.122.015
Enel Italia Spa	Other (*)	Italy	Other services (3)	-	1.922.899
Enel Iberia S.R.L.	Other (*)	Spain	Expatriates	-	248.805
				<b>\$ 63.499.211</b>	<b>\$ 185.011.975</b>

(\*) They correspond to companies over which Enel SPA has significant influence or control.

(\*\*) Grupo Energía Bogotá is a shareholder of the Company (See Note 21)

(1) It corresponds to IT services associated with Datacenter, Cybersecurity, Licensing and implementation/adoption of platforms associated with the business lines of I&N, Enel X, Market and transversal areas.

(2) The variation corresponds to the payment of dividends of the 2020 profit made in January 2021.

(3) The variation corresponds to the billing payment associated with the implementation/adoption of platforms.

**Effects on results with related entities**

Company	Transaction type	As of December 31 Feb 2021	As of December 31 Feb 2020
<b>Revenue</b>			
Emgesa S.A. E.S.P.	Tolls and use of lines and networks	\$ 209.023.880	\$ 162.951.864
	Energy and other services	4.896.404	178.256
	Other income	912.437	895.913
	Financial Income	120.437	-
Usme ZE S.A.S	Patio Construction Contract	16.819.188	-
Fontibón ZE S.A.S	Other income	81.992	-
Enel Green Power S.A.S E.S.P.	Other services	2.025.110	2.237.008
Enel Global Infr. & Network S.R.L.	Expatriates	1.263.779	992.210
	Difference instead	161.843	71.126
Grupo Energía Bogotá	Christmas lighting	798.319	3.529.412
Endesa Operaciones y Servicios SL	Call Center Services	633.379	847.696
	Difference instead	4.000	1.506
Endesa Energía S.A.	Call Center Services	277.033	331.379
	Difference instead	2.817	5.536
Enel Global Services S.R.L.	Difference instead	236.877	-
Enel Chile S.A.	Expatriates	184.236	86.202
	Difference instead	6.178	172.987
Enel Distribución Perú S.A.	Expatriates	93.724	31.750
Celg distribuiçao S.A.	Expatriates	92.656	17.582
Cia. Energetica Do Ceara	Expatriates	84.680	53.669
Enel Trading Argentina S.R.L.	Expatriates	39.560	23.825
Enel Brasil S.A.	Expatriates	30.071	-
Gridspertise S.R.L.	Difference instead	29.348	-
Enel Spa	Expatriates	22.852	86.320
	Difference instead	12.160	-
Enel Italia S.R.L.	Difference instead	14.527	81.828
	Expatriates	-	9.124
Enel Distribución Chile S.A.	Difference instead	12.264	-
Enel X S.R.L.	Difference instead	10.890	-
	IT Services	-	19.200
Enel Iberia S.R.L.	Expatriates	5.223	-
	Difference instead	-	5.140
E-Distribuzione Spa	Difference instead	2.547	4.895
Company Distribuidora Sur S.A.	Expatriates	-	129.903
Enel X North America Inc	Other services	-	430.503
	Difference instead	-	36.467
Enel Colombia Foundation	Other services	-	168.866
		<b>\$ 237.898.411</b>	<b>\$ 173.400.167</b>

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Company	Transaction type	As of December 31 Feb 2021	As of December 31 Feb 2020
<b>Costs and expenses</b>			
Emgesa S.A. E.S.P.	Energy Purchases	\$ 1.363.319.849	\$ 1.196.401.009
	Other services	489.934	899.998
	Financial interests	842	458.079
Enel Global Infr. & Network S.R.L.	IT Services	20.063.247	9.894.744
	Expatriates	2.005.938	2.317.011
	Difference instead	983.896	101.525
Enel Global Services S.R.L.	IT Services	11.937.786	10.192.125
	Difference instead	905.524	1.112.284
Enel Spa	IT Services	6.636.415	4.821.186
	Expatriates	1.731.977	1.673.757
	Difference instead	519.488	88.110
Enel X S.R.L.	IT Services	3.593.968	2.219.999
	Difference instead	743.543	52.692
Gridspertise S.R.L.	Purchase of equipment	1.383.874	-
Enel Chile S.A.	IT Services	1.236.607	1.188.450
	Difference instead	21.876	60.042
Enel Colombia Foundation	Contributions to the Foundation	978.939	2.540.000
Enel Distribución Chile S.A.	Expatriates	221.021	251.785
	Difference instead	4.175	12.265
Grupo Energía Bogotá	Leases	41.118	39.757
Endesa Energía S.A.	Difference instead	1.345	6.934
Enel Iberia S.R.L.	Difference instead	1.642	24.375
	Expatriates	-	249.164
E-Distribuzione Spa	Difference instead	6.048	-
	Other services	-	73.996
Enel Italia S.R.L.	Difference instead	-	275.738
	IT Services	-	1.161.710
Endesa Operations and Services	Difference instead	-	6.441
Enel X North America Inc	Difference instead	-	36.467
Enel Distribución Perú S.A.	Difference instead	-	1.194
		<b>\$ 1.416.829.051</b>	<b>\$ 1.236.160.837</b>

## Board of Directors and Key Management Personnel

### Board

The Company has a Board of Directors composed of seven (7) main members, each with a personal alternate, elected by the General Shareholders' Meeting through the electoral quotient system. As indicated in the bylaws, as long as the Company has the status of issuer of securities, 25% of the members of the Board of Directors will be independent under the terms of the law. The appointment of members of the Board of Directors is made for periods of two (2) years, and its members may be re-elected indefinitely, and without prejudice to the power of the Shareholders' Meeting to remove them freely at any time.

In accordance with the minutes of the 76th General Shareholders' Meeting held on March 24, 2021, the following Board of Directors was approved:

Line	Main	Understudy
First	Caldas Rico Andres	Restrepo Molina Carlos Mario
Second	Vargas Lleras Jose Antonio	Lopez Vergara Leonardo
Third	Rubio Diaz Lucio	Di Murro Michele
Room (Independent)	Lopez Valderrama Andres	Cajiao Pedraza Mario Antonio
Fifth	Adriana Cordoba	Baracaldo Sarmiento Andres
Sixth	Ortega Juan Ricardo	Tabares Angel Jorge
Seventh (Independent)	Castro Lachner Luis Javier	Cheng Arango Monica

The Company appoints a president, who is elected by the Board of Directors from among its members for a certain period, and may be re-elected indefinitely or freely removed before the expiration of the term. Likewise, the Board of Directors has a secretary, who may or may not be a member of the Board. The appointment of the president was approved by the Board of Directors in session on May 26, 2015. The secretary of the Board of Directors was appointed in session on July 16, 2020.

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In accordance with the provisions of Article 55 of the Articles of Association, it is the function of the General Shareholders' Meeting to set the remuneration of the members of the Board of Directors. The remuneration in force on March 31, 2021, according to the approval of the Shareholders' Meeting in ordinary session of March 24, 2021, is USD\$1,000, after taxes, for attendance at each session of the Board of Directors.

The Board of Directors, approved on March 24, 2021 by the Shareholders' Meeting, was registered with the Chamber of Commerce of Bogotá on April 29, 2021, with the number 02700511 of Book IX.

Below are the fees paid to the Board of Directors:

<b>Name</b>	<b>As of December 31 Feb 2021</b>	<b>As of December 31 Feb 2020</b>
Vargas Lleras Jose Antonio	\$ 84.171	\$ 54.869
Lopez Valderrama Andres	71.358	54.869
Ortega Lopez Juan Ricardo	71.358	25.221
Rubio Diaz Lucio	68.012	54.932
Castro Lachner Luis Javier	66.979	38.283
Cordoba Alvarado Adriana	52.886	-
Caldas Rico Andres	50.917	51.078
Baracaldo Sarmiento Andres	12.078	50.995
Lopez Vergara Leonardo	4.533	-
Cheng Monica	4.380	-
Restrepo Molina Carlos Mario	4.283	-
Castilla Canales Felipe	-	29.648
Moreno Montalvo Gustavo	-	12.379
Veleño Quintero Martha Yaneth	-	4.207
Zuleta Dávila Fredy Antonio	-	3.874
	<b>\$ 490.955</b>	<b>\$ 380.355</b>

### Key management personnel

The following is the key management personnel:

<b>Name</b>	<b>Charge</b>
Lucio Rubio Diaz	Country General Directory
Francesco Bertoli	General Manager Codensa
Michelle Di Murro	Gerente de Administración, Finanzas y Control

The remuneration accrued by key management personnel includes short-term salaries and benefits, the most representative of which corresponds to the annual bonus for meeting objectives.

The details of the remuneration are presented below:

	<b>Period ended 31 December 2021</b>	<b>Period ended 31 December 2020</b>
Remunerations	\$ 2.495.108	\$ 2.550.017
Short-term benefits	-	210.805
Long-term benefits	-	229.077
	<b>\$ 2.495.108</b>	<b>\$ 2.989.899</b>

### Incentive plans for key management personnel

The Company has for its executives an annual bonus for compliance with objectives and level of individual contribution to the Company. These bonuses correspond to a certain number of gross monthly remunerations.

As of December 31, 2021, the Company does not have the benefit of share-based payments to key management personnel or a guarantee in favor of them. For 2021, there were no benefits to key short- and long-term personnel.



As of December 31, 2021, there are no severance payments for termination of contract.

## 9. Inventories, net

	As of December 31, 2021	As of December 31, 2020
Electrical materials, net (1)	\$ 191.800.334	\$ 218.079.250
Transformers (1)	11.599.065	16.967.250
Non-electrical materials (1)	13.064.996	13.973.030
Other inventories (2)	387.158	498.856
	<b>\$ 216.851.553</b>	<b>\$ 249.518.386</b>

- (1) Between January 1 and December 31, 2021, the Company presented a decrease in the balance of materials based on the technical closure of project stages such as; the maintenance and modernization plan for the quality of medium voltage lines and networks and infrastructure, reinforcement of the network and remote control equipment, Maintenance and Modernization of substations, subterraneanization of low and medium voltage networks by the territorial planning plan (POT), expansion of high voltage capacity among others, projects aimed at improving the quality and capacity indexes of the service, modernization and expansion of public lighting.

The following is the movement of the provision for deterioration associated with electrical materials:

<b>Balance as of January 1, 2020</b>	<b>\$ (924.731)</b>
Use of provision (a)	956.421
Provisioning	(778.060)
<b>Balance as of December 31, 2020</b>	<b>(746.369)</b>
Use of provision (a)	846.148
Provisioning	(1.895.933)
<b>Balance as of December 31, 2021</b>	<b>\$ (1.796.154)</b>

- (a) It corresponds mainly to the loss of cable residues that were returned as surplus from the company's electrical infrastructure operations.
- (1) Mainly corresponds to the inventory of induction stoves which is available for sale, to date there are no indications of deterioration of said inventory.

The consumption of materials recorded in result to December 2021 and 2020 corresponds to:

	As of December 31, 2021	As of December 31, 2020
Maintenance of substations and networks	\$ 17.192.117	\$ 13.162.352
Lighting and new businesses	2.774.222	2.123.955
Other materials	6.370.259	4.877.095
	<b>\$ 26.336.598</b>	<b>\$ 20.163.402</b>

There are no pledged inventories as a guarantee of debt compliance.

## 10. Assets held for sale

According to the direct settlement agreements made between the Company and Estandarte Promotora S.A.S., the process of asset purchase by this entity is formalized with the first payment made in August 2021.

This agreement considers two assets:

- i) A winery (building and land) located in the municipality of Facatativá (Cundinamarca), currently has a lease in which the buyer is the tenant.
- ii) The land called Waku-Waku located in the city of Bogotá, on which a fiduciary rights contract has been signed.

Taking into account the formalization of the sale process and the provisions of IFRS 5 "Non-current assets held for sale and discontinued operations", they are classified as assets held for sale for the carrying value, which is lower than the fair value of the assets.

The balance as of December 31, 2021 is as follows:

	<b>As of December 31 Feb 2021</b>
Land	\$ 1.800.154
Facatativa Winery	908.282
Waku-Waku Lot	891.872
Buildings	317.786
<b>Total assets held for sale</b>	<b>\$ 2.117.940</b>

## 11. Investments in subsidiaries

The shares that the Company owns in subsidiaries are registered following the method of participation in accordance with the defined policy.

The following is the detail of the investments:

Equity securities	Economic activity	Relation	Common shares	% Participation	As of December 31, 2021	As of December 31, 2020
Bogotá ZE S.A.S. (1)	Services	Subsidiary	317.248.010	62,99%	\$ 44.858.174	\$ -
Enel X Colombia S.A.S. (2)	Services	Subsidiary	5.186.737	100%	31.800.235	5.512.262
Inversora Codensa S.A.S. (3)	Investment	Subsidiary	5.000	100%	2.514	1.399
					<b>\$ 76.660.923</b>	<b>\$ 5.513.661</b>

- (1) On July 29, 2021, the Company capitalized the company Bogotá ZE S.A.S. in accordance with Minutes No.3 of July 15, 2021, acquiring 317,248,010 common shares of nominal value of \$1 each for a total nominal value of \$317,248 and a premium in share placement of \$31,407,553 for a total investment of \$31,724,801.

Constitution of Bogotá ZE S.A.S.: On October 20, 2020, with private document number 02627823 of book IX, the company Bogotá ZE S.A.S. was constituted, whose main purpose is to carry out acts related to electric and sustainable mobility in Colombia and abroad. In the same way, it may participate in public or private selection processes and incorporate companies or participate in them.

The authorized capital is \$1 billion Colombian pesos divided into 1 billion shares of common stock with a nominal value of \$1 each.

- (2) Incorporation of Enel X Company: On April 17, 2018, with private document number 02332222 of Book IX, the company Enel X Colombia S.A.S was constituted, which has as its main objective, among others, to execute

Public Lighting projects for the development of modernizations, administrations, operation and maintenance, expansions, remote management, inventory collection, photometric designs, auditing, among others; under the different modalities of contracting with the state as concessions individually or jointly forming strategic alliances.

The authorized capital is 20,000 million Colombian pesos divided into 20,000,000 ordinary shares of nominal value of \$1,000 each, where the Company has a 100% stake in the subscribed capital amounting to \$5,186,737.

The capitalization in the company Enel X was carried out in accordance with Minutes No. 5 of February 12, 2021, acquiring 186,737 shares at a nominal value of \$1,000 and a premium was paid in the placement of shares of \$18,486,963 for a total investment of \$18,673,700.

Article 2.1.2. of part 1 of book 2 of Decree 2420 of 2015 added by Decree 2496 of 2015, establishes the application of Article 35 of Law 222, indicates that participations in subsidiaries must be recognized in the separate intermediate financial statements condensed by the participation method, under this guideline the participation method was applied as of 2016; in January 2017, the amendment to IAS 27 came into force, allowing investments to be recognized by the method of participation in the separate financial statements, eliminating the exception to IFRS that existed in the local framework compared to the standards issued by the IASB.

(3) In December, Inversora Codensa was capitalized for \$1,500.

The Company has in its subsidiaries a 100% stake in Enel X Colombia and Inversora Codensa registering a valuation corresponding to the calculation of the equity participation method during 2021 for \$7614,273 and \$(385) respectively and a 62.99% stake in Bogotá ZE registering a valuation by equity method of \$13,133,372.

As of December 31, 2021, the financial information of the subsidiaries was:

	<b>Bogota ZE S.A.S.</b>	<b>Enel X Colombia S.A.S.</b>	<b>Codensa Inversor</b>
<b>Assets</b>	<b>\$ 69.132.424</b>	<b>\$ 31.055.072</b>	<b>\$ 2.825</b>
Liabilities	-	3.172	311
Heritage	<b>69.132.424</b>	<b>31.051.900</b>	<b>2.514</b>
<b>Total liabilities and equity</b>	<b>\$ 69.132.424</b>	<b>\$ 31.055.072</b>	<b>\$ 2.825</b>
Revenue	19.448.182	7.157.437	-
Costs and Expenses	(577.728)	(286.945)	(385)
Corporate and deferred taxes	-	(3.010)	-
Profit (Loss) of the period	<b>\$ 18.870.454</b>	<b>\$ 6.867.482</b>	<b>\$ (385)</b>

## 12. Intangible assets other than capital gain, net

	<b>As of December 31, 2021</b>	<b>As of December 31, 2020</b>
Software (1)	\$ 312.584.237	\$ 255.762.870
Servitude	60.575.297	60.115.949
Licences	30.765.084	33.159.548
Development costs	5.391.028	5.977.178
<b>Intangible assets, net</b>	<b>409.315.646</b>	<b>355.015.545</b>
Software	536.649.141	425.010.157
Servitude	88.524.757	74.645.633
Licences	76.904.234	83.148.960
Development costs	35.357.143	35.357.142
<b>Intangible assets, gross</b>	<b>737.435.275</b>	<b>618.161.892</b>
Software	(224.064.904)	(169.247.287)
Servitude	(16.328.937)	(14.529.684)
Licences	(57.759.673)	(49.989.412)
Development costs	(29.966.115)	(29.379.964)

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	As of December 31, 2021	As of December 31, 2020
<b>Accumulated depreciation</b>	<b>\$ (328.119.629)</b>	<b>\$ (263.146.347)</b>

(1) It corresponds to the following computer programs:

	Net cost as of December 31, 2021	Remnant Life (Years)	Net cost as of December 31, 2020	Remnant Life (Years)
<b>Administrative management systems</b>	<b>4.621.988</b>		<b>5.576.572</b>	
Microsoft	1.724.227	1	1.644.224	1
Software SAP	1.072.586	8	1.194.586	9
GRID Local Projects	601.906	2	902.859	3
Functional SPA Performance Enhancements	508.601	2	762.902	3
Archibus System	385.241	2	577.862	3
Big Data lot	192.569	2	288.854	3
SAP HR Software	136.857	2	205.285	3
<b>Commercial Management Systems</b>	<b>190.548.575</b>		<b>100.354.524</b>	
Billing (a)	61.082.038	5	44.133.973	-
Global Front Office	11.990.587	3	12.468.015	1
Licensing: Salesforce	10.209.223	3	-	-
Software - Operation Computer Applications Co	9.408.248	8	-	-
Evoludh- Stm/Gds Integrity	8.382.599	6	-	-
IC_Front Office Rete	-	-	3.968.652	2
Epica Closure - Beat	8.363.741	3	6.157.384	-
3D Modeling	8.237.490	3	6.129.387	2
Datagran Data TR_ENG_Sets	-	-	3.157.658	2
Ept'S Regularorio I&N	6.834.201	3	3.423.871	3
Digital Supply Chain - Evoluzione MIm	-	-	2.227.971	3
E-Industryx- Instalator	6.914.477	3	-	-
BI: Layer + data	-	-	2.163.474	3
Bt-Au3 Update	5.354.455	5	-	-
Control System	-	-	1.967.262	-
Liquidated Newco Ayesa	5.257.735	4	-	-
Web One Hub 2.0	-	-	1.791.887	3
Cloud Contact Center	5.122.125	3	-	-
Quality of Service Management	-	-	1.684.757	-
business Erp_Evolutivos	3.906.253	3	-	-
Epica CRM Evolution	-	-	1.662.385	2
Technical M&F_Evolutivos	3.813.702	3	-	-
Td-Mkt-Salesforce Developments & Channels	3.352.151	3	569.519	-
Big Data lot	3.312.929	3	-	-
Electronic invoice	-	-	1.318.919	3
Starbeats	2.956.700	3	-	-
Force Beat	-	-	1.282.372	2
Digital Channel	2.894.136	2	-	-
Contract Lifecycle Managemnt (CLM)	-	-	1.240.865	-
Mandatory Market	2.889.700	3	-	-
Retail N III	-	-	1.231.554	-
M&F_Proyectos	2.748.977	3	-	-
E-Home Projects	-	-	1.204.466	-
Ssa Scada Spectrum Licenses	2.546.683	3	1.159.740	-
Digi&N	2.448.573	3	-	-
Synergia 4J Project	-	-	534.205	2
Gesi (Including Integrations With Sales	7.967.659	-	-	-

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	Net cost as of December 31, 2021	Remnant Life (Years)	Net cost as of December 31, 2020	Remnant Life (Years)
One Hub	-	-	370.417	1
Afc Dh Fusion Project	2.378.634	3	-	-
ICT Online Services Portal	-	-	188.636	-
Mulesoft_Lc Licenses	2.175.558	2	-	-
Local adaptations Customer Journey	-	-	317.155	2
<b>Distribution management system</b>	<b>117.413.674</b>		<b>149.831.774</b>	
Sap E4E	92.107.596	8	102.604.054	9
Scada STM Software (b)	4.269.820	3	14.018.133	4
DMS/EMS Software	3.204.528	-	5.706.792	3
Update BT-AU3	-	-	3.566.124	3
BT-OYM Update	2.572.483	2	3.558.724	3
Lidarproy	2.650.447	3	3.439.026	3
Bases Low Voltage Lifting	1.256.224	2	2.876.224	3
Local S&S	1.549.602	3	2.777.301	3
Asset Management	2.500.134	3	-	-
Hld-Afc-Sap-Amm-Col-Evo-Cod Ept Economic	1.377.031	3	-	-
DIGI&N	-	-	1.517.556	-
Customer Engagement_Lc	1.243.250	-	-	-
Project Infrastructure	-	-	1.186.669	-
Gesi/Qgis/Forcebeat	1.139.870	3	-	-
Asset Management	880.487	3	1.173.982	4
Iomb_Asesores Fv Csc	1.231.565	-	-	-
Software built operation Applications reports	-	-	987.375	-
Global Projects	1.155.689	6	-	-
Software Opera	-	-	955.146	-
Gesi Functional Enhancements	-	-	829.730	-
Other minor software	274.950	-	2.634.938	-
<b>Overall Total</b>	<b>312.584.237</b>		<b>255.762.870</b>	

(a) It corresponds to the FARO project that includes the adoption of the product developed by the Enel Group on the SAP platform for the end-to-end management of the invoicing, collection and collection processes of the regulated market and tolls.

(b) It corresponds mainly to the development and commissioning of the project (SCADA), which aims to control those of the technical equipment such as substations and controls in the urban and rural medium and low voltage networks, at the level of operation remotely in conjunction with the remote control project.

The composition and movements of the intangible assets item are detailed below:

	Costs of Development	Easements	Licences	Software	Intangibles in Construction	Assets Intangible
<b>Final balance 01/01/2020</b>	<b>\$ 3.832.935</b>	<b>\$ 57.897.561</b>	<b>\$ 40.440.038</b>	<b>\$ 173.069.339</b>	<b>\$ 30.966.696</b>	<b>\$ 306.206.569</b>
Additions	-	-	-	5.966.755	94.325.347	100.292.102
Transfers	2.583.898	4.304.868	1.224.774	25.102.271	(33.215.811)	-
Amortization	(439.655)	(2.086.480)	(8.505.264)	(41.803.289)	-	(52.834.688)
Other increases	-	-	-	-	1.351.562	1.351.562
Movements of the period	2.144.243	2.218.388	(7.280.490)	(10.734.263)	62.461.098	48.808.976
<b>Final balance 31/12/2020</b>	<b>5.977.178</b>	<b>60.115.949</b>	<b>33.159.548</b>	<b>162.335.076</b>	<b>93.427.794</b>	<b>355.015.545</b>
Additions	-	-	-	-	120.239.195	120.239.195
Transfers	-	2.258.601	5.375.798	146.859.234	(154.493.633)	-
Amortization	(586.150)	(1.799.253)	(7.770.262)	(55.783.429)	-	(65.939.094)
Movements of the period	(586.150)	459.348	(2.394.464)	91.075.805	(34.254.438)	54.300.101
<b>Final balance 31/12/2021</b>	<b>\$ 5.391.028</b>	<b>\$ 60.575.297</b>	<b>\$ 30.765.084</b>	<b>\$ 253.410.881</b>	<b>\$ 59.173.356</b>	<b>\$ 409.315.646</b>

As of December 31, 2021, the Company does not own intangible assets of indefinite useful life.



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Additionally, there are no restrictions or guarantees on intangible assets. As of December 31, 2021, there are no acquisition commitments in intangible assets through an official subsidy.

**13. Property, Plant and Equipment, net**

	<b>2021 As of December 31, 2021</b>	<b>Al 31 de diciembre de 2020</b>
Construction in progress (1)	\$ 756.760.824	\$ 924.609.419
Buildings	336.987.108	216.539.216
Land	126.866.704	121.602.530
Improvements in Third Party Property	534.982	969.898
<b>Plant and equipment</b>	<b>5.337.503.425</b>	<b>4.764.429.712</b>
<i>Electrical installations and distribution networks</i>	4.291.460.580	3.776.276.025
<i>Substations and high voltage lines</i>	1.046.042.845	988.153.687
<b>Fixed and other installations</b>	<b>85.567.825</b>	<b>81.497.111</b>
<i>Other facilities</i>	37.385.821	43.470.425
<i>Fixed installations and accessories</i>	48.182.004	38.026.686
<b>Financial leases</b>	<b>73.033.049</b>	<b>59.894.793</b>
Fixed and other installations	16.355.504	1.263.004
<b>Assets by use IFRS 16</b>	<b>56.677.545</b>	<b>58.631.789</b>
<i>Buildings and Land</i>	53.927.626	56.888.597
<i>Fixed and other installations</i>	2.749.919	1.743.192
<b>Properties, plant and equipment, net</b>	<b>\$ 6.717.253.917</b>	<b>\$ 6.169.542.679</b>
Construction in progress	756.760.824	924.609.419
Buildings	405.859.737	278.871.011
Land	126.866.704	121.602.530
Improvements in Third Party Property	10.128.371	10.128.371
<b>Plant and equipment</b>	<b>10.605.890.667</b>	<b>9.747.641.263</b>
<i>Electrical installations and distribution networks</i>	8.386.382.225	7.630.346.331
<i>Substations and high voltage lines</i>	2.219.508.442	2.117.294.932
<b>Fixed and other installations</b>	<b>254.259.037</b>	<b>236.200.567</b>
<i>Other facilities</i>	154.310.971	150.234.892
<i>Fixed installations and accessories</i>	99.948.066	85.965.675
<b>Financial leases</b>	<b>93.095.773</b>	<b>94.740.448</b>
Fixed and other installations	26.852.160	13.975.083
Assets by use IFRS 16	66.243.613	80.765.365
<i>Buildings and Land</i>	63.035.502	77.557.254
<i>Fixed and other installations</i>	3.208.111	3.208.111
<b>Properties, plant and equipment, gross</b>	<b>\$ 12.252.861.113</b>	<b>\$ 11.413.793.609</b>
Buildings	(68.872.629)	(62.331.795)
Improvements in Third Party Property	(9.593.390)	(9.158.473)
<b>Plant and equipment</b>	<b>(5.268.387.241)</b>	<b>(4.983.211.551)</b>
<i>Electrical installations and distribution networks</i>	(4.094.921.645)	(3.854.070.306)
<i>Substations and high voltage lines</i>	(1.173.465.596)	(1.129.141.245)
<b>Fixed and other installations</b>	<b>(168.691.213)</b>	<b>(154.703.456)</b>
<i>Other facilities</i>	(116.925.150)	(106.764.467)
<i>Fixed installations and accessories</i>	(51.766.063)	(47.938.989)
<b>Financial leases</b>	<b>(20.062.723)</b>	<b>(34.845.655)</b>
Fixed and other installations	(10.496.655)	(12.712.079)
Assets by use IFRS 16	(9.566.068)	(22.133.576)
<i>Buildings and Land</i>	(9.107.876)	(20.668.657)
<i>Fixed and other installations</i>	(458.192)	(1.464.919)
<b>Cumulative depreciation of property, plant and equipment</b>	<b>\$ (5.535.607.196)</b>	<b>\$ (5.244.250.930)</b>

(1) The assets under construction correspond to the following projects:

<b>Project</b>	<b>As of December 31, 2021</b>	<b>As of December 31, 2020</b>
Replacement of rural infrastructure level 1	\$ 195.315.923	\$ 225.921.082
Expansion and Modernization of High and Medium Voltage Substations	94.993.632	-
Quality plan medium voltage lines	92.689.151	145.613.419

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Project	As of December 31, 2021	As of December 31, 2020
Standardization and quality service medium voltage	76.590.701	117.269.941
Latam remote control project – Codensa	58.648.931	65.808.438
Replacement of transformers and urban rural equipment	44.796.315	104.142.151
Massive urban line and network connections	43.768.433	58.567.295
Modernization of public lighting Bogotá	33.119.951	43.583.661
Acquisition of Enel X Central Winery and Manoeuvring Yards	29.538.825	-
Replacement of rural and urban infrastructure level 2	24.582.349	16.273.042
Standardization and quality of high voltage service	17.554.357	4.969.753
Public Lighting Expansion	15.207.107	8.227.601
Adaptations commercial headquarters	14.203.018	3.790.824
IDU Territorial Planning Plan – Municipalities	6.363.519	3.165.067
Medium voltage capacity expansion	3.586.117	23.037.279
High voltage capacity expansion	2.548.636	414.543
Rural Street Lighting	2.148.762	3.666.079
Other minor projects	777.091	2.050.597
Adaptation of equipment for loss control measures	328.006	6.836.682
Electric Bus Charging Stations	-	8.474.513
Modernization of substation equipment	-	6.387.108
San Jose Substation	-	3.347.962
Expansion Peripheral Networks MT – BT	-	505.296
Construction of Portugal Stn-115Kva Substation	-	290.992
Smart Metering	-	136.408
Construction of Terminal Substation STN-115Kva	-	129.687
<b>Total Assets in Progress</b>	<b>\$ 756.760.824</b>	<b>\$ 924.609.419</b>

The composition and movements of the property, plant and equipment category are detailed below:

	Construction in Progress	Land	Buildings	Improvements in Third Party Property	Substations and High Voltage Lines	Electrical Distribution Facilities and Networks	Other Facilities	Financial Leases	Property, Plant and Equipment
<b>Movements of the period</b>	\$ 706.371.675	\$ 114.895.524	\$ 213.462.060	\$ 1.404.815	\$ 902.571.196	\$ 3.517.638.230	\$ 91.316.517	\$ 27.466.177	\$ 5.575.126.194
Additions (a)	928.849.956	-	-	-	-	-	-	52.314.815	981.164.771
Transfers	(710.191.046)	6.710.110	5.810.436	-	130.257.174	558.345.768	8.902.505	165.053	-
Withdrawals (b)	-	(3.104)	-	-	(7.243.503)	(50.146.588)	-	(4.295.565)	(61.688.760)
Depreciation expenditure (see note 26)	-	-	(2.733.280)	(434.917)	(43.942.139)	(291.532.950)	(18.721.833)	(16.551.095)	(373.916.214)
Other increments (decreases)	(421.166)	-	-	-	6.510.959	41.971.565	(78)	795.408	48.856.688
<b>Movements of the period</b>	<b>218.237.744</b>	<b>6.707.006</b>	<b>3.077.156</b>	<b>(434.917)</b>	<b>85.582.491</b>	<b>258.637.795</b>	<b>(9.819.406)</b>	<b>32.428.616</b>	<b>594.416.485</b>
<b>Final Balance 31/12/2020</b>	<b>\$ 924.609.419</b>	<b>\$ 121.602.530</b>	<b>\$ 216.539.216</b>	<b>\$ 969.898</b>	<b>\$ 988.153.687</b>	<b>\$ 3.776.276.025</b>	<b>\$ 81.497.111</b>	<b>\$ 59.894.793</b>	<b>\$ 6.169.542.679</b>
<b>Movements of the period</b>									
Additions (a)	925.427.838	-	-	-	-	-	-	32.501.211	957.929.049
Transfers	(1.093.276.433)	7.233.266	127.395.946	-	106.556.108	831.020.425	21.070.688	-	-
Withdrawals (b)	-	(1.969.092)	(317.785)	-	(4.342.599)	(74.984.531)	(3.012.218)	(34.145.886)	(118.772.111)
Depreciation expenditure (see note 26)	-	-	(6.630.269)	(434.916)	(48.051.435)	(305.774.114)	(16.999.810)	(19.026.791)	(396.917.335)
Other increases	-	-	-	-	3.727.084	64.922.775	3.012.054	33.809.722	105.471.635
<b>Movements of the period</b>	<b>(167.848.595)</b>	<b>5.264.174</b>	<b>120.447.892</b>	<b>(434.916)</b>	<b>57.889.158</b>	<b>515.184.555</b>	<b>4.070.714</b>	<b>13.138.256</b>	<b>547.711.238</b>
<b>Final Balance 31/12/2021</b>	<b>\$ 756.760.824</b>	<b>\$ 126.866.704</b>	<b>\$ 336.987.108</b>	<b>\$ 534.982</b>	<b>\$ 1.046.042.845</b>	<b>\$ 4.291.460.580</b>	<b>\$ 85.567.825</b>	<b>\$ 73.033.049</b>	<b>\$ 6.717.253.917</b>

(a) As of December 31, 2021 and 2020, \$5,232,987 and \$4,410,456 of financial expenses were capitalized in assets suitable for projects such as replacement and quality redesign in urban and rural medium voltage, North substation, Terminal substation and Tabacal substation and others.

(b) It corresponds mainly to the losses of equipment, networks and distribution transformers AT/MT/BT and public lighting luminaires associated with modernization and replacement projects.

## Additional property, plant and equipment information, net

### Main investments

As of December 31, 2021 and 2020, the additions to properties, plant and equipment correspond to the investments made in the adaptation, modernization, expansion and construction of substations, lines and networks of high, medium, low voltage and distribution transformers in order to improve efficiency, Electric Bus Recharging Stations, Purchase of Warehouses and quality of service level. The main additions to properties, plant and equipment correspond to:

Additions by project	Class	As of December 31 Feb 2021	As of December 31 Feb 2020
Adaptation and modernization in AT, MT and BT lines and networks*	Lines and Networks	274.033.437	278.578.676
Adaptation, modernization and expansion of AT/MT and MT/MT substations*	Substations	203.532.379	192.705.722
Expansion and modernization of rural and urban street lighting	Lines and Networks	57.790.343	45.706.545
Expansion of AT, MT and BT lines and networks*	Lines and Networks	106.432.520	95.569.899
E-Bus Project	Charging Stations	-	128.848.882
Telecontrol Latam	Lines and Networks	34.236.816	81.350.396
Expansion and adaptation of MT and BT distribution transformers*	Lines and Networks	38.167.981	35.337.781
Acquisition of measuring devices for MT and BT loss control*	Lines and Networks	-	7.056.071
Mosquera STN/115 Kv substation expansion	Substations	-	11.111.940
Expansion substation Portugal STN/115 Kv	Substations	-	16.545.174
Adaptation and modernization of Headquarters	Headquarters	-	10.647.848
Purchase warehouse central file T Patio	Cellars	-	14.699.373

\* AT (High Voltage), MT (Medium Voltage) and BT (Low Voltage)

As of December 31, 2021 and December 31, 2020, own labor directly related to the constructions in progress was capitalized for \$107,624,073 and \$97,651,016. The variation corresponds mainly to the greater execution of the projects of remote control, quality replacement and urban and rural infrastructure in medium voltage networks, Terminal substation, Tabacal, Boquerón substation, massive urban and rural connections in medium and low voltage networks, Electric Bus Charging Stations and compliance with the district territorial planning plan.

### Main transfers to operation

As of December 31, 2021, the main constructions in progress put into operation correspond to:

Project	Total Activation
Modernization, adaptation and expansion of medium voltage lines and networks	\$ 529.544.372
Modernization, adaptation compensation high and medium voltage substations	141.988.487
Modernization, adaptation and expansion of Public Lighting	97.798.529
Modernization, adaptation and expansion of low voltage lines and networks	91.196.998
Modernization, adaptation and expansion of distribution transformers	43.812.959
Modernization adaptation and expansion of high voltage lines and networks	17.494.102

### Insurance policies

The following are the policies for the protection of the Company's assets:

Well insured	Risks covered	Insured value (Figures expressed in thousands)	Expiration	Insurance company
Company Assets	Non-contractual civil liability	USD \$20.000	1/11/2022	Axa Colpatria
	Non-contractual liability (USD \$200 million layer in excess of USD \$20 million)	USD \$250.000	1/11/2022	Mapfre Seguros Colombia
	Non-contractual civil liability (layer of USD \$ 233 million in excess of USD \$ 250 million)	USD \$232.940	1/11/2022	Mapfre Seguros Colombia
	Environmental liability	\$88.039.678	1/11/2022	SBS

Well insured	Risks covered	Insured value (Figures expressed in thousands)	Expiration	Insurance company
Civil works, equipment, contents, warehouses and loss of profits	All risk material damage, earthquake, tsunami, HMACC – AMIT, Lost Profits and machinery breakage.	USD 1,164,700 per claim Limit Indemnity	1/11/2022	Mapfre Seguros Colombia
Vehicles	Tort Liability	\$3,000,000 per vehicle	03/02/2022	Mapfre Seguros Colombia
Goods and goods	Freight transport	\$5,000,000 per dispatch	31/07/2022	HDI Seguros S.A.

#### 14. Deferred taxes, net

The recovery of deferred tax asset balances depends on obtaining sufficient tax profits in the future. Management considers that the projections of future tax profits cover what is necessary to recover the assets.

Below is the details of the net deferred tax asset (liability) as of December 31, 2021:

	Opening Balance 01/01/2021	Increase (Decrease) for deferred taxes in results (i)	Increase (Decrease) for deferred taxes in other comprehensive results (ii)	Final Balance 31/12/2021
<b>Active deferred tax</b>				
Provisions and others (1)	83.616.727	(843.325)	–	82.773.402
Defined contribution obligations	27543.404	3.840.480	(15.743.376)	15.640.508
<b>Total deferred tax assets</b>	<b>\$ 111.160.131</b>	<b>\$ 2.997.155</b>	<b>\$ (15.743.376)</b>	<b>\$ 98.413.910</b>
<b>Deferred tax liability</b>				
Excess tax depreciation over book value (2)	72.472.452	1.951.517	–	74.423.969
Other (3)	361.615	33.079	7.972.283	8.366.977
<b>Total deferred tax liability</b>	<b>\$ 72.834.067</b>	<b>\$ 1.984.596</b>	<b>\$ 7.972.283</b>	<b>\$ 82.790.946</b>
<b>Active deferred tax (liability), Net</b>	<b>\$ 38.326.064</b>	<b>\$ 1.012.559</b>	<b>\$ (23.715.659)</b>	<b>\$ 15.622.964</b>

(i) As of December 31, 2021, the decrease in results by deferred tax includes: deferred tax for the period \$11,530,602 and deferred tax from previous years for \$(10,518,043).

(ii) The deferred tax corresponds to the difference of the actuarial calculation of pensions of Decree 2783 of 2001 for tax purposes and the resulting under IFRS as of December 31, 2021 for \$(15,743,376) and to the movements of derivatives settled for \$7,972,283.

(1) As of December 31, 2021, the detail of the deferred tax active for other provisions corresponds to:

	Starting balance 01/01/2021	Increase (decrease) for deferred taxes in results	Final Balance 31/12/2021
Provision of bad accounts (a)	\$ 26.286.814	\$ 4.545.617	\$ 30.832.431
Provisions for jobs and services	6.214.403	(1.634.954)	4.579.449
Provision of employment obligations (b)	18.824.100	(2.138.633)	16.685.467
Provision for decommissioning	327.099	68.250	395.349
Other	19.958.838	(3.456.674)	16.502.164
Dif. Industry and Commerce Tax (c)	12.005.473	1.773.069	13.778.542
<b>\$</b>	<b>83.616.727</b>	<b>\$ (843.325)</b>	<b>\$ 82.773.402</b>

- (a) It corresponds to the increase, mainly, of the provision of the VAT portfolio of Public Lighting.
- (b) This item corresponds mainly to provisions of personnel costs for restructuring (Transition Fund).
- (c) It corresponds to the recognition of deferred tax for the tax discount of the industry and commerce tax in accordance with article 115 of the Tax Statute modified by the Financing Law (Law 2010 of 2019).

(2) As of December 31, 2021, it corresponds to the difference in accounting and tax depreciation due to: i) depreciation requested in excess by additional shifts in 1998, ii) depreciation due to reduction of balances from 2014, iii) difference in the cost of assets by technical re-appraisal, iv) accounting and fiscal difference due to the adjustments for inflation in 2004, 2005 and 2006, v) different percentages of depreciation of assets, taking into account that at the tax level since 2017 the percentages of depreciation defined in article 137 of the Tax Statute are taken.

Law 2151 of 2021 defined that from 2022 the rental rate at 35%. The deferred tax as of December 31, 2021 per fee is presented below:

	<b>2022</b>
	<b>From now on</b>
Estimated provisions and liabilities	\$ 153.029.542
Properties, plant and equipment	(216.937.440)
Wallet	88.785.796
Other	(23.905.649)
	<b>\$ 972.249</b>
Fare	35%
	\$ 340.287
Dif. Industry and Commerce Tax	27.557.084
Fare	50%
Tax	13.778.542
Occasional earnings	15.041.352
Fare	10%
Tax	1.504.135
Total deferred tax assets	<b>\$ 15.622.964</b>

Below is the detail of the net deferred tax asset (liability) as of December 31, 2020:

	Starting Balance 01/01/2020	Increase (Decrease) for deferred taxes in results (i)	Increase (decrease) for deferred taxes on other comprehensive results (ii)	Final Balance 31/12/2020
<b>Active deferred tax</b>				
Provisions and others (1)	\$ 51.916.542	\$ 31.700.185	\$ -	\$ 83.616.727
Defined contribution obligations	28.275.768	(413.984)	(318.380)	27.543.404
Hedging instruments	17.441	-	(17.441)	-
<b>Total deferred tax assets</b>	<b>\$ 80.209.751</b>	<b>\$ 31.286.201</b>	<b>\$ (335.821)</b>	<b>\$ 111.160.131</b>
<b>Deferred tax liability</b>				
Excess tax depreciation over book value (2)	79.945.132	(7472.680)	-	72.472.452
Other	617.061	(255.446)	-	361.615
<b>Total deferred tax liability</b>	<b>\$ 80.562.193</b>	<b>\$ (7.728.126)</b>	<b>\$ -</b>	<b>\$ 72.834.067</b>
<b>Active deferred tax (liability), net</b>	<b>\$ (352.442)</b>	<b>\$ 39.014.327</b>	<b>\$ (335.821)</b>	<b>\$ 38.326.064</b>

- (i) As of December 31, 2021, the increase in results for deferred tax includes: Deferred tax for the period \$40,175,367 and deferred tax from previous years for (\$1,161,040).
- (ii) The active deferred tax corresponds to the difference of the actuarial calculation of pensions of Decree 2783 of 2001 for tax purposes and the resulting one under IFRS as of December 31, 2020 by (\$318,380).



(1) As of December 31, 2020, the detail of the deferred tax active for other provisions corresponds to:

	<b>Final balance 01/01/2020</b>	<b>Increase (decrease) for deferred taxes on results</b>	<b>Final Balance 31/12/2020</b>
Provision of bad accounts (a)	\$ 25.243.724	\$ 1.043.090	\$ 26.286.814
Provisions for jobs and services	2.978.451	3.235.952	6.214.403
Provision of employment obligations (b)	2.226.212	16.597.888	18.824.100
Provision of contingent liabilities	6.225.980	(6.225.980)	-
Provision for decommissioning	165.326	161.773	327.099
Other	15.076.849	4.881.989	19.958.838
Dif. Industry and Commerce Tax (c)	-	12.005.473	12.005.473
	<b>\$ 51.916.542</b>	<b>\$ 31.700.185</b>	<b>\$ 83.616.727</b>

(a) It corresponds to the increase in the provision of the VAT portfolio of Public Lighting.

(b) This item corresponds mainly to provisions of personnel costs for restructuring (Transition Fund).

(c) It corresponds to the recognition of deferred tax for the tax discount of the industry and commerce tax in accordance with article 115 of the Tax Statute modified by the Financing Law (Law 2010 of 2019).

(2) As of December 31, 2020, it corresponds to the difference in accounting and tax depreciation due to: i) depreciation requested in excess by additional shifts in 1998, ii) depreciation due to reduction of balances from 2014, iii) difference in the cost of assets by technical re-appraisal, iv) accounting and fiscal difference due to the adjustments for inflation in 2004, 2005 and 2006, v) different percentages of depreciation of assets, taking into account that at the tax level since 2017 the percentages of depreciation defined in article 137 of the Tax Statute are taken.

The 2010 Law of 2019 defined the following rates: year 2020 to 32%, year 2021 to 31%, year 2022 and following to 30%, which do not present changes compared to December 31, 2019. The deferred tax as of December 31, 2020 per fee is presented below:

	<b>2020 Rent and surcharge</b>	<b>2021 Rent and surcharge</b>	<b>2022 From now on</b>
Estimated provisions and liabilities	\$ -	\$ 72.105.768	\$ 167.980.271
Properties, plant and equipment	-	(25.718.845)	(215.661.210)
Wallet	-	28.600.887	58.471.712
Other	-	(75.164)	(1.127.698)
	<b>\$ -</b>	<b>\$ 74.912.646</b>	<b>\$ 9.663.075</b>
Fare	32%	31%	30%
	-	23.222.920	2.898.923
Occasional earnings	24.010.946		
Fare	50%		
Tax	12.005.473		
Occasional earnings	1.987.475		
Fare	10%		
Tax	198.748		
<b>Total deferred tax assets</b>	<b>\$ 38.326.064</b>		

## 15. Financial liabilities

	<b>As of December 31, 2021</b>			<b>As of December 31, 2020</b>		
	<b>Stream</b>			<b>Stream</b>		<b>Non-current</b>
	<b>Capital</b>	<b>Interests</b>		<b>Capital</b>	<b>Interests</b>	
Bonds issued (1)	\$ 270.000.000	\$ 33.984.246	\$ 1.928.340.000	\$ 185.000.000	\$ 29.115.529	\$ 2.198.340.000
Banking obligations (2)	577.031.169	15.012.795	1.305.185.834	421.443.263	17.940.630	226.513.371

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(In thousands of pesos)

	As of December 31, 2021			As of December 31, 2020		
	Stream			Stream		
	Capital	Interests		Capital	Interests	Non-current
Financial leases (3)	12.775.264	501.549	63.400.851	9.665.479	441.860	51.753.430
IFRS Leases <sup>16</sup>	12.775.264	501.549	63.400.851	8.696.664	441.860	51.753.430
Commercial vehicle leasing	-	-	-	968.815	-	-
Derivatives (4)	1.032.066	-	-	-	-	-
	<b>\$ 860.838.499</b>	<b>\$ 49.498.590</b>	<b>\$ 3.296.926.685</b>	<b>\$ 616.108.742</b>	<b>\$ 47.498.019</b>	<b>\$ 2.476.606.801</b>

(1) The movement of bonds from January to December 2021 corresponds mainly to:

Between September 1 and 21, 2021, the Company repurchases series B7-14 bonds for \$25,500,000 and on September 27, 2021 made the cancellation of the balance of bonds of the same series for \$159,500,000.

The entire financial debt of the Company in bonds is represented in seven (7) bond issues in force in the local market, issued since 2013 and effective as of December 31, 2021.

### Bond Issuance and Placement Program

By Resolution No. 194 of January 29, 2010, the Financial Superintendence of Colombia ordered the registration in the National Registry of Securities and Issuers (RNVE) of the Company's Program for the Issuance and Placement of Ordinary Bonds and authorized the public offering for an amount of up to \$600,000,000. By Resolution No. 0624 of April 3, 2013, the Financial Superintendence of Colombia authorized the renewal of the term of validity of the authorization for the public offer of the ordinary bonds of the program for a period of 3 years counted from the execution of the aforementioned resolution, that is, until April 30, 2016. Subsequently, having met the requirements established for this purpose, the Quota of the Issuance and Placement Program was extended on March 13, 2014 by Resolution No. 0407 of 2014 of the Financial Superintendence of Colombia by \$185,000,000, bringing the Global Quota of the Program to \$785,000,000. The Quota of the Issuance and Placement Program was again extended on October 7, 2014 by Resolution No. 1780 of 2014 of the Financial Superintendence by \$165,000,000, bringing the Global Quota of the Program to \$950,000,000. By Resolution No. 0623 of May 23, 2016, the extension of the Global Quota of the Program was approved by an additional amount of \$560,000,000, bringing the Global Quota to \$1,510,000,000, while the renewal of the term of validity of the authorization of the public offer of the bonds of the Program for three additional years from the execution of said Resolution was approved, that is, until June 3, 2019. On December 28, 2017, Resolution No. 1893 approved the following modifications to the Company's Ordinary Bond Issuance and Placement Program: i) the inclusion of Commercial Papers within the Issuance and Placement Program, their registration in the RNVE and their public offer and ii) The incorporation of the changes derived from the application of article 6.1.1.1.5 of Decree 2555 of 2010, as regards the modality used for the issuance of the securities, the Plan for the redemption of the securities and the possibility of publication of the interest rate offered separately from the notice of offer. Subsequently, having fulfilled the requirements established for this purpose, Resolution No. 0136 of January 31, 2018 approved the expansion of the Global Quota of the Program in an additional amount of one trillion two hundred and ninety-five billion Pesos (\$1,295,000,000) bringing the Global Quota to a total of two trillion eight hundred and five billion Pesos (\$2,805,000,000). Finally, resolution No. 0683 of May 28, 2019 authorized the increase of the Global Quota of the Program by an additional amount of \$ 595,000,000 taking the Global Quota to \$ 3,400,000,000, while approving the renewal of the term of validity of the authorization of the public offer of the bonds and commercial papers of the Program for three additional years from the execution of said Resolution, that is, until June 19, 2022. Resolution No. 0146 of February 22, 2021 approved the expansion of the Global Quota of the Program by an additional amount of one trillion two hundred billion Pesos (\$1,200,000,000) bringing the Global Quota to a total of four trillion six hundred billion Pesos (\$4,600,000,000).

As of December 31, 2021, ten (10) issues have been made under the Bond Issuance and Placement Program. The first Tranche was issued on February 17, 2010, the second Tranche was issued on November 15, 2013, the third Tranche was issued on September 25, 2014, the fourth Tranche issued on September 15, 2016, the fifth Tranche on March 9, 2017, the sixth Tranche on June 8, 2017, the seventh on April 11, 2018, the eighth on October 23, 2018, the ninth tranche on March 7, 2019 and the tenth tranche on August 25, 2020. Below, the detail of the current emissions:

## Second tranche under the program

Total value placed	\$375,000,000, like this: Sub-series B5: \$181,660,000 Sub-series B12: \$193,340,000
Balance in effect as of December 31, 2021	\$193,340,000
Face value per bond	\$10,000
Issuance deadlines	Sub-series B5: 5 years Sub-series B12: 12 years
Date of issue	November 15, 2013 for all series
Expiration date	Sub-series B5: November 15, 2018 Sub-series B12: November 15, 2025
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series B5: CPI + 3.92% E.A. Sub-series B12: CPI + 4.80% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V..

## Fifth tranche under the program

Total value placed	\$430,000,000, like this: Sub-series E2: \$160,000,000 Sub-series E5: \$270,000,000
Balance in effect as of December 31, 2021	\$270,000,000
Face value per bond	\$10,000
Issuance deadlines	Sub-series E2: 2 years Sub-series E5: 5 years
Date of issue	March 09, 2017
Expiration date	E2 Sub-Series: March 9, 2019 E5 Sub-series: March 9, 2022
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series E2: 7.04% E.A. Sub-series E5: 7.39% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

## Sixth tranche under the program

Total value placed	\$200,000,000, like this: Sub-series E7: \$200,000,000
Balance in effect as of December 31, 2021	\$200,000,000
Face value per bond	\$10,000
Issuance deadlines	Sub-series E7: 7 years
Date of issue	June 8, 2017
Expiration date	E7 Sub-Series: June 8, 2024
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series E7: 6.46% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

### **Seventh tranche under the program**

Total value placed	\$360,000,000, like this: Sub-series E7: \$200.000.000 Sub-series B12: \$160.000.000
Balance in effect as of December 31, 2021	\$360.000.000
Face value per bond	\$10.000
Issuance deadlines	Sub-series E7: 7 years Sub-series B12: 12 years
Date of issue	April 11, 2018
Expiration date	E7 Sub-series: April 11, 2025 Sub-series B12: April 11, 2030
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series E7: 6,74% E.A. Sub-series B12: IPC+3,59% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

### **Eighth tranche under the program**

Total value placed	\$195,000,000, like this: Sub-series B5: \$195.000.000
Balance in effect as of December 31, 2021	\$195.000.000
Face value per bond	\$10.000
Issuance deadlines	Sub-series B5: 5 years
Date of issue	October 23, 2018
Expiration date	Sub-series B5: October 23, 2023
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series B5: IPC+2,82% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

### **Ninth tranche under the program**

Total value placed	\$480,000,000, like this: Sub-series E4: \$280.000.000 Sub-series B10: \$200.000.000
Balance in effect as of December 31, 2021	\$480.000.000
Face value per bond	\$10.000
Issuance deadlines	Sub-series E4: 4 years Sub-series B10: 10 years
Date of issue	March 7, 2019
Expiration date	E4 Sub-series: March 7, 2023 Sub-series B10: March 7, 2029
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series E4: 6,30% E.A. Sub-series B10: IPC +3,56% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

**Tenth section under the program**

Total value placed	\$500,000,000, like this: Sub-series E4: \$250.000.000 Sub-series B7: \$250.000.000
Balance in effect as of December 31, 2021	\$500.000.000
Face value per bond	\$10.000
Issuance deadlines	Sub-series E4: 4 years Sub-series B7: 7 years
Date of issue	August 25, 2020
Expiration date	E4 Sub-series: August 25, 2024 Sub-series B7: August 25, 2027
Issue Manager	Deceval S.A.
Coupon rate:	Sub-series E4: 4.70% E.A. Sub-series B10: IPC +2,45% E.A.
Qualification	AAA (Triple A) Assigned by Fitch Ratings Colombia S.A. S.C.V.

The breakdown of debt bond obligations as of December 31, 2021 is as follows:

Series	EA Rate	Type of Rate	Stream		Non-current				Total
			Less than 90 days	Greater than 90 days	Total Current	1 to 2 years	2 to 5 years	5 to 10 years	
Bonds B12-13	10,31%	Variable	\$ 2.459.671	\$ -	\$ 2.459.671	Non-current	\$ 193.340.000	\$ -	\$ 193.340.000
E5-17 Bonds	7,39%	Fixed	16.180.290	270.000.000	286.180.290	-	-	-	-
E7-17 Bonds (*)	6,46%	Fixed	824.600	-	824.600	-	200.000.000	-	200.000.000
E7-18 Bonds	6,74%	Fixed	2.952.000	-	2.952.000	-	200.000.000	-	200.000.000
Bonds B12-18	9,04%	Variable	3.141.600	-	3.141.600	-	-	160.000.000	160.000.000
B5-18 Bonuses	8,23%	Variable	2.980.575	-	2.980.575	195.000.000	-	-	195.000.000
E4-19 Bonds	6,30%	Fixed	1.173.760	-	1.173.760	280.000.000	-	-	280.000.000
Bonds B10-19	9,01%	Variable	1.185.000	-	1.185.000	-	-	200.000.000	200.000.000
E4-20 Bonds	4,70%	Fixed	1.165.750	-	1.165.750	-	250.000.000	-	250.000.000
B7-20 Bonds	7,84%	Variable	1.921.000	-	1.921.000	-	-	250.000.000	250.000.000
			<b>\$ 33.984.246</b>	<b>\$ 270.000.000</b>	<b>\$ 303.984.246</b>	<b>\$ 475.000.000</b>	<b>\$ 843.340.000</b>	<b>\$ 610.000.000</b>	<b>\$ 1.928.340.000</b>

The interest payment has a quarterly periodicity and the amortization of the capital is made at the maturity of the issue.

(\*) The interest payment has an annual periodicity, due of the payment 9/3/2022.

The breakdown of debt bond obligations as of December 31, 2020 is as follows:

Series	EA Rate	Type of Rate	Stream		Total Stream	Non-current			
			Less than 90 days	Greater than 90 days		1 to 2 years	2 to 5 years	5 to 10 years	Total Non-current
Bonds B12-13	6,36%	Variable	\$ 1.541.527	\$ -	\$ 1.541.527	-	-	-	-
B7-14 Bonuses	5,07%	Variable	175.640	185.000.000	185.175.640	-	-	-	-
Bonuses E5-17 (*)	7,39%	Fixed	16.183.000	-	16.183.000	270.000.000	-	-	270.000.000
E7-17 Bonds	6,46%	Fixed	824.548	-	824.548	-	200.000.000	-	200.000.000
E7-18 Bonds	6,74%	Fixed	2.952.270	-	2.952.270	-	200.000.000	-	200.000.000
Bonds B12-18	5,14%	Variable	1.809.429	-	1.809.429	-	-	160.000.000	160.000.000
B5-18 Bonuses	4,35%	Variable	1.599.634	-	1.599.634	-	195.000.000	-	195.000.000
E4-19 Bonds	6,30%	Fixed	1.173.961	-	1.173.961	-	280.000.000	-	280.000.000
Bonds B10-19	5,10%	Variable	699.041	-	699.041	-	-	200.000.000	200.000.000
E4-20 Bonds	4,69%	Fixed	1.166.423	-	1.166.423	-	250.000.000	-	250.000.000
B7-20 Bonds	3,98%	Variable	990.056	-	990.056	-	-	250.000.000	250.000.000
			<b>\$ 29.115.529</b>	<b>\$ 185.000.000</b>	<b>\$ 214.115.529</b>	<b>\$ 270.000.000</b>	<b>\$ 1.318.340.000</b>	<b>\$ 610.000.000</b>	<b>\$ 2.198.340.000</b>



The interest payment has a quarterly periodicity and the amortization of the capital is made at the maturity of the issue.

(\*) The interest payment has an annual periodicity, payment due 9/3/2021

(2) The breakdown of bank obligations as of December 31, 2021 is as follows:

On January 6, 2021, the Company acquired two new loans with Banco Itaú S.A. through Findeter's netting line with a cleared rate: (i) for \$12,543,000 due January 6, 2024 at a rate of IBR+0% MV, the balance in effect as of December 31 is \$9,502,273 (ii) for \$23,984,000 maturing January 6, 2023 at a rate of IBR - 0.15% MV, the balance effective December 31 is \$14,847,238. The resources received were used to finance working capital.

On February 8, 2021, the Company acquired two new loans with Banco Itaú S.A. through Findeter's cleared rate rediscount line: (i) for \$6,137,000 with maturity February 8, 2023 at a rate of IBR-0.15% MV, the balance in force as of December 31 is \$4,091,333 (ii) for \$2,872,000 with maturity February 8, 2024 at a rate of IBR + 0% MV, the balance in effect as of December 31 is \$2,262,788. The resources received were used to finance working capital.

On April 5, 2021, the Company acquired a loan with Bancolombia S.A. for an amount of \$450,000,000 bullet amortization at a rate of IBR 3 months + 0.40%, and a term of 12 months. The resources received were intended for the refinancing of financial obligations.

On May 14, 2021, the Company acquired a loan with Scotiabank Colpatría S.A. for an amount of \$400,000,000 bullet amortization at a rate of IBR 3 months + 0.75%, and for a term of 5 years. The resources received were used for general corporate purposes.

On July 15, 2021, the Company acquired a loan with Bancolombia S.A. for an amount of \$300,000,000 for a term of 5 years, annual amortizations and with semi-annual interest payment with IBR NASV rate + 0.50%. The resources received were used for general corporate purposes.

On November 2, 2021, the Company acquired a loan with BBVA Colombia S.A. for an amount of \$215,000,000 for a term of 5 years, bullet and with semi-annual interest payment with NASV Fixed Rate. The resources received were used for general corporate purposes.

On November 30, 2021, the Company acquired a loan with Bancolombia S.A. for an amount of \$260,000,000 for a term of 5 years, bullet and with semi-annual interest payment with IBR rate + 0.85% SV. The resources received were used for general corporate purposes.

During January 1 to December 31, 2021, capital repayments of bank loans were made for \$436,275,631.

The breakdown of bank loans as of December 31, 2021 is as follows:

Description	Date Vto.	Rate EA	Stream			1 to 2 years	2 to 5 years	Total Non-current
			Less of 90 days	More of 90 days	Total Stream			
Banco BBVA Colombia S.A.	13/06/2022	4,67%	\$ -	\$ 8,353.886	\$ 8,353.886	\$ -	\$ -	\$ -
Banco de Bogotá S.A.	5/04/2026	3,95%	852.171	2.598.662	3.450.833	3.408.670	7.953.562	11.362.232
Banco BBVA Colombia S.A.	14/01/2025	3,26%	-	30.081.711	30.081.711	66.666.667	100.000.000	166.666.667
Financiera de Desarrollo Territorial S.A.	28/08/2023	0,00%	464.545	1.393.636	1.858.182	1.238.788	-	1.238.788
Financiera de Desarrollo Territorial S.A.	16/10/2023	0,00%	612.091	1.836.273	2.448.364	2.040.303	-	2.040.303
Financiera de Desarrollo Territorial S.A.	30/11/2023	0,00%	270.455	811.364	1.081.818	991.667	-	991.667
Banco Itaú CorpBanca Colombia S.A.	6/01/2024	2,72%	1.140.273	3.438.767	4.579.040	4.561.091	380.091	4.941.182
Banco Itaú CorpBanca Colombia S.A.	6/01/2023	2,57%	3.426.286	10.305.355	13.731.641	1.142.095	-	1.142.095
Banco Itaú CorpBanca Colombia S.A.	8/02/2023	2,63%	876.714	2.637.020	3.513.734	584.476	-	584.476
Banco Itaú CorpBanca Colombia S.A.	8/02/2024	2,78%	261.091	787.293	1.048.384	1.044.364	174.061	1.218.424
Bancolombia	5/04/2022	2,80%	-	204.388.430	204.388.430	-	-	-
Bancolombia	5/04/2022	2,80%	-	248.689.370	248.689.370	-	-	-
Scotiabank Colpatría S.A.	14/05/2026	3,61%	-	1.858.367	1.858.367	-	400.000.000	400.000.000
Bancolombia	15/07/2026	2,72%	-	63.857.583	63.857.583	60.000.000	180.000.000	240.000.000
Banco BBVA COLOMBIA S.A.	2/11/2026	5,72%	-	2.014.801	2.014.801	-	215.000.000	215.000.000
Bancolombia	30/11/2026	4,37%	-	1.010.187	1.010.187	-	260.000.000	260.000.000
Bank of Nova Scotia	15/04/2022	0,00%	-	776.34	776.34	-	-	-
<b>Total Bank Loans</b>			<b>\$ 7.903.626</b>	<b>\$ 584.140.339</b>	<b>\$ 592.043.964</b>	<b>\$ 141.678.120</b>	<b>\$ 1.163.507.714</b>	<b>\$ 1.305.185.834</b>

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The breakdown of bank loans as of December 31, 2020 is as follows:

Description	Date Vto.	Rate EA	Less of 90 days	More of 90 days	Total Stream	1 to 2 years	2 to 5 years	5 to 10 years	Total Non-current
The Bank of Tokyo Mitsubishi	7/04/2021	5.93%	\$ -	\$ 414.727.323	\$ 414.727.323				\$ -
Bank of Bogota	5/04/2026	3.00%	36.521	2.272.456	2.308.977	3.408.669	10.226.022	1.136.225	14.770.916
Banco BBVA Colombia S.A.	13/06/2022	2.63%	-	16.700.985	16.700.985	8.333.333	-	-	8.333.333
Banco BBVA Colombia S.A.	14/01/2025	3.16%	487.270	-	487.270	27083.350	166.666.650	-	193.750.000
Financiera de Desarrollo Territorial S.A.	28/08/2023	0.00%	464.545	1.393.636	1.858.181	1.858.182	1.238.788	-	3.096.970
Financiera de Desarrollo Territorial S.A.	16/10/2023	0.00%	408.061	1.836.273	2.244.334	2.448.364	2.040.303	-	4.488.667
Financiera de Desarrollo Territorial S.A.	30/11/2023	0.00%	90.152	811.364	901.516	1.081.818	991.667	-	2.073.485
Bank of Nova Scotia	26/03/2021	0.30%	155.307	-	155.307	-	-	-	-
<b>Total Bank Loans</b>			<b>\$ 1.641.856</b>	<b>\$ 437.742.037</b>	<b>\$ 439.383.893</b>	<b>\$ 44.213.716</b>	<b>\$ 181.163.430</b>	<b>\$ 1.136.225</b>	<b>\$ 226.513.371</b>

As of December 31, 2021, the Company has \$4,092,851,523 in unused authorized credit lines, jointly with Emgesa S.A. E.S.P. and reassignable between the two Companies, with respect to which, if required, the financial institutions will update the conditions for their approval and disbursement.

Likewise, and as part of its financing strategy, the Company signed on April 15, 2021, a credit line committed for USD\$61 million with Bank of Nova Scotia, with one (1) year of availability of resources for disbursement.

Additionally, an intercompany credit line has been approved with Emgesa S.A. E.S.P. for USD\$100 million for general purposes.

As of December 31, there are no covenants on financial obligations.

As of December 31, 2021, there are three guarantees with Scotiabank Colpatría for \$6,466,036 that support the fulfillment of the credit obligations subscribed with Financiera de Desarrollo Territorial S.A. - Findeter S.A, within the framework of Legislative Decree 517 of 2020.

(3) The breakdown of ifrs 16 lease obligations as of December 31, 2021 and 2020 is as follows:

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Land (a)	\$ 2.394.276	49.420.463	\$ 2.209.224	\$ 50.463.053
Vehicles (b)	8.546.520	10.757.907	5.606.674	377.008
Buildings	1.594.640	3.222.481	412.593	740.434
Electrical networks	741.377	-	518.817	172.935
Hardware	-	-	391.216	-
	<b>\$ 13.276.813</b>	<b>\$ 63.400.851</b>	<b>\$ 9.138.524</b>	<b>\$ 51.753.430</b>

a. It corresponds mainly to the lease of land on which the infrastructure for Transmilenio's recharging yards will be developed.

b. It corresponds mainly to the operational transport contract, valid for 36 months with the third Allied Special Transports.

Present value of minimum financial lease obligations

Minimum payments to pay for leases, financial leases:

	As of December 31, 2021		
	Brute	Interest	Value
Not later than one year	\$ 12.365.802	\$ 4.641.768	\$ 17.007.570
After one year, but under five years old	22.801.819	13.988.575	36.790.394
More than five years	40.529.842	15.403.353	55.933.195
	<b>\$ 75.697.463</b>	<b>\$ 34.033.696</b>	<b>\$ 109.731.159</b>

	As of December 31, 2021		
	Brute	Interest	Value
Not later than one year	\$ 8.411.630	\$ 4.045.884	\$ 12.457.514
After one year, but under five years old	10.636.139	13.566.910	24.203.049
More than five years	41.117.291	17.714.903	58.832.194
	<b>\$ 60.165.061</b>	<b>\$ 35.327.697</b>	<b>\$ 95.492.757</b>

- (4) It corresponds to the causation of the interests of the SWAP (IBR) constituted on May 14, 2021 for interest rate coverage on the credit of Scotiabank Colpatría S.A., with quarterly interest payments.

## 16. Business accounts and other accounts payable

	As of December 31, 2021	As of December 31, 2020
Other accounts payable (1)	\$ 798.085.249	\$ 873.446.938
Suppliers by energy purchase (2)	218.030.140	159.304.773
	<b>\$ 1.016.115.389</b>	<b>\$ 1.032.751.711</b>

- (1) The details of other accounts payable as of December 31, 2021 and 2020 are as follows:

	As of December 31, 2021	As of December 31, 2020
Accounts payable for goods and services (a)	\$ 643.988.551	\$ 749.747.643
Collection in favor of third parties (b)	48.036.745	45.880.166
Balances in favour of customers (c)	78.642.252	47.125.318
Other accounts payable (d)	27417701	30.693.811
	<b>\$ 798.085.249</b>	<b>\$ 873.446.938</b>

- (a) (a) As of December 31, 2021 and 2020, it corresponds mainly to the account payable to Banco Colpatría Red Multibanca Colpatría S.A. for the collection of the portfolio of the business "Crédito Fácil Codensa" reconciled and pending to be drawn for \$78,932,709 and \$126,566,752, respectively. This balance was cancelled in the first week of January 2022 and 2021, respectively.

As of December 31, 2021, it includes the invoicing of purchases of goods and services for \$81,933,213 transferred to Banco CITIBANK COLOMBIA S.A through factoring operations.

- (b) As of December 31, 2021 and 2020 , it corresponds mainly to the liability for mandate contracts for subscriptions to newspapers, magazines and insurance policies for \$14,178,834 and \$20,844,554 respectively; Banco Colpatría Red Multibanca Colpatría S.A. for \$8,926,211 and \$4,514,839 for the collection in the process of reconciliation made on behalf of the Company of the loan portfolio of the business "Crédito Fácil Codensa" now "Open Book" in accordance with the business collaboration agreement, respectively. The collections made on behalf of the Company are periodically reconciled between the parties and are subsequently transferred.
- (c) It corresponds to the balances in favor of customers generated mainly by higher value paid by customers and by billing adjustments.
- (d) As of December 31, 2021 and 2020, it corresponds mainly to the liabilities for energy distribution areas (ADD's) for \$12,748,523 and \$17,937,049 respectively. The ADD's correspond to the distribution charge of other network operators that by regulatory mandate must be invoiced and collected by the Company from its end users under the distribution areas scheme. Distribution areas is a regulatory mechanism that was included in Colombia under Resolution CREG 058-068 and 070 of 2008, which aims to distribute the distribution cost that end users must assume equitably in the different regions of the country among all users.

2. The energy purchase providers correspond to:

	As of December 31, 2021	As of December 31, 2020
XM S.A. E.S.P. (a)	\$ 114.048.426	\$ 67.424.750
Public Companies of Medellín E.S.P.	53.346.869	51.864.074
Aes Chivor and Eca E.S.P. Company	20.821.754	18.022.908
Isagen S.A. E.S.P.	13.174.915	3.372.439
Celsia S.A. E.S.P.	4.491.949	3.077.043
Empresa De Energía De Boyacá S.A. E.S.P.	2.049.230	1.543.574
Electrificadora de Santander S.A. E.S.P.	1.906.370	1.857.627
Caldas Hydroelectric Power Plant	1.466.097	1.342.941
Centrales Eléctricas del Norte de Santander S.A. E.S.P.	1.296.633	1.128.484
Centrales Eléctricas de Nariño S.A.	884.894	-
Electrificadora del Meta S.A. E.P.S	843.995	-
Electrificadora del Huila S.A. E.S	765.103	-
Generarco S.A E.S.P.	-	2.728.062
Tolima Energy Company	-	1.280.195
Company Urra S.A. E.S.P.	-	909.354
Nitro Energy Colombia S.A.S	-	739.242
Other smaller amounts	2.933.905	4.014.080
<b>\$</b>	<b>218.030.140</b>	<b>\$ 159.304.773</b>

As of December 31, 2021 and 2020, the variation corresponds mainly to the increase in the average contract price of \$269.11/ Kwh and \$213.43/Kwh, respectively.

- (a) XM S.A E.S. P presents an increase in the estimate of energy purchases on the stock exchange for the regulated market by \$46,623,676 originated mainly by the activation of demand after COVID 19, additionally there is an increase in the amount of energy purchased and in the average stock market price \$338.08/kWh and \$165.75/kWh, respectively.

## 17. Provisions

	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
<b>Provision of legal claims (1)</b>	<b>\$ 12.923.331</b>	<b>\$ 4.477.934</b>	<b>\$ 14.761.844</b>	<b>\$ 11.070.122</b>
Labour	2.185.616	889.143	4.694.871	3.133.894
Civil	10.737.715	3.588.791	10.066.973	7.936.228
Decommissioning, restoration costs and <b>rehabilitation (2)</b>	<b>10.673.882</b>	<b>12.775.024</b>	<b>7.555.701</b>	<b>11.743.984</b>
<b>Other provisions</b>	<b>20.014.503</b>	<b>20.919.460</b>	<b>15.596.540</b>	<b>33.775.479</b>
Other provisions	8.346.319	20.181.049	7.939.404	33.023.869
Provision for the Transitional Fund (3)	10.693.440	-	6.907.861	-
Provision for Tax Uncertainty (4)	493.650	-	459.594	162.961
Terminal Environmental Compensation (5)	286.219	-	-	-
Environmental Compensation First Street (6)	155.604	-	190.561	109.020
Environmental Compensation San José (7)	39.271	3.515	67.163	34.625
Environmental Compensation Share (8)	-	-	31.957	-
Environmental Compensation Portugal (9)	-	734.896	-	445.004
<b>Other provisions</b>	<b>\$ 43.611.716</b>	<b>\$ 38.172.418</b>	<b>\$ 37.914.085</b>	<b>\$ 56.589.585</b>
<b>Total provisions</b>				

- (1) As of December 31, 2021, the value of claims in claims to the Company for administrative, civil, labor litigation and constitutional actions amount to \$13,746,013,973 based on the assessment of the probability of success in the defense of these cases, \$17,401,265 (including financial update) has been provisioned to cover probable

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losses from these contingencies. Management estimates that the results of the lawsuits relating to the non-provisioned portion will be favorable to the interests of the Company and would not cause significant liabilities that must be accounted for or that, if they result, would not significantly affect the Financial Position of the Company.

Given the characteristics of the risks covered by these provisions, it is not possible to determine a reasonable timetable with payment dates.

(2) The value of claims for administrative, civil, labor and contractor litigation is detailed as follows:

Processes	Qualification	No. of processes	No of Processes (indeterminate amount)	Value of the contingency	Value of the Provision	VPN	Total Value
Civil	Probable	66	1	15.207.462	14.682.683	(356.178)	14.326.505
	Posible	168	93	203.889.579	-	-	-
	Remota	79	23	6.354.987.962	-	-	-
<b>Total civilians</b>		<b>313</b>	<b>117</b>	<b>\$ 6.574.085.003</b>	<b>\$ 14.682.683</b>	<b>\$ (356.178)</b>	<b>\$ 14.326.505</b>
Labour	Probable	42	0	3.199.295	3.158.305	(83.545)	3.074.760
	Posible	88	14	14.838.239	-	-	-
	Remota	8	0	1.064.120	-	-	-
Total labor		138	14	\$ 19.101.654	\$ 3.158.305	\$ (83.545)	\$ 3.074.760
<b>Total processes</b>		<b>451</b>	<b>131</b>	<b>\$ 6.593.186.657</b>	<b>\$ 17.840.988</b>	<b>\$ (439.723)</b>	<b>\$ 17.401.265</b>

(a) The value of the contingency corresponds to the amount that according to the experience of the lawyers is the best estimate to be paid if the judgment is against the Company. The provision is determined by the attorneys as the amount of loss in the event that failure may be likely; processes rated as probable are provisioned one hundred percent over the value of the actual contingency.

Below are the main processes that the Company has as of December 31, 2021 qualified as probable:

Processes	Start Year	Pretension	Object of the Trial	Current status and procedural situation
Isecoop Engineering and Services Cooperative	2012	2.916.000	Administrative-contractual	Favorable ruling of first and second instance for the Company, pending cancellation of the provision
Cooperative Of Work Asoc. Servicomtrec	2012	1.740.380	Administrative-contractual	In the office of the Magistrate in the Council of State
Dalia Mercedes Lasso	2009	1.037.000	Electrocution	The closing arguments were presented and he entered the Office for a first instance ruling.
Agueda Garzon De Rodriguez	2019	989.000	Electrocution	The Office is pending the date of Art. 372 CGP
Raul Ernesto Rodriguez	2015	700.000	Electrocution	It is in the evidentiary stage
Luis Humberto Hernandez and others	2016	508.691	Electrocution	It is in the evidentiary stage
Maria Elvira Diaz Arango	2010	500.000	Electrocution	April 16, 2021 to the Office to prepare a draft judgment
María Cecilia Guerrero Rodríguez and Others	2011	500.000	Electrocution	Judgment of second instance that modified and partially confirmed, and decreed the incident of regulation of damages
Hugo Roberto Pavón Rivera and Others	2013	500.000	Electrocution	Auto Sets Initial Hearing for April 4, 2022 at 10:00 am
Gilberto Garcia Lopez	2013	500.000	Workers' Compensation	The court's ruling was issued and sent to the high court on October 13, 2021. On November 23, 2021, an order was issued in which it was ordered to obey and comply with the decision of the superior and on January 19, 2022, the process was sent to the court of origin. To date, it has not yet reached the court to settle costs



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Processes	Start Year	Pretension	Object of the Trial	Current status and procedural situation
Visit Leonor Pedroza Gonzalez and others	2014	437.130	Electrocution	Pending the response of the court to the payments made by the Company on the occasion of the conviction.
Solangy Sanchez Bustos	2013	399.750	Electrocution	Pending setting date hearing of instruction and trial in court 3 CC of Bogotá D.C.
José Javier Jimenez and Others	2017	394.483	Electrocution	The process is finished and archived, pending cancellation of the provision.
Maria Rutby Acosta De Silgado	2013	387.714	Recognition and payment of conventional pension	Pending final ruling by Supreme Court of Justice
Lina Marcela Aguas Ramírez and Others	2019	382.000	Electrocution	Confirms judgment of second instance against the Company, pending the initiation of the payment process.
Maria Lucia Angola Zapata	2013	353.700	Electrocution	It is in the evidentiary stage, it is at the office to resolve an appeal against the decision that denied the previous exception formulated by the Company.
Felipe Rueda Posada	2015	300.000	Workers' Compensation	Pending to set a new date to carry out the continuation of the hearing referred to in Article 80 of the CPL, an opportunity in which the attendance of Dr. Daniel Barahona and Dr. Alberto Porras is peremptory.
Ladrillera San Miguel Arcángel	2015	300.000	Administrative-contractual	It is in the evidentiary stage
Yeir Antonio Benavides Ladino	1999	288.787	Electrocution	The Firm is hesitant to resolve the appeal filed by the Company against the judgment of first instance.
Manuela Mahecha and Others	2017	240.000	Damages to third parties	An executive process was initiated, within the same file.
Romulo Olaya Cifuentes	2018	238.422	Reinstatement/workers' compensation	Pending fixing of Article 77

Below are the main processes that the Company has as of December 31, 2020 qualified as probable:

Processes	Start Year	Pretension	Object of the Trial	Current status and procedural situation
Isecoop Engineering and Services Cooperative	2016	2.916.000	Administrative-contractual	In the office of the Magistrate in the Council of State
Henry Bernal Avila	2014	2.774.729	Reinstatement/workers' compensation	Process with unfavorable sentence
Cooperative Of Work Asoc. Servicomtre	2016	1.740.380	Administrative-contractual	In the office of the Magistrate in the Council of State
Dalia Mercedes Lasso	2016	1.037.000	Electrocution	It is in the evidentiary stage
Agueda Garzon De Rodriguez	2019	989.000	Electrocution	In recognition of legal personality to the new agent
Raul Ernesto Rodriguez	2016	700.000	Electrocution	It is in the evidentiary stage
Luis Humberto Hernandez and others	2016	508.691	Electrocution	It is in the evidentiary stage
Olga Josefina Nieto Avendaño	2012	500.000	Electrocution	In the office in the Administrative Court of Cundinamarca
Maria Elvira Diaz Arango	2011	500.000	Personal Injury	He is in the office in the Council of State
Hugo Roberto Pavon Rivera and others	2013	500.000	Electrocution	It is in the evidentiary stage
Maria Cecilia Guerrero Rodriguez and others	2012	500.000	Electrocution	Unfavourable first instance judgement, pending appeal
Elcy Marlen Ayala Anzola	2019	500.000	Recognition and payment of conventional pension	Process with favorable judgment
Gilberto Garcia Lopez	2014	500.000	Solidarity, wages and social benefits	Pending final ruling by Supreme Court of Justice
Yordy Alexander Rodriguez And Others	2018	500.000	Electrocution	He is on second-instance appeal.
Narda Ruth Botero	2014	444.000	Electrocution	Appeal to the Superior Court of Bogotá is pending
Visit Leonor Pedroza Gonzalez and others	2014	437.129	Electrocution	Pending to inform the Court of origin of the payment of the sentence

Processes	Start Year	Pretension	Object of the Trial	Current status and procedural situation
Luis Eduardo Sarmiento	2017	400.000	Recognition and payment of conventional pension	Final unfavorable ruling by the Supreme Court of Justice
Solangy Sanchez Bustos	2013	399.750	Electrocution	Pending date of hearing of investigation and trial
José Javier Jimenez and others	2017	394.483	Electrocution	Process with favorable judgment
Maria Rutby Acosta De Silgado	2016	387.714	Recognition and payment of conventional pension	Pending final ruling by Supreme Court of Justice
Luz Angela Alvarez Berrio	2011	356.785	Electrocution	In the office for judgment of second instance
Maria Lucia Angola Zapata	2016	353.700	Electrocution	It is in the evidentiary stage
Luis Antonio Quito Bernal	2016	353.700	Electrocution	Final first instance judgment
Edgar Reyes Gomez	2016	350.000	Reinstatement, payment of wages and social benefits	Process with unfavorable sentence
Hernando Serrano Tello	2013	300.000	Recognition and payment of conventional pension	Process with favorable judgment
Felipe Rueda Posada	2016	300.000	Reinstatement/ workers' compensation	Pending setting of procedural hearing and trial.
Ladrillera San Miguel Arcangel	2016	300.000	Administrative-contractual	It is in the evidentiary stage
Bogotá District	2014	956.450	Stratification	Second and final instance judgment awaited
Municipality of Agua De Dios	2017	272.971	Public lighting tax	In the office for first instance judgment
Municipality of Agua De Dios	2019	299.275	Public lighting tax	In scheduling of initial hearing of first instance.

(3) Taking into account that Colombia with Law 1196 of 2008 accepted the Stockholm Convention and that this fact was regulated with resolution of the Ministry of the Environment No. 222 of December 15, 2011, modified by resolution 1741 of 2016, the Company recognized the provision of disposal of transformers contaminated with PCBs (polychlorinated biphenyls) as of 2012 and has subsequently made the updates of the obligation taking into account changes in financial variables and main assumptions.

### Export of contaminated transformers

On November 11, 2014, the contract was signed with LITO S.A.S. that aimed to carry out the process of disposal of transformers contaminated with PCBs, prior authorization of the border transit permit by the ANLA (National Authority of Environmental Licenses). However, in 2015 the shipping company MAERSK was limited during the authorization period to carry out the agreed transport, taking into account the existence of the period of restrictions on the exclusive transport of food to Europe.

In order to generate efficiencies in costs and in the export of contaminated transformers, the Company implemented ultrasonic washing technology for the treatment of equipment contaminated with PCBs, which was endorsed by the Ministry of Environment and Sustainable Development on a large scale as a result of the pilot project carried out by the Company together with its collaborating company LITO S.A.S. In that order, in August 2016 the otherí No. 1 was signed to the contract, which included the activity of handling, packaging, loading, transport, treatment and final disposal of electrical equipment contaminated with oil-free PCBs using the ultrasound washing technique.

On September 9, 2016, the National Environmental Licensing Authority – ANLA – issued the permit for the transboundary movement of waste, which is why during the last quarter the decontamination of 164 equipment contaminated with PCBs with a weight equivalent to 65 tons was carried out through the new technology representing a saving of 31% of the cost compared to the traditional export alternative. Likewise, the export of 23 tons was carried out through the traditional export that due to their characteristics are not susceptible to being washed. The cost of export and washing during 2016 amounted to \$461,067.

During 2017, the Company carried out the washing of 4.7 tons of casings equivalent to a cost of \$ 17,256, however, no export was made in this period taking into account that the aforementioned contract ended its validity. In December, LITO S.A.S. was awarded the new contract for the provision of the service of "Handling, packaging, loading, transport, treatment and final disposal of waste contaminated with PCBs, for \$ 531,220 and a planned duration of 3 years. In accordance with the provisions of the preceding paragraph, the Company moved the export activities planned in 2017 to the following periods.

During 2018, the Company carried out the washing of casings for 21.92 tons at a cost of \$102,257 and 9.66 tons were exported for \$85,997, these activities were carried out with the LITO S.A.S. contract.

During 2019, the Company carried out the washing of casings for 32.81 tons at a cost of \$ 124,975, these activities were carried out with the LITO S.A.S. contract.

During 2020, the decontamination of 26.09 tons was carried out through the ultrasound technique implemented by the LITO S.A.S Company, with a cost of \$ 127,301.

During 2021, the company carried out the washing of 20.04 tons of metal casings through the ultrasonic washing technique implemented by the LITO S.A.S Company, with a cost of \$ 118,088 and the dechlorination process was carried out at 8,799 Kg of oil for \$ 78,570.

#### Inventory marking and sampling

On December 21, 2015, the contract 5600014180 was signed with the Company Colombia Multiservicios S.A. (hereinafter CAM) with a duration of 3 years and whose objective is to carry out the collection, manipulation, analysis and storage of samples and marking of equipment in general. On February 2, 2016, the marking and sampling activities of medium voltage equipment began.

At the beginning of 2016, the actual scales were updated after the award of this contract, generating an approximate impact of \$4,419 million pesos.

On April 26, 2016, the Energy Company of Bogotá signed the contract 5600014342 with a duration of 3 years that aims to inventory the Cundinamarca area, on September 5, 2016, the activities of marking and sampling of medium voltage equipment in the area in question began.

On November 2, 2017, the Company and CAM entered into a transaction agreement for each of the contracts in question that aimed to (i) perform early termination with an end date of July 31, 2017. (ii) recognize the cost overruns assumed by CAM in relation to the displacement of the crews, availability of the crews to provide the service, equipment among other concepts. The amount of the transaction contracts amounts to \$658,123 and \$282,463 on the contracts signed by the Company and EEC, respectively.

In 2018, the contract 8400124632 was signed with the company Ingelectrica S.A. whose objective is to mark and sample services of insulating fluid in equipment with oil content, sample handling and sample analysis for determination of polychlorinated biphenyls (PCBs) with a duration of 1 year. On July 27, 2018, the marking and sampling activities of medium voltage equipment began for \$101,593.

During 2019, activities associated with sampling and marking were carried out with Compañía Ingelétrica S.A for \$4,298,636.

During 2020, Otrosí is signed in which the contract is extended until September 27, 2021 and the amount of tolerance, the expenditures associated with sampling and marking with The Ingelétrica S.A. Company for \$ 7,130,959 is activated.

In 2021, a new contract was signed with the company CAM for the execution of lifting, marking and sampling activities of equipment with oil content. In July 2021, field work began and identification activities are being carried out for \$748,387.

As of December 31, 2021 and 2020, the value of projected undiscounted current flows is presented below:

Year	As of December 31, 2021	As of December 31, 2020
2021	\$ -	\$ 7,171.726
2022	10,673.882	6,616.556
2023	8,471.967	3,070.313
2024	4,738.013	2,304.318
	<u>\$ 23,883.862</u>	<u>\$ 19,162.913</u>

As of December 31, 2021 and 2020, the Company updated the provision by discounting future flows to net present value at a rate of 5.98% and 4.16% E.A. the most appropriate discount rate, the interest rates of government bonds (TES) that have maturities similar to those of the obligation are considered.

Additionally, during 2021 the provision presented important changes associated with the following (i) increase in activities to be executed in the PCB-MT Inventory, (ii) increase in costs of the activity due to contract change, (iii) inclusion of activities to be executed in the years 2022, 2023 and 2024 relating quantities of equipment to be identified in MT.

- (4) In 2020, the company recognized the provision of the Transition Fund, which aims to make staffing staff efficient in line with the Enel Group's investment plan in digitalization and automation worldwide in the company's different areas and lines of business. This implies identifying efficiencies to make replacement of profiles and having the necessary economic resources as part of the aforementioned strategy, which leverages the achievement of the objectives defined by the Company.

As of December 31, 2021, the provision was updated according to the change in flows between 2022 and 2027.

- (5) As of January 1, 2020, the Company applies IFRIC 23, "Uncertainties about the treatment of income taxes", which is taken into account for the determination of both current Income Tax and deferred Income Tax. This interpretation defines "uncertain impositive treatment" as the position adopted by an entity on the determination of Income Tax, in respect of which it is likely that the Tax Administration will not accept said position, whether or not it has been validated in the past by the aforementioned Administration.

In application of this interpretation, the Company has been carrying out the review of contracts concluded with foreign entities and compliance with requirements that must be taken into consideration.

(6) Environmental License Terminal Substation

By Resolution 00500 of February 13, 2020, the District Secretary of Environment granted the environmental license for the Terminal Substation and Associated Line project at 115 kV (attached file), which required a clarification requested by the Company through file 2020ER48888 on March 2, 2020; this clarification was answered under file 2020EE53326 by the SDA on March 9, 2020, date on which the obtaining of the environmental license granted for the project is firm. The environmental license granted under the aforementioned administrative act authorizes the construction, assembly, operation and dismantling of the Terminal Substation and Associated Line at 115 kV; it also imposes on the Company compliance with the obligations established in the Environmental Impact Study and the complementary information, in the Environmental Management Plan, the current environmental regulations, as well as the written obligations in Resolution 00500 of 2020.

Once the analysis has been carried out by the specialist staff of the UOAT, regarding the costs associated with the obligations contained in Resolution 00500 of 2020, the Environmental Management Plan of the project which establishes the actions and management measures to avoid, mitigate, correct and or compensate the environmental impacts derived from the project, as well as the Follow-up and Monitoring Program, it is determined that the implementation of management activities is required such as: complementation of the characterization of the Paraíso Bavaria neighborhood, Social dissemination activities and informative pieces, mobile office, fauna repelling elements, living barrier, Environmental Compliance Reports -ICA (annual), air quality monitoring (under construction), noise monitoring (at the beginning of operation), monitoring of electromagnetic fields (prior to entry into operation and annual), simulation of electromagnetic fields with JAL and talk, archaeological monitoring and payment for follow-up to the Authority District Secretary of Environment - SDA.

Since March 2020, the planning of the socializations of the project began, during that month due to the declaration of a state of national emergency due to COVID-19 and later to the mandatory isolation, social management had to be reconsidered towards a virtual model (remote connections and Webinar) and through written communications and social networks.

In accordance with the new virtual social management strategy, socialization meetings were held with the Local Action Board, the local Mayor's Office of Fontibón, the Chaneme company, the ESD, the Local Risk Management Council and other stakeholders in the area of direct and indirect influence of the project. In addition, the project's website was updated and contacts were made by written means with the community in the area of influence. Within the framework of virtual social management, tasks are carried out such as: informative pieces for socialization of the Terminal project, technical tables with local mayor's office and other actors, as well as people from the neighborhood, media work, study of electromagnetic fields and study of noise.

Additionally, in December 2020, the observation phase proposed by the contractor Yanhaas for the collection of socioeconomic information of the Paraíso Bavaria neighborhood was executed.

For its part, the license of archaeological intervention was processed before the Colombian Institute of Anthropology and History, through the firm CPA Ingeniería S.A.S. in charge of the implementation of the Archaeological Management Plan.

During the year 2020, the actions of the Environmental Management Plan and the Environmental License were complied with, in accordance with the real progress of the project.

During 2021, the addendum of the archaeological intervention license for archaeological monitoring was requested, obtaining the intervention authorization through the number 8658 of January 18, 2021 by the ICANH.

On April 24, 2021, the Environmental Compliance Report No. 1 was submitted to the SDA in compliance with Resolution 00500 of 2020, related to the Environmental License of the project "Terminal Substation and Associated Line at 115 kV" and whose file is SDA-07-2019-67.

On June 29, 2021, the request for a pronouncement regarding the application of the concept of minor change or normal adjustment within the ordinary course of the licensed activity based on paragraph 1 of article 29 of Decree 2041 of 2014 compiled in article 2.2.2.3.7.1 of Decree 1076 of 2015 for the Pocket Park project "Terminal Substation and Associated Line to 115 Kv", application approved by the SDA in this same year.

Through Resolution 0585 of April 29, 2021, the District Planning Secretary adopted the Implementation Plan for the Terminal Substation, located on Avenida Calle 17 No. 78 G 33/45 in the town of Fontibón.

During 2021, the initial socializations were carried out with the different actors of the area of influence, extraordinary meetings and attention to Petitions, complaints and claims; the actions of the Environmental Management Plan and the Environmental License were complied with, in accordance with the real progress of the project.

#### (7) Environmental license Substation Calle Primera:

On December 15, 2020, the District Secretary of environment granted the Company the Environmental License for the Construction of the Calle Primera Substation and its 115 Kv Transmission Line, through Resolution 2745 for the useful life of the project, however, when it requires or must begin its dismantling and abandonment phase, The Company shall comply with the provisions of article 2.2.2.3.9.2. of Decree 1076 of 2015, or the norm that modifies or replaces it.

The Substation will be located in Locality 15 of Antonio Nariño, UPZ 38 Restrepo, between first street and first street south, and between carrera 14 b and carrera 16, San Antonio neighborhood, on 2576 meters above sea level.

This project consists of the design, construction and commissioning of a new substation, with a capacity of 80 million voltamperes (MVA), as well as its transmission lines, to guarantee the energy service for more than 206,000 inhabitants of the center of Bogotá.

The new Calle Primera Substation will have two transformers of 40 MVA each, an underground high voltage line, 16 medium voltage circuits, and equipment and technology for support, monitoring, safety and security, which will be imported from various countries.

Likewise, it will be completely automated and remotely controlled, which means that its operation is remote and from a control center, and will allow it to have a better response in times of contingency. The automation systems and power equipment will be with state-of-the-art technology and will meet the highest international standards.

During construction, the wastewater generated will be managed through third parties that have the environmental permits granted by the competent environmental authority; on the other hand, during the operation of the substation the disposal of the wastewater will be carried out through the connection to the sewerage network, and the rainwater management will be carried out through channels located around the substation.

Likewise, no logging activities will be carried out on the isolated trees present in the area of influence of the project or on the land where the substation will be located, therefore, no permit is required for forest use.

Among the most relevant obligations that were defined in the Environmental License granted by Resolution 2745, are:

- a. Establish and implement an information and participation program with local authorities and the population of the area of influence of the project about the license obtained, the established management plan, job opportunities for unskilled labor and the mechanisms for the reception and processing of IPQR.



- b. Perform noise monitoring prior to the start of the construction activities of the project, in order to establish the noise levels present in the area and monthly monitoring during the construction stage of the substation.
- c. Carry out an electromagnetic radiation monitoring two months after the substation enters into operation and subsequently carry out an annual monitoring, during the useful life of the project, in order to guarantee that these radiations will not exceed the limits considered by the WHO and may affect the population surrounding the project, and perform electromagnetic radiation monitoring one year after the start of substation operations.
- d. The Company must guarantee the integral management and management of hazardous waste or waste, update its comprehensive management plan for hazardous waste or waste, train prior to the start of the project activities the personnel in charge of the management and management of waste or hazardous waste, and subsequently on a quarterly basis.
- e. Have an updated contingency plan to attend to any accident or eventuality that arises and have personnel prepared for its implementation, as well as take all preventive or control measures prior to the cessation, closure, closure or dismantling of its activity in order to avoid any episode of contamination that may represent a risk to health and the environment, related to your waste or hazardous waste.
- f. Manage the services of storage, use, recovery, treatment and / or final disposal, with facilities that have the licenses, permits, authorizations or other instruments of management and environmental control that may be applicable, in accordance with current environmental regulations and other obligations as a generator of hazardous waste (RESPEL) contemplated in article 2.2.6.1.3.1 of Decree 1076 of 2015.
- g. The Company must adapt a site for the storage of non-hazardous waste independently to the storage of hazardous waste, carry out its periodic maintenance and may not store waste in public space.

Likewise, the Company must strictly comply with all environmental management measures formulated in the Environmental Impact Study, in the follow-up and monitoring program, risk management plan and the dismantling, abandonment and final restoration program.

On April 30, 2021, the ICA Environmental Compliance report was filed with the District Secretary of the Environment.

On October 25, 2021, the construction of the Calle Primera substation began, and during the remainder of 2021, the commitments established in the Environmental Management Plan - PMA and the environmental license of the project were met; among which are: induction activities, training and training of personnel linked to the project, permanent communication with the community through the mobile office, periodic noise monitoring, socialization of social actors in the area of influence of the project.

#### (8) San José Substation Environmental License

On July 29, 2020, through Resolution No. 01502, the District Secretary of Environment granted the environmental license for the San Jose project in which it resolves: "To grant an Environmental License to the Company to develop the project called: Conversion of the San Jose Substation 57.5 kV to 115 kV and Associated Lines, to be developed on Calle 11 between Carrera 19<sup>a</sup> Bis and Carrera 20, Barrio La Sabana, locality of the Martyrs of Bogotá". Once analyzed by the specialist staff of the UOAT, regarding the associated costs, the implementation of activities such as: Informative pieces, social dissemination activities, Environmental Compliance Reports -ICA (annual), air quality monitoring (under construction), noise monitoring (at the beginning of operation), monitoring of electromagnetic fields (prior to entry into operation and annual - for the useful life of the project), talks on electromagnetic fields and payment for follow-up to the environmental authority that for the case is the District Secretary of Environment - SDA.

Work tables were held to define the comprehensive socialization plan of the project aligned with the requirements of the environmental license and taking into account the restrictions imposed by the government due to COVID19, the drafts of the different communicative pieces were elaborated and the presentations were designed to socialize the project with the communities and different interest groups. They start socialization meetings virtually with the community of the area of influence and local mayor of Los Mártires.

During 2021, the obligations established in Resolution No. 01502 of July 29, 2020 were complied with and the activities established in the environmental management plan were developed. air quality and noise monitoring was carried out during the construction stage, whose monitoring results were favorable for the project being below the permissible limits according to current environmental regulations.

On May 25, 2021, he held the socialization day of the start of modernization works of the high voltage lines for which informative pieces were made through door-to-door messaging in order to guarantee the support of the reception of the invitation.

The ICA environmental report was made in compliance with the obligations established in the environmental license, this report was filed on July 1, 2021 with the District Secretary of Environment – SDA.

#### (9) Environmental License Substation Share

It corresponds to compensations included in Resolution 0255 of February 2018 of the Regional Autonomous Corporation of Cundinamarca (CAR), where the environmental license is granted for the construction of the 115 kV Compartir substation and connection modules located in the municipality of Soacha and environmental obligations such as waste management are fixed, wildlife management, forest use and social programs.

The Company presented a plan of activities and actions to comply with the necessary actions that aim to prevent, mitigate, control and correct the impacts generated by the construction of the Compartir substation. As well as a monitoring plan in order to evaluate the effectiveness of said plan detailed in resolution 0255 of 2018.

This resolution imposes on The Company a compensatory measure for the protection of the wetlands of the municipality of Soacha, the acquisition of an excavator machine and the realization of the planting of native trees. The Company made a detail of all the requested activities and made an internal valuation of the amounts necessary for each activity which generated an initial provision amount registered in March 2018 for \$ 1,457,089.

During 2018, the commitments established within the framework of the Environmental Management Plan were met. It should be noted that during 2018 two days of voluntary planting and four days of beautification of gardens of residential complexes located in the municipality of Soacha were carried out, starting the project of shared value called "Reforestando Soacha". Likewise, various social dissemination activities, training in electromagnetic fields, and noise modeling were carried out. The delivery of the machine to the CAR for the protection and recovery and recovery of the wetlands was carried out in February 2019, a commitment included in the Environmental License.

During 2019, the installation of 300 flight diverters was carried out on the 115 kV transmission line, air quality monitoring, four (4) electromagnetic field talks to the community of the project's area of influence, complying with the commitments established in the Environmental Management Plan and Environmental License of the Compartir project.

Additionally, two days of voluntary planting and four days of beautification of gardens of residential complexes located in the municipality of Soacha were carried out, starting the project of shared value called "Reforestando Soacha".

During the year 2020, the commitments established in the Environmental Management Plan – PMA and the environmental license of the project were fulfilled according to the constructive activities of the substation; within the framework of this compliance, the Programme for the Education and Training of Personnel Linked to the Project (Socio-Economic Component) and training for related personnel was advanced. In addition, socializations of the project, the Traffic Management Plan, road intervention of civil works and intervention of the public space were carried out to the interest groups in the area of direct influence of the project.

Archaeological monitoring was also carried out in construction activities that required land removal.

The second Environmental Compliance Report was prepared and filed with the CAR on April 15, 2020. In this report, the activities of the period from October 1, 2019 to February 29, 2020 were reported, taking into account the provisions of the technical visit carried out by the CAR on October 17, 2019, to date no observations have been received from the Environmental Authority.

Steps were taken before the CAR to obtain a statement on the proposed area presented by the Company (biological corridor sector of the Neuta Tierra Blanca wetland), within the framework of the compensation activities for authorized forest use. As a result of this management, the CAR gave the endorsement to the Company. to carry out the compensation activities in the proposed area indicating that this area is located in an area of environmental importance, with an impact on the middle basin of the Bogotá River, and also has the approval of the Mayor's Office of Soacha. For the development of the establishment, the CAR document called "Tierra Blanca Wetland Rehabilitation Plan" was taken as a reference, in which the species chosen to carry out the rehabilitation and recovery of the wetland were described, and models applicable in the planting were established, which were carried out in the third quarter of 2020.

The Company carried out the planting and reforestation of more than 1,100 trees, in one hectare of the sector of the biological corridor of the Neuta - Tierra Blanca Wetland, located in the municipality of Soacha. The activity, which was coordinated by municipal and environmental authorities, was part of the compensation measure developed by the Company, within the framework of the Environmental License for the construction of this electrical substation and its associated connection lines. The reforestation in this area of the wetland, constitutes a transcendental action, since it will provide plant rehabilitation, protection of the environment, beautification of the environment and will contribute to the recovery of the flora and fauna of this ecosystem, so that it is self-sustainable.

During the year 2021, maintenance activities were carried out for the trees planted in the sector of the biological corridor of the Neuta - Tierra Blanca Wetland, located in the municipality of Soacha.

(10) Environmental license Substation Portugal:

Corresponds to the obligations of the administrative act of Resolution No. 02182 of August 2019 issued by the District Secretary of Environment - Bogotá, where an Environmental License is granted to develop the project called: "Portugal Substation, 115 kV transmission line and its connection modules", which imposes compliance with the obligations established in the Environmental Management Plan of the Environmental Impact Study, as well as compliance with current environmental regulations.

During the year 2020, training activities were carried out for the personnel working on the project, to comply with what is described in the environmental management plans and programs of each of the activities that were developed during the project and of the mandatory compliance.

Compliance was given to the implementation of the Environmental Management Plan as established in the environmental license of the project within the framework of the development of the constructive activities of the substation and the transmission line. The ICA Environmental Compliance report was filed with the District Secretary of environment on April 30, 2020, as contemplated in the Environmental License. Twenty (20) flight diverters are installed on the 115 kV transmission line of the project, an activity that responds to the actions proposed in the Environmental Management Plan to avoid affecting the avifauna of the project area.

In compliance with the provisions of Resolution No. 02182 of 2019 issued by the District Secretary of Environment - SDA -, during the year 2021 the second Environmental Compliance Report was prepared and filed. In this report, the activities of the period from March 1 to December 31, 2020 were reported, to date no observations have been received from the Environmental Authority.

In August 2021, the National University of Colombia carried out the verification of RETIE compliance in the levels of electric and magnetic fields, as well as carried out acoustic noise monitoring, in both cases for both the Substation and the line associated with the project.

The movement of provisions between 1 January 2021 and 31 December 2021 is as follows:

	Provision of legal claims	Decommissioning, restoration and rehabilitation costs	Provision for the Transition Fund	Provision for Tax Uncertainty	Environmental Provisions	Other	Total
<b>Opening balance as of 1-01-2020</b>	<b>\$ 38.181.716</b>	<b>\$ 20.736.127</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 344.628</b>	<b>\$ 613.062</b>	<b>\$ 59.875.533</b>
Increase (Decrease)	9.822.897	7.081.748	40.963.273	6.907.861	991.245	(168.058)	65.598.966
Provision used	(3.467.000)	(7.459.063)	-	-	(258.606)	-	(11.184.669)
Financial effect update	(1.702.211)	(540.778)	-	-	3.754	-	(2.239.235)
Recoveries	(17.003.436)	(518.349)	-	-	(25.140)	-	(17.546.925)
<b>Total movements in provisions</b>	<b>(12.349.750)</b>	<b>(1.436.442)</b>	<b>40.963.273</b>	<b>6.907.861</b>	<b>711.253</b>	<b>(168.058)</b>	<b>34.628.137</b>
<b>Final balance as of 31-12-2020</b>	<b>\$ 25.831.966</b>	<b>\$ 19.299.685</b>	<b>\$ 40.963.273</b>	<b>\$ 6.907.861</b>	<b>\$ 1.055.881</b>	<b>\$ 445.004</b>	<b>\$ 94.503.670</b>
Increase (Decrease)	3.110.230	5.563.117	(4.933.373)	3.785.579	250.362	289.892	8.065.807
Provision used	(5.504.959)	(1.471.860)	(7.996.372)	-	(334.287)	-	(15.307.478)
Financial effect update	395.586	57.964	493.840	-	6.303	-	953.693
Recoveries (a)	(6.431.558)	-	-	-	-	-	(6.431.558)
<b>Total movements in provisions</b>	<b>(8.430.701)</b>	<b>4.149.221</b>	<b>(12.435.905)</b>	<b>3.785.579</b>	<b>(77.622)</b>	<b>289.892</b>	<b>(12.719.536)</b>
<b>Final balance as of 31-12-2021</b>	<b>\$ 17.401.265</b>	<b>\$ 23.448.906</b>	<b>\$ 28.527.368</b>	<b>\$ 10.693.440</b>	<b>\$ 978.259</b>	<b>\$ 734.896</b>	<b>\$ 81.784.134</b>

(a) It corresponds to recoveries of litigation provisions for changes in the procedural situation and eventual conviction or termination of processes for the issuance of sentences.

Below is the 2021 movement of the provision and recoveries of legal claims, which mainly corresponds to

Process Type	Plaintiff	Subject-matter of the application	Value
Labour	Clara Stela Triviño Sanchez	Workers' Compensation	500.000
Labour	Victor Julio Jiménez Lopez	Retirement pension	480.000
Civil	Lina Marcela Aguas Ramirez and Others	Electrocution	382.000
Labour	Henry Bernal Avila	Reinstatement/workers' compensation	307.131
Civil	Strukto SAS Group / Investments TCL SAS	Damages to third parties	300.000
Labour	Arturo Montoya, Blanca Paniagua, Carlos Julio Orozco	Workers' Compensation	250.000
Civil	Luis Alberto Fernandez Quiche	Electrocution	243.000
Civil	Fernando Antonio Romero Prieto	Damages to third parties	200.000
Labour	Ana Delia Arandia Cardenas and Others	Workers' Compensation	100.000
Civil	José Serrato Malaver, Angie Johana Serrato and María Consuelo Pérez	Electrocution	(96.307)
Civil	Juan Rafael Restrepo Bello	Damages to third parties	(100.000)
Civil	Jose Over Marulanda Velasquez	Electrocution	(110.000)
Civil	Jesus Antonio Romero Benavides	Damages to third parties	(130.000)
Civil	Hermencia Holguín Alvarez	Electrocution	(145.000)
Labour	Jorge Arturo Suarez Carrero	Recognition and payment of conventional pension	(156.382)
Civil	Strukto SAS Group / Investments TCL SAS	Administrative-contractual	(210.000)
Labour	Hernando Serrano Tello	Recognition and payment of conventional pension	(300.000)
Civil	Luis Antonio Quito Bernal	Electrocution	(353.700)
Civil	Luz Angela Alvarez Berrio	Electrocution	(356.786)
Labour	Luis Eduardo Sarmiento	Recognition and payment of conventional pension	(390.000)
Civil	Narda Ruth Botero	Electrocution	(444.000)
Civil	Olga Josefina Nieto Avendaño	Electrocution	(500.000)
Labour	Elcy Marlen Ayala Anzola	Recognition and payment of conventional pension	(500.000)
Fiscal	Water of God (Tax authority)	Public lighting tax	(1.107.298)

## 18. Taxes payable

### Income tax

Income tax is presented below:

	As of December 31 Feb 2021	As of December 31 Feb 2020
Current income tax (1)	\$ 468.977.805	\$ 446.514.157
Withholdings and self-retention	(176.312.188)	(157.573.518)
Other self-retentions	(103.033.498)	(91.971.166)
Rent advance	(38.866.179)	(22.368.761)
Tax discount (2)	(86.700.987)	(36.947.046)
Balance of income liabilities for the previous year	1.436.009	-
<b>\$</b>	<b>65.500.962</b>	<b>\$ 137.653.666</b>

(1) The current income tax liability payable is composed of:

	As of December 31 Feb 2021	As of December 31 Feb 2020
Taxes on profits relating to the result of the period (See note 30)	\$ 423.951.328	\$ 413.875.876
Taxes on profits relating to components of another comprehensive result (See paragraph 1 Note 32)	2.417.471	(442.430)
Tax discount for investment in science and technology	6.628.135	323.143
Tax discount Industry and Commerce Tax	35.754.137	32.122.568
Tax discount for donation	226.734	635.000
<b>\$</b>	<b>468.977.805</b>	<b>\$ 446.514.157</b>

**Codensa S.A. E.S.P.**  
**Separate Financial Statements**  
(In thousands of pesos)

As of December 31, 2021, the tax discount for payment of the Industry and Commerce Tax corresponds to \$35,754,137 in accordance with article 115 of the Tax Statute, for investments made in science and technology equivalent to \$6,628,135, for donations \$226,734 and discount for the acquisition of real productive fixed assets \$44,091,981.

As of December 31, 2020, the tax discount for payment of the Industry and Commerce Tax corresponds to \$32,122,568 in accordance with article 115 of the Tax Statute, for investments made in science and technology equivalent to \$323,142, for donations \$635,000 and the discount for the acquisition of real productive fixed assets \$3,866,335 in accordance with article 258-1 of the Tax Statute.

The tax returns for the taxable years 2016, 2017, 2018, 2019 and 2020 are open for review by the tax authorities, as well as the income for the CREE equity of 2016. However, in the opinion of management, in the event that an audit process occurs, no significant differences are expected.

The provision for income tax is calculated at the prevailing rate. For the taxable year 2021 the rate is 31%, by the causation method and is determined based on the commercial profit purified in accordance with current tax regulations.

The effective rate as of December 31, 2021 was 29.02% and as of December 31, 2020 it was 30.03%. The change in the effective rate was mainly caused by the following factors:

- The effective rate as of December 31, 2021 is lower than December 31, 2020 due to the decrease in the nominal rate by 1 point (31% for 2021 and 32% for 2020) according to the Growth Law.
- The application of a tax discount for the payment of the industry and commerce tax, for investments in science and technology projects; and
- Use of tax benefits included in the 2020 Income Tax return (filed in May 2021).

The main conciliatory items between profit before tax and taxable net income are:

Concept	From January 1 to December 31, 2021	From January 1 to December 31, 2020
<b>Accounting profit before income tax</b>	<b>\$ 1.383.991.224</b>	<b>\$ 1.204.056.000</b>
<b>Items that increase net income</b>		
Non-deductible expenses (1)	34.146.347	37.518.726
Non-deductible provisions (2)	(30.826.729)	62.404.148
Contribution to financial transactions	9.685.952	9.196.788
Other items that increase net income	8.906.472	(1.495.118)
Non-deductible taxes (3)	75.394.633	66.202.492
Alleged interests	12.089	34.397
<b>Total items that increase net income</b>	<b>97.318.764</b>	<b>173.861.433</b>
<b>Items that decrease net income</b>		
Depreciation and tax depreciation (4)	46.669.920	30.580.319
Loss due to new defined benefit plan measurements	5.172.187	(9.100.444)
Special deductions	-	(3.590.751)
Deductions for hiring disabled people	(174.035)	(157.790)
Other items that decrease liquid income	(19.920)	(262.175)
Untaxed income (5)	(20.747.645)	(53.411)
<b>Total items that decrease liquid income</b>	<b>30.900.509</b>	<b>17.415.748</b>
<b>Taxable net income</b>	<b>1.512.210.497</b>	<b>1.395.333.181</b>
<b>Presumptive Income Investor Codensa</b>		
Income tax rate	31,00%	32,00%
<b>Income tax</b>	<b>468.785.254</b>	<b>446.506.618</b>
Occasional earnings	1.925.513	75.386
Occasional income tax rate	10,00%	10,00%
<b>Occasional income tax</b>	<b>192.551</b>	<b>7.539</b>



Concept	From January 1 to December 31, 2021	From January 1 to December 31, 2020
<b>Total income tax and complementary taxes</b>	<b>\$ 468.977.805</b>	<b>\$ 446.514.157</b>

- (1) As of December 31, 2021 and 2020, the variation corresponds mainly to the recognition of non-deductible expenses of the collaboration contract with Colpatria "Open Book" \$5,258,349 and \$20,947,983, non-deductible expenses for temporary rents employed \$5,459,131 and \$0, to loan forgiveness for \$1,366,795 and \$2,952,197, non-causal expenses of \$10,964,811 and \$0, non-deductible expense of donations for \$978,939 and \$2,540,000, non-deductible expenses for contracts with foreign suppliers without tax requirements \$2,844,773 and \$5,340,386, contingency for contracts entered into with foreign entities \$2,302,258 and \$2,679,173, others for \$4,971,291 and \$3,058,987.
- (2) The variation corresponds to the reversal of provisions of costs, expenses and labor.
- (3) It corresponds to the non-deductibility of the expense for the tax of industry and commerce.
- (4) It corresponds to the difference between the tax and accounting depreciation of fixed assets.
- (5) It corresponds to the valuation by method of participation of Enel X and Bogotá ZE.

### Reconciliation of assets

	As of December 31, 2021	As of December 31, 2020
Accounting assets	\$ 3.251.234.875	\$ 3.397.408.848
Estimated liabilities	241.933.903	289.918.092
Tax adjustment to assets	(245.139.436)	(263.817.295)
Provision of debtors	97.887.807	96.499.822
Other	(16.899.654)	5.944.189
Monetary correction	(1.127.698)	(1.202.877)
Deferred tax credit (debit)	(15.622.964)	(38.326.064)
<b>Tax assets</b>	<b>\$ 3.312.266.833</b>	<b>\$ 3.486.424.714</b>

### Transfer Pricing

Income tax taxpayers who enter into transactions with economic partners or related parties from abroad, are obliged to determine, for income tax purposes, their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, considering for these operations the prices and profit margins that would have been used in comparable operations with independent entities. The formal duties of the year 2020 that are presented to the DIAN were duly transmitted on September 8, 2021.

The transactions made during 2021 have been validated by tax advisors.

For the income of the taxable year 2020 there were no adjustments for any of the transactions with economic ties, also for the year 2021, taking into account that the transactions to be carried out are validated before the signing of each contract, no significant changes are anticipated in relation to that of the previous year.

The supporting and informative documentation for the taxable year 2021 will be presented in 2022 in the terms established by law.

### 19. Provisions for employee benefits

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Social benefits and social security contributions (1)	\$ 41.849.128	\$ 938.477	\$ 44.376.596	\$ 1.274.273
Post-employment defined benefit obligations and long term (2)	25.546.039	249.882.030	25.889.568	304.645.419
	<b>\$ 67.395.167</b>	<b>\$ 250.820.507</b>	<b>\$ 70.266.164</b>	<b>\$ 305.919.692</b>

(1) As of December 31, 2021 and 2020, it corresponds mainly to bonuses \$16,790,956 and \$20,986,031, vacations and vacation premium \$8,370,065 and \$10,850,366. Likewise, the Company makes periodic contributions of law for severance and comprehensive social security: health, occupational risks and pensions, to the respective private funds and to Colpensiones that assume these obligations in their entirety. As of December 31, 2021 and 2020, social security and parafiscal contributions amount to \$6,797,283 and \$6,035,763, and severance payments and severance interest \$8,424,858 and \$7,710,329, respectively.

#### *Contributions of Law*

The Company makes periodic contributions for severance and comprehensive social security: health, occupational risks and pensions, to the respective private funds and to Colpensiones that assume these obligations in their entirety.

(2) The Company grants different defined benefit plans; post-employment obligations and long-term benefits to its active or retired workers; in accordance with the fulfillment of previously defined requirements, which refer to:

#### *Retirement pensions.*

The Company has a defined benefit pension plan on which it does not present specific assets, except for the own resources originated in the development of its operational activity. Benefit pension plans set the amount of pension benefit an employee will receive upon retirement, which usually depends on one or more factors, such as the employee's age, years of service, and compensation.

The liability recognized in the separate statement of financial position, in respect of defined benefit pension plans, is the present value of the defined benefit obligation at the date of the separate statement of financial position, together with adjustments for unrecognized actuarial gains or losses. The defined benefit obligation is calculated by independent actuaries using the projected unit of credit method.

The present value of the defined profit obligation is determined by discounting the estimated cash outflows using the interest rates calculated from the yield curve of the Public Debt Securities of the Government of Colombia (TES) denominated in units of real value (UVR) that have terms that approximate the terms of the pension obligation until maturity.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to equity in the other comprehensive result, in the period in which they arise.

The base of pensioners on which the recognition of this benefit is made corresponds to:

Concept	As of December 31, 2021	As of December 31, 2020
Pensioners	1.145	1.170
Average age	69,4	69,2

#### *Other post-employment obligations*

##### *Benefits for pensioners*

The Company grants the following benefits to its retired employees by pension: (i) Educational assistance, (ii) Energy assistance, and (iii) Health aid in accordance with the provisions of the collective labor agreement.

The right to the aforementioned benefits is usually given to the independent employee who has worked until retirement age. The expected costs of these benefits accrue during the period of employment using a methodology similar to that of defined benefit plans. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to other comprehensive results in the period in which they arise. These obligations are valued annually by qualified independent actuaries.

The base of pensioners on which the recognition of this benefit is made corresponds to:

	As of December 31, 2021	As of December 31, 2020
<b>Educational assistance</b>		
Pensioners	96	112
Average age	19.5	19
<b>Energy aid</b>		
Pensioners	937	971
Average age	69.4	68,6
<b>Health aid</b>		
Pensioners	1.070	1.176
Average age	70.5	69,0

#### *Retroactive severance*

Retroactive severances, considered as post-employment benefits, are paid to those workers belonging to the labor regime prior to Law 50 of 1990 and who did not take advantage of the change of regime. This social benefit is paid for all the time worked based on the last salary earned and is paid regardless of whether the employee is fired or retires. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to the other comprehensive result.

The base of employees on whom the recognition of this obligation is made corresponds to:

Concept	As of December 31, 2021	As of December 31, 2020
Employees	59	68
Average age	56,2	54,9
Antiquity	30,5	28,6

#### *Long-term benefits*

The Company recognizes its active employees, benefits associated with their time of service, such as the five-year periods, which consists of making a payment for every 5 years of uninterrupted service to workers whose date of hiring was made before September 21, 2005 and those workers who were working in the EEC and accrues from the second year, as defined in the collective labour agreement.

The expected costs of these benefits accrue during the period of employment, using a methodology similar to that used for defined benefit plans. Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to the outcome of the period in which they arise. These obligations are valued by qualified independent actuaries.

The base of employees on whom the recognition of this obligation is made corresponds to:

Concept	As of December 31, 2021	As of December 31, 2020
Employees	121	159
Average Age	52,5	52,8
Antiquity	25,1	25,9

As of December 31, 2021 and 2020, the actuarial calculation of post-employment benefits was made by the firm AON Hewitt Mexico, which used the following set of hypotheses:

**Codensa S.A. E.S.P.**  
**Separate Financial Statements**  
(In thousands of pesos)

Financial assumptions:

Type of rate	As of December 31 Feb 2021	As of December 31 Feb 2020
Discount rate	6.94%	5.74%
Rate of salary increase (active staff)	4.95%	4.85%
Rate of Increase to Pensions	3.90%	3.80%
Estimated inflation	3.90%	3.80%
Inflation medical service	8.00%	8.00%

Demographic hypotheses:

Biometric base	
Mortality rate	Colombian table of mortality 2008 (Valid rentiers)
Invalid mortality rate	Enel internal table
Total and permanent disability	EISS
Rotation	Enel internal table
Retreat	
	Men: 62
	Women: 57

The movement of defined benefit obligations as of December 31, 2021 is as follows:

	Retired Staff		Active Personnel		Other	
	Pension	Proceeds	Retroactive severance	Five-year periods	Retirement Plan	Defined Benefit Plan
<b>Opening balance January 01, 2020</b>	<b>\$ 252.392.222</b>	<b>\$ 68.885.833</b>	<b>\$ 3.889.881</b>	<b>\$ 6.104.552</b>	<b>\$ -</b>	<b>\$ 331.272.488</b>
Cost of Running Service	-	-	143.474	258.895	-	402.369
Cost per Interest	14.149.854	3.892.163	220.235	330.104	-	18.592.356
Paid Contributions	(21.958.716)	(3.457.065)	(457.278)	(1.190.717)	-	(27.063.776)
(Gains) actuarial losses arising from changes in financial assumptions	691.854	69.342	17.308	5.257	-	783.761
(Gains) actuarial losses arising from changes in experience adjustments	4.569.728	1.328.305	256.891	392.865	-	6.547.789
<b>Final balance as of December 31, 2020</b>	<b>\$ 249.844.942</b>	<b>\$ 70.718.578</b>	<b>\$ 4.070.511</b>	<b>\$ 5.900.956</b>	<b>\$ -</b>	<b>\$ 330.534.987</b>
Cost of Running Service	-	-	141.521	240.344	-	381.865
Cost per Interest	13.859.601	3.927.451	227.507	313.580	-	18.328.139
Paid Contributions	(19.950.704)	(3.711.321)	(467.674)	(405.573)	-	(24.535.272)
Actuarial gains arising from changes in financial assumptions	(23.480.727)	(7.466.440)	(131.402)	(227.646)	-	(31.306.215)
Actuarial gains arising from changes in experience adjustments	(18.000.042)	(3.346.757)	(643.603)	(648.999)	-	(22.639.401)
Termination Benefits	-	-	-	-	4.663.966	4.663.966
<b>Final balance as of December 31, 2021</b>	<b>\$ 202.273.070</b>	<b>\$ 60.121.511</b>	<b>\$ 3.196.860</b>	<b>\$ 5.172.662</b>	<b>\$ 4.663.966</b>	<b>\$ 275.428.069</b>

- (a) Complying with the provisions of article 4 of Decree 2131 of 2016 that allows the application of IAS 19 for the determination of the liability of post-employment benefits for future retirement pensions, additionally requiring the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 that takes up what was proposed in Decree 2783 of 2001; we have to apply these parameters to December 31, 2021 and 2020, the liability of post-employment benefits for future retirement pensions amounts to \$169,841,664 and \$183,266,974, respectively. The sensitivity in question was made by the firm Aon Hewitt Mexico, which used the following set of hypotheses:

Type of rate	As of December 31 Feb 2021	As of December 31 Feb 2020
Discount rate	7.53%	8.62%
Technical interest	4.80%	4.80%
Estimated inflation	2.60%	3.64%

The following table shows the behavior in the present value of the obligation for each of the defined benefits, in relation to the percentage change in 100 basis points above or below the discount rate used for the current calculation.

*As of December 31, 2021:*

Change in discount rate	Retired staff		Active personnel		Other		Defined Benefit Plan
	Pension	Proceeds	Retroactive severance	Five-year periods	Plan of Retreat		
- 100 basis points	\$ 227609.011	\$ 66.414.665	\$ 3.309.072	\$ 5.378.912	\$ 4.742.772		\$ 307454.432
+ 100 basis points	\$ 184.803.990	\$ 55.016.580	\$ 2.958.714	\$ 4.980.485	\$ 4.588.032		\$ 252.347.801

*As of December 31, 2020:*

Change in discount rate	Retired staff		Active personnel		Defined Benefit Plan	
	Pension	Proceeds	Retroactive severance	Five-year periods		
- 100 basis points	\$ 281.443.583	\$ 79.214.943	\$ 4.323.371	\$ 6.159.282		\$ 371.141.179
+ 100 basis points	\$ 223.697.936	\$ 64.295.853	\$ 3.839.073	\$ 5.662.228		\$ 297.495.090

## Collective Agreements

### *Collective Labour Agreement Codensa – SINTRAIECOL*

On November 12, 2019, a new Collective Labor Agreement was signed between the union organization Sintraiecol and the Company, which will be valid until December 31, 2022 and with it the existing collective conflict between the parties was closed. With this convention, the conventional texts of the Company are unified, being applicable to all employees and personnel from the defunct Cundinamarca Energy Company (EEC).

### *Collective Bargaining Codensa – ASIEB*

Presented the statement of demand by ASIEB to the Company on December 30, 2019, the stage of direct settlement between the representatives of the Company and the representatives of the union organization began in accordance with the terms of the law, a stage that was extended by common agreement between the parties on March 9, 2020 for an additional 20 calendar days that were suspended until the 31st of August 2020 due to the mobility restrictions caused by the economic and/or health emergency that was decreed in the country as a result of the COVID-19 pandemic. Considering that these circumstances would not be easily overcome, the talks between the parties were reactivated virtually between September 1 and 16, 2020, a stage that ended without any agreement between the parties.

Taking into account the above, and considering the impossibility of advancing a strike because it is an essential public service, we proceeded to request the constitution of the Arbitration Tribunal that has already issued the corresponding arbitration award. Against it, both the company and the union filed the corresponding annulment appeal, which was granted by the Court and has already been filed, distributed, admitted by the Supreme Court of Justice – Labor Cassation Chamber and is pending that the parties be transferred to present opposition to the annulment appeals and thus continue with the process that will culminate with the sentence that ends the conflict.



*Collective Bargaining - NETWORKS*

Since 2013, the trade union organization REDES has submitted a list of demands to the company with a view to obtaining a collective agreement that would regulate relations with its members.

At that time the process was not advanced based on concepts issued by the Ministry of Labor on the bargaining unit, however, and despite this, after some working tables negotiations began, which ended without agreement between the parties.

After that, and before the request to convene the respective Arbitration Tribunal to put an end to the conflict, a new debate was initiated before the Ministry of Labor on how to proceed, This procedure ended by ordering, by the Ministry of Labor, the constitution of the Arbitration Tribunal, which has already issued an arbitration award. Against it, the union filed an appeal for annulment, which was granted by the Court, and the file was sent to the Supreme Court of Justice – Labor Cassation Chamber, where it was filed, distributed and admitted running transfer to the company for the corresponding opposition, a document that was presented at the due time. To date, we are awaiting the decision of the High Court.

## 20. Other non-financial liabilities

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Taxes other than income (1)	\$ 69.976.439	\$ -	\$ 64.517.111	\$ -
Deferred income (2)	25.905.313	-	19.154.800	9.649.479
Customer advances for network usage (3)	3.747.083	-	7.742.210	-
	<b>\$ 99.628.835</b>	<b>\$ -</b>	<b>\$ 91.414.121</b>	<b>\$ 9.649.479</b>

(1) As of December 31, 2021 and 2020, non-income taxes correspond to:

	As of December 31, 2021	As of December 31, 2020
Other tax accounts payable	\$ 32.749.622	\$ 30.087.646
Territorial taxes, municipal and related contributions (ii)	37.226.817	34.429.465
	<b>\$ 69.976.439</b>	<b>\$ 64.517.111</b>

(i) As of December 31, 2021 and 2020, it corresponds mainly to the withholding at source made to third parties for \$5,793,344 and \$7,145,477, self-withholdings and \$26,956,278 and \$22,942,169, respectively.

(ii) As of December 31, 2021 and 2020, it corresponds mainly to the industry and commerce tax for \$ 17,624,473 and \$ 16,620,824, respectively. The Company is subject to the industry and commerce tax in Bogotá at the rates of 0.966% on its operating income, 1.104% on other non-operating income and at the rate of 15% for notices and dashboards on the tax. In the other municipalities in which the Company is a taxpayer, it is paid in accordance with the rates established by each territorial entity.

(2) As of December 31, 2021, deferred income corresponds to:

- Advance payment of contracts with Transmilenio S.A. signed in January 2020 in order to lease three yards with electric charging infrastructure for 15.7 years; this advance corresponds to the first 17 months and 23.31 days of the monthly consideration.

The advance payment is detailed below:

Patio	Advance	VAT	Total Value
UFO 1 - Upload	\$ 8.105.582	\$ 1.540.061	\$ 9.645.642
UFO 2 - Fontibón El Refugio	10.450.832	1.985.658	12.436.491
UFO 4 - Fontibón Airport	10.855.351	2.062.517	12.917.867
<b>Total Advance</b>	<b>\$ 29.411.765</b>	<b>\$ 5.588.236</b>	<b>\$ 35.000.000</b>

As of December 31, 2021, the balance of the advance is \$10,432,196.

- During 2021, the company Metro de Bogotá has made advance payments according to the contract for the dismantling of the first street substation for \$15,473,117.

## 21. Heritage

### Capital

The authorized capital consists of 28,378,952,140 shares, with a nominal value of \$100 for each share.

As of December 31, 2021 and 2020, the shares subscribed and paid correspond to 114,864,651 common shares and 20,010,799 shares with preferential dividend for a total of 134,875,450 shares with a nominal value of \$100.

The shareholding composition as of December 31, 2021 is detailed below:

Shareholders	Common voting shares		Non-voting preferred shares		Shareholder composition	
	(%) Participation	Number of shares	(%) Participation	Number of shares	(%) Participation	Number of shares
Grupo Energía Bogotá S.A. E.S.P.	42,84%	49.209.331	100%	20.010.799	51,32%	69.220.130
Enel Americas S.A.	56,72%	65.148.360	-	-	48,30%	65.148.360
Other minorities	0,44%	506.960	-	-	0,38%	506.960
	<b>100%</b>	<b>114.864.651</b>	<b>100%</b>	<b>20.010.799</b>	<b>100%</b>	<b>134.875.450</b>

Of the total shares of Grupo Energía Bogotá S.A. E.S.P., 20,010,799 shares correspond to non-voting shares with a preferential dividend of US\$0.10 per share. Preferred shares do not grant a right to receive a guaranteed total fixed dividend, just as those shares do not contain a set date for redemption.

Basic income per share is calculated as the ratio between the net profit for the period attributable to the Company's shareholders and the weighted average number of ordinary shares outstanding during that period, after the appropriation of the preferred dividends corresponding to 20,952,601 shares as of December 31, 2021 of Grupo Energía Bogotá S.A. E.S.P. Preferred dividends are worth US\$0.10 per share (\*).

(\*) Full figure expressed in USD.

### Dividend Distribution

The General Meeting of Shareholders of March 24, 2021, according to Minutes No. 76, approved with a vote of 99.8815% of the shares present to distribute ordinary dividends for \$758,749,358 and preferential dividends for \$7,183,516 charged to the net income of December 31, 2020; were paid as follows: 100% of the preferred dividend and 50% of the ordinary dividend, on May 20, 2021; the remaining 50% on December 16, 2021.

The General Meeting of Shareholders of March 25, 2020, according to Minutes No. 73, approved with a vote of 56.717% of the shares present to distribute ordinary dividends for \$572,408,144 and preferential dividends for \$8,214,232 charged to the net income of December 31, 2019.

Of the dividends on 2019 earnings of \$580,622,376 (\$4,243.98 per common share (\*)) were paid as follows: 100% of the

preferred dividend and 37% of the ordinary dividend on May 20, 2020; 37% on October 15, 2020 and 25% on January 20, 2021.

On July 27, 2021, the General Shareholders' Meeting at its extraordinary session approved:

- (1) The modification of the payment of the dividends approved at the ordinary meeting of the highest corporate body, corresponding to the year 2020 for the month of August 2021.
- (2) Partial distribution of retained earnings and the extraordinary payment of dividends, \$412,341,977 will be paid in cash with a payment term in december 2021 depending on the company's cash availability

## Other reservations

	As of December 31 Feb 2021	As of December 31 Feb 2020
Reserve for deferred depreciation (Art. 130 ET)	\$ 189.950.866	\$ 197.606.365
Legal reserve	26.454.481	26.454.481
	<b>\$ 216.405.347</b>	<b>\$ 224.060.846</b>

## Legal reserve

According to Colombian law, the Company must transfer at least 10% of the year's profit to a legal reserve, until this is equal to 50% of the subscribed capital. The mandatory legal reserve is not distributable prior to the liquidation of the Company, but may be used to absorb or reduce annual net losses. Reserve balances in excess of 50% of the subscribed capital are freely available to shareholders.

## Reserve for deferred depreciation (Article 130 of the Tax Statute)

In the tax reform established by Law 1819 of 2016, Article 130 of the tax statute was repealed; consequently, the reserves constituted until December 31, 2017 will be reversed to the extent that the accounting depreciation is equal to the tax depreciation. Therefore, for the Assembly of March 2021 and 2020, it was ordered to release \$7,655,499 and \$4,692,346, respectively, from the reserve constituted, leaving a balance of \$189,950,866.

The General Shareholders' Meeting of 2017, 2016, 2015 ordered the constitution of a reserve for the accelerated depreciation established in accordance with Article 130 of the Tax Statute for \$38,898,151, \$43,029,236 and \$76,995,746, respectively charged to the net income of each year.

Additionally, a reserve of 70% of the depreciation requested in excess from 1998 for tax purposes of \$50,962,398 was constituted in previous periods.

## 22. Income from ordinary activities and other operating income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Energy Sales	\$ 5.187.836.414	\$ 4.655.321.344
<i>Energy distribution and marketing - regulated market (1)</i>	5.052.714.332	4.506.102.607
<i>Supply of street lighting service (2)</i>	135.122.082	149.218.737
Energy Transport (3)	698.844.198	566.151.107
Business & Government Services (4)	233.791.537	236.448.413
Leases	215.157.143	200.784.673
<b>Total income from ordinary activities</b>	<b>6.335.629.292</b>	<b>5.658.705.537</b>
Other Operating Income	53.372.223	55.035.546
<i>Recovery of energy losses</i>	24.364.854	20.120.322
<i>Other</i>	29.007.369	34.915.224
<b>Total income from ordinary activities and other operating income</b>	<b>\$ 6.389.001.515</b>	<b>\$ 5.713.741.083</b>

- (1) As of December 31, 2021 and 2020, energy sales in the regulated market amount to 8,901 Gwh and 8,628 Gwh, of which residential customers correspond to 5,384 Gwh and 5,407 Gwh, commercial customers 2,214 Gwh and 2,035 Gwh, industrial customers 1,021 Gwh and 927 Gwh and official customers 282 Gwh and 259 Gwh, respectively.

The following are the increases in the rate per component received during 2021:

	Applied Prom Rate 2020	Applied Prom Rate 2021	Variation %
Gm	223,24	237,03	6,2%
Tm	37,73	39,48	4,6%
Pr	43,78	49,39	12,8%
D	164,42	178,88	8,8%
Rm	12,07	26,62	120,5%
Cv	51,94	56,32	8,4%
<b>Cu</b>	533,17	587,72	10,2%

**Costs of Restrictions:** Increase of 85.9% in Restrictions, among others, due to the increase in generation out of merit related to the decrease in the stock price, which was 48% below the year 2020.

**Generation Costs:** 14.3% increase in Generation, mainly related to an 11% increase in average contract purchase prices; contract purchases accounted for 86% of total purchases in 2021.

**Transmission Costs:** 21.4% increase in Transmission.

**Distribution Costs:** 5.6% increase in Distribution influenced by the increase in the IPP and the entry into charges according to the methodology of Resolution CREG 015 of 2018 of another OR in our ADD.

**Loss Costs:** Increase of 3.7% in Losses associated with the combined effect of the increase in generation and transmission variables and the decrease in the CPROG charge, due to the end of the collection of the retroactive period.

**Marketing Costs:** Decrease of 1% in Marketing mainly due to the completion of the transfer of the New Additional Contribution PND 2020 (SSPD) and the variation in sales.

### Provision of tariff option

During 2020, the company chose to apply the regulatory mechanism of tariff option in accordance with Resolution CREG 122 of June 18, 2020, which resolves the appeal for replacement filed by the Company against resolution CREG 189 of 2019 in which the necessary variables were approved to calculate the income and charges associated with the activity of distribution of electric energy for the marketing market. Given the retroactive adjustment of Resolution CREG036/19 and the retroactive adjustment associated with the quality of service incentives, an increase in the distribution charge is presented during the months following the approval of charges. As of December 31, 2021, the bill receivable per rate option is \$351,852,036.

- (2) As of December 31, 2021 and 2020, sales to customers of street lighting amount to 281 Gwh and 273 Gwh, mainly due to the consumption of the Capital District 187 Gwh and 187 Gwh and other municipalities for 94 Gwh and 87 Gwh,
- (3) As of December 31, 2021 and 2020, there is an increase mainly in billing for the Company's electric power infrastructure use service by other energy marketers in the local distribution systems \$484,145,607 and \$395,979,923 and regional transmission systems \$214,698,591 and \$170,171,183.
- (4) As of December 31, 2021, there is a decrease in revenues from Business and Government Services, mainly from Value-Added Services, 185,587,990 and \$228,257,028 and provision of engineering services, 1,021,437 and \$163,381; Increase in other service benefits \$47,247,339 and \$3,638,340, respectively.

### Disaggregation of revenue from contracts with customers

The Company derives its income from contracts with clients, for the transfer of goods and/or services; these contracts were grouped into categories that have similar characteristics in the contractual terms and conditions, in accordance with the practical solution of IFRS 15.

The following table summarizes the categories, the groups of contracts within them, the main performance obligations and how these performance obligations are met.

Category	Contract Groups	Performance obligations	Satisfaction of performance obligations
Energy Sales	Energy Distribution and Commercialization, Regulated Market Customers	Provision of energy service	Over Time
		Connection service.	
		Meter Review Service	
		Reconnections.	
	Supply of Public Lighting service with Bogotá District	Provision of energy service and maintenance of public lighting.	
Energy Transportation	Unregulated market	Sale of energy to the unregulated market.	Over Time
	Supply of Public Lighting service with Municipalities	Provision of energy service and maintenance of public lighting.	
	Energy transport - Tolls and transmission	Use of the distribution network.	
	Collaboration and financing of goods and services	Promotion, origination, administration, invoicing and collection of exclusive financial services.	
	Connection, administration, operation and maintenance	(i) Supply, testing and commissioning of the communications network. ii) Review of connection designs, construction inspection, assembly, testing and commissioning. (iii) Administration, operation and maintenance of the line module and iv) Supervision of the connection point signals from the Company's control center.	
Business and Government Services	Commercial management mandate	Commercial management of products, works and/or services.	Over Time
	Collaboration - Insurance	Marketing and arrangement of marketing channels.	
	Electrical works	Access to the Company's clients for the provision of electrical works services, supply of serial material and financing.	
	Insurance and publications	Promotion, billing and collection services through energy utility bills and the delivery of policies and contracts.	
	De-energization maneuvers	Operation service for the de-energization of the networks owned by the Company.	
	Other electrical works and projects	Electrical works and projects related to the transfer of high voltage networks and lighting (Graphic design and constructive design of Christmas lighting).	
	Cooperation agreements - electricity networks	Electrical works and projects related to the installation, protection, transfer, replacement or relocation of electricity networks.	
	Advertising inserts	Print, insert and deliver advertising information on the invoice.	
	Measuring Equipment	Supply of serial material (meters, current and power transformers and seals).	
			At a point in time

Performance obligations correspond to commitments to transfer to a customer a different series of goods or services, or a series of different goods or services, but which are substantially the same and have the same pattern of transfer to customers.

Performance obligations are satisfied to the extent that goods and/or services committed to customers are transferred, i.e. to the extent that the customer gains control of the goods and services transferred.

In the Company's business lines, the satisfaction of performance obligations is mainly realized over time, since customers simultaneously receive and consume the goods or services committed and benefit to the extent that the contracts are executed.

For the category of "Other income" the satisfaction of the associated performance obligations is usually made at a certain time, taking into account that the goods and / or services offered to customers do not present future commitments.

The Company's revenue is generated in Colombia.

### Significant judgments in the application of the standard

The Company recognizes revenue when control of the goods and/or services committed is transferred to customers, and they have the ability to direct the goods and/or services supplied, obtaining the economic benefits associated with them.

As for the timing of satisfaction of performance obligations, we have that, for performance obligations satisfied over time, the method of measuring the progress of the satisfaction of performance obligations is performed by the product method, because the Company is entitled to receive as consideration from customers, the value of the goods and/or services supplied to customers, up to the date of their provision.



The prices for the provision of the energy service are established based on the regulation and for other concepts in accordance with the contractual agreement; the Company does not offer discounts or other types of benefits to customers that may have variable consideration in the supply of goods and services.

### **Contractual assets and liabilities**

#### **Contractual assets**

The Company does not present contractual assets, since the goods and / or services supplied to customers that have not yet been invoiced, generate an unconditional right to consideration by customers, because only the passage of time is required in the enforceability of payments by customers, and the Company has satisfied all performance obligations.

The Company has no costs for obtaining or fulfilling contracts, so it has no assets associated with this concept.

#### **Contractual liabilities**

The Company presents the contract liabilities in the separate statement of financial position, under other current non-financial liabilities. The liabilities of the contract reflect the obligations of the Company, in the transfer of goods and / or services to clients for whom the entity has received an advance consideration.

As of December 31, 2021, the balance of advance payments for the energy transportation service amounts to \$1,246,238.

The Company recognizes as income the liabilities of the contract, to the extent that it satisfies the performance obligations.

## **23. Provisions and services**

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Energy Purchases (1)	\$ 2.818.410.226	\$ 2.398.233.475
Transportation Costs (2)	642.333.106	590.245.236
Other Variable Provisions and Services (3)	327.733.001	284.543.794
<b>\$</b>	<b>3.788.476.333</b>	<b>\$ 3.273.022.505</b>

(1) As of December 31, 2021 and 2020, energy purchases amount to 10,344 Gwh and 10,069 Gwh; purchases from the regulated market through contracts amount to 8,848 Gwh and 9,185 Gwh and purchases on the stock exchange 1,496 Gwh and 884 Gwh, no purchases are recorded for the non-regulated market.

There is a decrease in the average price on the energy exchange amounting to \$146/Kwh and \$232/Kwh as of December 31, 2021 and 2020, respectively.

(2) As of December 31, 2021 and 2020, it is composed mainly of the costs of right of use in the national transmission power systems \$413,549,888 and \$378,418,064 and regional transmission \$215,703,829 and \$200,171,033, respectively.

(3) The following is detailed on other variable provisionings and services:

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Costs of providing goods and services to individuals (a)	\$ 113.630.169	\$ 107.772.388
Industry and Commerce Tax	75.394.633	66.202.491
Costs Associated with Measuring Equipment	53.889.774	52.689.104
Maintenance of public lighting and others	18.596.289	11.439.370
Cut and reconnect costs	33.233.656	23.878.307
Regulatory contributions	30.566.992	19.390.185
Other local sales taxes	2.421.488	3.171.949
<b>\$</b>	<b>327.733.001</b>	<b>\$ 284.543.794</b>

(a) As of December 31, 2021 and 2020, it corresponds mainly to variable costs of new connections, associated costs of value-added services such as electrical works, Christmas lighting and subscriptions to magazines, insurance and other products.

## 24. Staff costs

	For the year ended December 31, 2021	For the year ended December 31, 2020
Wages and salaries (1)	\$ 212.219.245	\$ 201.870.021
Social security service and other social security contributions	41.559.648	39.738.883
Expenditure (Income) for post-employment benefit obligation (2)	(85.866)	795.233
Expense by obligation retirement plans (3)	(450.676)	40.963.272
Other staff costs (4)	(1.555.698)	1.903.509
	<b>\$ 251.686.653</b>	<b>\$ 285.270.918</b>

(1) As of December 31, 2021 and 2020, it corresponds to salaries and salaries for \$158,257,716 and \$149,197,868, bonuses \$15,171,091 and \$17,274,936, vacations and vacation bonus \$14,882,287 and \$14,280,844, service premium \$12,458,896 and \$10,652,826, severance and severance interest \$7,409,911 and \$7,399,419, amortization of employee benefits for \$4,039,344 and \$3,064,128, respectively.

(2) As of December 31, 2021 and 2020, it corresponds to the cost of the current service of active personnel associated with the benefit of retroactive severance payments for \$322,789 and \$143,474, five-year periods for \$240,344 and \$258,894, respectively.

As of December 31, 2021 and 2020, as a result of the actuarial calculation made by the firm AON Hewitt Mexico, the effect of actuarial losses in five-year periods arising from changes due to modifications of variables for \$(648,999) and \$392,965, respectively, is included.

(3) Effect of the financial update of the Transition Fund provision, which aims to make staffing staff efficient in line with the Enel Group's investment plan in digitalization and automation worldwide in the different areas and lines of business of the Company. This implies identifying efficiencies to make replacement of profiles and having the necessary economic resources as part of the aforementioned strategy, which leverages the achievement of the objectives defined by the Company.

(4) As of December 31, 2021 and 2020, it corresponds to:

Labor litigation: effect of endowments and recognized recoveries of litigation that were susceptible to changes in qualification according to analyses carried out by attorneys for \$(271,252) and \$142,129, respectively.

Withdrawal bonus: Corresponds to the expenses associated with the provision of retirement bonus of the managerial staff \$(1,284,446) and \$1,761,380 respectively.

## 25. Other fixed operating expenses

	For the year ended December 31, 2021	For the year ended December 31, 2020
Independent, outsourced and other professional services (1)	\$ 200.931.375	\$ 197.561.108
Repairs and maintenance (2)	106.604.317	115.599.229
Other supplies and services (3)	26.623.126	23.287.323
Leases and royalties (4)	10.082.824	12.916.442
Advertising, propaganda and public relations	9.483.958	10.071.492
Insurance premiums	8.238.762	7.008.128
Taxes and fees	3.472.528	3.890.998
Transport and travel costs	3.247.572	1.181.359
	<b>\$ 368.684.462</b>	<b>\$ 371.516.079</b>

(1) Below is the detail of independent, outsourced and other professional services:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Maintenance, software and application development services		
computer (a)	30.387.714	22.160.942
Reading taking (b)	28.402.928	27.546.625
Market recovery contracts	14.251.924	14.431.078
Collection contracts	13.228.601	11.694.450
Honorarium	12.909.848	12.943.474
General administrative expenses	8.176.444	7.956.714
Telecommunications services	6.027.506	9.450.224
Customer service contracts	4.540.023	3.775.273
Temporary staff service	4.047.780	10.520.044
Other management and operation contracts (c)	3.393.606	6.562.401
Delivery of invoices	2.090.050	1.688.946
Unpaid management contracts	1.223.441	17.628.867
Diagnosis, inspection and maintenance of substations, networks and electrical installations (d)	32.804	896.545
Casino and cafeteria	-	129.810
Industrial safety	-	127.352
Office materials and supplies	(3.050.076)	780.234
Civil and administrative litigation (e)	<b>\$ 200.931.375</b>	<b>\$ 197.561.108</b>

(a) As of December 31, 2021 and 2020, the increase corresponds mainly to the contracting and implementation of services associated with cloud architecture and maintenance to technical applications and commercial operation, mainly Amazon Web Service, Synergia 4J, Genesis and the applications of technical and cybersecurity systems.

(b) There is an increase in the scope of contracts for reading, distribution and distribution of energy billing.

(c) The decrease in the cost of administration and operation contracts is presented by the inactivity in commercial and administrative headquarters caused by the general confinement of customers and care personnel related to measures taught to mitigate the expansion of Covid-19.

(d) There is a decrease in costs related to pruning and felling trees in rural areas and circuits of regulatory benefit.

(e) It corresponds to recoveries by favorable judgments of the courts and by estimation in the qualification of the processes.

(2) It corresponds to the cost of the contracts associated with the maintenance of the Company's infrastructure and the materials used therein.

(3) The decrease is mainly due to the cost of public services and the costs associated with the service of the company's headquarters.

(4) It includes short-term leases outside the scope of IFRS16 of commercial headquarters, infrastructure and elements necessary for the execution of business activities.

## 26. Depreciation, amortization and impairment loss expenses

	Year ended December 31, 2021	Year ended 31 of December 2020
Depreciation (Note 12)	\$ 396.917.335	\$ 373.916.214
Depreciation (Note 11)	65.939.094	52.834.688
<b>Depreciation and amortization</b>	<b>462.856.429</b>	<b>426.750.902</b>
Impairments of financial assets (1)	46.171.864	62.814.991
<b>\$</b>	<b>509.028.293</b>	<b>\$ 489.565.893</b>

(1) As of December 31, 2021, it corresponds mainly to the endowment of:

- a. Provision of 100% of the VAT portfolio of Public Lighting Infrastructure \$12,423,395, prescribed customers who do not file ongoing lawsuit \$4,020,639, customers who present risk of non-compliance according to the collective model of impairment \$25,798,333 and another 1,968,839.
- b. In the portfolio of complementary businesses, the variation is mainly due to the recovery of impairment (\$3,599,768).

## 27. Financial result, net

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest on arrears (1)	\$ 14.338.076	\$ 10.385.531
Interest on financing to clients (2)	11.549.417	3.446.039
Interest on loans to employees (3)	7.609.086	5.111.577
Income from cash and other equivalent means (4)	7.461.545	10.692.550
Other financial income (5)	442.295	4.118.319
<b>Financial Income</b>	<b>41.400.419</b>	<b>33.754.016</b>
Financial Obligations (6)	(187.518.283)	(164.989.037)
Tax on financial movements	(19.371.904)	(18.393.577)
Obligation for post-employment benefits	(18.100.493)	(18.597.613)
Other financial costs (7)	(12.823.509)	(6.786.828)
Financial Leasing	(4.928.593)	(5.407.111)
Impairment of financial assets (8)	(1.777.310)	3.249.841
<b>Financial Expenses</b>	<b>(244.520.092)</b>	<b>(210.924.325)</b>
Capitalized financial expenditure	5.232.987	4.411.421
<b>Financial expenses, net</b>	<b>(239.287.105)</b>	<b>(206.512.904)</b>
Income for difference instead	15.791.981	21.546.909
Expense for difference instead	(24.037.410)	(27.151.408)
<b>Difference in net exchange (9)</b>	<b>(8.245.429)</b>	<b>(5.604.499)</b>
<b>Total net financial result</b>	<b>\$ (206.132.115)</b>	<b>\$ (178.363.387)</b>

- (1) It corresponds to billing of interest on arrears to customers for energy service and other products.
- (2) It corresponds to billing of interest for the financing of the municipalities for public lighting, lighting services and infrastructure.
- (3) As of December 31, 2021 and 2020, the financial interest on housing loans is \$778,406 and \$138,657, and the financial effect of loans to employees agreed at a market differential rate of \$6,830,680 and \$4,972,920, respectively.
- (4) It corresponds mainly to financial returns of national currency of deposits and investments in different entities such as Corredores Asociados, Credicorp, Fiduciaria Bogotá, Fiduciaria de occidente, Alianza valores, BBVA Fiduciaria, Fondo abierto Alianza, Valores Bancolombia and Fiduciaria Corficolombiana.
- (5) The variation corresponds mainly to financial update of provision of civil, tax and labor litigation for \$(2,224,595) and financial update of provision of contaminated PCB transformers for \$(1,326,229).
- (6) It corresponds to the interest on the bonds issued and generated under the program of Issuance and placement of Bonds and interest on credits, as follows:

Emission	For the year ended December 31, 2021	For the year ended December 31, 2020
Other trade credits	\$ 29.522.656	\$ 12.733.814
Interest Bonds E5-17	19.950.290	19.845.708
Interest Bonds E4-19	17.248.079	17.240.856
Interest Bonds B12-13	15.894.649	9.539.255
Interest Bonds E4-20	14.527.944	4.077.673
Interest Bonds B10-19	14.108.959	12.004.720
Interest Bonds E7-18	13.159.730	13.155.814
Interest Bonds E7-17	12.620.252	12.614.928
Interest Bonds B5-18	12.290.801	10.299.398

<b>Emission</b>	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Interest Bonds B7-20	11.549.327	3.624.056
Interest Bonds B12-18	11.500.011	13.770.329
Interest Bonds B7-14	8.997.585	10.944.490
Bank of Tokyo Credits	6.148.002	20.418.049
Interest Bonds E4-16	-	4.719.947
<b>Total</b>	<b>\$ 187.518.283</b>	<b>\$ 164.989.037</b>

- (7) As of December 31, 2021, it corresponds mainly to interest on the interest rate SWAP hedge derivative of \$7,076,340, interest on late payment of taxes \$2,169,122, costs for bond issuances for \$1,393,508, debt management, guarantee issues and investor relations \$928,090 and update of the provision of liabilities for the dismantling of Patios Transmilenio, PCB and offices for \$736,442.
- (8) Expense recognized for the impairment of financial assets such as cash and equivalents, agreements and other assets, in accordance with the provisions of IFRS 9 in relation to the expected credit loss.
- (9) The origins of the effects on results due to differences in change correspond to:

	<b>For the year ended December 31, 2021</b>	
	<b>Income for difference instead</b>	<b>Expense for difference instead</b>
<i>Bank balances</i>	\$ 11.093.927	\$ (7.491.710)
<b>Cash and cash equivalents</b>	<b>11.093.927</b>	<b>(7.491.710)</b>
Current accounts receivable	6.582	(2.735)
<b>Total assets</b>	<b>11.100.509</b>	<b>(7.494.445)</b>
Accounts payable for goods and services	4.691.472	(16.542.965)
<b>Total liabilities</b>	<b>\$ 4.691.472</b>	<b>\$ (16.542.965)</b>
<b>Net results</b>	<b>\$ 15.791.981</b>	<b>\$ (24.037.410)</b>

	<b>For the year ended December 31, 2020</b>	
	<b>Income for difference instead</b>	<b>Expense for difference instead</b>
Cash in cash	\$ -	\$ (483,00)
<i>Bank balances</i>	14.725.166	(25.444.920)
<b>Cash and cash equivalents</b>	<b>14.725.166</b>	<b>(25.445.403)</b>
Current accounts receivable	(483.777)	(30.895)
<b>Total assets</b>	<b>14.241.389</b>	<b>(25.476.298)</b>
Accounts payable for goods and services	7.305.520	(1.675.110)
<b>Total liabilities</b>	<b>\$ 7.305.520</b>	<b>\$ (1.675.110)</b>
<b>Net results</b>	<b>\$ 21.546.909</b>	<b>\$ (27.151.408)</b>

## 28. Results of companies accounted for by the equity method

	<b>For the year ended at December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Method of participation (1)	\$ 20.747.260	\$ 53.007
Dividends from associated investments	97	257
	<b>\$ 20.747.357</b>	<b>\$ 53.264</b>



- (1) It corresponds to the equity method applied to Bogotá ZE S.A.S. for \$13,133,372, to Enel X Colombia S.A.S. for \$7,614,273 and to Inversora Codensa S.A.S. for \$(385).
- (2) Enel X Colombia aims to develop public lighting projects, electrical engineering works in low, medium and high voltage and special and architectural lighting projects among others.

Bogotá ZE S.A.S. has as its main objective to carry out events related to electric and sustainable mobility in Colombia and abroad. In the same way, it may participate in public or private selection processes and incorporate companies or participate in them.

## 29. Results in sale and disposition of assets

	For the year ended at December 31, 2021	For the year ended at December 31, 2020
Property, plant and equipment (1)	9.373.865	9.651.366
	<b>\$ 9.373.865</b>	<b>\$ 9.651.366</b>

- (1) It corresponds mainly to the loss of equipment of substations lines and networks, distribution transformers and public lighting luminaires due to obsolescence, damage and replacement.

## 30. Income Tax Expense

The provision recognized to the results of the period, for income taxes, and income surcharge is broken down as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Current Income Tax	\$ 423.951.328	\$ 413.875.876
	<b>423.951.328</b>	<b>413.875.876</b>
Income tax previous years	(21.334.631)	(13.335.966)
Deferred tax movement (1)	(11.530.602)	(40.175.367)
Deferred tax movement previous years (1)	10.518.043	1.161.040
	<b>\$ 401.604.138</b>	<b>\$ 361.525.583</b>

- (1) As of December 31, 2021 and 2020, it corresponds to the decrease in net deferred tax by \$1,012,459 and \$39,014,327 and which includes (i) deferred tax of the period (\$11,530,502) and (\$40,175,367) (ii) Deferred tax of previous years for \$ 10,518,043 and \$ 1,161,040.

Below is the reconciliation between the income tax that would result from applying the general tax rate in force to the "result before tax" and the recorded expense equivalent to an effective rate on profit as of December 31, 2021 and 2020 of 29.02% and 30.03% respectively:

Effective tax rate reconciliation	Year ended December 31, 2021	Rate	Year ended December 31, 2020	Rate
Utility of the period	\$ 982.387.086		\$ 842.530.417	
Income tax expense	401.604.138		361.525.583	
Profit before tax	<b>1.383.991.224</b>		<b>1.204.056.000</b>	
Current legal tax rate	31%		32%	
Tax according to current legal rate	<b>(429.037.279)</b>	(31%)	<b>(385.297.920)</b>	(32%)

Effective tax rate reconciliation	Year ended December 31, 2021	Rate	Year ended December 31, 2020	Rate
<b>Permanent differences:</b>				
Non-deductible taxes (1)	(26.374.981)	(1,91%)	(24.127.769)	(2,00%)
Non-causative and other non-deductible expenses (2)	(4.147.423)	(0,30%)	(11.905.005)	(0,99%)
Net effect movement of estimated liabilities and permanent provisions	10.949	(0,00%)	(70.260)	(0,01%)
Alleged interests	(3.747)	0,00%	(11.007)	0%
Additional deduction disabled	53.951	0,00%	50.493	0%
Adjustment difference of rates-deferred adjustment previous years	278.259	0,02%	1.868.165	0,16%
Special deduction Law 1715/2015	-	0,00%	1.149.040	0,10%
Other tax benefits (3)	45.026.477	3,25%	32.638.281	2,71%
Deferred Industry and Commerce Tax	1.773.069	0,13%	12.005.473	1,00%
Adjustment for previous year's income tax return (4)	10.816.588	0,78%	12.174.926	1,01%
<b>Total permanent differences</b>	<b>27.433.141</b>	<b>1,98%</b>	<b>23.772.337</b>	<b>1,97%</b>
<b>Income Tax Expense</b>	<b>\$ (401.604.138)</b>	<b>(29,02%)</b>	<b>\$ (361.525.583)</b>	<b>(30,03%)</b>

- (1) As of December 31, 2021 and 2020, it corresponds to the effect on income tax of the industry and commerce tax for \$23,372,336 and \$21,342,607, tax on financial movements for \$3,002,645 and \$4,116,419, respectively.
- (2) The variation of 2021 and 2020, corresponds mainly to the recognition of non-deductible expenses of the collaboration contract with Colpatría "Open Book" \$5,258,349 and \$20,947,983, non-deductible expenses for contracts with foreign suppliers without tax requirements for \$2,844,773 and \$5,340,386, contingency for contracts concluded with foreign entities \$2,302,258 and \$2,679,173, non-deductible expenses for temporary income employed \$5,459,131 and \$0, income not taxed by the valuation by the participation method of EnelX and Bogotá ZE (\$20,747,645), as well as the effect of non-causal expenses such as donations, forgiveness of default interest, among others.
- (3) As of December 31, 2021 and 2020 corresponds to the recognition of tax discounts in: industry and commerce tax for \$35,754,137 and \$32,122,568, donations for \$226,734 and \$635,000, investment in science and technology for \$6,628,135 and \$323,143, Income taxes related to components of another integral result \$2,417,471 and (\$442,430).
- (4) The variation corresponds to the difference between the calculation of the income provision and the values presented in the income statement, these differences generate a change in both the current tax and the deferred tax, the main concepts that generated the variation are: (i) tax benefits ii) difference in accounting depreciation and tax depreciation, (iii) differences in the calculation of cost and expenditure provisions.

### 31. Earnings Per Share

Basic earnings per share is calculated by dividing the Company's shareholder-adjusted profit attributable to preferred dividends after tax by the weighted average of outstanding common stock in the year. As of December 31, 2021 and 2020, the common and diluted shares are equal and there are no common shares acquired by the Company.

	For the year ended December 31, 2021	For the year ended December 31, 2020
Profit of the period attributable to the owners	982.387.086	\$ 842.530.417
Preferential dividends (1)	7.966.619	6.868.707
Profit for the period attributable to owners adjusted for preferential dividends	974.420.467	835.661.710
Number of shares outstanding	134.875.450	134.875.450
<b>Basic earnings per share (*)</b>	<b>7.224,59</b>	<b>\$ 6,195.80</b>

- (1) Of the total shares of Grupo Energía Bogotá S.A. E.S.P., 20,010,799 shares correspond to non-voting shares with an annual preferential dividend of US\$0.10 (\*) per share.

(\*) Full figure expressed in USD.

### 32. Another Comprehensive Result

The detail of the other comprehensive result is presented below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Components of another comprehensive result that will not be reclassified to the result of the period, before taxes</b>		
Gains (losses) from new defined benefit plan measurements (1)	\$ 53.068.971	\$ (6.933.428)
Gains on new measurements of financial instruments measured at fair value with changes in the ORI (2)	3.766.712	
<b>Another comprehensive result that will not be reclassified to the result of the period, before taxes</b>	<b>56.835.683</b>	<b>(6.933.428)</b>
<b>Components of another comprehensive result that will be reclassified to the result of the period, before taxes</b>		
Earnings from cash flow hedges	19.011.239	54.503
<b>Another comprehensive result that will be reclassified to the result of the year, before taxes</b>	<b>19.011.239</b>	<b>54.503</b>
<b>Taxes on profits relating to components of another comprehensive result that will not be reclassified to the result of the period</b>		
Effect of Taxes for New Measurements of Defined Benefit Plans	(18.160.847)	124.050
<b>Total income taxes relating to components of another comprehensive result that will not be reclassified to the result of the period</b>	<b>(18.160.847)</b>	<b>124.050</b>
<b>Taxes on profits relating to components of another comprehensive result to be reclassified to the result of the period</b>		
Effect of taxes on cash flow hedges	(7.972.283)	(17.441)
<b>Total income taxes relating to components of another comprehensive result will be reclassified to the result of the period</b>	<b>(7.972.283)</b>	<b>(17.441)</b>
<b>Total another comprehensive result</b>	<b>\$ 49.713.792</b>	<b>\$ (6.772.316)</b>

(1) It corresponds to the effect of actuarial gains and losses valued by the firm Aon Hewitt Mexico. As of December 31, 2021 and 2020, actuarial gains and losses with effect on equity are presented below:

	For the year ended December 31, 2021			For the year ended December 31, 2020		
	Pensions and Benefits	Retroactive Severance	Temporary Rent	Pensions and Benefits	Retroactive Severance	Temporary Rent
Starting Balance	\$ (96.083.214)	\$ (794.373)	\$ (2.745.417)	\$ (89.451.637)	\$ (616.572)	\$ (2.745.417)
Actuarial gain (loss)	52.293.966	775.005	-	(6.659.229)	(274.199)	-
Current Tax (Note 18)	(2.417.471)	-	-	442.430	-	-
Deferred Tax (Note 14)	(15.573.485)	(169.891)	-	(414.778)	96.398	-
Final Balance	<b>\$ (61.780.204)</b>	<b>\$ (189.259)</b>	<b>\$ (2.745.417)</b>	<b>\$ (96.083.214)</b>	<b>\$ (794.373)</b>	<b>\$ (2.745.417)</b>

(2) As of December 31, 2021, it corresponds to the Mark to Market (MTM) result of the valuation of Capex hedging derivatives.

### 33. Foreign Currency Assets and Liabilities

Existing rules in Colombia allow the free trading of foreign currencies through banks and other financial institutions at exchange-free rates. However, most foreign currency transactions require compliance with certain legal requirements.

Summary of assets and liabilities denominated in currencies:

**As of December 31, 2021**

	(in EUR)	(in US Dollars)	(in thousands of pesos)
Cash and cash equivalent	€ -	US 934.346	\$ 3.719.783
Debtors	165.709	62.071	1.247.460
Accounts payable	(5.489.327)	(7.206.635)	(52.449.804)
<b>Net passive position</b>	<b>€ (5.323.617)</b>	<b>US (6.210.217)</b>	<b>\$ (47.482.561)</b>

**As of December 31, 2020**

	(in EUR)	(in US Dollars)	(in thousands of pesos)
Cash and cash equivalent	€ -	US 1.103.221	\$ 3.786.807
Debtors	144.686	528.958	2.423.306
Accounts payable	(14.039.881)	(6.806.393)	(82.328.133)
<b>Net passive position</b>	<b>€ (13.895.195)</b>	<b>US (5.174.214)</b>	<b>\$ (76.118.020)</b>

### 34. Sanctions

In the period from 1 January to 31 December 2021, the company has not been notified of sanctions.

### 35. Other Insurance

The Company, in addition to the insurance listed in the property, plant and equipment note (see note 13), has the following:

Good/insured person	Risks covered	Insured value Figures in thousands	Expiration	Insurance company
Freight transport	Loss or damage to transported goods	\$5,000,0000	31/07/2022	HDI Seguros S.A.
Employees with direct contract	Death, total and permanent disability	per office	31/12/2021	Seguros Bolivar
Directors or directors	Civil liability of directors and administrators	Maximum individual sum insured: \$2,000,000	10/11/2022	SBS Seguros S.A.

### 36. Commitments and Contingencies

#### (a) Purchase commitments:

The Company as of December 31, 2021 has commitments for the purchase of energy at constant prices as follows:

Year	Commitments to Third party	Commitments to Emgesa S.A. E.S.P.	Total
2022-2023	\$ 1.809.568.677	\$ 1.508.565.712	\$ 3.318.134.389
2024-2027	3.087.708.296	1.602.764.599	4.690.472.895
2028-2032	1.333.791.418	180.255.085	1.514.046.503
2033 et seq.	1.235.835.823	154.018.131	1.389.853.954
	<b>\$ 7.466.904.214</b>	<b>\$ 3.445.603.527</b>	<b>\$ 10.912.507.741</b>

The following is the summary of the commitments to purchase materials and services:

Year	Materials	Services	Total
2022	\$ 256.536.087	\$ 411.363.777	\$ 667.899.864
2023 - 2024	164.340.438	292.829.892	457.170.330
2025 - 2026	-	146.499	146.499
2027 - 2028	-	2.701.568	2.701.568
	<b>\$ 420.876.525</b>	<b>\$ 707.041.736</b>	<b>\$ 1.127.918.261</b>

**(b) Litigation and arbitration:**

The Company faces litigation classified as possible or eventual, for which the management with the support of its external and internal legal advisors, estimates that the result of the lawsuits corresponding to the non-provisioned part will be favorable for the Company and will not cause liabilities of importance that must be accounted for or that, if they result, these will not significantly affect your financial position.

**(c) Litigation qualified as eventual**

The main litigations that the Company has as of December 31, 2021 qualified as eventual are:

**a. Process Centro Médico de la Sabana PH and others**

Start date: 2014

Claim: \$337.000.000

Object of the trial: The actors intend that the Company return what it has allegedly charged in excess for not applying tariff benefit to said group of users belonging to the Voltage Level (1), who are, in addition, owners of the distribution assets.

The claim and the main fact of the lawsuit are based on the fact that the Company is enriching itself illicitly because it does not apply any tariff benefit to users who belong to this level of voltage and who own the infrastructure, as established in Resolution 082 of 2002, modified by Resolution 097 of 2008. The plaintiff determines the amount of this process based on the fact that this situation is replicated in approximately 550 thousand users and that each one is entitled to compensation.

Current status and procedural situation: A conciliation hearing was held which was declared unsuccessful.

On September 8, 2017, the firm granted the applicant's request to include in the group of initial plaintiffs 4 legal representatives of the co-properties (Office Class Building, Minicentro Shopping Center, Santa Ana II Building and Beatriz Building), which are integrated into the group not as direct plaintiffs, but as a group affected by the facts that constitute the alleged violation, which would make them favourable to the claims of the application, in such a case that the judgment was favorable to them.

The process entered the evidentiary stage on July 27, 2018 and on December 4, 2018, it entered the Office with the evidentiary material provided by the parties and by the requested Authorities.

On February 1, 2019, the Court reiterates the evidentiary request made to the Company and the Bogotá Energy Group, in order to obtain missing documentation.

On February 7, 2019, it filed an appeal for reversal against the order of reiteration, arguing that all the evidentiary information requested had already been submitted.



On February 20, 2019, the Court resolved the appeal for replacement, requesting the relationship of all users who own the assets of voltage level 1.

On March 28, 2019 the information requested and the date for the receipt of the testimonies is expected to be set.

On August 2, 2019, the process of the Firm leaves, setting the date of October 24, 2019 to carry out the testimonies requested by the parties and practice the expert opinion that was requested ex officio.

On August 21, 2019, the Company is required to submit other documentation, this order is challenged because a detailed list of the users who without being part of the lawsuit are owners of the assets of tension level is being requested Likewise, the Company descorre transfer of the expert opinion decreed ex officio by the Court and arrives a new one, to contest all points that are unfavorable to the Company.

The process enters the Firm on October 8, 2019 to resolve the appeal for replacement presented and with the expert opinion provided by the Company.

As of December 30, 2021, the process continued in the evidentiary stage.

#### **b. Process Association of Owners of the Urban Center Antonio Nariño.**

Start date: 2009

Claim: \$15,000,000

Object of the trial: The Association demands the claim of a property located within its facilities where a Company's energy substation operated. A counterclaim is filed claiming the prescription of the property or easement.

Current status and procedural situation: Since February 2019, the logistics of sending the notifications to the defendants in counterclaim began, which are all co-owners of the properties that make up the co-ownership.

Shipments began to be made from Friday, March 29, 2019, through successive shipments to complete the almost 800 shipments that must be made. However, on April 22, 2019, the Judge decided to decree the tacit withdrawal of the claim for membership (in counterclaim) that the Company had filed. The foregoing to the extent that it was not possible to comply with the requirement given by the firm, consisting of notifying the passive end in full within the 30 days that had been granted to us for it, in accordance with the provisions of article 317 of the CGP.

Against this decision, the Company filed an appeal that was resolved unfavorably before the Superior Court of the Judicial District of Bogotá. The process continued with respect to the claim. A tutela action was filed on the understanding that this procedural burden is impossible to comply with and violates the Company's right of defense, a guardianship that was also unfavorable to the Company.

Recently, and before a decision of the Supreme Court of Justice, which indicated that in the processes where the horizontal properties were sued, the procedural link of all the co-owners was not required, the Company presented this decision to Judge 49 Civil Circuit in order to make an informal declaration of illegality of the Order that had declared the withdrawal of the Company for the timely non-binding of the 1700 co-owners of the Antonio Nariño Urban Center. Faced with the previous request, the Judge considered that, although it was correct to indicate what was the new criterion adopted by the Supreme Court of Justice, it was also true that at the time when the tacit withdrawal was declared, the jurisprudential criterion was different, and therefore the Order that declared the tacit withdrawal was not based on any illegality. The request for a declaration of illegality sought was therefore rejected.

As of December 31, 2021, the process continues its course in the face of the claim filed by ASOCUAN.

### **c. Public Lighting Litigation with the UAESP**

As of September 30, 2021, there has been an unfavorable ruling issued on August 21, 2019 within the process of nullity and restoration of the Company's right against UAESP for the reliquidation of public lighting years 1998 to 2004.

The main facts of this litigation and the events that occurred during 2019 are described below:

On April 20, 1997, an inter-administrative agreement was signed between the District and the GEB (Grupo Energía Bogotá) that guarantees the city the supply of energy for public lighting, an agreement that was ceded to the Company on October 23, 1997; in that same year the CREG through Resolution No. 99/97, modified the rate of the home energy service expressly excluding public lighting, before which the Company presented to the District for the years 1998 and 1999 some invoices in which the Company made its own and unilateral calculation of the value of the energy it supplied. The District discussed the Company's fee, but canceled what it considered to be the fair price. On 25 January 2002, the parties established a methodology applicable for the future and determined to develop a georeferenced inventory whose result is compared with the existing census, so that, in the event of differences, costs and remuneration will be redequitated in respect of the periods that may arise. The georeferenced inventory (prepared between 2000 and 2003) resulted in a difference of 8,661 luminaires less than the Company charged the District, before which the Company is required to carry out the resettlement that includes default interest for the higher values paid between 1998 and 2004.

As a result of a popular action that took place in the Tenth Administrative Court of Bogotá, on November 9, 2009, a judgment of first instance was issued in which the UAESP and the Company were ordered to carry out all the necessary steps within two months of the execution of the ruling to definitively establish the balances for or against, duly updated with the DTF (Sum Update Formula) plus interest. If no agreement is reached, the UAESP itself must carry out a liquidation within two months to put it to the consideration of the Company, which can exercise the relevant governmental resources and in case of non-payment, proceed to execute the sentence. The judgment of the second instance confirmed what was declared and is currently final, with no other appeals proceeding.

On August 26, 2014, the UAESP and the Company signed an agreement in which they reached a concerted liquidation in which the Company assumed 50% equivalent to \$14,432,754. This agreement, in addition to the Company, had to be authorized by the director of the UAESP and ratified by Administrative Judge No. 10 of Bogotá (who heard in the 1st instance of the process).

On June 1, 2017, the 10th Administrative Judge of the Bogotá Circuit refused to consider the aforementioned agreement taking into account that it was not concluded within two months of the execution of the judgment of September 29, 2011 that expired on February 2, 2012; ordering the UAESP to carry out the unilateral liquidation. However, taking into account that the Judge did not issue a pronouncement of approval or rejection of the agreement, it continues to be opposable between the parties.

On August 31, 2017, in compliance with the order of the Administrative Judge, the UAESP issued resolution 412 of 2017 by which it reliquidated the billing for the public lighting object of the process for an amount of \$ 141,016,977, as a result of the foregoing the Company filed an appeal for replacement.

On December 29, 2017, the Company was notified of resolution 730 of 2017 issued on December 18 by the UAESP by which it resolved the appeal for replacement filed by the Company, confirming the contested decision and reconsidered the calculation of the resettlement notified in August on the basis of updating the DTF as ordered by the Judge in the judgment of September 2009, in that order, the new claim of the UAESP amounts to \$113,082,893.

On January 25, 2018, the UAESP required the Company, faced with this situation, the Company offered the UAESP the payment of the amount it considers fair of \$14,432,754 that as of February 28 and according to the agreed update amounted to \$23,633,336. Sum that could be crossed with three invoices that for public lighting cancels the UAESP from the date. Given the silence of the UAESP, a request for a working table was filed on March 16, 2018 to reach an agreement given that the UAESP began a persuasive collection. However, on March 22, 2018, the UAESP announced the decision to issue a payment order against the Company for the sums of money contained in the Resolution.

On March 22, 2018, the UAESP reported that a payment order had been issued against the Company as the coercive collection had begun. Once the coercive collection had been answered and the Company's exceptions had been resolved in a negative manner, the UAESP was informed of the admission of the claim for nullity and restoration of the right by the Administrative Court of Cundinamarca, before which the UAESP by order dated September 6 proceeded to suspend the coercive collection process.

Given the impossibility of reaching an agreement with the UAESP regarding the amounts of administrative acts, Resolutions No. 412 of 08/2/2017 and 730 of 12/18/2017; On July 25, 2018, the Company proceeded to file before the Administrative Court of Cundinamarca the demand for Nullity and Restoration of the Right. This lawsuit was admitted on August 21, 2018.

On September 28, 2018, the Company paid the UAESP the sum of \$24,471,044, which corresponds to the amount that was agreed at the time in the agreement signed by the parties in 2014, updated with a rate equal to the DTF from the date on which the difference occurred until the actual date on which the payment is made. The remaining value of the unilateral re-settlement is the subject of the action against the UAESP.

On August 21, 2019, the Administrative Court of Cundinamarca failed the process denying the claims of the lawsuit, detracting from the agreement concluded in 2014 because it considered it extemporaneous.

The Company lodges an appeal because: (i) the Court ruled that the transaction concluded by the parties on 26 June 2014 is fully valid and, therefore, the UAESP was obliged to incorporate it into the partial and unilateral settlement of the inter-administrative agreement. (Law 80 of 1993 article 60). (ii) The Court ignored the existence and validity of the transaction contained in the resettlement agreement signed by the parties on June 26, 2014 and, consequently, its effect of *res judicata* (art. 2483 Civil Code). (iii) The Court disregarded the principle of good faith (art. 83 of the Constitution) and the prohibition of going against one's own acts (*venire contra fatum propium non valet*). (iv) The Court found that the administration cannot derive any benefit from its own non-compliance. The delay is not attributable to the Company, since the obligation to re-liquidate unilaterally (2 months) was only for the UAESP and this occurs after 24 months so the delay is attributable to the UAESP.

The appeal was admitted before the Council of State and in view of the congestion that the administration of justice currently has, the Company considers that it can have a ruling of no earlier than five years.

For its part, within the framework of the coercive collection process, a surety policy was presented in the terms of article 837-1 of the Tax Statute, in order to prevent the materialization of seizure orders against the Company.

The contingency is qualified as possible or eventual, given that the statements of the Court are controversial in our favor before the Council of State, and in view of the ruling against the success rate does not exceed 50%.

#### **d. Water Use Rate Litigation in 2016, 2017 and 2018.**

The Regional Autonomous Corporation of Cundinamarca (CAR) intends to charge the fee for the use of water on the total concession and not for the volume actually used, in the Small Hydroelectric Power Plant of Rionegro in 2016, 2017 and 2018. The CAR alleges alleged failures in the flow measurement. The Company's defense is based on the arguments that (i) the correct compensation according to the installed capacity was the transfers of the electricity sector, (ii) the generating fact of the rate is the effective use of water for generation: there was no continuous generation 365 days a year, but only on specific days; and (iii) measurement commitments were met, and therefore, the CAR was not entitled to calculate the rate on the entire concessioned flow.

The five litigations (two for 2016, one for 2017 and two for 2018) have as of December 31, 2021 an amount of \$ 13,285,410,850 (rate and interest), and are estimated as possible risks due to their probability of loss (between 20% and 45%). The two proceedings against the 2016 settlements began before the contentious administrative jurisdiction in September 2019 and April 2021, while the process against the 2017 liquidation began in December 2020 and that of 2018 in August and November 2021. There is no first instance judgment in any yet.

#### **e. Zipaquirá Group Action – Public Lighting**

A group action was filed against the Company and the Municipality of Zipaquirá, with the claim that the Public Lighting Tax collected between 1979 and 2012 in the Municipality be returned, based on a rule that had been annulled in 2008. the Company maintains that (i) it is only a collecting agent in favor of the Municipality, and that (ii) the plaintiffs have already lost the right to the refund (operated the expiration of the action).

The favorable first instance judgment was issued in June 2019, concluding that the Company is only a collecting agent and that it is the Municipality that must return the tax collected between 2008 and 2012. The group action is currently known to the Administrative Court of Cundinamarca in second instance.

The litigation has as of December 31, 2021 an amount of \$ 11,933,000 (tax and interest), and is estimated as a possible risk due to its probability of loss (18%).

#### **f. VAT litigation in 2016.**

g. The DIAN proposed a questioning of the bimonthly VAT settlements of the year 2016, under the understanding that the reconnection services charged to users should have been taxed with VAT. The Company has maintained that such a position is incorrect in light of the service's regulatory rating. In 2021, the Council of State also noted that the DIAN's stance was not adjusted.

The two litigations (one for the first to the fifth two months of 2016 and another for the sixth two months of 2016) one for 2017 and one for 2018) have as of December 31, 2021 an amount of \$ 3,686,250,176 (higher tax, penalty and interest), and their probability of loss (44% and 26%) are estimated as possible risks. The respective lawsuits were filed in November and October 2020. There is no first instance judgment in any yet.

#### **Litigation as plaintiff:**

As of December 31, 2021, the Company is acting as a plaintiff in three litigations that in the event of being ruled favorably could generate an income. These litigations correspond to actions for nullity and restoration of the right filed against the resolutions through which the Superintendence of Public Household Services and the CREG liquidated the special contribution referred to in article 85 of Law 142 of 1994 for the year 2013 and 2020, as well as the contribution in favor of the CREG for 2021. The Company maintains that these contributions were calculated on a taxable basis higher than that established by law. If a favorable ruling is obtained, the Superintendence of Public Household Services and the CREG must return what the judge determines as the value paid in excess. The amount under discussion is (i) \$520,000 for SSPD 2013 Special Contribution (litigation assumed on the occasion of the merger with the EEC), (ii) \$8,076,525 for SSPD 2020 Special Contribution and (iii) \$1,982,044,397 for CREG Contribution 2021. The 2013 return litigation had a favorable first instance judgment in September 2021, while litigation against the SSPD and CREG for the 2020-2021 return began in June and September 2021, respectively.

### **37. Risk Management**

The Company is exposed to certain risks that it manages through the application of identification, measurement, concentration limitation and monitoring systems.

Among the basic principles defined by the Company in the establishment of its risk management policy, the following stand out:

- Comply with the rules of good corporate governance.
- Strictly comply with the entire regulatory system of the Company.
- Each management, corporate area and line of business defines:
  - a) The markets in which you can operate based on sufficient knowledge and skills to ensure effective risk management.
  - b) Criteria on counterparties.
  - c) Authorized operators.
- The managements, corporate areas and lines of business establish for each market in which they operate their predisposition to risk in a manner consistent with the defined strategy.
- All operations of management, corporate areas and lines of business are carried out within the limits approved for each case.
- Management, corporate areas and lines of business establish the necessary risk management controls to ensure that transactions in the markets are conducted in accordance with the Company's policies, rules and procedures.

#### **Interest rate risk**

Changes in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the flows of assets and liabilities referenced at a variable interest rate.

The objective of interest rate risk management is to reduce the volatility of financial expenditure reflected in the separate income statement.

Depending on the Company's estimates and the objectives of the debt structure, hedging operations are carried out by contracting derivatives that mitigate these risks. The instruments that can be used correspond to Rate Swaps, which are fixed from variable to fixed rate. Currently the Company does not have contracted interest rate coverages.

The following table presents the sensitivity analysis of the financial expenditure associated with the debt issued, in relation to the percentage change in interest rate indices:

<b>Interest Rate</b>	<b>As of December 31, 2021</b>		<b>As of December 31, 2020</b>	
	<b>Variation (pbs)*</b>	<b>Sensitivity</b>	<b>Variation (pbs)*</b>	<b>Sensitivity</b>
CPI	+/-3,47%	(+/-) \$35.847.423	+/- 1,91 %	(+/-)\$ 23.418.265
IBR	+/- 2,62%	(+/-) \$22.530.426	+/- 2,00 %	(+/-)\$ 4.588.118

(\*) The variations or movements of interest rates were calculated based on their historical volatility over a three-year period (2019-2021 and 2018-2020 for the 2021 and 2020 calculations respectively), taking twice the standard variation of the series.

#### **Exchange rate risk**

Exchange rate risks can be presented, fundamentally, with the following transactions:

- a) Debt contracted by the Company denominated in a currency other than that in which its flows are indexed.
- b) Payments to be made for the acquisition of materials associated with projects in a currency other than that in which their flows are indexed.
- c) Income that is directly linked to the evolution of currencies other than that of their flows.

Taking into account that the functional currency of the Company is the Colombian peso, it is necessary to mitigate exchange rate risk by minimizing the exposure of flows to the risk of changes in exchange rate.

The instruments that can be used correspond to derivatives (forwards and Swaps) of exchange rate and interest rate, respectively.



The Company contracts exchange rate hedges in order to cover the payment of dollar invoices for the purchase of foreign currency assets. The Company currently has contracted exchange rate hedges for a notional of USD13,988,489 with maturities between January and September 2022 whose valuation as of December 31, 2021 corresponds to \$3,766,712 in favor of the Company.

The Company currently contracts swap interest rate (IBR) hedges to cover the loan acquired with Scotiabank Colpatria S.A. for a notional \$400,000,000 maturing in May 2026 whose valuation as of December 31, 2021 corresponds to \$19,011,240 in favor of the Company.

### Commodities risk

The Company is exposed to the risk of the variation of the price of "commodities", mainly through operations of purchase and sale of energy that are carried out in local markets.

The Company carries out the majority of energy purchase transactions through contracts in which a price has been previously agreed, thus mitigating this risk. Currently the Company does not have any type of commodities contracted.

### Liquidity risk

The Company maintains a liquidity policy consisting of the contracting of long-term credit facilities, cash and temporary financial investments, for amounts sufficient to support the projected needs for a period that is based on the situation and expectations of the debt and capital markets.

Available resources should cover projected net financial debt service needs (principal plus interest), i.e. after financial derivatives.

Below are the contractual cash flows of financial liabilities with third parties until maturity without discounting:

Concept	Less than 90 days	More than 90 days	Total Stream	1 to 3 years	3 to 5 years	5a10years	More than 10 years	Total No Stream
Bonds Issued (principal + interest)	\$ 320.070.501	\$ 90.310.637	\$ 410.381.138	\$ 1.112.544.654	\$ 488.797.968	\$ 685.675.120	\$ -	\$ 2.287.017.742
Bank Loans (principal + interest)	29.394.876	614.502.810	643.897.686	373.964.836	1.100.591.821	-	-	1.474.556.657
IFRS 16 lease obligations (principal + interest)	4.315.177	12.692.393	17.007.570	24.391.985	12.398.409	30.804.048	25.129.146	92.723.588
Business accounts payable and other accounts payable	1.016.115.389	-	1.016.115.389	-	-	-	-	-
<b>Total</b>	<b>\$ 1.369.895.943</b>	<b>\$ 717.505.840</b>	<b>\$ 2.087.401.783</b>	<b>\$ 1.510.901.475</b>	<b>\$ 1.601.788.198</b>	<b>\$ 716.479.168</b>	<b>\$ 25.129.146</b>	<b>\$ 3.854.297.987</b>

### Credit risk

The Company closely tracks credit risk.

### Commercial Accounts Receivable

To mitigate significant risks of defaults in the electricity business, we deploy a robust scheme of preventive actions of payment reminder, which seeks that our customers prioritize payment avoiding delinquency. Faced with non-payment, it proceeds in the first instance with persuasive actions such as the suspension of the electricity service and the early management of collection on high amounts of debt. Subsequently, in the event that the payment is not received or an agreement is reached, the coercive collection management is initiated, through the assignment of the debts to firms specialized in collection, thus reducing the possibility of high portfolio impairments. The evolution of the portfolio is periodically monitored and, if required, complementary recovery management actions are defined on amounts and situations that may represent a high impact of non-payment for the company.

To mitigate significant credit risks and defaults in the commercial portfolio, a credit analysis of financing requests on PSVAs is carried out and the constitution of guarantees in each business is requested. The company deploys a robust scheme of preventive actions of payment reminder, which seeks that our customers prioritize payment avoiding delinquency. Faced with non-payment, we proceed in the first instance with persuasive actions such as the early management of collection on high amounts of debt. Subsequently, in the event that the payment is not received or an agreement is reached, the coercive

collection management is initiated, through the assignment of the debts to firms specialized in collection, thus reducing the possibility of high portfolio impairments. The performance of the credit is periodically monitored and if required, complementary recovery management actions are defined on amounts and situations that may represent a high impact of non-payment for the company.

#### **Assets of a financial nature**

Investments of the Company's available resources (treasury investments), originating in the operation, in other non-operating income and financial derivatives operations, are made in leading domestic and foreign financial institutions that meet the minimum risk rating requested by the Company.

The minimum risk rating of financial counterparties must be long-term international investment grade, or its equivalent on a local scale taking into account the minimum international foreign currency rating of the Republic of Colombia. It may only be invested in counterparties with a lower rating, within the limits established by risks for non-investment grade counterparties, or after approval by means of a current Waiver granted for risks. Local risk ratings must be issued by a recognized and legally established risk rating agency in Colombia. For international risk ratings, those granted by Moody's, S&P and Fitch will be acceptable. The following rules apply to determine the rating given to counterparties:

- If the counterparty has only one rating, the same one is chosen.
- If the counterparty has two ratings, the best rating of the two available is taken.
- If the counterparty has more than two ratings, the second best available rating is taken

Surplus liquidity operations must meet the following general criteria:

**Security:** In order to preserve the value of the investment portfolio, the resources available to be placed must meet the credit rating requirements contained in this document.

**Liquidity:** The instruments that are part of the investments must have high liquidity in the market.

**Profitability:** Within the permitted risk limits, the maximum possible return on investments should be sought.

**Diversification:** The concentration of risk in a certain type of issuer or counterparty should be avoided.

**Transparency:** All operations and commitments made in the management of available resources must be explicitly recorded and supported, and governed by the rules and procedures in force.

#### **Risk measurement:**

The Company adopted IFRS 9 on January 1, 2018, which introduced a new hedge accounting model, with the aim of aligning accounting more closely with companies' risk management activities and establishing a more principled approach.

Under the new approach, a coverage ratio is effective if and only if it meets the following criteria:

- a) There is an economic relationship between the hedged item and the hedging instrument.
- b) The effect of credit risk does not predominate over the changes in value that come from that economic relationship.
- c) The hedging ratio, understood as the relationship between the notional of the hedged item and the notional of the hedging instrument, is the same as that which the Company uses for risk management purposes and such a relationship is suitable for hedge accounting purposes.

### **38. Fair Value Information**

The fair value of financial assets and financial liabilities is presented for the amount at which the instrument could be redeemed in a current transaction between parties by mutual agreement and not in a forced or settlement transaction, according to the defined policy.

The following are the financial assets and financial liabilities that vary between book value and fair value as of December 31, 2021:

<b>Financial assets (1)</b>	<b>Book value</b>	<b>Fair value</b>
Business accounts and other accounts receivable, net	\$ 1.087.140.646	\$ 1.092.283.965
<b>Financial liabilities (2)</b>	<b>Book value</b>	<b>Fair value</b>
Bonds issued	\$ 2.232.324.246	\$ 2.246.638.355
Bank loans	1.897.229.798	1.678.438.103
Leasing obligations	76.677.664	72.641.165
<b>Total liabilities</b>	<b>\$ 4.206.231.708</b>	<b>\$ 3.997.717.623</b>

(1) The Company evaluates accounts receivable and other accounts receivable over the long term, classifying them below level 2 of the hierarchy taking into account that they are observable in similar markets. It is used for this base measurement of parameters such as the lowest interest rates of the market of products with characteristics similar to the cut of December 2021, risk factors of each country in particular, the solvency of the client and the risk characteristics of the financed portfolio. On the basis of this assessment, provisions are recorded to account for expected losses on these accounts receivable.

(2) Financial obligations and financial leases are classified within level 2 of the hierarchy since they can be traded or traded in active markets at market prices on the date of measurement. Fair value is estimated by discounting future cash flows using the rates available for debts with similar conditions, credit risk, and maturities. The Company employs the discount rates of the zero coupon curve according to the maturities of each issue.

The fair values of cash and cash equivalents and commercial accounts payable approximate their carrying amounts, largely due to the short-term maturities of these instruments.

As of December 31, 2021, the Company does not present in its statement of financial position financial assets or liabilities measured by their fair value.

### 39. Categories of financial assets and financial liabilities

The categories under IFRS 9 of financial assets and financial liabilities are as follows:

<b>Financial Assets</b>	<b>As of December 31, 2021</b>		<b>As of December 31, 2020</b>	
	<b>Stream</b>	<b>Non-current</b>	<b>Stream</b>	<b>Non-current</b>
<b>Amortized Cost</b>				
Cash and cash equivalents	\$ 375.890.228	\$ -	\$ 484.967.662	\$ -
Commercial accounts receivable and other accounts receivable	1.020.995.963	66.144.683	913.032.969	101.090.676
Accounts receivable from related entities	63.720.445	-	26.355.793	-
Other financial assets	8.201.048	-	3.620.989	-
<b>Total Financial Assets at Amortized Cost</b>	<b>\$ 1.468.807.684</b>	<b>\$ 66.144.683</b>	<b>\$ 1.427.977.413</b>	<b>\$ 101.090.676</b>
<b>Fair Value with changes in ORI</b>				
<b>Other financial assets</b>				
	-	26.856.558	-	6.318
<b>Total Financial Assets at Fair Value with changes in ORI</b>	<b>\$ -</b>	<b>\$ 26.856.558</b>	<b>\$ -</b>	<b>\$ 6.318</b>

Financial Liabilities	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
<b>Amortized Cost</b>				
Other financial liabilities	\$ 910.337.089	\$ 3.296.926.685	\$ 663.606.761	\$ 2.476.606.801
Business accounts and other accounts payable	1.016.115.390	-	1.032.751.711	-
Accounts payable to related entities	63.499.211	-	185.011.975	-
<b>Total Financial Liabilities at Amortized Cost</b>	<b>\$ 1.989.951.690</b>	<b>\$ 3.296.926.685</b>	<b>\$ 1.881.370.447</b>	<b>\$ 2.476.606.801</b>

#### 40. Approval of the Financial Statements

The Company's general purpose financial statements as of December 31, 2021, were approved by the Board of Directors according to Minutes No. XX of February 2, 4, 2022 in order to be presented to the General Meeting of Shareholders in accordance with the Commercial Code.

#### 41. Relevant Topics

##### Fusion Process

On October 1, 2021, the request for authorization of the merger by absorption between Emgesa S.A. E.S.P., (as the acquiring company) and the companies Codensa S.A. E.S.P., Enel Green Power Colombia S.A.S. E.S.P. and Essa 2 SpA (as absorbed companies) was filed with the Superintendency of Companies of Colombia. Once the merger is approved and perfected by public deed, the acquired companies will be dissolved without liquidation and the acquiring company will acquire its assets, rights and obligations in accordance with Article 178 of the Commercial Code."

##### Covid-19 impact measures

On March 11, 2020, the World Health Organization declared the COVID-19 Coronavirus outbreak a pandemic, due to its rapid spread around the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine and restriction on the free movement of people, closure of public and private premises, except for basic necessities and health facilities, closure of borders and drastic reduction of air, sea, rail and land transport. In Colombia, the Government has adopted various legislative measures to mitigate the adverse effects, both human and economic-financial, that may occur, where appropriate, caused by this health crisis due to COVID-19.

To mitigate the economic-financial impacts of this crisis, the Colombian Government has adopted various measures at the business, financial and fiscal-tax levels, aimed at ensuring the continuity of business activity; and, in particular, in certain sectors of activity in the country.

##### Measures that the Company has been taking to face the new market conditions due to COVID-19

With respect to the measures that the Company has taken regarding the mitigation of COVID-19 and complying with the measures established by the National Government, the following is the Contingency Plan implemented by the Company, which is structured in four main focal points:

##### a) Personnel Protection:

After the activation of the Business Continuity Plan on March 9, 2020, the first measures adopted by the Company were the cancellation of national and international trips, corporate events, internal group formations, and made a strong call for individual self-care through campaigns that it activated through internal media. These measures have been maintained during 2021, in addition to covid prevention, the company has promoted information on vaccination as a measure to mitigate the impact of Covid contagion.

To date, although the government has relaxed the measures in the Company, biosecurity measures are maintained, such as distancing 1.5 meters in the facilities, prevailing work at home for people whose functions allow them, self-care campaigns and also the certification in biosafe operations with ICONTEC. In total, 61% of workers are performing their task through this modality. 29% carry out their work in the field or in the Company's offices.

The company continues to develop the coordination of displacement shifts, ensuring that crews start and close at different times and staff rotation, ensuring that a different person leaves each day. Additionally, 100% of the support areas or staff are working from home providing the service to their clients with total normality.

Permanent health monitoring and prevention campaigns led by HSEQ Management are maintained, with special follow-up to workers with vulnerability criteria, in order to minimize the risk of infection. Additionally, other measures have been taken such as cellulite (equipment of maximum 5 people in a given space with sufficient distancing space). Within the cellulite, conditioning has also been adjusted to the headquarters to minimize contact. In addition to this, strict compliance has been given to all the protocols of cleaning and disinfection of common areas.

As of December 31, 2021, 98% of workers have at least one dose. In addition, the Company through the ANDI has ensured the vaccination of 5,287 people, this process began in July, aims to vaccinate employees, their families and some essential contractors who have not yet been vaccinated with the national government. In the month of November 2021 it began to support the vaccination of the children of workers over 3 years the value of the complete scheme per person is \$ 213,718 that covers 2 sinovac doses: includes purchase of the biological, transport and logistics of application. With a cut-off date of December 30, 3,135 people have been vaccinated among 604 direct workers, 1,474 contractors, 824 family members, 166 minors between 3 and 17 years old and 69 former workers who began the vaccination process while they were linked to the Company.

#### **b) Financial Strength and Access to Finance:**

Despite the possible impacts due to the circulation of the Ómicron variant, the Company maintains a stable financial position, which allows it to effectively face the challenges of the COVID-19 contingency. Additionally, as a preventive measure, the Company closed on April 15, 2021 a committed line for USD\$61 Million of immediate use if necessary, with validity of one year. Likewise, it should also be mentioned that the Company has a wide access to financing to meet future cash needs in the local and international market and has a "AAA" risk rating on a national scale ratified by Fitch Ratings in June 2021. To date, there are no material impacts on revenues, net income, cash flow and equity. In case of any significant impact, it will be informed in a timely manner to the market.

#### **c) Customer Service:**

##### **Responsible virtual and face-to-face customer service**

During 2021 we continue to strengthen our service model leveraged in digital tools of the Group, positioning among customers the range of digital channels such as WhatsApp Business, service chat, the attention of requests through the contact form and email.

Additionally and in line with the digitalization strategy, virtual assistants were implemented in the FB Messenger and Chat WEB channels and new transactions were incorporated such as the generation of payment agreements in virtual assistants, the generation of term for payment the WEB and APP, the generation of filing of requests and the monitoring of supply failures in WEB, Virtual assistants and IVR, among others. In this way, all the queries, requirements or claims of the clients can be solved, without the same one making some type of displacement to a commercial office, ensuring a simple and agile experience in each contact.

As of December 31, 2021, transactions in digital channels represent 84.46% of the total attention made in customer service.

We currently have 11 Service Centers in Cundinamarca in the municipalities of Soacha, Girardot, Facatativá, Chía, Fusagasugá, Ubaté, Puerto Salgar, Mesitas, Madrid, Zipaquirá and Villeta. In Bogotá we have the CSCs of Av. Suba, Venice, the Super Cades Cr 30, Americas, Suba, Bosa and 20 de Julio and the Cades of Plaza Américas, Servitá and Fontibón, for a total of 10 points of attention in the capital.

In all the Group's service centers we have the certification in biosafe operations

##### **Virtual Invoice and Electronic Payments**

The adoption of digital habits by customers continues to evolve, mainly influenced by digital transformation campaigns and



the momentum generated by the conditions of the pandemic. As of December 31, 2021, we have 730.7 thousand customers enrolled in a virtual invoice, as well as an average of 1.4 million monthly payments through electronic means, which corresponds to a penetration of 42.4% in 2021.

### **39) Subsequent events**

#### **Capitalization Easy Credit Codensa S.A.**

On January 28, 2022, the second capitalization of Crédito Fácil Codensa S.A. Financing Company corresponding to the remaining 50% of the capital contribution of \$7,839,000 was made according to Investment Framework Agreement and resolution 054 of January 2021 of the Financial Superintendence of Colombia.

#### **Bond Buybacks**

On January 14, 2022, the Compañía made the repurchase of Bonds of the Sub-series E5-17 for \$ 24,000,000.