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



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

# Executive Summary

- Enel-Codensa achieved an EBITDA of \$1.5 trillion pesos during the first nine months of 2021, with a growth of 9.2% compared to the same period of 2020, and a margin of 33% over operating revenues.
- Codensa executes an ambitious investment plan reaching \$658,094 million pesos at the end of the third quarter, meeting the goals set in the industrial plan.
- Enel-Codensa maintains a continuous improvement in quality indicators. As of September 2021, it recorded a 15.8% decrease in the frequency of service interruptions per customer (SAIFI) and a 22% decrease in the duration of such interruptions (SAIDI), compared to the same period in 2020.

## Regulatory Update

On July 10, 2021, the National Government published Law 2099, the purpose of which is to modernize the current legislation and dictate strategic provisions for the energy transition, the dynamization of the energy market through the use, development and promotion of non-conventional energy sources, the economic reactivation of the country and the strengthening of the companies that provide electric power and fuel gas services. The law highlights the inclusion of storage systems of non-conventional energy sources and efficient use of energy, to integrate them to the electricity market, provides that the "Green Hydrogen" and "Blue Hydrogen" projects may access the benefits of income deduction, VAT exclusion, zero tariffs and accelerated depreciation and encourages the promotion and development of technologies for carbon capture, utilization and storage.

Regarding the CREG, on July 21 Resolution 068/2021 was published, which approves the investment plan for Codensa, recognizing 11 special Construction Units, which corresponds to 97% of the investment requested for the period 2020-2025.

On the other hand, on September 15, 2021, the Ministry of Mines and Energy (MME) made the final publication of the roadmap of the Energy Transformation Mission to modernize and transform the electricity sector in the short and medium term, establishing guidelines and strategies to face the constant challenges, in order to guarantee a reliable and safe energy supply at competitive prices. The document presents a summary of the proposals made by the experts in Phase 1, and the

Roadmap resulting from their prioritization developed in Phase 2, as well as the legal and policy guidelines defined. It should be noted that the priority issues are: competition, participation and market structure; the role of natural gas in the energy transformation; decentralization, digitalization of the industry, and efficient demand management; closing the gap, improving quality, and efficient design and formulation of subsidies; and revision of the institutional and regulatory framework of the sector.

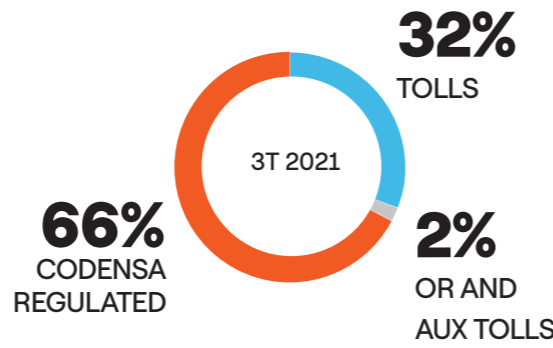
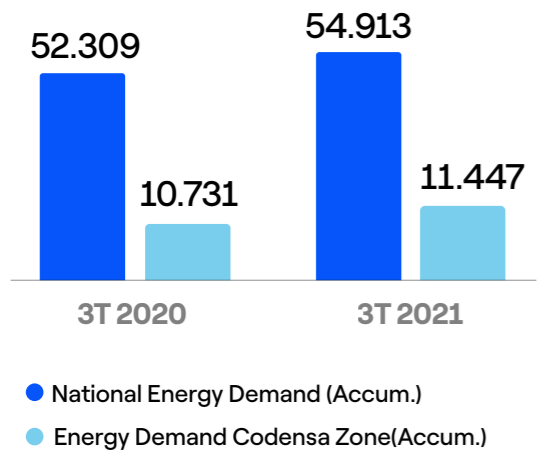
Likewise, through Resolution 40279 the Ministry of Mines and Energy adopts the Reference Expansion Plan for Generation and Transmission 2020-2034 prepared by UPME, through which it develops the indicative planning of the expansion in generation and contains the transmission works which must be executed through: 1) Public bidding or 2) Expansions of the STN.

Likewise, on September 30, the Ministry of Mines and Energy published the hydrogen roadmap led by the National Government, specifying the guidelines in terms of generation and uses, as a driver of economic and social development in the goals set for the energy transition by contributing to the challenge of decarbonization, as it is considered the cleanest energy source within the energy matrix.

# Mercado Eléctrico Colombiano

Cumulative energy demand in Codensa's area between January and September was 11,447 GWh.

Energy Demand (GWh)



Energy demand in Enel-Codensa's area of influence in the first nine months of 2021 was 11,447 GWh, which represented a positive variation with respect to the same period of the previous year of 6.7%, placing two percentage points above the growth of national demand, evidence of the good pace of growth in the commercial and industrial segments, thus exceeding pre-pandemic levels and in line with the country's economic growth.

At the end of September 2021, Enel-Codensa distributed 20.8% of the national energy demand and 20.7% of the country's regulated demand. 65.9% of the energy distributed by the Company in this period corresponded to the regulated market, 32.1% to other marketers with end customers within Enel-Codensa's network, and 2.0% to energy transferred to other network operators through the Company's networks.

Enel-Codensa linked 71,332 new customers to its network during the first nine months of 2021 with respect to the annual closing of 2020, reaching a total of 3,681,282 customers in Bogota and in more than 100 municipalities in Cundinamarca, promoted by the company's organic growth resulting from new connections during this period.

The accumulated national demand between January and September was 54,913 GWh, registering a year-to-date growth rate of 5.0% compared to the same period of 2020, leveraged by the return to the new normality thanks to the progress in the vaccination plan and the economic recovery that has been accompanied by the opening of educational establishments and the increase in the capacity of people in public and private establishments, triggering a greater commercial and productive dynamism. Regarding the monthly behavior, Energy demand in September shows a growth of 7.3% compared to the same month of 2020, above what was projected in the average scenario of the UPME and exceeding the levels of the same month in 2019 (year prior to the beginning of the pandemic) which ratifies the economic recovery.

Enel-Codensa's average energy loss index for the last twelve months stood at 7.59% at the end of September 2021, which implies a growth of 0.05 points, compared to the 7.54% observed in the same period of 2020, an increase mainly associated with two factors: (i) higher technical losses (+597 GWh) resulting from the reactivation of the productive sector; and (ii) greater propensity to fraud evidenced by a greater number of inspections, which have concluded with actual cases of energy theft mainly in the localities of Suba, Kennedy, Bosa, and the municipalities of Soacha and Girardot. It should be noted that to counteract this situation, a loss control plan has been implemented, the main actions of which are: (i) updating the loss maps by zones in order to improve the selection of customers to be inspected; (ii) normalization through technical measures of approximately 2,571 users with findings of fraud or direct service connection; and (iii) implementation of communication campaigns to users to encourage complaints of energy fraud (So far in 2021, 3,496 complaints have been recorded).

Regarding the results of the service quality indicators, a 15.8% decrease was achieved in the frequency of service interruptions per customer (SAIFI) and 22% in the duration of such interruptions (SAIDI) as of September 30, 2021 compared to the same period of 2020. The above, thanks to the execution of the investment plan focused on electrical maintenance, telecontrol projects and modernization of the network, despite the significant challenges posed by the high rainfall in the area of influence, which has been above average.

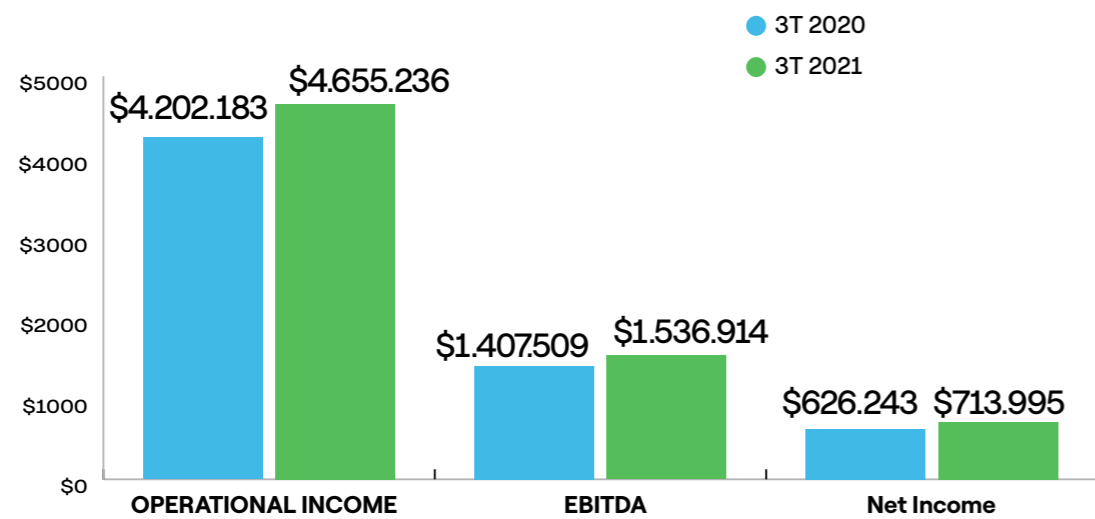
The following is a summary of the main operating results as of September 2021:

	January to September 2021	Enero a Septiembre 2020	Var
<b>National Demand (TAM GWh)</b>	54.913	52.309	+5,0%
<b>Demand Codensa Area (TAM GWh)</b>	11.447	10.731	+6,7%
<b>% Codensa's shareholding</b>	20,7%	20,6%	+0,1
<b>No of Customers</b>	3.681.282 <sup>(1)</sup>	3.584.631 <sup>(2)</sup>	+2,7%
<b>Losses rate (TAM)</b>	7,59%	7,54%	+0,05

(1) Figures as of September 30, 2021.  
 (2) Figures as of December 31, 2020.



# Operating results as of September 2021



\* Cifras en billones de pesos

**Enel-Codensa's EBITDA was \$1.5 trillion pesos as of September 30,**

- ii. Growth of 6.7% accumulated for the year in energy demand in Enel-Codensa's area of influence, driven by the economic reactivation of the commercial and industrial segments.
- iii. Updating of the distribution charge due to the effect of the Producer Price Index (IPP) to which the remuneration component is indexed.
- iv. Better performance of value-added products due to the entry into operation of the four recharging yards for the electric buses of the Integrated Public Transportation System (SITP) and a higher margin in the billing of the sanitation service due to the entry of new operators in Bogota and Cundinamarca.

The increase in operating income was partially offset by a lower regulatory premium due to the effect of higher frauds registered that have impacted the result of real energy losses and by a lower margin in credit cards, due to a higher portfolio provision as a result of the behavior of the customer delinquency rate.

Enel-Codensa's revenues evidenced a 10.8% growth in the first nine months of 2021 compared to the previous year, going from \$4.2 billion to \$4.7 billion respectively, mainly explained by:

- i. Higher revenues from the incorporation of new assets to the regulatory base, as a result of the significant execution of the investment plan focused on improving the quality of service and the transformation of the network.

Fixed costs, represented by personnel and operation and maintenance costs, show a decrease of 1.2% compared to the same period of 2020, reaching a total of \$454,755 million pesos thanks to the efficiency program implemented and the results of the investments that have allowed to reduce failures in the networks.

Based on the described dynamics of the main items detailed above, at the end of September 2021 EBITDA closed at \$1.5 trillion pesos, showing an increase of 9.2% with respect to the same period of 2020, which corresponds to a margin of 33.0% over operating revenues.

Depreciation and amortization presented a growth of 2.4% with respect to the previous year, mainly as a result of the increase in the base of depreciable fixed assets in accordance with the execution of the investment plan that has been established. With respect to provisions, a reduction of 52.3% was recorded, compared to those recorded as of September 2020, a year in which a substantial increase in this item was recorded due to the deterioration of the commercial portfolio as a result of the pandemic.

Consequently, EBIT as of September 30, 2021 reached \$1.17 trillion pesos, representing an increase of 14.7% versus the same period in 2020.

**Net financial expense was \$148,818 million pesos.**

Net financial expense for the first nine months of 2021 presented an increase of 7.5% compared to the same period a year ago, explained by the following factors:

- (i) Gross financial expense on debt increased by 11.2% totaling \$172,953 million pesos, explained by an increase in the average debt balance and a higher CPI variation (twelve months) compared to the same period of 2020.
- (ii) The exchange difference decreased by 53.8% from \$12,500 million pesos to \$5,806 million pesos due to a reduction in current liabilities denominated in foreign currency.

In line with the above, Enel-Codensa reported earnings before taxes (EBT) of \$1.0 trillion pesos in the first nine months of 2021, 16.2% higher than in 2020.

**Enel-Codensa's net income amounted to \$713,995 million pesos.**

The Company evidenced a net income of \$713,995 million pesos during the first nine months of 2021, presenting a growth of 14.0% compared to the same period of the previous year, in line with the positive results in operating income, despite the increase in financial expenses (+7.5%). The latter is the result of a higher average debt balance due to the execution of the investment plan and a higher tax provision value that incorporates the effect on the deferred tax due to the increase in the nominal income tax rate to 35%, included in the Social Investment Law.

# Financial Results 2021

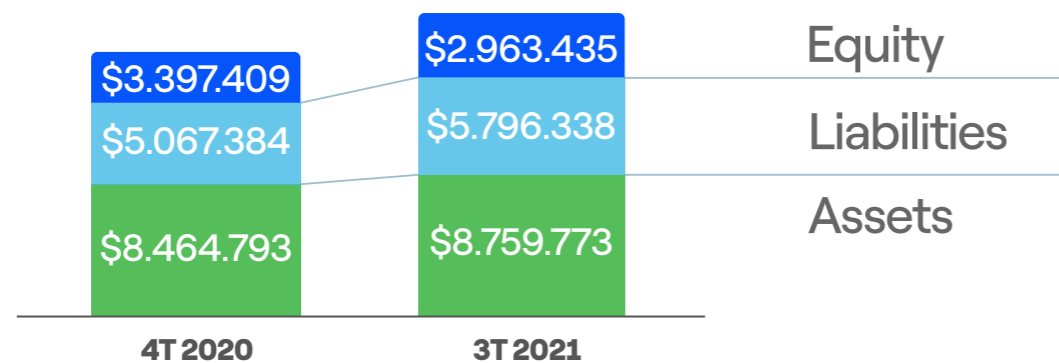
**Investments for \$658,094 million pesos**

Between January and September 2021, Enel-Codensa accumulated investments for \$658,094 million pesos, registering a decrease of 2.4% compared to the same period of the previous year where a value of \$677,381 million pesos was recorded. It is worth noting that the resources were focused on the modernization and maintenance of the distribution infrastructure, remote control, the repowering of substations and the expansion of the capacity of lines and circuits, with the aim of making it feasible to meet the new demand and the connection of new customers in low, medium and high voltage.

Also noteworthy was the inauguration during the third quarter of the second electric-powered car-free charging station in Unicentro Bogotá, becoming the largest and fastest charging station in a shopping center, as well as the opening of the first subway cable test field, which materializes new opportunities for the adoption of new technologies that will transform the capital's spaces into visibly cleaner and more sustainable places, with a higher quality urban offer.

## Balance Sheet Structure

### BALANCE SHEET ACCOUNTS



\*Figures in Million pesos

As of September 30, 2021, the Company's assets amounted to \$8.8 trillion pesos, of which property, plant and equipment represented 74.1%, totaling \$6.5 trillion pesos, accounts receivable represented 11.9%, totaling nearly \$1 trillion pesos and intangibles contributed 4.3% closing at \$376,604 million pesos.

Compared to December 31, 2020, total assets presented an increase of 3.5%, mainly explained by an increase in property, plant and equipment of 5.3% (\$324,000 million), as a result of the execution of the Capex; likewise, commercial accounts showed a growth of 13.9%, going from \$913.019 million pesos at the end of 2020 to \$1 trillion pesos at September 2021, as a result of: i) the application of the regulatory mechanism of tariff option and, ii) the deferral of the value of the invoices that strata 1 to 4 could benefit from by virtue of the regulation issued to mitigate the impacts caused by COVID-19; finally, these results were partially offset by a 34.2% decrease in cash and cash equivalents, as a result of the payment of dividends, taxes and Capex.

Enel-Codensa's total liabilities as of September 2021 closed at \$5.8 trillion pesos, an increase of 14.4% compared to year-end 2020. In the period analyzed, total financial debt increased 32%, mainly explained by an increase in long-term financial debt used to leverage the investment plan.

Likewise, the Company's equity as of September 2021 was \$2.96 billion pesos, a decrease of 12.8% compared to December 31, 2020, mainly explained by the lower value of the profit for the period and the decrease in retained earnings resulting from the decree of distribution of 50% of retained earnings between 2016 and 2020.

Regarding the company's financial structure, liabilities represented 66.2% of total assets and equity represented 33.8%.

During the first nine months of 2021 Enel-Codensa paid a total of \$908,483 million pesos in dividends to its shareholders, equivalent to more than 2.7 times the value paid in 2020. These include the payment of the last installment of dividends pending for 2019, the change in dividend distribution policy from 70% to 90% of 2020 profit which were cancelled in the months of May and August 2021, highlighting that the payment of the second and last installment of dividends for 2021, was anticipated in August, initially scheduled for the month of December, in line with what was approved by the Extraordinary General Shareholders' Meeting held in July 2021, within the framework of the agreement reached with Grupo Energía de Bogotá.

# Financial Debt

At the end of September 2021, net financial debt, including interest payable, amounted to \$3.2 trillion pesos, an increase of 32.0% with respect to the annual balance for 2020.

During the year to date, the company took out loans as follows:

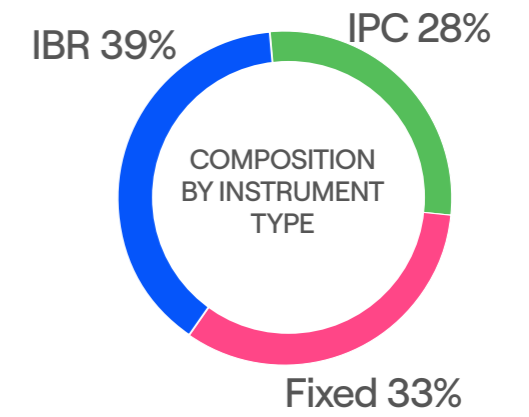
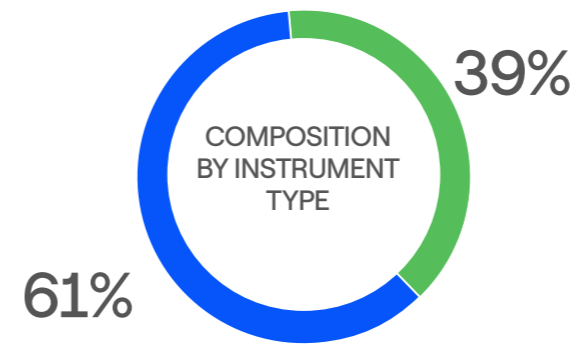
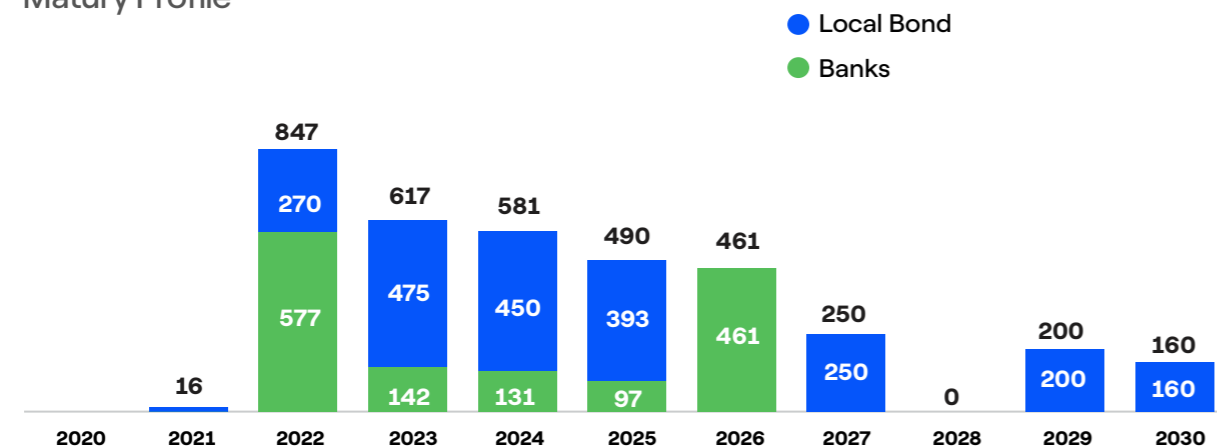
- Between January and February, the Company contracted development loans with Findeter through Itaú as intermediary Bank for \$45,536 million pesos maturing in two and three years, through the rediscount line with compensated rate enabled by the National Government for companies that provide electric energy public utilities that implemented the measures to defer the payment of the billing cost to residential users.
- \$450,000 million pesos corresponding to a loan with Bancolombia on April 5, 2021 with maturity on April 5, 2022.
- \$400,000 million pesos corresponding to a loan with Scotiabank Colpatría on May 14, 2021 maturing on May 14, 2026.
- \$300,000 million pesos corresponding to a loan with Bancolombia on July 15, 2021 maturing on July 15, 2026.

The proceeds of these operations have been used to refinance maturities of financial obligations and to meet the company's capex needs.

During the period, the cancellation of the loan with Bank of Tokyo for \$397,500 million pesos in April 2021 and the maturity of the third tranche of the Program and Issuance and Placement of the Company on September 27, 2021 for \$185,000 million pesos took place.

At the end of September 2021, all of Codensa's financial debt was denominated in pesos and its average maturity was 2.34 years.

Maturity Profile



● Local Bonds ● International Bank ● Local Bank

100%  
COP CURRENCY

2,3 X  
Average Life

2,2 x  
Net Debt/EBITDA

4,6%  
Average Rate

## Financial Debt

The following table presents the detail of Enel-Codensa's financial debt as of September 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	4,13	AAA (Local)
Fifth Bond Issue (Second Tranche Program)	IPC + 4,80%	November 15, 2025	84.740	4,13	AAA (Local)
Eighth Bond Issue (Fifth Tranche Program)	7,39%	March 9, 2022	270.000	0,44	AAA (Local)
Ninth Bond Issue (Sixth Tranche Program)	6,46%	June 8, 2024	200.000	2,69	AAA (Local)
Tenth Bond Issue (Seventh Tranche Program)	6,74%	April 11, 2025	200.000	3,53	AAA (Local)
Tenth Bond Issue (Seventh Tranche Program)	IPC + 3,59%	April 11, 2030	160.000	8,53	AAA (Local)
Eleventh Bond Issue (Eighth Tranche Program)	IPC + 2,82%	October 23, 2023	195.000	2,06	AAA (Local)
Twelfth Bond Issue (Ninth Tranche Program)	6,30%	March 7, 2023	280.000	1,43	AAA (Local)
Twelfth Bond Issue (Ninth Tranche Program)	IPC + 3,56%	March 7, 2029	200.000	7,44	AAA (Local)
Thirteenth Bond Issue (Tenth Tranche Program)	4,70%	August 25, 2024	250.000	2,90	AAA (Local)
Thirteenth Bond Issue (Tenth Tranche Program)	IPC + 2,45%	August 25, 2027	250.000	5,90	AAA (Local)
		<b>Total Bonds</b>	<b>2.198.340</b>	<b>3,65</b>	
Banco de Bogotá	IBR + 1,25% MV	April 5, 2026	15.623	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	3.562	0,69	N/A
Findeter	0%	October 16, 2023	5.101	0,79	N/A
Findeter	0%	November 30, 2023	2.344	0,88	N/A
Findeter (Itaú)	IBR + 0,0% MV	January 6, 2024	10.643	0,97	N/A
Findeter (Itaú)	IBR - 0,15% MV	January 6, 2023	18.274	0,49	N/A
Findeter (Itaú)	IBR + 0,0% MV	February 8, 2024	2.524	1,04	N/A
Findeter (Itaú)	IBR - 0,15% MV	February 8, 2023	4.968	0,56	N/A
Bancolombia	IBR + 0,40% TV	April 5, 2022	450.000	0,51	N/A
Bancolombia	IBR 6M + 0,500 NASV	May 14, 2026	300.000	4,62	N/A
Scotiabank	IBR 3M + 0,75%	July 15, 2026	400.000	4,79	N/A
		<b>Total Loans</b>	<b>1.423.454</b>	<b>2,79</b>	
		<b>Total</b>	<b>3.621.794</b>		



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

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