CONSOLIDATED FINANCIAL STATEMENTS 2021
Emgesa S.A. E.S.P. and its Subsidiary

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CONSOLIDATED FINANCIAL STATEMENTS

Emgesa S.A. E.S.P. and its Subsidiary

As of and for the year ended December 31, 2021

(With comparative figures as of and for the year ended December 31, 2020)

With the Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Emgesa S.A. E.S.P.:

Opinion

I have audited the consolidated financial statements of Emgesa S.A. E.S.P. (the Group), which comprise the consolidated statement of financial position as of December 31, 2021, the consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted in Colombia, applied uniformly with the previous year.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia (ISA). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of my report. I am independent of the Group, in accordance with the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA) included in the Information Assurance Standards accepted in Colombia together with the ethical requirements that are relevant to our audit of the consolidated financial statements established in Colombia and I have fulfilled my 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 matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming my opinion thereon I do not provide a separate opinion on these matters.

Estimated revenue from sale of energy delivered and not billed (See Note 2.4 to the consolidated financial statements)

Key Audit Matter	How it was addressed in the audit
Emgesa S.A. E.S.P. has established a procedure for the recognition of estimated revenues at the close of each month, associated with the sale of energy delivered and not billed in the wholesale and non-regulated markets at the close of each month, which is billed in the following month. At the end of December 2021, the estimated unbilled revenues recognized amount to $268,092 million. I considered the estimate of income from the sale of energy delivered and not billed as a key audit issue due to the significance of the variables incorporated in the determination of this income, especially with respect to: a) the amount of energy consumed calculated based on the historical average consumption of the last months or the typical consumption curve, depending on the type of client and b) the prices agreed with the clients, which for the wholesale market and for the non-regulated market correspond to the Producer Price Index (PPI).	My audit procedures to evaluate the estimated revenue from the sale of delivered and unbilled energy included, among others, the following: 1. Evaluation of the design, implementation and operating effectiveness of certain internal controls established by the Company, for the estimation of the revenue such as: 1) the review of base monthly consumptions for the calculation of the estimate by customer and contract; 2) the review and approval of the price variables that are incorporated in each customer's contractual agreements (IPP); 3) the preparation, review and approval of the estimated revenue at the close of each month; and 4) comparison of the revenue estimate with the final billing, including validation of the variables incorporated for the revenue estimation process for energy delivered and not billed. 2. For a selection of contracts, a comparison of the Producer Price Index (PPI) used to estimate the income at the end of the year against the actual data of the month published by the National Administrative Department of Statistics - DANE, to identify possible deviations and the Company's justification for them. 3. Comparison of the consumption used in the estimate versus the information reported by the operator and administrator of the Colombian electricity market (XM). 4. Recalculation of the estimated income at the end of the year. 5. Comparison of the accuracy of the estimated revenue recognized at year-end versus the actual billing issued in January of the following year and follow-up on the Company's explanation of possible deviations. 6. Analysis of the aging of the portfolio originated in the recognition of energy delivered and not billed.

Other Matters

The consolidated 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, member of KPMG S.A.S. who in his report dated February 24, 2021, expressed an unqualified opinion on them.

Responsibilities of Management and Those Charged with the Group's Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards accepted in Colombia. This responsibility includes devising, implementing and maintaining such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from 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 taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves 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 consolidated financial statements. I am responsible for the direction, supervision and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate with those charged with the Group's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I also provide those charged with corporate governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sandra Marcela Barragán Cellamén
Independent Auditor of Emgesa S.A. E.S.P.
T.P. 177728 – T
Member of KPMG S.A.S.

February 23, 2022

Emgesa S.A. E.S.P. and its Subsidiary
Consolidat4d Statement of Financial Position
(Comparative figures as of 31 December 2020)

(Thousands of pesos)

	Note	As of 31 December 2021	As of 31 December 2020
Assets			
Current Assets:			
Net cash and cash equivalents	4	$ 213.701.458	$ 821.190.708
Net other current financial assets	5	12.765.018	14.934.264
Net other current non-financial assets	6	47.841.745	43.377.785
Net commercial accounts receivable and other receivables	7	278.597.476	227.849.855
Current accounts receivable from related entities	8	18.351.128	3.065.649
Net inventories	9	94.157.639	102.199.837
Income tax assets	10	2.443.847	-
Total current assets		**667.858.311**	**1.212.618.098**
Non-current assets:			
Net Other non-current financial assets	5	481.721	517.050
Net Other non-current non-financial assets	6	29.243.896	28.668.245
Non-current commercial accounts receivable and other receivables	7	14.614.865	13.767.293
Net intangible assets other than capital gains	11	186.628.205	111.059.264
Net Property, plant and equipment	12	8.137.849.765	8.128.459.665
Deferred tax assets	18	2.175	955
Total non-current assets		**8.368.820.627**	**8.282.472.472**
Total assets		**$ 9.036.678.938**	**$ 9.495.090.570**
Liabilities and equity			
Current liabilities:			
Financial liabilities	13	632.995.321	906.950.399
Current commercial accounts payable and other payables	14	300.189.124	315.037.310
Current accounts payable to related entities	8	45.442.837	265.504.246
Provisions	15	79.148.948	99.567.986
Current tax liabilities	10	276.650.021	241.244.349
Provisions for employee benefits	16	39.827.607	38.215.623
Other non-financial liabilities	17	145.456.539	93.418.672
Total current liabilities		**1.519.710.397**	**1.959.938.585**
Non-current liabilities:			
Financial liabilities	13	1.771.817.266	1.858.512.467
Provisions	15	249.309.459	212.052.096
Provisions for employee benefits	16	76.236.137	90.438.803
Deferred tax liabilities	18	317.707.109	217.924.275
Total non-current liabilities		**2.415.069.971**	**2.378.927.641**
Total liabilities		**$ 3.934.780.368**	**$ 4.338.866.226**

Emgesa S.A. E.S.P. and its Subsidiary
Consolidated Statement of Financial Position
(Comparative figures as of 31 December 2020)

(Thousands of pesos)

	Note		As of 31 December 2021		As of 31 December 2020
Equity					
Issued capital		$	655.222.313	$	655.222.313
Issue premiums			113.255.816		113.255.816
Reserves	19		542.975.682		551.693.678
Other comprehensive income (OCI)			(18.019.694)		(31.165.913)
Net income			1.712.321.388		1.283.908.535
Retained earnings			615.482.071		1.113.058.150
Earnings from IFRS conversion effect			1.480.629.747		1.470.220.530
Accumulated earnings and profits			3.808.433.206		3.867.187.215
Equity attributable to owners of the controlling interest			5.101.867.323		5.156.193.109
Non-controlling interest			**31.247**		**31.235**
Total equity			**5.101.898.570**		**5.156.224.344**
Total liabilities and equity		**$**	**9.036.678.938**	**$**	**9.495.090.570**

The accompanying notes are an integral part of the consolidated Financial Statements.

We, the undersigned Legal Representative and Certified Public Accountant, certify that we have previously verified the statements contained in these consolidated financial statements and that they have been faithfully taken from the accounting books of the companies comprising the Group.

Lucio Rubio Díaz
Legal Representative

Alba Lucia Salcedo Rueda
Public Accountant
Professional License 40562–T

Sandra Marcela Barragán Cellamén
Independent Auditor
Professional License 177721-T
Member of KPMG S.A.S.
(Refer to my report dated February 23, 2022)

Emgesa S.A. E.S.P. and its Subsidiary
Consolidated Income Statement, by Nature
(Comparative figures for the year ended 31 December 2020)

(Thousands of pesos, except earnings per share)

	Note		For the year ended 31 December 2021		For the year ended 31 December 2020
Revenues from ordinary activities	20	$	4.722.685.057	$	4.247.728.253
Other operating revenues	20		3.996.937		33.574.315
Total revenues from ordinary activities and other operating revenues			**4.726.681.994**		**4.281.302.568**
Provisioning and services	21		(1.530.064.448)		(1.522.343.711)
Contribution margin		**$**	**3.196.617.546**	**$**	**2.758.958.857**
Other work by the entity and capitalized			9.712.839		10.112.190
Personnel expenses			(107.771.244)		(115.459.351)
Other fixed operating expenses			(142.543.855)		(163.597.750)
Gross operating profit			**2.956.015.286**		**2.490.013.946**
Depreciations and amortizations	24		(247.319.743)		(245.505.363)
Financial and non-financial impairment	24		(4.807.234)		(1.215.957)
Operating profit			**2.703.888.309**		**2.243.292.626**
Financial revenues			11.070.520		20.208.263
Financial expenses			(182.299.775)		(281.485.444)
Net exchange difference			(5.082.019)		799.630
Net financial earnings	25		**(176.311.274)**		**(260.477.551)**
Earnings from other investments non-controlled			756.425		11.772
Earnings from sale of assets	26		(1.637.912)		(1.191.079)
Earnings before taxes			**2.526.695.548**		**1.981.635.768**
Income tax expense	27		(814.374.147)		(697.727.218)
Net income		**$**	**1.712.321.401**	**$**	**1.283.908.550**
Non-controlling interest			(13)		(15)
Net income		**$**	**1.712.321.388**	**$**	**1.283.908.535**
Basic earnings per share					
Basic earnings per share	28		11.436,70		8.563,25
Number of common shares outstanding			**148.914.162**		**148.914.162**

The accompanying notes are an integral part of the consolidated Financial Statements.

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Emgesa S.A. E.S.P. and its Subsidiary
Consolidated Statement O0 Comprehensive Income
(Comparative figures for the year ended 31 December 2020)

(Thousands of pesos)

	Note	For the year ended 31 December 2021	For the year ended 31 December 2020
Net Income		**$ 1.712.321.401**	**$ 1.283.908.550**
Components of other comprehensive income not reclassified to earnings before taxes:			
Losses on new measurements of financial instruments measured at fair value through OCI	5-29	(35.329)	(37.369)
Gains (losses) on new measurements of defined benefit plans	29	14.150.443	(1.712.482)
Other earnings before taxes		$ 14.115.114	$ (1.749.851)
Components of other comprehensive income reclassified to earnings before taxes			
Gains (losses) on cash flow hedges	29	4.311.953	(1.474.375)
Other gains reclassified to earnings before taxes		**4.311.953**	**(1.474.375)**
Income tax relative to components of other comprehensive income not reclassified to earnings before taxes			
Gains (losses) on new measurements of defined benefit plans	29	(3.841.325)	457.577
Total income tax relative to components of other comprehensive income not reclassified to income tax		**(3.841.325)**	**457.577**
Income tax relative to cash flow hedges of other comprehensive income	29	(1.439.523)	2.999.382
Income tax relative to components of other comprehensive income		**(1.439.523)**	**2.999.382**
Other comprehensive income		**13.146.219**	**232.733**
Total comprehensive income	**29**	**$ 1.725.467.620**	**$ 1.284.141.283**

The accompanying notes are an integral part of the consolidated Financial Statements.

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(Refer to my report dated February 23, 2022)

Emgesa S.A. E.S.P. y su Filial
Estado de Cambios en el Patrimonio Consolidado
(Cifras comparativas por el año terminado al 31 de diciembre de 2020)

(En miles de pesos)

				Other reserves				Other comprehensive income						
	Note	Issued capital	Issue premium	Legal reserve	Statutory Reserve	Occasional reserve	Total Reserves	Gains and losses on new measurements of financial instruments	Gains and losses on defined benefit plans	Total other comprehensive income	Accumulated earnings and profits	Total Equity	Non-controlling interests	Total Equity
Initial balance as of 1 January 2020		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 232.564.241**	**$ 560.353.525**	**$ (1.907.152)**	**$ (29.491.494)**	**$ (31.398.646)**	**$ 3.445.785.234**	**$ 4.743.218.242**	**$ 42.991**	**$ 4.743.261.233**
Changes in equity														
Comprehensive income														
Net income		-	-	-	-	-	-	-	-	-	1.283.908.535	1.283.908.535	15	1.283.908.550
Other comprehensive income	29	-	-	-	-	-	-	1.487.638	(1.254.905)	232.733	-	232.733	-	232.733
Comprehensive income		-	-	-	-	-		1.487.638	(1.254.905)	232.733	1.283.908.535	1.284.141.268	15	1.284.141.283
Dividends recognized as distributions to owners	19	-	-	-	-	-	-	-	-	-	(871.166.401)	(871.166.401)		(871.166.401)
Increases (decreases) due to other changes, equity		-	-	-	-	(8.659.847)	(8.659.847)	-	-	-	8.659.847	-	(11.771)	(11.771)
Total increase (decrease) in equity		**-**	**-**	**-**	**-**	**(8.659.847)**	**(8.659.847)**	**1.487.638**	**(1.254.905)**	**232.733**	**421.401.981**	**412.974.867**	**(11.756)**	**412.963.111**
Final balance as of 31 December 2020		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 223.904.394**	**$ 551.693.678**	**$ (419.514)**	**$ (30.746.399)**	**$ (31.165.913)**	**$ 3.867.187.215**	**$ 5.156.193.109**	**$ 31.235**	**$ 5.156.224.344**
Changes in equity														
Comprehensive income														
Net income		-	-	-	-	-	-	-	-	-	1.712.321.388	1.712.321.388	13	1.712.321.401
Other comprehensive income	29	-	-	-	-	-	-	2.837.101	10.309.118	13.146.219	-	13.146.219	-	13.146.219
Comprehensive income		-	-	-	-	-	-	2.837.101	10.309.118	13.146.219	1.712.321.388	1.725.467.607	13	1.725.467.620
Dividends recognized as distributions to owners		-	-	-	-	-	-	-	-	-	(1.779.036.969)	(1.779.036.969)	-	(1.779.036.969)
Increases (decreases) due to other changes, equity	19	-	-	-	-	(8.717.996)	(8.717.996)	-	-	-	7.961.572	(756.424)	(1)	(756.425)
Total increase (decrease) in equity		**-**	**-**	**-**	**-**	**(8.717.996)**	**(8.717.996)**	**2.837.101**	**10.309.118**	**13.146.219**	**(58.754.009)**	**(54.325.786)**	**12**	**(54.325.774)**
Final balance as of 31 December 2021		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 215.186.398**	**$ 542.975.682**	**$ 2.417.587**	**$ (20.437.281)**	**$ (18.019.694)**	**$3.808.433.206**	**$ 5.101.867.323**	**$ 31.247**	**$ 5.101.898.570**

The accompanying notes are an integral part of the consolidated Financial Statements.

We, the undersigned Legal Representative and Certified Public Accountant, certify that we have previously verified the statements contained in these consolidated financial statements and that they have been faithfully taken from the accounting books of the companies comprising the Group.

Lucio Rubio Díaz
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Sandra Marcela Barragán Cellamén
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Member of KPMG S.A.S.
(Refer to my report dated February 23, 2022)

Emgesa S.A. E.S.P.
Separate Statement of Cash Flows, Direct Method
(With comparative figures for the year ended 31 December 2019)

(Thousands of pesos)

	For the year ended 31 December 2021	For the year ended 31 December 2020
Cash flows from operating activities:		
Types of collections by operating activity		
Collections from sales of goods and services	$ 4.683.905.944	$ 4.496.819.295
Collections from royalties, fees, commissions and other revenues from ordinary activities	102.805.691	20.211.730
Types of cash payments from operating activities:		
Payments to vendors for supply of goods and services	(1.636.297.263)	(1.661.724.301)
Payments and/or on behalf of employees	(107.037.584)	(101.155.328)
Payments of bonuses and compensations, annuities and other obligations from subscribed policies	(25.468.313)	(23.983.502)
Other payments for operating activities	(9.519.371)	(7.430.179)
Net cash flows from operating activities	**3.008.389.104**	**2.722.737.715**
Paid income taxes	(673.206.045)	(635.951.777)
Other cash outflows	(44.324.831)	(49.202.915)
Net cash flows from operating activities	**2.290.858.228**	**2.037.583.023**
Cash flows used in investment activities:		
Other payments to acquire certificates of deposit	(105.000.000)	-
Other collections for the sale of certificates of deposit	105.000.000	-
Loans to related entities	-	(80.000.000)
Purchase of property, plant and equipment and intangibles	(304.746.322)	(310.358.896)
Acquisition of assets associated with the concession	-	(808.602)
Collections from related entities	-	172.658.471
Interest received	6.299.516	14.516.613
Net cash flows used in investment activities	**(298.446.806)**	**(203.992.414)**
Cash flows used in financing activities:		
Loan proceeds	1.144.525.658	-
Loan reimbursements	(1.520.865.658)	(241.070.000)
Dividends paid to shareholders	(1.994.439.875)	(834.102.573)
Interest paid financing	(224.670.935)	(215.586.812)
Interest paid for operating leases (IFRS 16)	(359.381)	(863.287)
Payments of finance lease liabilities	(48.398)	(700.896)
Payments of liabilities for leases (IFRS 16)	(5.922.715)	(5.531.461)
Other cash inflows and outflows financing	1.880.632	(2.089.781)
Net cash flows used in financing activities	**(2.599.900.672)**	**(1.299.944.810)**
Net increase (decrease) in cash and cash equivalents	**(607.489.250)**	**533.645.799**
Cash and cash equivalents initial balance	821.190.708	287.544.909
Cash and cash equivalents final balance	$ 213.701.458	$ 821.190.708

The accompanying notes are an integral part of the consolidated Financial Statements.

We, the undersigned Legal Representative and Certified Public Accountant, certify that we have previously verified the statements contained in these consolidated financial statements and that they have been faithfully taken from the accounting books of the companies comprising the Group.

Lucio Rubio Díaz
Legal Representative

Alba Lucia Salcedo Rueda
Public Accountant
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(Refer to my report dated February 23, 2022)

(In thousands of pesos)

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(In thousands of pesos)

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1. Overview

1.1. Economic Entity

Emgesa S.A. E.S.P. is a commercial stock company organized according to the Colombian laws as a public utility, regulated by Act 142/1994. In accordance with the applicable regulations, their acts and contracts are governed by the rules of private law.

Emgesa S.A. E.S.P. was established by public deed No. 003480 of the 18th Notary Public of Bogota on 15 October 1980 and registered with the Chamber of Commerce on 17 August 2007 under No. 01151755 of Book IX, trade registration No. 01730333, with the contribution of generation assets from Grupo Energía Bogotá S. A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.) with 51.51% of common and preferred shares and cash contributions from other investors with 48.49% of common shares. (See note 19).

Emgesa is of Colombian origin, has its seat and main offices at Carrera 11 No. 82-76, Bogota D.C. Its term of duration is indefinite.

Emgesa is a subsidiary of Enel Américas S.A., entity controlled by Enel S.P.A. (hereinafter Enel).

The latest update on the situation of control and business group was entered in the trade register on 25 August 2020, under No. 02609384 of book IX, informing that ENEL SPA. (parent) exercises indirect control over the company CODENSA S.A. E.S.P.and EMGESA S.A. E.S.P.through the company ENEL AMÉRICAS S.A .; in turn ENEL SPA. (parent) exercises indirect control of SOCIEDAD PORTUARIA CENTRAL CARTAGENA S.A. through the company EMGESA S.A. E.S.P., which is indirectly controlled through the company ENEL AMÉRICAS S.A.; also ENEL SPA. (parent) exercises indirect control of the company INVERSORA CODENSA S.A.S. through the company CODENSA S.A. E.S.P., which is indirectly controlled through the company ENEL AMÉRICAS S.A.; in addition, ENEL SPA. (parent) exercises indirect control of the company ENEL GREEN POWER COLOMBIA S.A.S. E.S.P.through the company ENEL GREEN POWER S.P.A., which is controlled directly by ENEL SPA.; moreover, ENEL SPA. (parent) exercises indirect control over the ENEL FOUNDATION through the companies CODENSA S.A. E.S.P.and EMGESA S.A. E.S.P., which in turn are indirectly controlled through the company ENEL AMÉRICAS S.A.; also ENEL SPA. (parent) exercises indirect control of the company ENEL X COLOMBIA S.A.S. through the company CODENSA S.A. E.S.P., which is in turn indirectly controlled through the company ENEL AMÉRICAS S.A.; and ENEL SPA. (parent) exercises indirect control of the company EGP FOTOVOLTAICA LA LOMA S.A.S. through the company ENEL GREEN POWER COLOMBIA S.A.S. E.S.P., which is in turn directly controlled by ENEL GREEN POWER S.P.A., which is controlled directly by ENEL SPA. Due to internal movements within the business group, the situation of control and business group will be modified during the year 2021.

Corporate Purpose – Emgesa S.A. E.S.P. main object is generation and trading of electrical power according to Act 143 of 1994 and the regulations that regulate, add and modify or repeal it, and all types of related activities directly, indirectly, complementary or auxiliary with the gas fuel trade business, executing the necessary actions to preserve the environment and good relations with the community in the area of influence of its projects; and perform works, designs and consulting in electrical engineering and market products for the benefit of its customers. In addition, the company may develop its corporate purpose, perform all activities related to exploration, development, research, exploitation, trade, storage, marketing, transportation and distribution of minerals and stone material, as well as administrative, operational and technical management related to the production of minerals and the exploration and exploitation of deposits in the Republic of Colombia, including the purchase, sale, rental, distribution, import and export of raw materials, elements, machinery and equipment for the mining sector; the import of liquid fuels derived from crude oil for the generation of energy, as well as the import of natural gas for the generation of energy and/or its trade. Additionally, the company may promote and establish premises or agencies in Colombia and abroad; acquire any kind of real or personal property, lease them, transfer them, encumber them and pledge them as collateral; use trademarks, trade names, patents, inventions or any other intangible property; participate in public and private tenders; execute and perform all kinds of contracts and acts, whether civil, labor, commercial or financial or otherwise of any nature necessary, convenient or appropriate for the achievement of its purposes, including participation in financial derivatives markets of energy commodities; give to, or receive from, its shareholders, parent companies, subsidiary, and third parties money in loan; transfer, accept, endorse, collect and pay all kinds of securities, negotiable instruments, shares, executive titles and others; enter into partnership agreements or acquire shares in companies and participate as partners in other public service companies; split and merge with other companies that have a related corporate purpose; assume any form of association or business collaboration with natural and legal persons, national or foreign, to carry out activities related, similar or complementing to its corporate purpose.

(In thousands of pesos)

Change in the corporate purpose of Emgesa S.A. E.S.P - On 25 March 2020, in the ordinary session of the General Shareholders' Meeting, the opening of new business lines was approved and also the expansion of Emgesa's corporate purpose, in the sense of including the activity to sell any product or by-product derived from the operation of non-electrical energy generation plants; as well as any other product that has any of the above as a component.

On 23 September 2020, the first call was made to the Bondholders' Meeting for 7 October 2020. However, the session had no quorum to deliberate and decide on the change of the corporate purpose in accordance with the provisions of Decree 2555 of 2010. Therefore, a second call was made on 9 October 2020 to hold the meeting on the 26th. In this meeting the Bondholders' Meeting, unanimously and with the appropriate quorum as per Decree 2555 of 2010, approved the amendment of Emgesa's corporate purpose. Thus, the beginning of the procedures for the protocolization and subsequent registration of this amendment to the Bylaws with respect to Emgesa's corporate purpose is dependent on the delivery of the minutes of this session by the Representative of the bondholders, Itaú Asset Management Colombia SA (formerly Helm Fiduciaria S.A.).

Emgesa has 12 hydraulic generation stations and 2 thermal power plants, located in the departments of Cundinamarca, Huila and Bolívar:

Plant	Technology	Declared Capacity
Guavio	Hydraulic	1.250,0 MW
Betania	Hydraulic	540,0 MW
El Quimbo	Hydraulic	400,0 MW
Guaca	Hydraulic	324,0 MW
Paraíso	Hydraulic	276,0 MW
Dario Valencia	Hydraulic	150,0 MW
Tequendama	Hydraulic	56,8 MW
Salto II	Hydraulic	35,0 MW
Charquito	Hydraulic	19,4 MW
Limonar	Hydraulic	18,0 MW
Laguneta	Hydraulic	18,0 MW
Menor Guavio	Hydraulic	9,9 MW
Termozipa	Thermal	226,0 MW
Cartagena	Thermal	180,0 MW

Gas Sale

Sales made until December 2021 were 73.56 Mm3, which meant a contribution of 0.20% to the Group's variable margin.

By 2021 Emgesa S.A. E.S.P. will remain active in all secondary market purchase and sale processes through intraday supply and transportation negotiations.

Subsidiary - Sociedad Portuaria Central Cartagena SPCC S.A. (hereinafter "SPCC") is a public limited company incorporated on 18 September 2009, through public deed No. 2643 of the 11th Notary Public of Bogota and registered with the Bogota Chamber of Commerce on 18 November 2009. Its legal ter of duration is until 18 September 2059.

Corporate Purpose – Its main objective is the investment, construction and maintenance of docks and public and private ports, the management of ports, the provision of loading and unloading services, storage of ports and other services directly related to port activity, development and use of docks and multipurpose ports, in accordance with the law. In addition, provide port services, either as a port operator and allow the provision of services by other port operators. In developing of its main corporate purpose, it may partner up with other port companies or holders of special authorizations referred to in Article 4 of Act 01 of 1991, temporarily or permanently, for the purpose of facilitating the use of marine areas of common use adjacent to the port by carrying out works such as: dredging, filling and ocean engineering works, among others, provide the services of common benefit that are necessary, as well as carrying out other complementary activities.

On 1 October 2018, capital was increased in response to the capitalization approved in session No. 14 of the Shareholders' Meeting held on 1 October 2018.

The Meeting approved:

1) Increase the authorized, subscribed and paid-in capital of the Company, which amounts to the sum of $89,715; and

2) Under the capitalization, increase the number of shares from 58,000 to 897,146.

On 30 July 2010, the Company signed concession agreement No. 006 of 2010 with the National Institute of Concessions – INCO, today the National Infrastructure Agency - ANI, as amended by addendum No. 001 signed on 22 December 2014. The most relevant aspects are described below:

Concession Agreement (see note 39)

Purpose – Right to the temporary and exclusive occupation and use of beaches, low-tide land, accessory areas and the port infrastructure built, which is located in the Mamonal sector, District of Cartagena, Department of Bolivar.

Contract Value – The value of the port concession agreement is US $371,524, corresponding to the present value of the consideration for the temporary and exclusive occupation and use of the beaches, low-tide land and accessory areas for public use and consideration for infrastructure.

Payment Method – Initially, the payment method was agreed in 20 advance annual payments, however, in August 2011, the Company decided to repay the debt to the National Institute of Roads and Treasury of Cartagena, with a loan granted by Emgesa of $569,144 with a 7-year term and 100% principal payment method plus interest at maturity.

Investment Plan – The agreement determines an investment plan to be developed by the Company in the public use area equivalent to US $327,009, and the execution of investments at the concessionaire's expense for USD 1,673,646 is also authorized in order to build port infrastructure under the required standards of operation and security within the period established in the schedule of activities registered in addendum No. 001 of 22 December 2014, subject to the timely approval of the competent environmental authority. The contractual investment plan indicates the activities to be carried out, the amount of the investment, construction term and schedule, testing and commissioning. In the event that the concessionaire requests a modification of the approved investment plan, it must ensure at least that the present value of the investments remains equal to US $181,975.

Concession Term: Term: The concession has a 20-year term from the signing date of port concession agreement 006 of 2010. In no case will there be an automatic extension, it may take place as long as it is authorized by law or is processed before the competent body subject to the procedure established for that purpose by current regulations.

Company Obligations – The Company undertakes to comply with all the legal and contractual obligations necessary for the development of this contract, especially:

- Pay the consideration for the concession and the surveillance fee established in the agreement, in accordance with current legal provisions and the corresponding deadlines.
- Carry out port activities in accordance with current legal provisions.
- This infrastructure is in regular condition, but the concessionaire is obligated to recover it during the initial four years of the concession. Once the final infrastructure is built, the concessionaire will deliver the barge to the Nation free of charge, in good condition and operation.
- The concessionaire undertakes during the first year to initially operate with the existing port infrastructure and with the floating dock. At the beginning of the 25th month of the concession, the construction of a fixed dock will begin.
- Not be involved in unfair competition.
- Not to give up the concession agreement in whole or in part without prior authorization.
- Comply with the regulations of the Superintendence of Ports and Transport.
- Protect the environment.
- Inform the National Institute of Concessions - INCO, today the national infrastructure agency – ANI, and the Superintendence of Ports and Transport, of the volume of cargo transported, for which it must submit a monthly report containing the tons transported by type of cargo.
- Inform the Canal del Dique Regional Autonomous Corporation - CARDIQUE of the volume of cargo transported, for which it must submit a semi-annual report containing the tons transported by type of cargo, type of vessel, origin and final destination.

In compliance with the current port concession agreement with the National Infrastructure Agency and in compliance with the obligation to execute the port investment plan, the SPCC coordinated bidding activities to select and contract the Management, Engineering, Auditing and Construction operators of the fixed dock construction project, which was executed in 2019.

Historical context and current state of the dock

By virtue of the port concession contract signed with the ANI for a term of 20 years, the Company will operate the port facilities built and located in the Mamonal sector, Cartagena District, to achieve access by sea-river route and be able to receive fuels liquids necessary to ensure the operation of the Cartagena Thermal Power Plant. For this, the contractual commitment to build a fixed dock was acquired through an initial investment plan of USD 261,575.

In order to obtain better conditions of safety and efficiency in port operations, in June 2012 the ANI was requested authorization to modify the design of the fixed pier to build it in a linear fashion and to extend the term for the conclusion of the works of construction of the pier with the new design.

The following activities were carried out for the process of the Addendum No. 1:

- Obtaining the legal, technical and financial viability opinion, which was positive by the ANI regarding the viability of signing the other to the port concession contract.
- At the work table, the ANI and the Company reconstructed the financial model, which served as the basis for calculating the consideration that the Company had to pay in favor of the Nation due to the concession contract, which implied a risk for a possible increase in the value of the port consideration already paid by the Company.
- The annual progressive increase in the cargo handling capacity authorized to the Company was clarified in the Port Concession Contract, without implying a change to the contract.
- After holding various meetings with the auditing firm UG21 Consultores de Ingeniería S.L hired by the ANI, it was possible to obtain a favorable opinion regarding the modifications requested by the Company and the progressive increase in the annual installed capacity.
- After several meetings with the ANI legal team, it was possible to establish a 12-month term in the construction schedule to carry out actions before the environmental authority, clarifying in the other, that the concessionaire will not be in breach if the process of Environmental license exceeds said term due to delays, causes or reasons attributable to the environmental authority.
- 2.5 years have elapsed from the request, where the final Technical, Legal, Financial concept was obtained by the ANI authorizing the signing of the addendum to the port concession contract.

On 22 December 2014, Addendum No. 1 was signed to Port Concession Contract No. 006 between the ANI and the Company, which authorized the modification of the design of the fixed dock, the new investment plan of around USD 2 million, which in detail registers a mandatory investment value of USD 327,009 and an account and risk value of USD 1,673,646. In addition, it clarified the installed capacity without implying an essential change to the contract.

On 11 March 2016, SPCC was notified of Cardique Resolution 1911 of 14 December 2015, whereby this entity approved the start of the construction works of the fixed dock agreed in the concession contract.

On 1 November 2016, the Company filed a request with the ANI to transfer the contractual investment plan for the start of construction works in August 2019 and their completion in January 2020.

On 5 January 2018, the Company received a response from the ANI, stating its non-acceptance of the request to reschedule the investment plan. The Company continued to carry out the necessary procedures and pertinent internal actions to continue with the execution of the construction works and the investment plan of the port concession contract, which began in 2018.

In line with the above and due to the fact that the investment plan provided in the concession contract will be executed, the possible regulatory changes set out in CREG Resolution 109 of 2016 did not affect the development of the port concession.

On 13 August 2018, the Company was notified to attend the call by the National Infrastructure Agency (ANI) to discuss possible contractual breaches related to the Concession contract 006 of 2010 and its Addendum No. 1 of 2014.

On 23 August 2018, a Hearing was held at the ANI to raise charges to the Company for breach of its contractual obligations from the concession contract 006 of 2010 and its Addendum No. 1 of 2014.

On 4 September 2018, the Hearing was resumed. The Company received the charges, gathered documentary evidence and requested the decree and receipt of a testimony.

On 18 September 2018, the Hearing was resumed, the ANI incorporated into the process the documentary evidence provided by the Company and declared the receipt of the testimony of Mr. Alberto Duque Ramirez, Secretary of the Company's Board of Directors.

On 4 October 2018, the Hearing was resumed, the testimony of Mr. Alberto Duque Ramirez, Secretary Company's Board of Directors, was received and the SUPERVISION of the project was requested to render an updated report.

On 16 October 2018, contract No. SPCC-01-16102018 was formalized with the firm specialized in outshore and port civil works Alvarado & Düring, which establishes the execution of construction works of a fixed dock to replace the current floating dock. This contractual obligation is estimated to end in mid-August 2019.

On 2 November 2018, the Company submitted the report prepared by the project supervision.

On 29 November 2018, the service contract No. SPCC-02-26112018 was signed between the Company and Summum Projects S.A.S. for the technical inspection and quality control of the execution and engineering works of the fixed dock contract for the unloading of fuel in the power generation plant of Cartagena

On 5 December 2018, the Company disclosed to the ANI the surviving events that have occurred regarding the construction of the dock, submitting the following documents to the process:

- Copy of service contract No. SPCC-01-16102018
- Copy of technical specifications SPCCV03
- Copy of the certificate of commencement
- Copy of Annex I Payment Milestones
- Copy of Annex II Schedule
- Copy of Annex III Unit Prices
- Among others

The National Infrastructure Agency through resolution No. 397 of 12 March 2019 approved the Regulation of Technical Conditions of Port Operation of Sociedad Portuaria Central Cartagena S.A., by virtue of Concession Agreement No. 006 of 30 July 2010, in compliance with ANI Resolution No. 850 of 6 April 2017, which establishes the content of the Regulation of Technical Conditions of Operation of Maritime ports.

On 3 May 2019, the delegate superintendence of ports submitted to Sociedad Portuaria Central Cartagena the good standing certificate for the financial information - IFCG1 - corresponding to the year 2018. The information delivered was the following: complementary disclosures, general information, financial statements, IFC compliance statement, statement of financial position, income statement, comprehensive income statement, direct cash flow, indirect cash flow, changes in equity, notes to the financial statements, accounting policies.

On 15 July 2019, the ANI issued an Order in the administrative sanction process against SPCC, resolving to incorporate the file and give it the evidentiary value that the Law grants to the technical and financial opinion issued by the Supervision of Port Concession Agreement No. 006 of 2010, contained in an ANI memorandum filed with No. 2019-303-009629-3 by the Port Projects Manager together with the Manager of the Internal Financial Work Group.

This report states that, "at the date of the visit to the facilities, the physical progress of the Work is approximately at 60%, because the precast for the installation of the plate for the dock are already available, and, on the other hand, the pile driving is at 90%, the other activities are in progress and will be carried out according to the schedule for September year."

Due to the above, the port project manager VGC and the financial manager VGC reported that to date the fine corresponding to the non-execution of the investment plan would be USD 8,800. With this report, there is a significant decrease is presented on the possible sanction from USD 14,606.90 to USD 8,800; the ANI transferred the decision issued in the Order for a period of three (3) days.

On 9 August 2019, Mrs. Claudia Juliana Ferro, ANI official, read in a hearing the operative portion of Resolution 1186 of 2019, "whereby the breach of the contractual obligations assumed by Central Puerto Cartagena S.A. under port concession contract No. 006 is declared, and imposes a fine of US $ 8,800."

On 21 August 2019, the ANI resumed the hearing and, within the term granted, the lawyer Jairo Rivera supported the reasons for disagreement (factual and legal grounds) against administrative act Resolution 1186 of 2019. Upon closing this procedural stage, the ANI unofficially requested the Technical Supervision of the Concession Contract to submit a report on the current status "progress report" within ten (10) business days.

The sanctioning administrative process has not ended and therefore the administrative act is not final. To date, the appeal for reversal has not started.

In relation to the progress traceability in the construction of the fixed dock, the civil works for the construction of the platform and the mooring dolphins of the new fixed dock in Cartagena were completed on 28 November 2019. Some minor works pending for the definitive installation of the dock were developed in early December, in order to have the new fixed dock available safely.

Through Resolution No. 20207070006105 of 28 May 2020, the National Infrastructure Agency (ANI) revoked Resolution 1186 of 9 August 2019, and declared the termination of the administrative sanctioning process initiated against Sociedad Portuaria Central Cartagena S.A. on account of the alleged breach of the contractual obligation established in the Fifteenth Clause, section 15.33 of the Concession Contract No. 006 of 2010 and Sixth of Addendum No. 1 of 22 December 2014 to the execution of the investment plan with the construction of the fixed dock.

Activities began in June 2020, in relation to the anticipated reversal of the barge, with the following processes:

The technical assessment by the Naval Engineer in the first week of August 2020, with scope to the status of the infrastructure, the commercial value of the hull and environmental concept regarding the infrastructure.

Request to the River Administration of Barranquilla where the Major Navigation Patent of the Barge "Jupiter I" is registered on the general Good Standing Certificate and certificate of ownership history of the Barge. It is estimated that they will issue a response within the third week of August 2020.

1.2. Legal and Regulatory Framework

Regulatory Strategy and Management

The main objective of the regulatory strategy and management led by the Regulation and Institutional Relationship Management is to define, represent and promote the company's position on sector and environmental regulatory issues before Colombian guilds and institutions, both at national and local level.

From the management, different institutional and regulatory initiatives that contribute to the fulfillment of the Group's objectives and to the development and evolution of the markets are managed, these are supported and presented to the respective entities either directly or through guilds where we are registered, so that they can be considered in the development of regulatory and normative adjustments.

In particular and in a complementary manner, we follow up and control the regulatory and normative novelties issued by the different Authorities in charge of defining the policy, regulation, surveillance and control at national, regional and local level, socializing, identifying and managing the potential impacts with the business lines.

Regarding public consultation processes, regulatory impact analyses are carried out in coordination with the lines of business and comments on regulatory proposals are managed, so that the optimal local strategy is defined, through the management of relations with the regulatory actors (authorities and related agencies) in the country, socializing the impacts and making proposals that contribute to the development of the sector and the Organization.

In the same sense, and considering the information that is published and/or socialized by the Government entities, the Regulatory and Institutional Agendas are reviewed, analyzed, shared and disseminated so that they can be commented within the conditions established in the public participation of each authority, so that they can be taken into account in the development of the business units.

Electric Energy

For the implementation of the new framework stipulated by the Constitution, the Household Public Utilities Act (Act 142/1994) and the Electricity Act (Act 143/1994) were issued, which defined the criteria and policies that are to govern the provision of household utilities in the country, as well as the procedures and mechanisms for their regulation, control and monitoring.

The main institution in the electric energy sector is the Ministry of Mines and Energy, which, through the Mining and Energy Planning Unit (UPME), prepares the National Energy Plan, the Generation-Transmission Reference Expansion Plan and the natural gas supply plan. In the case of generation this plan is for reference purposes, while for transmission it is binding. The Commission for the Regulation of Energy and Gas (CREG) and the Superintendence of Household Public Utilities (SSPD) are responsible respectively for regulating and auditing the companies in the sector; furthermore, the Superintendence of Industry and Trade is the national authority that governs competition protection issues.

The Electricity Act makes the constitutional approach viable, regulates power generation, transmission, distribution and marketing activities, creates the market and competition environment, and strengthens the sector and the State's intervention. Taking into account the characteristics of each activity or business, as general guidelines for the development of such regulatory framework, it established the creation and implementation of rules that provide for free competition of power generation and marketing activities; while the guidelines for transmission and distribution focused on treating these activities as monopolies, seeking in any event competition conditions wherever possible.

The electricity market is based on the fact that trading companies and large consumers can sell energy through bilateral agreements or through a short-term market called "Energy Exchange", which operates freely according to the conditions of supply and demand. In addition, to promote the expansion of the system, there are currently two schemes: i) Firm Energy expansion auctions, within the "Reliability Charge" scheme and ii) long-term contract auctions defined by the Ministry of Mines and Energy (initially aimed at Non-Conventional Renewable Energy Sources (NCRES)). The operation and management of the market is carried out by XM, which acts as National Dispatch Centre (CND) and manager of the Commercial Exchange System (ASIC).

Act 1715 of 2014 regulates the integration of Non-Conventional Renewable Energy Sources (NCRES) into the national energy system. This regulation gives fiscal and tax incentives to project developers associated with these technologies. It also proposes the creation of a fund for the research and development of NCRES and energy efficiency projects, and defines the general regulatory framework for the participation of self-generation in the market. Subsequently, Act 1715 was regulated through Decree 2143 of 2015.

Furthermore, CREG published Resolution 024 of 2015, which regulates large-scale self-generation activity. Additionally, the CREG issued Resolutions 11 and 212 of 2015, which promote demand response mechanisms. The Ministry of Mines and Energy published in 2015 Decree No. 1623, which regulates coverage expansion policies, and Decree No. 2143, which defines the guidelines for the application of fiscal and tax incentives established in Act No. 1715.

With the adoption of the Reference Action Plan 2017-2022 for the development of the Program for the Rational and Efficient Use of Energy (PROURE) by the Ministry of Mines and Energy, through Resolution 41286 of 2016, the reference objectives and goals of energy efficiency and sectoral actions and measures and strategies are defined.

In September 2017, the Ministry of Mines and Energy issued Decree 1543, which regulates the Fund for Non-Conventional Energy and Efficient Energy Management - FENOGE, whose objective is to finance NCRE programs and efficient energy management, by means advertising, promotion, encouragement and incentives, through free-standing trust fund. Programs and projects aimed at the residential sector of socio-economic strata 1, 2 and 3, among others, may be financed partially or totally both for the implementation of small-scale self-generation solutions and for the improvement of energy efficiency through the promotion of good practices, end-use energy equipment, adaptation of internal installations and architectural remodelling.

The Ministry of Mines and Energy, through Decree 0570 of March 2018, defines the public policy guidelines for the contracting of Long-Term Energy. The objectives of the Decree are: to strengthen the resilience of the generation matrix through risk diversification, to promote pricing competition and efficiency through new and existing projects, to mitigate the effects of climate variability and change through the use of available renewable resources, to strengthen national energy security and reduce greenhouse gas emissions, in accordance with COP21 commitments.

Through Resolutions 41307 and 41314 of December 2018, the Ministry of Mines and Energy officially established the first long-term electric power auction, which seeks to diversify, complement and boost the competitiveness of the energy matrix, making it more resistant to climate variability, contributing to the reduction of carbon dioxide emissions and ensuring the country's energy security. On 22 October 2019, the National Government conducted the auction of unconventional sources of renewable energy through the Mining and Energy Planning Unit (UPME) an entity attached to the Ministry of Mines and Energy.

In May 2019, Act 1955, National Development Plan 2018-2022 "Pact for Colombia, Pact for Equality" was approved. Among others, the following topics of the final articles stand out: i. Tax Benefit: those who make investments in FNCER, will have the right to deduct from their income in a period not exceeding 15 years, 50% of the total investment made. ii. Energy matrix - Purchase of FERNC Energy in long-term contracts: the trading agents will be obliged to buy electricity from FNCER (between 8% and 10% of their purchases). In any case, the Ministry of Mines and Energy or the entity that it delegates, will regulate the scope of the obligation.

In July 2019, the CREG published Resolution 060 of 2019, "Whereby temporary modifications and additions are made to the Operating Regulations to allow the connection and operation of solar photovoltaic and wind plants in the National Interconnected System (SIN) and other provisions are issued." This resolution defines the operational requirements and commercial aspects for the operational treatment of unconventional sources.

In July 2019, CREG published Resolution 080 of 2019, which establishes general rules of market behavior for agents who carry out the activities of household public services of electric energy and fuel gas. The CREG considers it necessary to establish a regulatory framework that, in addition to the specific market rules and obligations, defines general rules of behaviour that promote and allow to develop: free access to networks and facilities that by their nature are monopolies, free choice of service providers and the possibility of user migration, transparency, neutrality, economic efficiency, free competition and non-abusive use of the dominant position.

Accordingly, the Superintendence of Household Public Utilities published in March 2020 the document Behaviour Guidelines - Access to Electricity Transmission Networks. It offers tools for agents to assess whether their behaviours are in accordance with the regulation. It is not constituted as an administrative act. It does not postpone the entry into force of the obligations of CREG Resolution 080 of 2019, nor does it limit or affect in any way the exercise of the inspection, surveillance and control functions of the Superintendence of Household Public Utilities.

In addition, in September 2019, the CREG published Resolution 098, hereby it defined the mechanisms to incorporate storage systems in order to mitigate inconveniences caused by the lack or insufficiency of energy transmission networks in the National Interconnected System. This Resolution is issued given the urgency for the Electric Energy Storage Systems with Batteries (SAEB) to start operating, with the sole purpose of mitigating the current issues due to the lack or insufficiency of electric energy transmission networks and it will be effective until December 31, 2022.

In addition, the CREG published Resolution 132 of October 2019, which defines the mechanism of holders of the Reliability Charge for assignments of Firm Energy Obligations to new power plants. The participants are new power plants that have not been assigned with Firm Energy Obligation in any allocation mechanism and that their estimated variable fuel costs do not exceed the current fuel shortage price. The power plants will be assigned for a period of 10 years and will be remunerated at USD $ 9/MWh.

In September 2019, the Superintendence of Household Public Utilities SSPD published the regulation of the $ 4/kWh national surcharge, as part of the measures required to ensure the provision of electric power service by the companies overseen by this Superintendence. This rate will be applied to socioeconomic strata 4.5 and 6, commercial and industrial, from November 2019 and will be retroactive to July 2019, and its collection is considered as income received for third parties.

During the second quarter of 2020, different entities such as the Ministry of Mines and Energy, the Energy and Gas Regulatory Commission and the Superintendence of Household Public Utilities, have adopted temporary measures and issued transitory regulations within the framework of the State of Economic, Social and Ecological Emergency; thus dictating different provisions in the matter of public services of electric energy and fuel gas, with respect to the impact of COVID-19 mainly and in relation to the impact on the end user.

In May, CREG Resolution 099 of 2020 is published, whereby an Firm Energy Obligation Purchase Reconfiguration Auction is called for the 2020-2021 and 2021-2022 periods, and other provisions are amended. This rule is motivated by an eventual Firm Energy Obligation deficit for the years in question, taking into account the demand projection of the UPME of October 2019 and that one of the plants that received assignment of obligations in the purchase reconfiguration auction that was carried out last year (Resolution 117 of 2019) did not present guarantees or fuel contract.

On 19 June 2020, the Energy and Gas Regulatory Commission published final Resolution 125, which repeals the regulations of Chapter II, Start and End of the Shortage Risk Period, of CREG Resolution 026 of 2014 and a transitional rule is adopted. The Commission considers it pertinent and relevant to review and adjust the indicators and rules contained in articles 2 to 6 of CREG Resolution 026 of 2014, in order to avoid the activation of the embalming mechanism from the definition of a system condition based on index alert levels for which there are doubts about its assertiveness.

At the end of the first semester of 2020, CREG Resolution 127 is issued, which defines a procedure for the annual verification of the Firm Energy for Reliability Charge of generation plants with Firm Energy Obligations. This resolution originates from the need to have up-to-date information on Firm Energy, given that the annual balances could be accounting for energy that the system does not have.

In August 2020, the Superintendence of Household Public Utilities issued Resolution 20201000033335, which establishes the rate of the special contribution to which home public service providers are subject for the year 2020, and is issued other provisions applicable to this contribution and to the additional contribution provided for in article 314 of Act 1955 of 2019 for the strengthening of the Business Fund. The Superintendence of Household Public Utilities sets the contribution rate at 0.2186% in accordance with the provisions of Article 85 of Act 142 of 1994 modified by Article 18 of Act 1955 of 2019 and the additional contribution rate for the strengthening of the Business Fund is 1% in accordance with the provisions of article 314 of Act 1955 of 2019.

XM reported the results of the purchase reconfiguration auctions carried out on 10 September 2020, called by CREG through Resolution 099 of 2020. 2 purchase reconfiguration auctions were held for the 2020-2021 and 2021-2022 terms . The firm energy assigned was 3,113,391 kWh-day for the first term and 852,288 kWh-day for the second. The allocation price for the 2020-2021 term was 16.6 USD/MWh. For the term 2021-2022 it was 15.1 USD/MWh. There was a total participation of 6 generation resources, to which all of the energy offered was assigned.

In October 2020, the Ministry of Mines and Energy, through the issuance of Resolution 40311, defines the public policy guidelines for CREG to establish the regulation for the assignment of connection points. Applies to generation and self-generation projects, as well as the owners of the STN (National Transmission System), STR (Regional Transmission System) and SDL (Local Distribution System) assets. This rule allows the transfer of connection rights, allows the change of technology of the projects and allows the connection of lower generation capacity due to delays in transport works.

In October, the Commission publishes Resolution 193 of 2020, which modifies CREG Resolution 022 of 2001, related to the expansion of the STN. The standard refers to modifications on extensions of the STN facilities and aspects related to the guarantees that users must put up. It allows the expansion of transmission works under construction, requires guarantees from the Network Operator for the commissioning of the connection and allows the change of configuration of the Substation under construction without a call, among other aspects.

In November, CREG Resolution 209 of 2020 is published, whereby new rules are adopted for the start and end of the shortage risk period of Chapter II of the Statute for Shortage Risk Situations, CREG Resolution 026 of 2014, and other provisions are made. Through this standard, the indicators and rules contained in articles 2 to 6 of CREG Resolution 026 of 2014 are reviewed and adjusted, also adjusting the rules applicable to the procedure for defining the energy for reserve and the payment thereof.

In that same month, the Commission published Resolution 194, whereby it defines an option of the Reliability Charge for plants under construction with Firm Energy Obligations, which temporarily and at the Start of the Validity Period of the Obligation will have an installed capacity lower than the declared Net Effective Capacity, but the level of progress of their works allows them to operate and comply with the assigned Firm Energy Obligations. Highlights: installed capacity available for commercial operation on the start date of the Firm Energy Obligations, the Firm Energy Reliability Charge must be sufficient to cover Firm Energy Obligations, and the construction progress should allow it to reach the Net Effective Capacity within two years from the Start of the Validity Period of the Obligation.

Furthermore, CREG Resolution 207 was published in November 2020, which defines an audit scheme on fuel supply and transportation costs declared by generating agents. Highlights: semi-annual audit, plants that represent up to 96% of the security generation are audited, the rest randomly 15%, the 2020 Audits were conducted in March 2021, the Auditor will be selected by XM according to the list made by the Committee Marketing Advisor, the audit costs assumed by the lawsuit will be included in the restrictions and the functions and deadlines of the auditor are specified.

In January 2021 the CREG published Resolution 240 of 2020, which amends and complements CREG Resolution 156 of 2012 and repeals other provisions, in relation to the methodology for calculating the transactional equity considering the financial information that is prepared under the current regulatory technical frameworks.

The Mining and Energy Planning Unit (UPME) published the National Energy Plan 2020-2050: "The energy transformation that enables sustainable development", an indicative document of energy prospective. Its purpose is to define a long-term vision for the Colombian energy sector and identify the possible ways to achieve it and the trade-offs between them. It presents long-term energy scenarios, through which technological and economic aspects associated with the energy transformation can be analyzed, which serve as a support point for strategic decisions in the sector.

In March 2021, the Ministry of Mines and Energy published Resolution 40060, which regulates Article 296 of Law 1955 of 2019 and refers to mandatory contracting with Non-Conventional Renewable Energy Sources (NCRES). The rule applies to all marketers that serve the regulated and non-regulated market, which are obliged to ensure that 10% of annual energy purchases intended to serve end users come from Non-Conventional Renewable Energy Sources (NCRES). The obligation will be enforceable as of 2023.

In the second quarter of 2021, the issuance of Resolution MME 40141 (which modifies Resolution MME 40590/2019), through which the final conditions for the participation of generators and marketers in the third auction of Long-Term Contracts are defined; FRNCE projects with capacity equal or greater than 5 MW and that are registered in UPME, in phase 2 and must have a concept of connection to the network (national or regional transmission) approved by the UPME may participate.

Additionally, the MME also issued the final Resolution 40179 "Whereby the long-term contracting auction for electric power generation projects is called and the parameters for its application are defined". This resolution defines, among others, the following aspects:

•Implement awarding process: no later than October 31, 2021.

•Target demand: a target demand will be defined and will be disclosed in the auction process along with the caps, after receiving the bids.

•Contract Supply Period: 15 years.

•Commencement date of obligations: January 1, 2023.

•Complementary mechanism: The Ministry will define by administrative act the application of the complementary mechanism in case of not completing the target demand.

In July 2021, Law 2099 is issued, the purpose of which is to modernize the current legislation and dictate other 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, in general, dictate rules for the strengthening of the companies that provide electric energy and fuel gas services.

At the end of August 2021, the CREG presented to the agents two regulatory proposals with which it seeks to make some modifications to the Reliability Charge scheme. On the one hand, Resolution 132 of 2021 is under discussion, through which the regulator proposes to define an option for the allocation of Firm Energy Obligations to existing plants that are backed with natural gas. On the other hand, the Commission published Resolution 133 of 2021, which proposes to define a competitive scheme for the allocation of Firm Energy Obligations to existing plants. These proposals were still under discussion at the end of 2021.

In September, the Ministry of Mines and Energy published the booklet on the Energy Transformation Mission - MTE where recommendations and actions are proposed, with defined deadlines, which mark the roadmap to advance changes in the sector that aim, according to the Ministry, to modernize the sector and increase its dynamics and competitiveness. 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, are presented therein.

In addition, through Resolution 40279, the Ministry of Mines and Energy adopts the Reference Expansion Plan of Generation and Transmission 2020-2034 prepared by UPME, which develops the indicative planning of the expansion in generation and contains the transmission works which must be executed through: 1.

In November 2021, the Commission issued CREG Resolution 148 of 2021 which established the connection and operation of solar photovoltaic and wind power plants in the SDL with net effective capacity or maximum declared power equal to or greater than 5 MW.

In November 2021, the Commission published CREG Resolution 174 of 2021, which regulated the operational and commercial aspects to allow the integration of small-scale self-generation and distributed generation to the National Interconnected System (SIN). It also regulated aspects of the connection procedure for large-scale self-generators with maximum declared power of less than 5 MW and totally repealed CREG Resolution 030 of 2018 which regulated the matter.

In December 2021, The Mining and Energy Planning Unit - UPME published resolution 528 of 2021 by which it established the procedure for processing 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 One-Stop Counter.

Environmental Aspects

In environmental issues, Decree 1076 of 26 May 2015 is a compilation of the environmental standards issued by the National Government, i.e., all the current regulatory decrees that develop environmental laws and whose purpose is to prevent normative dispersion. The content is divided into three sections (books):

1. Structure of the environmental sector,

2. Regulatory regime of the environment sector and

3. Final provisions.

Section (book) 2 develops the regulations for the use, management and administration of natural resources, as well as financial, economic and tax instruments and penalties.

Act 1819 of 2016 on tax reform, introduced a reduction in income tax to promote Non-Conventional Energy Sources and exclusion of VAT on equipment, technologies and services that offer an environmental benefit; as well as the carbon tax on all fossil fuels used for energy purposes; and defines the guidelines for the non-imposition of this tax on users certified as carbon neutral, which is subsequently regulated by Decree 926 of 2017.

Based on the provisions of Article 174 of Act 1955 of 2019 (National Development Plan) and Article 130 of Decree 2106 of 22 November 2019, those interested in accessing the tax incentives established in Act 1715 of 2014 , associated with VAT and special deduction of income tax and complementary, for investments in projects of Non-Conventional Sources of Renewable Energy, and Efficient Energy Management, no longer require obtaining the environmental certification issued by the National Environmental Licensing Authority, since only the certification issued by the Mining and Energy Planning Unit - UPME is required to access the incentives.

Furthermore, the Ministry of Environment and Sustainable Development (MADS) published on 11 August 2016 Resolution 1312, which adopts the terms of reference for the preparation of the Environmental Impact Assessment (EIA), required for the process of the environmental license of projects for the use of continental wind energy sources, as well as Resolution 1670 of 15 August 2017, whereby the terms of reference for the preparation of the Environmental Impact Assessment - EIA, required for the processing of the environmental license of projects for the use of photovoltaic solar energy, are adopted.

In addition, the Ministry of Environment and Sustainable Development, by means of Decree 2462 of 28 December 2018, provides that the Environmental Diagnosis of Alternatives will only be required for projects for the exploration and use of alternative energy sources that come from biomass for generation of energy with installed capacity exceeding 10 MW, excluding solar, wind, geothermal and tidal energy sources.

Act 2099 of July 10, 2021, provided that the MADS will determine the environmental parameters that must be met by projects developed with geothermal energy, it also prioritizes the environmental licensing and its modifications to projects with an operation date of less than 2 years and establishes that the connection assets to the SIN will not require DAA, of those electric energy generation projects that decide to share such connection assets in the terms defined by the regulation issued by the CREG. Finally, it establishes the creation of the Clean Production Seal: assigned to all those that use only non-conventional renewable energy sources as energy sources in the production processes and that invest in improving their energy efficiency, to be regulated by the MME. In this sense, the Ministry of Environment through Resolution 1060 of 2021 establishes the Terms of Reference for the elaboration of the Environmental Impact Study - EIA for the environmental license process of projects using biomass for energy generation.

The UPME, through Resolution 703 of 2018, established the procedure and requirements to obtain the certification that endorses the Non-Conventional Renewable Energy Sources (NCRES) projects, with a view to obtaining the benefit of the exclusion of the VAT and the exemption from customs duties as provided in articles 12 and 13 of Act 1715 of 2014.

The Ministry of Mines and Energy issued Decree 421 of April 22, 2021 "Whereby Decree 1073 of 2015, the Sole Regulatory Decree of the Administrative Sector of Mines and Energy, is added in relation to transfers from the electricity sector to municipalities and districts that are beneficiaries of NCRES projects". In turn, the Ministry of Environment and Sustainable Development - MADS, issued Decree 644 of June 16, 2021 related to the financing and allocation of resources for the integral management of moorlands in Colombia through transfers from the electricity sector where for hydro plants, whose allocation was 6% (3% for municipalities and 3% for corporations), has established that 3% of corporations should be distributed between corporations and National Natural Parks in the jurisdiction of the project.

Finally, it is important to highlight the statement made by the Constitutional Court through Communiqué 18, by which it declares Article 125 of Decree 2106 of 2019, which establishes that the environmental authorities may not demand additional requirements to those provided for in the environmental regulations, to be executory.

Natural Gas

The regulation in the natural gas sector is aimed at the fulfilment of the objectives defined in Act 142 of 1994: i) ensure the quality of the service for the improvement of the quality of life of users, ii) the permanent extension of coverage, iii) continuous and uninterrupted service provision, iv) efficient provision, v) freedom of competition and non-abusive use of dominant position.

Since the issuance of Decree 2100 of 2011, a regulation has been issued specifically aimed at ensuring and guaranteeing supply, reliability and continuity of service in the natural gas sector. In this sense, regulatory instruments have been defined in order to encourage imports and increase gas production, standardise contractual modalities to ensure the service of essential demand in firm, define negotiation mechanisms that promote competition and efficient pricing, and create and consolidate a market manager in order to have timely operational and commercial information of the sector.

The foregoing is materialized by the Energy and Gas Regulation Commission (CREG) with the issuance of Resolution 089 of 2013, which regulates commercial aspects of the natural gas wholesale market that are part of the natural gas operation regulations. Based on studies conducted by the CREG, and given the concentration of the natural gas market, this resolution is necessary to promote market competition, designing mechanisms that promote greater market transparency and liquidity, and identifying the need to promote a more efficient use of gas supply and transportation infrastructure.

Moreover, and according to the analysis and follow-up of the transactions and results of the natural gas market negotiations, in August 2017 the CREG, through Resolution 114, adjusted some aspects related to the trading in the natural gas wholesale market and compiled Resolution CREG 089 of 2013 with all its adjustments and amendments.

The CREG, continuing with its evaluation and aiming for adjustments to the natural gas market, and as a result of the process of consultation, analysis and comments of the agents, published on 20 February 2019 Resolution 021 of 2019, which amends Resolution 114 of 2017, emphasizing on the main adjustments: relaxes the duration, the start date and the end date of the bilateral firm contracts of the secondary market; incorporates a contract with interruptions to negotiate bilaterally in the secondary market; incorporates the transport contract with conditional firmness in the secondary market; relaxes the start date of long-term contracts negotiated bilaterally in the primary market; incorporates supply contracts with conditional firmness and the option to purchase gas in the primary gas supply market.

Furthermore, the Commission has issued Resolution 068 of 2020, whereby additional transactional information must be declared by participants in the wholesale natural gas market provided for in Annex 2 of CREG Resolution 114 of 2017, including a) Payment currency agreed in the Contracts and b) Exchange rate agreed in the contract for purposes of converting dollars to Colombian pesos for settlement and billing;

Through CREG Resolution 135 of 3 July 2020, the Commission formalized the selection of the Colombian Stock Exchange as the Natural Gas Market Manager, for a period of five (05) years that will become effective on sixth (6) January 2021.

The Ministry of Mines and Energy during the month of October 2020, published Resolution 40304, whereby the Natural Gas Supply Plan and other provisions are adopted. The works that are considered relevant and that are included are: Pacific Regasification Plant, gas pipeline between Yumbo and Buenaventura, 3 transport infrastructure works with bidirectionalities, interconnection of the markets of the Atlantic Coast and the centre of the country and 2 reinforcements for Valle de Cauca and Tolima Grande.

In November, the Commission published Resolution 185 of 2020, which sets out provisions on the sale of transmission capacity in the wholesale natural gas market. This standard reflects greater transparency in the allocation mechanisms, streamlines transport capacity allocations when requests exceed the available capacity of the system, establishes mechanisms to allocate the capacity of supply plan projects, allows to improve the use it or sell it processes in the long and short term for transport capacity and encourages the efficient allocation of transport capacity among the gas market participants.

In that same month, CREG Resolution 186 of 2020 was published, which regulates commercial aspects of the supply of the wholesale market (primary and secondary) of natural gas. This standard compiles the amendments made to date on CREG Resolution 114 of 2017 (CREG Resolutions 140 and 153 of 2017, 008 of 2018 and 021 of 2019).

In December 2020, the Superintendence of Household Public Utilities published Resolution 20201000057975, which defines the assimilation of new activities in the fuel gas service supply chain, establishing the information reporting criteria for these agents and issuing other provisions. Its effects will be those established in article 17 of Act 1955 of 2019, for the development of inspection, surveillance and control functions, and for compliance with the regulation. It assimilates the Regasification activity to the Transportation activity, an activity complementary to the residential public fuel gas service, and it assimilates the Sale of Imported Gas activity to the Sale activity, an activity complementary to the residential public fuel gas service.

In January 2021, CREG Resolution 001 is published, which regulates the mechanism for the allocation of natural gas transportation capacity when there is contractual congestion in the primary market in a standard quarter, in accordance with the provisions of CREG Resolution 185 of 2020.

On May 31, 2021, the MME issues Resolution 00014 whereby it publishes the information corresponding to the Declaration of Natural Gas Production for the period 2021-2030, certified by the Producers and Producers - Sellers of natural gas, analyzed, adjusted and consolidated by the Ministry of Mines and Energy through the System for the Capture and Consolidation of the Declaration of Natural Gas Production - SDG. Highlights:

- Natural gas production forecasts declared in respect of 184 fields.
- Total Production Available for Sale - PTDV declared for 85 fields (46% of the fields that submitted the Production Declaration). Of these, 21 are onshore and 64 are inland.
- Declaration of 50 Gbtud as Imported Quantities Available for Sale - CIDV by Calamarí LNG.

On August 4, 2021, Act 2128 "Whereby the supply, continuity, reliability and coverage of fuel gas in the country is promoted" was enacted. This new Law aims to encourage the supply of fuel gas in the country and expand its use, in order to generate positive impacts on the environment, quality of life and health of the population, in addition to access to public service, as established in Act 1955 of 2019.

On August 30, 2021 the MME through Resolution 40286, established conditions through which the Ministry may authorize the withdrawal of the projects of the Natural Gas Supply Plan executed through selection processes, if situations arise that have their origin in irresistible and unforeseeable events, beyond the control of the successful bidder that prevent the execution of the projects, which are duly verifiable.

In September, the CREG published Resolutions 127 and 128; whereby it makes adjustments to some of the aspects contained in both CREG Resolution 107 of 2017 and CREG Resolution 152 of 2017, according to the characteristics of the projects included by the Ministry of Mines and Energy in the Natural Gas Supply Plan, and the introduction of mechanisms that incentivize compliance with the anticipated dates of entry into operation.

Finally, in October 2021 the CREG published CREG Resolution 175 of 2021, By which the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System are established, and other provisions regarding natural gas transportation are issued.

2. Bases for Presentation

The Group presents its general-purpose consolidated financial statements in Colombian pesos and the values have been rounded up to the nearest thousand (COP $000), except as otherwise indicated.

The consolidated financial statements include comparative information corresponding to the previous period. The accounting principles used in its preparation are those described below:

2.1. Accounting Principles

The Group's general-purpose consolidated financial statements as of 31 December 2021, have been prepared in accordance with the Colombian Financial Reporting Standards (CFRS), established in Act 1314 of 2009, regulated by Unified Decree Regulation 2420 of 2015, as amended 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 CFRS applicable in 2021 are based on the International Financial Reporting Standards (IFRS), along 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 Group applies to these consolidated 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 carried out 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 et seq., and, in the case of partial pension commutations, in accordance with the provisions of item 5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made in the terms of the technical framework under CFRS.

The Group belongs to Group 1 according to the definitions of Decrees 2784 of 28 December 2012 and 3024 of 27 December 2013, according to which the Group issued the first comparative financial statements under CFRS as of 31 December 2015.

The general-purpose consolidated financial statements have been prepared following the going concern principle through the application of the cost method, with the exception, according to the CFRS, of the assets and liabilities registered at fair value.

The preparation of the consolidated financial statements in accordance with the CFRS requires the use of certain critical accounting estimates. It also requires Management to apply its judgment in the process of applying the accounting policies.

2.2. Accrual Basis of Accounting

The Group prepares its consolidated financial statements using the accrual basis of accounting, except for cash flow information.

2.3. New Standards Incorporated into the Accounting Framework Accepted in Colombia with Effective Application from 1 January 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 2018.

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 classification is not affected by the expectations of the entity or the events after the date of the report. The changes also clarify what the "settlement" of a liability refers to in terms of the standard. The Group does not expect significant impacts from this amendment; in any case, it is evaluating the impact that they could have on the financial statements.

Amendment to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

The amendment published in May 2020 prohibits the deduction of the cost of an item of property, plant and equipment from any amount arising from the sale of items produced while taking that asset to the place and conditions necessary for it to operate in the manner provided by Management. Instead, an entity would recognize the amounts of those sales in profit or loss. The Group 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 Liens; and confirm that contingent assets should not be recognized on the acquisition date. The Group 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 fulfilling 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 evaluating whether a contract is onerous; clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs that are directly related to the fulfillment of the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. The Group does not expect significant impacts from this modification; in any case, it is evaluating the impact that they could have on the financial statements.

Interest Rate Benchmark Reform

After the financial crisis, the reform and replacement of interest rate benchmarks such as GBP LIBOR and other interbank rates (IBORs) has become a priority for global regulators. There is currently uncertainty about the precise timing and nature of these changes. To transition from existing contracts and agreements that reference LIBOR, adjustments for term differences and credit differences may be necessary to allow the two benchmark rates to be economically equivalent in 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 in relation to the benchmark interest rate reform. The alternatives relate to hedge accounting and have the effect that the reforms generally should not bring hedge accounting to an end. However, any hedging ineffectiveness must continue to be recorded in the income statement. Given the pervasive nature of hedges involving interbank rate-based contracts (IBORs), the alternatives will affect companies across all industries.

Accounting policies related to hedge accounting should be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between levels of the fair value hierarchy as markets become more or less liquid.

The Group 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 2019–2021 cycle

The following improvements were completed in May 2021:

• IFRS 9 Financial Instruments: clarifies which commissions should be included in the 10% test for derecognition of financial liabilities.

• IFRS 16 Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, to eliminate any confusion about the treatment of lease incentives.

• IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book value recorded in their parent's accounting, also measure accumulated translation differences using the amounts reported by the matrix. This amendment will also apply to associates and joint ventures with some conditions.

• IAS 41 Agriculture: eliminates the requirement that entities exclude tax cash flows when measuring fair value under IAS 41.

The Group expects no 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 to be used in standard setting decisions with immediate effect. Key changes include:

• Increasing 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;

• Eliminate the probability threshold for recognition and add guidelines on derecognition;

• Add guidelines on different measurement bases, and

• Indicate that profit or loss is the main 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 that are not otherwise addressed in the accounting standards will be required to apply the revised Framework as of January 1, 2021. These entities will need to consider whether their accounting policies continue to be appropriate under the revised Framework.

2.4. Relevant Estimates and Accounting Criteria

In the preparation of the Financial Statements, specific estimates have been used by the Group's Management, the business units, and the supporting areas to quantify some assets, liabilities, revenues, expenses and commitments registered therein.

The estimates basically refer to:

- Hypotheses used in actuarial calculation of liabilities and obligations with the employees, such as discount rates, mortality rates, salary increases, etc. (See Note 3.1.13.).
- The useful life of intangible assets and property, plant and equipment. (See Notes 3.1.7. and 3.1.8.).
- The expected credit loss from commercial accounts receivable and other financial assets (See Note 3.1.9. (B)).
- The hypotheses used for the calculation of the fair value of the financial instruments. (See Note 3.1.14.).
- Revenues and expenses derived from the generation activity, which mainly come from energy sales through bilateral contracts to the wholesale and non-regulated market, the energy exchange, the secondary frequency regulation service (AGC) and the reliability charge, are revenues estimated by applying judgmental elements for their determination, as well as the energy purchases necessary to fulfill such contracts (See Note 3.1.18.).
- Revenues and operating costs derived from the port availability service for the contract signed with Emgesa S.A. E.S.P., which are estimated by applying judgmental elements for their determination (See Note 3.1.18).
- Probability of occurrence and amount of uncertain or contingent liabilities (See Note 3.1.11.).
- Future disbursements for environmental commitments arising from the environmental license mainly for new projects, as well as the discount rates to be used (see Note 3.1.8.).
- Tax results, which will be declared to the respective tax authorities in the future, which have served as basis for recording the various balances related to income taxes in the current Financial Statements. (See Notes 3.1.12).

Although these judgments and estimates have been made relying on the best information available on the issue date of these Financial Statements, it is possible that future events will force their change, either upwards or downwards, in future periods, which would be done prospectively, recognizing the effects of changes in the judgment or estimates in the respective future Financial Statements.

2.5. Subsidiaries

Subsidiaries are considered to be those companies controlled by Emgesa S.A. E.S.P. directly or indirectly. Control is exercized if, and only if, the following elements are present: i) power over the subsidiary, ii) exposure, or right, to variable returns of these companies, and iii) ability to use power to influence the amount of these returns.

Emgesa S.A. E.S.P. has power over its subsidiaries when it owns the majority of the substantive voting rights, or without this situation occurring, it has rights that give it the current ability to direct its relevant activities, that is, activities that significantly affect the returns of the company. subsidiary.

Emgesa S.A. E.S.P. will reassess whether or not it has control in a subsidiary company if the facts and circumstances indicate that there have been changes in one or more of the elements of control mentioned above.

2.6. Associates and Joint arrangements

An associate is an entity over which Emgesa S.A. E.S.P. has significant influence on financial and operating policy decisions, without having control or joint control.

Joint arrangements are those entities in which Emgesa S.A. E.S.P. exercises control through the arrangement and jointly with third parties, i.e., when decisions on their relevant activities require the unanimous consent of the parties that share control. Joint arrangements 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. The parties have rights to the net assets of the entity. As of the date of acquisition, the excess of the acquisition cost over the net fair value of identifiable assets, liabilities and contingent liabilities assumed by the associate or joint venture is recognized as goodwill. Goodwill is included in the book value of the investment, is not amortized and is individually tested for impairment.

Joint operation: Arrangement whereby the parties exercising joint control are entitled to the assets and liabilities with respect to the liabilities related to the arrangement.

A joint operator will recognize in relation to its interest in a joint operation:

a) its assets, including its interest in jointly held assets;

b)) its liabilities, including its share of the liabilities incurred jointly;

c) its ordinary revenues from the sale of its interest in the proceeds of the joint operation;

d) its share of revenues from ordinary activities arising from the sale of the product of the joint operation; and

e) its expenses, including its share of expenses incurred jointly.

As of the issue date of the financial statements, the Group has no investments in associates and has not registered any goodwill generated on investments in associates and joint ventures or joint arrangements.

2.7. Investments accounted for using the equity method

The interests that the Group holds in joint ventures and associates are recorded following the equity method.

According to the equity method, the investment in an associate or joint venture is initially recorded at cost. From the date of acquisition, the investment in the statement of financial position is recorded by the proportion of its total equity that represents the Group's share in its capital, once adjusted, as the case may be, the effect of the transactions carried out with the Group, plus the capital gains that have been generated in the acquisition of the company. If the resulting amount is negative, the participation is left at zero in the statement of financial position, unless there is a present obligation (whether legal or implicit) on the part of the Group to replenish the equity situation of the company, in which case, the corresponding provision is recorded.

The capital gains relating to the associate or joint venture are included in the book value of the investment and are not amortized and no individual impairment test is performed.

The dividends received from these companies are recorded reducing the value of the investment and the results obtained by them, which correspond to the Group according to its interest, are recorded in the item "Interest in gain (loss) of associates accounted for by the equity method".

As of the issue date of the financial statements, the Group has neither investments in joint ventures or associates nor capital gains.

2.8. Principles of consolidation and business combinations

Subsidiaries are consolidated by integrating all their assets, liabilities, revenues, expenses and cash flows into the consolidated financial statements once the corresponding adjustments and eliminations of intra-Group transactions have been made.

The comprehensive income of subsidiaries are included in the consolidated statement of comprehensive income from the date when the Parent Company obtains control of the subsidiary until the date on which it loses control over it.

The consolidation of the operations of Emgesa S.A. E.S.P. Parent Company and of the subsidiaries has been carried out following these basic principles:

(1) At the date of taking control, the assets acquired and liabilities assumed from the subsidiary are recorded at fair value, except for certain assets and liabilities that are recorded following the valuation principles established in other CFRS. If the fair value of the consideration transferred 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 capital gains. In the case of a low-priced purchase, the resulting gain is recorded with a credit to profit or loss, after reassessing whether all the 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 if it values the non-controlling interests of the acquiree at fair value or by the proportional part of the net identifiable assets of the acquiree.

If it is not possible to determine the fair value of all assets acquired and liabilities assumed at the acquisition date, the company will report the provisional values recorded. During the measurement period, which will not exceed one year from the date of acquisition, the recognized provisional values will be retrospectively adjusted and additional assets or liabilities will be recognized to reflect new information obtained on events and circumstances that existed on the date of acquisition, but that were not known by management at that time.

In the case of business combinations carried out in stages, at the acquisition date, the share previously held in the equity of the acquired company is measured at fair value and the resulting gain or loss, if any, is recognized in the year's profit or loss.

(1) The value of the shareholding of the non-controlling shareholders in the equity and in the comprehensive results of the subsidiaries is shown, respectively, in the headings "Total equity: Non-controlling interests in the consolidated statement of financial position and "Gain (loss) attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interests" in the consolidated comprehensive income statement.

(2) Consolidated companies have the Colombian peso as their functional currency, therefore there is no conversion of foreign currency.

(3) Balances and transactions between the consolidated companies have been eliminated in their entirety in the consolidation process.

(4) Changes in interest in the subsidiaries that do not result in a loss of control are recorded as equity transactions, the carrying amount of the control and non-controlling interest being adjusted to reflect the changes in its relative shares in the subsidiary. The difference that may exist, between the value by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, is directly recognized in the Equity attributable to the owners of the parent company.

(5) Business combinations under common control are recorded using the "pooling of interests" method as reference. Under this method, the assets and liabilities involved in the transaction are reflected at the same book value in which they were registered in the parent company, the foregoing without prejudice to the possible need to make accounting adjustments to homogenize the accounting policies of the companies involved.

(6) When control over a subsidiary is lost, the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity are derecognized. Any resulting gain or loss is recognized in profit or loss. If any interest in the former subsidiary is retained and it is accounted for using the equity method, the gain or loss arising from the new measurement at fair value is recognized in profit or loss only to the extent of the interest in the new associate. ; If the interest that is retained is accounted for in accordance with IFRS 9, the part of the gain or loss is fully recognized in profit or loss.

Any difference between the assets and liabilities contributed to the consolidation and the consideration given is recorded directly in equity as to debit or credit to other reserves. The company does not apply a retrospective registration of business combinations under common control.

2.9. Consolidation Principles

The subsidiary is consolidated by integrating in the consolidated financial statements all of its assets, liabilities, income, expenses and cash flows once the corresponding adjustments and eliminations of the reciprocal operations have been made.

3. Accounting Policies

3.1. Accounting Policies Applicable to General-Purpose Financial Statements

The main accounting policies applied when preparing the accompanying general-purpose consolidated financial statements are the following:

3.1.1. Financial Instruments

3.1.1.1. Cash and Cash Equivalents

This item in the consolidated financial statement includes cash, bank balances, term deposits and other short-term investments less than or equal to 90 days after the date of investment, with high liquidity rapidly realized in cash and which have a low risk of change in value.

3.1.1.2. Financial Assets

The Group classifies its financial assets in the following measurement categories: measured at fair value and measured at amortized cost. The 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 it meets the following criteria: the purpose of the business model of the Group is to keep the asset to obtain contractual cash flows, and the contractual terms give rise, on specified dates, to receiving cash flows that are only principal and interest payments on the unpaid balance.

The nature of the derivatives implicit in a debt investment is taken into account to determine whether the cash flows of the investment are only principal and interest payments on the unpaid balance and, in such event, these are not accounted for separately.

(b) Financial assets at fair value through other comprehensive income

The financial assets held for the collection of contractual cash flows and for selling assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. The movements in the book value are taken through other comprehensive income, except for the recognition of gains or losses due to impairment, interest revenues and exchange gains and losses in the amortized cost of the instrument, which are recognized through profit or loss. When the financial asset is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest revenues from these financial assets are included in "interest revenues" using the effective interest rate method.

(c) Financial assets at fair value through profit or loss

Assets that do not meet the requirements for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A loss or gain on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging 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 that are not held for trading. Interest revenues from these financial assets are included in "interest revenues" using the effective interest rate method.

3.1.1.2.2 Equity Instrument

All equity instruments are measured at fair value. Equity instruments held to negotiate are measured at fair value through profit or loss. For other equity instruments, the Group can make an irrevocable election in the initial recognition to recognize changes in fair value through other comprehensive income in equity.

3.1.1.2.3 Derivative Financial Instruments and Hedging Activities

Derivatives are recognized at their fair value on the date the contract is executed and are constantly revised at fair value.

If derivative financial instruments are not qualified for recognition through the hedging accounting treatment, they are registered at fair value through profit or loss. Any change in the fair value of the derivatives is immediately recognized in profit or loss as "other gains / losses, net". If they are designated for hedging, the method to recognize the gain or loss from the changes in the fair value of the derivatives depends on the nature of the risk and the item being hedged.

The Group designates certain derivatives as:

a) Fair value hedging of recognized assets or liabilities (fair value hedges);

b) Hedging of a particular risk associated with a recognized asset or liability or a highly probable expected transaction (cash flow hedges); or

c) Hedging of net investments in an overseas operation (net investment hedges).

The Group documents, at the beginning of the hedging, the relationship of the hedging instruments and the hedged items, as well as their objectives and risk management strategy supporting the hedging transactions. The Group also documents its assessment, both at the beginning of the hedge and periodically, on whether the derivatives used in the hedging transactions are highly effective to compensate for the changes in fair values or cash flows of the hedged items.

The total fair value of the derivatives used as hedging is classified as non-current asset or liability when the maturity of the remaining hedged item is greater than 12 months, and classified as current asset or liability when the maturity of the remaining hedged item is less than 12 months. The derivatives that are used for hedging or that are held for negotiation are classified as current assets or liabilities.

(a) Fair value hedging

Changes in fair value of derivatives designated and qualified as fair value hedges are registered in the income statement, and the gain or loss of the hedged item attributable to the hedged risk adjust the book value of the hedged item and is recognized in profit or loss. The gain or loss related to the cash portion of the derivatives is recognized in the income statement as "financial expenses", as well as the non-cash portion, which is also recognized in the income statement but as "other gains/ (losses), net".

If the hedging no longer meets the criteria to be recognized through the hedging accounting criteria, the adjustment of the book value of the hedged item is amortized in profit or less using the effective interest method in the remaining period until its maturity.

(b)) Cash flow hedging

The cash portion of the changes in fair value of the derivatives designated and qualified as cash flow hedges are recognized through other comprehensive income. The gain or loss relative to the non-cash portion is recognized immediately in the income statement as "other gains/ (losses), net".

The amounts accrued in net equity are registered in the income statement for the periods on which the hedged item affects them. However, when the foreseen hedged transaction results in the recognition of a non-financial asset, the gains or losses previously recognized in equity are transferred from equity and included as part of the initial cost of the asset. The capitalized amounts are finally recognized in the cost of sales when the products are sold, if dealing with inventory, or in the depreciation, if dealing with property, plant and equipment.

When a hedging instrument expires or is sold, or when it no longer meets the criteria to be recognized through the hedging accounting treatment, any gain or loss accrued in equity on that date is kept in equity and recognized when the projected transaction affects the income statement. When no projected transaction is expected, the accrued gain or loss in equity is transferred immediately to the income statement as "other gains/(losses), net."

(c) Hedges of a Net Investment in a Foreign Operation

Net investment hedges of operations abroad are accounted for in a similar manner as the cash flow hedges. Any gain or loss of the hedging instrument related to the cash portion of the hedging is recognized through other comprehensive income. The gain or loss related to the non-cash portion of the hedging is immediately recognized in the income statement as "other gains / (losses), net".

Accrued gains and losses in equity are transferred to the income statement when the operation is sold or partially written-off.

As of the issue date of these financial statements, the Group has no hedging instruments for net investments in foreign operations.

3.1.1.3. Financial liabilities

Financial liabilities are classified as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss; this classification applies to the derivatives constituted to cover obligations that reflect the strategy that the Group has to cover the market risks associated with the interest rate or the exchange rate.

3.1.1.3.1 Debts (Financial Obligations)

Debts are initially recognized at fair value, net of costs incurred in the transaction.

Debts are subsequently registered at their amortized cost; Any difference between the funds received (net of the costs of the transaction) and the redemption value is recognized in the income statement during the loan period using the effective interest method.

The costs incurred to obtain the debt are recognized as transactions to the extent that it is likely that the debt will be received in whole or in part. In such case, the fees are deferred until the loan is received. If there is no evidence of the likelihood that part or all of the debt will be received, the fees are capitalized as prepaid costs paid for services to obtain liquidity and are amortized in the respective loan period. If the costs incurred are immaterial, they may carried to profit or loss at the time of issuance of the securities.

Loans are classified in current liabilities, unless the Group has the unconditional right of deferring the payment of the obligation at least 12 months from the date of the balance sheet.

The costs of general and specific assets are directly attributable to the acquisition, construction or production of suitable assets, which are those required to be substantially used for the expected use or are they added to the cost of said assets until the assets are substantially prepared for their use or sale. Revenues from investments obtained in the temporary investment of resources obtained from specific debts that have not yet been invested on qualified assets are deducted from the costs of interest susceptible of capitalization. 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

Loans and debts with related parties are initially recognized at the fair value of the transaction plus the directly attributable transaction costs. After the initial recognition, these loans and debts are measured at their amortized cost, using the effective interest method. The amortization of the interest rate is recognized in the income statement as revenues or financial costs or as other operating revenues or expenses, depending on the nature of the asset or liability that generates it.

3.1.1.5. Commercial Accounts Payable

Commercial accounts payable are payment obligations for goods or services that have been acquired from vendors in the ordinary course of business. Accounts payable are classified as current liabilities if the payment is to be made within a one-year term or less. If the payment is to be made over a period greater than one year, these are then presented as non-current liabilities.

Commercial accounts payable are initially recognized at fair value and subsequently at 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 date of negotiation, which is the date when the Group undertakes to purchase or sell the asset. Financial assets are written-off when the right to receive cash flows have expired or have been transferred and the Group has substantially transferred all risks and benefits inherent to the property.

In the initial recognition, the Group measures financial assets at fair value; however, in the case of a financial asset that is not measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the financial asset will affect the value of the asset. The financial asset transaction costs that are measured at their fair value through profit or loss are directly accounted for in the profit and loss account.

The gain or loss in a debt instrument that is subsequently measured at its fair value and which is not part of a hedging operation is recognized in profit or loss and presented in the income statement as "other (losses)/gains - net" in the period in which they are accrued.

The gain or loss in a debt instrument that is subsequently measured at its amortized cost and which is not part of a hedging operation is recognized in profit or loss of the period when the financial asset is written-off or impaired through the amortization process using the effective interest method.

Subsequently, the Group measures all equity instruments at fair value. When Management has opted for presenting unrealized and realized fair value gains or losses, and losses in equity instruments in other comprehensive income, such fair value gains and losses cannot be registered in profit or loss. Dividends from equity instruments are recognized in profit or loss, provided they represent a return on investment.

The Group must reclassify all affected debt instruments if, and only if, its business model for management of financial assets changes.

3.1.1.7. Offsetting of Financial Instruments

Financial assets and liabilities are offset and their net value is presented in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and Management has the intention of liquidating the net amount or realization of the asset and pay for liabilities simultaneously.

3.1.1.8. Fair Values of Investments

The fair values of investments with stock prices are based on their current listed price. If the market for a financial instrument is not active or the instrument is not listed in the stock exchange, the Group establishes its fair value using appropriate valuation techniques depending on the situation.

These techniques include the use of values observed in recent transactions performed under the terms of free competition, reference to other instruments that are substantially similar, analysis of discounted cash flows and models of options making the best possible use of market information and relying as reasonably possible on in-house specific data.

3.1.2. Inventories

The stock in inventories includes goods for sale or internal consumption which the risks and benefits of the property have been acquired; this classification includes materials, fuels and Certified Emissions Reduction certificates (CERs)

The inventories are shown in the current asset of the financial statements, even if accounted for after 12 months, insofar as it is considered that they belonged to the ordinary operating cycle.

The cost of inventories consists of the purchase cost and all costs that are directly or indirectly attributable to the inventory, for example: transport, customs duties, insurance, non-recoverable indirect taxes, etc. and net of discounts, bonuses and premiums of a commercial nature.

In the case of CERs, the initial cost is determined by their fair value on the date of issuance of the certificates, which is identifiable for each of them.

The cost of goods other than CERs is measured in accordance with the weighted average method, which considers the units of an article purchased on different dates and with different costs as part of a set in which individual purchases are no longer identifiable but all of them are equally available.

The weighted average cost must include additional charges, for example: sea freight cost, customs duties, insurance etc., chargeable and acquired during the period.

The cost of inventories may not be recoverable if inventories are damaged, partially or totally obsolete, or in some cases due to low turnover.

Obsolete materials are understood as those not expected to be sold or used during the Group's ordinary operating cycle, such as scrap and technologically outdated materials. Surplus at a stock level that can be considered reasonable, in accordance with the regular use expected in the ordinary operating cycle, are considered of slow movement. Obsolete and slow movement inventories have the possibility of being used or realized, which in some cases represent their cost as scrap sales.

Inventory items that are used in maintenance affect the Group's results.

3.1.3. Non-current Assets Held for Sale and Discontinued Activities

The Group classifies as non-current assets those held for sale of property, plant and equipment, intangibles, investments in associates, joined ventures and groups subject to disposal (group of assets that will be sold together with their associated liabilities), relative to which on the closing date of the statement of financial position active processes for their sale have started and it is estimated that such sale is highly likely.

These assets or groups subject to disposal are accounted for at the lowest value of either the book value or the fair value, less costs until the sale, and are no longer amortized or depreciated from the moment they are classified as non-current assets held for sale.

Non-current assets held for sale and the components of groups subject to disposal classified as held for sale are presented in the statement of financial position as follows: Assets on a single line item that reads "Non-current assets or group of assets for disposal, classified as held for sale" and liabilities also on a single line item that reads "Liabilities included in groups of assets for disposal, classified as held for sale."

In turn, the Group considers discontinued activities the significant and separable business lines that have been sold or have been disposed of by different means, or that meet the conditions to be classified as held for sale, including, in each case, other assets that together with the business line are part of the same sales plan. In addition, discontinued activities are also those entities acquired exclusively for resale purposes.

Gains or losses after taxes of discontinued activities are presented on a single line item of other comprehensive income called "gain (loss) of discontinued operations".

As of the issue date of the financial statements, the Group has no non-current assets held for sale or discontinued operations.

3.1.4. Investments in Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when there is enough power to direct the relevant activities of the subsidiary, which are generally operating and financing activities, for the purpose of obtaining benefits from its activities, and is exposed, or has the right, to the variable yields of the subsidiary.

Investments in subsidiaries are initially recorded at cost and thereafter the equity method is applied in the consolidated financial statements of the Group, as established in Decree 2420/2015, as complemented by Decree 2496/2015 and as amended by Decrees 2131 of 2016 and 2170 of 2017.

Dividends received from these companies are recorded by reducing the value of the investment and the results obtained by them, which correspond to the Group according to their interest, under the item "Result from other investments."

The measurement of the equity method is assessed according to the materiality of the figures and taking into account the interest in each subsidiary.

3.1.5. Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence on financial and operating policy decisions, without having control or joint control.

Joint arrangements are those entities in which the Group exercises control through the arrangement and jointly with third parties, i.e., when decisions on their relevant activities require the unanimous consent of the parties that share control.

Joint arrangements are classified into:

A joint venture is an entity that the Group controls jointly with other participants, where they maintain a contractual agreement that establishes joint control over the relevant activities of the entity. The parties have rights to the net assets of the entity. As of the date of acquisition, the excess of the acquisition cost over the net fair value of identifiable assets, liabilities and contingent liabilities assumed by the associate or joint venture is recognized as goodwill. Goodwill is included in the book value of the investment, is not amortized and is individually tested for impairment.

Joint operation: Arrangement whereby the parties exercising joint control are entitled to the assets and liabilities with respect to the liabilities related to the arrangement.

Joint control: The distribution of the contractually determined control of an agreement, which exists only when decisions on the relevant activities require the unanimous consent of the parties sharing control.

The Group currently has joint arrangements represented in trusts. A joint operator will recognize in relation to its interest in a joint operation: (a) its assets, including its interest in jointly held assets; (b) its liabilities, including its share of the liabilities incurred jointly; (c) its ordinary revenues from the sale of its interest in the proceeds of the joint operation; (d) its share of revenues from ordinary activities arising from the sale of the product of the joint operation; and (e) its expenses, including its share of expenses incurred jointly.

Investments in associates or joint ventures are measured in the separate financial statements at cost. Joint arrangements of the type of joint operations represented in trusts are measured at fair value.

As of the issue date of the financial statements, the Group has no hedging instruments.

3.1.6. Business Combination

In a business combination, the Group records at fair value the assets acquired and liabilities assumed by the subsidiary at the date of control, except for certain assets and liabilities that are recorded in accordance with the measurement principles established in other IFRS. If the fair value of the transferred consideration plus the fair value of any non-controlling interest exceeds the fair value of the subsidiary's net assets acquired, this difference is recorded as goodwill. In the event of a low-priced purchase, the resulting gain is recorded with a credit to profit or loss, after reassessing whether all assets acquired and liabilities assumed have been correctly identified and reviewing procedures used to measure the fair value of these amounts.

For each business combination, the Group chooses whether to measure the non-controlling interests of the acquired company at fair value or at the proportional part of the identifiable net assets of the acquired company. If it is impossible to determine the fair value of all assets acquired and liabilities assumed on the date of acquisition, the company will report the provisional values recorded. During the measurement period, which will not exceed one year from the date of acquisition, the recognized provisional values will be adjusted retrospectively and additional assets or liabilities will also be recognized to reflect new information obtained on facts and circumstances that existed at such date but were not known to Management at that time. In the case of business combinations conducted in stages, at the date of acquisition, a fair value is measured of the interest previously held in the equity of the acquired company and the resulting gain or loss, if any, is recognized in profit or loss.

Acquisition costs incurred are charged to expenses and are presented in administrative expenses in the income statement.

As of the issue date of these financial statements, the Group has no business combinations.

3.1.7. Intangible Assets

Intangible assets are recognized initially for their cost of acquisition or production and, subsequently, are valued at net cost of the respective cumulative amortization and impairment losses that, in each case, have been caused.

Intangible assets are amortized linearly throughout their life, from the moment when they are in usable condition. The Group 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 recognizing impairment losses of these assets and, in each case, the recovery of impairment losses registered in previous years are explained in the asset value impairment policy.

(a) Research and Development Expenses

The Group applies the policy of recording as intangible assets in the statement of financial position the cost of projects in their development phase, provided that their technical viability and economic profitability are reasonably assured. Research costs are recognized directly through profit or loss.

(b) Other Intangible Assets

These assets correspond mainly to IT software and rights. Their accounting recognition is done initially at the cost of acquisition or production and are subsequently measured at net cost of the respective cumulative amortization and impairment losses that, in each case, have been caused.

Average useful life for amortization:

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The average remaining useful lives for amortization are as follows:

Item	Average years of estimated useful life 2021	2020
Rights *	22	23
Development costs	-	1
Licences	5	4
Software	3	3
Other identifiable assets	-	1

(*) Refer to the rights that the Group has registered to obtain the usufruct of the greater flow of useful water from the Chingaza and Río Blanco projects. Its amortization is recognized by the straight-line method. In addition, this item classifies the legal stability premium for Quimbo, which allows obtaining tax benefits for the investments made in this plant; this premium has a useful life of 20 years according to the validity of the tax benefits.

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The average remaining useful lives for amortization are as follows:

Classes of plant and equipment	Estimated average years of useful life 2021	2020
Concessions	9	10

Gains or losses arising on sales or withdrawals of property, plant and equipment are recognized as other gains (losses) through profit or loss and are calculated by deducting from the amount received from the sale the net asset value of the asset and the corresponding sales expenses.

3.1.8. Property, Plant and Equipment

Property, plant and equipment are initially recognized by their cost of acquisition and are subsequently valued at the net cost of their corresponding accumulated depreciation and impairment losses.

In additionally, at the price paid for the acquisition of each item, the cost also includes, where appropriate, the following items:

- The costs of general and specific interests are directly attributable to the acquisition, construction or production of suitable assets, which are those required for a given substantial time before they are ready for the expected use or are they added to the cost of said assets until the time the assets are substantially ready for their intended use or sale. The Group defines substantial period as a term exceeding twelve months. The interest rate used corresponds to the specific financing or, if unavailable, the average financing rate of the company making the investment.
- Personnel expenses related directly to constructions in progress.
- Future disbursements that the Group will have to make with respect to the closing of its facilities are incorporated into the asset value for the updated value, recognizing from an accounting standpoint the respective provision for dismantling or restoration. The Group annually reviews its estimates on the aforementioned future disbursements, increasing or decreasing the asset value based on the results of said estimation.
- Future disbursements for environmental commitments for new projects, as well as discount rates to be used.
- Components of property, plant and equipment are the spare parts that meet the recognition characteristics; These spare parts are not part of that material inventory.

Constructions in progress are transferred to assets in operation once the trial period ends, i.e., when they are available for use and in the conditions provided by Management.

The costs for expansion, modernizing or improvement representing an increase in productivity, capability, efficiency or extension of useful life are capitalized as greater cost of the respective assets.

The substitutions or renovations of complete items that increase the useful life of a good, or its economic capacity, are registered as the greater value of the respective goods, taking the substituted or renewed items out of the accounting.

Periodical maintenance, conservation and repair costs are registered directly in the income statement as costs in the corresponding period.

Based on the process of the impairment testing, the Group considers that the book value of the assets does not exceed their recoverable value thereof.

Property, plant and equipment, in this case net of residual value, is depreciated distributing linearly the cost of the variable components during their estimated useful life, which constitutes the time during which the Group expects to use them. The estimated useful life and residual value are revised periodically and, if applicable, adjusted prospectively. The Group did not consider significant the residual value of its fixed assets.

The average useful lives used for depreciation are as follows:

(In thousands of pesos)

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The average remaining useful lives used for depreciation are:

Types of property, plant and equipment	Average of years of estimated useful life 2021	2020
Plants and equipment		
Civil works plants and equipment	54	55
Electromechanical equipment Hydroelectric power stations	30	30
Electromechanical equipment Thermal power stations	19	18
Buildings	54	56
Fixed installations, accessories and others	11	10
Assets for use IFRS 16		
Buildings	62	1
Vehicles	2	2

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The average remaining useful lives used for depreciation are:

Classes of plant and equipment	Promedio de años de vida útil estimada 2021	2020
Machinery and equipment	1	2
Furniture and fixtures	1	2

The Group defined that the flooded plots located in the hydroelectric power plants are depreciable because they do not have a specific use after the end of the useful life of the plant, therefore the cost is depreciated within the line of plants, pipelines and tunnels to 75 years. In addition, based on the environmental requirements provided in Decree 1076 of 2015 applicable to El Quimbo, there is a decommissioning obligation for the powerhouse for a timespan that the Group has estimated, in the most conservative scenario, to be 50 years (see Note 15).

The excess of the tax depreciation over the accounting depreciation generates a tax effect that is registered as a deferred tax liability. The Company has also established a reserve in equity equivalent to 70% of the higher depreciation value fiscally requested, in accordance with article 130 of the Tax Code.

The gains or losses arising from sales or withdrawals of goods under property, plant and equipment are recognized as other gains (losses) in the comprehensive income, and are calculated by deducting from the sum received from the sale, the net accounting value of the asset and the respective sale costs.

3.1.9. Asset Impairment

(a) Non-financial Assets (Except Inventories and Deferred Tax Assets).

Throughout the period, and essentially on the closing date, an assessment is performed to determine whether there is any indication that an asset could have been subject to impairment loss. Should there be any sign, an estimate is made of the recoverable value of said asset to determine, where applicable, the value of the impairment. If dealing with identifiable assets not generating cash flows independently, the recoverability is estimated for the Cash-Generating Unit (CGU) to which the asset belongs, understanding as such the smaller group of identifiable assets generating independent cash inflows.

In the Group, all assets operate integrally, and cash flows of a plant cannot be considered independently from the rest of the generation assets; therefore, the Group as a whole is taken as the CGU Cash-Generating Unit.

The recoverable value is the greater of the fair value less the cost required for its sale and the value in use, the latter being the current value of estimated future cash flows. To calculate the recovery value of property, plant and equipment, capital gain, and intangible assets, the value in use is the criterion used by the Group in nearly every case.

To estimate the value in use, the Group prepares the projections of cash flows before taxes based on the most recent budget available. These budgets incorporate the best estimates of the Management regarding revenues and costs of the Cash-Generating Units, using sector projections, past experience and future expectations.

These projections generally cover the estimate of cash flows for coming years by applying reasonable growth rates. These flows are deducted to calculate its current value at a rate before taxes, which reflects the business capital costs. This calculation takes into account the current cost of money and risk premiums generally used among business analysts.

In the event the recoverable value of the CGU is less than the net book value of the asset, the respective provision for the impairment loss is registered for the difference, debited to the item "Impairment" in the income statement. Said provision is allocated, first, to the added value of the CGU, if any, and then to the other assets that make it up, by prorating on the basis of the accounting value of each of them, with a cap of their fair value less the sales cost, or its use value, with no possibility of a negative value.

Impairment losses recognized in an asset in previous years are reversed when there is a change in the estimates of the recoverable amount, increasing the value of the asset, crediting profit or loss with the cap of the book value that the asset would have had should the accounting adjustment not be made. With respect to capital gain, accounting adjustments that could have been made are not reversible.

(b) Financial Assets

The Group determined the expected credit loss on all its debt securities, loans and accounts receivables, either for 12 months or for the useful life of the assets, recognizing the impairment in advance from the first day and not waiting for an event that indicates the impairment of the financial asset.

The expected credit loss will be determined periodically applying the models defined by the group as follows:

Simplified individual model

This model performs a uniform and consistent calculation on each of the counterparties that make up the commercial portfolio. Given that the Group manages its commercial portfolio individually, the group defined that the most appropriate way to manage the Group's credit risk expectation is by performing an individual assessment on each counterparty with which the Group transacts as a result of its business operations.

The expected credit loss is calculated on the balance of the invoiced and estimated portfolio for each counterparty, multiplying it by following variables.

Probability of Default (PD): Can be provided by an external provider, if available, or by evaluating the financial statements of the counterparty. In case of not having a specific PD by the aforementioned mechanisms, according to the group guidelines, the country rating minus three notches will be used. If there are indications of impairment, they will be reflected in this variable, reaching one hundred percent where appropriate.

Loss Given Default (LGD): The percentage of loss that would be generated if the breach materializes. It is calculated by the difference with the estimated recovery rate. In case of not having a specific LGD, in accordance with the group guidelines, the Basel II model will be used.

General collective model

Under this model, all other financial assets other than commercial accounts receivable, which are within the scope of IFRS 9, are evaluated. This model groups the counterparties into four categories defined by the group:

- Public administrations
- Institutional counterparties
- Loans to employees
- Other assets

The expected credit loss is calculated on the balance of each category multiplying it by the following variables:

Probability of Default (PD): It is determined in accordance with the group guidelines for each category, considering the Group's rating, the financial entity and the country, in some cases deducting three notches afterwards. If there are indications of impairment, they will be reflected in this variable, reaching one hundred percent where appropriate.

Loss Given Default (LGD): The percentage of loss that would be generated if the breach materializes. It is calculated by the difference with the estimated recovery rate. In case of not having a specific LGD, in accordance with the group guidelines, the Basel II model will be used.

3.1.10. Leases

IFRS 16 - Leases establishes specific criteria for the lessor and the lessee as follows:

Lessee

IFRS 16 establishes principles for measurement, recognition, presentation and disclosure of leases and requires lessees to evaluate the following parameters under a single finance lease model.

A contract contains a lease if it conveys the right to control the use of the identified asset, in exchange for consideration. Therefore, the following parameters establish the conveyance of control:

There must be an identified asset in the lease.

- The lessee must have the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use.
- The lessee has the right to direct the use of the identified asset throughout the period of use. This is determined if:
  - The lessee has the right to operate the identified asset throughout the period of use without the supplier having the right to change those operating instructions, or
  - The lessee has designed the identified asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

If the parameters mentioned above are not met, the contracts will not constitute a lease under the parameters established in IFRS 16.

If a finance lease is set up, the lessee must recognize the right-of-use assets and finance lease liabilities at the beginning of the contract.

The standard includes two recognition exemptions for lessees:

- Leases for which the underlying asset is of low value, and
- Short-term leases (i.e., leases with a lease term of 12 months or less)

In this case, they are recognized in profit or loss, and there is no place for right-of-use assets or lease liabilities.

The lease liability is measured at the present value of the non-cancellable payments during the term agreed in the contract; discounted using the interest rate implicit in the lease, or the incremental borrowing rate on the start date. Subsequently, lessees are required to remeasure the lease liability when certain events occur (for example, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine the payments). The amount of the remeasurement of the lease liability will be recognized as an adjustment to the right-of-use asset.

The right-of-use asset is initially recognized at the commencement date and measured at cost, consisting of: i) the lease liability, ii) the lease payments made at or before the commencement date, less any 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.

The right-of-use asset is depreciated on a straight-line basis during the shortest of the term of the lease agreement and the estimated useful life of the assets.

The interest expense, the lease liability and the depreciation on the right-of-use asset have to be recognized separately. Lessees are also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the 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 remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset, except for the considerations that can be recognized by law directly in profit or loss.

Lessor

The lessor classifies leases either as operating or finance lease. They are classified as finance lease when substantially all of the risk and rewards incidental to ownership of the underlying asset have been transferred. If the risk and rewards of the underlying asset are not transferred they will be classified as operating lease.

Finance Lease

At the beginning of the contract, the lessor recognizes the leased assets and presents them as an account receivable for a value equal to the net investment of the lease.

When the lessor is a manufacturer or dealer, revenue is recognized as the fair value of the underlying asset discounted using a market rate of interest. In addition, cost of sale is recognized as the cost, or carrying amount if different, of the underlying asset.

Operating Lease

Lessor recognizes revenue from lease payments of underlying assets on a straight-line basis.

The underlying assets subject to lease are reflected in the statement of financial position according to the nature of the underlying assets.

3.1.11. Contingent Provisions, Liabilities and Assets

Obligations existing at the date of the financial statements arising as a result of past events that could give rise to a probable loss for the Group, the amount and timing of which are uncertain, are recorded in the statement of financial position as provisions at the present value of the most probable amount that the Group expects to have to disburse to settle the obligation.

The provisions are quantified considering the best information available on the issue date of the financial statements, related to the consequences of the event, including their cost to be re-evaluated at the subsequent accounting closing.

As part of the provisions, the Group includes the best estimates on risk of civil, labor and fiscal lawsuits; therefore, it is not expected that additional liabilities will be derived therefrom other than those registered. Given the characteristics of the risks covered by these provisions, it is not possible to determine certain payment dates for the estimated obligation. When assessing the probability, the available evidence should be considered, as well as case law and legal evaluation.

The risks of civil and labor lawsuits that are considered contingent are disclosed in the notes to the financial statements. (See Note 15).

A contingent asset is caused by the occurrence, or non-occurrence, of one or more uncertain events in the future, which are not fully controlled by the company. The likely occurrence of benefits is reported and, if the realization of revenues is almost certain, recognized in the financial statements. The Group will refrain from recognizing any contingent asset.

Contingent liabilities are obligations that arise from past events, the existence of which is subject to the occurrence or non-occurrence of future events not wholly within the control of the Group, or present obligations that arise from past events for which the amount of the obligation cannot be reliably estimated, or it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are not recorded in the financial statements, but are disclosed in notes to the financial statements, except for those that are individually included in the purchase price report, made in a business combination, whose fair value can be reliably determined.

3.1.12. Taxes

Includes the cost of generally mandatory taxes in favor of the State and payable by the Group on account of private calculations that are determined on the taxable basis of the fiscal year, in accordance with tax regulations of national and territorial order governing the locations where the Group operates.

3.1.12.1. Income Tax and Deferred Tax

The income tax expense for the period includes income tax, resulting from the application of the type of levy on the period's taxable base, after applying the deductions that are fiscally permitted, plus the variation of assets and liabilities for deferred taxes and tax credits. Differences between the book value of assets and liabilities and their tax base generate the balance of deferred tax assets or liabilities, which are estimated using the tax rates expected to be valid when assets and liabilities are realized, considering for such purpose the rates that at the end of the reporting period have been approved or for which the approval process is close to an end.

The provision for income tax is calculated at the effective rate at year end using the accrual method, determining it based on the commercial profit adjusted according to current tax regulations in order to properly connect the revenues of the period with their respective costs and expenses, registering the amount of the estimated liabilities.

Deferred tax assets are recognized as a result of all deductible temporary differences, losses and tax credits not used, to the extent that it is likely that there will be future tax gains sufficient to recover deductions for temporary differences and to make tax credits effective, except if the deferred tax relative to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

a. is not a business combination, and

b. at the time it was realized, it did not affect either the accounting guarantee or the tax gain (loss).

With respect to deductible temporary differences related to investment in subsidiaries, associates and joint ventures, deferred tax assets are recognized only if it is likely that the temporary differences will revert in the foreseeable future and if there are tax gains against which the temporary differences can be used.

Deferred tax liabilities are recognized for all temporary differences, except for those derived from the initial recognition of capital gain and those whose origin is from the valuation of investment in subsidiaries, associates and joint ventures, where the Group can control their reversion and it is likely that there will be no reversions in a foreseeable future.

The current tax and the variations in deferred tax assets or liabilities are registered in profit or loss or in Total Equity lines in the statement of financial position, according to where the gains or losses that give rise to them have been registered.

The discounts that can be applied to the amount determined as current tax liability are charged to profit or loss as a "Income tax expense", except if there are doubts about tax realization, in which case they are not recognized until their effective materialization, or if they correspond to specific tax incentives, which will then be registered as grants.

For each accounting close, the registered deferred tax assets and liabilities are reviewed in order to prove that they are in force, making timely corrections thereon in accordance with the results of the aforementioned analysis.

Income tax is presented net, after deducting early payments made and withholdings in favor.

Deferred tax assets and liabilities are presented net in the statement of financial position if there is a legal right to offset current tax assets against current tax liabilities, and only if such deferred taxes are related to income taxes corresponding to the same tax authority.

3.1.12.2. Industry and Trade Tax

In applying of article 86 of Act 2010 of 2019, the Group recognized as an expense for the year all the industry and commerce tax caused in the year, the amount that can be attributed as a tax discount is treated as a non-deductible expense in the determination of the Income tax in the year, the tax discount applied decreases the value of the current income tax expense for the period; On the balances that could be applied as a tax discount for the following year, a deferred tax asset was recognized.

3.1.13. Employee Benefits

(a) Pensions

The Group has commitments related to pensions, both for defined provision and defined contribution, which are managed through pension plans. For the defined provision plans, the Group registers the expenses corresponding to these commitments based on the accrual criterion throughout the employees' working life; as of the presentation date of the financial statements, there are actuarial studies calculated with the projected unit credit method; costs for past services corresponding to variations in benefits are recognized and the commitments for defined provision plans represent the current value of accrued. The Group does not have assets affected by these plans.

(b) Other Obligations Subsequent to the Workplace Relationship

The Group grants to its employees retired with pension, educational, electric energy and health benefits. The right to these benefits depends usually on the employee having worked until the age of retirement. The costs expected for such benefits are accrued during the employment term, using a methodology similar to that of the defined benefits plans. Actuarial losses and gains arise from adjustments based on experience and changes in actuarial assumptions, and are debited or credited to other comprehensive income in the period they occur. These obligations are measured annually or as required by the parent company, by qualified independent actuaries.

The retroactivity of severance pay, considered as post-employment benefits, is paid to employees belonging to the labor regime previous to Act 50/1990 and who decided not to benefit from the regime change, calculating this social benefit for the whole time worked, based on the last earned salary. In the latter case, only a reduced number of employees and actuarial gains and losses derived from adjustments from experience and changes in actuarial assumptions are debited or credited to other comprehensive income.

The Group implements voluntary retirement plans that, among their benefits, contemplate temporary annuities for those employees who take advantage of them and who lack the time stipulated in the plan to be entitled to an old age pension. The benefit consists of the payment of a temporary annuity for the time established in the act according to the guidelines of the plan; the value of the annuity will be paid on the average salary of each employee at the date of retirement. These payments will be made through the resources placed by the Group in a private fund account and assigned to each employee who joined the plan; it is treated as a post-employment benefit since it is the Group's responsibility to provide the additional resources required to the fund to cover this obligation or to receive the reimbursement in case of surplus.

The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

(c) Long-term Benefits

The Group recognizes its active employees with benefits associated to their time of service, such as five-year periods. The costs expected for such benefits are accrued during employment, using a similar methodology used for the defined benefit plans.

The actuarial gains or losses arising from adjustments for experience and changes in actuarial assumptions are debited to or credited to profit or less of the period in which they occur. These are measured annually by the parent company, by qualified independent actuaries.

(d) Benefits of Employee Loans

The Group grants its employees loans at below-market rates, and therefore their present value is calculated discounting future flows at market rates, recognizing as early paid benefit the difference between the market rate and the rate granted, through accounts receivable. The benefit is amortized during the term of the loan as the higher value of personnel expenses, and the accounts receivable are updated at the amortized cost, reflecting its financial effect on the income statement.

3.1.14. Fair Value Estimate

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 arranged transaction among market participants on the date of measurement.

The measurement at fair value supposes that the transaction for selling an asset or transferring a liability takes place in the main market, i.e., the market with the greatest volume and level of activity for the asset or liability. In absence of a main market, the transaction is supposed to take place in the most beneficial market to which the entity has access, i.e., the market that maximizes the price that would be received for selling the asset or that minimizes the price that would be paid for transferring the liability.

In order to establish the fair value, the Group uses valuation techniques, including those used for financial obligations entered at fair value at the time of their payment, as contractually defined, according to an active liabilities market with similar characteristics. In both cases (assets and liabilities) with sufficient information to make the measurement, maximizing the use of observable relevant input data and minimizing the use of non-observable input data.

Considering the hierarchy of input data used in the measurement techniques, the assets and liabilities measured at fair value can be classified into the following levels:

Level 1: Quoted prize (not adjusted) in an active market for identical assets and liabilities.

Level 2: Input data other than quoted prices that are included in level 1 and which are evident for assets or liabilities, whether directly (i.e., as price) or indirectly (i.e., derived from price). The methods and hypotheses used to determine level 2 of fair values, by type of financial assets or financial liabilities, take into account the estimated future cash flows, deducted with the zero-coupon curves of the type of interest of each currency. All the described measurements are carried out through external tools such as "Bloomberg".

Level 3: Input data for assets or liabilities that are not based on observable market information (non-observable inputs).

When measuring fair value, the Group considers the characteristics of the asset or liability, particularly:

- For non-financial assets, a measurement of the fair value takes into account the capacity of the market participant to generate economic benefits by using the asset at its highest and best use, or through its sale to other market participants who want to use the asset at its highest and best use;
- For liabilities and equity instruments, the fair value supposes that the liability will not be settled, and that the equity instrument will not be cancelled or otherwise extinguished on the measurement date. The fair value of the liability reflects the effect of the default risk, i.e., the risk of an entity failing to meet an obligation, which includes, but is not limited to, the Group's own credit risk;
- With respect to financial assets and liabilities with offset positions in market risk or credit risk of the counterpart, fair value is measured on a net base, consistent with the way in which market participants could set the price of net risk exposure on the measurement date.

3.1.15. Functional and Presentation Currency

The line items included in the consolidated financial statements are expressed using the currency of the main economic environment where the entity operates (Colombian pesos).

The financial statements are presented in "Colombian pesos", which, in turn, is the Group's functional and presentation currency. Its figures are expressed in thousands of Colombian pesos, except for the net profit per share and the representative exchange rate, which are expressed in Colombian pesos, while the foreign currency (for example dollars, euros, sterling pounds, etc.) are expressed in units.

3.1.16. Foreign Currency Transactions and Balances

Group operations in any currency other than its functional currency are registered at the type of exchange rates in force at the time of the transaction. Throughout the year, the differences arising between the type of exchange booked and that in force on the date of collection or payment are registered as exchange differences in the statement of comprehensive income.

3.1.17. Classification of Balance as Current and Non-current

The Group presents in its financial statements the assets and liabilities as current and non-current, after excluding the assets and liabilities available for sale. Assets are classified as current, as the intent is to realize, sell or use them during the Group's ordinary operating cycle or within the 12 months following the reporting period, all other assets are classified as non-current. Current liabilities are those the Group expects to liquidate during the ordinary operating cycle or within the 12 months following the report, all other assets being classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities in all events.

3.1.18. Recognition of Revenues

The Group applies a recognition model for revenue from contracts with customers based on 5 steps:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The recognition model for revenue 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 Group applies the practical solution that allows them to be grouped into "Categories or Clusters" when they have similar characteristics in the contractual terms and conditions.

These categories are determined using the following types: a) Type of goods or services offered (electricity, value-added services); b) Market typology (regulated, not regulated); or c) Type of customer (size, type, sector).

(b) Contracts with multiple goods and/or services:

A contract is established with multiple goods and services when the Group identifies several performance obligations in the transfer of goods and/or services offered to customers, and these are satisfied independently.

(c) Fulfilment of performance obligations:

The fulfilment of the performance obligations according to the transfer pattern of the control of the goods and/or services undertaken with the customers is carried out:

- Over time.
- On a point in time.

Performance obligations are met over time when:

- The customer simultaneously consumes the benefits provided by the performance of the entity as the Group performs them.
- The Group's performance creates or improves an asset that the customer controls as it is created or improved.
- The Group's performance creates or improves an asset with an alternative use for it. The Group has the enforceable right to pay the performance it has completed to date.

Revenue is recognized in accordance with the measurement of fulfilment of performance obligations.

The measurement of fulfilment of performance obligations over time is done through two types of methods:

- Product Methods: They are made based on direct measurements of the goods and/or services undertaken with customers.
- Resource Methods: They are made in relation to the total expected resources.

(d) Variable considerations:

If the consideration promised in a contract includes a variable amount, the Group will estimate the amount of the consideration to which it will be entitled in exchange for the transfer of goods and/or services undertaken with customers.

(e) Contracts with amendments:

These are configured when there are changes in the scope or price approved by the parties, which create new rights and obligations required in the contract in exchange for the goods and services offered to customers.

(f) Consideration as Principal or Agent:

When a third party is involved in providing goods and/or services to a customer, the Group must determine if the commitment to fulfil the performance obligations is their responsibility or that of a third party. In the event that the Group controls the goods and/or services undertaken with customers and satisfies the performance obligations by itself, it acts as principal. Otherwise, it acts as agent.

When the Group controls and satisfies performance obligations with customers, it acts as principal and recognizes as revenue the gross amount of the consideration to which it expects to be entitled to in exchange for the transferred goods and/or services. When a third party is in charge of the control and satisfaction of performance obligations, the Group acts as agent and recognizes the revenue for the net amount of the consideration it is entitled to.

Contract costs:

An asset may be recognized for the costs of obtaining or fulfilling a contract.

Contract Assets and Liabilities:

The Group will recognize a contractual asset and a contractual liability to the extent that the following circumstances arise in the supply of goods and services:

Contract asset: It is presented as the right that the Group 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 liability: Corresponds to the obligation of the Group to transfer goods and/or services to customers for which the Group has received a consideration from customers.

3.1.19. Financial income and costs

Interest income (expense) is recorded considering the effective interest rate applicable to the principal pending amortization during the corresponding accrual period.

3.1.20. Recognition of costs and expenses

The Group recognizes its costs and expenses to the extent that economic events occur in such a way that they are recorded systematically in the corresponding accounting period, independent of the flow of monetary or financial resources. Expenses are made up of disbursements that do not qualify to be recorded as a cost or as an investment.

The costs include purchases of energy, fuel, personnel costs or third parties directly related to the sale or provision of services, maintenance of assets, transmission system costs, depreciation, amortization, among others.

The expenses include taxes, public services, among others. All of them incurred for the processes responsible for the sale or provision of services.

Investments include 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 of the debt to finance projects and overhaul costs that increase the useful life of existing assets, among others, are capitalized as constructions in progress.

3.1.21. Capital Stock

Common shares, with or without preferred dividend, are classified under equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction of the amount received net of taxes.

3.1.22. Reserves

Registered as reserves are the appropriations authorized by the General Shareholders' Meeting, through profit or loss, to comply with legal provisions or to cover expansion plans or financing needs.

The legal provisions that contemplate the establishment of reserves applicable to the Group is the following:

- The Code of Commerce requires the Group to appropriate 10% of its annual net profits determined as legal reserve to local accounting standards until the balance of such reserve is equivalent to 50% of the subscribed capital. The mandatory legal reserve cannot be distributed before the Group's liquidation, but it can be used to absorb or reduce annual net losses. The balance of the reserve exceeding 50% of the subscribed capital are freely available for shareholders.
- Up to 2016, article 130 of the Tax Code, which sets out the appropriation of net profits at 70% of the higher value of tax depreciation over accounting depreciation, calculated pursuant to local accounting standards. This article was repealed by Act 1819 of 2016 in article 376. Therefore, as of 2017, this reserve is not appropriated, but reserves from previous years are maintained.

3.1.23. Earnings per Share

The basic earnings per share is calculated as the quotient between the net gain of the period attributable to Group shareholders and the average weighted number of ordinary outstanding shares in said period, after making the appropriation for preferred dividends corresponding to the number of shares as of year-end.

3.1.24. Distribution of Dividends

Commercial laws in Colombia stipulate that, eleven making the appropriations for legal reserve, statutory reserve or other reserves and tax payments, the remainder will be distributed among the shareholders, in accordance with the share distribution project presented by the Group's Management and approved by the General Shareholders' Meeting. The dividend payment will be made in cash on the dates set out by the General Shareholders' Meeting to those qualifying as shareholders at the time the payments are payable.

When it is necessary to absorb losses, these will be covered with reserves specially designated for such purpose or otherwise with the legal reserve. Reserves whose purpose is absorbed specific losses can not be used to cover others, except if decided by the General Shareholders' Meeting.

As of the year-end closing, the amount of the obligation with the shareholders is determined net of the provisional dividends approved in the course of the period, and it is accounted for under the line item "commercial accounts payable and other payables" and under "Accounts payable to related entities", as applicable, through total equity. Provisional and definitive dividends are registered as the lower value of "total equity" at the time of its approval by the competent body, which in the first instance is the Group's Board of Directors, while in the second instance is the General Shareholders' Meeting's responsibility.

3.1.25. Operating Segments

An operating segment is a component of an entity:

(a) that develops business activities from which it may derive ordinary activity revenues and expenses in expenses (including revenues from ordinary activities and expenses for transactions with other components of the same entity);

(b) whose operating results are reviewed by the maximum operations decision-making authority, to decide on resources that are to be allocated to the segment and to evaluate their performance; and

(c) over which there is differentiated financial information.

(d) The Group, for all purposes, in accordance with the guidelines of IFRS 8, has only one operating segment associated with the electric energy business; given that, although the Group records transactions in the gas business and port services, to date the amount of transactions in this line of business is not representative, therefore it is not considered as an independent segment.

4. Net Cash and Cash Equivalents

Below is the breakdown of net cash and cash equivalents as of 31 December 2021 and 2020:

(In thousands of pesos)

	As of 31 December 2021	As of 31 December 2020
Balances in banks	$ 191.832.080	$ 658.832.466
Other cash and cash equivalents (1)	21.868.433	52.357.364
Petty cash	945	878
Short-term deposits (2)	-	110.000.000
	$ 213.701.458	**$ 821.190.708**

The equivalent detail in pesos by type of currency of cash and cash equivalents above is as follows:

Cash and cash equivalents are held mainly in banks and financial institutions, which are rated between the AA- and AAA + range, according to the rating agencies (Standard & Poors, Fitch Rating).

Currency (*)	As of 31 December 2021	As of 31 December 2020
Colombian Pesos	$ 205.537.205	$ 819.830.175
U.S. Dollars	8.164.253	1.360.533
	$ 213.701.458	**$ 821.190.708**

(*) 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.

The variation in cash and cash equivalents corresponds to: i) Receipts for goods, services and others $4,786,711,635 ii) payments (energy, variable costs, O&M, capex, fuel, insurance, remunerations and others) for ($1,768,803,160), Purchases of property, plant and equipment and Intangibles (304,746,321) iii) Payment of dividends balance year 2019 and total year 2020 for ($1. 994,439,875), iv) payment of interest on bonds, bank debt and lease liabilities ($231,001,429) v) payment of income tax ($673,206,045), vi) payment of financial debt $1,144,525,658 vii) payment of capital debt (1,520,865,658) viii) other disbursements (yields, derivative compensation and others) ($45,664,055).

(1) Other cash and cash equivalents are mainly composed of collective portfolios that correspond to regular operations performed daily by the treasury to these entities, in order to channel resources from collection.

As of December 31, 2021 and 2020 the amount of the provision for impairment of cash and cash equivalents is $4,719 and $12,633, respectively.

(2) Short-term deposits correspond mainly to term deposits that mature within a period equal to or less than 90 days from their acquisition date and accrue the market interest for this type of short-term investments. As of December 31, 2021, the Group has no short-term deposits outstanding.

As of December 31, 2021, the Group presents guarantees to support futures transactions with Trading (See Note 34).

The following tables detail the changes in liabilities arising from financing activities of EMGESA as of December 31, 2021 and 2020, including those changes that represent cash flows and changes that do not represent cash flows. Liabilities arising from financing activities are those for which cash flows were, or cash flows will be, classified in the statement of cash flows as cash flows from financing activities:

		Cash flows			Changes other than cash			
	Balance as of 1 January 2021	Loan proceeds	Payment of loans and interest	Other cash related amounts	Interest accrued	Lease agreements	MTM Pricing	Balance as of 31 December 2021
Bonds	$ 2.755.823.708	$ -	$ (1.036.511.149)	$ (2.376.605)	$ 153.553.825	$ -	$ -	$ 1.870.489.779
Lease liabilities	7.729.440	-	(6.330.494)	8.995.556	359.381	72.020.709	-	82.774.592
Bank loans and obligations	-	1.100.000.000	(664.387.780)	-	15.840.680	-	-	451.452.900
Derivative Instruments	1.741.469	-	1.880.632	(1.880.632)	-	-	(1.699.605)	41.864
Line of Credit	168.249	-	-	(168.249)	53.452	-	-	53.452

(In thousands of pesos)

		Cash flows			Changes other than cash			
	Balance as of 1 January 2021	Loan proceeds	Payment of loans and interest	Other cash related amounts	Interest accrued	Lease agreements	MTM Pricing	Balance as of 31 December 2021
Securitization	-	44.525.658	(44.525.658)	-	-	-	-	-
Total liabilities from financing activities	**$ 2.765.462.866**	**$ 1.144.525.658**	**$ (1.749.874.449)**	**$ 4.570.070**	**$169.807.338**	**$ 72.020.709**	**$ (1.699.605)**	**$ 2.404.812.587**

		Cash flows		Changes other than cash			
	Balance as of 1 January 2020	Payment of loans and interest	Other cash related amounts	Interest accrued	Lease agreements	MTM Pricing	Balance as of 31 December 2020
Bonds	$ 3.001.765.481	$ (451.604.539)	$ -	$ 205.662.766	$ -	$ -	$ 2.755.823.708
Lease liabilities	11.550.325	(7.095.644)	(10.445)	863.287	2.421.917	-	7.729.440
Derivative Instruments	-	(2.089.781)	2.089.781	-	-	1.741.469	1.741.469
Line of Credit	-	-	168.249	-	-	-	168.249
Total liabilities from financing activities	**$ 3.013.315.806**	**$ (460.789.964)**	**$ 2.247.585**	**$ 206.526.053**	**$ 2.421.917**	**$ 1.741.469**	**$ 2.765.462.866**

5. Other financial assets, net

Below is a summary of other financial assets as of December 31, 2021 and 2020:

	As of 31 December 2021		As of 31 December 2020	
	Current	Non Cur-rent	Current	Non Cur-rent
Trusts	$ 5.134.456	$ -	$ 12.913.907	$ -
Trusts (1)	5.135.164	-	12.920.287	-
Trust impairment (*)	(708)	-	(6.380)	-
Other assets	4.162.635	-	965.635	-
Other assets (2)	4.192.500	-	968.288	-
Impairment other assets (*)	(29.865)	-	(2.653)	-
Hedging derivative instruments (3)	2.612.348	-	-	-
Guarantees energy derivative markets	855.579	-	1.054.722	-
Financial investments - unlisted or illiquid companies (4)	-	481.721	-	517.050
	$ 12.765.018	**$ 481.721**	**$ 14.934.264**	**$ 517.050**

(*) See note 7, numeral 4, this value is part of the deterioration of the general collective model.

(1) As of 31 December 2021 and 2020, the balance of the trusts corresponds to:

	As of 31 December 2021	As of 31 December 2020
Trusts Embalse Tominé (a)	$ 3.177.232	$ 6.061.327
Trusts El Quimbo (b)	919.024	922.260
Trusts Embalse Muña (a)	691.146	550.137
Trusts Zomac (c)	347.762	5.386.563
Total	**$ 5.135.164**	**$ 12.920.287**

a. The balance as of 31 December 2021 corresponds mainly to trusts with BBVA as follows:

Tominé Reservoir Trust No. 31636 for $2,652,039 and Trust No. 31555 for $525,193, intended for the management, operation, maintenance and improvement of the Reservoir in accordance with Resolution No. 0776 of 2008. With the Muña Reservoir Trust No 31683 for $691,146 intended for compliance with the ruling of the Council of State within the popular action filed with No 479 of 2001 and for compliance with resolution No 1153 of June 17, 2015, for the preparation of the Environmental Management Plan of the Muña Reservoir.

b. The Quimbo trust was established with Corficolombiana S.A. to meet commitments derived from the construction of the hydropower plant.

(In thousands of pesos)

c. The Zomac trusts were established after the approval of the Territory Renewal Agency (ART) for the payment of income and complementary taxes for taxable periods 2018 and 2019, through the execution of viable projects of social importance in the different municipalities located in the zones most affected by the armed conflict (ZOMAC).

The Group's current trusts have a specific use and support obligations contracted in key projects for the business, which clarify their allocation.

(2) As of 31 December 2021, the amount of other assets corresponds to the judicial liens, detailed below by financial institution for $4,192,500:

Embargo	Process	Bank		Value legal de-posit
Axia Energìa S.A.S.	Official Letter 950 Executive Process 11001	BBVA S.A.	$	1.800.000
Axia Energìa S.A.S.	Official Letter 950 Executive Process 11001	Corpbanca S.A.		904.085
Axia Energìa S.A.S.	Official Letter 950 Executive Process 11001	Helm Bank S.A.		895.915
National Mining Agency (ANM)	Auto No. 594 del 01-08-2019	Davivienda S.A.		492.682
Gabriel Chaux Campos	Official Letter No. 0761	BBVA S.A.		36.000
First Municipal Civil Court Garzon - Huila	No. 412984003001 207-0341-00	Davivienda S.A.		25.000
First Municipal Civil Court Garzon - Huila	No. 412984003001 207-0341-00	Bancolombia S.A.		15.089
Second Municipal Civil Court Garzon - Huila	Official Letter No. 0728	Bancolombia S.A.		8.000
Twenty-Ninth Civil Court Bogota	No. 110013103029201700441-00	Banco Caja Social S.A.		4.335
Regional Autonomous Corporation Magda-lena	Neiva 2018-082	BBVA S.A.		3.246
Regional Autonomous Corporation Magda-lena	Neiva 2018-082	Colpatria S.A.		3.246
Regional Autonomous Corporation Magda-lena	Neiva 2018-082	Colpatria S.A.		3.246
Regional Autonomous Corporation Magda-lena	Judicial administrative process Expt No. 2021-031	Colpatria S.A.		1.205
Gabriel Chaux Campos	Executive Process Official Letter No. 0761	Banco de Occidente S.A.		451
Total			**$**	**4.192.500**

(3) As of 31 December 2021, the Group has thirteen (13) cash flow hedging derivatives with active valuation as follows:

Derivado	Subyacente	Banco	Factor de Riesgo	Nocional Activo	Moneda	Tasa Fijada		MTM
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	2.000.000	USD	3.847,46		494.342
Forward	Cobertura FX Pago CERE Septiembre 2022	B_DEBOGOTA_CO	Tipo de cambio	1.500.000	USD	3.863,38		372.777
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	1.500.000	USD	3.831,67		370.720
Forward	Cobertura FX Pago CERE Junio 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.852,25		189.947
Forward	Cobertura FX Pago CERE Mayo 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.837,10		189.137
Forward	Cobertura FX Pago CERE Marzo 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.812,72		184.502
Forward	Cobertura FX Pago CERE Febrero 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.800,48		183.356
Forward	Cobertura FX Pago CERE Enero 2022	B_DEBOGOTA_CO	Tipo de cambio	750.000	USD	3.791,09		151.106
Forward	Cobertura FX Pago CERE Mayo 2022	B_DEBOGOTA_CO	Tipo de cambio	650.000	USD	3.824,85		135.334
Forward	Cobertura FX Pago CERE Agosto 2022	COLPATRIA_CO	Tipo de cambio	2.900.000	USD	4.075,14		34.913
Forward	Cobertura FX Pago CERE Junio 2022	COLPATRIA_CO	Tipo de cambio	2.900.000	USD	4.062,82		19.414
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	3.000.000	USD	4.098,62		17.315
Forward	Cobertura FX Pago CERE Mayo 2022	COLPATRIA_CO	Tipo de cambio	2.800.000	USD	4.049,85		7.758
	Total valoración						**$**	**2.350.621**

As of 31 December 2021, it has four (4) cash flow hedging derivatives with MTM+1 category active valuation as follows:

Derivado	Subyacente	Banco	Factor de Riesgo	Nocional Activo	Moneda	Tasa Fijada		MTM
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2021	COLPATRIA_CO	TIPO CAMBIO	400.000	USD	3.651,38		131.942
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2021	B_DEBOGOTA_CO	TIPO CAMBIO	500.000	USD	3.853,70		63.744
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2020	BANCO_ITAU_CO	TIPO CAMBIO	100.000	USD	3.564,44		41.681
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2020	BANCO_ITAU_CO	TIPO CAMBIO	100.000	USD	3.737,62		24.360
	Total valoración						**$**	**261.727**

(In thousands of pesos)

(4) Financial investments in unlisted companies are:

Share Certificates	Economic activity	Common shares	% Interest	As of 31 December 2021	As of 31 December 2020
Derivex S.A. (1)	Commercial	35.764	4,99%	$ 481.721	$ 517.050
Electrificadora del Caribe S.A. E.S.P. (2)	Energy	109.353.394	0,22%	-	-
				$ 481.721	**$ 517.050**

(1) In May 2019 the Group acquired 35,764 shares of Derivex S.A. for $579,377, a private entity whose corporate purpose is the management of a trading system for operations on derivative financial instruments, the underlying assets of which are electric power, gas, fuel, and other energy commodities, and for recording operations on such instruments. As of 31 December 2021, the investment valuation was adjusted and a decrease of $35,329 was recorded.

(2) In 2019, a decrease originated in the investment in Electrificadora del Caribe SA ESP was reflected, as a result of the valuation calculated at fair value based on the Group's participation in the equity of said company, this being the most appropriate method to measure The investment due to the conditions of the counterparty, this Company was intervened by the Colombian State and in its financial statements as of 30 September 2021 it presents negative equity, for this reason its fair value is $ 0.

6. Other Non-Financial Assets, Net

	As of 31 December 2021		As of 31 December 2020	
	Current	Non-current	Current	Non-current
Prepayments for acquisition of goods (1)	$ 33.379.216	$ -	$ 11.765.629	$ -
Other debtors	13.872.879	879.431	31.047.371	800.000
Other debtors (2)	18.268.876	3.623.044	35.128.929	3.671.532
Impairment of other debtors (*)	(4.395.997)	(2.743.613)	(4.081.558)	(2.871.532)
Employees benefits from loans (3)	553.115	7.011.612	524.584	6.443.788
Prepaid expenses	32.104	-	38.180	-
Taxes accounts receivable (4)	4.431	21.352.853	2.021	21.424.457
	$ 47.841.745	**$ 29.243.896**	**$ 43.377.785**	**$ 28.668.245**

(*) See note 7, numeral 4, this value is part of the deterioration of the general collective model.

(1) The balance of prepayments includes guarantees given to XM for negotiations in energy operations for $10,191,237, advances for energy purchases from Gecelca for $20,781,818 and advances to other suppliers for $2,406,161.

Below is the detail of the prepayments as of 31 December 2021:

	As of 31 December 2021	Al 31 de diciembre de 2020
Gecelca S.A. E.S.P.	$ 20.781.818	$ -
XM security deposits	10.191.237	10.027.584
JFRG S.A.S.	527.627	-
Oscar Arturo Solarte	527.627	-
Yepes Julio Hernando	477.812	-
Ortiz Atuesta Andrea	272.813	-
Bogota Chamber of Commerce	268.197	-
Mosquera Casas Cristian	251.953	251.953
Vanti S.A. E.S.P.	50.000	50.000
Volunteer Fire Department	8.295	-
Ramírez Carlos Alberto	7.800	-
Gallagher Consulting	3.577	-
Global Consulting an	-	657.705
Cass Constructores S.A.S	-	248.396

(In thousands of pesos)

	As of 31 December 2021		Al 31 de diciembre de 2020
Solarte Nacional de Construcciones		-		248.396
Agencia De Aduanas Suppla S.A.S.		-		99.405
Fondo Nacional Ambiental – Fonam		-		95.370
Empresas Municipales de Cartago E.S.P.		-		45.167
Empresa de Energía de Pereira		-		22.478
Others		10.460		19.175
	$	**33.379.216**	**$**	**11.765.629**

(2) As of 31 December 2021, the other debtors mainly consists of the prepayment corporate building for $9,026,911, account receivable from the Ministry of Finance for the payments made by the Company, as a result of the rulings against Betania corresponding to the processes in force on the date of the 1997 stock purchase agreement for $2,876,666, fines and penalties in contracts for por $1,916,868, scrap metal sales $1,348,030, leases for $1,100,580 and other items for $1,535,654.

Within the balance of other non-current debtors as of December 31, 2021, there is mainly the account receivable from the Municipality of Guachené for $ 2,737,817, impaired to 100%.

The impairment of other assets corresponds to the application of IFRS 9 under the collective model, general evaluation.

(3) Employee loan benefits are awarded at rates between 0% and 7%, which is why the Group deducts future cash flows at the market rate, recognizing as a prepaid benefit the difference between the Market rate and the rate awarded, and amortizing them over the life of the loan.

(4) As of 31 December 2021, corresponds to the tax discount of $21,352,853 according to article 83 of Act 1943 of 2018, the opportunity was created for a tax discount on the VAT paid in the acquisition, construction or training and import of productive real fixed assets, including the associated services to put them in conditions of use. There are three requirements to apply this discount on the income tax: (i) To have a productive real fixed asset, (ii) that VAT has been paid, (iii) the asset is impaired.

7. Net commercial accounts receivable and other receivables

	As of 31 December 2021				As of 31 December 2020			
		Current		Non-current		Current		Non-current
Gross commercial accounts (1)	$	283.714.775	$	43.242.362	$	228.098.924	$	43.242.362
Gross other accounts receivable (2)		3.674.174		14.677.819		3.658.156		13.858.379
Gross retired employees financed portfolio		301.230		-		271.174		-
Gross commercial financed portfolio (3)		-		55.747.757		300.639		55.747.757
Total gross commercial accounts receivable and other receivables	**$**	**287.690.179**	**$**	**113.667.938**	**$**	**232.328.893**	**$**	**112.848.498**
Provision for impairment of commercial accounts (4)		(9.008.346)		(43.242.362)		(4.388.274)		(43.242.362)
Provision for impairment of other accounts receivable (*)		(82.174)		(62.954)		(88.174)		(91.086)
Provision for impairment of retired employee financed portfolio (*)		(2.183)		-		(1.241)		-
Provision for impairment of commercial financed portfolio (4)		-		(55.747.757)		(1.349)		(55.747.757)
Total provision for impairment	**$**	**(9.092.703)**	**$**	**(99.053.073)**	**$**	**(4.479.038)**	**$**	**(99.081.205)**
Net commercial accounts (a)		274.706.429		-		223.710.650		-
Net other accounts receivable		3.592.000		14.614.865		3.569.982		13.767.293
Net retired employees financed portfolio		299.047		-		269.933		-
Net commercial financed portfolio (a)		-		-		299.290		-
Total net commercial accounts receivable and other receivables	**$**	**278.597.476**	**$**	**14.614.865**	**$**	**227.849.855**	**$**	**13.767.293**

(*) See note 7, numeral 4, this value is part of the deterioration of the general collective model.

(In thousands of pesos)

(a) As of 31 December 2021, the composition of commercial accounts and commercial portfolio is as follows:

	Current portfolio	Cartera vencida			Total current portfolio	Non-current portfolio
		1-180 days	181-210days	>360 days		
Gross commercial accounts	**$ 279.852.172**	**$ 786.638**	**$ -**	**$ 3.075.965**	**$ 283.714.775**	**$ 98.990.119**
- Large customers	93.249.101	77.565	-	-	93.326.666	98.990.119
- Institutional customers	31.889.136	659.190	-	-	32.548.326	-
- Others	154.713.935	49.883	-	3.075.965	157.839.783	-
- Provision for impairment	(5.877.249)	(55.132)	-	(3.075.965)	(9.008.346)	(98.990.119)
Net commercial accounts	**$ 273.974.923**	**$ 731.506**	**$ -**	**$ -**	**$ 274.706.429**	**$ -**

As of 31 December 2020, the composition of commercial accounts and commercial portfolio is as follows:

	Current portfolio	Cartera vencida			Total current portfolio	Non-current portfolio
		1-180 days	181-210days	>360 days		
Gross commercial accounts	**$ 224.992.414**	**$ 33.447**	**$ 446.083**	**$ 2.927.619**	**$ 228.399.563**	**$ 98.990.119**
- Large customers	84.913.690	-	-	-	84.913.690	98.990.119
- Institutional customers	14.115.208	-	-	-	14.115.208	-
- Others	125.963.516	33.447	446.083	2.927.619	129.370.665	-
- Provision for impairment	(1.281.764)	(33.447)	(146.793)	(2.927.619)	(4.389.623)	(98.990.119)
Net commercial accounts	**$ 223.710.650**	**$ -**	**$ 299.290**	**$ -**	**$ 224.009.940**	**$ -**

(1) As of 31 December 2021, the current accounts portfolio shows a variation of $55,615,851, which mainly corresponds to the increase in the estimated portfolio of the wholesale market and non-regulated market as of December 2021 by $53,961,714, mainly due to higher contracted energy for the wholesale market by 34.3 GWh and for the non-regulated market by 20.5 GWh; additionally, there is an increase of the PPI indexation factor for December 2021 compared to December 2020 by 15.7%.

On the other hand, as of 31 December 2021, the non-current commercial accounts correspond to Electricaribe's wholesale market portfolio for $43,242,362, provisioned at 100%.

(2) The balance of other non-current accounts receivable as of 31 December 2021, mainly includes housing loans to employees for $13,438,371.

(3) Respecto al saldo de cartera financiada a largo plazo al 31 de diciembre de 2021, se encuentran los contratos de suministro de Energía No. EDCC-111-2012 y EDCC-154-201 y el otro sí número EDCC-136-2013/EM-13-213, celebrado con el cliente del mercado mayorista Electrificadora del Caribe S.A. E.S.P., que por dificultades internas de flujo de caja del cliente se acuerda ampliar el pago de la factura por $55.747.757, provisionada al 100%.

(4) For the impairment provision, the models defined by the Group are:

- Simplified individual model
- General collective model

The evolution of portfolio impairment under IFRS 19 and other assets is as follows:

Item	As of 31 December 2021	As of 31 December 2020
Simplified Individual Model (a)	$ 107.998.465	$ 103.379.742
General Collective Model (b)	7.322.213	7.155.257
Total	**$ 115.320.678**	**$ 110.534.999**

(In thousands of pesos)

As of 31 December 2021, there is a variation in portfolio impairment mainly due to: Provision allocation for $6,804,210, recovery of provision for ($2,018,099). The increase is due to the updating of the probability of default by customers, under the simplified individual model, based on their financial information, or on the country risk minus three (3) notches, established in the risk models used to measure the counterparties.

(a) The simplified individual model contemplates the impairment under IFRS 9 of commercial accounts receivable

(b) The general collective model contemplates the impairment under IFRS 9 of: Cash and cash equivalents, other financial and non-financial assets, other accounts receivable and accounts receivable with related parties.

The delinquent debtors' write-off it is made once all collection possibilities, legal actions, and demonstration of the debtors' insolvency have been exhausted.

As of December 31, 2021, no significant effects have been evidenced that affect the calculation of portfolio impairment, for this reason the models suggested under IFRS 9 have been maintained.

Guarantees granted by Debtors:

For energy and gas customers depending on the outcome of the credit risk assessment and the final decision of the lines of business, when necessary, the portfolio is backed with a security. As of 31 December 2021 and 2020, the Group supports the sale of energy and gas with blank promissory notes and bank guarantees.

For loans to employees, the guarantees are covered by mortgages, promissory notes and pledges.

8. Balances and transactions with related parties

Net accounts receivable from related entities

Name Related Company	Relationship	Country of origin	Transaction Type		As of 31 December 2021 Current		As of 31 December 2020 Current
Enel Green Power Colombia S.A.S. E.S.P. (1)	Other (*)	Colombia	Energy Sales	$	13.680.336	$	-
Enel Green Power Colombia S.A.S. E.S.P. (2)	Other (*)	Colombia	Commercial Representation		3.090.008		2.191.489
Enel Green Power Colombia S.A.S. E.S.P.	Other (*)	Colombia	Other Services		-		234.612
Enel Generación Perú (3)	Other (*)	Peru	Provision of Services		854.000		-
Enel Generación Perú (4)	Other (*)	Peru	Expatriates		25.245		-
Enel Gl Th Generation (4)	Other (*)	Italy	Expatriates		597.120		347.583
Enel S.P.A. (4)	Controlling	Italy	Expatriates		-		216.365
Enel S.P.A. (5)	Controlling	Italy	Reimbursement policy covid19		40.383		19.406
Enel Chile S.A (4)	Other (*)	Chile	Expatriates		24.176		24.176
Codensa S.A. E.S.P. (6)	Other (*)	Colombia	Emergency Response Contract		21.803		28.831
Energía Nueva, Energía Limpia (4)	Other (*)	Mexico	Expatriates		18.057		-
Enel Global Trading SPA	Other (*)	Italy	Other services		-		3.187
			Total	**$**	**18.351.128**	**$**	**3.065.649**

(*) Corresponds to companies over which Enel SPA has significant influence or control

Accounts receivable from related parties show impairment in accordance with IFRS 9 for $1,244,368.

(1) The variation corresponds to the sale of energy for the month of December for $13,680,336, taking into account the beginning of the contract in July 2021.

(2) The variation corresponds to the net effect of invoicing and collection of the contract for rendering assistance services in the management and operation of the administration processes between Enel Green Power Colombia S.A.S. E.S.P. and the Group for the period January to December 2021 for $898,519.

(3) In the year 2021 a contract for the provision of services was signed for $854,000.

(4) The balance corresponds to the provision for the costs of expatriate personnel in Italy, Chile, Peru and Mexico.

(5) The variation corresponds to the reimbursements associated with the payment made to the employees who are covered by the COVID-19 policy.

(6) The variation corresponds to the net effect of invoicing and collection of the contract for the provision of emergency services between Codensa S.A. E.S.P. and the Group for the period January to December 2021 for $7,028.

(In thousands of pesos)

Accounts payable to related entities

Name Related Company	Country of origin	Relationship	Transaction Type		As of 31 December 2021 Current		As of 31 December 2020 Current
Codensa S.A. E.S.P. (1)	Colombia	Other (*)	Purchase of energy	$	17.837.662	$	17.208.261
Codensa S.A. E.S.P. (2)	Colombia	Other (*)	Other services		-		1.592.240
Enel Gl Th Generation SRL (3)	Italy	Other (*)	Computer Services		9.352.988		4.417.151
Enel Gl Th Generation SRL (4)	Italy	Other (*)	Engineering Services		4.414.185		4.094.834
Enel Gl Th Generation SRL (5)	Italy	Other (*)	Expatriates		1.011.096		1.056.071
Enel Green Power Colombia S.A.S. (6)	Colombia	Other (*)	Purchase of energy		3.435.831		9.022.577
Enel Green Power Colombia S.A.S.	Colombia	Other (*)	Other services		-		53.160
Enel Global Trading SPA (3)	Italy	Other (*)	Computer Services		2.919.022		1.725.599
Enel Global Trading SPA (5)	Italy	Other (*)	Expatriates		214.958		184.989
Enel Generación Chile S.A. (7)	Chile	Other (*)	Surveys and projects		1.057.476		882.100
Enel Generación Chile S.A. (5)	Chile	Other (*)	Expatriates		653.988		757.582
Enel SPA (3)	Italy	Controlling	Computer Services		1.538.755		1.786.709
Enel SPA (5)	Italy	Controlling	Expatriates		203.498		188.755
Enel SPA	Italy	Controlling	Covid-19 Policies		50.984		23.289
Enel Brasil (8)	Brazil	Other (*)	Expatriates		726.456		-
Enel Global Services (3)	Italy	Other (*)	Computer Services		714.580		1.521.162
Enel Italia SRL (3)	Italy	Other (*)	Computer Services		556.465		1.152.847
Enel Produzione Spa (5)	Italy	Other (*)	Expatriates		377.801		350.468
Enel Produzione Spa (9)	Italy	Other (*)	Surveys and projects		-		2.877.291
Enel Iberia (5)	Spain	Other (*)	Expatriates		242.398		447.464
Grupo Energía Bogotá S.A. E.S.P.	Colombia	(**)	Other services		134.694		166.600
Grupo Energía Bogotá S.A. E.S.P.	Colombia	(**)	Dividends		-		110.965.845
Enel Américas S.A.	Chile	Controlling	Dividends		-		104.434.894
Enel Green Power Brasil Participações (8)	Brazil	Other (*)	Expatriates		-		587.297
Cesi SPA	Italy	Otra (*)	Engineering Services		-		7.061
			Total	**$**	**45.442.837**	**$**	**265.504.246**

(*) Corresponds to companies over which Enel SPA has significant influence or control.

(**) Grupo Energía Bogotá S. A. E.S.P. is shareholder of EMGESA S.A. E.S.P.(See Note 19).

(1) The variation corresponds to the increase in the estimates of tolls, Regional Transmission System (STR), Local Distribution System (SDL) and energy billing for $629,401.

(2) The variation corresponds mainly to the payment made for AWS Cloud Services for ($875,077) and Backup services through Demand Disconnection Voluntary (DDV) for ($258,521).

(3) The variation corresponds mainly to provisions for IT services from January to December 2021 related to the Digital Worker Transformation, Governance-E4E SAP Renewables, Global CKS-SAP-TAM-SYSTEM, Online Monitoring and Infrastructure, Cyber Security-Digital Enebler Services, Intranet Applications and Global Travel projects.

(4) The variation corresponds to the increase due to the exchange difference in the engineering services provided for the BEPP (Best Environmental Practice Project) and Life Extension of the Termozipa Power Plant for $319,351.

(5) The variation corresponds to the movements of provision year 2021 and payments made for the costs of expatriate personnel from Spain, Italy, Brazil and Chile in Colombia.

(6) The variation corresponds to the net effect of invoicing and collection of the energy purchase contract of the El Paso Solar power plant of EGP Colombia and the Group for the period from January to December 2021 for ($5,586,746).

(7) The variation corresponds to the engineering services for the Termozipa power plants environmental adaptation and life extension project, during the first half of 2021 the payment was made for ($882,100) and $1,057,476 was provisioned.

(8) The variation corresponds to the transfer of the account payable for expatriates to Enel Brasil, taking into account that during 2021 the companies EGP Brasil and Enel Brasil carried out a merger process, leaving the latter as the company in force.

(9) The variation corresponds to the payment of engineering services for the BEPP (Best Environmental Practice Project) and Life Extension of the Termozipa Power Plant for $(2,877,291).

(In thousands of pesos)

Transactions with economic associates, effects through profit or loss:

Revenues/ Company	Transaction Type	As of 31 December 2021	As of 31 December 2020
Codensa S.A. E.S.P.	Energy Sales	$ 1.364.166.667	$ 1.196.504.187
Codensa S.A. E.S.P.	Other services	130.910	138.889
Codensa S.A. E.S.P.	Finance Income	842	899.998
Enel Green Power Colombia S.A.S.	Energy Sales	66.624.347	-
Enel Green Power Colombia S.A.S.	Administrative Services	767.486	862.960
Enel Generación Perú	Provision of Services	854.000	-
Enel Generación Perú	Expatriates	25.245	-
Enel GL TH Generation	Expatriates	249.537	192.092
Enel GL TH Generation	Exchange difference	108.405	188.712
Enel Global Trading SPA	Exchange difference	95.624	17.775
Enel S.P.A.	Exchange difference	55.118	46.965
Enel S.P.A.	Expatriates	17.351	42.989
Enel Generación Chile S.A.	Exchange difference	24.369	44.267
Enel Global Services	Exchange difference	14.543	78.852
Energía Nueva, Energía Límpia	Expatriates	18.058	-
Enel Iberia	Exchange difference	7.048	21.732
Enel Italia SRL	Other services	3.097	-
Cesi SPA	Exchange difference	725	26.199
Enel Italia SRL	Exchange difference	588	-
EGP SPA	Computer Services	-	352.950
C.G. Term. Fortaleza	Expatriates	-	186.451
Enel Produzione S.P.A.	Exchange difference	-	120.517
Enel Green Power Brasil Participações	Expatriates	-	135.634
		$ 1.433.163.960	**$ 1.199.861.169**

Costs and expenses / Company	Transaction Type	As of 31 December 2021	As of 31 December 2020
Codensa S.A. E.S.P.	Energy transportation	$ 213.885.551	$ 162.728.117
Codensa S.A. E.S.P.	Other services	1.188.321	990.226
Codensa S.A. E.S.P.	Financial expenses	120.437	-
Enel Green Power Colombia S.A.S.	Purchase of energy	32.473.690	31.330.975
Enel Gl Th Generation SRL	Computer Services	4.913.855	2.244.676
Enel Gl Th Generation SRL	Expatriates	639.998	1.230.326
Enel Gl Th Generation SRL	Exchange difference	591.706	80.950
Enel Global Trading SPA	Computer Services	2.520.639	1.715.443
Enel Global Trading SPA	Expatriates	433.778	349.688
Enel Global Trading SPA	Exchange difference	271.110	11.464
Enel S.P.A.	Computer Services	1.537.236	808.637
Enel S.P.A.	Expatriates	412.296	615.978
Enel S.P.A.	Exchange difference	138.968	74.342
Fundación Enel	Donations	1.012.999	2.618.000
Enel Global Services	Computer Services	334.373	1.940.152
Enel Global Services	Exchange difference	79.562	5.803
Enel Iberia	Expatriates	521.697	490.800
Enel Iberia	Exchange difference	6.714	-
GEB	Betania Fiber Optics	267.750	474.810
Enel Brasil	Expatriates	139.159	-
Enel Italia SRL	Exchange difference	81.205	60.167
Enel Italia SRL	Computer Services	-	324.096
Enel Italia SRL	Expatriates	-	67.650
Enel Produzione S.P.A.	Exchange difference	51.966	206.254
Enel Produzione S.P.A.	Expatriates	27.333	43.497
Enel Generación Chile S.A.	Exchange difference	41.576	192.173
Cesi SPA	Exchange difference	-	45.922
Cesi SPA	Engineering Services	-	14.732
		$ 261.691.919	**$ 208.664.878**

(In thousands of pesos)

Board of Directors and Key Management Personnel

Board of Directors

The Group has a Board of Directors made up of seven (7) principal members, each of whom has a personal alternate, elected by the General Shareholders' Meeting by the electoral quotient system. While the company has the quality of issuer of securities, 25% of the board members will be independent as provided for by the law. The appointment of board members will be for two (2) years, and they can be re-elected indefinitely and without prejudice to the power of the Shareholders' Meeting to remove them freely at any time.

The Board of Directors current as of 31 December 2021 was elected by the General Shareholders' Meeting in ordinary session held on 24 March 2021. The Company appoints a Chairman, who is elected by the Board of Directors among its members for a given period and may be re-elected indefinitely or removed freely before the expiry of the period. In addition, the Board of Directors has a Secretary, who may or may not be a member of the Board. The appointment of the Chairman was approved by the Board of Directors in a meeting held on 26 May 2015. The appointment of the Secretary was approved in a meeting held on 15 July 2020.

In accordance with the provisions in Article 55 of the corporate bylaws, the General Shareholders' Meeting must set the remuneration of the Board members. The current remuneration amounts to USD $1,000 (*), after taxes, for attendance to each session of the Board of Directors, approved by the General Shareholders' Meeting in ordinary session held on 24 March 2021.

(*) Figure in whole dollars.

According to minutes of the General Shareholders' Meeting numbers 105 held on 24 March 2021, the following Board members were approved under the terms set out below.

Seat	Principal	Alternate
First	Andrés Caldas Rico	Diana Marcela Jiménez
Second	Lucio Rubio Díaz	Fernando Gutiérrez Medina
Third	José Antonio Vargas Lleras	Michelle Di Murro
Fourth	Luisa Fernanda Lafaurie	Oscar Sanchez Arévalo
Fifth	Juan Ricardo Ortega López	Jaime Alfonso Orjuela*
Sixth	Álvaro Villasante Losada	Mónica Leticia Contreras*
Seventh	Martha Veleño Quintero	Luis Javier Castro Lachner

* New appointments approved by the General Shareholders' Meeting in an ordinary session held on March 24, 2021.

The composition of the Board of Directors is duly registered with the Bogota Chamber of Commerce.

The fees paid to the Board of Directors:

Third	As of 31 December 2021	As of 31 December 2020
Lafaurie Luisa Fernanda	$ 55.147	$ 50.430
Rubio Diaz Lucio	55.147	50.430
Vargas Lleras José Antonio	55.147	50.430
Villasante Losada Alvaro	55.147	50.430
Veleño Quintero Martha Yaneth	51.017	38.173
Ortega López Juan Ricardo	50.718	20.851
Caldas Rico Andrés	50.615	46.627
Jimenez Rodriguez Diana Marcela	4.533	3.810
Alfonso Orjuela Jaime	4.429	-
Castro Lachner Luis Javier	4.131	-
Moreno Restrepo Ernesto	-	17.322
Alvarez Hernández Gloria Astrid	-	12.257
Alarcón Mantilla Luis Fernando	-	8.454
Galarza Naranjo Rodrigo	-	3.803
Total	**$ 386.031**	**$ 353.017**

(In thousands of pesos)

Key Management Personnel

Below is the list of Key Management personnel:

Name	Position	Term
Lucio Rubio Díaz	General Manager Colombia	January – December
Marco Fragale	General Manager Emgesa	January – February
Eugenio Calderón	General Manager Emgesa	March – December
Michele Di Murro	Chief Financial and Administrative Officer	January – December

The remuneration earned by the Key Management personnel from 1 January to 31 December 2021 amounts to $4,027,783. These remunerations include salaries and benefits in the short and long term (annual bonus for meeting objectives and LTI bonus)

	As of 31 December 2021	As of 31 December 2020
Remunerations	$ 2.208.149	$ 2.347.934
Long-term benefits	1.179.036	1.223.991
Short-term benefits	640.598	599.882
	$ 4.027.783	**$ 4.171.807**

Incentive plans for key management personnel

The Group has an annual bonus for its executives for fulfilling objectives. This bonus corresponds to a certain number of gross monthly payments

As of 31 December 2021, the Group does not have any share-based payment benefits for the Key Management personnel or any guarantees in their favor.

As of 31 December 2021, there are no indemnity payments for contract termination.

9. Net inventories

	As of 31 December 2021	As of 31 December 2020
Net energy elements and accessories (1)		
Coal (2)	27.436.359	34.217.151
Fuel Oil (3)	22.399.327	22.321.322
Carbon credits CO2 (4)	14.690.586	18.698.015
Total Inventories	**$ 94.157.639**	**$ 102.199.837**

(1) Elements and accessories consist of:

	As of 31 December 2021	As of 31 December 2020
Spare parts and materials (a)		
Provision of Materials (b)	-	(18.279)
Total power elements and accessories, net	**$ 29.631.367**	**$ 26.963.349**

(a)) Spare parts and materials correspond to elements that will be used in the repairs and/or maintenance of the plants, according to the maintenance plan defined by the Group.

(b) As of 31 December 2020, the total use of the provision was made and for the 2021 fiscal year, no obsolescence provision was made for plant materials, taking into account that no obsolete material was identified in the inventories to be written off.

(In thousands of pesos)

(2) Coal (Termozipa Power Plant): As of 31 December 2021, the Power Plant continued with low dispatch/consumption in the National Interconnected System (SIN), due to the fact that the hydrological contributions to the system's reservoirs continued above the historical averages. This was reflected in the fact that prices in the Energy Exchange market remained around the variable generation cost of coal-fired power plants. At the Termozipa power plant, the coal inventory decreased due to the reduction in coal revenues in order not to exceed the maximum storage capacity.

(3) Fuel Oil (Cartagena Power Plant): In 2021 the fuel oil inventory remained without major changes, at the appropriate level for the available generation units, since the accumulated consumption was compensated with the purchases made. In general, the dispatch of the power plant was carried out to cover the SIN's security generation and the inventory remained with little variation with respect to that of the end of 2020.

(4) As of 31 December 2021, there are recognized CO2 carbon credits, whose fair value is $38,171,558, corresponding to 2,691,628 certificates issued in November 2020 for reduction of CO2 emissions for the years 2015 – 2018 for $ 18,755,788 and 1,396. 818 certificates issued in March 2021 for reduction of CO2 emissions for the years 2019 and 2020 for $ 19,415,770 from the Quimbo, Guavio Menor, Dario Valencia Samper, Salto II and Tequendama power plants, as well as the sale of 2,795,478 CO2 certificates with impact on the inventory for ($23,480,972).

The value of inventories recognized as an expense during the period corresponds to consumption for power generation (See Note 21).

As of December 31, 2021, the Group does not present inventories pledged to guarantee the fulfilment of debts.

10. Current Tax Assets and Liabilities

Income tax assets

Income tax assets are presented below:

	As of 31 December 2021	As of 31 December 2020
Self-withholdings in favor (1)	$ 2.420.336	$ -
Withholdings, self-withholdings and prepayments	82.187	-
ICA deduction	7.040	-
Current income tax and complementary taxes	(65.716)	-
Current tax assets	**$ 2.443.847**	**$ -**

(1) The current tax asset as of December 2021 arises from the payment of self-withholdings in favor, for the year 2020, which will be subject to application to the tax entity in 2022, amounting to $2,420,336.

Income tax liabilities

	As of 31 December 2021	As of 31 December 2020
Current income tax (1)	$ 738.050.937	$ 604.199.791
Tax payable prior year (2)	733.589	5.386.562
Tax deductions and withholdings	(15.549.543)	(13.439.004)
Self-withholding other items	(72.740.661)	(60.251.375)
Self-withholding	(114.641.610)	(94.904.864)
Year income tax prepayment	(259.202.691)	(199.746.761)
Current tax liabilities	**$ 276.650.021**	**$ 241.244.349**

(In thousands of pesos)

(1) As of 31 December 2021, the current income tax liability consists of:

		As of 31 December 2021		As of 31 December 2020
Income taxes related to net income	$	737.404.690	$	603.730.482
Income taxes related to components of other comprehensive income		646.247		469.309
	$	**738.050.937**	**$**	**604.199.791**

(2) Composed mainly of $224,369 for ZOMAC and $385,826 for other accounts payable to the tax entity.

As of December 2021, there is a current income liability of $ 738,050,937, which will be taken into account in the income tax presentation in 2022.

The tax returns for the 2016, 2017, 2018, 2019 and 2020 taxable years are open for review by the tax authorities. However, in Management's opinion, an examination process occurs with the tax authorities, no significant differences are expected.

The provision for income tax is calculated at the current rate. For the taxable year 2021, the rate is 31% using the accrual method and is determined based on the net income adjusted in accordance with current tax regulations.

The effective rate as of 31 December 2020 was 30.50% and as of 31 December 2021 was 29.21%. The change in the effective rate was mainly caused by the second instance ruling and correction of income tax returns that occurred in 2020, and by the update in the quantification of non-deductible expenses for contracts abroad in 2021.

The main reconciling items between earnings before tax and the net taxable income that explain the difference between the rate for companies of 31% corresponding to the income tax are the following:

Item		As of 31 December 2021 Value	Tasa %		As of 31 December 2020 Value	Tasa %
Accounting earnings before income tax	**$**	**2.526.695.548**	**31%**	**$**	**1.981.635.768**	**32%**
Items that increase net income						
Deductible provisions and expenses		49.282.256	1,95		8.300.523	0,42
Contribution to financial transactions		7017	0,00		5.139.353	0,26
Non-deductible expenses		(2.411.352)	(0,10)		82.095.205	4,14
Presumptive interests		3.785	0,00		2.013	0,00
Total items that increase net income		**46.881.706**	**1,86**		**95.537.094**	**4,82**
Items that reduce net income						
Deductions for productive real fixed assets		(9.299.405)	(0,37)		(5.288.563)	(0,27)
IFRS 9 impairment		(430)	(0,00)		-	(0,00)
Tax depreciation and amortization		(183.467.944)	(7,26)		(183.505.436)	(9,26)
Total items that reduce net income		**(192.767.779)**	**(7,63)**		**(188.793.999)**	**(9,53)**
Taxable net income		**2.380.809.475**	**94,23**		**1.888.008.655**	**95,28**
Tax rate		31%	0,00		32%	0,00
Income tax		**738.050.937**	**29,21**		**604.162.770**	**30,49**
Occasional earnings		-	-		370.209	0,02
Occasional earning tax rate		10%	0,00		10%	0,00
Occasional earning tax		**-**	**-**		**37.021**	**0,00**
Total income tax and complementary	**$**	**738.050.937**	**29,2**	**$**	**604.199.791**	**30,50**

(In thousands of pesos)

Equity Reconciliation

	As of 31 December 2021	As of 31 December 2020
Accounting equity	$ 5.101.867.323	$ 5.156.193.109
Estimated liabilities	330.406.118	340.444.719
Deferred tax	312.246.296	217.924.275
Payroll contributions and pensions and other employee benefits	41.484.859	41.875.458
Debtors provision	13.268.330	1.842.754
Tax adjustment on investments	6.159.124	7.064.961
Tax adjustment on assets (*)	(1.273.369.707)	(1.092.393.397)
Tax adjustment to deferred tax assets	-	20.398.843
Current tax liabilities	**$ 4.532.062.343**	**$ 4.693.350.722**

(*) Corresponds to the difference of the net cost of these between the book value and fiscal value, given that the fiscal depreciation is greater than the accounting.

Transfer Pricing

Taxpayers of income tax who execute operations with economic associates or related parties abroad are bound to determine, for income tax purposes, their ordinary and extraordinary revenues, costs and deductions, 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 for the year 2020 submitted to the DIAN were duly transmitted on September 8, 2021.

The transactions carried out during 2021 have been validated by the tax advisors and the supporting and informative documentation for the year 2021 will be submitted in 2022 under the terms established by the National Government.

Legal Stability Agreement

The main aspects of the legal stability agreement entered into by and between the Nation (Ministry of Mines and Energy) and the Company, executed on 20 December 2010, are described below:

Purpose: The Company undertakes to build the hydroelectric station "El Quimbo".

Investment Amount and Deadlines: The Group's investments relative to the El Quimbo project were $1,922,578 million. In the first half of 2014, an increase in the budget of $ 583,184,000 was approved, which, together with the financial expense incurred and projected to be incurred to finance the project ($450,712,000), represents a higher investment value. In accordance with paragraph 2 of clause 2 of the legal stability agreement, the highest value of the investment meant the payment in December 2014 of $6,299,000 by means of adjustment of the premium established in the legal stability agreement. In March 2016, a second adjustment was paid in the amount of $ 4,657,000 on account of the increase in the amount of the investment. To date, the Ministry is being asked how to proceed with the settlement and payment of the premium, based on the last approval of an additional capex for the completion of the El Quimbo works.

Key standards subject to Legal Stability (with favorability):

a. Income tax rate (33%), exclusion of calculation of presumptive rent and special deductions for investments in scientific development and for investments in the environment, among others.

b. Ensures the stability of the special deduction for investment in productive real fixed assets (30%), which were dismantled since 1 January 2011.

Obligations of the Parties

a. Obligations of the Group:

(In thousands of pesos)

- Comply with the amount of investment planned for the construction and start-up of the El Quimbo hydroelectric project.
- Pay the legal stability premium of $ 9,617 million (recorded on 23 December 2010) and adjust it if any increases were made in the amount of the investment, as was done according to previous explanations. In December 2014, the Company paid $6,299,000 for premium adjustment on account of the largest approved investment. In March 2016, the Company paid $ 4,657,000 for a second premium adjustment for the higher investment.

  In 2017, a greater investment was made to the one established in the agreement, which is why the exact amount of increase in said investment is currently being established in order to proceed with the application for approval of re-settlement and payment of the premium with the Legal Stability Committee.

- Pay taxes on time.
- Hire an independent audit to review and certify the fulfilment of the commitments acquired under the agreement. For this purpose, the Company hired a third-party specialist to review the commitment acquired.

b. Obligations of the Nation:

- Ensure for 20 years the stability of the standards included in the agreement (with favorability) for the Quimbo project.

The audit of the 2020 legal stability agreement was filed with the Ministry of Mines and Energy within the term established for this purpose, on 31 March 2021.

As of 31 December 2020, an additional amount was recalculated for the Capex, therefore, in January 2021 an additional premium amount of $1,204,102,104 was paid.

11. Net intangible assets other than capital gains

		As of 31 December 2021		As of 31 December 2020
Rights (1)				
Development costs		1.406.386		1.495.917
Licences		3.573.489		3.121.800
Software (2)		38.328.644		25.799.348
Other identifiable intangible assets		103.333.577		37.766.241
Constructions and work in progress		96.104.663		29.672.371
Other intangible resources		7.228.914		8.093.870
Net intangible assets	**$**	**186.628.205**	**$**	**111.059.264**
Cost				
Rights (1)	$	87.751.243	$	87.751.243
Development costs		5.335.542		5.335.542
Licences		22.895.740		20.965.096
Software (2)		92.905.910		65.281.842
Other identifiable intangible assets		109.551.094		43.055.991
Constructions and work in progress		96.104.663		29.672.371
Other intangible resources		13.446.431		13.383.620
Gross intangible assets	**$**	**318.439.529**	**$**	**222.389.714**
Amortization				
Rights (1)	$	(47.765.134)	$	(44.875.285)
Development costs		(3.929.156)		(3.839.625)
Licences		(19.322.251)		(17.843.296)
Software (2)		(54.577.266)		(39.482.494)
Other identifiable intangible assets		(6.217.517)		(5.289.750)
Intangible assets accumulated amortization	**$**	**(131.811.324)**	**$**	**(111.330.450)**

(1) The intangibles in rights include the disbursements to obtain the usufruct of the greater flow of useful water, coming from the Chingaza and Rio Blanco projects for production of the Pagua Power Plant, the amortization is recognized by the straight-line method in a period of 50 years. The amortization of the period corresponds to $2,484,120.

Amortization as of 31 December 2021 and 2020 corresponds to $2,889,849 and $2,889,851, respectively.

(In thousands of pesos)

In addition, this item classifies the legal stability premium for the El Quimbo. This premium has a useful life of 20 years according to the validity of the tax benefits.

(2) The variation in 2021 corresponds mainly to:

(a) Additions for software associated with projects: Centralized service systems to ensure efficiency and effectiveness of all activities and projects related to SAP ERP platforms $4,243,778; global energy assets $3,411,406; Cyber security (security in operation of plants) $3,116,534; Local System Colombia (development of new solutions) $2,999,706; new developments supporting variable margin process, CRM and contribution margin $2,580,934; new customer portal and WEB portal $2,136,628; Mape (development for conversion and analysis of variables) $1. 791,792; DWT (central stop management portal) $1,461,573; people global travel $1,416,456; rolling- predictive project $1,012,886; plan information, measurement, robotic and drones and digital report (data quality improvement) $901. 994; new cross-technology developments $737,444; global operational (global homogenization of processes) $577,108; VELIQ (system for market billing validations) $516,645; energy management developments $370,516; legal management developments $328,646.

(b) Amortization as of 31 December 2021 for $15,094,772.

The composition and movements of the intangible asset are as follows:

	Development costs	Rights	Licenses	Software	Other identifiable intangible assets: Constructions and Works in progress	Other identifiable intangible assets: Other intangible resources	Intangible assets
Opening balance 31/Dec/19	**$ 1.596.805**	**$ 44.561.706**	**$ 4.330.182**	**$ 36.454.551**	**$ 25.688.809**	**$ 1.835.498**	**$ 114.467.551**
Movements in intangible assets 2019							
Additions (*)	-	-	-	-	18.084.275	-	18.084.275
Transfers		1.204.103	135.984	5.690.550	(14.100.713)	7.070.076	-
Other increases (decreases)	-	-	-	-	-	-	-
Amortization	(100.888)	(2.889.851)	(1.344.366)	(16.345.753)	-	(811.704)	(21.492.562)
Total movements in identifiable intangible assets	**(100.888)**	**(1.685.748)**	**(1.208.382)**	**(10.655.203)**	**3.983.562**	**6.258.372**	**(3.408.287)**
Closing balance 31/Dec/20	**$ 1.495.917**	**$ 42.875.958**	**$ 3.121.800**	**$ 25.799.348**	**$ 29.672.371**	**$ 8.093.870**	**$ 111.059.264**
Movements in intangible assets 2021							
Additions (*)	-	-	-	370.515	95.616.489	62.811	96.049.815
Transfers	-	-	1.930.644	27.253.552	(29.184.196)	-	-
Amortization	(89.531)	(2.889.849)	(1.478.955)	(15.094.772)	-	(927.767)	(20.480.874)
Total movements in identifiable intangible assets	**(89.531)**	**(2.889.849)**	**451.689**	**12.529.295**	**66.432.293**	**(864.956)**	**75.568.941**
Closing balance 31/12/2021	**$ 1.406.386**	**$ 39.986.109**	**$ 3.573.489**	**$ 38.328.643**	**$ 96.104.664**	**$ 7.228.914**	**$ 186.628.205**

As of December 2021, additions were registered corresponding to:

Main projects	**1 January to 31 December 2021**
CAR water use rights compensation plan.	$ 76.060.047
Other corporate and commercial software for ICT projects, renewables and trading.	3.422.055
Local System Colombia (development of new solutions)	2.971.346
New developments supporting Variable Margin, CRM process	2.794.993
Saman Project (Fusion Colombia)	2.438.177
Centralized service systems to ensure efficiency and effectiveness of all projects related to SAP ERP platforms.	2.246.911
Cybersecurity (security in operation of the plants)	1.685.777
Global Energy Assets	1.582.257
Mape and Plant Data (development for conversion and analysis of variables)	1.217.053
New Web Portal	830.944
New cross-technology developments	737.444
Design, manufacture and assembly of SPCC gates, cabinet and dockside winch.	62.811
	$ 96.049.815

(In thousands of pesos)

(3) The variation corresponds mainly to the environmental obligations imposed by the CAR through an Administrative Act that contemplates the implementation of the compensation plan for the right to use water from the Bogotá river chain, which implies developing actions contemplated in the following programs defined by said entity:

- Restoration, recovery and management of wetlands.
- Reforestation
- Conservation of areas of water importance
- Water supply
- Rehabilitation of the Bogota River
- Engineering

As of 31 December 2021, the Group has no intangible assets with ownership restrictions or loan guarantees.

As of 31 December 2021, there are no acquisition commitments in intangible assets through official subsidy.

As of 31 December 2021 and in accordance with the provisions of the accounting policy, the useful lives of intangible assets were evaluated, which present no changes and no signs of impairment were identified.

The average remaining useful lives used for depreciation are as follows:

	Average years of estimated useful life	
Item	**2021**	**2020**
Rights *	22	23
Development Costs	-	1
Licenses	5	4
Software	3	3
Other identifiable assets	-	1

12. Net Property, Plant and Equipment

		As of 31 December 2021		As of 31 December 2020
Plants and equipment	$	7.592.311.889	$	7.587.205.160
Hydroelectric power plants		6.831.623.604		6.872.796.819
Thermoelectric power plants		760.688.285		714.408.341
Construction in progress (1)		121.409.999		199.527.543
Land		285.511.224		268.935.086
Buildings		51.848.693		50.792.808
Fixed installations and others		13.404.111		14.689.071
Fixed installations and accessories		5.869.945		6.994.672
Other installations		7.534.166		7.694.399
Finance leases		73.363.849		7.309.997
Fixed installations and others		-		208.668
Assets for use IFRS 16		73.363.849		7.101.329
Buildings		71.115.493		935.088
Fixed installations and others (Transportation)		2.248.356		6.166.241
Net property, plant and equipment	**$**	**8.137.849.765**	**$**	**8.128.459.665**
Cost				
Plants and equipment	$	11.424.816.793	$	11.217.694.725
Hydroelectric power plants		10.165.029.665		10.061.067.886
Thermoelectric power plants		1.259.787.128		1.156.626.839
Construction in progress		121.409.999		199.527.543
Land		285.511.224		268.935.086
Buildings		99.210.369		96.646.751
Fixed installations and others		78.946.653		79.623.055
Fixed installations and accessories		30.310.212		32.967.329
Other installations		48.636.441		46.655.726
Finance leases		90.771.320		20.292.827

(In thousands of pesos)

		As of 31 December 2021		As of 31 December 2020
Fixed installations and others		839.602		2.381.818
Assets for use IFRS 16		89.931.718		17.911.009
Buildings		75.961.081		4.215.077
Fixed installations and others (Transportation)		13.970.637		13.695.932
Gross property, plant and equipment	**$**	**12.100.666.358**	**$**	**11.882.719.987**
Depreciation				
Plants and equipment (*)	$	(3.832.504.904)	$	(3.630.489.565)
Hydroelectric power plants		(3.333.406.061)		(3.188.271.067)
Thermoelectric power plants		(499.098.843)		(442.218.498)
Fixed installations and others		(65.542.542)		(64.933.984)
Fixed installations and accessories		(24.440.267)		(25.972.657)
Other installations		(41.102.275)		(38.961.327)
Buildings		(47.361.676)		(45.853.943)
Finance leases		(17.407.471)		(12.982.830)
Fixed installations and others		(839.602)		(2.173.150)
Assets for use IFRS 16		(16.567.869)		(10.809.680)
Buildings		(4.845.588)		(3.279.989)
Fixed installations and others (Transportation)		(11.722.281)		(7.529.691)
Accumulated depreciation	**$**	**(3.962.816.593)**	**$**	**(3.754.260.322)**

(*) The depreciation of flooded land is included in the depreciation of plants and equipment

(1) Corresponds to the investments made by the Group as of 31 December 2021, in the different plants. The main assets under construction correspond to improvements, replacements and modernizations in the thermal and hydroelectric power plants. The main projects underway in 2021 are: Life extension project, OCM and Beep Others of Termozipa; turbine and rotor system at the Cartagena power plant; environmental provisions for the Bogotá river (Muña); automation and remote control system for Guaca, Paraíso and Pagua; recovery of civil structures and additional works at the Quimbo power plant; recovery of stator unit 5 Guavio.

Plant		As of 31 December 2021		As of 31 December 2020
CC-Termozipa	$	32.030.506	$	83.474.871
CF-Cartagena		29.397.691		12.034.454
CH-Muña		22.731.408		23.497.719
CH-Pagua (Guaca –Paraíso)		10.973.366		9.655.964
Otras Inversiones		9.294.576		3.719.905
CH-Quimbo		5.999.272		49.751.450
CH-Guavio		4.045.151		17.334.983
CH-Tequendama		3.721.168		-
CH-Centrales menores Rio Bogotá		3.063.883		58.197
CH-Betania		152.978		-
Total constructions in progress	**$**	**121.409.999**	**$**	**199.527.543**

CH- Hydropower Plant CC- Coal Power PlantCF- Fuel Oil Power Plant

The composition and movements of the item property, plant and equipment is:

				Plants and Equipment		Fixed Installations and accessories			
Movement in property, plant and equipment	**Construction in progress**	**Land**	**Buildings**	**Hydroelectric Power Plants**	**Thermoelectric Power Plants**	**Fixed Installations and accessories**	**Other Installations**	**Finance leases**	**Property, Plant and Equipment**
Initial balance 31/Dec/2019	**$ 285.060.839**	**$ 268.948.319**	**$ 50.586.126**	**$ 6.906.067.769**	**$ 593.579.462**	**$ 6.820.626**	**$ 8.016.603**	**$ 11.910.825**	**$ 8.130.990.569**
M Movement in property, plant and equipment 2020									
Additions	218.998.949	-	-	-	-	-	-	-	218.998.949
Transfers	(305.172.169)	-	1.964.803	128.683.631	171.102.515	1.198.299	2.222.921	-	-
Withdrawals	-	(13.233)	-	(355.004)	(792.708)	(48.277)	-	(375.073)	(1.584.295)
Depreciation expense	-	-	(1.758.121)	(162.629.499)	(49.480.928)	(975.976)	(2.545.125)	(6.623.152)	(224.012.801)
Other increases	639.924	-	-	1.029.922	-	-	-	2.397.397	4.067.243

(In thousands of pesos)

Movement in property, plant and equipment	Construction in progress	Land	Buildings	Plants and Equipment: Hydroelectric Power Plants	Plants and Equipment: Thermoelectric Power Plants	Fixed Installations and accessories: Fixed Installations and accessories	Fixed Installations and accessories: Other Installations	Finance leases	Property, Plant and Equipment
Total movements	**(85.533.296)**	**(13.233)**	**206.682**	**(33.270.950)**	**120.828.879**	**174.046**	**(322.204)**	**(4.600.828)**	**(2.530.904)**
Final Balance 31/Dec/20	**$ 199.527.543**	**$ 268.935.086**	**$ 50.792.808**	**$ 6.872.796.819**	**$ 714.408.341**	**$ 6.994.672**	**$ 7.694.399**	**$ 7.309.997**	**$ 8.128.459.665**
Movement in property, plant and equipment 2021									
Additions (a)	174.059.936	-	-	-	-	-	-	-	174.059.936
Transfers (b)	(250.525.675)	16.590.538	3.385.465	123.874.075	104.180.421	-	2.495.176	-	-
Withdrawals (c)	-	(14.400)	(226.899)	(824.719)	(568.607)	(153.898)	(58.004)	(73.684)	(1.920.211)
Depreciation expense	-	-	(2.102.681)	(157.942.913)	(57.331.870)	(970.829)	(2.597.405)	(5.893.173)	(226.838.871)
Other increases (decreases) (d)	(1.651.805)	-	-	(6.279.658)	-	-	-	72.020.709	64.089.246
Total movements	**(78.117.544)**	**16.576.138**	**1.055.885**	**(41.173.215)**	**46.279.944**	**(1.124.727)**	**(160.233)**	**66.053.852**	**9.390.100**
Final Balance 31/12/2021	**$ 121.409.999**	**$ 285.511.224**	**$ 51.848.693**	**$ 6.831.623.604**	**$ 760.688.285**	**$ 5.869.945**	**$ 7.534.166**	**$ 73.363.849**	**$ 8.137.849.765**

(a) As of December 31, additions to property, plant and equipment correspond to investments made in the adaptation, modernization, expansion, improvements in efficiency and service quality in the different plants. The most important of the period are the following:

Plant	Projects		1 January to 31 December 2021
CC-Termozipa	Acquisition of electromechanical equipment, Life Extension Projects, OCM and BEEP environmental improvement.		46.453.466
CH-Guavio	Chivor-Batatas Tunnel Works, voltage regulator; stator system; recovery of runners, ducts, transformers and turbine of the plant		25.830.361
CF-Cartagena	Chimney system U3 and recovery of central boilers units 2 and 3, major maintenance of turbine and rotor.		24.784.442
CH-Quimbo	Recovery of civil structures and facilities. Necessary works were executed to improve the performance of the civil works of the reservoir, works associated with the perimeter road, as well as to address additional works and commitments derived from environmental obligations generated during the construction of the power plant.		19.167.540
CH-Tequendama	Recovery of intake, runners and turbines; modernization of the excitation system.		13.177.000
CH-Centrales menores	Modernization of yard equipment, intake discharge structure and central turbine system, auxiliary systems, battery chargers and Dario Valencia cooling system.		12.473.627
CH- Paraiso	Central automation and remote control; modernization of Paraíso central battery chargers; Guaca and Paraíso turbine systems; Paraíso slope stabilization.		10.764.621
Edificio corporativo Q93	Advance payment and civil works for the Q93 building, under turnkey contract.		8.435.630
Otras inversions	Civil works and furnishings for hydropower and thermal power plants.		4.880.794
CH-Guaca	Automation and remote control; turbine system.		4.664.513
CH-Muña	Change of rotor coil; recovery of intake; recovery of civil structures; Updating of NPV environmental provisions due to rate effect according to IFRIC 1.		2.086.886
CH-Laguneta	Central auxiliary services; turbine system recovery.		1.341.056
Total Variación		**$**	**174.059.936**

CH- Central Hidroeléctrica CF- Central Fuel Oil CC - Central Carbón

(b) As of 31 December 2021, the transfers of assets from course to operation were carried out at the following plants, corresponding to improvements in equipment, overhaul and upgrades to improve plant performance, reliability and efficiency

1 January to 31 December 2021		
Plant		**Total activation**
CC-Termozipa	$	97.970.272
CH-Quimbo		59.895.976
CH-Guavio		38.850.488
CH- Guaca y Paraíso		16.373.789
CH-Tequendama		10.227.611
CF-Cartagena		8.212.693

(In thousands of pesos)

1 January to 31 December 2021		
Plant		**Total activation**
CH-Centrales menores (Rio Bogotá)		8.108.691
CH-Betania		5.389.054
CH-Muña		3.306.128
Otras inversiones		2.190.973
Total	**$**	**250.525.675**

(c) As of 31 December 2021, retirements of $1,920,211 are made corresponding to: Hydroelectric power plants $824,719; thermoelectric power plants $568,607; buildings $226,899; machinery and equipment $153,897; leasing vehicles $73,685; furniture and civil works $58,004 and land for hydroelectric power plants $14,400.

(d) As of 31 December 2021, other increases/decreases correspond to: Finance leases in accordance with IFRS 16 as follows: Buildings $71,746,004 (including Corporate Building and Barranquilla office renovation) and vehicles for $274,705; dismantling VPN update and environmental provisions Quimbo and Muña power plants due to rate effect, in accordance with IFRIC 1 $6,279,658 and $1,651,805 respectively.

As of 31 December 2021 the Group has property, plant and equipment whose ownership is restricted as follows: i) Guavio and Rio Bogotá for $713,610 and ii) Quimbo for $25,581,482.

As of 31 December 2021, the Group presents the units available for generation in operation, in the hydraulic and thermal power plants.

As of 31 December 2021, and in accordance with the provisions of the accounting policy, the useful lives of property, plant and equipment were evaluated and did not show changes, and no signs of impairment were identified.

The average remaining useful lives used for depreciation are as follows:

	Estimated average years of useful life	
Classes of property, plant and equipment	**2021**	**2020**
Plant and equipment		
Civil works plants and equipment	54	55
Electromechanical equipment Hydropower plants	30	30
Electromechanical equipment Thermoelectric power plants	19	18
Buildings	54	56
Fixed installations, accessories and other	11	10
Assets for use IFRS 16		
Buildings	62	1
Vehicles	2	2

Finance Lease

They correspond mainly to the lease agreements of vehicles established mainly with Transportes Especializados FSG and ADL Automotive to support the Group's operations and management vehicles; and the Q93 corporate building for the offices of Emgesa S.A. E.S.P. under lease with Bancolombia and the office in Barranquilla with Real Estate Management.

The average term of the agreements is between 16 and 120 months, during which period the recognized assets are amortized.

Regarding the fleet of vehicles, 77.0% is contracted mainly with ADL Automotive, 12.26% with Transportes Especiales FSG, 9.15% with Compañía Naviera del Guavio Ltda., 1.25% with Neandertal and 0.33% with Avis Mareauto, which will be amortized in a maximum period of 48 installments.

On the other hand, the balance of buildings in 99.92% belongs to the contract with Bancolombia corresponding to the Corporate Building Q93; 0.07% with Gestión Inmobiliaria MIC S.A. S and others with 0.02% which will be amortized in a maximum period of 120 installments.

(In thousands of pesos)

Right-of-use assets were measured on initial recognition for an amount equal to the lease liability, which corresponds to the present value of the lease payments that have not been paid on the date of adoption discounted using the interest rate implicit in the lease, or the incremental interest rate on the lease commencement date.

The present value of the future payments derived from these contracts are as follows:

Minimum Payments for leases, obligations for finance leases	As of 31 December 2021			As of 31 December 2020		
	Gross	Interest	Present value	Gross	Interest	Present value
Less than one year	$ 12.508.056	$ 3.358.867	$ 9.149.189	$ 6.120.195	$ 364.387	$ 5.755.808
Over one year but less than five years	33.117.857	10.995.328	22.122.529	1.953.638	115.677	1.837.961
After five years less than ten years	53.197.045	8.369.107	44.827.938	-	-	-
Total	**$ 98.822.958**	**$ 22.723.302**	**$ 76.099.656**	**$ 8.073.833**	**$ 480.064**	**$ 7.593.769**

Below is the movement of assets by use corresponding to 2021:

	Buildings	Fixed installations and others (Transportation)	Fixed installations and others	TOTAL
Initial balance as of January 2021	**$ 935.088**	**$ 6.166.241**	**$ 208.668**	**$ 7.309.997**
Additions	71.657.310	281.227	-	71.938.537
Others	88.694	(6.522)	-	82.172
Depreciation and withdrawals	(1.565.599)	(4.192.590)	(208.668)	(5.966.857)
Total movements 2021	**70.180.405**	**(3.917.885)**	**(208.668)**	**66.053.852**
Balance as of 31 December 2021	**$ 71.115.493**	**$ 2.248.356**	**$ -**	**$ 73.363.849**

Below is the movement of assets by use corresponding to 2020:

	Buildings	Fixed installations and others (Transportation)	Fixed installations and others	TOTAL
Initial balance as of January 2020	**$ 4.841.529**	**$ 5.949.433**	**$ 1.119.863**	**$ 11.910.825**
Additions	-	4.489.670	-	$ 4.489.670
Others	(2.092.273)	-	-	(2.092.273)
Depreciation and withdrawals	(1.814.168)	(4.272.862)	(911.195)	(6.998.225)
Total movements 2019	**(3.906.441)**	**216.808**	**(911.195)**	**(4.600.828)**
Balance as of 31 December 2020	**$ 935.088**	**$ 6.166.241**	**$ 208.668**	**$ 7.309.997**

The income statements as of 31 December 2021 and 2020, include $109,333 and $211,811, respectively, corresponding to the payment of the following contracts, including:

Administrative offices	Start date	End date	Purchase option
Cali office	abr-19	mar-22	No

These contracts are adjusted annually based on the Consumer Price Index (CPI).

As of 31 December 2021, future payments arising from these contracts are as follows:

Minimum future payments for non-payable leases, Lessees	As of 31 December 2019	As of 31 December 2018
Less than one year (*)	$ 10.943	$ 103.740
Over one year but less than five years (*)	-	11.086
	$ 10.943	**$ 114.826**

(*) VAT no included.

Leases

1) The increase in Leasing corresponds mainly to the acquisition of the Q93 Corporate building for $101,500,000, contract No. 266574 signed with Bancolombia on May 24, 2021, with a purchase option of 30% and a useful life of the property of 63 years.

The lease agreement with Bancolombia is for 10 years. The assets for right of use recognized as of December 31, 2021 correspond to floors 2, 3, 4, 5, 6 and parking lots received in August, September and November, respectively, as follows:

a) Detail of leased assets:

ITEM		VALUE
Recognition floor 6	**$**	**13.142.201**
Recognition floor 5		14.377.332
Recognition floors 2, 3, 4 and parking		44.137.777
Total assets		**71.657.310**
Accumulated depreciation		(265.280)
Total Assets	**$**	**71.392.030**

Insurance Policies

Below are the policies for the protection of the Group's property:

Insured property	Insured property	Insured value	Vencimiento	Compañía aseguradora
	Maturity	Insurance company	01/11/2022	Mapfre Seguros Colombia
(Figures in thousands)	Non-contractual civil liability (tier of USD 250 million in excess of USD 20 million)	USD 250.000	01/11/2022	Mapfre Seguros Colombia
	Non-contractual civil liability	USD 20.000	01/11/2022	Axa Colpatria
	Environmental civil liability	$88.039.678	01/11/2022	SBS
Civil works, equipment, contents, stores and loss of profit	All risk material damage, earthquake, seaquake HMACC – AMIT, loss of profit and machinery breakdown	USD 1.164.700 (Límite Indemnización)	1/11/2022	Mapfre Seguros Colombia
Vehicles	Non-contractual civil liability	$3.000.000 por vehículo	03/02/2022	Mapfre Seguros Colombia
Goods	Transport of goods	$5.000.000 por despacho	31/07/2022	HDI Seguros S.A.

(*) The Group's policy agreements are executed in dollars and pesos

13. Financial liabilities

	As of 31 December 2021			As of 31 December 2020		
	Current			Current		
	Capital	Interest	Non-current	Capital	Interest	Non-current
Bonds issued (1)	$ 599.926.308	$ 13.468.287	$ 1.257.095.184	$ 826.340.000	$ 72.763.407	$ 1.856.720.301
Lease obligations (2)	18.035.751	16.759	64.722.082	5.918.438	48.180	1.762.822
Derivatives (3)	41.864	-	-	1.712.125	-	29.344
Line of credit	53.452	-	-	168.249	-	-
Bank loans (4)	-	1.452.900	450.000.000	-	-	-
	$ 618.057.375	**$ 14.937.946**	**$ 1.771.817.266**	**$ 834.138.812**	**$ 72.811.587**	**$ 1.858.512.467**

(In thousands of pesos)

(1) The variation of bonds as of December 2021 corresponds to the payment of the International Bond for ($736,760,000), payment of the national Bond B12-09 for ($89,580,000), interest ($59,295,120) and the amortization of non-current debt transaction costs for $301,191. Also included in the variation with zero effect is the reclassification from long term to short term for $600,000,000.

In financial debt, the Group has six (6) bond issues in force in the local market, under the Group's bond issuance and placement program.

The main financial characteristics of the bonds issued since 2005 and in force as of 31 December 2021 are as follows:

The Group's Issue and Placement Program for the Local Market

The Group has a bond issue and placement program that allows it to issue successive issues of such securities under the global quota that is authorized and available, and during the period of validity thereof. As of December 31, 2018, the Group had offered and placed eight (8) bond issues (also referred to as "Tranches" in accordance with the terminology set forth in the program prospectus) charged to the program, which were in effect at the date mentioned, except for the first tranche for $170,000,000 which expired on 20 February 2017. All issues of bonds under the Group's Program are rated AAA (Triple A) by Fitch Ratings Colombia S.C.V., and are dematerialized under the management of Deceval S.A. There were no bond issues in 2021.

The following describes the general financial conditions of the Group's bond issue and placement program in the local market:

Class of title	Regular bonds
Financial Superintendence initial approval	Resolution No. 1235 of 18 July 2006
Global amount initially approved	$700,000,000
Approval of 1st amount expansion and term extension:	Resolution No. 0833 of 16 June 2009
First increase to the authorized global amount:	In an additional $ 1,200,000,000
1st term extension	Until 26 June 2012
Approval of the 2nd term extension:	Resolution No. 1004 of 29 June 2012
2nd placement term extension	Until 18 July 2015
Second increase to the authorized global amount:	In an additional $ 850,000,000
Approval of the 3rd placement amount increase:	Resolution No. 1980 of 6 November 2014
Third increase to the authorized global amount:	In an additional $ 315,000,000
Approval of 4th amount expansion and term extension:	Resolution No. 1235 of 8 September 2015.
Fourth increase to the authorized global amount:	In an additional $ 650,000,000
Third placement term extension:	Until 14 September 2018
Inclusion of commercial papers in the program:	Resolution No. 0173 of 13 February 2018
Approval of extension of the quota and extension of the term of placement:	Resolution No. 1193 of 13 September 2018
Fifth increase to the Authorized Global Quota: In additional $685,000,000	At an additional $685,000,000
Fourth extension to the term of placement: Until 1 October 2021	Until 1 October 2021
Total authorized global amount as of 31 Dec 2019	$4,400,000,000
Amount issued under the program as of 31 Dec 2019	$3,315,000,000
Global amount available as of 31 Dec 2019:	$1,085,000,000
Management	Deceval S.A.

The Group has issued 8 tranches under the above program, as follows:

First Tranche:

Total value placed:	$170.000.000
Balance as of 31 December 2020:	Sub-serie B10: $0
Nominal value per bond:	$10,000
Issue term:	Sub-series E5: 5 years
Issue date:	20 February 2007
Maturity date:	20 February 2017
Coupon rate:	IPC + 5,15% E.A.

(In thousands of pesos)

On 20 February 2017, the payment for maturity of the bonds of the B10 Sub-series for $170,000,000 was made.

Second Tranche:

Total value placed:	$265.000.000 as follows:	
	Sub-serie A5:	$ 49.440.000
	Sub serie B10:	$160.060.000
	Sub serie B15:	$ 55.500.000
Balance as of 31 December 2021:	$55.500.000	
Nominal value per bond:	$10,000	
Issue term:	Sub-series E5: 5 years	
	Sub-serie B10: 10 years	
	Sub-serie B15: 15 years	
Issue date:	11 February 2009, for all subseries	
Maturity date:	Sub-serie A5: 11 de febrero de 2014	
	Sub-serie B10: 11 February 2019	
	Sub-serie B15: 11 February2024	
Coupon rate:	Sub-serie A5: DTF T.A. + 1.47%	
	Sub-serie B10: IPC + 5,78% E.A.	
	Sub-serie B15: IPC + 6,09% E.A.	

On 11 February 2014, $49,440,000 was paid upon maturity of the Subseries A5 bonds.

On 11 February 2019, $160,060,000 was paid upon maturity of the Sub-series B10 bonds.

Third Tranche:

Total value placed:	$400.000.000 as follows:	
	Sub-serie E5:	$ 92.220.000
	Sub-serie B9:	$218.200.000
	Sub-serie B12:	$ 89.580.000
Balance as of 31 December 2021:	$ 0	
Nominal value per bond:	$10,000	
Issue term:	Sub-series E5: 5 years	
	Sub-serie B9: 9 years	
	Sub-serie B12: 12 years	
Issue date:	2 July 2009 for all subseries	
Maturity date:	Sub-serie E5: 2 July 2014	
	Sub-serie B9: 2 July 2018	
	Sub-serie B12: 2 July2021	
Coupon rate:	Sub-serie E5: Tasa Fija 9,27% E.A.	
	Sub-serie B9: IPC + 5,90% E.A.	
	Sub-serie B12: IPC + 6,10% E.A.	

On 2 July 2014, $92,220,000 was paid upon maturity of the subseries E5 bonds.

On 2 July 2018, $218,200,000 was paid upon maturity of the subseries B9 bonds.

On July 2, 2021, the Sub-series B12 bonds were paid at maturity for $89,580,000.

(In thousands of pesos)

Fourth Tranche:

Total value placed:	$500.000.000 as follows:	
	Sub-serie B10:	$ 300.000.000
	Sub-serie B15:	$ 200.000.000
Costs of transaction as of 31 December 2021:	$157.996	
Balance as of 31 December 2021:	$449.842.004	
Nominal value per bond:	$10.000	
Issue term:	Sub-serie B10: 10 years	
	Sub-serie B15: 15 years	
Issue date:	13 December 2012	
Maturity date:	Sub-serie B10: 13 December 2022	
	Sub-serie B15: 13 December 2027	
Coupon rate:	Sub-serie B10: IPC + 3,52% E.A.	
	Sub-serie B15: IPC + 3,64% E.A.	

Fifth Tranche:

Total value placed:	$565.000.000, as follows:	
	Sub-serie B6:	$201.970.000
	Sub-serie B12:	$363.030.000
Costs of transaction as of 31 December 2021:	$140.286	
Balance as of 31 December 2021:	$362.889.714	
Nominal value per bond:	$10.000	
Issue term:	Sub-serie B6: 6 years	
	Sub-serie B12: 12 years	
Issue date:	11 September 2013	
Maturity date:	Sub-serie B6: 11 September 2019	
	Sub-serie B12: 11 September 2025	
Coupon rate:	Sub-serie B6: IPC + 4,25% E.A.	
	Sub-serie B12: IPC + 5,00% E.A.	

On 24 April 2020, the extraordinary payment of Sub-series B6 bonds was made for $ 51,050,000, and on 16 May 2020, a payment upon maturity of Sub-series B6-14 bonds was made for $ 188,520,000.

Sixth Tranche:

Total value placed:	$590.000.000 as follows:	
	Sub-serie B6:	$241.070.000
	Sub-serie B10:	$186.430.000
	Sub-serie B16:	$162.500.000
Costs of transaction as of 31 December 2021:	$185.780	
Balance as of 31 December 2021:	$348.774.220	
Nominal value per bond:	$10.000	
Issue term:	Sub-serie B6:6 years	
	Sub-serie B10: 10 years	
	Sub-serie B16: 16 years	
Issue date:	16 May 2014	
Maturity date:	Sub-serie B6: 16 May 2020	
	Sub-serie B10: 16 May 2024	
	Sub-serie B16: 16 May 2030	
Coupon rate:	Sub-serie B6: IPC + 3,42% E.A.	
	Sub-serie B10: IPC + 3,83% E.A.	
	Sub-serie B16: IPC + 4,15% E.A.	

On 11 September 2019, $201,970,000 was paid upon maturity of the subseries B6 bonds.

(In thousands of pesos)

Seventh Tranche:

Total value placed:	$525.000.000, as follows:	
	Sub-serie B3:	$234.870.000
	Sub-serie B7:	$290.130.000
Costs of transaction as of 31 December 2021:	$57.395	
Balance as of 31 December 2021:	$290.072.605	
Nominal value per bond:	$10.000	
Issue term:	Sub-serie B3: 3 years	
	Sub-serie B7: 7 years	
	11 February 2016	
Maturity date:	Sub-serie B3: 11 February 2019	
	Sub-serie B7: 11 February 2023	
Coupon rate:	Sub-serie B3: IPC + 3,49% E.A.	
	Sub-serie B7: IPC + 4,69% E.A.	

On 11 February 2019, $234,870,000 was paid upon maturity of the Sub-series B3 bonds.

Eighth Tranche (*):

Total value placed:	$300.000.000 as follows:	
	Sub-serie E6:	$300.000.000
Costs of transaction as of 31 December 2021:	$27.051	
Balance as of 31 December 2021:	$299.972.949	
Nominal value per bond:	$10.000	
Issue term:	Sub-serie E6:6 years	
Issue date:	27 September 2016	
Maturity date:	Sub-serie E6: 27 September 2022	
Coupon rate:	Sub-serie E6: 7,59% E.A.	

Global International Bonds in Pesos

On 20 January 2011, the Group placed its first bond issue in the international capital market for $ 736,760,000, within 10 years. The bonds issued by the Group are denominated in pesos and payable in dollars.

In accordance with to the Offering Memorandum, the Group paid the interest in 2019 at a final rate of 8.71%.

The operation is part of the financial structure of the El Quimbo hydroelectric project and allowed to obtain pre-financing resources from the project needs for 2011 and part of 2012 and to refinance other financial obligations.

Registration form	144 A/Reg S
Total value of the issue in pesos	$736,760,000
Transaction costs as of 31 December 2021	$ -
Balance as of 31 December 2021	$ -
Use of funds	Financing of new projects such as The Quimbo and refinancing of other finances, in addition to other general uses of the Group.
Nominal value	$5,000 each bond
Term	10 years, with amortization upon maturity.
Interest frequency	Annual
Day count	365/365
Issue Manager, payment agent, calculation and transfer agent	The Bank of New York Mellon
Yield	8.75% E.A.
International rating	BBB (stable) by Fitch Ratings and Standard & Poor's

On January 25, 2021, the payment for maturity of the 144 A/ Reg S foreign bonds was made for $736,760,000.

(In thousands of pesos)

The detail of the debt bond obligations as of 31 December 2021 is as follows:

Description	Rate EA	Current: Less than 90 days	Current: Over 90 days	Current: Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 10 years	Total non-current
Seventh Tranche Program B-7	8%	$ 3.964.626			$ 290.072.605	$ -	$ -	$ -	$ 290.072.605
Sixth Tranche Program B10	7%	2.099.202	-	2.099.202	-	186.351.264	-	-	186.351.264
Fifth Tranche Program B12	8%	2.095.772	-	2.095.772	-	-	362.889.714	-	362.889.714
Sixth Tranche Program B16	8%	1.893.450	-	1.893.450	-	-	-	162.392.956	162.392.956
Fourth Tranche Program B10	7%	1.343.700	299.953.359	301.297.059	-	-	-	-	-
Fourth Tranche Program B15	7%	908.000	-	908.000	-	-	-	199.888.645	199.888.645
Second Tranche Program B104-15	10%	862.637	-	862.637	-	55.500.000	-	-	55.500.000
Eighth Tranche Program E6	8%	300.900	299.972.949	300.273.849	-	-	-	-	-
Total bonds		**$ 13.468.287**	**$ 599.926.308**	**$ 613.394.595**	**$ 290.072.605**	**$ 241.851.264**	**$ 362.889.714**	**$ 362.281.601**	**$ 1.257.095.184**

The detail of the debt bond obligations as of 31 December 2020 is as follows:

Description	Rate EA	Current: Less than 90 days	Current: Over 90 days	Current: Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	Total non-current
Foreign bond Z58	9%	$ 701.841.030	$ -	$ 701.841.030	$ -	$ -	$ -	$ -	$ -	$ -
Foreign bond Z47	9%	97.664.810	-	97.664.810	-	-	-	-	-	-
Seventh Tranche Program B-7	8%	2.468.808	-	2.468.808	-	290.000.175	-	-	-	290.000.175
Third Tranche Program B105-12	10%	1.668.078	89.580.000	91.248.078	-	-	-	-	-	-
Fifth Tranche Program B12	8%	1.330.417	-	1.330.417	-	-	-	362.857.839	-	362.857.839
Sixth Tranche Program B10	7%	1.234.630	-	1.234.630	-	-	186.326.309	-	-	186.326.309
Sixth Tranche Program B16	8%	1.139.600	-	1.139.600	-	-	-	-	162.382.555	162.382.555
Fourth Tranche Program B10	7%	772.202	-	772.202	299.913.284	-	-	-	-	299.913.284
Second Tranche Program B104-15	10%	576.111	-	576.111	-	-	55.500.000	-	-	55.500.000
Fourth Tranche Program B15	7%	526.899	-	526.899	-	-	-	-	199.872.951	199.872.951
Eighth Tranche Program E6	8%	300.822	-	300.822	299.867.188	-	-	-	-	299.867.188
Total bonds		**$ 809.523.407**	**$ 89.580.000**	**$ 899.103.407**	**$ 599.780.472**	**$ 290.000.175**	**$ 241.826.309**	**$ 362.857.839**	**$ 362.255.506**	**$1.856.720.301**

(2) The lease movement as of December 2021 is presented below:

	Buildings	Fixed installations and others (Transportation)	Before IFRS16	TOTAL
Final balance as of December 2020	**$ 1.488.987**	**$ 6.192.055**	**$ 48.398**	**$ 7.729.440**
New contracts (a)	71.657.309	281.227	-	71.938.536
Advances Contract Q93 (b)	9.026.977	-	-	9.026.977
Amortizations and Reclassifications	(1.430.580)	(4.441.383)	(48.398)	(5.920.361)
Total movements 2021	**79.253.706**	**(4.160.156)**	**(48.398)**	**75.045.152**
Total lease liabilities IFRS 16	**$ 80.742.693**	**$ 2.031.899**	**$ -**	**$ 82.774.592**

The lease movement as of December 2020 is presented below:

	Buildings	Fixed installations and others (Transportation)	Before IFRS16	TOTAL
Final balance as of December 2019	**$ 4.978.349**	**$ 6.258.803**	**$ 313.173**	**$ 11.550.325**
New contracts (a)	-	2.421.917	-	2.421.917
Early termination of contracts (b)	(2.354.577)	-	-	(2.354.577)
Amortizations and Reclassifications	(1.134.785)	(2.488.665)	(264.775)	(3.888.225)
Total movements 2020	**(3.489.362)**	**(66.748)**	**(264.775)**	**(3.820.885)**
Total lease liabilities IFRS 16	**$ 1.488.987**	**$ 6.192.055**	**$ 48.398**	**$ 7.729.440**

The contract effective annual rates for 2021 ranged from 7.06% to 14.10% and for 2020 ranged from 5.72% to 14.08%.

a) The increase in Leasing obligations corresponds mainly to the acquisition of the Corporate Building Q93 for $101,500,000, contract No. 266574 signed with Bancolombia S.A. on May 24, 2021, with a variable rate IBR N.A.M.V.+1.56 points, with a duration of 120 months, which will begin amortization in February 2022, date on which the entire building will be received, with a purchase option of 30%.

(In thousands of pesos)

Floors 2, 3, 4, 4, 5, 6 and parking lots received in August, September and November, respectively, and the advance payment made by the bank to third parties on behalf of Emgesa have been recognized, as follows:

- Detail of leasing liabilities:

ITEM		VALUE
Recognition floor 6	$	13.142.201
Recognition floor 5		14.377.332
Recognition floors 2, 3, 4 and parking		44.137.777
Advance		9.026.977
Total liabilities	**$**	**80.684.287**

b) Detail of the advance payment made by Bancolombia S.A. on behalf of Emgesa:

ITEM		VALUE
Initial advance payment	$	18.746.978
Recognition floor 6		(3.942.660)
Recognition floor 5		(1.437.733)
Recognition floors 2, 3, 4 and parking		(4.339.608)
Advance payment balance	**$**	**9.026.977**

In 2021, the most significant contract for buildings is with Bancolombia S.A. for $101,500,000 and for means of transportation, managerial vehicles is with ADL Automotive for $281,227 for leasing.

The amounts recognized in the consolidated income statement as of 31 December 2021 and 2020 are as follows:

		As of 31 December 2020		As of 31 December 2019
Lease payments	$	(5.971.113)	$	(6.232.357)
Interest on lease liabilities		(359.381)		(863.287)
Amounts recognized in cash flow		**(6.330.494)**		**(7.095.644)**
Total cash flows from leases	**$**	**(6.330.494)**	**$**	**(7.095.644)**

(3) As of 31 December 2021, the main variation corresponds to the constitution of four (4) cash flow hedging derivatives with passive valuation for $41,864 corresponding to CERE hedges.

The breakdown is as follows:

Derivative	Underlying	Bank	Risk factor	Notional Asset	Currency	Fixed Rate		MTM
Forward	FX hedging Payment CERE January 2022	B_DEBOGOTA_CO	Exchange rate	1.900.000	USD	3.988,27	$	(35.593)
Forward	FX hedging Payment CERE February 2022	COLPATRIA_CO	Exchange rate	300.000	USD	3.979,80		(2.818)
Forward	FX hedging Payment CERE March 2022	COLPATRIA_CO	Exchange rate	300.000	USD	3.979,80		(1.992)
Forward	FX hedging Payment CERE May 2022	COLPATRIA_CO	Exchange rate	900.000	USD	3.979,80		(1.461)
	Total valuation						**$**	**(41.864)**

As of 31 December 2021 and 2020, the Group has no net investment hedges abroad.

(In thousands of pesos)

(4) On 19 January 2021 two bank loans were requested with Banco de Bogotá for $200,000,000 at a rate of 2.75% and with Banco BBVA for $100,000,000 at a rate of 2.9% with a term of 6 years for the payment of an international bond and on May 19 a bank loan was requested with Bancolombia S.A. for $350,000,000 at a rate of 1.92%. 92% for general corporate purposes, which matured on December 23, 2021 and $100,000,000 of own resources were paid and a rollover was requested for $200,000,000 with the same entity at a rate of 4.34% with a term of 6 years; in November a loan was requested with Bancolombia S.A. for $150,000,000 at a rate of 4.02% with a term of 6 years for working capital.

As of 31 December 2021, the Group has $4,092,851,523 in unused authorized credit lines, jointly with Codensa S.A. E.S.P. and re-assignable between the two Companies, for which, if required, the financial entities will update the conditions for their approval and disbursement.

In addition, and as part of its financing strategy, the Group subscribed on April 15, 2021, a committed credit line for USD$42,000,000 with Bank of Nova Scotia, with one (1) year of availability of resources for its disbursement.

Furthermore, an intercompany credit line has been approved with Codensa S.A. E.S.P. for USD$100,000,000 for general purposes.

As of 31 December 2021, there are no guarantees in bank loans.

14. Commercial accounts payable and other payables

		As of 31 December 2021		As of 31 December 2020
Accounts payable for goods and services (1)	$	154.844.539	$	183.285.905
Suppliers for purchase of energy and gas (2)		103.631.495		86.017.010
Other accounts payable (3)		41.713.090		45.734.395
Total commercial accounts payable and other payables	**$**	**300.189.124**	**$**	**315.037.310**

(1) The variation on 31 December 2021 corresponds mainly to the recognition of obligations for the acquisition of energy, goods and services with the following suppliers: Essi S.A.S. Ltda. for $12,210,364, Estyma Estudios y Manejos S.A. for $8,074,110, Voith Hydro Ltda. Sucursal Colombia for $7,399,492, Ethos Energy INC for $5,751,578, Seguridad Atlas LTDA. for $5,396,890, ATXK Construcción de Interiores for $5,137,297, Consorcio de Obras Civiles S.A.S. for $4,567. 573, Superintendencia de Servicios Públicos Domiciliarios for $4,113,886, Proytec S.A.S. for $3,980,609, Ingeniería y Construcción Sigdo for $3,577,164, Reconstructora General de Motores for $3. 255,569, Bihao Sociedad por Acciones for $3,200,985, Maquinas Amarillas for $3,025,806, IPC Ingeniería Perez for $2,932,480, NSL Construcciones for $2,820,611, Manpower de Colombia for $2. 794,214, Hidráulica y Neumáticos for $2,711,442, NTT Data for $2,582,190, Ethos Energy Poland for $2,567,875, K2 Ingeniería S.A.S for $2,118,769, Fundación Natura for $2,068,588.

Transfer Citibank factoring for ($70,445,281), Bancolombia S.A. for ($17,861,736) and other payments and transfers for $16,441,969.

Additionally, there was a decrease due to the payment with the following suppliers for the rendering of goods and services: GE Energías Renovables for ($14.818.035), Fondo de Inversión Colectiva FONVAL for ($8.310.170), Masseq Proyectos e Ingeniería S.A.S. for ($7.417. 909), Generadores Mexicanos S.A. for ($2,884,291), Schneider Electric for ($2,788,868), Inemec S.A.S. for ($2,478,074), ABB Power Grids for $($2,429,835), Fincimec Colombia for ($1,931,646), Soil Protection S.A.S. for ($1,822,307), Consorcio SK-HL Term for ($1,706,655).

(2) The variation as of 31 December 2021 corresponds to the increase in the estimate for variable margin liabilities associated with the costs of power generation for $15,448,126 and gas sales of $2,166,359.

(3) The variation as of December 31, 2021 corresponds to the payment of other accounts payable with various creditors for ($3,809,794) and accounts payable of Sociedad Portuaria, mainly derived from dock maintenance and others for ($211,511).

(In thousands of pesos)

15. Provisions

	As of 31 December 2021		As of 31 December 2020	
	Current	Non-current	Current	Non-current
Other provisions	**$ 78.388.036**	**$ 207.368.138**	**$ 98.514.451**	**$ 201.247.740**
Quimbo Restoration Plan (1)	35.235.548	40.069.485	47.455.220	93.610.265
Environmental and works Quimbo (1)	27.290.670	41.522.743	21.744.622	60.646.317
Provision for tax uncertainty (2)	7.520.768	-	24.637.308	-
Environmental Provision Bogotá River (3)	4.643.898	19.968.264	238.275	25.905.456
Transition Fund Provision (4)	2.596.441	4.053.501	2.107.734	5.467.892
CAR Compensation Plan (5)	1.100.711	91.125.718	2.331.292	15.617.810
Provision for Tominé Recovery (6)	-	10.628.427	-	-
Provision for legal claims (7)	**101.340**	**10.893.813**	**353.789**	**9.065.950**
Civil and others	101.340	9.515.972	213.789	8.273.403
Labor	-	1.377.841	140.000	792.547
Dismantling (8)	**-**	**958.961**	**663.618**	**1.738.406**
Others	**659.572**	**30.088.547**	**36.128**	**-**
Total Provisions	**$ 79.148.948**	**$ 249.309.459**	**$ 99.567.986**	**$ 212.052.096**

(1) The provision of El Quimbo Hydroelectric Power Plant is constituted by: i) Environmental and works Quimbo, which corresponds mainly to obligations for replacement of infrastructure, settlement of contracts associated with executed works and minor works necessary for the operation of the plant, executed within the work schedule proposed by the project from 2017 to 2021; ii) Restoration Plan, includes the works necessary to mitigate the environmental impact at the time of filling the reservoir and that involves estimated execution flows in 30 years. The main activities of this obligation include the restoration of forests, maintenance of the protection strip and the reservoir, development of the fish and fishery program and wildlife, flora, climate and landscape monitoring programs.

The rate used to discount the flows from the environmental provision and Quimbo works and the Quimbo restoration plan as of December 2021 is 8.37% and 5.92% EA and as of December 2020 is 6.08% and 3.80% EA, respectively.

Impregilo Consortium Claim

During 2015, the Impregilo OHL Consortium submitted to the Group a series of claims and exchange order notes (Noc's) due to the works carried out under agreement CEQ-21 civil works main Hydroelectric project El Quimbo.

In ordinary board meeting No. 436 held on 19 October 2016, technical and legal analyses of the agreement entered into between the Group and Impregilo Consortium were carried out as a result of the previous negotiation tables held between September 2015 and March 2016. The Group, in order to avoid a future arbitration process, decided to close the negotiation with the contractor during the last quarter of 2016. The contractor's initial claim amounted to $224,560,000 pesos between claims and exchange order notes as a result of the agreement reached for $57,459,000 pesos plus $2,800,000 for the contract closing act, and a readjustment to claims for $14,541,000 pesos, for a total of $74,800,000 pesos, these values were authorized by the Group to be included in agreement CEQ 021 through addendum 17 signed in January 2017.

In November 2016, the Group, as part of the analysis of the activities included in the provision constituted to ensure the fulfilment of the obligations derived from the construction of the Plant, made recoveries for activities that were considered unnecessary and including the readjustments to the contract prices agreed by the board of directors and formalized in addendum 17, which was signed and paid during the first quarter of 2017.

This contract is currently in the settlement stage, once the term of protection, quality and stability of the works is fulfilled.

The Group filed a claim against the contractor and to the Company AXA Colpatria Seguros S.A., because it considers that some events that affect the quality of the works of the dam are the responsibility of the Group. AXA Colpatria rejected the claim for quality assurance and stability of the works.

The Group filed a reply to the Insurer, the notice was filed on Friday, 4 May 2018. On 8 June 2018, a response was received from AXA Colpatria stating that the claim was challenged, but that, nevertheless, once the liability of the insured and the damage are proved it would proceed to review the claim. As of 31 December 2019, there are no additional changes in the claim.

The lawsuit was filed on 29 May 2020, before the Arbitration Centre of the Bogotá Chamber of Commerce (Centro de Arbitraje de la Cámara de Comercio de Bogotá), against the Impregilo-OHL Consortium (CIO) and Axa Colpatria Seguros S.A. The claims in the lawsuit total $99,201,254. Once the claim was filed, the Arbitration Centre notified the parties on 2 June 2020.

Currently the process is in the stage called integration of the litigation. In turn, the Impregilo-OHL Consortium filed a Counterclaim for $ 3,712,037.

The arbitration process has continued in the terms indicated above, we are still in the stage of integration of the litigation. The counterclaim filed by the Impregilo-OHL Consortium was answered by the Group on 4 December 2020, rejecting the collection of the monies indicated therein.

On 5 February 2021, the Group filed an amendment to the arbitration claim, which was admitted on 4 March 2021 by order of 15 February.

Currently, the process is in terms for the defendants to pronounce on the amendment of the claim filed by the Group.

On 5 February 2021, the Group filed an amendment to the arbitration claim, which was admitted by order dated 15 February 2021 and 4 March 2021, which confirmed the previous order.

Currently the process is in terms for the defendants to pronounce on the amendment of the claim filed by the Group.

The summoned Consorcio Impregilo OHL and Axa Colpatria Seguros, pronounced within the term of law on the amendments of Emgesa's claim, opposing the claims and objecting to the oath estimating damages, it is pending that we are notified of such defenses and that the Court convenes the hearing to set fees.

Previously the date of 19 July had been set for the hearing to set fees, pro-forma. The Court modified said date, finally setting 29 October 2021 as the date for the hearing to set fees.

On 7 December 2021, the hearing to fix costs and fees was held. Dr. Arturo Solarte makes a revelation that he has been appointed as arbitrator in a process in which Dr. Ricardo Vélez, partner of Dr. Armando Gutiérrez, is also an arbitrator, for which reason the parties are notified for a period of 5 days so that, if they wish, they may formulate a request for relief

Order No. 37 is notified, in which it is resolved, among other things, to establish the arbitration expenses and fees to be paid by the parties, and to set 26 January 2022 as the date for the first hearing.

At the hearing on 26 January, the Court, prior to ordering the evidence requested by the parties, imposed a series of requirements to be met within a term of 10 working days to Emgesa, indicating that it had to specify the priority and importance of the witnesses summoned. The hearing was suspended until 22 February 2022.

Provision Environmental Investment Program 1%

In accordance with Resolution 0899 of May 15, 2009, whereby the National Authority of Environmental Licenses (ANLA) granted an environmental license for the Hydroelectric Project El Quimbo, the Group as of 31 December 2018 has registered as part of the total provisioned $21.709.078 corresponding to the 1% investment program presented under the license, for the use of the surface water resource of the Magdalena River source, in accordance with the provisions of the paragraph of article 43 of the Act 99/1993, as regulated by Decree 1900 of 12 September 2006.

On 31 August 2016, a partial liquidation for $ 9,702,000 was made and presented to ANLA for its review and approval with a cut-off as of 30 September 2016, which will be reliquidated once the final cost of the project is determined in accordance with paragraph 2 of article 4 of Decree 1900 of 2006. As of 31 March 2019, no statements had been received from the National Environmental Licensing Authority-ANLA.

On 25 November 2019, the 1% liquidation of the Investment Plan as of 30 June 2019 was submitted for review and approval of ANLA. Through communication No. 2020054654-2-000 of 8 April 2020, ANLA requested additional information related to the acceptance of the incremental percentage contemplated in Art. 321 of the National Development Plan.

(In thousands of pesos)

In response to the requirement, we proposed to ANLA that the resources pending execution be distributed in two programs specifically:

1. Acquisition of land and/or improvements in paramo areas, cloud forests and areas of influence of springs, groundwater recharges, river springs and water rounds.
2. Interceptors and wastewater treatment systems

On the other hand, on 18 December 2020, at an oral hearing, the ANLA promptly required:

"Present the base investments for the liquidation of the forced investment of no less than 1% executed in the year 2019, including the activities of Resolution 938 of 16 June 2018, whereby Resolution 899 of 19 May 2009 was amended, in accordance with the provisions of article 321 of Act 1955 of 25 May 2019."

This requires the Group to know the value of the settlement of the CEQ-21 contract, because from this figure additional values will be obtained that must be reported as the basis for the settlement of the 1% investment plan.

In turn, the Office of the Comptroller General of the Republic, in an audit carried out, determined 2 administrative findings on the 1% Investment Plan, indicating that there is "uncertainty in the amounts to be executed to comply with the forced investment obligation of no less than 1%." In addition, it determined that "not incorporating real values into the investment plan and the investment schedule of this obligation, with substantive declarations by the environmental authority, causes the executions to be extended over time, postponing the perceived well-being."

Given the above, the Group continues with the review of the technical opinion issued by the environmental authority and the control entity (ANLA), to issue an official response on the base settlement amount and the status of implementation of the projects already approved by the national authority.

On 24 February 2021, the Group filed with the ANLA the response to the reiterative requirements associated with the 1% investment, established by oral record 540 of 18 December 2020. To date there has been no response from the environmental authority.

Article 321 of Law 1955 of 25 May 2019 (National Development Plan), establishes the opportunity to take advantage of an increase in the 1% investment obligation in accordance with the date of issuance of the Environmental License, for companies that must comply with it and have a pending budget to invest.

The Group considered pertinent to request the application of Art. 321 /Law 1955 of 2019 and last 25 November 2019, filed all the documents requested in said article for the liquidation and increase of the value of the 1% obligation. On 8 March 2021, the ANLA by Resolution 0462 approved the request for acceptance, and informed that the updated value of the 1% Investment Plan of the El Quimbo Power Plant is $15,989,664 of this value, the ANLA has not yet approved or discounted from the total budget, the investments that are currently being executed. In this sense, it considers $0 as executed value and classifies as "in execution" the value of $2,859,000 corresponding to the land purchase and PTARD construction projects that are currently in progress.

The difference between the total updated value of the 1% plan and the value in execution is considered by the ANLA as "value to be executed", which amounts to $13,130,664.

Balance of forced investment of not less than 1%.

Liquidation of compulsory investment of not less than 1% updated (Article 321)	$	15.989.664
Value in execution of the forced investment of not less than 1%.		(2.859.000)
Value of forced investment of not less than 1% to be executed Updated.	**$**	**13.130.664**

On 24 February 2021, the Group filed with the ANLA the response to the reiterative requirements associated with the 1% investment, established by oral record 540 of December 18, 2020. To date there has been no response from the environmental authority.

By means of Auto 01481 of 17 March 2021, the ANLA ordered the initiation of the sanctioning procedure for alleged non-compliance with respect to the land acquisition program of the 1% investment. The Group, for its part, will present the termination of the procedure.

Based on the update of the liquidated value of the 1% Investment Plan, which increased by $5,759,747, the Group will proceed to make the respective agreement with the CAM for the distribution of the additional resources in the 18 municipalities or comply with the guidelines determined by said Authority.

In turn, this process with the CAM must include the value settled of 1% for the additional works carried out for the construction of the filtration measurement system, the base value of which is $23,866,318, certified by the Group's tax auditor.

On the other hand, taking into account that the current liquidated value of the 1% Plan is still partial, the Group is making progress in the management of the certification by the statutory auditor of the values pending to be reported to the Environmental Authority.

On 16 December 2021, the Corporación Autónoma Regional del Alto Magdalena-CAM through communication with file number 2021102020279531, approved that the increase of the 1% Plan budget for the amount of $5,998,410,444.51 as well as the amount initially assigned to the municipality of La Argentina ($296. 320,678) be allocated to the investment line "Acquisition of land and/or improvements in páramo zones, cloud forests and areas of influence of springs and recharge of aquifers, river beds and water courses".

Additionally, the CAM requested compliance with the following requirements for the lands to be acquired through the aforementioned line of investment:

1. That they be lands of more than 50 hectares.
2. That the properties are located within the conservation zones in more than 50% of their total area.
3. That the acquisition of the land is made in compliance with each of the lines of investment described in Article Two of Resolution 00462 of 2021.

On the other hand, the ANLA, in relation to the commitments acquired in the technical-legal round table held on 7 May 2021, by means of Resolution 2398 of 2021, confirmed that Emgesa must advance the pertinent management before the IGAC to clean up the properties in relation to the concordance of the areas in the Registry Office (certificate of freedom and tradition) and Cadastre (IGAC).

With regard to the Environmental Promoters Training Program, the ANLA determined the following:

For this program, the Company in ICA No. 24, mentions that:

"In the technical-legal table held last 7 May 2021 between the Corporación Autónoma Regional del Alto Magdalena - CAM the ANLA and Emgesa, the ANLA committed to define which inputs of the costs required for the execution of the program may be imputed to the 1% Investment Plan. To date, Emgesa has not received a response. Meeting minutes are attached.

(See: ICA 24 "Source: Annex 4_Others: Annex 4_3_6_Investment_1% Annex 1. Meeting Minutes."

Regarding eligible and ineligible costs in the Line of Training of environmental promoters, direct costs duly supported technically and financially by means of: (Contract, agreement, invoice, proof of expenditure, or equivalent document) are eligible; as long as these contribute to the Preservation, conservation and surveillance of the affected watershed in accordance with the provisions of paragraph of Article 43 of Law 99 of 1993.

Regarding Indirect costs such as (Transportation of the participants, refreshments, identification kits, ID cards and supports for the completion of the diploma process) these will be eligible under the obligation of the Forced Investment of no less than 1%, with the respective justification that accredits the need for them in the development of the contract entered into, they must also be supported technically and financially.

In accordance with the above, through internal memorandum 2021196452-3-000 dated 13 September 2021, the Legal Advisory Office - OAJ of the National Authority issued a pronouncement regarding the consultation on compensation of the *biotic component and forced investment of not less than 1%, made by the Colombian Chamber of Infrastructure (CCI), the National Association of Public Utilities and Communications Companies of Colombia (ANDESCO), the Colombian Petroleum Association (ACP) and the Colombian Association of Electric Power Generators (ACOLGEN)."*

Based on the above, Emgesa will inform the CAM that it will continue with the land purchase activity in accordance with the guidelines established by both the ANLA and the CAM; however, we highlight the time difficulties that will bring for the execution of the 1% plan the management to be carried out before the IGAC with respect to the concordance that must exist between the areas of the land titles, the certificate of freedom and tradition (Registry) and Cadastre.

On the other hand, and taking into account the clarifications made by the ANLA in relation to the Environmental Promotion Program, the information provided for the execution of said program will be evaluated.

(2) As of 1 January 2020, EMGESA S.A. ESP applies IFRIC 23, "Uncertainty over Income Tax Treatments", which is taken into account for the determination of both current income tax and deferred income tax. This interpretation defines "uncertainty over income tax treatment" as the position adopted by an entity regarding the determination of income tax, with respect to which it is probable that the Tax Authority will not accept said position, whether or not the Tax Authority had validated in the past.

In applying this interpretation, the Group has been reviewing the contracts signed with foreign entities and the fulfilment of requirements that must be taken into consideration. Therefore, as of March 2021, management reviewed the foreign contracts on which this provision was made and decided to adjust it by $19,837,986; in June 2021 the portion of interest associated with this concept was adjusted by $410,878, in September 2021 by $709,937 for this same concept, and in December 2021 it was adjusted by $1,600,631, which includes penalties, interest and tax on identified contracts, leaving a balance of $7,520,768.

(3) As of 31 December 2021, a provision was created derived from the environmental obligations associated with the construction of waste treatment plants, offensive odor reduction plan and environmental management plan for the operation of the muña reservoir, in order to mitigate the environmental impacts generated for the municipality of Sibaté and its coast. The Group plans to execute the works established in the obligation by 2038; therefore, long-term cash flows were discounted at a rate of 8.38% EA.

(4) Recognition of the Transition Fund provision, the purpose of which is the efficiency of the workforce in line with the investment plan in digitalization and automation of the Enel Group worldwide in the different areas and business lines of the Group. This involves identifying efficiencies in order to replace profiles and to have the necessary economic resources as part of the aforementioned strategy, which will leverage the achievement of the objectives defined by the Group. The value of the variation of the provision was ($925,684) which will be distributed between 2021 and 2025, with a discount rate of 5.93% for 2023, 5.98% for 2024 and 6.03% for 2025 in long-term flows.

(5) CAR Compensation Plan: As of 31 December 2021, the value recognized as a provision for the compensation plan imposed by the Regional Autonomous Corporation of Cundinamarca (CAR), corresponds to the environmental obligation established by the Group in the Resolution 2984 of 9 October 2017, executed on 10 April 2018. The obligation consists in the preparation and execution of a Compensation Plan associated with the Bogotá River water concession, which should be prepared in accordance with the alternatives defined by the Corporation.

On 13 July 2020, the Group was notified via email of DGEN Resolution No. 20207100872 of 10 July 2020, issued by the Regional Autonomous Corporation of Cundinamarca "Whereby an Environmental Compensation Plan is established and other determinations are made." This resolution orders a Compensation Plan for a value of $ 96,680,772.

On 28 July 2020, the group filed an appeal for reversal of Resolution DGEN No. 20207100872 of 10 July 2020 issued by the Regional Autonomous Corporation of Cundinamarca. Subsequently, through Resolution DGEN No. 20217000244 of June 16, 2021, which resolves the appeal and Resolution DGEN No. 20207100872 of 10 July 2020 becomes final, the decision is taken under the legal and juridical strategy to file a lawsuit for annulment and reestablishment of rights, which was filed before the Administrative Court of Cundinamarca on 25 November.

In accordance with the above and taking into account that although EMGESA sued CAR Resolution No. 20207100872 of 2020, seeking its annulment, until there is a definitive ruling within the judicial process, EMGESA must comply with the provisions of the aforementioned administrative act, that is, develop the actions contemplated in the programs defined by the CAR for an approximate value of $96,000,000 whose execution must be distributed over the time of the concession, that is, until the year 2038".

(In thousands of pesos)

(6) Corresponds to the amounts committed by Emgesa under the Management, Operation and Maintenance Agreement for the Tominé Reservoir signed with Grupo de Energía de Bogotá in 2013, with a term of 10 years.

(7) As of 31 December 2021, the value of claims in claims against the Group for administrative, civil, labor and constitutional litigation amount to $3,043,888,752 based on the assessment of the probability of success in the defense of these cases, $3,660,931 has been provisioned including the financial restatement to cover probable losses for these contingencies. Management estimates that the results of the lawsuits corresponding to the unprovisioned portion will be favorable to the Group's interests and would not cause significant liabilities to be recorded or, if they were to result, they would not significantly affect the Group's financial position. Additionally, penalties of $3,020,712 have been provisioned for the El Quimbo Hydroelectric Power Plant, which are detailed in Note 32 Penalties.

On the other hand, the success premiums for $4,313,510, which will be paid when the attorney has a ruling in favor of the Group in the agreed processes.

As of 31 December 2021, the value of claims for administrative, civil, labor and contractor litigation is detailed as follows:

Processes	Classification	No. of Processes	No. of processes	Valor de la Contingencia	Valor de la provisión
(undetermined amount)	Contingency Value	Provision value	-	$ 120.000	$ -
	Probable	4	-	3.008.687	879.431
Total floods A97		**5**	**-**	**3.128.687**	**879.431**
Floods D97	Possible	9	-	6.197.067	(726)
	Probable	1	1	88.000	-
Total floods D97		**10**	**1**	**6.285.067**	**(726)**
Labor	Possible	29	6	2.086.964	-
	Probable	5	1	2.589.593	1.413.881
	Remote	3	-	7.041.000	-
Total -Labor		**37**	**7**	**11.717.557**	**1.413.881**
Others	Possible	32	19	51.113.496	-
	Probable	2	8	149.400	4.134
	Remote	15	-	2.347.560.572	-
Total Others		**49**	**27**	**2.398.823.468**	**4.134**
	Possible	175	11	617.256.232	
Quimbo	Probable	1	-	5.377.741	1.364.211
	Remote	3	1	1.300.000	-
Total Quimbo		**179**	**12**	**623.933.973**	**1.364.211**
Total		**280**	**47**	**$ 3.043.888.752**	**$ 3.660.931**

Item	Provision value as of 2021
Success premiums	$ 4.313.510
Sanctions	3.660.931
Litigation provision	3.020.712
	$ 10.995.153

(a) The value of the contingency corresponds to the amount by which, according to the experience of lawyers, it is the best estimate to pay if the judgment were against the Group. The provision is determined by lawyers as the amount of loss in the event that the judgment may be probable; The processes classified as probable are provisioned at one hundred per cent of the actual value of the contingency.

(*) The processes corresponding to floods before 1997 are recognized to the Group by the Ministry of Finance and Public Credit. (See Note 6).

(8) As of 31 December 2021, the provision for the dismantling of electromechanical equipment in El Quimbo originates from the variation in the interest rate used to discount future cash flows, NPV of $108,486, the rate used as of December 2021 is 8.73% EA and as of December 2020 is 7.33% EA.

(In thousands of pesos)

The movement of provisions as of 31 December 2021 and 2020 is as follows:

	Provision of legal claims	Dismantling, restoration and reactivation costs	Provision for tax uncertainty	Total
Opening balance 1 January 2020	**$ 9.532.489**	**$ 240.260.707**	**$ -**	**$ 249.793.196**
Increase in existing provisions	1.518.319	37.118.051	48.498.997	87.135.367
Provision used	(566.189)	(17.312.781)	(23.861.689)	(41.740.659)
Financial effect update	(25.690)	15.827.211	-	15.801.521
Recoveries	(1.039.190)	-	-	(1.039.190)
Other increase	-	1.669.847	-	1.669.847
Total movements in provisions	**(112.750)**	**37.302.328**	**24.637.308**	**61.826.886**
Closing balance as of 31 December 2020	**$ 9.419.739**	**$ 277.563.035**	**$ 24.637.308**	**$ 311.620.082**
Increase in existing provisions	1.997.545	87.671.382	1.120.815	90.789.742
Provision used	(162.912)	(43.541.091)	-	(43.704.003)
Reversal of provisions	-	-	(18.237.355)	(18.237.355)
Financial effect update	(123.434)	(1.971.872)	-	(2.095.306)
Recoveries	(135.785)	-	-	(135.785)
Other decrease	-	(9.778.968)	-	(9.778.968)
Total movements in provisions	**1.575.414**	**32.379.451**	**(17.116.540)**	**16.838.325**
Closing balance as of 31 December 2021	**$ 10.995.153**	**$ 309.942.486**	**$ 7.520.768**	**$ 328.458.407**

Detail of the Group's main legal processes classified as probable of 31 December 2021:

PLAINTIFF	YEAR FILED	CLAIM VALUE (According to Lawsuit)	PURPOSE OF THE CLAIM	CURRENT STATUS OF THE PROCESS
Yohana Farley Rodríguez Berrio	2014	$ 300.000	Compensation for damages for employee death	Pending admission of the cassation appeal.
Pastor Aroca Ibarra	2013	$ 88.000	Ordinary Non-contractual Civil Liability for events of 2011	Pending recognition when the Court delivers the copy of the ruling.
Orlando Rojas Cleves	2017	$ 445.222	Ineffectiveness of the dismissal, for a worker in a situation of manifest weakness, compensation law 361 of 1997; Employer liability.	An appeal was filed against the first instance judgment, and the case is pending before the Court.
Luz Nelly Olarte y Otros (94) Accumulated with: 2004-00057 Luis Ernesto Trujillo Portela (94) 2004-00056 Luís Alberto Ibarra (94) 2005-00065 Edgar Zambrano (94) 2005-00081 Juan Aroca (94) 2005-00014 Álvaro Vega Cedeño y otros (94) 2005-00088 Alfonso Rodríguez (94) 2006-00091 Ángel Antonio Díaz Leyton y Otros (94) 2005-00027 Ana Myriam Rodríguez y otros (94) 2005-00059 Alirio Trilleras (94)		$ 2.953.180	Ordinary Non-contractual Civil Liability for events of 1994	The cassation appeal was denied and is currently in the process of digitalization to be sent to the office and proceed with the payment.
Luís Ferney Yara (94)	2009	$ 18.720	Ordinario de responsabilidad Civil Extracontractual por hechos de 1.994.	Pending recognition when the Court delivers the copy of the ruling
Libardo Chico	2008	$ 30.650	Ordinario de responsabilidad Civil Extracontractual por hechos de 1.994.	Pending recognition when the Court delivers the copy of the ruling
Ever Andres Useche	2020	$ 149.000	Ordinary Non-contractual Civil Liability for events of 2011.	Pending appeal against the order that liquidated the sentence.
Uber Roldan Cortes and others	2016	$ 5.377.741	The plaintiffs request a conviction against the entities listed in the complaint and the protection of the collective rights and interests for the reduction of water flows due to the production of biomass that generated the decomposition and environmental damage that occurred during the filling and operation stages of the El Quimbo hydroelectric power plant and for the quality of the water down the Magdalena River.	On appeal at the Council of State.

(In thousands of pesos)

PLAINTIFF	YEAR FILED	CLAIM VALUE (According to Lawsuit)	PURPOSE OF THE CLAIM	CURRENT STATUS OF THE PROCESS
German Claros Valenzuela	2016	$ 44.370	Declaration of ineffectiveness of dismissal and employer's fault in work accident - solidarity.	In the Court of Neiva pending judgment.
Carlos Alberto Amador and others	2017	$ 1.800.000	Solidarity.	Extraordinary appeal of cassation was filed against the ruling of the court. Pending to be admitted and passed to the Court.
Orlando Rojas Cleves	2017	$ 445.222	Ineffectiveness of dismissal, due to worker in a situation of manifest weakness, indemnity Act 361 of 1997, employer's fault.	An appeal was filed against the first instance ruling, pending to reach the Court.

The Group faces litigations classified as likely or eventual, for which Management, with the support of its external and internal legal counsel, has estimated that the outcome of the lawsuits corresponding to the non-provisioned part will be favorable to the Group and will cause no significant liabilities that must be accounted for or that, if materialized, will not significantly affect their financial position.

From 31 December 2020 to 31 December 2021, eventual processes varied by $ 420,464,798 mainly due to:

Type of Process	Plaintiff	Purpose of the Claim	Value	Date	Mes
Others	Consorcio Impregilo-OHL Y AXA Colpatria Seguros	Counterclaim in arbitration proceedings	3.712.037	Admission	abr-21
Others	AES CHIVOR & CIA SCA ESP	Nullity and reinstatement action	3.600.000	Admission	dic-21
Emgesa-Floods A97	Alfonso Rodríguez Yara	Ordinary non-ontractual civil liability action for events of 1989.	1.078.000	Ruling update	dic-21
Others	AXIA ENERGIA SAS ESP	To issue a writ of payment in favor of the company	968.142	Admission	dic-21
Labor	Edwin Fernando Vivas	reinstatement	352.016	Favorable conclusion	dic-21
Labol	Gustavo Javier Gómez	Declare ineffective certificate numeral 8	200.000	Admission	dic-21
Quimbo	"Derly Andrea Lasso Torres and others	Compensation for damages to the receiving population.	25.000	Admission	dic-21
Others	"Medardo Martínez Chiquito and others	Floods in the Municipality of La Dorada, Caldas.	5.000	Admission	dic-21
Others	Personería de Gachala	Collective action	2.083	Admission	abr-21
Labor	Rodrigo Rivera Narvaez	Solidarity for dismissal associated to work accident.	(20.000)	Favorable conclusion	feb-21
Labor	Leandro Antonio Herrera	reinstatement / existence of contract	(20.000)	Favorable conclusion	feb-21
Quimbo	Nancy Falla	Damages	(25.000)	Favorable conclusion	feb-21
Quimbo	Jho Edinson Chaux Betancourt	Damages	(40.468)	Favorable conclusion	oct-21
Labor	Cesar Alvarado Sanchez	re-settlement of pension allowance	(70.000)	Favorable conclusion	feb-21
Quimbo	Jose Octavio Cabrera Almario	Compensation as non-resident population	(73.262)	Favorable conclusion	jul-21
Quimbo	Martin Emilio Aguilar Delgado and Avelino Aguilar	Compensation as non-resident population	(148.206)	Favorable conclusion	jul-21
Others	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	(149.000)	Ruling modification	ago-21
Others	Alquileres y Constructores Aderco LTDA	Claim for theft of machinery from Emgesa's subcontractor.	(195.490)	Favorable conclusion	ago-21
Quimbo	Donelia Vargas Diaz	Moral and material damages	(209.321)	Favorable conclusion	dic-21
Quimbo	Jesús Alberto Lopez Bedoya	Compensation for damages on the Magdalena River and the Magdalena Reservoir.	(223.398)	Favorable conclusion	feb-21
Emgesa-Floods A97	Alfonso Rodríguez (89)	Ordinary non-contractual civil liability for events of 1989.	(1.600.893)	Ruling modification	dic-21

(In thousands of pesos)

Type of Process	Plaintiff	Purpose of the Claim	Value	Date	Mes
Quimbo	Fanol Bermeo Bermeo y Otros	Damages caused to shovelers	(10.400.000)	Favorable conclusion	jul-21
Emgesa-civil	Grupo Energía De Bogotá S.A. E.S.P.	Nullity of the Minutes of the General Meetingl	(417.232.038)	Favorable conclusion	sep-21

The Group does not have any provisioned tax litigations classified as probable as of 31 December 2021.

The movement of the provision of legal claims in 2021 corresponds mainly to:

a) Endowment:

Type of Process	Plaintiff	Purpose of the Claim	Value	Date
Const_Collective Action	Uber Roldan Cortes & Others	The protection of collective rights and interests	1.400.000	ene-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and tort liability for events of 2011.	70.000	feb-21
Civil_Ordinary	Luz Mary Cardenas Velandia and others	Protection of collective rights of inhabitants of the residential complex Club Puerto Peñalisa.	28.560	nov-21
Const_Public_Interest	Medardo Martínez Chiquito	Floods in the Municipality of La Dorada Caldas.	4.000	sep-21
Const_Public_Interest	Personería de Gachala	Public interest claim filed by the Spokesperson of Gachalá	2.083	ene-21
Civil_ Ordinary	Luís ferney Yara (94)	Ordinary and tort liability for events of 1994.	2.000	feb-21
Labor_Ordinary	Dagnober Loaiza Echeverry	Termination of employment contract of the defendant, protected by the legal guarantee of union privilege.	2.000	sep-21
Const_Public_Interest	Medardo Martínez Chiquito and others	Floods in the Municipality of La Dorada Caldas.	1.000	nov-21
Const_Public_Interest	Helga Adriana Aanabria knepper	Public interest claim brought against EMGESA S.A. ESP for the permanent construction of the Gama Gachalá road.	400	sep-21

b) Payments:

Type of Process	Plaintiff	Purpose of the Claim	Value	Date
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and tort liability for events of 2011.	(67.712)	mar-21
Ordinary process of major, minor and minimal amount	Luz Mary Cardenas Velandia and others	Protection of collective rights of inhabitants of the residential complex Club Puerto Peñalis	(28.560)	dic-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and tort liability for events of 2011.	(6.266)	oct-21
Public interest actions	Medardo Martínez Chiquito and others	Floods in the Municipality of La Dorada Caldas.	(4.760)	dic-21
Const_Public_Interest		Public interest claim filed by the Spokesperson of Gachalá		
Civil_Ordinary	Personería de Gachala	Ordinary and tort liability for events of 1994	(2.083)	mar-21
Labor_Ordinary	Luís ferney Yara (94)	Termination of employment contract of the defendant, protected by the legal guarantee of union privilege.	(1.861)	mar-21
Civil_Verbal	Dagnober Loaiza Echeverry	Ordinary and tort liability for events of 2011	(1.000)	sep-21

c) Recoveries:

Type of Process	Plaintiff	Purpose of the Claim	Value	Date
Labor_ Ordinary	Dionel Narvaez Castillo	Solidarity	110.000	ene-21
Nullity and restatement of the right in the first instance (Act 1437 of 2011)	CAR	Lawsuit against resolutions of the CAR for environmental management of the muña reservoir and Bogotá river.	12.500	dic-21
Civil Verbal	Hector Vanegas Vanegas	Ordinary tort liability lawsuit for events of 2007.	7.758	may-21
Adm_Invalidity_and_ Reinstatement	Superintendence of Public Utilities	Nullity and restatement of rights lawsuit against Emgesa S.A. E.S.P. for sanction.	3.000	may-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary tort liability lawsuit for events of 2011	2.288	abr-21
Public interest actions	Medardo Martínez Chiquito and others	Floods in the Municipality of La Dorada Caldas.	240	dic-21

(In thousands of pesos)

16. Provisions for Employee Benefits

	As of 31 December 2021		As of 31 December 2020	
	Current	Non-current	Current	Non-current
Social benefits and legal contributions	$ 31.313.314	$ 2.618.132	$ 29.719.128	$ 2.614.659
Obligations for defined post-employment and long-term benefits (1)	6.749.434	73.618.005	6.818.598	87.824.144
Retirement plan benefits	1.135.453	-	951.999	-
Other obligations (2)	629.406	-	725.898	-
	$ 39.827.607	**$ 76.236.137**	**$ 38.215.623**	**$ 90.438.803**

(1) The Group grants different defined benefits plans; post-employment obligations and long-term benefits to its active or pensioned employees; all these in accordance with the fulfilment of previously defined requirements.

Retirement Pensions

The Group has a defined benefit pension plan on which it does not present specific assets, except for all resources derived from the performance of its operating activity. The pension benefit plans establish a pension benefit amount that an employee will receive upon retirement, which usually depends on one or more factors such as age of employee, years of service and compensation.

The recognized liability in the consolidated statement of financial position, with respect to defined benefit pension plans, is that present value of the obligation of the defined benefit on the date of the consolidated statement of financial position, together with adjustments for unrecognized actuarial gains or losses. The obligation for the defined benefit is calculated by independent actuaries using the projected unit credit method. The present value is the defined benefit obligation and is determined by deducting the estimated cash outflows, using interest rates based on the yield curve of the Public Debt Bonds of the Colombian Government (TES), expressed in real value units (UVR), whose terms are close to those of that pension obligation until maturity.

Actuarial losses and gains derived from adjustments based on experience and changes in actuarial hypothesis are debited or credited to the net equity in other comprehensive income, in the period of occurrence.

The obligation of retirement pensions includes the effects of the application corresponding to the new mortality rates authorized by the Financial Superintendence through Resolution 1555 of 30 July 2010.

To date, the employee base for the recognition of this benefit corresponds to 309 pensioners with an average age of 66.5 years.

Other post-employment benefits

Pensioner benefits

The Group provides the following aids to pension-retired employees: (i) education aid (23 beneficiaries, Average age of beneficiaries 21.3); (ii) Energy assistance 275 beneficiaries, Average age of beneficiaries 69.2 (iii) Health 73 beneficiaries, Average age of beneficiaries 59.1 in accordance with the provisions of the collective labor agreement.

The right to the aforementioned benefits is generally granted to employees, regardless of whether or not they have worked until the retirement age. The costs expected from these benefits are acquired during the time of employment using a methodology similar to that of the defined benefits plans. The actuarial gains and losses derived from the adjustments for experience and changes in the actuarial assumptions are debited or credited to other comprehensive income in the period of occurrence. These obligations are measured annually by qualified independent actuaries.

Retroactive severance pay

Retroactive severance pay, which is considered a post-employment benefit, is liquidated for employees belonging to the labor regime that was in force prior to Act 50/1990 and who decided not to benefit from this regime change. The social benefit is liquidated for the whole time worked based on the last salary earned and is paid regardless of the employee being dismissed or retiring voluntarily. The actuarial gains and losses of the adjustments for experience and changes in actuarial assumptions are debited or credited to other comprehensive income.

(In thousands of pesos)

To date, the employee base for the recognition of this benefit corresponds to 80 employees with an average age and seniority of 56 and 28.1 years, respectively.

Long-term benefits

The Group recognizes to its active employees benefits associated to seniority, such as five-year periods, consisting in making an additional payment for every 5 years of uninterrupted service to employees whose hiring date was before 21 September 2005 and accrues as of the second year in accordance with the provisions of the collective bargaining agreement.

The costs expected from these benefits are accrued during the employment period, using a methodology similar to that used for the defined benefits plan. The actuarial gains and losses derived from adjustments for experience and changes in the actuarial assumptions are debited or credited to profit or loss of the period of occurrence. These obligations are measured by qualified independent actuaries.

To date, the employee base for the recognition of this benefit corresponds to 91 employees with an average age and seniority of 55 and 26.2 years, respectively.

As of 31 December 2021, the actuarial calculation of post-employment benefits was performed by the firm Aon Hewitt Mexico, which used the following set of hypotheses:

Financial Hypotheses:

Type of Rate	As of 31 December 2021	As of 31 December 2020
Discount rate	6,94%	5,74%
Salary increase rate (active personnel)	4,95%	4,85%
Pension increment rate	3,90%	3,80%
Estimated inflation	3,90%	3,80%
Health service inflation	8,00%	8,00%

Demographic Hypotheses:

	Biometric base
Mortality rate	2008 Colombian mortality rate (valid annuitant) (men and women)
Disabled mortality rate	Enel internal table
Total and permanent disability	EISS
Turnover	Enel internal table
Retirement	Men: 62 Women: 57

Contributions of Law

The Group makes periodic contributions for severance pay and comprehensive social security: health, professional risks and pensions, to the respective private funds and to Colpensiones, which assume these obligations in full.

The movement of obligations for benefits defined as of 31 December 2021 is the following

	Retired personnel		Active personnel		Others	
	Pensions (a)	Benefits	Retroactive severance pay	Five-year term	Retirement plan	Defined benefits plan
Opening balance as of 31 December 2019	**$ 75.970.223**	**$ 8.565.050**	**$ 6.331.661**	**$ 3.258.827**	**$ -**	**$ 94.125.761**
Cost of Current Service	-	-	247.739	123.721	-	371.460
Financial cost	4.267.594	479.443	360.698	175.274	-	5.283.009
Paid Contributions	(6.146.828)	(548.043)	(588.927)	(780.386)	-	(8.064.184)
Acquisitions	-	-	-	-	-	-
Actuarial losses changes in financial assumptions	617.794	809.690	34.254	2.444	-	1.464.182
Actuarial losses changes in adjustments by experience	-	-	250.745	1.211.769	-	1.462.514
Closing balance as of 31 December 2020	**$ 74.708.783**	**$ 9.306.140**	**$ 6.636.170**	**$ 3.991.649**	**$ -**	**$ 94.642.742**
Cost of Current Service	-	-	248.876	154.183	-	403.059
Financial cost	4.157.113	515.418	371.623	215.442	-	5.259.596

(In thousands of pesos)

	Retired personnel		Active personnel		Others	
	Pensions (a)	Benefits	Retroactive severance pay	Five-year term	Retirement plan	Defined benefits plan
Paid Contributions	(5.767.676)	(541.982)	(829.240)	(826.012)	-	(7.964.910)
Acquisitions	-	-	-	-	1.851.024	1.851.024
Actuarial gains changes in financial assumptions	(12.232.116)	(1.357.331)	(405.328)	(94.803)	-	(14.089.578)
Actuarial losses changes in adjustments by experience	-	-	(155.669)	421.175	-	265.506
Closing balance as of 31 December 2021	**$ 60.866.104**	**$ 7.922.245**	**$ 5.866.432**	**$ 3.861.634**	**$ 1.851.024**	**$ 80.367.439**

(a) Complying with the provisions of article 4 of decree 2131 of 2016 that allows the application of IAS 19 for determining the post-employment benefit liability for future retirement pensions, requiring additionally the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016, which restates the provisions of Decree 2783 of 2001. As of 31 December 2021 and 2020, that the post-employment benefits liability for future retirement pensions amounts to $50,754,886 and $54,057,158, respectively. The sensitivity of the actuarial hypotheses was carried out by the firm AON Hewitt Mexicó, using the following variables.

Type of rate	As of 31 December 2021	As of 31 December 2020
Discount rate	7.53%	8.62%
Technical interest	4,80%	4,80%
Estimated inflation	2,60%	3,64%

The following chart shows the behaviour in the present value of the obligation for each of the defined benefits, related to the per cent variation in 100 basic points above or below the Discount Rate used for the current calculation.

As of 31 December 2021:

	Retired personnel		Active personnel		Others	
Change in discount rate	Pensions	Benefits	Retroactive severance pay	Five-year term	Retirement plan	Defined benefits plan
- 100 basic points	68.774.777	8.708.063	6.258.062	3.947.660	1.876.710	89.565.272
+ 100 basic points	55.426.920	7.311.834	5.507.970	3.779.432	1.826.264	73.852.420

As of 31 December 2020:

	Retired personnel		Active personnel		
Change in discount rate	Pensions	Benefits	Retroactive severance pay	Five-year term	Defined benefits plan
- 100 basic points	84.565.951	10.277.915	7.138.255	4.113.098	106.095.219
+ 100 basic points	66.574.455	8.473.751	6.182.271	3.876.664	85.107.141

(2) Variation corresponding to the benefit granted by the Company to the Group covering income tax on labor income of impatriate and expatriate personnel.

(In thousands of pesos)

Collective Bargaining Agreements

Collective Agreement – SINTRAELECOL 2015-2018 – Extension to 2022

The Collective Bargaining Agreement signed with SINTRAELECOL ended on 30 June 2018, however, the union did not file the complaint and respective list of petitions, so the bargaining text has been automictically extended as provided by the law for a term of six (6) successive months. Notwithstanding the above, on December 31, 2021, the Group and the Union mutually agreed to adjust certain benefits of the Collective Bargaining Agreement, such as:

1. Monthly base salary increase for the year 2022 (CPI+1.5%) from January 2022.
2. Adjustment of the CPI to the economic benefits of the regulatory body as of February 2022.
3. Modification of the allowance for recognition of the legal old age pension (walking allowance), which will be permanently increased to TWENTY-FIVE (25) legal monthly minimum salaries in force for the agreed workers hired before January 1, 2004.
4. The company will recognize (1) once only to all workers with ordinary salary, affiliated to the union organization SINTRAELECOL as of December 15, 2021, a non-wage bonus in the amount of three million pesos.

Such conventional obligations were closed by means of an extra-conventional act carried out on (day month year), thus favoring all workers beneficiaries of the Collective Bargaining Agreement as from January 1, 2022 until December 31, 2022.

Collective Agreement – ASIEB 2016-2019

On 1 June 2016, the Collective Bargaining Agreement with the ASIEB Trade Union Organization was signed. This Collective Agreement applies to all the Company's employee engineers affiliated to the Trade Union of Engineers Serving the Energy Companies – ASIEB who do not benefit from another collective agreement. The term of the Agreement was from 1 June 2016 to 31 December 2019. The union filed the complaint within the term of the law and the list of petitions on 30 December 2019, which is why the direct settlement stage began on 19 February 2020.

However, once the negotiation meetings had been advanced according to the agreed schedule, on 16 September 2020, the parties considered the direct settlement stage completed as the interests and needs of each are different and, as such, their positions are different; therefore, the call of the respective Arbitration Tribunal was requested before the Ministry of Labor, the body that must define the collective conflict with this union.

To date we are awaiting notification of the Resolution issued by the Ministry of Labor ordering the installation of the arbitration tribunal.

17. Other non-financial liabilities

	As of 31 December 2021		As of 31 December 2020	
Prepayments for energy sales (1)	$	108.922.202	$	64.063.042
Taxes other than income tax (2)		32.716.290		25.537.583
Deferred income		3.818.047		3.818.047
Total	**$**	**145.456.539**	**$**	**93.418.672**

(1) The variation for the period corresponds to the increase in the advance payment for energy purchases for $ 45,234,890, mainly with CARIBE MAR DE LA COSTA S.A.S E.S.P and AIR-E S.A.S E.S.P. (See note 20).

(In thousands of pesos)

(2) As of 31 December 2021, taxes other than income tax correspond to:

	As of 31 December 2021		As of 31 December 2020	
Provision for payment of taxes (*)	$	10.021.073	$	16.909.524
Land taxes, municipal and related contributions (*)		22.695.217		8.628.059
	$	**32.716.290**	**$**	**25.537.583**

(*) The variation of the period corresponds to a decrease in withholdings and self-withholdings practiced by ($ 6,810,971) and for land taxes, municipal and related contributions, an increase of $14,067,158.

18. Net deferred taxes

The following is a detail of the deferred tax asset as of 31 December 2021:

	Opening balance as of 31 December 2020		Increase (Decrease) for deferred taxes in Income Statement		Closing balance as of 31 December 2021	
Depreciation of property, plant and equipment	$	955	$	(955)	$	-
Other provisions		-		2.175		2.175
Deferred tax assets	**$**	**955**	**$**	**1.220**	**$**	**2.175**
Net deferred tax assets	**$**	**955**	**$**	**1.220**	**$**	**2.175**

The breakdown for deferred taxes as of 31 December 2021 is provided below:

	Opening Balance as of 1 January 2021		Increase (Decrease) due to deferred taxes through profit or loss		Increase (Decrease) due to deferred taxes through other comprehensive income		Closing balance as of 31 December 2021	
Other provisions (1)	$	10.629.332	$	9.447.149	$	-	$	20.076.481
Defined contribution obligations		10.024.932		405.262		(3.195.079)		7.235.115
Deferred tax assets	**$**	**20.654.264**	**$**	**9.852.411**	**$**	**(3.195.079)**	**$**	**27.311.596**
Excess of tax depreciation on book value (2)		(239.118.394)		(105.000.643)		-	$	(344.119.037)
Forward and swap		539.855		-		(1.439.523)	$	899.668)
Deferred tax liabilities	**$**	**(238.578.539)**	**$**	**(105.000.643)**	**$**	**(1.439.523)**	**$**	**(345.018.705)**
Net tax deferred liabilities	**$**	**(217.924.275)**	**$**	**(95.148.232)**	**$**	**(4.634.602)**	**$**	**(317.707.109)**

(1) As of 31 December 2021, the detail of deferred tax assets for other provisions corresponds to:

	Opening Balance as of 1 January 2021		Increase (Decrease) due to deferred taxes through profit or loss		Closing balance as of 31 December 2021
Provisions of works and services					
Provision for uncollectible accounts		552.826		1.555.612	2.108.438
Provision labor obligations		1.555.120		196.782	1.751.902
Provision for industry and trade		633.574		704.030	1.337.604
Provision quality compensation		840.284		470.270	1.310.554
	$	**10.629.332**	**$**	**9.447.149**	**$ 20.076.481**

(In thousands of pesos)

(2) The excess of fiscal depreciation over the book value arises because:

- Assets classified or belonging to the Quimbo project have special treatment: Assets in 2016 were depreciated based on the useful life classified according to the type of asset following the regulations effective until that year. For 2017, despite that the reform (Act 1819 of 2016) established new rates for depreciation, the assets that belong to Quimbo will continue using the previous rates, as this project has legal stability.
- Assets on which accelerated depreciation was applied with the reducing balance method.
- Other assets are depreciated by straight-line depreciation.
- As of 2017, for assets acquired as new or that are activated, their accounting useful life will be taken into account, unless it is not greater than the useful life set out in Act 1819 of 2016.

The deferred tax as of 31 December 2021 by rate is presented below:

		2022 onwards Income
Provisions and estimated liabilities		(493.306.669)
Fixed assets		(447.416.222)
Defined contribution obligations		20.671.752
Portfolio		6.024.110
	$	**(914.027.029)**
Income tax rate		35%
Income tax	**$**	**(319.909.460)**
Occasional earnings		8.647.463
Rate		10%
Tax		864.746
Industry and Trade		2.675.210
Rate		50%
Tax		1.337.605
Total deferred tax credit	**$**	**(317.707.109)**

The breakdown for deferred taxes as of 31 December 2020 is provided below:

		Opening Balance as of 1 January 2020		Increase (Decrease) due to deferred taxes through profit or loss		Increase (Decrease) due to deferred taxes through other comprehensive income		Final balance as of 31 December 2020
Other provisions (1)	$	13.469.424	$	(2.840.092)	$	-	$	10.629.332
Defined contribution obligations		9.836.972		199.692		(11.732)		10.024.932
Deferred tax assets	**$**	**23.306.396**	**$**	**(2.640.400)**	**$**	**(11.732)**	**$**	**20.654.264**
Excess of tax depreciation on book value (2)		(189.102.507)		(50.015.887)		-		(239.118.394)
Forward and swap		(2.459.527)		-		2.999.382		539.855
Deferred tax liabilities		(191.562.034)		(50.015.887)		2.999.382		(238.578.539)
Net tax deferred liabilities	**$**	**(168.255.638)**	**$**	**(52.656.287)**	**$**	**2.987.650**	**$**	**(217.924.275)**

(1) As of 31 December 2020, the detail of deferred tax assets for other provisions corresponds to:

		Initial Balance as of 1 January 2020		Increase (Decrease) due to deferred taxes through profit or loss		Final balance as of 31 December 2020
Provisions of works and services						
Provision labor obligations		2.173.952		(618.833)		1.555.119
Provision quality compensation		762.914		77.370		840.284
Others		472.986		(472.986)		-
Provision for uncollectible accounts		969.999		(417.172)		552.827
Provision for industry and trade		-		633.574		633.574
	$	**13.469.424**	**$**	**(2.840.092)**	**$**	**10.629.332**

(In thousands of pesos)

(2) The excess of fiscal depreciation over the book value arises because:

- Assets classified or belonging to the Quimbo project have special treatment: Assets in 2016 were depreciated based on the useful life classified according to the type of asset following the regulations effective until that year. For 2017, despite that the reform (Act 1819 of 2016) established new rates for depreciation, the assets that belong to Quimbo will continue using the previous rates, as this project has legal stability.
- Assets on which accelerated depreciation was applied with the reducing balance method.
- Other assets are depreciated by straight-line depreciation.
- As of 2017, for assets acquired as new or that are activated, their accounting useful life will be taken into account, unless it is not greater than the useful life set out in Act 1819 of 2016.

The deferred tax as of 31 December 2020 by rate is presented below:

	2021 Income	2022 Income onwards
Fixed assets	-	(1.069.931.211)
Provisions and estimated liabilities	19.358.235	283.259.861
Defined contribution obligations	-	33.416.436
Portfolio	-	1.842.754
	19.358.235	(751.412.160)
Income tax rate	31%	30%
Income tax	6.001.053	(225.423.648)
Occasional earnings	$ 8.647.463	
Rate	10%	
Tax	864.746	
Fixed assets	$ 1.267.148	
Provisions and estimated liabilities	50%	
Defined contribution obligations	633.574	
Total deferred tax credit	**$ (217.924.275)**	

The recovery of the balances of deferred tax assets depends on obtaining sufficient taxable earnings in the future. Management considers that the projections of future earnings cover what is necessary to recover these assets.

19. Equity

Capital

The authorized capital is comprised of 286,762,927 shares with a par value of $4,400 each.

The subscribed and paid-in capital is represented by 127,961,561 common shares and 20,952,601 shares with preferred dividends, for a total of 148,914,162 shares with a par value of $4,400, distributed as follows:

Shareholding structure as of 31 December 2021 and 2020:

	Common shares with		Acciones Preferenciales Sin Derecho a Voto		Composición Accionaria	
Shareholders	voting rights	Preferred shares without	(%) Interest	Number of shares	(%) Interest	Number of shares
Grupo Energía Bogotá S. A. E.S.P. (1)	voting rights	Shareholding structure	100%	20.952.601	51,51%	76.710.851
Enel Américas S.A.	56,42%	72.195.996	-%	-	48,48%	72.195.996
Other minority shareholders	0,01%	7.315	-%	-	0,01%	7.315
	100%	**127.961.561**	**100%**	**20.952.601**	**100%**	**148.914.162**

(In thousands of pesos)

(1) Of the total shares of Grupo Energía de Bogotá S.A. E.S.P., 20,952,601 shares correspond to non-voting shares with a preferred dividend of US $0.1107 (*) per share.

Preferred shares do not grant a right to receive a guaranteed total fixed dividend, just as they have no date set for their redemption.

(*) Full figure expressed in USD

Distribution of dividends

Approved in 2021

The General Shareholders' Meeting held on 24 March 2021, approved the distribution of profits and payment of dividends against 2020 net income for $1,163,554,895, paid as follows: 100% of the preferred dividend and 50% of the ordinary dividend, in May 2021 and the remaining 50% in August 2021.

In its extraordinary General Shareholders' Meeting held on 27 July 2021, the General Shareholders' Meeting approved the partial distribution of retained earnings and the extraordinary payment of dividends for $615,482,074, which were paid in December 2021.

Approved in 2020

The General Shareholders' Meeting of 25 March 2020 according to Minutes No. 103, ordered the distribution of profits and payment of dividends based on the 2019 net income for $871,166,400, which will be paid as follows: 100% of the preferred dividend and 38% of the ordinary dividend, on 20 May 2020; 37% on 15 October 2020 and 25% on 20 January 2021.

Reserves

		As of 31 December 2021		As of December 2020
Legal Reserve (1)	$	327.611.157	$	327.611.157
Reserve (Art. 130 Tax Code) (2)		215.186.398		223.904.394
Other Reserves		178.127		178.127
	$	**542.975.682**	**$**	**551.693.678**

(1) In accordance with the Colombian Law, the Group must transfer at least 10% of the year's profit to a legal reserve, until it equals 50% of the subscribed capital. This reserve is not available for distribution, however, it can be used to absorb losses.

(2) The General Shareholders' Meeting of 24 March 2021, according to Minutes No. 105, ordered the reversal of the tax reserve for $8,717,996, as a result of a higher accounting than fiscal depreciation of the assets as of 31 December 2020. In the years 2014 to 2016 the reserve was created, which was established in Article 130 of the Tax Code, which was then repealed by Act 1819 of 2016.

Earnings per share

Basic earnings per share are calculated as the quotient between the net income for the period attributable to the Group's shareholders and the weighted average number of ordinary shares outstanding during said period, once the preferred dividends have been distributed corresponding to 20,952,601 shares of Grupo Energía Bogotá SA E.S.P. as of 31 December 2021. Preferred dividends are worth US $ 0.1107 per share (*).

(*) Full figure expressed in USD.

(In thousands of pesos)

20. Revenue and Other Income

Revenue from contracts with customers:

	For the year ended 31 December 2021	For the year ended 31 December 2020
Sale of Energy (1)	$ 4.618.091.336	$ 4.166.550.763
Sale of Gas (2)	65.205.325	81.045.223
Certificate sales (3)	39.168.228	132.267
Sale of demineralized water (4)	220.168	
Total revenue	**$ 4.722.685.057**	**$ 4.247.728.253**
Other income (5)	3.996.937	33.574.315
Total revenue and other income	**$ 4.726.681.994**	**$ 4.281.302.568**

(1) The variation in energy sales as of 31 December 2021 for $451,540,573 is presented by the increase in contract prices (249 COP/kWh in 2021 Vs 221 COP/kWh in 2020), price effect for $439,073,302 higher PPI, and by an effect of higher sales of (50 GWh) of $12,467,271 mainly due to higher sales in contracts.

(2) Gas sales show a decrease with respect to 2020 of ($15,839,898), mainly due to lower supply sales of 502,292 Mbtus, due to the termination of contracts.

(3) As of 31 December 2021 corresponds to the sale of 2,787,187 carbon certificates for $39,116,538 and green certificates for $51,690.

(4) Corresponds to the sale of demineralized water of 4,234 m3 from the Cartagena Power Plant for $220,168.

(5) Other income decreased by ($29,577,378), mainly represented by higher income in 2020 for penalties associated with compensation for damages corresponding to equipment of the El Quimbo hydroelectric power plant for ($12,506,434) and estimate of the expected margin for the sale of carbon bond certificates taking as a reference the term of issue and the trading options for ($15,127,302).

Negative Reconciliations CREG Resolution 176 of 2015

On 26 February 2016 the Group filed a pre-judicial reconciliation application before the Attorney General's Office in order for the Commission for the Regulation of Energy and Gas (CREG) to review negative reconciliations issued in October 2015, taking into account that the Group considers that such reconciliation should be made in accordance with the conditions in CREG Resolutions 034/2001, 159 and 168/2015, so that they are not issued with retroactive effects, as the methodology under the new CREG Resolution 176/2015 can only have effects to the future, i.e., from 28 October 2015, when they were published. The amount of claims related to the restoration of the violated right and compensation for damages is $100,410,738.

The XM market manager, through a letter filed on 22 February of 2016, declared that the Group's disagreement regarding article 1 of CREG Resolution 176/2015 was well-founded; however, it failed to indicate manners, dates, or amounts according to which the adjustments would be applied to the 2016 billing. Before making any adjustment, the CREG issued Resolution 043/2016, which clarifies that the settlements that Resolution 176/2015 corrects are those made from 20 September to 28 October 2015, closing any possibility of XM to make adjustments and reaffirm the retroactive effect of the aforementioned resolution.

The Group files a nullity claim with reinstatement of the right against CREG and XM S.A. E.S.P. on 24 May 2016, properly admitted on 2 September, requesting annulment of CREG Resolution 176 of 2015 and 043 of 2016 and as restoration, payment of $100,410,738 that corresponds to the value the Group had to assume as a result of negative reconciliations. The claim was admitted, notified and answered by the Commission for the Regulation of Energy and Gas on 17 April 2017.

On 9 June 2017, the reform of the lawsuit filed by the Group was admitted, in which XM S.A. E.S.P. is excluded as defendant since it was deemed that the error came from the CREG, addressing only against this entity. This will allow obtaining a decision in less time, approximately 5 years for first and second instance. On 5 July 2017, the reform of the demand was answered by the CREG. The Administrative Court of Cundinamarca fixed the hearing date on 6 December 2017, where the evidence requested by the parties was ordered.

(In thousands of pesos)

On 18 April 2018, an evidentiary hearing was held where the testimonies requested by the parties were heard. On 3 May 2018, the final arguments were presented and the process entered the Magistrate's Office for judgment.

As of 31 December 2021, there is no additional update.

Disaggregated revenue from contracts with customers

The Group obtains its revenue from contracts with customers, for the transfer of goods and/or services which are satisfied over time or on a point in time and are disaggregated by market based on where these goods and/or services are supplied.

These revenues are generated in Colombia.

Categories	*Fulfilment of performance obligations*		For the year ended 31 December 2020		For the year ended 31 December 2019
Sale of Energy Wholesale Market	- Over time	$	2.816.662.599	$	2.352.226.486
Sale of Energy Non-regulated Customers	- Over time		1.553.230.522		1.301.972.653
Sale on Energy Exchange	- Over time		248.198.215		512.351.624
Total Sale of Energy			**4.618.091.336**		**4.166.550.763**
Sale of Gas	- Over time		65.205.325		81.045.223
Total Sale of Gas			**65.205.325**		**81.045.223**
Certificate sales	- On a point in time		39.168.228		132.267
Sale of demineralized water	- Over time/on a point in time		220.168		-
Total Sales of certificates and demineralized water			**39.388.396**		**132.267**
Other revenues	- Over time/on a point in time		3.996.937		33.574.315
Total other revenue		**$**	**3.996.937**	**$**	**33.574.315**
Total revenues and other operating revenues		**$**	**4.726.681.994**	**$**	**4.281.302.568**

Contract assets and liabilities

Contract assets: The Group has no contract assets, since the goods and/or services provided to customers that have not yet been invoiced generate an unconditional right to the consideration by customers, since only the passage of time is required in the enforceability of payments by customers, and the Group has fulfilled all performance obligations.

Contract liabilities: The Group presents the contract liabilities in the statement of financial position, in the item of other current non-financial liabilities (see Note 17). Contract liabilities reflect the Group's obligations in the transfer of goods and/or services to customers for which the entity has received an advance consideration.

The contract liabilities by Category are shown below:

		As of 31 December 2021		As of 31 December 2020
-Wholesale customers	$	88.025.621	$	48.621.352
-Non-regulated customers		20.896.581		15.441.690
	$	**108.922.202**	**$**	**64.063.042**

Fulfilment of performance obligations

Performance obligations are met to the extent that goods and/or services undertaken with customers are transferred, i.e., to the extent that the customer gains control of the goods and services transferred.

- **Sale of Energy Non-regulated Customers, Wholesalers and Stock Market.**

The fulfilment of performance obligations is carried out over time, since customers simultaneously receive and consume the benefits from the provision of energy supplied by the Group.

•Sale of Gas

As in the sale of energy, the fulfilment of performance obligations is carried out over time since the Group is entitled to payment in the event that the contract is terminated for the supply of gas.

• Other income

Other income presents performance obligations fulfilled over time, as customers receive and consume simultaneously the goods and/or services undertaken with customers. Some examples of revenues recognized over time are mainly deviations from seller and energy backup in the secondary market.

Performance obligations fulfilled on a point in time are those that do not meet the requirements to be fulfilled over time. Some performance obligations satisfied on a point in time presented in this category correspond to the supply of goods.

Performance Obligations

Performance obligations correspond to commitments to transfer to a customer a series of different 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.

The performance obligations associated with the categories are the following:

Category	Performance obligations	Description
Sale of Energy Wholesale Market	- Sale of electrical energy	- Corresponds to the supply of energy to customers in the wholesale market
Sale of Energy Non-regulated Market	- Sale of electrical energy	- Corresponds to the supply of energy to customers in the non-regulated market
Sale in Energy Exchange	- Sale of energy - Other complementary services - Security dispatch	- Corresponds to the supply of energy through the XM system manager
Sale of Gas	- Supply of gas and/or transportation	- Corresponds to the supply of gas at wellhead, interruptible industrial NRM, to customers of this market
Other Revenues	- Commissions and sale of other goods	- Corresponds to sales, management and maintenance operations of other items outside the core of the business.
	- Carbon Credits	- Corresponds to the reduction of CO2 emissions made by the Group that can be certified.
	- Reliability charge.	- Corresponds to revenues received for excess of firm energy, to support the unavailability of third-party power plants.

Significant judgments in the application of the standard

• Sale of Energy and Gas

The Group supplies energy and gas to customers in the wholesale, non-regulated, exchange and gas markets. Revenue is recognized when the control of the committed goods and/or services is transferred to customers. There is no obligation of unfulfilled performance of the goods and/or services transferred to the customers, since the Group is certain that it has fulfilled all the criteria of acceptance by the customers, insofar as they have the capacity to redirect the use of the goods and/or services obtained and obtain substantially the benefits associated to them.

• Sale of other goods and/or services

The Group provides operation and maintenance management services, sells waste material and ash and recognized as income the reduction of CO2 emissions that can be certified as of 31 December 2021. In addition, it receives revenues from deviations from trading and from energy backup in the secondary market. These revenues are recognized to the extent that their control is transferred to customers, and they have the ability to direct the goods and/or services provided, obtaining the economic benefits associated with them.

•Significant financial component

The Group does not have a significant financial component in the supply of its goods and/or services, given that the consideration received with customers is fixed, without there being any change in it due to future events. In addition, the entity has no instalment sales of goods and/or services to customers.

(In thousands of pesos)

• Calendar of fulfilment of performance obligations

For performance obligations fulfilled over time, the method of measuring the progress of fulfilment of performance obligations is performed by the product method, because the Group is entitled to receive as consideration from customers the value of the goods and/or services provided to customers, up to the date of their provision.

• Revenues recognized as contract liabilities

The Group recognizes contract liabilities as revenues, to the extent that they fulfil the performance obligations.

• Assets recognized for obtaining or fulfilling contracts with clients

The Group does not present costs for obtaining or fulfilling contracts, so it does not have assets associated with this item.

21. Provisioning and Services

	For the year ended 31 December 2021	For the year ended 31 December 2020
Energy purchases (1)	$ 576.499.669	$ 664.455.006
Energy transport costs (2)	574.031.933	467.953.997
Other variable provisioning and services (3)	170.613.726	110.066.221
Taxes associated with the business (4)	131.798.571	132.922.170
Purchase and use of gas (5)	39.035.377	65.411.750
Purchase and use of fuel (6)	38.085.172	81.534.567
	$ 1.530.064.448	**$ 1.522.343.711**

(1) The variation as of 31 December 2021 for ($87,955,337) corresponds to a lower exchange price (151 COP/kWh in 2021 vs. 252 COP/kWh in 2020) for ($221,618,901) offset by higher purchases (+887 GWh) for $133,663,564.

(2) The variation as of 31 December 2021 for $106,077,936 corresponds to higher energy sales to the non-regulated market and an increase in regulated charges derived from an increase in the tariffs of STR (regional transmission system), SDL (local network system), ADD (distribution areas) and CPROG (efficient cost of the efficient loss reduction program).

(3) Other variable provisioning and services

	For the year ended 31 December 2021	For the year ended 31 December 2020
Restrictions (a)	$ 94.462.243	$ 46.630.227
Other generation support services (b)	27.342.884	10.737.183
Cost CND, CRD, SIC	21.111.602	18.528.165
Secondary Market Reliability Charge	17.272.730	10.114.602
Regulatory Entities Contributions (c)	10.306.169	23.935.188
Reading services	118.098	120.856
	$ 170.613.726	**$ 110.066.221**

(a) As of 31 December 2021, there is a higher cost of restrictions for $47,832,016; due to the decrease in the exchange price (151 COP/kWh in 2021 vs. 252 COP/kWh in 2020). therefore, the thermal generation is reduced in merit, but the programmed security generation is indispensable to cover the electric restrictions in the national interconnected system.

(b) As of 31 December 2021, the costs associated with the administration, operation and maintenance agreement of the Tominé Reservoir signed with Grupo de Energía de Bogotá and the Group in 2013, with a duration of 10 years for an amount of $10,628,427, are recognized.

(c) The contribution to regulatory entities presents a decrease as of 31 December 2021, given that article 85 of Law 142 of 1994, modified by article 18 of Law 1955 of 2019 and article 23 numeral 9 of Decree 990 of 2002, empower the Superintendence of Domiciliary Public Utilities to annually liquidate and charge a special contribution to the entities subject to its inspection, surveillance and control to recover the costs it incurs. Article 314 of Law 1955 of 2019 established an additional contribution to that defined in Article 85 of Law 142 of 1994, aimed at strengthening the Business Fund of Superservicios, for the year 2021 the basis for the liquidation of the additional contribution was modified, which originates the variation in the cost of contributions to regulatory entities for ($13,629,019).

(In thousands of pesos)

(4) Taxes associated with the business:

		For the year ended 31 December 2021		For the year ended 31 December 2020
Contributions and Royalties Act 99 of 1993 (a)	$	95.383.001	$	93.199.756
Solidarity Fund Reform Act 633 (b)		26.576.313		29.357.535
Other local taxes associated with the business		6.872.539		7.168.788
IIndustry and trade tax		2.966.718		3.196.091
	$	**131.798.571**	**$**	**132.922.170**

(a) In accordance with Act 99 of 1993, the Group is obligated to make transfers for basic sanitation and environmental improvement projects to the municipalities and autonomous regional corporations, equivalent to 6% of the gross sales of energy by own generation in the hydraulic power plants, and 4% in thermal power plants, according to the rate set out by the The Commission for the Regulation of Energy and Gas (CREG) for block sales.

(b) According to Act 633 of 2000, the Financial Support Fund for the Energization of Non-Interconnected Areas - FAZNI is a fund whose resources are allocated in accordance with the law and with the energization policies for non-interconnected areas, as determined by the Ministry of Mines and Energy, to finance plans, programs and/or prioritized investment projects for the construction and installation of the new electrical infrastructure and for the replacement or rehabilitation of the existing one, for the purpose of expanding the coverage and seeking the satisfaction of energy demand in the non-interconnected areas.

The generators pay the FAZNI according to the monthly generation of its plants dispatched centrally and run-of-the-river, at the applicable annual rate. The corresponding values are collected by the wholesale energy market and sent to the Ministry of Finance and Public Credit.

(5) The variation as of December 31, 2021 for ($26,376,374) is due to a decrease in the purchase of 687,910 Mbtus of gas supply due to lower demand in contracts for ($17,120,882); and a decrease in gas consumption for the generation of the Cartagena power plant for ($9,255,492).

(6) The variation as of December 31, 2021 for ($43,449,395), corresponds to the decrease in liquid fuel consumption for the generation of the Cartagena power plant for ($2,796,168) and decrease in coal consumption for the Termozipa power plant for ($40,653,227).

22. Personnel Expenses

		For the year ended 31 December 2021		For the year ended 31 December 2020
Wages and salaries (1)	$	85.163.774	$	84.535.145
Social security service and other social charges		19.313.347		21.765.351
Other personnel expenses (2)		2.060.232		7.575.625
Expenses for post-employment benefits obligation (3)		1.233.891		1.583.230
	$	**107.771.244**	**$**	**115.459.351**

(In thousands of pesos)

(1) Wages and salaries for 2021 and 2020 are made up of the following items:

Description		For the year ended 31 December 2021		For the year ended 31 December 2020
Salary	$	53.574.639	$	53.545.540
Bonuses		12.218.075		12.128.684
Vacation leaves		6.874.303		6.152.508
Service bonus		5.404.466		4.851.796
Severance pay		3.737.396		3.969.917
Amortization Employee Benefits		3.354.895		3.886.700
Total wages and salaries	**$**	**85.163.774**	**$**	**84.535.145**

(2) The variation corresponds mainly to the recognition of the Transition Fund provision, which consists of optimizing the personnel and processes through automation and digitalization in the different areas and business lines of the Group. The variation of the provision constituted is ($5,515,393) for three years with a discount rate of 5.93% for 2023, 5.98% for 2024 and 6.03% for 2025 in long-term flows.

(3) The variation is presented by the updating of the actuarial calculation, in the financial cost of severance and severance payments for $758,997 and medical costs for ($409,658).

23. Other Fixed Operating Expenses

		For the year ended 31 December 2021		For the year ended 31 December 2020
Independent professional services, outsourced and others (1)	$	53.567.139	$	51.140.105
Other supplies and services		34.968.107		38.117.277
Insurance premiums		29.230.966		26.091.763
Repairs and conservation		19.599.840		18.291.690
Taxes and contributions (2)		2.759.788		27.822.601
Leases and fees		2.003.579		1.343.676
Transportation and travel expenses		414.436		790.638
	$	**142.543.855**	**$**	**163.597.750**

(1) Below is the breakdown of independent professional services, outsourced and others:

		For the year ended 31 December 2021		For the year ended 31 December 2020
Fees	$	18.944.619	$	14.470.693
Other management and operation contracts		14.681.127		14.867.505
Software development services and computer applications		11.822.641		14.617.213
Telemetry service		5.944.491		4.660.395
Expat expenses		2.174.261		2.524.299
	$	**53.567.139**	**$**	**51.140.105**

(2) Corresponds mainly to the recognition of the sanctions of the following items: correction income 2016 - 2019, ruling in second instance process income 2003 and contingency contracts abroad.

(In thousands of pesos)

24. Depreciation, Amortization and Impairment Losses

		For the year ended 31 December 2021		For the year ended 31 December 2020
Depreciations (See Note 12) (1)	$	226.838.869	$	224.012.801
Amortizations (See Note 11)		20.480.874		21.492.562
Depreciations and amortizations	$	247.319.743	$	245.505.363
Impairment of financial and non-financial assets (2)		4.807.234		1.215.957
	$	**252.126.977**	**$**	**246.721.320**

1) As of 31 December 2021, there is an increase in depreciation with respect to 2020, mainly due to the entry into operation of new assets in 2021 associated to different asset classes; in which the depreciation expense is affected as follows: thermal power plants $7,850,941; constructions, machinery and other assets $392,025. On the other hand, hydraulic power plants showed a decrease in depreciation of ($4,686,586) and assets in leasing of ($729,979).

2) As of 31 December 2021, corresponds to the impairment of financial assets, mainly due to the calculation under IFRS 9 for the expected credit loss of the commercial portfolio determined by the simplified individual model, generating an impairment expense of $4,620,072 and the collective model applied on the other non-financial assets, generating an impairment expense of $187,605.

25. Net Financial Income

		For the year ended 31 December 2021		For the year ended 31 December 2020
Revenue from cash and cash equivalents (1)	$	6.552.403	$	14.030.756
Interest on accounts receivable		3.638.967		4.404.026
Interest for customer financing		879.150		874.073
Interest for associate financing		-		899.408
Financial revenues		**11.070.520**		**20.208.263**
Financial obligations (2)		(165.186.596)		(205.662.766)
Tax on movement of funds		(12.969.360)		(10.278.707)
Other financial costs (3)		(5.303.484)		(25.873.262)
Post-employment benefit obligation		(5.164.794)		(5.285.453)
Financial expenses IFRS 16		(353.618)		(847.124)
Finance lease		(5.763)		(16.163)
Default interest taxes (4)		4.356.361		(41.634.282)
Financial expenses	**$**	**(184.627.254)**	**$**	**(289.597.757)**
Capitalized financial expenses (5)		2.327.478		8.112.313
Net financial expenses		(182.299.776)		(281.485.444)
Revenues from realized exchange difference (6)		37.605.076		20.611.353
Expense for unrealized exchange difference (6)		(42.687.094)		(19.811.723)
Net exchange difference		(5.082.019)		799.630
Total net financial income	**$**	**(176.311.274)**	**$**	**(260.477.551)**

(1) Corresponds mainly to financial returns of national currency of deposits and investments in different financial entities supervised and controlled by the Colombian Financial Superintendence. The variation of 2020 corresponds mainly to:

The Colombian Central Bank started the year with the intervention rate at 1.75%, and maintained it in that range for most of the year until October 2021, said intervention rate averaged 1.98% during 2021, while for 2020 it was 2.87%; as a consequence of this monetary policy, the company's interest-bearing accounts also remained at historically low levels.

(2) The variation is mainly due to the payment of the International Bond generating a decrease in the financial obligations as of December 31, 2021 corresponding to interest, as follows:

(In thousands of pesos)

Operation		2021		2020
Bonds issued	$	165.186.596	$	205.662.767
Total expenses of financial obligations	**$**	**165.186.596**	**$**	**205.662.767**

(3) The variation corresponds to the financial restatement of environmental liabilities ($18,898,213), resulting from variations in discount rates and use of provisions; impairment of accounts receivable ($1,152,802), other financial costs ($838,273), financial expenses ($199,073) and interest on commercial loans ($120,437).

(4) The variation corresponds to the update of the quantification of the penalty and interest on foreign contracts for $6,323,530, recognition of late payment interest for ($1,970,012) and selfwithholdings for ($157) recognized in 2021; on the other hand, for 2020 interest generated in the CREE corrections for 2016, income for the years 2003, 2016, 2017, 2018, 2019 and foreign contracts were recognized, as follows:

	Interest
Income tax 2003	$ 28.907.685
Foreign contracts	7.357.048
Income tax 2017	3.748.355
Income tax 2016	2.728.801
CREE 2016	1.637.281
Income tax 2018	(187.834)
Income tax 2019	(2.557.054)
Total	**$ 41.634.282**

(5) The change in capitalized interest expense in 2021 versus 2020 corresponds to:

- The fluctuation of the annual nominal rate for capitalization of interest costs for the year 2021 versus 2020 is 1.70%.
- Projects with capitalizable interest expense

As of 31 December 2021

Station	Project		Value
Thermal	Beep Others project (environmental improvement), Life Extension and OCM	$	2.317.847
Hydropower	Additional works Quimbo station dam		9.631
	Total	**$**	**2.327.478**

As of 31 December 2020

Station	Project		Value
Thermal	Beep Others project (environmental improvement and Life Extension)	$	6.370.503
Hydropower	Additional works Quimbo station dam		1.741.810
	Total	**$**	**8.112.313**

(In thousands of pesos)

(6) The origins of the effects on profit or loss due to exchange differences correspond to:

	As of 31 December 2021			
	Revenue from exchange transactions		Revenue from exchange transactions	
Balances in banks	$	38.385.797	$	(29.216.810)
Other assets		135.043		379.914
Commercial accounts		88.770		(9.729.536)
Total assets	**$**	**38.609.610**	**$**	**(38.566.432)**
Accounts payable for goods and services		(1.200.751)		(3.054.422)
Current accounts payable to related entities		196.217		(1.066.240)
Total liabilities	**$**	**(1.004.534)**	**$**	**(4.120.662)**
Total exchange difference	**$**	**37.605.076**	**$**	**(42.687.094)**

	As of 31 December 2019			
	Revenue from exchange transactions		Revenue from exchange transactions	
Balances in banks	$	13.637.233	$	(15.742.948)
Commercial accounts		37.764		-
Other assets		434		(420.747)
Total assets	**$**	**13.675.431**	**$**	**(16.163.695)**
Accounts payable for goods and services		6.633.899		(3.450.985)
Current accounts payable to related entities		353.439		(175.651)
Total liabilities	**$**	**6.987.338**	**$**	**(3.626.636)**
Total exchange difference	**$**	**20.662.769**	**$**	**(19.790.331)**

26. Results in sales of assets

	For the year ended 31 December 2021		For the year ended 31 December 2020	
Results in Sale of Assets	$	(1.637.912)	$	(1.191.079)
	$	**(1.637.912)**	**$**	**(1.191.079)**

As of 31 December 2021, the Group presents a net effect in the result on sale and disposal of assets for $1,637,912, corresponding to:

i) Disposals with effect in loss for ($1,885,212) distributed as follows:

- Hydroelectric power plants for ($824,719)
- Thermal Power Plants for ($568,607)
- Buildings for ($226,899)
- Vehicles leased for termination of contract for ($73,685)
- Machinery and equipment for ($153.897)
- Furniture and civil works for ($23,005)
- Premises hydraulic power plants ($14,400)

ii) Disposals with effect in profit for $247,300, which are due to the sale of vehicles.

(In thousands of pesos)

27. Income tax expense

The provision through profit or loss for income tax and income surcharge consists of the following:

		For the year ended 31 December 2021		For the year ended 31 December 2020
Current income tax	$	738.109.613	$	604.162.857
Tax on occasional earnings		-		37.021
Current income tax against equity		(646.247)		469.308
Discounts (ICA, Donations, Research and development)		(4.384.375)		(2.258.869)
Current income tax from previous years (1)		(13.851.853)		42.666.414
Total current tax	**$**	**719.227.138**	**$**	**645.076.731**
Deferred income tax from previous years (1)		2.306.683		(3.216.528)
Deferred tax movement		92.840.326		55.867.015
Total deferred tax	**$**	**95.147.009**	**$**	**52.650.487**
Income tax expense	**$**	**814.374.147**	**$**	**697.727.218**

Until 2016 a reserve was set up for accelerated depreciation through profit or loss of 31 December 2016, in compliance with the provisions of article 130 of the Tax Code in force up to that time, affecting each year's profits, up to a total amount of $241,806,481. Bearing in mind that for fiscal purposes, the reducing balance method for depreciation has been used as of 2014, and for accounting purpose the straight-line system will continue to be used. From 2017, taking into account that Article 130 of the Tax Code was repealed by the tax reform Act 1819 of 2016, the analysis was performed for each asset, in which case for those assets in which the accounting depreciation begins to equate to the tax depreciation and/or is higher, the reserve is reversed, being for the Assembly of March 2021 released $8,717,995, leaving a reserve balance of $215,186,399.

(1) The income tax of previous years consists of:

(a) (a) In 2021 the restatement for the contingency of foreign contracts without registration before the DIAN for $10,151,796 and income adjustment year 2020 for $3,700,057 and its corresponding deferred effect ($2,306,683).

Below is the reconciliation between the income tax that would result from applying the current general tax rate to "earnings before taxes" and the expense recorded for the aforementioned tax in the consolidated income statement as of 31 December 2021:

Effective tax rate reconciliation		As of 31 December 2021		As of 31 December 2020
Net income	**$**	**1.712.321.401**	**$**	**1.283.908.550**
Income tax expense		814.374.147		697.727.218
Income before income tax	**$**	**2.526.695.548**	**$**	**1.981.635.768**
Current statutory tax rate		31%		32%
Tax at current statutory rate	**$**	**(783.275.620)**	**$**	**(634.123.446)**
Permanent differences:				
Prior year income adjustment (1)		11.545.170		(42.666.414)
Other tax benefits		4.384.375		-
Deductions for real productive fixed assets		2.882.749		1.692.340
Other permanent differences (2)		1.448.837		(24.763.591)
ICA/Donations deduction		653.287		2.892.443
Expenses without causal relationship and other non-deductible expenses		262.578		(967.863)
Impairment IFRS 9		133		-
Adjustment rate difference - deferred adjustment prior years		(45.159.205)		-
Net effect of changes in estimated liabilities and permanent provisions		(2.565.736)		(1.606.546)
Non-deductible taxes (3)		(2.278.649)		(1.644.593)
Accounting depreciation tax depreciation value		(2.270.893)		3.379.650
Presumptive interest		(1.173)		(644)
Profit on sale of fixed assets taxed with occasional gain		-		81.446
Total permanent differences	**$**	**(31.098.527)**	**$**	**(63.603.772)**
Income tax expense	**$**	**(814.374.147)**	**$**	**(697.727.218)**

(In thousands of pesos)

(1) In 2021 the restatement for the contingency of foreign contracts without registration before the DIAN for $10,151,796 and income adjustment year 2020 for $3,700,057 and its corresponding deferred effect ($2,306,683).

(2) Corresponds in 2021 mainly to the updating of the 2016 - 2017 contingency in the amount of interest penalties and other non-deductible expenses for $1,448,837.

(3) Corresponds mainly to 31% in 2021 ($2,982,125) of tax on financial movements and 31% rejection of Industry and commerce expense for $703,476.

28. Earnings per Share

The earnings per basic share are calculated dividing profit attributable to the Company shareholders adjusted to preferred dividends after taxes between the weighted averages of common outstanding shares over the year. As of 31 December 2021, there are no common shares acquired by the Group.

		For the year ended 31 December 2021		For the year ended 31 December 2020
Profit attributable to owners	$	1.712.321.388	$	1.283.908.535
Preferred dividends (1)		9.234.113		7.961.522
Profit attributable to owners adjusted to preferred dividends		1.703.087.275		1.275.190.588
Weighted average of outstanding shares		148.914.162		148.914.162
Basic earnings per share (*)	**$**	**11.436,70**	**$**	**8.563,25**

(*) Amount expressed in Colombian pesos

(1) Out of total shares of Grupo Energía Bogotá S.A E.S.P., 20,952,601 shares correspond to shares without voting rights with an annual preferred dividend of US $0.11 per share.

29. Comprehensive Income

The breakdown of other comprehensive income is shown below:

		For the year ended 31 December 2021		For the year ended 31 December 2020
Components of other comprehensive income that will not be reclassified to net income:				
Losses on new measurements of financial instruments measured at fair value rough OCI (1)	$	(35.329)	$	(37.369)
Gains (losses) for new measurements of defined benefits plans (2)		14.150.443		(1.712.482)
Other income that will not be reclassified to earnings before taxes	**$**	**14.115.114**	**$**	**(1.749.851)**
Components of other comprehensive income that will be reclassified to earnings before taxes:				
Gains (losses) for cash flow hedges (4)		4.311.953		(1.474.375)
Other income that will be reclassified to earnings before taxes	**$**	**4.311.953**	**$**	**(1.474.375)**
Income tax related to components of other comprehensive income that will not be reclassified to earnings before taxes				
Gains (losses) from new measurements of defined benefit plans (3)		(3.841.325)		457.577
Total income taxes related to components of other comprehensive income that will not be reclassified to the period tax	**$**	**(3.841.325)**	**$**	**457.577**
Income tax related to components of other comprehensive income that will be reclassified to earnings before taxes				
Tax effect for cash flow hedges (5)		(1.439.523)		2.999.382
Total income taxes related to components of other comprehensive income that will be reclassified to the period tax	**$**	**(1.439.523)**	**$**	**2.999.382**
Total other comprehensive income	**$**	**13.146.219**	**$**	**232.733**

(In thousands of pesos)

(1) As of 31 December 2021, corresponds to losses from the investment in Derivex S.A. E.S.P as a result of the valuation using the multiples method and the update of the investment in subsidiaries as a result of the implementation of the equity method.

(2) Corresponds to the effect of actuarial losses valued by the firm AON Hewitt México. As of 31 December 2021 and 2020, actuarial losses with effect on equity are presented below:

	As of 31 December 2021				As of 31 December 2020			
		Pensions and Benefits		Retroactive severance pay		Pensions and Benefits		Retroactive severance pay
Opening balance	**$**	**(28.837.301)**	**$**	**(1.909.098)**	**$**	**(27.867.394)**	**$**	**(1.624.100)**
Actuarial gain		(13.589.447)		(560.996)		(1.427.484)		(284.998)
Current and deferred tax		(3.841.325)		-		457.577		-
Closing balance	**$**	**(46.268.073)**	**$**	**(2.470.094)**	**$**	**(28.837.301)**	**$**	**(1.909.098)**

The value of the losses is transferred directly to retained earnings and will not be reclassified to profit or loss.

(3) Corresponds to the effect on equity of the income tax and the deferred income tax generated by actuarial losses as of 31 December 2021 and 2020, respectively, as detailed below:

	As of 31 December 2021		As of 31 December 2020	
Income tax	$	2.686.371	$	11.732
Deferred tax		1.154.954		(469.309)
Final balance	**$**	**3.841.325**	**$**	**(457.577)**

(4) As of 31 December 2021, it corresponds to market to market (MTM) as a result of the valuation of hedging derivatives for both forward and swap.

(5) As of 31 December 2021 and 2020, corresponds to the deferred tax related to the cash flow hedges, as detailed below:

	As of 31 December 2021		As of 31 December 2020	
Deferred tax related to cash flow hedges	$	(1.439.523)	$	(2.999.382)
Closing Balance	**$**	**(1.439.523)**	**$**	**(2.999.382)**

30. Assets and Liabilities in Foreign Currency

The standards existing in Colombia allow for the free negotiation of foreign currency through banks and financial institutions at free exchange rates. Nonetheless, most of the transactions in foreign currency require compliance with certain legal requirements.

Summary of assets and liabilities expressed in foreign currency:

	As of 31 December 2021			
	(EUR)	(US Dollars)		(thousands of pesos)
Cash and cash equivalents (Note 4)	-	2.050.722	$	8.164.253
Debtors	-	461.585		1.837.644
Accounts payable	(1.684.785)	(8.928.559)		(43.173.681)
Net liability position	**(1.684.785)**	**(6.416.252)**	**$**	**(33.171.784)**

(In thousands of pesos)

	As of 31 December 2020			
	(EUR)	(US Dollars)		(thousands of pesos)
Cash and cash equivalents (Note 4)	-	396.368	$	1.360.533
Debtors	448.998	4.806.103		18.382.666
Accounts payable	(442.419)	(7.062.976)		(26.101.752)
Net liability position	**6.579**	**(1.860.505)**	**$**	**(6.358.553)**

31. Penalties

As of 31 December 2021, the status of penalties is shown below:

There are no sanctions for regulatory breaches, specifically Act 142, Act 143 and the regulation issued by the Energy and Gas Regulation Commission.

Environmental penalties

a) The National Authority of Environmental Licenses (ANLA) confirmed the penalty against Emgesa S.A. E.S.P. for a value of $2,503.259, for the alleged breach of the Environmental License, in relation to the removal of the wood and biomass product of the forest use of the vessel of the reservoir of El Quimbo Hydroelectric Project. An claim for annulment and restoration of the right was filed, the claim has already been admitted.

   The allegations were presented and the process has been in office since 10 March 2020 for first instance ruling.

b) The Regional Autonomous Corporation of Upper Magdalena (CAR) decided in the appeal against Resolution No. 2239 of 29 July 2016, in which Emgesa S.A. E.S.P. was penalized for $758,864, for breach of environmental regulations, since activities were carried out without having the prior environmental permit as established by the regulation (opening of the road above the 720 level of the Quimbo Hydroelectric Project-PHEQ), the penalty was reduced to $ 492,700.

   The claim for nullity and restoration of the right was filed (judicial actions), the CAM answered the demand. After the suspension of the process declared by the Administrative Court of Huila on the account of the emergency measures due to COVID19, in the month of December 2020 the initial hearing was held and the technical testimony requested by Emgesa, the evidentiary hearing continued on 4 May 2021, and the process is in the evidentiary stage.

c) On 12 January 2018, the Emgesa S.A. E.S.P. was notified of the 4 December Resolutions No. 3567, 3568 and 3569 in which the penalties imposed by the CAM in November 2016 were confirmed in relation to resolutions 3590, 3653 and 3816 of November 2016 derived from the absence of dumping permits for the resettlements of the PHEQ project, in accordance with environmental regulations.

   As a result, the Regional Autonomous Corporation of Upper Magdalena (CAM) imposed three (3) penalties consisting of a fine of $50,670 each:

   The following are the resolutions and the events for which we were sanctioned:

   - Resolution No. 3590 of 10 November 2016, the CAM penalized Emgesa S.A. E.S.P. for not having the dumping permit of the Montea resettlement.

   A lawsuit for Nullity and Restoration of Rights was filed on May 30, 2019, and a first instance ruling was issued on October 4, 2021 in favor of Emgesa S.A. E.S.P., and the appeal filed by CAM is currently being processed.

(In thousands of pesos)

- Resolution No. 3816 of 10 November 2016, the CAM penalized the Group for not having the dumping permit of the La Galda resettlement.

A lawsuit for Nullity and Restoration of Rights was filed against CAM. On April 14, 2021, the Seventh Administrative Court of Neiva issued a first instance judgment, in which Emgesa's claims were denied, currently the process is pending the appeal filed by Emgesa before the Administrative Court of Huila.

32. Other Insurance

In addition to policies relative to property, plant, and equipment (see Note 12), the Group has the following policies:

Property/person insured	Risks covered	Insured amount	Expiry	Insurance Company
Employees having a direct contract with the Group	Death, total and permanent disability	Maximum individual insured amount: $2.000.000	31/12/2021	Seguros Bolívar
Advisors or directors	Civil liability of directors and managers	$19.385.116	10/11/2022	SBS Seguros

33. Commitments and Contingencies

a. Purchase Commitments:

The Group as of 31 December 2021 has commitments to purchase electric energy (pay as contracted at current prices), natural gas, fuel oil and coal, as follows:

Period	Natural Gas	Fuel Oil	Coal	Energy	Total
2020-2023	$ 166.105.771	$ 74.083.692	$ 34.385.981	$ 323.160.455	$ 597.735.899
2024-2029	-	-	-	120.133.806	120.133.806
Total	**$ 166.105.771**	**$ 74.083.692**	**$ 34.385.981**	**$ 443.294.261**	**$ 717.869.705**

As of 31 December 2021, the Group has commitments to sell energy in long-term contracts for the period of 2021-2029 for $144.294.261.

The following is the summary of the commitments to purchase materials and services:

Period	Materials	Services	Total
2022	$ 29.896.709	$ 195.263.939	$ 225.160.648
2023-2024	11.648.794	173.784.655	185.433.449
2024-2033	-	4.777.640	4.777.640
Total	**$ 41.545.503**	**$ 373.826.234**	**$ 415.371.737**

b. Canoas Pumping Station Agreement

On 5 December 2011, the inter-institutional agreement between Empresa de Acueducto y Alcantarillado de Bogotá E.S.P. (E.A.A.B.) and the Group, with the objective of joining forces to ensure the construction of the Canoas Pumping Station, through economic and operational contribution offered by the EMGESA S.A. E.S.P. It is worth mentioning the importance of the aforementioned agreement for the inhabitants of the Bogota River Basin, as it contributes significantly to the financing of mega works necessary for the sanitation of the Bogota River and allows the use of water resources in the supply of electrical energy guaranteeing the reliability of the system for the electric generation; thus making compatible the process of power generation and the optimization of water quality.

(In thousands of pesos)

The economic contribution of the Group for this agreement amounts to $84,048,000, the value of the final disbursement will be the result of the simple indexation of the economic resources of the agreement and will be disbursed once the EAAB builds the pumping station and begins its operation.

The agreement is valid for 27 years from date of execution and until the Emgesa retains the status of user of the waters of the Bogota River by virtue of the water concession granted by the CAR. This may be extended by agreement of the parties provided there are reasonable grounds.

In November 2018, EAAB carried out the process of awarding the designs and construction of the pumping station, which according to the schedule will start in March 2019 with a duration of 44 months. The Group will participate in the technical tables starting from the beginning of the detail and construction engineering contract. Once the construction, installation and start-up of the pumping station are completed and the equipment tests are carried out, the Company will receive the Pumping Station to operate and maintain it.

In 2021, the following activities were carried out:

- Completion of the detailed engineering of the different specialties (geotechnical, structural, hydraulic, electrical, mechanical and control) with a progress of 99%.
- Construction of the containment screens of the screening and pumping wells and started excavation of the material inside them. With 67% and 51% progress.
- Progress in the construction of related structures such as substation and electrical and control building.
- Progress in the testing of the main equipment such as transformers and motors for the substation and pumps for the elevator station. We are still reviewing the FAT testing schedule for the screening and odor control equipment.

c. Contingencies and Arbitrations

The Group faces litigations classified as possible or contingent, with respect to which Management, with the support of its external and internal legal advisors, estimates that the outcomes correspond to the part not provisioned will be favorable to the Group and will not cause significant liabilities which must be accounted for or which, if they do, will not significantly affect their financial position.

The variation between 31 December 2019 and 31 December 2021, corresponds to the following processes:

TYPE OF PROCESS	PLAINTIFF	PURPOSE OF THE CLAIM	VALUE	ACTION	MONTH
Adm_Direct_Repair	Adoración Martinez Arcos, Francy Elena Polo, Patrícia Lopez Narvaez	That EMGESA S.A-E.S.P. be declared civilly liable for the damages caused to the plaintiffs with the construction of the El Quimbo hydropower project.	$ 347.557.800	Entry	Oct-21
Adm_Direct_Repair	Alicia Vieda Cuellar, Lilian Joven Otalora, Luis Héctor Calderón Calderón.	That EMGESA S.A-E.S.P. be declared civilly liable for the damages caused to the plaintiffs with the construction of the El Quimbo hydropower project.	$ 377.780.000	Entry	Oct-21

(In thousands of pesos)

TYPE OF PROCESS	PLAINTIFF	PURPOSE OF THE CLAIM	VALUE	ACTION	MONTH
Adm_Nullity_and_ Reinstatement	Oscar Eduardo Valbuena Calderón, Diego Armando Valbuena Calderón, Juan Sebastián Valbuena Calderón, Luz Dalila Yate Delgado, Ingrid Yaquelin Angulo Aviles, Jhoan Sebastián López Ramírez, Nicolás López Ramírez, Laura Daniela Gasca Trujillo, Luz Mary Méndez Calderón, María Paula Quimbaya Vargas, Ximena Andrea Almario Ordoñez, Carolina Chavarro Álvarez, Maira Yicela Chavarro Álvarez, Rodrigo Sánchez Cabrera, Aldemar Sterling Perdomo, Oscar Iván Imbachi Galindez, Narly Jiménez Ortiz, Genry Gómez Murcia, Maicol Stiven Correa Granada	Declare the nullity of the administrative acts (23 official documents issued by EMGESA S.A. E.S.P.) Consequently, by way of reestablishment of rights, the defendant entity is ordered to comply with the provisions of art. 10, numeral 1.2. 2 of the environmental license of the PHEQ, including the plaintiffs in the census of the affected population in item k of the receiving population; to the same title, the plaintiffs included in the census of affected population, as receiving population of the resettlements LA NUEVA ESCALERETA, located in the hamlet LLANO DE LA VIRGEN of the municipality of Altamira (H), SANTIAGO PALACIOS located in the village JAUALITO of the municipality of Garzón, SAN JOSE DE BELEN TAPERAS in the villages LA GALDA Y LA YAGUILGA, of the municipality of El Agrado, and NUEVA VERACRUZ in the village RIOLORO of the municipality of Gigante; the Compensation Manual must be applied, according to the provisions of numeral 1. And 1.5.2. of art. 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all according to annex No. 1, which establishes the liquidation of said compensation, according to the Compensations Manual, taking into account the status indicator and the certification of income given by the accountant.	$ 325.000.000	Entry	Oct-21
Adm_Nullity_and_ Reinstatement	Olmedo Ramírez Ramírez, Cleisy Dussan Tovar, Luis Eduardo Roa, Yesica Katherin Triviño Chanchin, Jadinson Cortes Pérez, Alexander Escobar Trujillo, Cristian Mauricio Escarpetta Bonilla, Diana Marcela Huertas Mora, Yeferson Arley Perdomo Miticanoy, Marilin Álvarez Dussan, Claudia Patricia Bermeo Rosa, Daniel Eduardo García Martínez, Gilberto Yucuma Pulido, Darío Fernando Avilés Sánchez, Francisco Javier Avilés Sánchez, Andrés Matías Medina Álvarez, Cristian Alberto Medina Álvarez, Josué García Martínez, José Yeison Silva, Jhon Edison Osorio Silva, Miguel Ángel Osorio Silva, Rómulo Osorio Silva, Yeny Paola Cuellar Renca, Luis Andrés Álvarez Dussan, Ruben Darío Andrade Palencia María Cristina Cano Serrato Jhon Edinson Ortiz Llanos, Laura Daniela Ortiz Llanos, Paola Andrea Salinas Piñeros, Williams Stevens Arias Vargas, Yesica Tatiana Calderón Benavides, Tito Triana Muñoz, Cristian Orlando Caquimbo Ramírez, Lina Marcela Canacue Castilla, Yulied Daniela Cardoso Ortiz, Diego Alexander Rincón Ortiz, María Alejandra Villanueva Rojas, Ana Virginia Sánchez Quiroga, Windthy Yulieth Aguilar Gutiérrez,	Declare the nullity of the administrative acts (40 official documents issued by EMGESA S.A. E.S.P.) Consequently, by way of reestablishment of rights, the defendant entity is ordered to comply with the provisions of art. 10, numeral 1.2. 2 of the environmental license of the PHEQ, including the plaintiffs in the census of affected population in literal k of receiving population; at the same title, it is ordered that the compensation manual must be applied to the plaintiffs included in the census of affected population, as receiving population of the resettlement LA NUEVA ESCALERETA, located in the hamlet LLANO DE LA VIRGEN of the municipality of Altamira (H), according to the provisions of numeral 1.2. And 1.5.2. of art. 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all according to annex No. 1, which establishes the liquidation of said compensation, according to the Compensations Manual, taking into account the status indicator and the certification of income given by the accountant.	$975.000.000	Entry	Oct-21
Adm_Direct_Repair	Jesús Antonio Ordoñez Vargas, Jaime Suarez Ramón, Liry Yurani Velasco Losada	The lawsuit seeks to declare EMGESA S.A. E.S.P. liable for the material and moral damages caused to the plaintiffs in connection with the construction of the QUIMBO hydroelectric project. According to the facts of the lawsuit, the plaintiffs were day laborers in various trades on farms that were part of the PHEQ's AID.	$383.434.000	Entry	Oct-21

(In thousands of pesos)

TYPE OF PROCESS	PLAINTIFF	PURPOSE OF THE CLAIM	VALUE	ACTION	MONTH
Adm_Direct_Repair	Jairo Enrique Aldana Tapia, Darly Tathiana Avilés Saavedra, Yina Marcela Medina Herrera, Tannia Galindo Fajardo, Edinson Esmith Calderón Bautista, Orlando Calderón, Fernando Méndez Méndez, Jorge Enrique Torres Jara, Luis Carlos Villanueva Lugo, Jhon Jairo González Serrano, John Fredy Artunduaga Ortiz Nubia Méndez, Constanza Tovar Vargas, María Del Carmen Olaya Arias, Flor Marina Cuellar Sánchez, Luis Emil Galvis Nieto, Francy Elena Chávez Polo, Martha Stella Ortiz Fernández, Rosalba Trujillo, Nelcy Ramírez Garzón, Isnelda Ortiz Vargas, Alexandra Sierra Marín, Carlos Alberto Arias Álvarez, Pablo Emilio Riaños, Gilberto Almario Perdomo, Omar España Triviño.	Declare the nullity of the administrative acts (11 official letters issued by EMGESA S.A. E.S.P.) Consequently, by way of reestablishment of rights, the defendant entity is ordered to comply with the provisions of art. 10, numeral 1.2. 2 of the environmental license of the PHEQ, including the plaintiffs in the census of the affected population in item k of the receiving population; to the same title, it is ordered that the Compensation Manual must be applied to the plaintiffs included in the affected population census, as receiving population of the resettlements LA NUEVA ESCALERETA, located in the LLANO DE LA VIRGEN hamlet of the municipality of Altamira (H), SANTIAGO PALACIOS, located in the JAGUALITO hamlet of the municipality of Garzón and SAN JOSE DE BELEN TAPERAS in the LA GALDA hamlets of the municipality of El Agrado (H), according to the provisions of numeral 1. And 1.5.2. of art. 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all according to annex No. 1, which establishes the liquidation of said compensation, according to the Compensation Manual, taking into account the status indicator and the certification of income given by the accountant.	$650.000.000	Entry	Oct-21
Const_Public_Interest	Diana Carolina Romero Ramírez , Federico Andrés Romero Ramírez, Luis Felipe Romero Ramírez, Elisenia Ramírez, Sandra Yohana Romero Ramírez	The plaintiffs request the protection of the collective rights to a healthy environment, the right to safety and prevention of technically foreseeable disasters and to avoid contingent damage to life, health, integrity, human dignity and other irremediable damages caused and to be caused to the resident community of the town of Nueva Veracruz, derived from the construction of the resettlement near the Emerald oil pipeline. Related to compliance with the environmental license of the El Quimbo power plant.	Undetermined	Entry	Nov-21
Nullity and restoration of the right in the first instance (Law 1437 of 2011)	Aes Chivor & Cia Sca Esp Corporación Autónoma Regional Del Chivor-Corpochivor National Environmental Licensing Authority -ANLA	Action for annulment and reestablishment of rights in the first instance of the administrative acts issued by CORPOCHIVOR ordering AES CHIVOR and EMGESA to carry out dredging works in a section of the GUAVIO RIVER.	$3.600.000.000	Entry	Dic-21
Enforcement process for large and small amounts for obligation to pay sums of money	AXIA ENERGIA SAS ESP	To issue a payment order in favor of AXIA ENERGIA S.A.S. with NIT no. 900.507.207-1 and against EMGESA S.A. ESP. for the following amounts: for capital: the sum of nine hundred and sixty-eight million one hundred and forty one thousand five hundred and sixty five pesos and 89 cents. ($968.141.565.89). For moratory interest from May 1, 2020 until the obligation is paid.	$ 968.141.565	Entry	Dic-21
Ordinary labor of first instance	Gustavo Javier Gómez Quin	The plaintiff seeks a declaration that the defendants EMGESA S.A. E.S.P. and the ENEL Colombia Foundation are obliged to pay through actuarial calculation - in favor of the plaintiff - the contributions to the social security pension system for the periods between April 1, 1999 and June 30, 2002 and from October 1, 2002 until January 8, 2010 when the employment contract ended.	$150.000.000	Entry	Dic-21
Adm_Direct_Repair	Donelia Vargas Díaz	To sentence the Company for the moral and material damages for the non-payment of the compensation according to the license in its condition of affected by the P.H.E.Q.	$ 209.321.136	Case termination	Oct-21
Belongings	Luis Eduardo Jiménez Polo	The legal action seeks the extinguishment of the Company's real right of ownership over a real estate property located in the Gavio area.	Undetermined	Duplicate termination	Oct-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Undetermined	Case termination	Dic-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Undetermined	Case termination	Dic-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Undetermined	Case termination	Dic-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Indeterminada	Termination Favorable Judgment	Dic-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Undetermined	Case termination	Dic-21
Collective Actions		Compensation Bosa and Kennedy December 2011	$ 786.367.000.000	Termination - Duplicate	Dic-21

(In thousands of pesos)

TYPE OF PROCESS	PLAINTIFF	PURPOSE OF THE CLAIM	VALUE	ACTION	MONTH
Ordinary process of major, minor and minimum amount.		Serious Injury	Undetermined	Termination Favorable Judgment	Dic-21
Direct Reparation Action		Damages caused by PHEQ	$177.000.000	Termination Favorable Judgment	Dic-21
Public interest actions		The plaintiffs request the protection of the collective rights to a healthy environment, the right to safety and prevention of technically foreseeable disasters and to avoid contingent damage to life, health, integrity, human dignity and other irremediable damages caused and to be caused to the resident community of the town of Nueva Veracruz, derived from the construction of the resettlement near the Emerald oil pipeline. Related to compliance with the environmental license of the El Quimbo power plant.	Undetermined	Termination Favorable Judgment	Dic-21
Ordinary process of declaration of ownership		Ownership proceeding brought by an occupant of real estate owned by the Group.	Undetermined	Case termination	Dic-21

TYPE OF PROCESS	PLAINTIFF	PURPOSE OF THE CLAIM	VALUE	ACTION	MONTH
Labor Ordinary	Ángel María Villalba Lara	Sundays, holidays and overtime pay	$ 44.390	New Process	feb-20
Labor Ordinary	Manuel Vicente Jiménez Castillo	Sundays, holidays and overtime pay	$ 44.390	New Process	feb-20
Public Interest Action	Efraín Montañez Contreras	The popular interest claim is outlined to seek the protection of the collective rights to safety and prevention of technically foreseeable disasters, on account of the poor condition of the road section known as "La Variante" of the Municipality of Santa María (Boyacá), which the plaintiff identifies as owned by EMGESA SA ESP.	Indeterminada	New Process	mar-20
Labor Ordinary	Hernando González Rodríguez	Recognition and payment of overtime	$ 44.390	New Process	ago-20
Criminal	Isidro Martínez Acuña	Previous legal disputes with EMGESA	Indeterminada	New Process	Agos-20
Labor Ordinary	Libardo Urrea Quigua	That the dismissal be declared ineffective, that the reinstatement be ordered and that EMGESA be ordered to pay compensation for dismissal without just cause and wages not received.	$ 47.843	New Process	Sep-20
Labor Ordinary	Rodolfo Castañeda	Sundays, holidays and overtime pay	$ 44.390	New Process	Oct-20
Labor Ordinary	Floriberto Peña Sierra	Sundays, holidays and overtime pay	$ 44.390	New Process	Oct-20
Labor Ordinary	Miguel Ángel Olmos Farfán	Sundays, holidays and overtime pay	$ 44.390	New Process	Oct-20
Criminal	Tala Ilegal - Embalse Muña // Emgesa – Victima	Damage to third-party property	Indeterminada	New Process	Dic-20
Criminal	Fabio Augusto Martínez Lugo // Victima	Interception of computer data, violation of personal data and conspiracy to commit a crime	Indeterminada	New Process	Dic-20
Adm_ Contractuales_ Administrativas	Diego Hernán Sandoval Castro	Declare the nullity of the contract signed between the VIG consortium with Emgesa as a result of the CEQ519 tender	$ 2.260.008	Process termination	ene-20
Civil Ordinary	Quiterio Trujillo	Ordinary Non-contractual Civil Liability for events of 1994	Indeterminada	Process termination	mar-20
Possession	Flor Ángela Rodríguez	Possesion process promoted by occupant of real estate owned by the Group	Indeterminada	Process termination	mar-20
Criminal	Incidente VITARA NCQ821 - Javier Ricardo Sánchez	INCIDENT VITARA NCQ821 - JAVIER RICARDO SANCHEZ	Indeterminada	Process termination	abr-20
Possession	Carlos Fernando Carranza Delgado	Possession process promoted by occupant of real estate owned by the Group.	Indeterminada	Process termination	Jul-20
Criminal	Indemnización irregular	Irregular compensation	Indeterminada	Process termination	Ago-20
Criminal	Defensa Judicial – Carlos Antonio Lara	Manslaughter	Indeterminada	Process termination	Dic-20
Criminal	Injuria y calumnia	GREYS SUAREZ MEJIA	Indeterminada	Process termination	Dic-20
Criminal	Injuria y calumnia	RODNEY VILLAMIZAR CASTRO	Indeterminada	Process termination	Dic-20
Criminal	Injuria y calumnia	GREYS SUAREZ MEJIA	Indeterminada	Process termination	Dic-20
Criminal	Injuria y calumnia	GREYS SUAREZ MEJIA - ARLEDIS GONZALEZ SILGADO - DANELIS RODRIGUEZ CARMONA	Indeterminada	Process termination	Dic-20

(In thousands of pesos)

Below are the processes reported in December 2020, updated to December 2021.

Processes	Start Date	Claim	Subject of the Lawsuit	Current status and procedural situation
Policarpo Agudelo Y Otros	2014	$ 50.000.000	Compensation for Damages Puente Paso del colegio	First instance ruling in favor of the Group 18-12-2019. It is on appeal at the Council of State, pending to argue conclusion. In court since 05/05/2021 pending to resolve the appeal for reconsideration filed against the order that was transferred to argue conclusion. Conclusion arguments were presented in the second instance.
Ruber Cufino Hernández Y Otros	2017	38.117.538	Compensation as a non-resident population	08/11/2021//2021 Ministry of Environment and Sustainable Development answers call in guarantee.
Tito Toledo Y Otros	2018	33.716.615	Damages and losses caused by the PHEQ to its work of artisanal miners of the A.I.D. property	26-08-2021 Receipt of memorial substitution of power of attorney on the date by email Dr. Daily Esperanza Restrepo Villada substitutes power of attorney of Dr. Martha Lucia Lopez. 26-08-2021 Minutes of the hearing of evidence and reception of testimonial evidence, continued hearing in February 2022, day 21 at 2:10 pm, day 22 from 08:30 am, day 23 from 8:30 am and day 24 will be indicated during the course of the week of the hearing if that date is required.
Jesús María Fernández Y Otros	2017	24.673.190	Compensation for damages in the form of loss of profits due to the permanent occupation of El Quimbo Dam in the area of a mining concession contract - La Mina Property.	At court pending initial hearing.
Yina Paola Amaya Pimentel Y Otros	2018	20.706.898	Compensation for the damages caused by the PHEQ to their work as day laborers in tobacco cultivation and short-cycle crops of A.I.D. properties.	2-08-2021 As of this date, it is in evidence practice.
Aura Lucia Díaz García Y Otros	2017	20.349.603	Compensation as a non-resident population	Pending date for presenting evidence
Antonio Jesús Moreno I	2017	15.831.622	Compensation Non-resident population	Pending a decision by the Constitutional Court. Jurisdiction.
Carlos Arrigui Ramón	2015	10.000.000	Serious injury	Second instance judgment in favor of the Group. Executive order is issued for collection of procedural costs. Supreme Court, Civil Chamber, declares cassation appeal abandoned. Pending return of the process for definitive filing.
Piscícola New York S.A. Procesadora Y Comercializadora De Alimentos S.A. - Proceal S.A. Piscícola Ríos S.A.	2017	7.792.000	Claim for the defendants to pay collective compensation for the material damages (consequential damages) and moral damages for the construction of the PHEQ.	Pending conciliation hearing. 10/05/2021, a conciliation hearing was held and declared unsuccessful. Pending resolution of nullity proposed by the plaintiff. The plaintiff proposed nullity of the proceedings, considering that the process is being processed improperly. The file in the office is pending resolution of said nullity.
Maria Esther Rojas De Irrigue	2015	6.000.000	Serious injury	Second instance ruling in favor of the Group. Ordered to continue with the execution for collection of legal costs. Collection of legal costs from the opposing party.
Lucia Motta De Barrera	2017	5.596.309	Serious injury	First instance ruling in favor of the Group. Nullity of the judgment is decreed and the file is sent to the Circuit Courts in Bogota (R) when a conflict of jurisdiction is resolved.
Yaneth Joven Suarez	2017	5.486.229	Serious injury	First instance ruling in favor of the Group. The first instance ruling was confirmed when the appeal was declared null and void.
Ricardo Rivera Chaux	2017	5.416.668	Serious injury	First instance ruling in favor of the Group. Nullity of the decision is decreed and referred to the Superior Council of the Judiciary (R) due to a proposed conflict of jurisdiction. Process assigned to the Contentious Jurisdiction. At the stage of answering the claim. July 23 obey the decision of the jurisdictional chamber, on July 30 the previous order became final, on August 17 by distribution it corresponded to the 4 CC of Bogotá No. 11001310300420210032400000, on September 23 the court informs the Superior Court of Neiva to process to digitize the file.

(In thousands of pesos)

Processes	Start Date	Claim	Subject of the Lawsuit	Current status and procedural situation
Alba Myriam Chaux Montealegre Y Otros	2017	5.188.063	Fish traders	14-05-2021 Order sets date for evidentiary hearing on September 23, 2021 at 8:00 a.m. and 2:00 p.m. The evidentiary hearing is held and a new date is set for the continuation on January 27, 2022 at 8:00 a.m.
Rosario Flórez Angarita Y Otros	2017	4.416.785	Non-contractual civil liability compensation	09/12/2021 Order declares inadmissible impleader of the Ministry of Mines, Ministry of Environment and ANLA, for not providing the related evidence. 15/12/2021 I rectify the appeal in guarantee, I provide the evidence.
José Ramiro Benavides Y Otros	2018	4.229.160	To compensate the damages caused by PHEQ to their economic activity with the construction chain - non-residents who derived their income in the A.I.D.	4-11-2021 Order sets initial hearing date the office to set the day eight (08) of February two thousand twenty-two (2022), at eight o'clock in the morning (08:00 a.m.), as date and time to carry out the initial hearing referred to in art. 180 of the CPACA, which will be held virtually, for which purpose, the secretariat will timely send the link of the meeting to the e-mails reported by the parties to the proceedings in their corresponding introductory briefs and if they have not informed them, they are required to proceed to provide the office with the e-mails provided for their judicial notifications. 16-12-2021 pending initial hearing scheduled for 8-02-2022
Méndez Arboleda SAS	2016	3.749.528	Serious injury	Pending for a second instance decision.
Luz Marina Ardila Silva	2018	2.561.088	To compensate the damages caused by the pheq to their economic activity in farms of the A.I.D.	24-11-2021 In court for sentencing.
William Javier Cedeño Medina	2017	1.500.732	Compensation for damages for being lessee of a property acquired by the PHEQ	In court pending first instance ruling
Roberto Aisama Nurinbia Y Otros 6	2019	1.226.291	Compensation for damages caused by PHEQ to their economic activity as non-residents - corn farmers and an employee of the service in aid properties	15/10/2021 First instance ruling in favor of EMGESA. 2/11/2021 plaintiff files appeal. 29/11/2021 appeal granted. 12/13/2021 sent to the administrative court on appeal.
Pedro Hernández Rojas	2017	1.088.705	Damages caused by the PHEQ requires compensation for being the owner of the parcel 18b folio 20223122 lot	In court pending first instance ruling
Roberto Campos Y Otros	2017	1.042.693	Compensation for damages caused by PHEQ to their economic activity, artisanal mining in farms located in aid - non-residents who derived their income in the A.I.D.	05-05-2021 Dispatch of the Contentious-Administrative Court with official communication No. j8an-0399 sent on appeal of the order granted in suspensive effect. Magistrate. José Miller Lugo barrero 19-05-2021 T.ADM Filing of Process, arrives at the administrative court. 19-05-2021 T. ADM Process is distributed at 07:53:50 Distributed to individual 19-05-2021 T. ADM To the office by distribution.
Derly Andrea Lasso Torres Y Otros 19	2018	Undetermined	compensation for damages to the receiving population	18/11/2020 resolves conflict and sends competent to the administrative 9, pending its return to the Superior Council of the Judiciary.
María Francy Bejarano Martínez Y Otros	2013	Undetermined	the judicial action pursues the extinction of the real right of ownership of the company over a real estate located in the Guavio area	Favorable judgment of sole instance dated July 01, 2020, pending copy of the judgment to be discharged.
Deyanira Fernández Cruz y Otros	2017	6.212.659	Compensation as a non-resident population	14-05-2021 Minutes of the evidentiary hearing continued for September 2, 2021, the evidentiary debate is closed and the case is transferred to be heard. 1-09-2021 Receipt of memorial continuation of power of attorney for the plaintiff attorney-in-fact submits continuation of power of attorney for attorney daily esperanza Restrepo Villada. 2-09-2021 Minutes of the evidentiary hearing set a date for the continuation of the evidentiary hearing for February 3, 2022.
José Yimmy Aroca Rojas y Otros	2017	7.281.318	Compensation for damages and losses caused by the PHEQ to their work on the properties of the A.I.D.	In the superior council of the judiciary solving a conflict of jurisdiction

(In thousands of pesos)

Processes	Start Date	Claim	Subject of the Lawsuit	Current status and procedural situation
María Isabel Delgadillo García y Otros	2012	786.367.000	Compensation Bosa and Kennedy December 2011	The 30th Administrative Court of Bogota, approves the accumulation of claims on 02/17/2021. On June 17, 2021, it admits as plaintiff group the persons listed in the form submitted by the plaintiff. The process was joined with that of Juan Reisel Lima Ararat and Others.
Otoniel Adames Trujillo y Otros	2017	25.036.414	Compensation for damages and losses caused to economic activity on the properties of the A.I.D.	29-03-2021 Pending date to be set for initial hearing. Initial hearing to be held.
José Rodrigo Álvarez Alonso	2008	33.000.000	Quimbo collective action Compensation for non-inclusion of people in the census	In the evidentiary stage, pending the complementation and contradiction of the expert opinion. To date, the complementation of the expert opinion has not been delivered.
José Edgar Bejarano	2004	32.000.000	Collective action due to flooding in the Upía River (Villanueva and Barranca de Upía in Casanare) downstream from the Guavio reservoir.	The appeal was processed and the plaintiff's request was denied, and the process is currently pending before the office for further processing.
Jesús Hernán Ramírez Almario y Otros	2018	23.979.939	Compensation for damages due to PHEQ	6/10/2021 order admits appeal in guarantee AXXA, min ambiente ANLA. 14/10/2021 AXXA, requests link to access electronic file. 20/10/2021 appeal for reconsideration against the order that called in guarantee. 6/10/2021 order admits AXA, min ambiente, ANLA. 26/10/2021 notified of the guarantee call. 2/11/2021 appeal for reconsideration against the order of AXXA. 19/11/2021 AXXA response
Gilberth Camacho y Otros	2017	16.857.708	Compensation for damages and losses caused by the PHEQ to its economic activity on the premises of the A.I.D.	11-11-2021 Arguments of conclusion by EMGESA's attorney-in-fact 16-11-2021 Transfer of pleadings art. 181 CPACA 16-11-2021 Receipt of memorial - by ANLA's attorney-in-fact submits link request. 23-11-2021 Arguments of conclusion - by representative of MINISTERIO DE MINAS Y ENERGIA 23-11-2021 Arguments of conclusion - on 23/11/2021 by proxy of ANLA 23-11-2021 Arguments of conclusion - on 11/22/2021 by proxy PARTE ACTORA 16-12-2021 Pending to be submitted to the office for ruling.
Alberto Díaz Polania y Otros	2017	9.894.763	Compensation non-residents	10-11-2021 Receipt of memorial conferring power of attorney by ANLA's attorney-in-fact. 16-11-2021 Receipt of memorial - by attorney-in-fact of the plaintiff party, attaches proof of dispatch of official letters 1046,1047,1048,1049. 16-11-2021 Minutes of the evidentiary hearing. The evidentiary hearing was held on this date and will continue tomorrow, November 16, 2021. 18-11-2021 Receipt of memorial CMD- by EMGESA ESP's proxy informing what evidence is still to be taken. 18-11-2021 To the office for the record. Neiva, November 18, 2021. Pursuant to the order of the hearing dated November 17, 2021, the process enters the office to set a date for the resumption of the evidentiary hearing. Also, it is reported that the representative of Emgesa submitted a memorial informing the office of the list of evidence pending to be presented. 9-12-2021 Set a date for the continuation of the evidentiary hearing on March 29, 2022 at 9:00 am.
Elber Guillermo Cuellar Chavarro y Otros	2017	11.270.417	Compensation for damages and losses caused by the PHEQ to its economic activity	04-02-2021 sent to constitutional court 29-03-2021 Pending for the Constitutional Court to define jurisdiction.
Adolfo Trujillo Escarlante y Otros	2018	9.111.190	Compensation for damages for being Construction Masters	03/11/2021 Order sets initial hearing date for 09/03/2022 at 08:00 am.
Juan Reisel Lima Ararat y Otros	2013	2.222.742.172	Compensation Bosa and Kennedy December 2011	In the evidentiary stage.
Cristian Camilo Triana Cuellar y Otros	2016	5.188.105	Compensation as non-resident population	In court for a second instance ruling..

(In thousands of pesos)

Processes	Start Date	Claim	Subject of the Lawsuit	Current status and procedural situation
Consorcio Rockex	2014	5.000.000	Claim for damages caused by the non-execution of a contract with a consortium for the supply of dump trucks.	An appeal was resolved against an order that had resolved EMGESA's preliminary objection. The order was favorable to the Group and ordered the termination of the process. However, there were flaws in the notification of the order and a request for nullity is being processed in view of this situation.
Camilo Andrés Trujillo Escobar y Otros	2017	6.748.914	Compensation for damages caused by PHEQ to their economic activity as non-residents.	Pending that the process of the Superior Council of the Judiciary reaches the 7th Administrative Court of Neiva.

34. Energy Derivatives Market

In May 2018, the Board of Directors approved the change Emgesa's corporate purpose, to be able to carry out operations in the derivatives markets for purposes other than the coverage of the contracting portfolio. As of 31 December 2021, there are also futures contracts in force for the sale of energy for 18.36 GWh, with a purpose other than the coverage of the contracting portfolio. In turn, as of 31 December 2021, 4.32 GWh were settled, which were not considered in the hedging strategy.

As of 31 December 2021, the Derivex valuation closes as follows:

Operation	MTM	No. Operations
Business	$ (301.520)	25

Futures trading operations are backed by guarantees which as of December 2021 amount to $1,585,482 in cash and $1,058,127 in TES, which are available to the Group, but as part of its trading operation, they must be maintained as minimum amounts as cash and cash equivalents.

35. Risk Management

The Group is exposed to certain risks it manages through the implementation of identification, measurement, concentration limitation, and supervision systems.

The basic principles defined by the Group to implement its risk management policy include the following:

a) Comply with good corporate governance standards.

b) Comply strictly with the Group's entire corporate regulatory system.

c) Each management and corporate area define:

   i. Markets in which it can operate on the basis of sufficient knowledge and skills to ensure effective risk management.

   ii. Criteria about counterparties.

   iii. Authorized operators.

d) Managements, corporate areas and lines of business establish for each market where they operate their risk exposure consistent with the defined strategy.

e) All operations by managements, corporate areas and lines of business are performed within the limits approved in each case.

f) Managements, corporate areas and business lines establish risk management controls as necessary to ensure that market transactions are carried out in accordance with the Group's policies, standards and procedures.

Interest Rate Risk

The variations of interest rates change the fair value of those assets and liabilities earning a fixed interest rate, as well as the flow of assets and liabilities referenced at variable interest rate.

(In thousands of pesos)

The purpose of risk management relative to interest rates is to reduce the volatility of the financial cost reflected in the consolidated income statement.

Depending on the estimates by the Group and the objectives of debt structure, hedging operations were undertaken through the contracting of derivatives that mitigate such risks. Instruments that can be used correspond to rate swaps, setting from variable to fixed rates. As of December 2021 the Group has not contracted any interest rate hedges.

	As of 31 December 2021		As of 31 December 2020	
Interest rate	Variation (basic points)*	Sensitivity in COP thousands	Variation (basic points)*	Sensitivity in COP thousands
CPI	+/- 3,47%	(+/-) $ 56.420.859	+/- 1,91%	(+/-) $ 32.908.105
IBR	+/- 2,62%	(+/-) $ 16.597.516	+/- 2,00%	$ -

(*) Changes or movements in 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

The type of exchange risks can be presented essentially with the following transactions:

(a) (Debt contracted by the Group in a currency other than that at which its flows are indexed to.

(b) Payments to be made for the acquisition of materials associated with projects in a currency other than that at which its flows are indexed to.

(c) Revenues directly related to the evolution of currencies other than that of its flows.

Taking into account that the functional currency of the Group is the Colombian peso, it is necessary to mitigate the exchange rate risk by minimizing the exposure of the flows to the risk of changes in the exchange rate.

The instruments that can be used correspond to derivatives (forwards and swaps) of exchange rate. The Group currently contracts exchange rate hedges to cover the payment of invoices in dollars for the purchase of assets in foreign currency (maintenance capex) and reduction of the CREE (Actual equivalent energy cost of the reliability charge). Currently, the Group has contracted exchange rate hedges for a notional amount of USD 26,100,000 maturing in 2022.

Commodity Risks

The Group is exposed to the risk of the variation of the price of commodities (fuel market) and the spot price of energy (Colombian energy market).

The Group purchases fuels for generation without risk coverage due to changes in prices. Liquid fuels are purchased at international market prices. The prices of solid fuels such as coal result from open hiring processes in the local market not directly associated with international commodities; the indexation of these is given by the variation of the CPPI (Coal Producer Price Index) limited to a maximum of +/- 5% in order to maintain stability in the values of purchases.

The Group carries out most energy sales transactions through contracts in the wholesale energy market (MEM), in the non-regulated market (MNR) and in the financial derivatives market (Derivex), in which a price has been previously agreed upon with indexation to the PPI, thus mitigating the spot price risk of the generation portfolio.

Liquidity Risk

The Group has in place a consistent liquidity policy for contracting long-term credit facilities, cash and temporary financial investments, for amounts that are sufficient to support the needs projected for a period depending on the situation and expectations of debt and capital markets. The resources available must cover the needs of net financial debt service (principal plus interest), i.e., after financial derivatives. Included below are the contractual cash flows of financial liabilities with third parties until expiry, undiscounted:

(In thousands of pesos)

Item	Current			Non-current				
	Less than 90 days	Over 90 days	Total current	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total Non-current
Trade and other accounts payable	$ 299.977.613	$ -	$ 299.977.613	$ -	$ -	$ -	$ -	$ -
Bonds issued (principal + interest)	88.169.325	710.079.168	798.248.493	663.616.966	433.815.131	415.726.013	-	1.513.158.110
Finance lease obligations (principal + interest)	10.553.812	10.851.478	21.405.290	19.632.166	18.318.691	49.212.703	-	87.163.560
Bank loans (principal + interest)	1.270.100	19.225.502	20.495.602	51.666.000	51.937.600	524.685.800	-	628.289.400
Total	**$ 399.970.850**	**$ 740.156.148**	**$ 1.140.126.998**	**$ 734.915.132**	**$ 504.071.422**	**$ 989.624.516**	**$ -**	**$ 2.228.611.070**

Credit Risk

The Group performs a detailed follow-up of credit risk.

Commercial Accounts Receivable

The Group credit risk has historically been limited, considering the short payment terms it gives its clients, resulting in no significant values being individually accumulated. The regulation allows cutting the energy supply service, and almost all contracts signed with customers provide that non-payment constitutes grounds for termination. With this purpose, the credit risk is constantly monitored by evaluating general and individual portfolio indicators.

Financial Assets

Investment of the Group's available resources (treasury investments), originated in the operation and in other non-operating revenues and the operation of financial derivatives will be carried out with national and foreign first line entities that meet the minimum risk rating required by the Group.

The minimum risk rating of their financial counterparties must be long-term international investment level, or its equivalent at local scale, taking into account the minimum international rating in foreign currency for the Republic of Colombia. The investment can be made only in counterparties with lower ratings, within the limits established for counterparty's risks, level of investment or prior approval through to valid "Waiver" granted on risks. The local risk ratings must be issued by a risk-rating agency that is well recognized and legally established in Colombia. For international risk rating, those granted by Moody's, S & P and Fitch are acceptable.

The following rules apply to determine the rating awarded to counterparties:

- If the counterparty has only one rating, this rating 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.

The liquidity surplus operations must meet the following general criteria:

Safety: In order to preserve the value of the investment portfolio, the available resources for placement must meet the credit rating requirements set forth herein.

Liquidity: The instruments that are part of the investments must have high liquidity in the market.

Profitability: Within the risk limits allowed for, the highest possible return on investment must be sought.

Diversification: Risk concentration must be avoided in a given type of issuer or counterparty.

Transparency: All operations and commitments undertaken for management of available resources must be explicitly registered and supported, and shall be governed by the norms and procedures in force.

Risk Measurement

The Group adopted IFRS 9 as of 1 January 2018, which introduced a new hedge accounting model, with the objective of aligning accounting more closely with the companies' risk management activities and establishing an approach more based in principles.

Under the new approach, a hedging relationship 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 hedge ratio, understood as the relationship between the notional of the hedged item and the notional of the hedging instrument, is the same as the one used by the Group for risk management purposes and this ratio is adequate for hedge accounting purposes.

(In thousands of pesos)

36. Fair Value

The fair value of financial assets and liabilities is presented for the value at which the instrument could be swapped in a current transaction between the parties, by mutual consent rather than in a forced transaction or liquidation, in accordance with the defined policy.

Below are the financial assets and liabilities with variations between the book value and the fair value as of 31 December 2021:

		Book value		Fair value
		As of 31 December 2021		
Financial assets (1)				
Conventional Housing	$	11.252.405	$	10.149.974
Integrated Housing		4.486.313		4.745.254
Other loans		1.857.972		2.263.304
PSJ Housing		233.598		244.634
Pensioner housing		32.052		39.740
Total assets	**$**	**17.862.340**	**$**	**17.442.906**

		Book value		Fair value
		As of 31 December 2021		
Financial liabilities (2)				
Bonds issued	$	1.870.489.779	$	1.953.684.715
Bank loans		451.452.900		537.736.999
Lease obligations		82.774.592		81.364.869
Total liabilities	**$**	**2.404.717.271**	**$**	**2.572.786.583**

		Book value		Fair value
		As of 31 December 2021		
Non-financial assets (3)				
Carbon credits	$	14.690.586	$	38.171.558
Total non-financial assets	**$**	**14.690.586**	**$**	**38.171.558**

Below are the financial assets and liabilities with variations between the book value and the fair value as of 31 December 2020:

		Book value		Fair value
		As of 31 December 2020		
Financial assets (1)				
Conventional Housing	$	9.560.561	$	9.400.067
Integrated Housing		3.559.660		4.448.660
Other loans		1.903.198		2.566.613
PSJ Housing		278.234		311.792
Pensioner housing		34.877		48.075
Total assets	**$**	**15.336.530**	**$**	**16.775.207**

		Book value		Fair value
		As of 31 December 2020		
Financial liabilities (2)				
Bonds issued	$	2.755.823.708	$	3.002.697.526
Lease obligations		7.729.440		8.262.571
Total liabilities	**$**	**2.763.553.148**	**$**	**3.010.960.097**

(In thousands of pesos)

(1) The Group evaluates accounts receivable and other receivables in the long term, classifying them under level 2 of the hierarchy taking into account that they are observable in similar markets. This measurement uses such base parameters as the lowest interest rates in the market for products with characteristics similar as of December 2021, the risk factors of each country in particular, the solvency of the customer and the risk characteristics of the financed portfolio. Based on this evaluation, provisions are recorded to account for the expected losses on these accounts receivable.

(2) Financial obligations and finance leases are classified within level 2 of the hierarchy since they can be negotiated or traded in active markets at market prices on the measurement date. Fair value is estimated by deducting future cash flows using the rates available for debts with similar conditions, credit risk and maturities. The Group uses the discount rates of the zero-coupon curve according to the maturities of each issue.

(3) The fair value measurement for non-financial assets and liabilities is based on the consideration to be received or paid for the goods and/or services classified in these items. In the case of inventories, the fair value corresponds to the cost incurred by the Group in the acquisition of these assets.

As of 31 December 2021, there are recognized CO2 carbon bonds, whose fair value is $38,171,558, corresponding to 2,691,628 certificates issued as of December 2020 for reduction of CO2 emissions for the years 2015 – 2018 for $ 18,755,788 and 1,396,818 certificates issued in March 2021 for reduction of CO2 emissions for the years 2019 and 2020 for $ 19,415,770 for the Quimbo, Guavio Menor, Dario Valencia Samper, Salto II and Tequendama power plants.

The fair values of cash and cash equivalents and trade accounts payable approximate their carrying amounts, largely due to the short-term maturities of these instruments.

As of 31 December 2020, the Group keeps in its Consolidated Financial Statement the following financial assets and liabilities, measured at their fair value and classified by levels.

As of 31 December 2021

Financial Assets		**Level 3**
Financial investments – unlisted or illiquid companies	$	481.721
		Level 2
Derivative instruments (See Note 5)	$	2.612.348
Financial liabilities		
Derivative instruments (See Note 13)	$	41.864

As of 31 December 2020

Financial Assets		**Level 3**
Financial investments – unlisted or illiquid companies (See Note 5)	$	517.050
		Level 2
Financial liabilities		
Derivative instruments (See Note 12)	$	1.741.469

To measure this equity instrument at fair value, the Group's interest in Derivex's equity was taken as basis, this being the most appropriate method to measure the investment due to the conditions of the counterparty, since there are no market comparables.

(In thousands of pesos)

37. Categories of financial assets and financial liabilities

The categories under IFRS 9 of financial assets and financial liabilities are as follows:

	As of 31 December 2021		As of 31 December 2020	
Activos Financieros	**Current**	**Non-Current**	**Current**	**Non-Current**
Amortized cost				
Cash and cash equivalents	$ 213.701.458	$ -	$ 821.190.708	$ -
Commercial accounts receivable and other receivables	278.597.476	14.614.865	227.849.855	13.767.293
Accounts receivable from related entities	18.351.128	-	3.065.649	-
Other financial assets	8.602.383	-	13.968.629	-
Total financial assets at amortized cost	**$ 519.252.445**	**$ 14.614.865**	**$ 1.066.074.841**	**$ 13.767.293**
Fair value through profit or loss				
Other Financial Assets	4.162.635	-	965.635	-
Total Financial Assets at Fair Value Through Profit or Loss	**$ 4.162.635**	**$ -**	**$ 965.635**	**$ -**
Fair Value with changes in OCI				
Other financial assets	-	481.721	-	517.050
Total financial assets at fair value through OCI	**$ -**	**$ 481.721**	**$ -**	**$ 517.050**

	As of 31 December 2021		As of 31 December 2020	
Financial liabilities	**Current**	**Non-Current**	**Current**	**Non-Current**
Amortized cost				
Other financial liabilities	$ 632.953.457	$ 1.771.817.266	$ 905.238.274	$ 1.858.512.467
Commercial accounts payable and other payables	300.189.124	-	315.037.310	-
Accounts payable to related entities	45.442.837	-	265.504.246	-
Total financial liabilities at amortized cost	**$ 978.585.418**	**$ 1.771.817.266**	**$ 1.485.779.830**	**$ 1.858.512.467**
Fair value through profit or loss				
Other financial liabilities	41.864	-	1.712.125	29.344
Total financial liabilities at fair value through profit or loss	**$ 41.864**	**$ -**	**$ 1.712.125**	**$ 29.344**

38. Approval of Financial Statements

The general purpose financial statements of the Group as of 31 December 2021 were approved by the Audit Committee according to Minutes No. 71 of 23 February 2022 and approved by the Board of Directors according to Minutes No. 505 of 23 February 2022, in order to be submitted to the General Shareholders' Meeting in accordance with the provisions of the Code of Commerce.

39. Concession Agreement

SPCC requested the modification of the dock design to the National Agency of Infrastructure - ANI; as well as the extension of the term for its construction, having obtained favorable technical and legal opinions, and the formalization Addendum No.001 to the concession agreement was determined.

On 22 December 2014, Addendum No. 001 was signed between SPCC and the National Agency of Infrastructure (ANI), agreeing on or amending the terms of the investment plan and the relevant execution schedule, reversal of the port infrastructure in favor of the Nation, confirmation of the cargo volume and annual growth of 3%, use obligation and priority access of 20% of the annual installed port capacity to load hydrocarbons from royalties and property of the National Hydrocarbons Agency (ANH) and modification of insurance policies according to a new legal provision on the subject.

On 11 March 2016, SPCC was notified of Cardique Resolution 1911 of 14 December 2015, whereby this entity approved the start of the construction works of the fixed dock agreed in the concession agreement.

On 1 November 2016, SPCC filed with the National Infrastructure Agency - ANI a request to transfer the contractual investment plan for the start of construction works in August 2019 and their completion in January 2020.

On 5 January 2018, SPCC received a response from the ANI, stating the non-acceptance of the request for reprogramming the investment plan; the Company will continue to carry out the necessary procedures and internal procedures to continue with the execution of the construction works and the investment plan for the port concession agreement, which began in 2018.

In line with the above and because the investment plan provided in the concession agreement will be executed, the possible regulatory changes provided in CREG Resolution 109 of 2016 will not affect the development of the port concession.

On 13 August 2018 SPCC was notified to attend the meeting to discuss possible contractual breaches related to Concession Agreement 006 of 2010 and Addendum No. 1 of 2014 thereto. On 23 August 2018, a Hearing was held before the ANI to raise charges for breach of concession agreement 006 of 2010 and addendum No. 1 of 2014 thereto. At said hearing, charges were raised to SPCC for the alleged breach of its contractual obligations and the administrative procedure was opened to evidence.

The Board of Directors of Emgesa in session of 25 September 2018 authorized to capitalize the Company for a total value of up to two point nine (2.9) million dollars, for the purpose of complying with Concession Agreement 006 of 2010 and Addendum No. 1 of 2014 thereto, signed between SPCC and the ANI.

On 1 October 2018, in extraordinary session, the General Shareholders' Meeting of SPCC met to approve the capitalization of SPCC for a value of COP 8,391,460,000. This, given the needs expressed by the Board of Directors of the Company to comply with the obligations of Concession Agreement 006 of 2010 and Addendum No. 1 of 2014 thereto, and ensure the logistics of the fuel that guarantees the reliability charge of the Cartagena Power Plant for the period 2019-2022.

On 2 October 2018, the Board of Directors of SPCC in extraordinary session approved the construction of a fixed floating dock in accordance with Concession Agreement 006 of 2010 and Addendum No. 1 of 2014 thereto between the ANI and the Company, as well as the necessary agreements to execute the required works. To date, the management of the Company is complying with what was ordered by the Board of Directors.

On 16 October 2018, SPCC and Sociedad A&D Alvarado & During S.A.S. have signed Service Agreement No. SPCC-01-16102018 for the construction of the fixed dock subject of the opening of the sanctioning administrative process. The value of the agreement including AIU and VAT is $ COP 4,091,558, and is carried out at the Cartagena Thermal Power Plant and with a defined term that runs from 16 October 2018 to 14 September 2019. On 23 November 2018, the initial act was signed as provided in said agreement.

On 29 November 2018, service agreement No. SPCC-02-26112018 was signed for the technical inspection and quality control of the execution and construction engineering of the fixed dock agreement for the unloading of fuel in the power generation plant of Cartagena between the Company and SUMMUM PROJECTS S.A.S.

The National Infrastructure Agency through resolution No. 397 of 12 March 2019 approved the Regulation of Technical Conditions of Port Operation of Sociedad Portuaria Central Cartagena S.A., by virtue of Concession Agreement No. 006 of 30 July 2010, in compliance with ANI Resolution No. 850 of 6 April 2017, which establishes the content of the Regulation of Technical Conditions of Operation of Maritime ports.

On 3 May 2019, the delegate superintendence of ports submitted to Sociedad Portuaria Central Cartagena the good standing certificate for the financial information - IFCG1 - corresponding to the year 2018. The information delivered was the following: complementary disclosures, general information, financial statements, IFC compliance statement, statement of financial position, income statement, comprehensive income statement, direct cash flow, indirect cash flow, changes in equity, notes to the financial statements, accounting policies.

On 4 and 5 June 2019, an annual (unscheduled) supervisory visit from the Engineer Francisco Castro and Lawyer Javier Angulo, officials from the Delegate Superintendence of Ports, was received at Sociedad Portuaria Central Cartagena, with the inspection of 205 items, 98 of which applied to SPCC. In general terms and as stated by the officials, we have a good order in our facilities and complete documentation. They gave us the task to update the singposts of the new SuperPuertos logos once the dock construction project ends (August 2019), as a visual aid for users in the operational area of the port facilities.

On 15 July 2019, the National Infrastructure Agency issued an Order in the administrative sanction process against SPCC, resolving to incorporate the file and give it the evidentiary value that the Law grants to the technical and financial concept issued by the Supervision of Port Concession Agreement No. 006 of 2010, contained in an ANI memorandum filed with No. 2019-303-009629-3 by the Port Projects Manager together with the Manager of the Internal Financial Work Group.

(In thousands of pesos)

This report states that, "at the date of the visit to the facilities, the physical progress of the Work is approximately at 60%, because the precast for the installation of the plate for the dock are already available, and, on the other hand, the pile driving is at 90%, the other activities are in progress and will be carried out according to the schedule for September year."

As a result, the VGC port project manager and the VGC financial manager inform that to date the fine corresponding to the non-execution of the investment plan would be USD 8,800.

With this report, a significant decrease is presented on the possible sanction from USD 14,606.90 to USD 8,800; the ANI transferred the decision issued in the Writ for a period of three (3) days.

On 9 August 2019, Mrs. Claudia Juliana Ferro, ANI official, read in a hearing the operative portion of Resolution 1186 of 2019, "whereby the breach of the contractual obligations assumed by Central Puerto Cartagena S.A. under port concession contract No. 006 is declared, and imposes a fine of US $ 8,800."

On 21 August 2019, the ANI resumed the hearing and, within the term granted, the lawyer Jairo Rivera supported the reasons for disagreement (factual and legal grounds) against administrative act Resolution 1186 of 2019. Upon closing this procedural stage, the ANI unofficially requested the Technical Supervision of the Concession Contract to submit a report on the current status "progress report" within ten (10) business days.

The sanctioning administrative process has not ended and therefore the administrative act is not final. To date, the appeal for reversal has not started.

In relation to the progress traceability in the construction of the fixed dock, the civil works for the construction of the platform and the mooring dolphins of the new fixed dock in Cartagena were completed on 28 November 2019. Some minor works pending for the definitive installation of the dock were developed in early December, in order to have the new fixed dock available safely.

According to addendum No. 2 of the construction agreement with the firm Alvarado & During, the date of completion and delivery of the fixed dock is 20 December 2019, with which the dock will be available for port operations from March 2020, as adaptation works are required for the complete deactivation of the floating dock and the transition of accessory infrastructure from the floating dock to the fixed dock.

In January 2020, the accounting records were filed of the Investment Plan executed as of 31 December 2019, on the construction of the fixed dock in relation to the progress schedule with completion date March 2020. Investments were presented in forms GCSP-F-011 " PRIVATE CAPITAL INVESTMENT PORT MODE" and form GCSP-F-044 "DETAILED REPORT PRIVATE CAPITAL INVESTMENT GOODS FOR PUBLIC USE" signed by the legal representative and current independent auditor. With these recorded book values, the entire contractual obligation of the investment plan is fulfilled.

On 31 January 2020, the ANI approved the Civil and Tort Liability policy No.NB-41960, whose policyholder is SOCIEDAD PORTUARIA CENTRAL DE CARTAGENA S.A. - SPCC and the insured is the NATIONAL INFRASTRUCTURE AGENCY - ANI; SOCIEDAD PORTUARIA CENTRAL DE CARTAGENA S.A. - SPCC and Third Parties, with the following details:

Policy RCE

Contract Value:	USD 371.524
Insured value:	USD 200.065
Premium value:	USD 4.850,31
From:	1 July 2019
To:	1 August 2024

In March 2020, steps were taken to renew the policy UNIFIED BID BOND INSURANCE IN FAVOR OF STATE ENTITIES, whose policyholder is the SPCC and the insured is the NATIONAL INFRASTRUCTURE AGENCY - ANI, and they are under approval process by the ANI.

BID BOND

Insured value:	USD 60.019,00

Premium value:	USD 3.598,31
From:	22 December 2019
To:	22 December 2024

PAYMENT OF SALARIES AND SOCIAL BENEFITS

Insured value:	USD 18.576,20
Premium value:	USD 891,68
From:	December 22, 2019
To:	27 December 2027

Through RESOLUTION No. 20207070006105 of 28 May 2020, the National Infrastructure Agency - ANI revoked Resolution 1186 of 9 August 2019 and declared terminated the administrative sanctioning process initiated against SOCIEDAD PORTUARIA CENTRAL CARTAGENA S.A. on account of the alleged breach of the contractual obligation established in the Fifteenth Clause, numeral 15.33 of the Concession Contract No. 006 of 2010 and Sixth of Addendum No. 1 of 22 December 2014 on the execution of the investment plan with the construction of the fixed dock.

The accounting records of the Investment Plan executed as of June 30, 2020, on the construction investments of the fixed pier in relation to the advance schedule with an end date in March 2020, were structured and filed with the ANI. The investment records were presented in forms GCSP-F-011 " PRIVATE CAPITAL INVESTMENT PORT MODE" and form GCSP-F-044 "DETAILED REPORT PRIVATE CAPITAL INVESTMENT GOODS FOR PUBLIC USE" signed by the legal representative and current independent auditor. With these recorded book values, the entire contractual obligation of the investment plan is fulfilled.

The National Infrastructure Agency, through official letter No. 20203030302971 dated 9 October 2020, released Sociedad Portuaria Central Cartagena from the installation of an information billboard for infrastructure projects, according to Resolution 542 of 9 March 2018 of the Ministry of Transportation, which establishes requirements on the distribution, design and technical parameters of information notices to the public of concession projects.

Through official letter No. 20205320973042 dated 14 October 2020, SPCC issued a financial report on the investments and expenses of Works and Equipment for the third (III) Quarter of 2020, to the Superintendence of Ports and Transportation.

On 12 November 2020, the Final Settlement Act was signed on the construction process of the fixed dock with the collaborating company ALVARADO Y DURING, where it was agreed to modify clause 7.1. "Value" of Contract No. SPCC-01-16102018, in the sense of increasing its value to the sum of $ 807,425, including AIU and 19% VAT on Net Income, for the economic recognition of additional works within the scope of the contract.

Financial report for the second half of 2020:

A report was filed with the National Infrastructure Agency - ANI, report of investments accounted for in the investment plan of the concession contract as of 31 December 2020, the following total values in Colombian pesos:

	VALUES IN THOUSANDS OF COLOMBIAN PESOS		
Investment Item	Value of the Accumulated Investment Plan (1)	Value at Accumulated Risk and Account (2)	Accumulated Investment (3) = (1) + (2)
Infrastructure in Service (1.1. + 1.2.)	$ 4.142.827	$ 807.426	$ 4.950.253
Buildings	4.142.827	807.246	4.950.253
1.2. Buildings by use	-	-	-
Infrastructure under construction	-	-	-
Property, plant and equipment	-	-	-
Dredging	-	-	-
Systems	-	-	-
Total Investment (1 + 2 + 3 + 4 + 5)	$ 4.142.827	$ 807.246	$ 4.950.253

The report as of 31 December 2020, total values in U.S. Dollars are as follows:

	VALUES IN THOUSANDS OF DOLLARS (USD)		
Investment Item	Value of the Accumulated Investment Plan (1)	Value at Accumulated Risk and Account (2)	Accumulated Investment (3) = (1) + (2)
Infrastructure in Service (1.1. + 1.2.)	USD 1.271	USD 225	USD 1.496
Buildings	1.271	225	1.496
1.2. Buildings by use	–	–	–
Infrastructure under construction	–	–	–
Property, plant and equipment	–	–	–
Dredging	–	–	–
Systems	–	–	–
Total Investment (1 + 2 + 3 + 4 + 5)	USD 1.271	USD 225	USD 1.496

Financial report for the second half of 2021:

A report was filed with the National Infrastructure Agency – ANI, report of investments accounted for in the investment plan of the concession contract as of 31 December 2021, the following total values in Colombian pesos (COP):

Report in thousands of Colombian pesos reported to the National Infrastructure Agency – ANI

	VALUES IN THOUSANDS OF COLOMBIAN PESOS		
Investment Item	Value of the Accumulated Investment Plan (1)	Value at Accumulated Risk and Account (2)	Accumulated Investment (3) = (1) + (2)
Infrastructure in Service (1.1. + 1.2.)	$ 5.082.522	$ 62.811	$ 5.145.333
Buildings	5.082.522	62.811	5.145.333
1.2. Buildings by use	–	–	–
Infrastructure under construction	–	–	–
Property, plant and equipment	–	–	–
Dredging	–	–	–
Systems	–	–	–
Total Investment (1 + 2 + 3 + 4 + 5)	$ 5.082.522	$ 62.811	$ 5.145.333

GCSP-F-011 Form

Report of private capital investment in public use assets of the port mode according to the regulatory framework for government entities.

The report as of 31 December 2021, total values in U.S. Dollars are as follows:

Report in thousands of Colombian pesos reported to the National Infrastructure Agency – ANI

	VALUES IN THOUSANDS OF DOLLARS (USD)		
Investment Item	Value of the Accumulated Investment Plan (1)	Value at Accumulated Risk and Account (2)	Acumulated Investment (3) = (1) + (2)
Infrastructure in Service (1.1. + 1.2.)	USD 1.532	USD 16	USD 1.549
Buildings	1.532	16	1.549
1.2. Buildings by use	–	–	–
Infrastructure under construction	–	–	–
Property, plant and equipment	–	–	–
Dredging	–	–	–
Systems	–	–	–
Total Investment (1 + 2 + 3 + 4 + 5)	USD 1.532	USD 16	USD 1.549

Form in dollars

Report of private capital investment in port mode public use assets.

Payment of Special Contribution to the Superintendence of Ports and Transport

In compliance with resolution number #17086 of December 14, 2021, of the Ministry of Transportation and Superintendence of Transportation, which establishes the differential rates for the Special Surveillance Contribution to be paid to the Superintendence of Transportation by all the subjects subject to its surveillance, inspection and control, for fiscal year 2021, such as Sociedad Portuaria Central Cartagena S.A., a single payment of this obligation was made in the amount of $ 2,758.00.

40. Relevant Issues

Merger filing

On 1 October 2021, the request for authorization of the merger by absorption between Emgesa S.A. E.S.P., (as absorbing 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 Superintendence of Companies of Colombia. Once the merger is approved and perfected by public deed, the absorbed companies will be dissolved without liquidation and the absorbing company will acquire their assets, rights and obligations in accordance with Article 178 of the Code of Commerce.

Covid-19

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, which include: isolation, confinement, quarantine and restriction of the free movement of people, closure of public and private premises, except those of basic necessity and health, closure of borders and reduction drastic air, sea, rail and land transport. In Colombia, the Government has adopted various legislative measures to alleviate the adverse effects, both human and economic-financial, that could occur, where appropriate, caused by this health crisis caused by 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 level, aimed at ensuring the continuity of business activity; and, in particular, in certain sectors of activity in the country.

The Group informs that it has been adopting a set of measures in order to mitigate the impact of COVID-19 in the development of its activity, as well as compliance with the measures established by the National Government.

The Contingency Plan implemented by the Group is detailed below, which was structured in four main focal points:

1. **Protection of Personnel:** The Group has implemented a series of measures to protect the technical human resources that are located in the generation plants, as well as the administrative and support personnel located in the corporate buildings, thus minimizing the number of people present in plants and offices, in order to reduce the risk of infection.

   After the activation of the Business Continuity Plan on March 9, 2020, the first measures adopted by EMGESA S.A. E.S.P. were the cancellation of national and international trips, corporate events, internal group training, and made a strong call for individual self-care through campaigns that he activated through internal means. These measures have been maintained during 2021, in addition to Covid prevention, the Group has promoted information on vaccination as a measure to mitigate the impact of Covid infection.

   As of December 2021, although the government has made the measures more flexible (Circular 0392 of 25 March 2021), EMGESA S.A. E.S.P. is maintaining biosafety measures such as the 1.5 meter distance in the facilities, working at home for those people whose duties allow it, self-care campaigns and certification in biosafe operations with the ICONTEC institute.

   In total, 51% of EMGESA's workers are performing their tasks through this modality. Forty-nine percent attend the plants on a permanent or occasional basis according to the needs of the service. Maintaining the criterion that all people who go out to the operation must have a negative PCR test and subsequently present medical follow-up.

   To the group of people who work in the field, the Group delivered the necessary protection elements to carry out their activities with all the security measures. In addition, operating shifts were strategically optimized, operational flexibility is periodically evaluated, and permanent health monitoring and prevention campaigns led by the HSEQ Sub-management for workers and their families. In addition, we strictly comply with all cleaning and disinfection protocols for common areas.

As of 31 December 2021, 98% of Emgesa's employees have at least one dose. Enel Emgesa through ANDI has ensured the vaccination of 2,084 people, this process began in July including employees, one family member per employee and some essential contractors who have not yet been vaccinated with the national government, the value of the complete scheme per person is $213,718 which covers two doses sinovac: includes purchase of the biological, transportation and logistics of application. In November 2021 the government enables the vaccination of children between 3 and 17 years of age. As of 31 December 2021, 1032 people have been vaccinated through this scheme, distributed among 298 direct workers, 397 contractors, 308 family members, 56 minors between 3 and 17 years of age and 41 former workers who started the vaccination process while they were employed by the company.

2. **Financial soundness and access to financing:** Despite the possible impacts due to the circulation of the Omicron variant, Emgesa S.A. E.S.P. maintains a stable financial position, which allows it to effectively face the challenges of the COVID19 contingency. Additionally, as a preventive measure, in April, the Group closed a committed line of credit for USD$42 million for immediate use if necessary, with a one-year term. The Group also has ample access to financing to meet future cash needs in the local and international market if required, and in July 2021 its risk rating was affirmed at "AAA" on a national scale by Fitch Ratings. To date there are no material impacts on revenues, net income, cash flow and equity. In the event of any significant impact, the market will be informed in a timely manner.

   We highlight that to date there are no material impacts on income, net income, cash flow and equity. In the event of any significant impact, it will be promptly informed to the market.

3. **100% Virtual Customer Service and Solid Commercial Operations:** 100% customer service is performed virtually; additionally, information has been released through webinars to encourage payment through virtual channels, in addition to the payment button on the website and non-face-to-face assistance schemes. 100% of the billing is electronic and the response to the PQR's is made through an application, responding directly to the client by email.

4. **Sustained Supply:** The fulfilment of energy and gas supply contracts in the wholesale market and in the non-regulated market are being carried out without impacts. All the measures established by the Ministry of Mines and Energy and the Energy and Gas Regulation Commission have been adopted in the current situation.

   The supply of fuel for our thermal power plants is being carried out in a stable way according to the energy situation of the country.

   In conclusion, with the contingency plan activated, the Group has reacted positively both at an operational and financial level, therefore, at this time no substantial risks have been identified.

   The Group will continue to closely monitor the evolution of COVID 19, other measures that may be implemented by the National Government and the eventual impact on the business, which, if significant, will be promptly reported to the market.

Impairment test: As of 31 December 2021, the Group performed the impairment test, with which it was determined that there are no indications of impairment that could affect the recognition of its assets.

41. Subsequent Events

CREG Resolution 101 004

On February 17, 2022, Resolution 101 004 of the CREG was published in the official gazette number 51951, which establishes the opportunity in which the Firm Energy Obligations of the Reliability Charge (energy supply to supply the demand evaluated under critical hydrology conditions) will be assigned to those who represent existing plants for the periods between December 1, 2023 to November 30, 2024, and December 1, 2024 to November 30, 2025.

Emgesa S.A E.S.P. is evaluating whether to accept the allocation of the reliability charge for the Termocartagena power plant for the period 2024 - 2025; notwithstanding the above, the power plant will continue operating in compliance with the firm energy obligations assigned and sustaining the current operating and generation capacity.

enel

emgesa