

IN 2021, ENEL-CODENSA REACHED ALL-TIME HIGHS IN NET INCOME, INVESTMENTS AND SERVICE QUALITY

Bogota, February 25, 2022

Financial Results 2021

	2021	2020	YoY %
<i>Millions of Colombian Pesos (COP)</i>			
REVENUE	6,389,002	5,713,741	+11.8%
EBITDA	2,087,778	1,881,583	+11.0%
EBIT	1,578,750	1,392,017	+13.4%
NET INCOME	982,387	842,530	+16.6%
NET FINANCIAL DEBT ⁽¹⁾	3,640,286	2,452,633	+48.4%
INVESTMENTS	1,034,621	1,018,407	+1.6%

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

Lucio Rubio Díaz, General Manager of Enel in Colombia, declared: “2021 was a positive year for the Company; not only financially, but also in terms of electrification: the fundamental pillar of our corporate strategy. We made available four charging stations for the Bogota’s electric buses, and we provided a more reliable and safe energy service through the modernization of our electrical infrastructure, driven by a historic investment of COP \$1.03 trillion. As a result, we reduced by 8.5% the system average interruption frequency per customer (SAIFI) and by 12.5% the duration of such interruptions (SAIDI), in addition to achieving a new record in the reduction of the average energy loss rate.”

As of 2021, the company achieved positive results on account of the factors explained below:

Contribution margin amounted to COP \$2.6 trillion, evidencing a YoY increase of 6.5% due to:

- Higher revenues from the remuneration of the distribution activity, as a result of the incorporation of new assets to the regulatory base, given the investment plan focused on the modernization of the electric grid to improve service quality.
- Recovery of energy demand in Enel-Codensa’s area of influence, with an annual variation of 6.4% and exceeding national demand and pre-pandemic levels, in line with the country’s economic reactivation.
- Positive impact due to rate indexation, in accordance with current regulations.
- Higher margin of value-added products, as a result of the billing of the cleaning service of new operators and the entry into operation of the four charging stations for the electric buses of the Integrated Public Transport System (SITP).

Fixed costs, represented by personnel, 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 worthwhile to mention that without this effect, Opex would remain at the same level as in the previous period, as a result of the implementation of the efficiency program and the execution of the investment plan.

The latter has focused on the modernization of the electric grid, driving the improvement of service quality by reducing failures and interruptions.

Accordingly, **EBITDA** grew by 11% YoY.

EBIT reached COP \$1.6 trillion, a YoY increase of 13.4% as a result of the positive EBITDA behavior and favored by the better 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 implementing.

In that sense, **net income** for the year 2021 was COP \$982.387 billion, presenting an increase of 16.6% despite:

- The growth in financial expenses (+15.6%), derived from the increase in the debt balance.
- Higher tax expenses (+11.1%) originated by a higher provision in the deferred tax after the increase in the nominal rate on income tax to 35%, included in the Social Investment Law.

During 2021Q4, the company recorded COP \$20.747 billion for the recognition of the equity method associated with the investments in the companies incorporated to provide the fleet and construction of TransMilenio's charging stations in the localities of Fontibón and Usme.

Accordingly, **Net Financial Debt** increased 48.4% YoY, as a result of the financing needs derived from Enel-Codensa's ambitious investment plan. The Net Debt/EBITDA indicator as of year-end 2021 was 1.7x, which reflects the Company's financial stability and soundness.

At the end of 2021, Enel-Codensa accumulated **investments** of COP \$1.03 trillion, an all-time high in its 24 years of operation. These resources were used to comply with the investment plan submitted to the regulator for the management of distribution assets and the Company mainly worked on the expansion of infrastructure to support the growth in demand and new connections, improve the quality of the service in its area of influence, and integrate new systems and technologies in the operation.

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Among the most relevant projects, the construction of the Salamina, Boquerón and Panagua medium voltage substations are highlighted, as well as the modernization of the San José substation, which will meet the growing demand in the central-eastern area of Bogota and whose energization and integration to the operation took place in December 2021.

Operating Results 2021

	2021	2020	YoY %
DOMESTIC ENERGY DEMAND (GW/h)	73,732	70,420	+4.7%
ENEL-CODENSA ENERGY DEMAND ⁽¹⁾ (GW/h)	15,444	14,521	+6.4%
ENEL-CODENSA MARKET SHARE	20.7%	20.7%	+0.0

AVERAGE ENERGY LOSS RATE	7.53%	7.62%	-0.09
TOTAL ENEL-CODENSA CUSTOMERS	3,703,594	3,609,950	+2.6%
SAIDI ⁽²⁾	487'	557'	-12.5%
SAIFI ⁽³⁾	8.1	8.9	-8.5%

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

(2) System Average Interruption Duration Index for the last 12 months

(3) System Average Interruption Frequency Index for the last 12 months

The national energy demand showed positive results based on a greater dynamic of the sector. As of year-end 2021, a growth rate of 4.7% was recorded, as a result of the economic reactivation and the reopening of the productive sectors throughout the country.

Regarding energy demand in Enel-Codensa's area of influence (Bogota and Cundinamarca), an increase of 6.4% was achieved, i.e., 1.7 percentage points above the growth of national demand. This performance was driven by growth in the commercial and industrial segments, which were the most depressed during 2020. Thus, growth in 2021 recovered the drop observed in 2020 and exceeds the levels recorded in 2019, before the beginning of the Covid-19 pandemic.

The **average energy loss rate** as of December 2021 shows a decrease of 0.09 percentage points compared to 2020, standing at 7.53%, the lowest in the Company's history. This is the result of the implementation of an action plan that increased the number of technical inspections, ensuring the proper operation of metering equipment, and added to the standardization of users with direct connection to the grid, new targeting campaigns and the enabling of metering points to identify critical areas with high volumes of fraud.

Enel-Codensa's **total number customers** increased by 2.6% in 2021, due to new connections originated by the Company's organic growth.

Regarding **service quality indicators**, in 2021, the system average interruption frequency per customer (SAIFI) decreased by 8.5% and the duration of such interruptions (SAIDI) by 12.5%, reaching unprecedented levels, highly competitive standards and reaffirming Enel-Codensa's commitment to provide its customers with the best quality of service.

Also, for the second consecutive year, the goal set in the service quality improvement agreement signed in 2020 with the Superintendence of Residential Public Services was achieved, thanks to the continuity of the investment plans and maintenance activities carried out in Bogota and 20 municipalities in Cundinamarca. Moreover, the values proposed for 2022 were reached in advance.

Dividends

As of December 31, 2021, Enel-Codensa paid a total of COP \$1.3 trillion in dividends to its shareholders. These referred to the payment of the last installment of outstanding dividends for 2019; the distribution of dividends associated with the 2020 profit, marked by the change in policy on the dividend payout ratio from 70% to 90%; and the payment of 50% of retained earnings from 2016 to 2020, as part of the agreement reached with Grupo Energía Bogotá.

	2021	2020
<i>Millions of Colombian Pesos (COP)</i>		
Current assets	1,711,059	1,710,863

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Non-current assets	7,392,184	6,753,930
Current liabilities	2,266,088	2,218,618
Non-current liabilities	3,585,920	2,848,766
Equity	3,251,235	3,397,409
Revenue	6,389,002	5,713,741
Costs	3,788,476	3,273,023
Contribution margin	2,600,526	2,440,718
Earnings before interests and taxes (EBIT)	1,578,750	1,392,017
Earnings before taxes (EBT)	1,383,991	1,204,056
Net income	982,387	842,530

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