

ENEL-CODENSA INCREASED INVESTMENTS BY 24% IN H1 2021

Bogota, 27 July, 2021

Financial Results H1 2021

	H1 2021	H1 2020	YoY %
<i>Millions of Pesos (COP)</i>			
REVENUE	3,024,363	2,796,506	+8.1%
EBITDA	1,020,013	950,841	+7.3%
EBIT	779,868	682,970	+14.2%
NET INCOME	481,203	432,123	+11.4%
NET FINANCIAL DEBT ⁽¹⁾	2,998,782	2,452,633 ⁽²⁾	+22.3%
INVESTMENTS	488,967	393,221	+24.3%

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

⁽²⁾ Figures as of December 2020

Lucio Rubio Díaz, Country Manager of Enel in Colombia, stated: *“This first half of 2021 brings great results for Enel-Codensa, not only because we continue to improve operating results, but also because together with our partner Grupo Energía Bogotá we have sought an agreement that allows us to evolve to strengthen the public-private alliance created 24 years ago. With this new step, we will continue consolidating the Company’s operation, we will strengthen our commitment to new projects that contribute to the city-region’s modernization and sustainable development, and we will also work to provide our customers with higher quality of service and reliability.”*

Revenue increased YoY by 8.1% in the first half of 2021, mainly explained by:

- Better margin registered due to the effect of the Producer Price Index (PPI) to which the distribution remuneration component is indexed.
- Higher income from the incorporation of new assets to the regulatory base, due to the effect of the company’s investment plan.
- Recovery of the energy demand in the industrial and residential segments in Bogota and Cundinamarca, Enel-Codensa’s area of influence. 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 revenue was partially offset by:

- A lower **operating income** due to the effect of a higher volume of losses and adjustments in billing for unrecorded consumption.
- Higher compensation for quality of service. In 2020, the compensation plan began in July with the entry of the new tariff period, while in 2021 there are compensations starting in January.

- Growth in energy purchases due to the increase in demand and the increase in energy prices, caused by the Producer Price Index (PPI), to which the purchase agreements are indexed.
- A lower margin in the credit card business due to higher portfolio provisions driven by an increase in the delinquency rate of customers.

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

In turn, **EBITDA** registered an increase of 7.3% that reflects the growth in income due to the above.

EBIT increased by 14.2%, explained by the EBITDA results, in addition to a lower depreciation due to the change in the useful life of the economic-financial system and a reduction in portfolio provisions, given the improvement in the customers' ability to pay, affected by the public health emergency of the pandemic.

Net Income increased by 11.4% compared to the same period of the previous year, reflecting the positive EBIT results and a lower effective income tax rate of 1% approved by the National Government in the Economic Growth Law. This was offset by an increase in financial expenses, caused by an average debt balance higher than last year as a result of the financing of the investment plan.

Net Financial Debt increased YoY by 22.3%, in line with the execution of the investment plan, which is reflected in the improvement of the operating indicators.

During the first half of 2021, Enel-Codensa made **investments** for \$488,967 million pesos, which represents a YoY growth of 24.3%. The resources were mainly aimed at continuing the improvement of the quality of service through the modernization, expansion and maintenance of the electrical infrastructure in Bogota and Cundinamarca. Also, the district's street lighting modernization plan was continued and projects were executed for the digital transformation and connection strategies for new customers.

Operating Results H1 2021

	H1 2021	H1 2020	YoY %
DOMESTIC ENERGY DEMAND (GW/h)	35,877	34,512	+3.96%
ENEL-CODENSA ENERGY DEMAND ⁽¹⁾ (GW/h)	7,645	7,248	+5.48%
ENEL-CODENSA MARKET SHARE	20.7%	20.6%	+0.1
AVERAGE ENERGY LOSS RATE	7.68%	7.50%	+0.18
TOTAL ENEL-CODENSA CUSTOMERS	3,635,127	3,562,458	+2.69%
SAIDI ⁽²⁾	484'	753'	-35.72%
SAIFI ⁽³⁾	8.22	10.97	-25.07%

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

(2) System Average Interruption Duration Index

(3) System Average Interruption Frequency Index

For the second quarter of the year, the domestic energy demand consolidates positive growth rates compared to the second quarter of 2020, which registered one of the highest rates of economic slowdown. The increase in demand is mainly due to the economic reactivation as a result of greater flexibility in mobility restrictions and reopening of businesses.

In turn, the **energy demand** in the area of influence of Enel-Codensa (Bogota and Cundinamarca) also registered positive growth rates thanks to the good performance of residential and industrial demand in its own market and other retailers in the market.

Enel-Codensa's **average energy loss rate** showed a growth of 0.18%, mainly associated with two factors: higher technical losses due to the recovery of energy demand compared to the same period of 2020, which was highly affected by the lockdown measures to control the pandemic and a greater propensity for energy fraud, mainly in the towns of Suba, Kennedy, Bosa, and the municipalities of Soacha and Girardot. This situation has been offset with a greater deployment of investment, an increase in the number of inspections, standardization of non-customer users and campaigns to encourage reports of energy fraud.

Enel-Codensa's **total customers** increased by 2.7%, in line with the new connections and the company's organic growth.

Regarding the results in the **supply quality indicators**, there was a YoY decrease in the frequency of service interruptions per customer (SAIFI) of 25.1% and in the duration of interruptions (SAIDI) of 35.7%. These results are mainly due to activities related to electrical and forestry maintenance, network automation, recovery of remote-controlled equipment, as well as operational management activities such as the expansion of the control center and ongoing analysis of the causes of failures in the system.

Dividends

During the first half of 2021, Enel-Codensa paid a total of \$530,534 million pesos in dividends to its shareholders.

	H1 2021	H1 2020
<i>Millions of Pesos (COP)</i>		
Current assets	1,734,554	1,467,898
Non-current assets	7,054,666	6,253,517
Current liabilities	2,705,349	2,211,293
Non-current liabilities	2,939,248	2,516,312
Equity	3,144,622	2,993,810
Revenue	3,024,363	2,796,506
Costs	1,759,445	1,594,471
Contribution margin	1,264,918	1,202,035
Earnings before interests and taxes (EBIT)	779,868	682,972
Earnings before taxes (EBT)	676,347	589,859
Net income	481,203	432,123

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