



**Enel-Codensa S.A. E.S.P. Results Report**  
**June, 2021<sup>1</sup>**



<sup>1</sup> The figures of Enel-Codensa's Financial Statements as of June 2021 used in this report were prepared in Colombian pesos under the International Financial Reporting Standards (IFRS) officially applied in Colombia.

# Executive Summary

The first semester for Enel-Codensa brought great results, not only because the operating indicators continue to improve, but also because the company continues with solid and resilient cash flows, generating value to its shareholders with higher levels of net income and to its customers, through improvements in its service quality indicators. Likewise, the company continues to strengthen its operations through strategic investments, with new projects that have brought modernization and sustainable development to the city-region.

Among the most noteworthy facts is the continuous improvement in the Quality of Service indicators regarding the duration of interruptions (SAIDI) and the frequency of interruptions (SAIFI), which have had a year-on-year decrease of 35.7% and 25.1% respectively.

## Regulatory Update

On May 24, 2021, the Energy and Gas Regulatory Commission (CREG) establishes the rules on the registration of agents before ASIC and the LAC and adopts a fiduciary scheme for the granting of promissory notes in the wholesale energy market through Resolution No. 031 of 2021, based, among others, on the fact that the current promissory note scheme entails legal and operational risks that can be moderated by improving the conditions of issuance and execution of promissory notes.

CREG Resolution No. 068 issued on June 4, 2021 approved the modification of Codensa's investment plan. This approval corresponds to 97% of the requested investment from 2020 to 2025.

In mid-June 2021, the CREG, by means of Resolution No. 070 of 2021, defines the mechanisms to incorporate storage systems, with the purpose of mitigating inconveniences presented by the lack or insufficiency of energy transportation networks in the National Interconnected System (SIN), anticipating contingency situations or low availability that may jeopardize the supply.

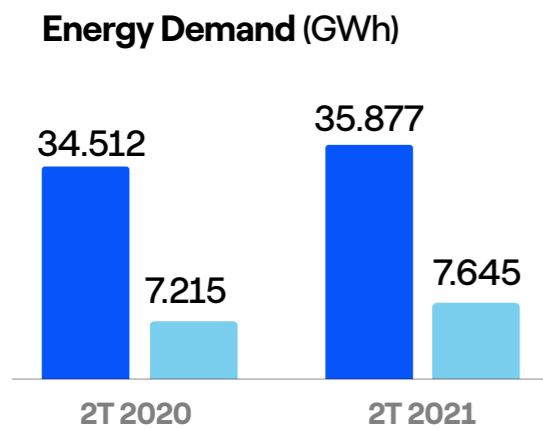
At the end of June, the CREG issued Resolution No. 075 of 2021, which dictates the provisions and procedures for the allocation of transmission capacity to the SIN, and with which it is expected to reorganize the spectrum of project connections in the Colombian electricity sector, since, today, allocations are maintained for a large number of projects that occupy transmission capacity with low viability of development, which have expired start-up deadline and/or are not covered by a guarantee that supports them. The release of this unused energy transportation capacity could solve the bottlenecks that remain for the entry of new generation projects, especially with Non-Conventional Renewable Energy Sources (NCREF), congestions that are reflected in higher costs of restrictions.

Finally, also in June, the Ministry of Mines and Energy through Resolution No. 40172 of 2021 defined the maximum tariff increase for remuneration of projects to expand coverage, which will not exceed 1% of the distribution charge.

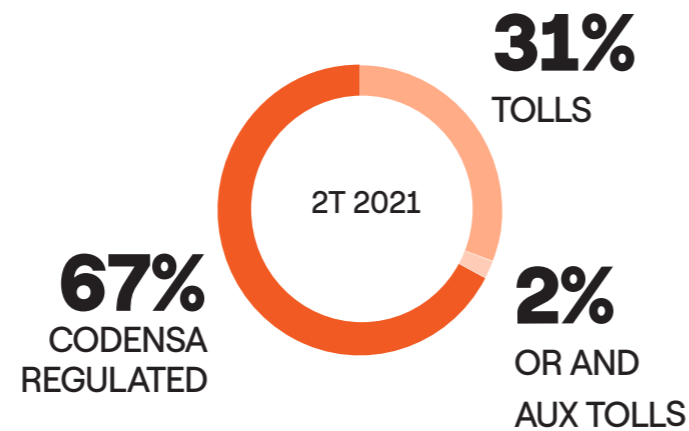
## Electricity Market in Colombia

The national demand as of June 2021 reached 35,877 GWh, a growth of 4.0% compared to the first half of 2020, consolidating a positive dynamic in the operational performance of the sector, compared to what was reported the previous year, which registered one of the highest rates of economic deceleration. According to the above, the increase in demand is mainly due to the economic reactivation as a result of a greater easing of mobility restrictions and the opening of trade throughout the country.

The demand scenario in the area of influence of -Enel-Codensa (Bogota and Cundinamarca), has a positive correlation with the national demand, growing 5.5%, thanks to the good performance of residential and industrial demand in the own market and other marketers that also make up the commercialization segment. It is worth mentioning that the regulated demand had a growth of 2.9% accumulated for the year and that corresponding to tolls 12.6%.



- National Energy Demand (Accum.)
- Energy Demand Codensa Zone (Accum.)



On the other hand, at the end of June 2021, Enel-Codensa distributed 20.8% of the national energy demand and 20.7% of the country's regulated demand, positioning itself as the leading distribution company in Colombia. 66.3% of the energy distributed by Enel-Codensa in this period corresponded to the regulated market, 31.4% to other marketers with end customers within Enel-Codensa's network and 2.4% to energy transferred to other network operators through Enel-Codensa's networks.

**Energy demand in the Enel-Codensa area was 7,645 GWh.**

## Operational Results for the first half of the year 2021

Operational Indicators	2T 2020	2T 2021	Var
No of Clients	3.562.458	3.635.127	2,04%
Total Demand	7.248	7.645	5,48%
Regulated Codensa	4.924	5.066	2,88%
Tolls	2.163	2.399	10,91%
OR and aux Tolls	161	180	11,80%
Losses	7,50%	7,68%	0,18 pp
SAIDI	753	484	-35,72%
SAIFI	10,97	8,22	-25,07%

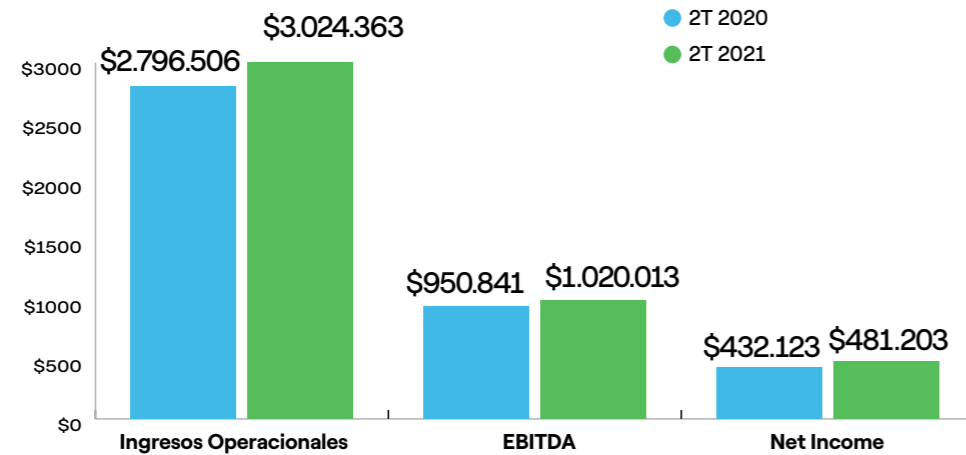
In the supply quality indicators, the frequency of service interruptions per customer (SAIFI) decreased by 25.1% and the duration of such interruptions (SAIDI) by 35.7% with respect to the first half of the previous year. These results are mainly due to activities related to electrical and forestry maintenance, network automation, recovery/availability of tele-controlled equipment, as well as operational management activities such as the expansion of the control center and frequent and detailed analysis of the causes of failures in the system, in order to guarantee the continuity of the operation.

The average indicator of total energy losses in the distribution area served by Codensa was 7.68% for the last twelve months as of June 30, 2021, which is 0.18% higher than the 7.50% of the same period in 2020. This increase is mainly associated to two factors: first, higher technical losses due to the recovery of the network operator energy demand, compared to the one in June 2020 (+ 193 GWh), which was highly impacted by the isolation measures derived from COVID-19, and second, a greater propensity to fraud, evidenced by a greater number of inspections with effective cases of energy theft in 2021, mainly in the localities of Suba, Kennedy, Bosa, and the municipalities of Soacha and Girardot. To counteract this greater aggressiveness, a control plan has been implemented whose main actions are focused on: i) Updating of loss maps by zones in order to improve the selection of customers to be inspected; ii) Normalization of users connected in direct service (1,678 users normalized); iii) Communication campaign to encourage complaints of energy fraud (2,345 customer complaints).

In addition, Enel-Codensa added 72,669 new customers to the network, representing an increase of 2.7% compared to June 2020, in line with the company's new connections and organic growth.

# Financial Results for the first half of the year 2021

## Financial Indicators



\* Amounts in trillion COP

**Enel-Codensa's EBITDA for the first half of 2021 was \$1.0 trillion pesos.**

Operating revenues totaled \$3.0 billion, presenting an increase of 8.1% in the first half of 2021 compared to the same period of 2020, mainly explained by:

- Better margin recorded due to the effect of the Producer Price Index (PPI) to which the distribution remuneration component is indexed.
- Higher revenues due to the incorporation of new assets to the regulatory base, as a result of the company's investment plan.
- Recovery of energy demand in the industrial and residential segments in Bogota and Cundinamarca. As a result, there was an increase of 5.48% in accumulated demand for the year.

- Strengthening of the commitment to Electric Mobility, with a better performance of value added products due to the entry into operation of four electric bus yards in the localities of Usme, Fontibón and Suba, added to a higher margin in the billing of the cleaning service due to the entry of two new operators, Servigenerales in the municipality of Facatativá in Cundinamarca and Ciudad Limpia in Bogotá.

The increase in operating income was partially offset by:

- A lower operating result because of a higher volume of losses and billing adjustments for non-recorded consumption.
- Higher service quality compensation. In 2020 the compensation plan started in July with the entry of the new tariff period, while in 2021 there will be compensations starting in January.
- Growth in energy purchases due to the increase in demand and the increase in energy prices, due to the effect of the Producer Price Index (IPP), to which the purchase contracts are indexed.

- A lower margin in the credit card business due to higher portfolio provisions as a result of an increase in the customer delinquency rate.

On the other hand, fixed costs remained at the same levels of the previous year (+0.3%), reaching \$244,905 million, as a result of the implementation of the Efficiency Plan, which has generated savings in operation and maintenance (O&M) costs.

On the other hand, EBITDA recorded an increase of 7.3% closing at COP\$1.0 billion compared to the closing as of June 2020, which recorded COP\$950,841 million, reflecting the growth in revenues due to the aforementioned aspects and the company's strength in its cash generation together with its optimization in costs and expenses, positively impacting the operating margin.

Depreciation and amortization showed a decrease of 0.83% with respect to the previous year, mainly due to the change in the useful life of computer systems (financial economic system) and a reduction in portfolio provisions, due to an improvement in the payment capacity of customers, impacted by the health crisis as a consequence of the pandemic.

Thus, Codensa obtained an operating profit as of June 30, 2021 of \$779,868 million pesos, which represents an increase of 14.2% compared to the same period of 2020.

**Net financial expense was 96,426 million pesos.**

On the other hand, the Company's net financial expense as of June 2021 was \$96,426 million pesos, a decrease of \$7,625 million pesos, presenting a drop of 8.6% compared to the \$88,802 million pesos recorded in June 2020, as a result of a 4.6% growth in financial expenses, which amounted to \$109.120 million pesos, explained by the increase in debt balances due to higher financial obligations to comply with the investment plan, which was offset by a 15.3% drop in financial income, closing at \$18,291 million pesos due to lower balances of temporary investments.

In line with the above, Enel-Codensa reported pre-tax profit (EBT) of Ps. 676,347 million in the first six months of 2021, 14.7% higher than a year earlier.

**Codensa's net income amounted to \$481,203 million pesos.**

Net Income increased by 11.4% compared to the same period of the previous year, reflecting positive EBIT results and a lower effective income tax rate of 1% approved by the National Government's Economic Growth Law.

# Financial Results 2021

**Investments for \$488,967 million pesos**

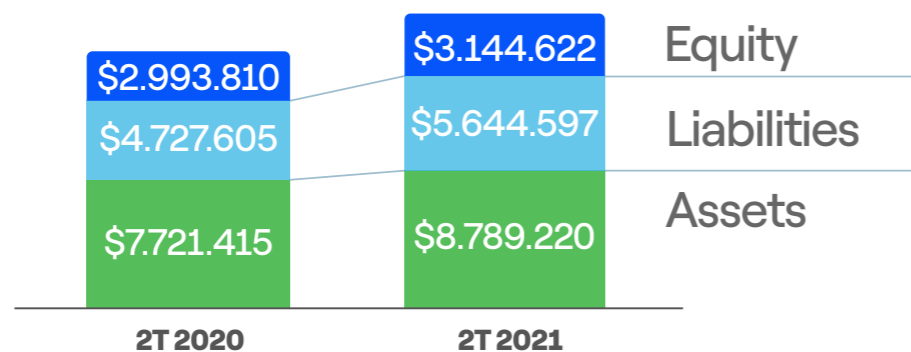
During the first half of 2021, Enel-Codensa made investments for 488,967 million pesos, which represents a growth of 24.3% compared to the same period of the previous year.

The resources were mainly focused on continuing to improve the quality of service through the modernization, expansion and maintenance of the electricity infrastructure in Bogota and Cundinamarca. On the other hand, the modernization plan for public lighting in the Capital District continued, and projects for digital transformation and strategies for connecting new customers were carried out.

As a relevant fact during the second quarter, it is worth mentioning the execution of the largest intervention plan in the Chapinero district, with an investment of close to \$4.8 billion pesos, to improve the reliability of the energy distribution system, reduce failures in the network and restore service in a timely manner in the event of suspension, all this through a work plan involving 11 circuits, representing 74 kilometers of network where 69 electrical and 36 civil defects were found. The plan benefited approximately 20,000 customers.

## Balance Sheet Structure

**Balance Sheet Accounts**



\* Figures in trillion COP

As of June 30, 2021, the Company's total assets amounted to \$8.8 trillion, of which net property, plant and equipment represented 73.4% for \$6.4 trillion pesos, short-term accounts receivable represented 11.2% with an amount of \$981,553 million pesos and cash and temporary investments amounted to \$448,974 million pesos, equivalent to 5.1% of total assets.

Compared to December 31, 2020, total assets presented a growth of 3.8%, as a result of: i) An increase in property, plant and equipment, as a result of greater investments mainly in the adaptation, modernization, expansion and construction of substations, high, medium and low voltage lines and networks and distribution transformers, additionally in financial leasing the assets for use generated by the contracts for the land for the Transmilenio yards are recognized ii) A growth of 75% in accounts receivable, which went from \$913,020 million pesos to \$981,553 million pesos. 020 million to \$981,553 million from December 2020 to June 2021, which was mainly due to the increase in commercial accounts and in the financed portfolio (energy and complementary businesses), based on the positive dynamism of the Company's revenue generation, an effect that is offset by a decrease in cash of \$35,994 million, from \$484,968 million in December 2020 to \$448,974 million in June 2021 due to payments of dividends, capex and taxes.

Total liabilities as of June 30, 2021 totaled \$5.6 trillion, with an increase of 11.4% compared to the end of 2020, mainly explained by the contracting of short and long-term bank loans between January and May 2021, with Findeter, Bancolombia and Scotiabank Colpatría. Additionally, there is an increase in accounts payable to related parties as a result of the approval of the dividend distribution project charged to 2020 profits.

On the other hand, the Company's equity as of June 30, 2021 amounted to \$3.1 billion, presenting a decrease of 7.4% compared to December 2020. This variation is mainly explained by the profits for the year and a reduction in retained earnings as a result of the dividend decree as explained above.

Regarding the company's financial structure, liabilities represented 64.2% of total assets and equity 35.8%.

During the first six months of 2021 Codensa paid \$530,534 million pesos in dividends to its shareholders, corresponding to the last installment of the 2019 period profits paid in January and the first payment of ordinary dividends corresponding to 2020 profits in the month of May 2021.

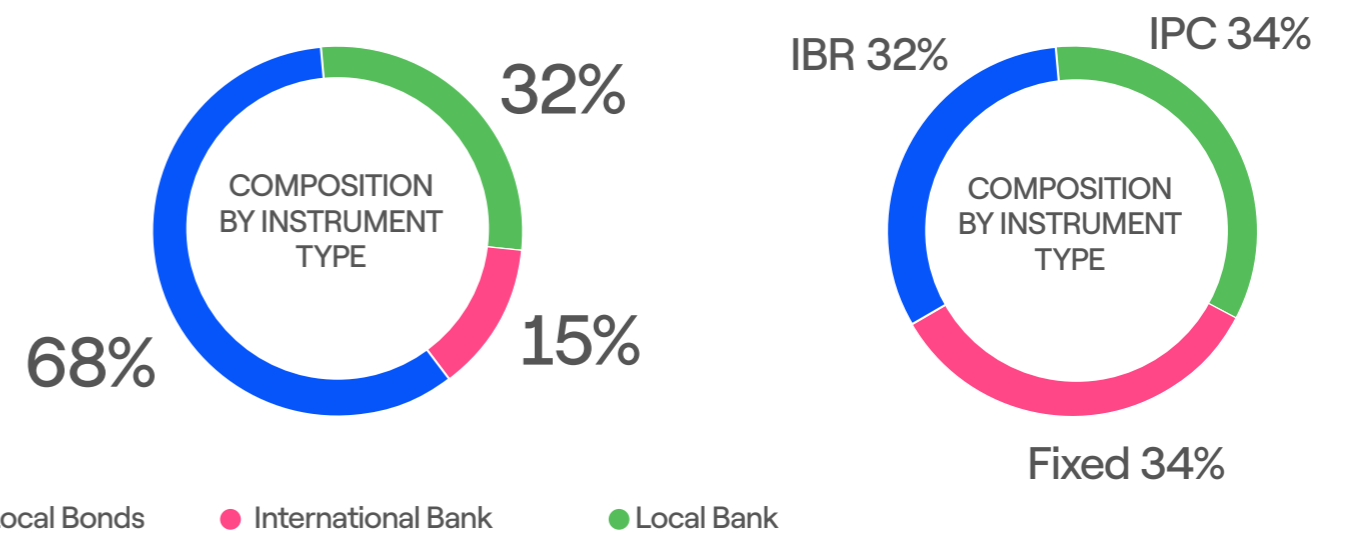
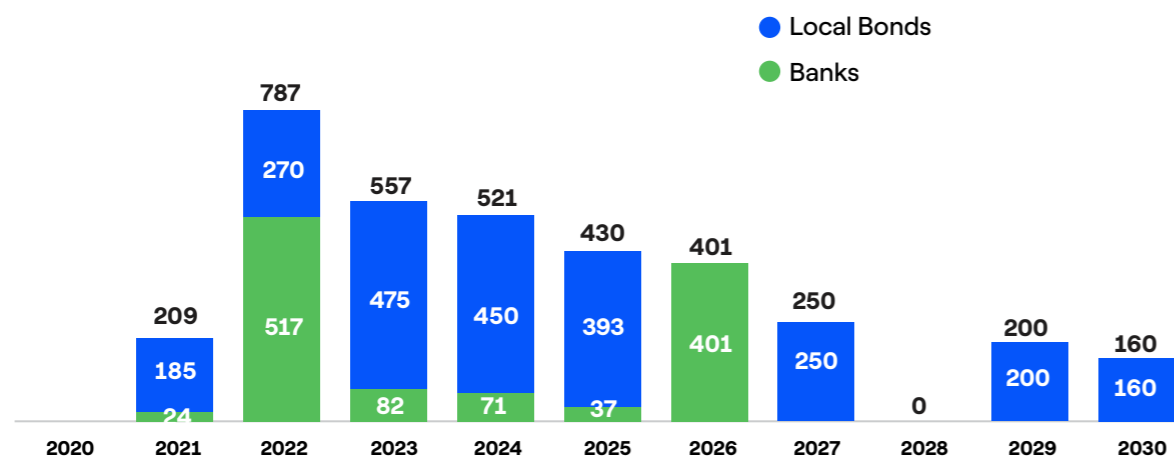
## Financial Debt

At the end of June 2021, the balance of net financial debt, including interest payable, amounted to \$3.0 trillion pesos, representing an increase of 22.3% compared to the end of 2020, as a result of the contracting of a short-term loan with Bancolombia for \$450.000 million pesos in April 2021, a 5-year loan with Scotiabank Colpatría for \$400,000 million pesos in May 2021 and subsidized loans with Findeter through Itaú for \$42,112 million pesos between January and February 2021.

Also during the period, the cancellation of the loan with the Bank of Tokyo for \$397,500 million pesos and the amortization of obligations from Empresa de Energía de Cundinamarca for \$12,358 million pesos were made.

At the end of June 2021, all Codensa's financial debt was denominated in pesos and its average life was 2.6 years.

Maturity Profile



100%  
COP Currency

2,6 X  
Average Life

3,1 x  
Net Debt/EBITDA

4,7%  
Average Rate

## Financial Debt

The following table presents a detail of the terms of Enel-Codensa's financial debt at June 30, 2021:

Instrument	Coupon / Interest	Maturity	Nominal (MM COP)	Average Life (years)	Rating
Fifth Bond Issue (Second Tranche Program)	IPC + 4,80%	November 15, 2025	108.600	4,38	AAA (Local)
Fifth Bond Issue (Second Tranche Program)	IPC + 4,80%	November 15, 2025	84.740	4,38	AAA (Local)
Sixth Bond Issue (Third Tranche Program)	IPC + 3,53%	September 25, 2021	185.000	0,24	AAA (Local)
Eighth Bond Issue (Fifth Tranche Program)	7,39%	March 9, 2022	270.000	0,69	AAA (Local)
Ninth Bond Issue (Sixth Tranche Program)	6,46%	June 8, 2024	200.000	2,94	AAA (Local)
Tenth Bond Issue (Seventh Tranche Program)	6,74%	April 11, 2025	200.000	3,78	AAA (Local)
Tenth Bond Issue (Seventh Tranche Program)	IPC + 3,59%	April 11, 2030	160.000	8,79	AAA (Local)
Eleventh Bond Issue (Eighth Tranche Program)	IPC + 2,82%	October 23, 2023	195.000	2,32	AAA (Local)
Twelfth Bond Issue (Ninth Tranche Program)	6,30%	March 7, 2023	280.000	1,68	AAA (Local)
Twelfth Bond Issue (Ninth Tranche Program)	IPC + 3,56%	March 7, 2029	200.000	7,69	AAA (Local)
Thirteenth Bond Issue (Tenth Tranche Program)	4,70%	August 25, 2024	250.000	3,16	AAA (Local)
Thirteenth Bond Issue (Tenth Tranche Program)	IPC + 2,45%	August 25, 2027	250.000	6,16	AAA (Local)
		<b>Total bonds</b>	<b>2.383.340</b>	<b>3,62</b>	
Banco de Bogotá	IBR + 1,25% MV	April 5, 2026	16.475	2,08	N/A
Banco BBVA S.A.	IBR 6M + 0,90 NASV	June 13, 2022	16.667	0,15	N/A
Banco BBVA S.A.	IBR 6M + 1,05 NASV	January 14, 2025	193.750	2,01	N/A
Findeter	0%	August 28, 2023	4.026	0,69	N/A
Findeter	0%	October 16, 2023	5.713	0,79	N/A
Findeter	0%	November 30, 2023	2.614	0,88	N/A
Findeter (Itaú)	IBR + 0,0% MV	January 6, 2024	11.783	0,97	N/A
Findeter (Itaú)	IBR - 0,15% MV	January 6, 2023	21.700	0,49	N/A
Findeter (Itaú)	IBR + 0,0% MV	February 8, 2024	2.785	1,04	N/A
Findeter (Itaú)	IBR - 0,15% MV	February 8, 2023	5.845	0,56	N/A
Bancolombia	IBR + 0,40% TV	April 5, 2022	450.000	0,51	N/A
Scotiabank	IBR 3M + 0,75%	May 14, 2026	400.000	4,79	N/A
		<b>Total Loans</b>	<b>1.131.358</b>	<b>0,77</b>	
		<b>Total</b>	<b>3.514.698</b>		



If you require additional information, please contact our Investor Relations (IR) team:

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